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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 2nd
day of November, 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 DENYING REQUEST FOR CLARIFICATION

On September 9, 1999, the Commission issued a Report and Order approving a modified version of Laclede Gas Company's (Laclede) Gas Supply Incentive Plan (GSIP II). On September 21, 1999, Missouri Gas Energy (MGE) filed a Motion for Clarification. MGE noted that the Commission's September 9, 1999, Report and Order determined that ". . . Public Counsel's position regarding off-system sales has some merit" and found that "this component [off-system sales] should be removed from the GSIP II and instead should be addressed in Laclede's current rate case, Case No. GR-99-315." MGE requests that the Commission clarify this portion of the Report and Order in several respects.

First, MGE argues that the Commission should clarify that this statement does not stand for the general proposition that off-system sales activities and revenues fall within the jurisdiction of the Commission. MGE alleges that to the extent Laclede has proposed a mechanism to share off-system sales revenues in its original GSIP and

GSIP II or is willing to accept rate case treatment of off-system sales, Laclede has simply made an election to permit jurisdictional treatment of off-system sales revenues that is not required by the law. MGE states that its position on this issue is that, absent an election by the company to credit such nonjurisdictional revenues to the benefit of jurisdictional customers, off-system sales revenues cannot be subject to Commission jurisdiction. The Commission has considered MGE's argument and concludes that clarification is unnecessary.

Second, MGE contends that the Commission should also clarify that its treatment of off-system sales revenues in this case is part of a larger incentive structure that Laclede may elect to accept or reject. MGE states that in the event of rejection, the traditional Purchased Gas adjustment (PGA) process, which does not credit off-system sales revenues to the benefit of jurisdictional customers, has been made available. The Commission has reviewed the Report and Order and finds that it does clearly indicate, in ordered paragraph 3, that Laclede may either file a revised tariff implementing a modified Gas Supply Incentive Plan (GSIP II) or file a notice that Laclede elects to return to the traditional PGA/ACA process once the current experimental Gas Supply Incentive Plan expires. The Commission does not believe that the Report and Order needs clarification on this issue.

Third, MGE requests that the Commission clarify that its treatment of off-system sales revenues in this case does not mean that off-system sales revenues generated by non-Missouri-jurisdictional divisions of a corporation which owns a Missouri-jurisdictional division

(e.g., Southern Union Gas as a division of Southern Union Company which owns Missouri Gas Energy) are to be credited to the benefit of Missouri jurisdictional customers. The Commission has reviewed MGE's argument and determines that this issue is beyond the scope of this case and should not be addressed here.

The Commission has reviewed MGE's motion for clarification and finds that MGE's application does not present sufficient reason for clarification.

IT IS THEREFORE ORDERED:

1. That the request of Missouri Gas Energy for clarification is denied.
2. That this order shall become effective on November 12, 1999.

BY THE COMMISSION



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

(S E A L)

Lumpe, Ch., Crumpton, Drainer,
Murray, and Schemenauer, CC., concur

Ruth, Regulatory Law Judge

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COMMISSION COUNSEL
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