

Exhibit No.:	
Issue:	Allocation of Rate Increase, Weather Mitigation Rate Design, PGA Modifications, Miscellaneous Tariff and Rate Issues
Witness:	Michael T. Cline
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Laclede Gas Company
Case No.:	GR-2010-
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LACLEDE GAS COMPANY

GR-2010-

DIRECT TESTIMONY

OF

MICHAEL T. CLINE

TABLE OF CONTENTS

	<u>Page</u>
Purpose of Testimony	2
Allocation of Proposed Rate Increase.....	2
Weather Mitigation Rate Design	5
PGA Modifications	12
Rate Adjustments Upon Resolution of Case.....	15
Miscellaneous Tariff Changes	16

DIRECT TESTIMONY OF MICHAEL T. CLINE

1
2 Q. Please state your name and address?

3 A. My name is Michael T. Cline and my business address is 720 Olive Street, St.
4 Louis, Missouri 63101.

5 Q. What is your present position?

6 A. I am Director of Tariff and Rate Administration at Laclede Gas Company
7 ("Laclede" or "Company").

8 Q. Please state how long you have held your present position, and briefly describe
9 your responsibilities.

10 A. I was promoted to my present position in August 1999. In this position I am
11 responsible for administration of Laclede's tariff. In addition, I perform analyses
12 pertaining to Laclede's purchased gas costs and various federal and state
13 regulatory matters which affect Laclede.

14 Q. Please describe your work experience with Laclede prior to assuming your current
15 position.

16 A. I joined Laclede in June 1975 and have held various positions in the Budget,
17 Treasury, and Financial Planning departments of the Company. In 1987, I began
18 work in areas related to many of my duties today.

19 Q. What is your educational background?

20 A. I graduated from St. Louis University in May 1975, with the degree of Bachelor
21 of Science in Business Administration, majoring in economics.

22 Q. Have you previously submitted testimony before regulatory bodies?

1 A. Yes. I have submitted testimony in numerous proceedings before this
2 Commission which I have identified in Schedule MTC-1 that is attached to this
3 testimony. I have also testified before the Illinois Commerce Commission and the
4 Federal Energy Regulatory Commission.

5 **PURPOSE OF TESTIMONY**

6 Q. What is the purpose of your testimony in this proceeding?

7 A. My testimony explains the manner in which the rate schedules filed by the
8 Company on December 4, 2009 were revised to reflect the net annual incremental
9 revenue increase of \$52.6 million requested by the Company in this case. In
10 addition, I will discuss: (1) further modifications to the Company's tariff to
11 address revenue variations that may still occur even with the weather mitigation
12 rate design of the Company's General Service rate schedules; (2) the Company's
13 proposal in this proceeding to modify its Purchased Gas Adjustment ("PGA")
14 clause to include the gas cost portion of bad debts in its recovery of gas costs
15 through PGA rates and to revise the designation of gas inventories eligible for
16 carrying cost treatment; and (3) several other miscellaneous tariff and ratemaking
17 issues.

18 **ALLOCATION OF PROPOSED RATE INCREASE**

19 Q. Please explain how Laclede's rates were adjusted to produce the additional
20 revenues requested by Laclede.

21 A. As I will discuss in further detail later in my testimony, the \$52.6 million revenue
22 increase requested by the Company is comprised of: (a) a \$60.66 million increase
23 in base rates, and (b) the elimination and corresponding inclusion in base rates of

1 \$8.1 million of Infrastructure System Replacement Surcharge (“ISRS”) revenues
2 that are currently being collected by the Company.

3 Q. Please continue.

4 A. The first step in determining the new rates was to allocate the \$60.66 million
5 increase in base rate revenues to each individual rate schedule. This was done by
6 multiplying the non-gas revenues in each rate schedule by a uniform percentage.

7 Q. What do you mean by non-gas revenues?

8 A. Non-gas revenues represent that portion of Laclede’s revenues which recover
9 Laclede’s cost of service, other than the cost of purchased gas, and were derived
10 by multiplying the billing determinants associated with each of the Company’s
11 rate schedules by the non-gas rates stated in Sheet Nos. 2 through 11 and Sheet
12 No. 34 of the Company’s tariff.

13 Q. What billing determinants did you use to allocate the proposed rate increase?

14 A. I used normalized determinants for the twelve months ended September 2009,
15 consistent with the establishment of the revenue requirement in this case.

16 Q. How did you derive the uniform percentage increase that was applicable to the
17 non-gas revenues of each rate schedule?

18 A. The percentage was derived by dividing the \$60.66 million non-gas revenue
19 increase requested in this proceeding by Laclede’s total current normalized non-
20 gas revenues of \$280 million, excluding revenues from the Company’s ISRS.

21 Q. What impact did Laclede’s non-gas revenue allocation have on the total revenues
22 produced under each rate schedule?

1 A. The additional revenues expressed as a percent of total normalized current
2 revenues will vary by rate schedule as shown in Schedule MTC-2. Overall, the
3 revenues of the Company would increase by 6.9% as a result of the Company's
4 rate filing compared to the Company's existing revenues including ISRS.

5 Q. Why is the percentage increase for the LVTSS rate schedule larger than the
6 percentage increase under most of Laclede's other rate schedules?

7 A. Since LVTSS customers purchase most of their gas from third parties, LVTSS
8 revenues exclude a significant amount of gas costs which will not be billed by
9 Laclede. In contrast, Laclede's sales rates cover all costs, including gas costs.
10 Thus, it is axiomatic that LVTSS revenues will appear to be increasing by a larger
11 percentage than most other rates simply because the LVTSS revenue base is much
12 smaller due to the exclusion of most gas costs. However, if LVTSS customers'
13 total costs for natural gas service (Laclede transportation service as well as the
14 cost of gas) are used as the base from which Laclede's proposed increase is
15 measured, as is the case with the other rate schedules, the percentage for LVTSS
16 customers would be lower and more in line with the increases for customers
17 purchasing gas from Laclede under other rate schedules.

