

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
February 25, 1999**

CASE NO: GR-99-315

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Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copy:

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Tariff)
to Revise Natural Gas Rate Schedules.) Case No. GR-99-315

ORDER DIRECTING FILING OF TESTIMONY

On January 26, 1999, Laclede Gas Company (Company) submitted to the Commission tariffs reflecting increased rates for natural gas service provided to customers in the Missouri service area of the Company. On February 9, 1999, the Commission issued a Suspension Order and Notice suspending the tariff effective date, setting a deadline for interventions, and setting the date for hearing.

Inasmuch as the Commission is required by law to give rate increase cases preference over all other questions pending before it and to decide such cases as quickly as possible, and since the burden of proof that the proposed rates are just and reasonable is upon the Company proposing such rates, the Company should file its prefiled direct testimony in support of its proposed rate increase as ordered below.

Company shall include in its prefiled testimony its recommendation concerning the proper test year to be used in these proceedings. The Company should submit any request for a true-up in a motion concurrent with its prefiled direct testimony. This request should include a proposed date to which the Company's financial data is to be brought forward as well as a proposed time for a true-up

hearing. The Company's proposal should also specify a complete list of accounts or items of expense, revenues and rate base designed to prevent any improper mismatch in those areas. The Commission will not consider a true-up of isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue-expense-rate base match at a proper point in time. Re: Kansas City Power & Light Company, 26 Mo. P.S.C. (N.S.) 104, 110 (1983).

Company's, Staff's and other parties' test year proposals should include a specific 12-month period as a test year and should include any additional period for which Staff or another party has updated significant items from the test year. The test year with the additional period will be called a test year as updated, or updated test year. In addition to a proposed test year or a proposed test year as updated, a party may request isolated changes, such as those imposed by governmental bodies, as part of its case and the Commission will consider whether those isolated changes are known and measurable and whether they should be included in Company's revenue requirement. An issue to be considered in this determination is whether the proposed adjustment affects the matching of rate base, expenses and revenue.

IT IS THEREFORE ORDERED:

1. That the Company shall file an original and 14 copies of its prepared direct testimony and schedules and minimum filing requirements with the Secretary of the Commission on or before

March 11, 1999. Company shall provide 11 additional copies of its testimony to Staff.

2. That the Company shall file its recommendation concerning the proper test year for use in this case in a separate pleading concurrent with its prepared direct testimony and exhibits.

3. That the Company shall file any request for a true-up audit and hearing in a separate pleading concurrent with its prepared direct testimony and exhibits.

4. That Commission Staff, the Office of the Public Counsel and intervenors shall file, on or before April 1, 1999, a pleading indicating concurrence in Company's recommended test year, or shall recommend alternatives to Company's recommended test year.

5. That Commission Staff, the Office of the Public Counsel and intervenors shall file, concurrent with their prefiled direct testimony, a pleading stating their recommendation concerning a true-up.

6. That this order shall become effective on March 9, 1999.

BY THE COMMISSION

(S E A L)



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Nancy Dippell, Senior Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1)
(November 30, 1995) and Section 386.240,
RSMo 1994.

Dated at Jefferson City, Missouri,
on this 25th day of February, 1999.

ALJ/Sec'y: Dyppell Pope
2-23 2-26 *
Date Circulated Return by 3 p.m.

GR-99-315
CASE NO.

SP 03
Lumpkin, Chair
CR
Crumpton, Commissioner
assent
Murray, Commissioner
assent
Schemenauer, Commissioner
inlled
Drainer, Vice-Chair

* Must be received no later
than Friday, Feb. 26.

**STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson
City,

Missouri, this 25TH day of FEBRUARY, 1999.



Dale Hardy Roberts

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**