

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

In the matter of the application of Laclede Gas Company	}	
for a certificate of convenience and necessity	}	
authorizing it to construct, install, own, operate, control,	}	
manage and maintain a gas distribution system for the	}	Case No. GA-05-_____
public in the City of St. Paul, Missouri, as an expansion	}	
of its presently certificated area.	}	
	}	

APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY

COMES NOW Laclede Gas Company (“Laclede” or “Applicant”), pursuant to Section 393.170 (RSMo 2000), 4 CSR 240-2.060 and 4 CSR 240-3.205 of the Rules of Practice and Procedure of the Missouri Public Service Commission (“Commission”), and for its Application in this matter, respectfully states as follows:

1. Since the early 1960s, Laclede has been authorized to provide natural gas service throughout unincorporated St. Charles County, Missouri. Certificate authority for this area was originally granted to St. Charles Gas Corporation, and St. Charles Gas Corporation was acquired by Laclede. See Re: St. Charles Gas Corporation, 11 Mo. P.S.C. (N.5.) 540 (1964); Re: Laclede Gas Company, 11 Mo. P.S.C. (N.5.) 372 (1963).

2. In this Application, Laclede seeks authority to provide natural gas service in the City of St. Paul, Missouri, located north of Interstate 70 in northwest St. Charles County, and in any areas annexed by the City of St. Paul in the future. Currently, natural gas service is not available in the City of St. Paul primarily because the area has been largely undeveloped. However, developers have submitted two separate applications for residential gas service, prompting Laclede to request the authority to begin serving this developing area.

3. 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. Contact

information for communication with Laclede, through the Company's legal counsel, including Laclede's electronic mail address, fax number and telephone number, are set forth on the signature page of this Application.

4. A Certificate of Good Standing evidencing Laclede's standing to do business in Missouri was submitted in Case No. GF-2000-843, and is incorporated by reference herein for all purposes. The information on such Certificate is currently applicable and correct.

5. Laclede's principal business is the retail distribution and transportation of natural gas in the City of St. Louis and Missouri Counties of St. Louis, St. Charles, Jefferson, Ste. Genevieve, St. Francois, Madison, Iron, Butler, Franklin and Crawford. Laclede serves approximately 630,000 residential, commercial and industrial customers in Missouri.

6. Other than cases that have been docketed at the Commission, Laclede has no pending actions or final unsatisfied judgements or decisions against it from any state or federal agency or court that involve customer service or rates.

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

8. As stated in paragraph 2 above, no natural gas or similar service is currently available in the City of St. Paul.

9. There are more than ten residents or landowners residing in the proposed service area. The names and addresses of at least ten such persons are listed below:

Name

Address in St. Paul, MO 63366

1. Lawrence and Nancy Groebelinghoff	67 Hillwood Drive
2. Ronald and Kathleen Chostner	1765 Koch Road
3. Paul and Lynda Palmer	1551 Koch Road
4. Joseph and Nancy Gaynor	764 Grandpas Lane
5. Ronnie and Tammy Langford	762 Grandpas Lane
6. Thomas and Donna Komadina	756 Grandpas Lane
7. Darrell and Janet Burkemper	99 Hillwood Drive
8. Wanda Hercules	61 Hillwood Drive
9. Christopher Groebelinghoff	81 Hillwood Drive
10. Lloyd and Ola Russell	1039 Mueller Road

10. The area to be certificated is described as the current boundaries of the City of St. Paul, Missouri, and will include any areas annexed by the City of St. Paul in the future. A plat drawn to a scale of 2000 feet to the inch has been marked to show the City of St. Paul, and is attached hereto as Appendix 1.

11. A feasibility study, attached hereto as Appendix 2, contains the following information: the plans and specifications for the utility system that will serve this area; the estimated cost of constructing the facilities in the proposed service area during the first three years of operation; and an estimate of the number of customers and revenues during the first three years of operation. Financing will be from funds available in Laclede's treasury, and a portion of such funds may be obtained by new financing. The amount and nature of any new financing subject to the jurisdiction of the Commission will be submitted to the Commission for approval.

12. Laclede has obtained a franchise from the City of St. Paul, which franchise permits Laclede to, among other things, construct, place and maintain its equipment in and under the streets, roads, and other public places within the city limits for the purpose of providing natural gas service within the City.

13. The granting of this Application is required by the public convenience and necessity and is in the public interest, as it will make natural gas service available to the public in

a developing area, a service which is not now otherwise provided. It will present an opportunity for the public in these areas to utilize natural gas as a source for space and water heating, and it will also make natural gas available for various commercial and industrial uses.

WHEREFORE, Laclede respectfully requests that the Commission grant it a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a gas plant for the public in the City of St. Paul, Missouri, as described hereinabove and in Appendices 1 and 2 attached hereto, as an expansion of its presently certificated area.

Respectfully submitted,

LACLEDE GAS COMPANY

By: /s/ Rick Zucker

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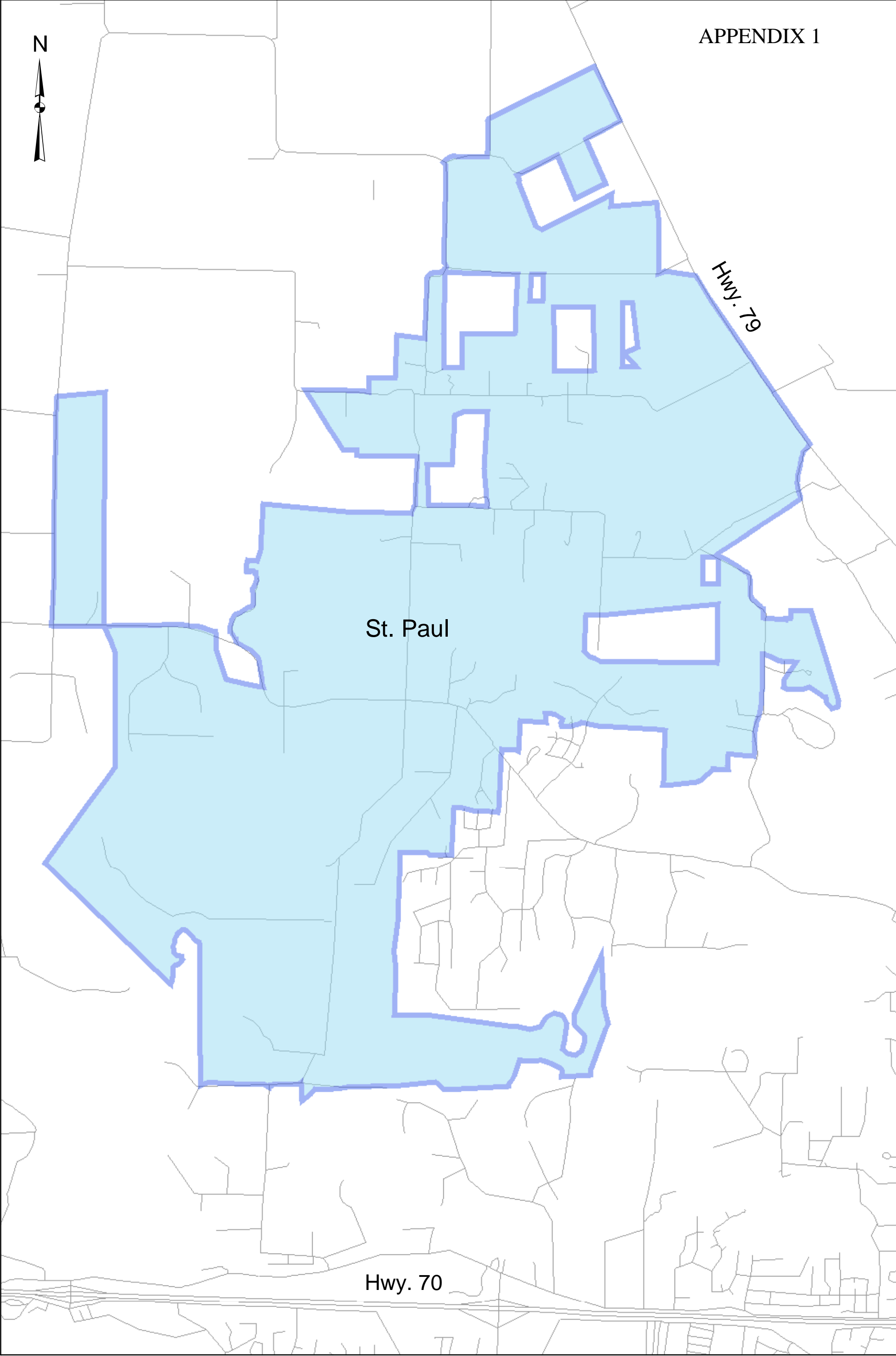
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Certificate of Service

