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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 18th  
day of November, 1997.

In the matter of Laclede Gas Company's tariff )  
sheets to be reviewed in its 1996-1997 Actual ) Case No. GR-97-222  
Cost Adjustment. )

ORDER APPROVING INTERIM RATES

Laclede Gas Company (Laclede or Company) of St. Louis, Missouri, submitted a tariff sheet to the Commission on November 4, 1997, carrying an effective date of November 19, 1997. On November 12, 1997, Laclede submitted a substitute tariff sheet correcting an error. The tariff sheet was filed to reflect scheduled changes in Laclede's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season. Additionally, the Actual Cost Adjustment (ACA) factor and the Refund factor increased as well as the PGA, ACA and Refund factors for its Liquid Petroleum (LP) service.

The net effect of this filing will increase the current Total PGA factors. The effect of these changes will increase the 1997-1998 winter season revenues by approximately \$30.9 million as compared to the 1996-1997 winter season revenues. The winter season includes the months of November through March. The impact on a typical residential space heating customer using 888 therms of natural gas in the winter season will be an increase of approximately \$45.01. This represents an increase of approximately 9.0% in this customer's winter season bills.

The Company claims that the Gas Supply Incentive Plan (GSIP) has resulted in a total gas cost savings of approximately \$35 million during this ACA period. The Company's share of this savings is approximately \$7.4 million. Laclede has collected \$1.5 of the \$7.4 million during this ACA period. The proposed ACA factor in this filing contains a GSIP adjustment increasing revenues by approximately \$5.9 million which reflects the uncollected portion of the Company's total share. The ratepayers share is approximately \$27.6 million. The GSIP is allowed pursuant to Case No. GR-96-193, whereby the Company and its customers share in specified savings and revenues realized by the Company in acquiring, utilizing, and managing its gas supply portfolio.

27.

The Staff of the Commission (Staff) filed a memorandum stating that the change in Laclede's PGA was calculated in conformance with the Company's approved PGA Clause and recommends that the Commission approve the tariff sheet, as substituted, to become effective on November 19, 1997. Staff stated that Laclede's PGA Clause allows for ten (10) business days notice for filings reflecting PGA changes. Staff recommended that the tariff sheet be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-97-222 and GR-96-181. The Staff also requested that the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of the ACA period and submit its results and recommendations regarding the Company's GSIP monitoring report and this ACA filing to the Commission on or before September 1, 1998.

The Commission has reviewed the tariff sheet, Staff's recommendation and request, and finds that the tariff conforms with Laclede's Commission-approved PGA Clause and is therefore reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission finds that the proposed tariff sheet, as substituted, should be approved to become effective for service rendered on and after the requested effective date of November 19, 1997, interim subject to refund.

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**IT IS THEREFORE ORDERED:**

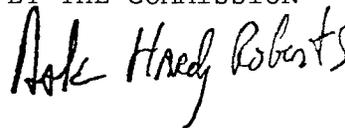
1. That the tariff sheet submitted on November 4, 1997, and substituted on November 12, 1997, by Laclede Gas Company of St. Louis, Missouri, is approved on an interim basis, subject to refund, to become effective for service rendered on and after November 19, 1997. The tariff sheet approved is:

P.S.C. MO. No. 5 Consolidated  
One Hundred and Seventy-Second Revised Sheet No. 29 CANCELLING One Hundred and Seventy-First Revised Sheet No. 29

2. That the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of this ACA period and submit its results and recommendations regarding this ACA filing on or before September 1, 1998.

3. That this order shall become effective November 19, 1997.

BY THE COMMISSION



Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

Lumpe, Ch., Crumpton, Murray,  
and Drainer, CC., Concur.