18 Q. After allocating the rate increase to each rate schedule in proportion to the non-
19 gas revenues derived from such schedule, how were the charges within each rate
20 schedule adjusted to produce the allocated increase?

21 A. I increased all charges within each rate schedule by approximately the same
22 uniform percentage of overall non-gas revenues that I mentioned earlier.

23 Q. Were any other rates adjusted as a result of the Company's proposed increase?

1 A. Yes. The Infrastructure System Replacement Surcharge (“ISRS”) amounts
2 reflected on Sheet No. 12 were reduced to zero as required by statute with the
3 completion of a new rate case.

4 Q. What impact would the general rate increase proposed by the Company in this
5 proceeding have on the bill of a typical residential heating customer?

6 A. The annual gas bill of a typical residential heating customer would increase by
7 approximately 7.1%. This translates into an average monthly increase of
8 approximately \$5.90, or \$67 on an annual basis.

9 **WEATHER MITIGATION RATE DESIGN**

10 Q. Is the Company recommending continuation of the weather mitigation rate design
11 (“WMRD”) that was initially approved and modified in the Company’s 2002 and
12 2006-2007 rate cases, respectively?

13 A. Yes. The WMRD has been successful in helping the Company achieve a better
14 matching of its revenues to its costs of providing distribution service. However, I
15 am proposing that another step be taken in the context of the existing rate design
16 in order to better ensure that the Company does not over- or under-recover its
17 fixed distribution costs.

18 Q. Please describe the Company’s existing WMRD.

19 A. The Company has designed its charges for gas used, or volumetric charge, in its
20 General Service rate schedules so that during the November through April period,
21 all of the Company’s non-gas, distribution charges, other than customer charges,
22 are billed to customers based solely on their consumption in the first rate block.

23 Q. Please explain.

1 A. There are two rate blocks in each of the Company's General Service rate
2 schedules. Using residential customers as an example, that means that one set of
3 charges applies to the first 30 therms used during the month and another set of
4 charges applies to consumption in excess of 30 therms. The charges included in
5 these rate blocks cover both the costs Laclede incurs to provide distribution
6 service as well as the PGA-related gas costs it incurs to supply its customers with
7 gas. During the winter season the Company's distribution charge only applies to
8 consumption in the first rate block. There is no charge for distribution service in
9 the second rate block.

10 Q. Are the rate blocks different for Commercial and Industrial customers?

11 A. Yes, there are different rate blocks for each of the three Commercial and
12 Industrial general service rate schedules. However, in each rate schedule, as with
13 the residential customers, the Company's distribution charges only apply to the
14 first rate block during the winter.

15 Q. How does the WMRD help the Company achieve revenues that will match its cost
16 of providing distribution service?

17 A. Since the first rate block for each general service rate schedule is not particularly
18 weather sensitive in most winter months it follows that the amounts billed to
19 customers to cover the Company's distribution costs under the WMRD are more
20 stable from one winter season to the next and are less sensitive to weather. Thus,
21 the Company's revenue stream is more likely to match the costs that the
22 Company's rates were designed to cover.

23 Q. Is the WMRD unique?

1 A. In some respects it is. Certainly, its overall goal of decoupling distribution
2 revenues from throughput is not only common in other jurisdictions, but has been
3 gaining increasing acceptance in recent years by utilities and regulators alike as a
4 way of removing disincentives to the aggressive pursuit of conservation
5 programs. These decoupling mechanisms have taken a variety of forms, ranging
6 from weather normalization clauses to rate designs that seek to recover all
7 distribution costs through a flat monthly customer charge.

8 Q. Has the federal government also expressed a strong preference for rate designs
9 that remove such disincentives?

10 A. Yes. Last winter Congress even explicitly acknowledged the importance of the
11 decoupling rate mechanism to promoting energy efficiency when it enacted the
12 stimulus spending bill known as the American Recovery and Reinvestment Act
13 of 2009. The Act requires that the governors of states seeking state energy grants
14 notify the Secretary of Energy that “the applicable State regulatory authority will
15 seek to implement, in appropriate proceedings for each electric and gas utility,
16 with respect to which the State regulatory authority has ratemaking authority, a
17 general policy that ensures that utility financial incentives are aligned with
18 helping their customers use energy more efficiently and that provide timely cost
19 recovery and a timely earnings opportunity for utilities associated with
20 cost-effective, measurable and verifiable efficiency savings, in a way that sustains
21 or enhances utility customers’ incentives to use energy more efficiently”.

22 Q. How then is WMRD unique?

1 A. WMRD is unique in that it addresses this objective through a rate design approach
2 that uses usage charges and offsetting reductions in PGA usage rates to cushion
3 what would otherwise be a much more significant impact on small users from a
4 Straight Fixed Variable (“SFV”) rate design.

5 Q. Is WMRD less effective than some of these other decoupling rate mechanisms in
6 ensuring that the Company does not over- or under-recover its fixed distribution
7 costs?

8 A Yes. Unusually warm weather in shoulder months, such as October, November,
9 April and May, can still subject the Company to earnings losses due to weather.
10 Similarly, unusually cold weather in those same months results in earnings
11 increases.

12 Q. Why is that?

13 A. Since the weather in these months is normally warmer than the other winter
14 months, customers are less likely to use all of the therms in the first rate block.
15 Because of weather, block 1 usage in these months may vary substantially from
16 year to year, unlike the other winter months when many customers’ usage exceeds
17 the first rate block. Thus, if block 1 billing determinants are based on normal
18 weather in these shoulder months, and the weather turns out to be warmer than
19 normal, the Company is likely to under-recover its distribution costs. Similarly,
20 the Company could recover more than its distribution costs if weather during
21 these periods was materially colder than the normals established in developing the
22 billing determinants.