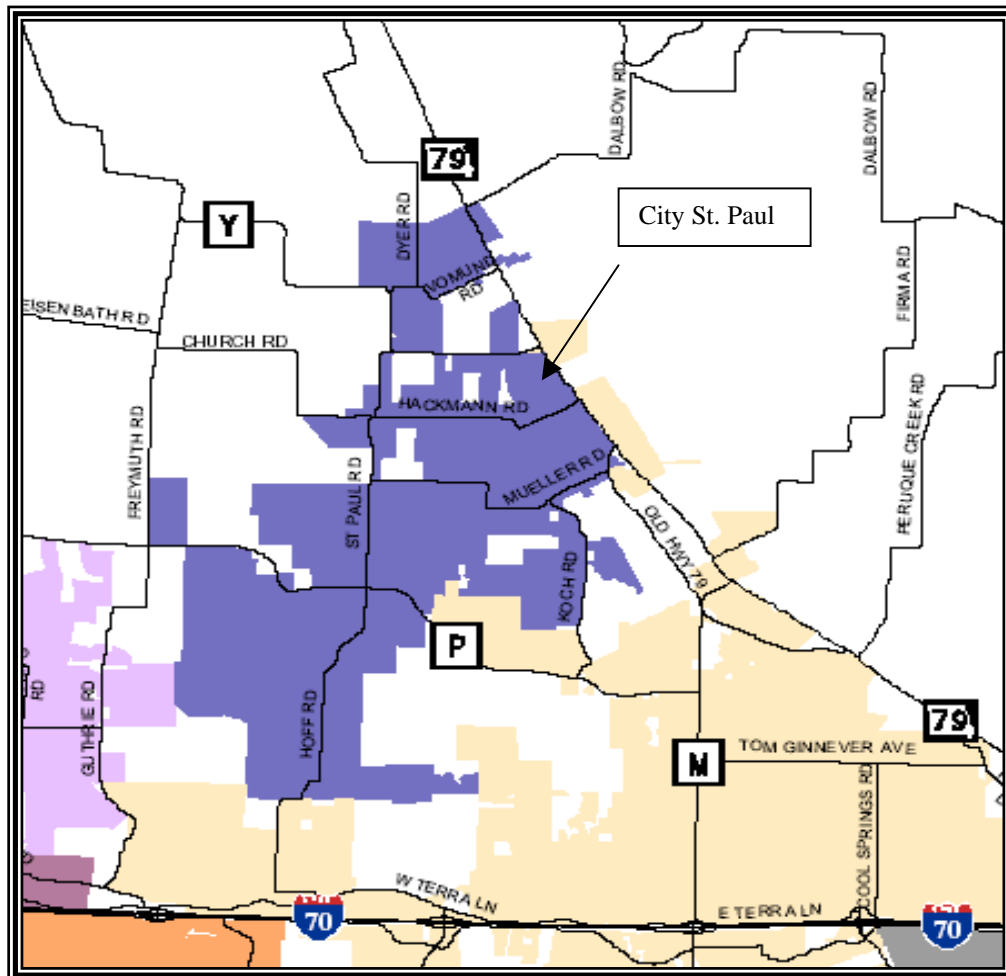
The undersigned certifies that a true and correct copy of the foregoing Application for Certificate of Convenience and Necessity was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 28th day of October 2004 by hand-delivery, email, fax, or by placing a copy of such document, postage prepaid, in the United States mail.

/s/ Rick Zucker



LACLEDE GAS COMPANY CITY OF ST. PAUL FEASIBILITY STUDY

October 2004



- System Plans and Specifications
- Costs of Construction
- Plans for Financing
- Rates & Charges
- Customer Additions
- Annual Therms and Revenues

INTRODUCTION

The proposed expansion of the Laclede Gas certificated area into the City of St. Paul would bring natural gas service to a developing area. Applications for gas service has been submitted for two separate projects within the city limits of St. Paul – Matteson Ridge Estates located along Koch Road and Riverdale at the intersection of Dyer and Vohmund Roads.

Matteson Estates would be served from Laclede's existing facilities within the City of O'Fallon, Missouri from the intersection of Summit Ridge Drive and Koch Road. Riverdale Estates would require a new interconnection with Missouri Pipeline Company and the construction of an Intermediate Pressure regulator station. Due to the preliminary status of Riverdale Estates and the likelihood that other parcels in the area may be developed, Laclede may seek an alternative route and distribution system design. Both projects would be served in accordance with Laclede's Extension of Distribution System Tariffs on file with the Public Service Commission.

SYSTEM PLANS AND SPECIFICATIONS

All polyethylene (PE) distribution main and service pipe will be manufactured to ASTM D-2513 specifications. Below are the dimensions of all distribution mains and service:

Material	Nominal Size	Outside Diameter	Wall Thickness
Steel	8"	8.625"	0.203" API-5LX42
Polyethylene (PE) 2406	6"	6.625"	0.0576" SDR-11.5
Polyethylene (PE) 2406	4"	4.50"	0.391" SDR-11.5
Polyethylene (PE) 2406	2"	2.375"	0.216" SDR 11.0
Polyethylene (PE) 2406	1"	1.125"	0.099 SDR-11.5
Polyethylene (PE) 2406	½"	0.625"	0.090" SDR-7.0

CONSTRUCTION COST ESTIMATES

YEAR ONE

Description of Work:

Install 4,000 feet 6" Plastic I.P. main from the intersection of Summit Ridge Drive and Koch Road south to Matteson Boulevard. Install 2,700 feet of 2" Plastic I.P. main within the interior of the Matteson Ridge Estates. Install services to new homes as they are constructed within the subdivision.

Costs of Construction – Main

Location	Length	Size	Cost/ft	Cost
Koch Road	4,000	6"	\$ 24.25	\$ 97,000
Matteson Ridge Estates	2,700	2"	\$ 5.95	\$ 16,065
				\$ 113,065

Costs of Construction – Services

Installation of 350 feet of service line to an estimated number of 5 customers along Koch Road and within Matteson Ridge Estates is estimated to cost \$1,575.

YEAR TWO*Description of Work:*

Install services as required within Matteson Ridge Estates and along Koch Road.

Costs of Construction – Main

Location	Length	Size	Cost/ft	Cost
No main work anticipated in this year				
				\$ 0

Costs of Construction – Services

Installation of 280 feet of service line to an estimated number of 4 customers along Koch Road and within Matteson Ridge Estates is estimated to cost \$1,260.

YEAR THREE*Description of Work:*

Tap into the existing Missouri Pipeline Company facility at Highway Y and extend 5,400 feet of 8" Steel I.P. main eastward to Vomund Road. Install 3,900 feet of 6" Plastic I.P. main east on Vomund Road to Dyer Road and northward to the end of Riverdale Estates. Install 1,500 feet of 4" and 2" Plastic I.P. main within the interior of the Riverdale Estates. Install services as required within Riverdale, Matteson Ridge Estates and along Koch Road. Due to the preliminary status of Riverdale Estates and the likelihood that other parcels in the area may be developed, Laclede may seek an alternative route and distribution system design.

Costs of Construction – Main

Location	Length	Size	Cost/ft	Cost
MPC Interconnection				\$ 75,000
Highway Y	5,400	8"	\$ 43.50	\$ 234,900
Vomund & Dyer Roads	3,900	6"	\$ 24.25	\$ 94,575
Riverdale Estates	500	4"	\$ 12.22	\$ 6,110
	1,000	2"	\$ 5.95	\$ 5,950
				\$ 416,535

Costs of Construction – Services

Installation of 1,410 feet of service line to an estimated number of 30 customers within Riverdale and 3 customers in Matteson Ridge Estates is estimated to cost \$6,345.

PLANS FOR FINANCING

The areas to be served will be financed from funds available in the Company's treasury, and a portion of such funds may be obtained by new financing. The amount and nature of any new financing subject to the jurisdiction of the Commission will be submitted to the Commission for approval.

RATES AND CHARGES

Rates and charges will be in accordance with Laclede Gas Company's tariffs on file with the Missouri Public Service Commission.

CUSTOMER ADDITIONS

This customer potential in the first three years represent just two known projects in which requests were made for natural gas service. The City of St. Paul is a developing area and is anticipated to bring substantially more growth in future years.

Location	Year One	Year Two	Year Three	Total
Matteson Ridge Estates (14 units)	3	3	3	9
Koch Road (3 units)	2	1	0	3
Riverdale Estates (500 units)	0	0	30	30
Total	5	4	33	42

Total connections upon subdivision build-out in five years – 517 customers

THERMS AND REVENUE PROJECTIONS**ANNUAL THERMS**

Location	Year One	Year Two	Year Three	Total
Matteson Ridge Estates	3,015	3,015	3,015	9,045
Koch Road	2,010	1,005	0	3,015
Riverdale Estates	0	0	30,150	30,150
Total	5,025	4,020	33,165	42,210

Note: Annual therm usage based upon an average new home size of 2,500 square feet each consuming 1,005

therms. Homes in Matteson Ridge will be substantial larger than Riverdale Estates.

ANNUAL REVENUE

Location	Year One	Year Two	Year Three	Total
Matteson Ridge Estates	\$ 978	\$ 978	\$ 978	\$ 2,934
Koch Road	\$ 652	\$ 326	\$ 0	\$ 978
Riverdale	\$ 0	\$ 0	\$ 9,780	\$ 9,780
Total	\$ 1,630	\$ 1,304	\$ 10,758	\$ 13,692

Note: Revenues do not include Purchased Gas Cost or any Contribution in aid of Construction.

THREE YEAR SUMMARY – COST OF CONSTRUCTION, CUSTOMER ADDITIONS & REVENUES

YEAR ONE

Customer Additions	5
Cost of Construction	\$ 114,640
Annual Revenue	\$ 1,630

YEAR TWO

Customer Additions	4
Cost of Construction	\$ 1,260
Annual Revenue	\$ 1,304

YEAR THREE

Customer Additions	33
Cost of Construction	\$ 422,880
Annual Revenue	\$ 10,758

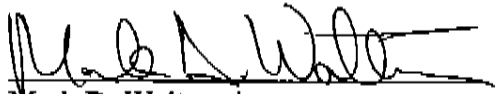
Total Customer Additions	42
Total Cost of Construction	\$ 538,780
Total Annual Revenue	\$ 13,692

Note: Customer growth forecasted to increase substantially as the area develops.

AFFIDAVIT

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

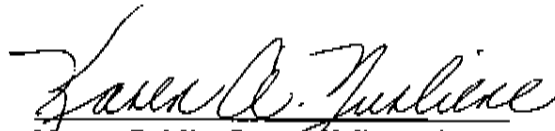
Mark D. Waltermire, being duly sworn, on his oath states that he is Vice President-Operations and Marketing of Laclede Gas Company, the applicant in the foregoing Application; that he has read said Application and that the matters and things set forth therein are true and correct to the best of his knowledge, information and belief. Further, affiant states that under Ordinance No. 124, Laclede Gas Company has obtained the consent of the City of St. Paul to provide natural gas service within the City.


Mark D. Waltermire

Subscribed and sworn to before me a Notary Public in the City of St. Louis, State of Missouri, this 27th day of October, 2004.

My Commission expires: February 18, 2008.




Notary Public, State of Missouri