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Missouri Public
Service Commission

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2000-622, File No. 200001226, Laclede Gas Company

FROM: ^{DB} Daniel Beck, Gas Department - Tariffs/Rate Design ^{MMB}

Robert Metzger 7/7/00 *Thomas R. Schwem* 7/10/00
Utility Operations Division/Date General Counsel's Office/Date *RF* 7/10/00

SUBJECT: Staff Recommendation for Laclede Gas Company's Request for a
One-time Waiver and an Unscheduled Summer Season PGA Filing
Effective July 15, 2000.

DATE: July 7, 2000

On June 30, 2000, Laclede Gas Company (Laclede or Company) of St. Louis, Missouri filed a tariff sheet proposed to become effective July 15, 2000. The tariff sheet was filed to reflect unscheduled changes in Laclede's Purchased Gas Adjustment (PGA) factors as the result of changes in the estimated cost of natural gas for the remaining summer season. The summer season includes the months of April through October.

In conjunction with the filing of this tariff sheet, Laclede filed a MOTION FOR WAIVER TO MAKE AN UNSCHEDULED SUMMER PURCHASED GAS ADJUSTMENT FILING (Motion). This Motion requests a one-time waiver from the PGA Clause of Laclede's tariff due to escalations in the market price of gas since its scheduled summer filing. In addition, Laclede cites the following three reasons for approval of this one-time waiver:

1. Send the correct price signal to its customers that will more closely reflect current gas costs;
2. Raise consumer awareness of the possible increases in gas prices this winter; and
3. Mitigate the under-recovery of gas costs this summer which would reduce the possibility of a higher Actual Cost Adjustment (ACA) for the next ACA period.

The net effect of these changes will increase the firm PGA factor for the remainder of the summer season to \$0.52702 per therm from a summer season firm PGA factor of \$0.35892 per therm.

Case No. GR-2000-622, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 1999-2000 ACA filing. Final Commission decisions in Laclede's ACA Case Nos. GR-97-222, GR-98-297, and GR-99-316 for the 1996-1997, 1997-1998, and 1998-1999 ACA periods respectively, are still pending. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-97-222, GR-98-297, GR-99-316, and GR-2000-622.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed the Motion and agrees that the one-time waiver request be granted.

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Staff has also reviewed the PGA filing and has determined that, with the exception of the one-time waiver request to file an unscheduled summer PGA, this filing was calculated in conformance with Laclede's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty days notice is demonstrated by Laclede's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends the Commission grant the one-time waiver as requested by the Company on June 30, 2000, and approve the following tariff sheet to become effective July 15, 2000, interim subject to refund:

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

One Hundred and Eighty-First Revised Sheet No. 29 CANCELLING One Hundred and Eightieth Revised Sheet No. 29

Copies: Director - Utility Operations Division
 Director - Research and Public Affairs Division
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 General Counsel
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 Manager - Gas Department
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