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OF COUNSEL
RICHARD T. CIOTONE

October 24, 2003

Mr. Dale Hardy Roberts
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED

OCT 24 2003

Re: Case No. GR-2002-1103

Missouri Public
Service Commission

Dear Mr. Roberts:

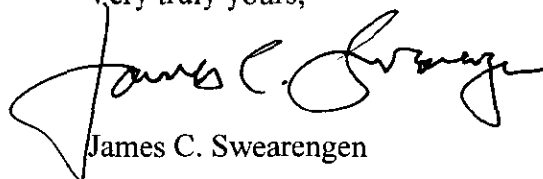
On behalf of Laclede Gas Company, I deliver herewith for filing with the Missouri Public Service Commission in the referenced matter an original and eight (8) copies of an Application for Variance to Make an Accelerated Adjustment to Budget Billing Plan Amounts and Motion for Expedited Treatment.

Copies of this filing will be provided this date to all parties of record.

Would you please bring this filing to the attention of the appropriate Commission personnel.

Thank you very much for your assistance.

Very truly yours,



James C. Swearngen

JCS/lar

Enclosures

cc: General Counsel
Office of the Public Counsel

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

OCT 24 2003

Missouri Public
Service Commission

In the Matter of Laclede Gas Company's Purchased)
Gas Adjustment Tariff Revisions to be Reviewed)
in its 2002-2003 Actual Cost Adjustment)

Case No. GR-2002-1103

**APPLICATION FOR VARIANCE TO MAKE
AN ACCELERATED ADJUSTMENT TO BUDGET BILLING
PLAN AMOUNTS AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW Laclede Gas Company ("Laclede" or "Company"), pursuant to Sections 4 CSR 240-2.060(1) and (4) and 4 CSR 240-080 (16) of the Commission's Rules of Practice and Procedure, and in support of its Application for Variance to Make an Accelerated Adjustment to Budget Billing Plan Amounts and its Motion for Expedited Treatment, states as follows:

General Information

1. Laclede is a public utility incorporated under the laws of the State of Missouri, with its principal office located at 720 Olive Street, St. Louis, Missouri 63101. A Certificate of Good Standing evidencing Laclede's standing to do business in Missouri was submitted in Case No. GF-2000-843 and is hereby incorporated by reference herein for all purposes. Laclede is engaged in the business of distributing and transporting natural gas (and to a limited extent distributing liquefied petroleum gas) to customers in the City of St. Louis and the Counties of St. Louis, St. Charles, Crawford, Jefferson, Franklin, Iron, Ste. Genevieve, St. Francois, Madison, and Butler in Eastern Missouri, as a gas corporation subject to the jurisdiction of the Missouri Public Service Commission (the "Commission").

2. Communications in regard to this Application should be addressed to:

Michael C. Pendergast
Vice President & Associate General Counsel
Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101
(314) 342-0532

3. Laclede has no pending actions or final unsatisfied judgements or decisions against it from any state or federal agency or court, which involve customer service or rates.

4. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

Request for Variance

5. In the past, Laclede has sought and received permission from the Commission to make special adjustments to both its Purchased Gas Adjustment ("PGA") rates and budget billing plan amounts where necessary to respond to significant changes in wholesale gas prices. For example, during the summer of 2000, Laclede recommended, and the Commission approved, an out-of-period PGA adjustment that was designed to bring Laclede's rates more closely in line with the significant increases in wholesale natural gas prices that Laclede and other local distribution companies were experiencing at the time. Similarly, when wholesale natural gas prices subsequently declined toward the end of the 2000/2001 winter, Laclede requested and the Commission authorized subsequent out-of-period adjustments to both Laclede's PGA rates as well as its budget billing plan amounts in order to more quickly reflect such price declines in the amounts being charged its customers.

6. These same kind of considerations have prompted Laclede's request in this Application for permission to make an accelerated adjustment to the monthly plan amounts of customers who use Laclede's levelized payment plan, otherwise known as its Budget Billing Plan. (See Original Sheet No. R-39 of Laclede's tariff, as set forth in Attachment 1 hereto, for a description of the terms and conditions of the Budget Billing Plan). Even though gas prices can change significantly from day to day, they have generally moved downward in the intervening period since Laclede last established its Budget Billing Plan amounts in the summer of 2003.

7. In view of this development, Laclede requests that the Commission approve a one-time variance from its Budget Billing tariff provisions (hereinafter the "Variance") so that the Company may reflect these lower prices in the calculation of its Budget Billing Plan amounts. Such a Variance is necessary because the tariff provisions applicable to Laclede's Budget Billing process specify that the Company will review and adjust its Budget Billing Plan amounts only twice a year, once in January (to become effective in February) and then again in July (to become effective in August). Laclede therefore requests that the Commission grant the Company a one-time Variance from the terms of its Budget Billing tariff so that Laclede can, where applicable, make an accelerated reduction to its Budget Billing Plan amounts, beginning with the Company's first November billing cycle for which bills are read on November 4, 2003 and mailed on November 6, 2003.

8. Laclede believes such a Variance is appropriate for several reasons. First, it will permit the Company's Budget Billing Plan amounts to more closely reflect what Laclede currently expects to pay for gas supplies this coming winter. Absent a

significant increase in gas prices, this should, in turn, reduce the amount of any adjustment that will need to be made in January of next year, when the next Budget Billing adjustment is scheduled to be made. Second, granting the Variance will permit Laclede to immediately reduce at the beginning of the winter heating season Budget Billing Plan amounts for most of its customers billed under such plan. Finally, such action will enable Laclede to adjust its Budget Billing Plan amounts at about the same time that it is revising its PGA rates for other customers as a result of its upcoming November PGA filing. In view of these considerations, Laclede submits that there is good cause for granting the requested Variance.

