STATE OF MISSOURI PUBLIC SERVICE COMMISSION JEFFERSON CITY February 3, 2000

CASE NO: GO-2000-395

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Laclede Gas Company 720 Olive Street, Room 1520 St. Louis, MO 63101

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

Sincerely,

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's) Case No. GO-2000-395
Gas Supply Incentive Plan (GSIP II).)

ORDER DIRECTING REPORTS AND REGARDING REVISED TARIFF SHEET

On December 29, 1999, the Staff of the Missouri Public Service Commission (Staff) filed a motion requesting that the Commission open a case in connection with the Gas Supply Incentive Plan (GSIP II) of Laclede Gas Company (Laclede or Company). Laclede filed a response on January 10, 2000, indicating that it has no objection to a case being opened for the purpose of monitoring the GSIP II. Laclede recommended that it be required to file an annual monitoring report showing firstyear results of the GSIP II at the same time as the Company's 1999/2000 Actual Cost Adjustment (ACA) filing (November 2000). Company indicated that it intends to use the form of monitoring report previously approved by the Commission, but modified as appropriate. Laclede further requested that the Staff's audit of the Company's timed to coincide with its audit ACA performance be aforementioned ACA filing. Laclede proposed to make quarterly summaries of its GSIP II performance available to Staff and the Office of the Public Counsel.

On January 20, 2000, Staff filed a response to Laclede's motion, indicating that Staff has no objections to Laclede's reporting

proposals, provided that the scope of Staff's review is not limited to an audit of the transactions themselves. Staff stated that in order to ensure full and proper evaluation of the GSIP II, Staff should be authorized to inquire into supporting documentation as well as other aspects of the plan, such as the underlying rationales and strategies. Furthermore, Staff indicated that it intends to exercise review authority at such time as each quarterly report becomes available.

Upon review of the company's motion and Staff's response, the Commission determines that Laclede's proposals regarding the submission of reports is reasonable, subject to the condition that Staff's continuing evaluation of the GSIP II shall not be limited in scope to a review of the mere transactions themselves. In addition, Staff is authorized to exercise its review authority at such time as each quarterly report becomes available.

The Commission notes that on February 1, 2000, Laclede filed a revised tariff sheet, P.S.C. Mo. No. 5 Consolidated, Fourth Revised Sheet No. 28-a. Following standard Commission procedure, the revised tariff sheet was not directed to any particular case. Laclede notes that the purpose of the revised tariff sheet is to modify the provisions of the Company's revised GSIP II to extend the term of the GSIP II and the circumstances under which it may be modified or terminated. The revised tariff sheet has an issue date of January 31, 2000, and a tariff effective date of March 3, 2000. As the revised tariff sheet is closely related to the current case, the Commission will direct the Records Department to file the tariff in this case. Any further filings regarding the revised tariff sheet shall also be

filed in this case. The Commission will also direct Staff to file a memorandum regarding the proposed tariff sheet, including a recommendation as to whether or not the proposed tariff sheet should be approved.

IT IS THEREFORE ORDERED:

- 1. That Laclede Gas company shall file an annual monitoring report showing first-year results of the GSIP II at the same time as it files the Company's 1999/2000 ACA (November 2000). Staff is directed to time its audit of the Company's ACA performance to coincide with the audit of the aforementioned ACA filing.
- 2. That Laclede Gas Company shall make quarterly summaries of its GSIP II performance available to both the Staff and the Office of the Public Counsel. Staff may exercise its review authority each time a quarterly report becomes available.
- 3. That the Records Department of the Missouri Public Service Commission is directed to file Laclede Gas Company's revised tariff sheet, P.S.C. Mo. No. 5 Consolidated, Fourth Revised Sheet No. 28-a, in this case.
- 4. That the Staff of the Commission is directed to file a memorandum, including a recommendation as to whether or not the proposed tariff sheet should be approved, on or before February 15, 2000.

5. That this order shall become effective on February 15, 2000.

BY THE COMMISSION

K HARD Roberts

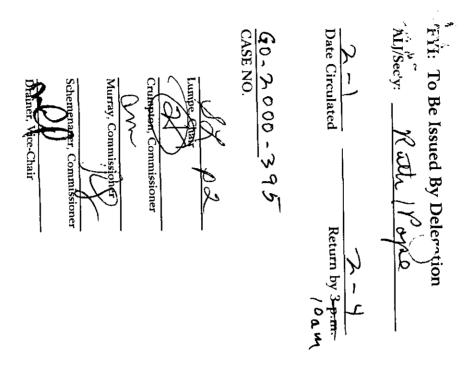
Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

Vicky Ruth, 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 3rd day of February, 2000.



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 3^{RD} day of FEBRUARY 2000.

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge