

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
August 10, 2000**

**CASE NO: GF-2000-843**

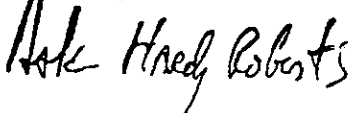
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720 Olive Street, Room 1520  
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**Enclosed find certified copy of an Order in the above-numbered case(s).**

Sincerely,



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

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 10th  
day of August, 2000.

In the Matter of the Application of	)	
LACLEDE GAS COMPANY for an Order	)	
Authorizing LACLEDE GAS COMPANY to Issue	)	
and Sell First Mortgage Bonds, Unsecured	)	
Debt and Authorized but Unissued Common	)	
Stock of the Company in a Total Amount not	)	
to Exceed \$350,000,000 together with	)	<u>Case No. GF-2000-843</u>
Certain Rights to Accompany the Common	)	
Stock and Any Additional Shares of Common	)	
Stock as May Be Required by the Exercise	)	
of Such Rights; All Pursuant to a Universal	)	
Shelf Registration Statement	)	

**ORDER GRANTING APPLICATION**

On June 23, 2000, Laclede Gas Company (Laclede) filed an Application for a Commission order authorizing it to issue and sell first mortgage bonds, unsecured debt and authorized but unissued common stock of the company in a total amount not to exceed \$350,000,000 together with certain rights to accompany the common stock and any additional shares of common stock as may be required by the exercise of such rights; all pursuant to a universal shelf registration statement. Laclede's application requested that the Commission expedite its consideration of the application and approve it no later than August 23, 2000. On July 3, Laclede, in response to a Notice of Deficiency and Order Directing Compliance issued by the Commission, filed a Motion for Expedited

Treatment again asking that the Commission grant it the requested authority by August 23.

On July 31, the Staff of the Commission (Staff) filed a Recommendation and Memorandum regarding Laclede's application. Staff recommends that the Commission approve the Application with the following conditions:

- 1) That the interest rate on any fixed rate security issued shall not exceed 300 basis points over the U.S. Treasury rate for a comparable maturity, and the interest rate on any variable rate security issued shall not have an initial interest rate that exceeds 300 basis points over the U.S. Treasury rate for a comparable maturity.
- 2) That nothing in this order shall be considered a finding of the Commission of the reasonableness of the expenditures herein involved, the value for ratemaking purposes of the properties herein involved, or as an acquiescence in the value placed upon said properties by Laclede Gas Company. Furthermore the Commission reserves the right to consider the ratemaking treatment to be afforded these financing transactions, and their resulting cost of capital, in any later proceeding.

On August 9, Laclede filed a Response to Staff Recommendation in which it indicated that it has no objection to the two conditions recommended by Staff.

Staff's memorandum indicates that the Commission has traditionally imposed an interest rate cap on a company's issuance of debt. In this case Staff and Laclede agree that the interest rate cap should be set at 300 basis points above the level of U.S. Treasury securities of a comparable maturity. If during the life of this shelf registration the interest rate Laclede would have to pay on debt exceeds 300 basis points over the U.S. Treasury rate, the Staff believes that Laclede would have

the right to come before the Commission and ask for approval to exceed the cap.

The Commission has reviewed and considered Laclede's Application and the Recommendation and Memorandum of Staff and concludes that the Application should be granted, subject to the conditions recommended by Staff.

**IT IS THEREFORE ORDERED:**

1. That the Application filed by Laclede Gas Company for an order authorizing it to issue and sell first mortgage bonds, unsecured debt and authorized but unissued common stock of the company in a total amount not to exceed \$350,000,000 together with certain rights to accompany the common stock and any additional shares of common stock as may be required by the exercise of such rights, all pursuant to a universal shelf registration statement, is granted.

2. That Laclede Gas Company is authorized to issue and sell bonds, unsecured debt and common stock with attached rights, pursuant to the terms and conditions as described in its Application, in an aggregate amount not to exceed \$350,000,000 at any time, or from time to time, for a period after the effective date of this order up to September 1, 2003.

3. That Laclede Gas Company is authorized to issue any additional common stock due to any exercise of such rights as are described in its Application.

4. That Laclede Gas Company is authorized to enter into, execute, deliver and perform the necessary agreements, indentures, notes, and other documents and filings concerning such Securities.

5. That the interest rate on any fixed rate security issued shall not exceed 300 basis points over the U.S. Treasury rate for a comparable maturity, and the interest rate on any variable rate security issued shall not have an initial interest rate that exceeds 300 basis points over the U.S. Treasury rate for a comparable maturity.

6. That nothing in this order shall be considered a finding of the Commission of the reasonableness of the expenditures herein involved, the value for ratemaking purposes of the properties herein involved, or as an acquiescence in the value placed upon said properties by Laclede Gas Company. Furthermore, the Commission reserves the right to consider the ratemaking treatment to be afforded these financing transactions, and their resulting cost of capital, in any later proceeding.

7. That this order shall become effective on August 22, 2000.

**BY THE COMMISSION**



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

(S E A L)

Lumpe, Ch., Drainer, Murray, and Simmons, CC., concur  
Schemenauer, C., absent

Woodruff, Regulatory Law Judge

ALJ/Sec'y: Woodruff/Boyer

8-4 GF-2000-843  
Date Circulated CASE NO.

SL p2 addition  
Lumpe, Chair

del  
Drainer, Vice Chair

CM  
Murray, Commissioner

absent  
Schemenauer, Commissioner

KS  
Simmons, Commissioner

8-10  
Agenda Date

Action taken: 4-0 AA  
Must Vote Not Later Than \_\_\_\_\_

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 10<sup>th</sup> day of Aug. 2000.

Dale Hardy Roberts

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