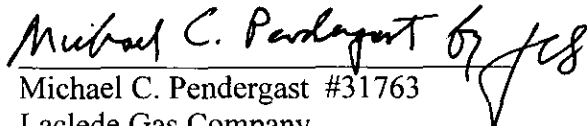
Motion for Expedited Treatment

9. In order to facilitate the Variance requested herein, Laclede respectfully requests that the Commission approve the Company's Application by November 4, 2003. Approval by November 4, 2003 is necessary in order to provide sufficient time for the Company to process and mail new Budget Billing Plan amounts beginning with the Company's first November billing cycle on November 6, 2003. Since Commission approval of the Variance will result in a reduction in Budget Billing Plan amounts for most of the Company's customers billed under such plan, Laclede submits that neither its customers nor the general public will be negatively affected by expedited approval of the Variance. To the contrary, they will benefit from such action.

10. Consistent with 4 CSR 240.080(16)(C), Laclede submits that its Motion for Expedited Treatment was filed as soon as it could have been, given the Company's need to wait until more contemporaneous natural gas pricing data became available and could be reviewed by the Company.

WHEREFORE, for the foregoing reasons, Laclede respectfully requests that the Commission grant the Company's Application for a Variance from the terms of its budget billing tariff and its Motion for Expedited Treatment so that Laclede may conduct an accelerated review of its Budget Billing Plan amounts and make an accelerated adjustment to such bills effective with its first billing cycle for the month of November, 2003.

Respectfully submitted,


Michael C. Pendergast #31763

Laclede Gas Company
Assistant Vice President and
Associate General Counsel
Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101
(314) 342-0532 Phone
(314) 421-1979 Fax

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

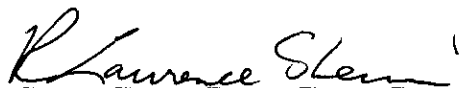
In the Matter of Laclede Gas Company's Purchased)
Gas Adjustment Tariff Revisions to be Reviewed)
in its 2002-2003 Actual Cost Adjustment)

Case No. GR-2002-1103


VERIFICATION

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

I, R. Lawrence Sherwin, having been duly sworn upon my oath, state that I am Assistant Vice President-Regulatory Administration for Laclede Gas Company, that I am duly authorized to make this verification on behalf of Laclede Gas Company and that the matters set forth in the foregoing Application for Variance are true and correct to the best of my information, knowledge and belief.


R. Lawrence Sherwin

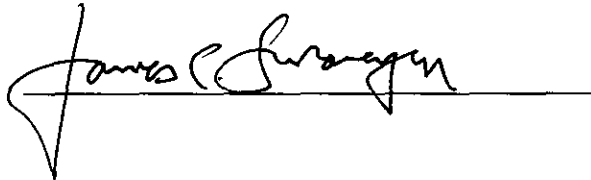
Subscribed and sworn before me this 23rd day of October, 2003.


Notary Public

ADELE M. FOLLMER
Notary Public — Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: June 11, 2004

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Application For Variance and Motion for Expedited Treatment has been duly served upon the General Counsel of the Staff of the Public Service Commission and the Office of the Public Counsel by placing a copy thereof in the United States mail, postage prepaid, or by hand delivery, on this 24TH day of OCTOBER, 2003.

A handwritten signature in black ink, appearing to read "James C. Suranaga", is written over a horizontal line. The signature is stylized with a large, sweeping initial 'J'.

ATTACHMENT 1

**P.S.C. MO. No. 5 Consolidated, Original Sheet No. R-39
CANCELLING All Previous Schedules**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. R-1

Community, Town or City

RULES AND REGULATIONS

29. Budget Billing Plan

The Company may offer a Budget Billing Plan ("Budget") to eligible customers, served under either the General Service, Seasonal Air Conditioning Service or General L.P. Gas Service rate schedules. Residential and small commercial customers, with no arrears, are eligible.

Under the Budget, an account is billed levelized monthly amounts, approximately equal to one-twelfth of the customer's projected annual bill, plus or minus an amount reflecting any beginning utility account balance. A customer's Budget amount is based on the recent twelve months of historical annual usage at the location where the customer receives gas service as adjusted for weather conditions, changes in gas rates, or other factors, such as, but not limited to, customer load changes. Where a customer does not have a twelve month consumption history at such location, the Company may choose to utilize either the usage history of the former occupant or other available information or factors, such as, but not limited to, system averages. The Company normally solicits participation in the Budget plan in July. However, if an eligible customer requests to be billed under the Budget at any other time during the year, a shortened Budget is established to coincide with the review of all Budget plan amounts in July.

The Budget accounts are reviewed by the Company in January and July of each year. Any utility account balance is rolled-in to the computation of the new Budget amount. A budget amount increase which is indicated during the January review becomes fully effective during February. A Budget amount decrease which is indicated during the January review is implemented such that 50% of the decrease is effective in February. A Budget amount decrease which is indicated during the July review is fully effective in August.

A customer may terminate their Budget any time upon request to the Company. The Company may terminate a customer's Budget after giving notice if the customer has been delinquent for two (2) consecutive billing periods. Upon termination, any Budget balance shall be applied to the customer's subsequent bill.

DATE OF ISSUE

October 15, 1998

Month Day Year

DATE EFFECTIVE

October 27, 1998

~~November 15, 1998~~

Month Day Year

ISSUED BY

K.J. Neises,

Senior Vice President,

720 Olive St., St. Louis, MO 63101

Name of Officer

Title

Address