23 Q. How do you propose to fix the remaining problems you have described?

1 A. First, I propose to increase the Company's customer charges so that a greater
2 share of the Company's fixed distribution costs are appropriately recovered on a
3 fixed basis while still keeping such charges well below the levels that would
4 result from a SFV rate design. I should note that even with the increase I am
5 proposing for residential customers, the average monthly customer charge will be
6 only 60% of an SFV-designed customer charge. Also, in an effort to mitigate this
7 impact during low usage summer months, I have proposed seasonal customer
8 charges for all of the General Service rate schedule so that the increases in such
9 charges are smaller than the increases in the winter period.

10 Q. Please continue.

11 A. Second, I recommend implementation of a Customer Usage Adjustment clause.
12 As described more precisely in Sheet Nos. 46 and 47 to my testimony, for each
13 month throughout the year, the Customer Usage Adjustment clause would allow
14 the Company to defer any revenue increases or decreases related to customer
15 usage that is either higher or lower than the amount used to establish rates in this
16 proceeding. At the end of each year, contemporaneous with the Company's filing
17 of new ACA factors, for each General Service rate schedule the Company would
18 compute a usage adjustment factor to apply as a credit or surcharge to customers'
19 bills based on customers' usage over the succeeding twelve months. The CUA
20 clause, which is similar to mechanisms that are in use by over 30 gas companies
21 in 18 states represents another step in the decoupling of the Company's revenues
22 from volumes of gas that it sells, consistent with the federal guidance I previously
23 mentioned.

1 Q. You mentioned earlier that the May and October shoulder months of the summer
2 period have contributed to over-and under-recoveries of the Company's
3 distribution costs. Why are you now suggesting that the entire summer period,
4 not only May and October, be used to make adjustments for changes in use per
5 customer?

6 A. Usage variations that can lead to an over-recovery or under-recovery of costs can
7 occur and have occurred throughout the year, including the summer months.
8 Since the Company's WMRD is confined to the November through April period,
9 my proposal to increase customer charges and implement the CUA clause will
10 ensure that there is an appropriate matching of revenues to fixed distribution costs
11 for the entire year similar to the scope of the SFV rate design in use by MGE and
12 Atmos

13 Q. In the event the Commission is reluctant to approve the Company's proposed
14 CUA clause, do you have any alternatives you can recommend to the
15 Commission?

16 A. Yes. Even though the Company's preference is to continue with WMRD with the
17 addition of the CUA I proposed above, should the Commission ultimately
18 conclude that the SFV approach used by MGE and Ameren is more appropriate, I
19 have also included in Schedule MTC-3 to my direct testimony one set of
20 specimen tariff sheets that provides for the full recovery of costs through the
21 customer charge for the Company's General Service customers.

22 Q. Is there another possible alternative the Commission could consider?

1 A. Yes. Although not quite as effective as the SFV or CUA approach, another
2 possible alternative would be to adopt a one-way, refund only offshoot of the
3 CUA clause under which the Company's distribution charges for gas used are
4 established based on a conservative estimate of customer usage. To the extent the
5 Company achieves sales volumes in excess of such levels; the Company would
6 refund such difference to customers. Importantly, unlike the CUA clause where
7 rates can and should be adjusted in both directions, under the refund only version
8 of this clause the Company would never increase its rates due to reduced usage
9 between rate cases. The Company is still at risk since it would be prohibited from
10 adjusting rates upward to offset customer usage below the levels used to establish
11 rates. Such an alternative should be appealing to the Commission and customers
12 alike since there is certainty that rates will not be increased and can only be
13 reduced and the Company can never over-recover its costs due to increased
14 throughput. Such an approach is also set forth in another set of specimen tariff
15 sheets included in Schedule MTC- 4 attached to my testimony.

16 Q. Do you have any other comments regarding the Company's WMRD?

17 A. Yes. The Company's Commercial and Industrial General Service customers are
18 divided into three separate classes depending on their annual usage. I have asked
19 Company witness Brenda Linderer to reflect the reclassification of those
20 customers whose current annual usage requires that they be shifted to a different
21 class.

PGA MODIFICATIONS

1
2 Q. What changes are you proposing to the Company's PGA clause in this
3 proceeding?

4 A. I am proposing several changes. The first change relates to the Company's
5 proposal to include in its current recovery and reconciliation of gas costs the gas
6 cost portion of the Company's uncollectible expense. The second change is
7 related to the Company's below-the-line treatment of its propane storage cavern.

8 Q. Please explain the first change relating to PGA treatment of the gas cost portion of
9 bad debts?

10 A. As explained in the direct testimony of Company witness Fallert, these costs have
11 traditionally been recovered through the non-gas rates established in the
12 Company's general rate case proceedings. In this proceeding, however, the
13 Company proposes to recover such costs from its customers through the
14 Company's PGA clause since these costs are identical to other gas procurement
15 costs already recovered through the PGA. Due to the volatility of the prices
16 applicable to these supplies, it is unlikely that any price estimate established in a
17 rate case would appropriately reflect the costs that the Company ultimately incurs
18 in this area. The inclusion of this cost in the Company's PGA clause would ensure
19 that the amount of such costs recovered from customers corresponds to the
20 Company's actual costs, no more and no less. At the same time, by only
21 permitting the Company to recover the gas cost portion of uncollectible expense
22 through the PGA, the Company would still be at risk for any changes in the
23 non-gas portion of this expense – a factor that would ensure the Company still has

1 incentive to aggressively pursue collection and other activities aimed at keeping
2 such expenses down.

3 Q. Earlier you testified that it is unlikely this cost can be accurately projected in a
4 general rate case. How would the Company's PGA treatment of such cost
5 represent an improvement?

6 A. As with the recovery of the Company's purchased gas costs, the Company would
7 initially charge its customers for the recovery of this cost based on a projection of
8 such costs that would be included in the Company's current PGA factors. Any
9 differences between such projection and the Company's actual accrual of this cost
10 would be adjusted pursuant to the Actual Cost Adjustment accounting described
11 in the specimen tariff sheet set forth in Schedule MTC-3.

12 Q. Are you aware of any other LDCs that recover this type of cost through their PGA
13 rates?

14 A. Yes. I'm aware of several LDCs that recover the gas cost portion of uncollectible
15 expense through their PGA rate and several more that are allowed to recover the
16 entirety of their bad debt write-offs, including both gas and distribution costs.

17 Q. What impact would this PGA modification have on the Company's rates?

18 A. Such modification would have the effect of reducing the Company's non-gas rates
19 in the filed tariff sheets and increasing the Company's PGA rates.

20 Q. Didn't the Commission already reject a similar proposal by the Company in Case
21 No. GT-2009-0026?

22 A. Yes. However, the Company has appealed the Commission's decision to the Cole
23 County Circuit Court. In the event the Court determines that the Commission

1 does indeed have the authority to approve such a mechanism, the applicable tariff
2 sheets would be available for the Commission's consideration in this case. I
3 should also note that consideration of the proposal in this case also eliminates a
4 number of the objections that were raised by the Staff and OPC in the GT-2009-
5 0026 case.

6 Q. If the Court agrees that the gas cost portion of uncollectible expense is not
7 recoverable through the PGA clause, do you have any other recommendation for
8 addressing the volatility of bad debts?

9 A. Yes. I recommend, consistent with the testimony of Mr. James Fallert, that 90%
10 of all of uncollectible expense, both the gas and non-gas portions, be subject to a
11 tracker, similar to the treatment of bad debt expense in several other jurisdictions.

12 Q. What is the next adjustment you are making to the Company's PGA clause?

13 A. Due to the below-the-line treatment of the Company's propane cavern described
14 in the direct testimony of Company witness Yaeger, gas inventory carrying costs
15 related to the Company's investment in propane stored in the cavern would no
16 longer be recoverable through the PGA and I have revised Sheet No. 28-h
17 accordingly.

18 Q. What is the third adjustment you are making to the Company's PGA clause?

19 A. Since the Company's PGA rates will change in connection with the Company's
20 weather mitigation rate design as winter block 1 distribution rates increase, Sheet
21 No. 18-a is being revised for purposes of making future Current Purchased Gas
22 Adjustments in reference to the PGA rates that are revised in this proceeding.

1 **RATE ADJUSTMENTS UPON RESOLUTION OF CASE**

2 Q. What rate adjustments should be made upon resolution of the case?

3 A. Two adjustments are in order. First, the Company's PGA factors should be
4 adjusted to reflect the normalized throughput in this proceeding. Second, the
5 Company's non-gas rates should be adjusted for any potential rate switching.

6 Q. Please explain the PGA adjustment.

7 A. The Company's Current PGA rates include certain costs recovery components
8 that are derived by dividing the Company's fixed gas costs by normalized
9 volumes. Presently, such cost recovery components are based on the settlement
10 volumes determined in the last rate case. In order to avoid the temporary over- or
11 under-recovery of fixed gas costs that would result when PGA rates are applied to
12 volumes different from those volumes used to establish PGA rates, such cost
13 recovery components should be adjusted to reflect the normalized volumes
14 established in the Company's latest rate case.

15 Q. Why is such over- or under-recovery only temporary?

16 A. Absent the change in PGA rate, the over-or under-recovery is corrected through
17 the Deferred Purchased Gas Costs Account provisions of the Company's PGA
18 clause.

19 Q. What will happen when PGA rates are adjusted?

20 A. By adjusting the PGA rates whenever new normalized volumes are established in
21 a general rate case proceeding, the Company can minimize the potential over- or
22 under-recovery of gas costs that would otherwise occur in the short term due to
23 the change in the Company's throughput.

1 Q. Please explain the need for a rate switching adjustment.

2 A. Before the Companys rates in this proceeding are finally established, it is
3 important that the effect of potential rate switching be reflected in the Company's
4 rates.

5 Q. What do you mean by rate switching?

6 A. Some customers qualify for gas service under more than one rate schedule, most
7 notably commercial and industrial customers who are large enough to qualify for
8 the Company's Large Volume Service rate but who otherwise would be billed
9 under one of the Commercial & Industrial General Service rate schedules.
10 Presumably such customers choose to be billed under the rate schedule that results
11 in the lowest cost consistent with the type of service the customer desires.
12 However, it is possible that, after making the rate adjustments ordered or agreed
13 to in this proceeding, some customers would receive a lower overall gas bill if
14 they switch to a different rate schedule.

15 Q. Why do the Company's rates need to be adjusted to reflect rate switching?

16 A. To keep the Company whole, the Company's rates must be adjusted to offset the
17 revenue anticipated to be lost from customers who switch rates due to rate
18 changes resulting from this proceeding.

19 **MISCELLANEOUS TARIFF CHANGES**

20 Q. Are there any other tariff revisions the Company is proposing in this proceeding?

21 A. Yes, there are several. First, on Sheet No. 7, in addition to adjusting Interruptible
22 Service rates for the general rate increase, the Company has increased the charge
23 for gas used during periods of interruption to the higher of \$2.00 per therm or the

1 thermal equivalent of the daily NYMEX price. Such revision was suggested by
2 the Staff of the Commission in recent ACA audits. However, the Staff preferred
3 that such a change be deferred until the Company filed a general rate case. The
4 Company also proposes to revise Sheet No. 35 of the LVTSS tariff so that the
5 penalty for unauthorized use would be aligned with the proposed interruptible use
6 penalty. Second, I have proposed to revise Sheet No.29 for the Company's
7 recovery of gas inventory carrying costs ("GICC") to reflect the Company's latest
8 estimate of inventory balances and the gas cost portion of bad debts and the
9 revised standard volumes on Sheet No. 28-d. Third, I have proposed to revise
10 Section B. 6 on Sheet No. 34 as a housekeeping matter to substitute the "NGPL-
11 Texok Zone" index for the "MRT west leg" index that is no longer published. In
12 light of recent differentials in summer and winter gas prices on the NYMEX, I
13 have also proposed to increase the storage charge on Sheet No. 34 to provide a
14 greater financial disincentive for the Company's transportation customers to store
15 gas on the Laclede system. Fourth, a revision to Sheet No. R-5-c has been
16 proposed to clarify the Company's right to collect a deposit from a potential
17 customer in advance of establishing service. Fifth, I have proposed to revise
18 Sheet No. R-13 to ensure that no stricter requirements are imposed on the
19 Company to restore service to a disconnected customer than to initiate service for
20 a new customer.

21 Q. Does this conclude your direct testimony?

22 A. Yes, it does.

**MPSC CASES IN WHICH TESTIMONY WAS FILED
BY MICHAEL T. CLINE**

GT-2009-0026- Gas cost portion of bad debts
GR-2007-0208- Laclede Rate Case
GR-2005-0284-Laclede Rate Case
GT-2003-0032 - School Aggregation
GR-2002-356 - Laclede Rate Case
GT-2003-0117- Catch-up/Keep-up
EC-2002-1 - UE d/b/a AmerenUE
GR-2001-629 & GT-2001-662-Laclede Rate Case
GR-2001-387/GR-2000-622-Laclede ACA
GR-99-315 – Laclede Rate Case
GT-99-303 – Laclede GSIP
GO-98-484 – Laclede Price Stabilization
GR-98-374 – Laclede Rate Case
GR-96-193 – Laclede Rate Case
GA-96-130 – MPC
EO-96-15 – UE Class Cost Service
GC-96-13 – Industrials v. Laclede
GR-94-328 – Laclede PGA Rate Design
GO-94-318 – MGE PGA issues
GM-94-252 – MPC/UtiliCorp
GR-94-220 – Laclede Rate Case
GR-93-149 – Laclede’s ACA
GR-92-165 – Laclede Rate Case
GA-90-280 – InterCon Gas
GA-89-126 – MPC
GR-84-161 – Laclede Rate Case
GR-83-233 – Laclede Rate Case
GR-82-200 – Laclede Rate Case
GR-81-245 – Laclede Rate Case

**LACLEDE GAS COMPANY
ALLOCATION OF PROPOSED RATE INCREASE**

<u>Rate Schedule</u>	Present Total Revenues	% Change In <u>Total Revenues</u>
Residential General	\$545,172,773	7.4%
Commercial and Industrial General Class 1	\$40,940,685	6.6%
Commercial and Industrial General Class 2	\$96,819,479	4.4%
Commercial and Industrial General Class 3	\$47,564,640	4.9%
Residential Seasonal Air Conditioning	\$38,417	5.7%
Commercial and Industrial Seasonal Service	\$1,676,955	5.2%
Large Volume	\$12,384,495	3.5%
Interruptible	\$3,502,241	3.9%
General LP	\$49,614	7.0%
Vehicular Fuel	\$233,984	1.6%
Unmetered Gas Lights	\$144,635	5.9%
Large Volume Sales and Transportation	\$12,423,713	16.8%
Total	\$760,951,632	6.9%

Schedule MTC-2

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

**P.S.C. MO. No. 5 Consolidated, Seventeenth Revised Sheet No. 2
CANCELLING P.S.C. MO. No. 5 Consolidated, Sixteenth Revised Sheet No. 2**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

RESIDENTIAL GENERAL SERVICE (RG)

Availability – This rate schedule is available for all gas service rendered by the Company to residential customers, including space heating service.

Rate –

Customer Charge – per month

Summer \$23.70

Winter \$50.20

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE December 4, 2009
Month Day Year

DATE EFFECTIVE January 4, 2010
Month Day Year

ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

**P.S.C. MO. No. 5 Consolidated, Thirteenth Revised Sheet No. 3
CANCELLING P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No. 3**

Laclede Gas Company
Name of Issuing Corporation or Municipality

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

SCHEDULE OF RATES

COMMERCIAL & INDUSTRIAL GENERAL SERVICE - CLASS I (C1)

Availability – This rate schedule is available for all gas service rendered by the Company to commercial or industrial customers, including space heating service, whose annual consumption, as described below, is less than 5,000 therms.

Rate –

Customer Charge – per month	
Summer	\$28.50
Winter	\$65.40

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE December 4, 2009
Month Day Year

DATE EFFECTIVE January 4, 2010
Month Day Year

ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No. 3-a
CANCELLING P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No. 3-a

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

COMMERCIAL & INDUSTRIAL GENERAL SERVICE - CLASS II (C2)

Availability – This rate schedule is available for all gas service rendered by the Company to commercial or industrial customers, including space heating service, whose annual consumption, as described below, is greater than or equal to 5,000 therms and less than 50,000 therms.

Rate –

Customer Charge – per month

Summer \$103

Winter \$357

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE December 4, 2009 DATE EFFECTIVE January 4, 2010
Month Day Year Month Day Year
ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY**P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No. 3-b
CANCELLING P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No. 3-b**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES**COMMERCIAL & INDUSTRIAL GENERAL SERVICE - CLASS III (C3)**

Availability – This rate schedule is available for all gas service rendered by the Company to commercial or industrial customers, including space heating service, whose annual consumption, as described below, is greater than or equal to 50,000 therms.

