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Chair

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February 5, 2001

BRIAN D. KINKADE  
Executive Director

GORDON L. PERSINGER  
Director, Research and Public Affairs

WESS A. HENDERSON  
Director, Utility Operations

ROBERT SCHALLENBERG  
Director, Utility Services

DONNA M. KOILIS  
Director, Administration

DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

RE: Case No. <sup>GO</sup>~~GR~~-2000-394

FILED<sup>3</sup>

FEB 05 2001

Missouri Public  
Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of **STAFF'S SUGGESTED TARIFF LANGUAGE**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

*Thomas R. Schwarz, Jr.*

Thomas R. Schwarz, Jr.  
Deputy General Counsel  
(573) 751-5239  
(573) 751-9285 (Fax)

TRS:sw  
Enclosure  
cc: Counsel of Record

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**FILED<sup>3</sup>**  
**FEB 05 2001**  
Missouri Public  
Service Commission

In the Matter of Laclede Gas Company's     )  
Experimental Price Stabilization Fund.     )

Case No. GO-2000-394

**STAFF'S SUGGESTED TARIFF LANGUAGE**

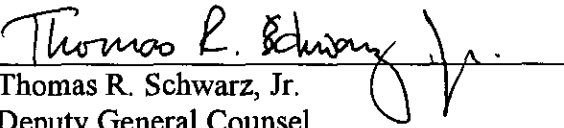
COMES NOW the Staff ("Staff") of the Public Service Commission of Missouri ("Commission"), and pursuant to a Commission order from the bench at the hearing held on February 2, 2001, in the above-captioned matter states as follows:

1. The Commission directed each party to submit by 3:00 p.m. on February 5, 2001, any suggested tariff language changes to effectuate the position of that party.
2. The Staff proposes one change to Laclede Gas Company ("Laclede") tariff sheet 28-e. The Staff recommends striking the word "2002" on the last line of the sheet, and inserting in lieu thereof the word "2001".
3. The Staff proposes one change to Laclede's tariff sheet 28-g. The Staff recommends striking the word "three" on line three of paragraph seven, and inserting in lieu thereof the word "two".
4. Attachment A hereto is a copy of Laclede's tariff sheets 28-e, 28-f, and 28-g, with the corrections noted.
5. The Staff also proposes that the Commission order Laclede to add the language set out on Attachment B to its tariff.

WHEREFORE, having complied with the Commission's order, the Staff requests that the Commission order Laclede to make the changes to its tariff set out above.

Respectfully submitted,

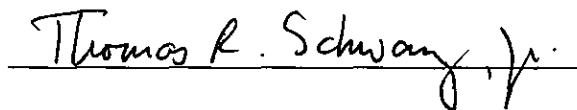
DANA K. JOYCE  
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Missouri Bar No. 29645

Attorney for the Staff of the  
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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 5<sup>th</sup> day of February 2001.



Laclede Gas Company  
Name of Issuing Corporation or Municipality

For Refer to Sheet No. 1  
Community, Town or City

RECEIVED

SCHEDULE OF RATES

OCT 05 2000

G. Experimental Price Stabilization Fund

MISSOURI  
Public Service Commission

1. Overview – For purposes of reducing the impact of natural gas price volatility on the Company's customers, the Company shall maintain a Price Stabilization Fund ("PSF") for the procurement of certain natural gas financial instruments, which procurement shall be subject to the incentive features described below. Except as modified by the terms of the September 1, 2000 Unanimous Stipulation and Agreement approved by the Commission in Case No. GO-2000-394, and subject to the Company's notice of opting out of the price protection incentive features in year two, the parameters of the PSF are included in the Description of the Incentive Price Stabilization Program filed by the Company on June 25, 1999 in Case No. GO-98-484, which description has been designated "Highly Confidential" and is only available to the Missouri Public Service Commission or to any proper party that executes a non-disclosure statement. Accordingly, the definitions of certain terms have not been disclosed herein but are available in such description.

2. Accounting for Expenses and Revenues – The PSF shall be debited with all costs and expenses associated with the Company's procurement of financial instruments and credited with all gains realized from such instruments, subject to the provisions of the Price Protection Incentive and the Overall Cost Reduction Incentive set forth below.

Effective with the Company's 1999 Winter PGA rates, the Company shall include a Price Stabilization Charge in the Commodity-Related unit gas component set forth in paragraph A.2.c. of this clause, as such charge applies to all rate schedules other than LVTSS. Such charge shall be designed to recover from customers the Maximum Recovery Amount ("MRA") established by the Commission in Case No. GO-98-484 for purposes of procuring natural gas financial instruments. The PSF shall be credited with all revenues collected through such charge. Consistent with Section G.7 and subject to the provisions therein, such charge shall be terminated effective with the Company's ~~2002~~ Winter PGA rates.

