

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

Staff of the Public Service Commission)	
Of the State of Missouri,)	
)	
Complainant,)	
)	
v.)	Case No. GC-2006-0318
)	
Laclede Gas Company,)	
)	
Respondent.)	
)	
Office of the Public Counsel,)	
)	
Complainant,)	
)	
v.)	Case No. GC-2006-0431
)	
Laclede Gas Company,)	
)	
Respondent.)	

STIPULATION AND AGREEMENT

As a result of their discussions over the past several months, all or some of the parties to this case, which include Laclede Gas Company ("Laclede" or "Company"), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("Public Counsel") and United Steel Workers Local 11-6 ("Local 11-6"), have been able to reach agreement on certain issues raised in this proceeding. The purpose of this Stipulation and Agreement is to submit those agreements for the Commission's consideration prior to the beginning of the evidentiary hearing in this proceeding. Consistent with Commission Rule 4 CSR 240-2.115, any non-unanimous agreement of

the parties on a particular issue shall be considered a non-binding update of their respective positions in this case.

LOCKED METER SHOWING CONSUMPTION ISSUES

All of the parties recommend that the following procedures be implemented by Laclede in resolution of the issues raised in this proceeding regarding how the Company has addressed, and should address, situations in which service has been discontinued but there is an indication of continuing or new consumption of natural gas:

1. Within 90 days of the effective date of any Commission Order approving these stipulated provisions, Laclede shall begin sending, within five business days of discovery, a letter by first class mail to any location where service has been discontinued, but there is an indication of continuing or new consumption of natural gas service. The letter will advise the occupant that service may be discontinued at any time in the event the occupant does not immediately notify the Company of their identity and apply for service. The Company will take all reasonable steps necessary to disconnect the flow of gas to the premises no less than 10 business days and no more than 15 business days after the consumption is detected if it is not contacted by the occupant. Such disconnection may be performed regardless of the outside temperature.
2. Laclede, Staff and the Office of Public Counsel shall also collaborate to develop terms under which service may be disconnected where the unauthorized consumption is taking place at a multi-tenant location and submit their individual or joint recommendations to the Commission by no later than January 1, 2007.

ESTIMATED BILL ISSUES

Laclede, Public Counsel and Local 11-6 recommend that the following measures be implemented in resolution of their issues in this proceeding:

1. Laclede will provide at least \$500,000 in bill credits to all residential customers who received a catch-up bill on or after November 1, 2004, for a period exceeding 12 consecutive months of estimated usage.
2. Except in cases of diversion or fraudulent receipt of service, Laclede shall provide a bill credit to all residential customers described in paragraph 1. Such credit shall be equal to the amount of the catch-up bill that relates to under-billings for usage prior to the 12 consecutive months of estimated bills. This credit shall be reflected on customer bills as soon as reasonably practicable, but no later than on the first bill issued to such customers on or after the 60th day following the effective date of any Commission Order approving these stipulated provisions. In the event any portion of the \$500,000 remains unspent after all such credits have been issued, such amounts shall be credited on a pro-rata basis to all customers qualifying under paragraph 1. Laclede shall separately identify such credits to ensure that the cost of such credits will be borne by Laclede and not recovered from other customers in any future rate case proceeding.
3. Customers receiving catch-up bills shall also be offered the opportunity to spread over a period equivalent to the adjusted under-billing period any catch-up amount, as well as any current or arrearage bill amount, the customer may have accrued at the time the catch up bill is rendered.

4. Laclede agrees to retain an independent consultant acceptable to Public Counsel and Staff for purposes of evaluating and making recommendations on whether the procedures and methods for identifying qualifying customers and calculating their bill credits are effective and appropriate. Laclede further agrees to provide similar bill credits to any customer who has not been identified by such procedures and methods that result in the initial credit, but is later determined to have qualified for such credits. In the event the credit to a subsequently-identified customer is greater than \$25.00, Laclede further agrees to make a \$500.00 contribution to its low income weatherization program for each such customer in order to assist more vulnerable customers with their bills for natural gas service. Laclede shall separately identify such credits and contribution to ensure that the cost of such credits will be borne by Laclede and not recovered from other customers in any future rate case proceeding.
5. Prospectively, Laclede agrees that it will limit any residential billing of an undercharge to no more than twelve months from the date it obtains an actual meter reading or such longer period as may be adopted by the Commission in recognition of any limitations placed upon the Company's ability or right to discontinue service to customers. Nothing herein shall be construed as prohibiting Laclede from filing tariff provisions addressing such time periods for the Commission's consideration.
6. Except in cases of diversion or fraudulent receipt of service, Laclede agrees to provide a prominent written notification (via an extended bill or separate bill insert) to all customers who receive a bill with a catch-up amount of \$100 or more

following an actual meter reading. The notice shall be approved by Staff and Public Counsel and shall advise such customers of their right to pay the catch-up amount (as well as any current or arrearage bill amount the customer may have accrued at the time the catch up bill is rendered) in equal installments over a time period equal to the period over which the under-billing occurred.

7. To better ensure that all customers, including customers seeking to make payment arrangements on their catch-up bills, can obtain prompt customer service assistance from the Company, Laclede has increased its customer call center capacity by adding more personnel and equipment to the already historically high levels that existed prior to the filing of Staff's Complaint. Laclede has also expanded by more than 50% the hours during which its call center handles billing-related inquiries by making personnel available Monday through Friday, from 7:00 in the morning until 7:00 in the evening, and on Saturday, from 8:00 in the morning until 4:30 in the afternoon. These expanded hours will be subject to adjustment in the future if and to the extent call volumes dictate a change. Laclede shall provide Staff and Public Counsel with notice of any changes in their call center hours.
8. Pending full deployment of AMR, Laclede has provided both a verbal and written reminder to its meter reading personnel of the requirement to leave postcard notices at all residences on their routes where a meter reading cannot be obtained informing the customer of the reason why the meter reading could not be obtained and, where applicable, the customer's right to self-read or set up appointments for actual reads. Pending full deployment of AMR, Laclede agrees to continue

documenting this requirement in the job performance requirements and job manuals for all Company meter readers and to retain records of meter readers' compliance.

9. In any locations where an existing trace device has become inoperable and an AMR device has not been installed, Laclede agrees to provide written notice to customers at such locations, on at least a quarterly basis, advising them of their ability to provide self-reads. Laclede further agrees to provide written notice to customers at such locations, immediately and on at least a quarterly basis, advising them of their entitlement to have a Laclede Gas meter reader manually read their meter.
11. Laclede agrees to maintain all records documenting compliance with the customer notification requirements of Commission rules 4 CSR 240-13.020 and 4 CSR 240-13.025 for a period of five (5) years.
12. These agreements are being entered into for the sole purpose of disposing of all of the issues raised by the signatories in this case. Nothing herein, however, shall preclude Laclede from arguing that the measures agreed upon herein are also sufficient to resolve in an appropriate way any other issues that may have been raised in these consolidated cases. None of the agreements or commitments set forth herein shall constitute, or in any way be construed as, an admission by Laclede that it has violated any statute, rule, regulation or tariff provision or by Public Counsel that Laclede has complied with such.
13. In presenting this Agreement, none of the Signatories to this Agreement shall be deemed to have approved, accepted, agreed, consented or acquiesced to any

- ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Agreement (whether this Agreement is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Agreement, except as otherwise expressly specified herein.
14. This Agreement has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not approve this Agreement without modification, then the Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions herein, except as specifically provided herein.
15. This Agreement is expressly contingent on all parties in this case either signing this Agreement or not opposing this Agreement so that it is treated by the Commission as a unanimous stipulation and agreement as set forth in Commission Rule 4 CSR 240-2.115. If anyone opposes this agreement or if the Commission does not unconditionally approve this Agreement without modification, and notwithstanding its provision that it shall become void, neither this Agreement, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions or memoranda, testimony or

exhibits that have been offered or received in support of this Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

16. If the Commission unconditionally accepts the specific terms of this Agreement without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; (4) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000 and (5) their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. These waivers apply only to a Commission order respecting this Agreement issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Agreement.
17. This Agreement contains the entire agreement of the Signatories concerning the issues addressed herein.

Respectfully Submitted,

OFFICE OF THE PUBLIC COUNSEL LACLEDE GAS COMPANY

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Stipulation was served on all of the parties of record on this 7th day of November, 2006 by hand-delivery, email, fax or United States mail.

/s/ Rick Zucker

Rick Zucker