Rate –

Customer Charge – per month

Summer

\$ 602

Winter

\$2,789

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE December 4, 2009
Month Day Year

DATE EFFECTIVE January 4, 2010
Month Day Year

ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

**P.S.C. MO. No. 5 Consolidated, Sixteenth Revised Sheet No. 4
CANCELLING P.S.C. MO. No. 5 Consolidated, Fifteenth Revised Sheet No. 4**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

RESIDENTIAL SEASONAL AIR CONDITIONING SERVICE (RA)

Availability – This rate schedule is available for all gas service to residential air conditioning customers during the six consecutive billing months of May through October, provided that the quantity of gas used during such period for air conditioning purposes is at least twice the quantity of gas used for all other purposes during such period. All gas used by the customer for the balance of the year shall be billed under the Residential General Service rate.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

Customer Charge – per month

\$23.70

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE December 4, 2009
Month Day Year

DATE EFFECTIVE January 4, 2010
Month Day Year

ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

P.S.C. MO. No. 5 Consolidated, Fifth Revised Sheet No. 4-a
CANCELLING P.S.C. MO. No. 5 Consolidated, Fourth Revised Sheet No. 4-a

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

COMMERCIAL & INDUSTRIAL SEASONAL SERVICE (CA)

Availability – This rate schedule is available for all gas service to commercial and industrial air conditioning or on-site power generation customers during the six consecutive billing months of May through October, provided that the quantity of gas used during such period for air conditioning or on-site power generation purposes is at least twice the quantity of gas used for all other purposes during such period. All gas used by the customer for the balance of the year shall be billed under the appropriate Commercial and Industrial General Service rate schedule.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

	<u>Class I</u>	<u>Class II</u>	<u>Class III</u>
Customer Charge – per month	\$28.50	\$103	\$602

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE December 4, 2009 DATE EFFECTIVE January 4, 2010
Month Day Year Month Day Year
ISSUED BY K.J. Neises, Executive Vice President 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY**P.S.C. MO. No. 5 Consolidated, Tenth Revised Sheet No. 15
CANCELLING P.S.C. MO. No. 5 Consolidated, Ninth Revised Sheet No. 15**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES**PURCHASED GAS ADJUSTMENT CLAUSE****A. Current Purchased Gas Adjustments**

In the event of increases or decreases in the cost of purchased gas, charges for gas service contained in the Company's then effective retail rate schedules on file with the Missouri Public Service Commission (Commission), with the exception of the Large Volume Transportation and Sales Service ("LVTSS") and Vehicular Fuel ("VF") rate schedules, shall be increased or decreased at the times provided in Section E by a Current Purchased Gas Adjustment ("CPGA"). The CPGA for sales made pursuant to the LVTSS and VF rate schedules shall be determined and implemented on a monthly basis, as described in paragraph 5 below, and shall be calculated in conformance with the CPGA for other firm sales rate schedules, except where noted. The cost of purchased gas shall include but not be limited to all charges incurred for gas supply, pipeline transmission and gathering and contract storage.

1. a. The CPGA factor for firm sales shall be calculated by summing the gas cost components per therm as determined in accordance with paragraphs 2.a., b., c., d., e., f. and g. respectively, of Section A of this clause.

b. The CPGA factor for the seasonal and interruptible sales classifications shall be calculated by summing the gas cost components per therm as determined in accordance with paragraphs 2.c., d., e., f and g. respectively, of Section A of this clause.
2. The following unit gas cost components, rounded to the nearest .001¢ per therm, are recoverable under the PGA of either firm or interruptible sales customers, where applicable, as described in Paragraph A.1. above.

DATE OF ISSUE

December 4, 2009

Month Day Year

DATE EFFECTIVE

January 4, 2010

Month Day Year

ISSUED BY

K.J. Neises,

Executive Vice President,

720 Olive St.,

St. Louis, MO 63101

Name of Officer

Title

Address

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

P.S.C. MO. No. 5 Consolidated, Thirteenth Revised Sheet No. 18
CANCELLING P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No. 18

Laclede Gas Company
Name of Issuing Corporation or Municipality

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

SCHEDULE OF RATES

A. Current Purchased Gas Adjustments (Continued)

g. Uncollected Gas Cost Recovery ("UGCR"). The UGCR component of the Company's CPGA factors shall be determined by dividing the estimated gas cost portion of the bad debts provision established in the resolution of the Company's most recent general rate case by the total sales volumes specified in Section F.

3. The factors determined in Paragraphs 2.b., 2.d. and 2.e. shall be applicable to transportation throughput pursuant to Sheet No. 34 of the Company's Large Volume Transportation and Sales Service per therm, respectively. For informational purposes, such charges shall also be set forth at the bottom of Sheet No. 29.

4. The CPGA for firm sales, with the exception of LVTSS and VF sales, and the CPGA for seasonal and interruptible sales shall be set forth on Tariff Sheet No. 29 to be filed with the Commission and shall remain in effect until the next CPGA becomes effective hereunder, or until retail rates (or the fixed test period purchase and sales volumes) are otherwise changed by order of the Commission. Each CPGA made effective hereunder shall cancel and supersede the previously effective CPGA and shall be the CPGA to be effective thenceforth.

5. Each month, upon the availability of the natural gas market indices used in the determination of the Company's gas supply costs, the Company shall notify all of its LVTSS and VF customers by e-mail or facsimile of the CPGA which shall be applied to sales to such customers in such month. Such CPGA shall be computed in accordance with paragraphs 1 and 2 above, and shall become effective the next gas day after the aforementioned notification. Each month the Company shall submit to the Staff of the Commission a copy of the workpapers containing the computation of the CPGA.

6. The amount of each customer's bill shall include a CPGA charge which shall on a net basis be the product of (a) the CPGA per therm applicable to the sales classification as set forth in Tariff Sheet No. 29 for non customers other than LVTSS and VF, or the CPGA per therm described in paragraph 5 above for LVTSS and VF customers, and (b) the total therms used in each billing period.

DATE OF ISSUE December 4, 2009 DATE EFFECTIVE January 4, 2010
Month Day Year Month Day Year
ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #1 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

P.S.C. MO. No. 5 Consolidated, Original Sheet No. 28-j
CANCELLING All Previous Schedules

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

I. Uncollected Gas Cost Recovery Account

The Company shall maintain an Uncollected Gas Cost Recovery ("UGCR") Account which shall accumulate entries related to the Company's recovery of the gas cost portion of the Company's bad debt write-offs. Each month the Company shall debit the UGCR Account for the gas cost portion of bad debt write-offs. Each month the Company shall also credit the UGCR Account for the UGCR amounts billed to customers by multiplying the UGCR component of the Company's CPGA factors, as set forth in Section A.2.g. of this clause, by the Company's sales volumes. Each year the debit or credit balance in the UGCR Account at the end of September shall be divided by the Company's total estimated volumes during the subsequent twelve months ended October period to produce the UGCR component of the Company's ACA factors that shall become effective with the PGA factors the Company implements during November and that shall remain in effect until the effective date of the Company's new ACA factors in the subsequent November. Such UGCR ACA component shall be applied to all volumes billed to each sales customer and all actual UGCR ACA revenue recovered therefrom shall be debited or credited to the UGCR ACA Account as appropriate.

DATE OF ISSUE

December 4, 2009

Month Day Year

DATE EFFECTIVE

January 4, 2010

Month Day Year

ISSUED BY

K.J. Neises,

Executive Vice President,

720 Olive St.,

St. Louis, MO 63101

Name of Officer

Title

Address

ALTERNATE #2 PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY**P.S.C. MO. No. 5 Consolidated, Seventeenth Revised Sheet No. 2
CANCELLING P.S.C. MO. No. 5 Consolidated, Sixteenth Revised Sheet No. 2**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES**RESIDENTIAL GENERAL SERVICE (RG)**

Availability – This rate schedule is available for all gas service rendered by the Company to residential customers, including space heating service.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

	Summer - Billing Months of <u>May-October</u>	Winter – Billing Months of <u>November-April</u>
Customer Charge – per month	\$19.50	\$25.00
Charge for Gas Used – per therm		
For the first 30 therms used per month	22.596¢	90.663¢
For all therms used in excess of 30 therms	15.737¢	0.000¢

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

Customer Usage Refund Adjustment – The charge for gas used shall be subject to an adjustment as set out on Sheet No. 47.

DATE OF ISSUE

December 4, 2009

Month Day Year

DATE EFFECTIVE

January 4, 2010

Month Day Year

ISSUED BY

K.J. Neises, Executive Vice President,

720 Olive St.,

St. Louis, MO 63101

Name of Officer

Title

Address

ALTERNATE #2 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

P.S.C. MO. No. 5 Consolidated, Thirteenth Revised Sheet No. 3 CANCELLING P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No. 3

Laclede Gas Company
Name of Issuing Corporation or Municipality

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

SCHEDULE OF RATES

COMMERCIAL & INDUSTRIAL GENERAL SERVICE - CLASS I (C1)

Availability – This rate schedule is available for all gas service rendered by the Company to commercial or industrial customers, including space heating service, whose annual consumption, as described below, is less than 5,000 therms.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below

	Summer - Billing Months of <u>May-October</u>	Winter - Billing Months of <u>November-April</u>
Customer Charge – per month	\$25.50	\$32.75
Charge for Gas Used – per therm		
For the first 50 therms used per month	15.993¢	85.117¢
For all therms used in excess of 50 therms	11.664¢	0.000¢

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

Annual Consumption – Annual consumption for purposes of the "Availability" section in Sheet Nos. 3, 3-a and 3-b shall be based on the twelve months ended November 2001, except for new customers not connected to the Company's system during such period, in which case, the Company shall use estimated consumption, if the customer has not been connected to the Company's system for a full twelve months, or consumption for the first twelve month period in which the customer was connected to the Company's system. Unless the customer's annual consumption changes by more than 30% from the amount initially used to establish the appropriate rate schedule, such rate schedule shall be used for billing such customer until annual consumption is re-determined in the Company's subsequent rate case; however, upon the request of any customer whose annual usage has changed enough to make such customer eligible for another general service class, the Company may bill such customer under such class based upon verified changes in equipment or operations, irrespective of the foregoing 30% threshold. If annual consumption changes by more than 30% from the level used to initially determine or subsequently redetermine the appropriate rate schedule for such customer, such annual consumption shall be used within two billing months for purposes of the "Availability" section in Sheet Nos. 3, 3-a and 3-b.

Customer Usage Refund Adjustment – The charge for gas used shall be subject to an adjustment as set out on Sheet No. 47.

DATE OF ISSUE December 4, 2009
Month Day Year

DATE EFFECTIVE January 4, 2010
Month Day Year

ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #2 PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No. 3-a CANCELLING P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No. 3-a

Laclede Gas Company
Name of Issuing Corporation or Municipality

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

SCHEDULE OF RATES

COMMERCIAL & INDUSTRIAL GENERAL SERVICE - CLASS II (C2)

Availability – This rate schedule is available for all gas service rendered by the Company to commercial or industrial customers, including space heating service, whose annual consumption, as described below, is greater than or equal to 5,000 therms and less than 50,000 therms.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below

	Summer - Billing Months of <u>May-October</u>	Winter – Billing Months of <u>November-April</u>
Customer Charge – per month	\$40.50	\$52.00
Charge for Gas Used – per therm		
For the first 500 therms used per month	16.570¢	68.189¢
For all therms used in excess of 500 therms	13.447¢	0.000¢

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

Annual Consumption – Annual consumption for purposes of the "Availability" section in Sheet Nos. 3, 3-a and 3-b shall be based on the twelve months ended November 2001, except for new customers not connected to the Company's system during such period, in which case, the Company shall use estimated consumption, if the customer has not been connected to the Company's system for a full twelve months, or consumption for the first twelve month period in which the customer was connected to the Company's system. Unless the customer's annual consumption changes by more than 30% from the amount initially used to establish the appropriate rate schedule, such rate schedule shall be used for billing such customer until annual consumption is re-determined in the Company's subsequent rate case; however, upon the request of any customer whose annual usage has changed enough to make such customer eligible for another general service class, the Company may bill such customer under such class based upon verified changes in equipment or operations, irrespective of the foregoing 30% threshold. If annual consumption changes by more than 30% from the level used to initially determine or subsequently redetermine the appropriate rate schedule for such customer, such annual consumption shall be used within two billing months for purposes of the "Availability" section in Sheet Nos. 3, 3-a and 3-b.