2001

FILED

00 - 394  
OCT 12 2000

MISSOURI  
Public Service Commission

DATE OF ISSUE October 5, 2000

DATE EFFECTIVE

ISSUED BY

Month Day Year

K.J. Neises,

Name of Officer

Senior Vice President,

Title

720 Olive St.,

Month Day Year

St. Louis, MO 63101

Address

Attachment A

CANCELLING All Previous Schedules.

Laclede Gas Company

Refer to Sheet No. 1

Name of Issuing Corporation or Municipality

For

Community, Town or City

## SCHEDULE OF RATES

Missouri Public  
Service CommissionG. Experimental Price Stabilization Fund

REC'D JUN 25 1999

3. Price Protection Incentive - To provide an incentive for the Company to procure natural gas financial instruments with the greatest amount of price protection, the Company and all customers other than those billed under the LVTSS rate schedule shall share certain gains and costs as follows:

- a) 100% of Type I Gains shall be credited to the PSF;
- b) 75% of Type II Gains shall be credited to the PSF and the remaining 25% shall be credited to the IR Account;
- c) 40% of Type III Gains shall be credited to the PSF and the remaining 60% shall be credited to the IR Account; and
- d) The IR Account shall be debited and the IA Account shall be credited for 100% of Type I Costs.

The foregoing gains and costs shall be calculated in conformance with the parameters approved by the Commission in Case No. GO-98-484.

4. Overall Cost Reduction Incentive - To provide an incentive for the Company to reduce the overall cost of price stabilization, at the end of each ACA year the Company shall account for any differences between the MRA and the net cost of price stabilization ("Actual Cost") for the preceding heating season, exclusive of the gains and costs covered by Section G.3, in accordance with the following schedule:

- a) If the Actual Cost exceeds the MRA, the IA Account shall be credited and the IR Account shall be debited for 100% of such excess;
- b) If the Actual Cost is less than the MRA, the IA Account shall be debited and the IR Account shall be credited for 40% of the difference between the MRA and the Actual Cost so long as such difference is less than \$6,666,666.66; and
- c) If the difference computed in 4.b) above is greater than or equal to \$6,666,666.66, the IA Account shall be debited and the IR Account shall be credited for \$2,666,666.66 plus 60% of the amount by which such difference exceeds \$6,666,666.66.

Missouri Public  
Service Commission

98-484

FILED JUL 23 1999

DATE OF ISSUE June 25, 1999  
month day yearDATE EFFECTIVE  
month day yearISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer title address

JUL 23 1999

CANCELLING All Previous Schedules.

Laclede Gas Company

Name of Issuing Corporation or Municipality

Refer to Sheet No. 1

Community, Town or City

## SCHEDULE OF RATES

Missouri Public  
Service CommissionG. Experimental Price Stabilization Fund

RECD JUN 25 1999

5. Carrying Costs - At the end of each month carrying costs shall be applied to any balance in the PSF at a simple rate of interest equal to the prime bank lending rate as published in The Wall Street Journal on the first day of such month) minus one percentage point.

6. Reconciliation - At the end of each ACA year, any debit or credit balance in the PSF applicable to the preceding heating season, including interest, shall be charged or returned to the Company's non-LVTSS sales customers through the ACA factor established in the next Winter PGA filing. Also, any debits or credits recorded in the IA Account, including any balance from the previous ACA year, shall be accumulated and combined with the appropriate Deferred Purchased Gas Cost Account balances. The Company shall separately record that portion of ACA revenue recovery which is attributable to recovery of the balance in the IA Account. Any remaining balance shall be reflected in subsequent ACA computations.

two Term - The Incentive Price Stabilization Program shall apply to the procurement and liquidation of certain financial instruments for the ~~three~~ heating seasons commencing with the 1999/2000 season. The Commission retains the right, but not the obligation, to review the Program annually and, if necessary, revise it to correct any major deficiencies on or before February 15, of each year of the Program.

Missouri Public  
Service Commission

98 - 484

FILED JUL 23 1999

DATE OF ISSUE June 25, 1999  
month day yearDATE EFFECTIVE [REDACTED]  
month day yearISSUED BY K. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer title address

JUL 23 1999

The Company has the authority to use financial instruments for the purpose of hedging gas supply as it deems prudent. These costs are gas costs and will be subject to a prudence review in the appropriate ACA proceeding.

ATTACHMENT B

**Service List for**  
**Case No. GO-2000-394**  
**Revised: February 5, 2001 (SW)**

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