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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 23rd  
day of September, 1999.

In the Matter of the Laclede Gas Company's Tariff )  
Sheets to Extend and Revise the Company's Gas ) Case No. GT-99-303  
Supply Incentive Plan. )

**ORDER APPROVING TARIFF PURSUANT TO COMMISSION ORDER**

The Commission issued a Report and Order on September 9, 1999, which approved a modified version of Laclede's proposed Gas Supply Incentive Plan (referred to as the GSIP II) for a period of one year. On September 14, 1999, Laclede Gas Company (Laclede) filed tariff sheets in order to comply with the Report and Order. The proposed tariff sheets bear an effective date of effective October 1, 1999. On September 16, 1999, Laclede filed a letter stating that the company had inadvertently included two tariff sheets (Nos. 28-c and 28-c.1) that should not have been filed; Laclede requested that these two sheets be withdrawn.

On September 17, 1999, Laclede filed a Request for Clarification and/or Reconsideration. Laclede states that there are two aspects of the Report and Order which it believes require clarification or reconsideration. The first aspect involves Laclede's proposal to incorporate a Fixed Price Component into its gas procurement incentive. Laclede indicates that it is unclear from the Report and Order whether the Commission approved Laclede's original fixed Price Component proposal or

the proposed modification, and therefore Laclede requests clarification so that it will be able to file compliant tariff sheets.

Laclede's second concern is the Commission's decision to limit the term of the program to one year. Laclede suggests that it be allowed to adopt a tariff provision that explicitly permits the GSIP to be suspended if legislation significantly affecting the program becomes effective. The tariff provision could further provide for the establishment of a subsequent proceeding for the purpose of determining whether the GSIP should be permanently canceled, or continued in some modified form to account for the effect of the legislation. Laclede contends that in the absence of such legislation, the program should be permitted to continue to operate beyond one year, without the necessity of conducting another proceeding.

The Staff of the Commission (Staff) filed a memorandum on September 20, 1999. Staff notes that the Gas Procurement section of the Report and Order, contained on page 15, references the proposal to incorporate a Fixed Price Component but does not clearly state that the Fixed Price Component should be included in the GSIP II. Therefore, Laclede's tariff filing does not include a firm Fixed Price Component provision. The tariff sheets do contain a one-year term as directed by the Report and Order. Staff states that it has reviewed the tariff filing and has determined that it is in compliance with the Report and Order and that there is good cause for approval of the tariff sheets on less than thirty (30) days notice.

Also on September 20, 1999, the Office of the Public Counsel (Public Counsel) filed an application for rehearing. Public Counsel asserts that certain portions of the Report and Order are unlawful, unjust and unreasonable, and should therefore be reheard. Public Counsel finds fault with the Commission's decision regarding Public Counsel's request that Laclede's tariffs contain a "market out chance" for all parties. Public Counsel also alleges that the Report and Order, with respect to the issue of capacity release and the decision to set the baseline for the pipeline discount component of the incentive plan at \$13 million, is arbitrary, capricious, unreasonable and unjust.

The Commission has reviewed the tariff filing, Laclede's request for clarification and/or reconsideration, the Staff memorandum, and the Public Counsel's application for rehearing. The Commission will address the request for clarification and/or reconsideration and the request for rehearing in a separate order. The Commission determines that the tariff filing complies with the Commission's Report and Order of September 9, 1999, with the caveat that the Fixed Price Component of the gas procurement incentive portion of the plan, and the request to reconsider the length of the term, will be addressed in separate orders. The Commission also determines that good cause exists to approve the tariffs in less than thirty days.

**IT IS THEREFORE ORDERED:**

1. That the following tariff sheets, filed September 14, 1999, be approved to become effective on October 1, 1999:

P.S.C. MO. No. 5 Consolidated

Sixth Revised Sheet No. 23 CANCELING Fifth Revised Sheet No. 23  
Fourth Revised Sheet No. 24 CANCELING Third Revised Sheet No. 24  
Third Revised Sheet No. 25 CANCELING Second Revised Sheet No. 25  
Second Revised Sheet No. 26 CANCELING First Revised Sheet No. 26  
Second Revised Sheet No. 27 CANCELING First Revised Sheet No. 27  
Second Revised Sheet No. 28 CANCELING First Revised Sheet No. 28  
Second Revised Sheet No. 28-a CANCELING First Revised Sheet No. 28-a  
First Revised Sheet No. 28-b CANCELING Original Sheet No. 28-b

2. That this order shall become effective on September 30, 1999.

BY THE COMMISSION



Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

Crompton, Drainer, Murray,  
and Schemenauer, CC., concur.  
Lumpe, Ch., absent.

Ruth, Regulatory Law Judge

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COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION