

LACLEDE GAS COMPANY
720 OLIVE STREET
ST. LOUIS, MISSOURI 63101

AREA CODE 314
342-0532

MICHAEL C. PENDERGAST
ASSISTANT VICE PRESIDENT
ASSOCIATE GENERAL COUNSEL

FILED³

SEP 01 2000

Missouri Public
Service Commission

September 1, 2000

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Governor Office Building
200 Madison Street
P. O. Box 360
Jefferson City, MO 65102-0360

RE: Case No. GO-2000-394

Dear Mr. Roberts:

Enclosed for filing, please find the original and eight copies of the Unanimous Stipulation and Agreement in the above-referenced case.

Please file-stamp the additional copy of this Stipulation and return the same in the pre-addressed, stamped envelope provided.

Thank you for your consideration in this matter.

Sincerely,


Michael C. Pendergast

MCP:kz

cc: All parties of record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

SEP 01 2000

Missouri Public
Service Commission

In the Matter of Laclede Gas Company's)
Experimental Price Stabilization Fund.) Case No. GO-2000-394

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Laclede Gas Company ("Laclede" or "Company"), the Staff of the Missouri Public Service Commission ("Staff"), and the Office of the Public Counsel ("Public Counsel") and represent to the Missouri Public Service Commission ("Commission") that they have reached a Unanimous Stipulation and Agreement (hereinafter "Stipulation") in the above-captioned case. For their Stipulation, the Parties state as follows:

1. On July 7, 2000, Laclede filed a Verified Application in the above-captioned case in which it requested authorization to implement certain temporary revisions to its Price Stabilization Program (the "PSP") for the second year of the program. The proposed temporary revisions were designed to provide the Company with additional flexibility and funds to obtain price protection in the wake of significant and continuing upward pressure in the market price for natural gas. Specifically, Laclede requested that the Commission:

(a) Increase to ten million dollars, plus transaction costs, the Maximum Recovery Amount ("MRA") established in Case No. GO-98-484, to procure financial instruments for the upcoming winter heating season;

(b) Specify that the Company may, but shall not be required to, obtain financial protection for the upcoming winter heating season in an amount up to 70% of

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Laclede's normal flowing supply requirements for the months of November through March;

(c) Specify that such financial protection may, at the Company's election, be procured in the same or varying quantities for each month, including zero for certain months; and

(d) Authorize the Company to expand the type of financial instruments it may procure for these purposes to include both collar arrangements and fixed price instruments, with the condition that the Company be authorized to flow through to its customers pursuant to its Purchased Gas Adjustment Clause all realized gains and losses associated with such instruments.

At the time it filed its Verified Application, Laclede also filed a Motion for Expedited Treatment of its Application.

2. On July 19, 2000, the Staff filed its Response to the Verified Application in which it recommended that the Commission grant only part of the relief requested by Laclede in its Application. On July 21, 2000, Public Counsel also submitted a Response. It recommended that the Commission reject Laclede's Verified Application and instead instruct the Company to comply with the terms of its existing PSP. The Company filed its reply to these responses on July 25, 2000.

3. On August 1, 2000, the Commission issued an Order Denying Motion for Expedited Review, Setting Prehearing Conference and Directing Filing of Procedural Schedule. In that Order, the Commission established a prehearing conference for August 17, 2000. As a result of their discussions at the prehearing conference, the undersigned Parties have been able to reach agreement on the modifications set forth in subparagraphs

(b) and (c) of the Company's Verified Application. Specifically, the Parties have agreed that relaxation of the PSP's existing requirement that the Company procure price protection equal to 70% of its flowing supplies is appropriate. By permitting Laclede to obtain price protection for lesser volumes, such a revision will help to reduce the price at which such protection will be triggered for these volumes. Since the winter heating season is only slightly more than two months away, it is critical that such revisions be approved as soon as possible. Accordingly, the undersigned Parties recommend that the Commission issue its Order adopting these modifications at the earliest practical time.

4. Since the Parties were unable to agree on the Company's other proposed revisions to the PSP, all remaining provisions of the existing PSP currently in effect will remain in full force and effect.

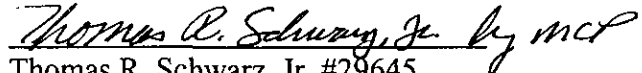
WHEREFORE, the undersigned Parties respectfully request that the Commission issue its Order approving this Unanimous Stipulation and Agreement and directing Laclede to comply with the terms of its existing PSP with the modification that, for this year only, (a) the Company may, but shall not be required to, obtain financial protection for the upcoming winter heating season in an amount up to 70% of Laclede's normal flowing supply requirements for the months of November through March; and

that (b) such financial protection may, at the Company's election, be procured in the same or varying quantities for each month, including zero for certain months.

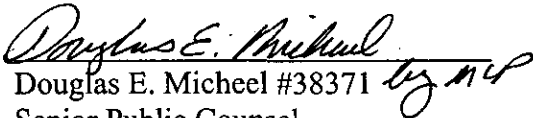
Respectfully submitted,



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CERTIFICATE OF SERVICE

Michael C. Pendergast, Assistant Vice President and Associate General Counsel for Laclede Gas Company, hereby certifies that the foregoing Unanimous Stipulation and Agreement has been duly served upon the General Counsel of the Staff of the Public Service Commission, Office of the Public Counsel and all parties of record to this proceeding by placing a copy thereof in the United States mail, postage prepaid, or by hand delivery, on this 1st day of September, 2000.