Customer Usage Refund Adjustment- The charge for gas used shall be subject to an adjustment as set out on Sheet No. 47.

DATE OF ISSUE December 4, 2009
Month Day Year

DATE EFFECTIVE January 4, 2010
Month Day Year

ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #2 PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No. 3-b CANCELLING P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No. 3-b

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

COMMERCIAL & INDUSTRIAL GENERAL SERVICE - CLASS III (C3)

Availability – This rate schedule is available for all gas service rendered by the Company to commercial or industrial customers, including space heating service, whose annual consumption, as described below, is greater than or equal to 50,000 therms.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below

	Summer - Billing Months of <u>May-October</u>	Winter – Billing Months of <u>November-April</u>
Customer Charge – per month	\$81.25	\$104.00
Charge for Gas Used – per therm		
For the first 3,000 therms used per month	18.718¢	95.988¢
For all therms used in excess of 3,000 therms	13.597¢	0.000¢

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

Annual Consumption – Annual consumption for purposes of the "Availability" section in Sheet Nos. 3, 3-a and 3-b shall be based on the twelve months ended November 2001, except for new customers not connected to the Company's system during such period, in which case, the Company shall use estimated consumption, if the customer has not been connected to the Company's system for a full twelve months, or consumption for the first twelve month period in which the customer was connected to the Company's system. Unless the customer's annual consumption changes by more than 30% from the amount initially used to establish the appropriate rate schedule, such rate schedule shall be used for billing such customer until annual consumption is re-determined in the Company's subsequent rate case; however, upon the request of any customer whose annual usage has changed enough to make such customer eligible for another general service class, the Company may bill such customer under such class based upon verified changes in equipment or operations, irrespective of the foregoing 30% threshold. If annual consumption changes by more than 30% from the level used to initially determine or subsequently redetermine the appropriate rate schedule for such customer, such annual consumption shall be used within two billing months for purposes of the "Availability" section in Sheet Nos. 3, 3-a and 3-b.

Customer Usage Refund Adjustment – The charge for gas used shall be subject to an adjustment as set out on Sheet No. 47.

DATE OF ISSUE

December 4, 2009

DATE EFFECTIVE

January 4, 2010

Month Day Year

Month Day Year

ISSUED BY

K.J. Neises,

Executive Vice President,

720 Olive St., St. Louis, MO 63101

Name of Officer

Title

Address

ALTERNATE #2 PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

**P.S.C. MO. No. 5 Consolidated, Sixteenth Revised Sheet No. 4
CANCELLING P.S.C. MO. No. 5 Consolidated, Fifteenth Revised Sheet No. 4**

Laclede Gas Company
Name of Issuing Corporation or Municipality

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

SCHEDULE OF RATES

RESIDENTIAL SEASONAL AIR CONDITIONING SERVICE (RA)

Availability – This rate schedule is available for all gas service to residential air conditioning customers during the six consecutive billing months of May through October, provided that the quantity of gas used during such period for air conditioning purposes is at least twice the quantity of gas used for all other purposes during such period. All gas used by the customer for the balance of the year shall be billed under the Residential General Service rate.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

Customer Charge – per month \$19.50

Charge For Gas Used – per therm

For the first 30 therms used per month 22.596¢

For all therms used in excess of 30 therms per month 15.737¢

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

Customer Usage Refund Adjustment– The charge for gas used shall be subject to an adjustment as set out on Sheet No. 47.

DATE OF ISSUE December 4, 2009
Month Day Year

DATE EFFECTIVE January 4, 2010
Month Day Year

ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

ALTERNATE #2 PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY**P.S.C. MO. No. 5 Consolidated, Fifth Revised Sheet No. 4-a
CANCELLING P.S.C. MO. No. 5 Consolidated, Fourth Revised Sheet No. 4-a**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES**COMMERCIAL & INDUSTRIAL SEASONAL SERVICE (CA)**

Availability – This rate schedule is available for all gas service to commercial and industrial air conditioning or on-site power generation customers during the six consecutive billing months of May through October, provided that the quantity of gas used during such period for air conditioning or on-site power generation purposes is at least twice the quantity of gas used for all other purposes during such period. All gas used by the customer for the balance of the year shall be billed under the appropriate Commercial and Industrial General Service rate schedule.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

	<u>Class I</u>	<u>Class II</u>	<u>Class III</u>
Customer Charge – per month	\$25.50	\$40.50	\$81.25
Charge For Gas Used – per therm			
For the first 100 therms used per month	18.514¢	18.514¢	18.514¢
For all therms used in excess of 100 therms	15.276¢	15.276¢	15.276¢

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

Customer Usage Refund Adjustment- The charge for gas used shall be subject to an adjustment as set out on Sheet No. 47.

DATE OF ISSUE	December 4, 2009	DATE EFFECTIVE	January 4, 2010
	Month Day Year		Month Day Year
ISSUED BY	K.J. Neises,	Executive Vice President	720 Olive St., St. Louis, MO 63101
	Name of Officer	Title	Address

ALTERNATE #2 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

**P.S.C. MO. No. 5 Consolidated, Original Sheet No. 46
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

CUSTOMER USAGE REFUND CLAUSE

1. The Company shall maintain a Customer Usage Refund ("CUR") account which shall be credited by the amount of increased non-gas revenues attributable to increased usage as such revenue increase is computed below.
2. Each month the Company shall compute such non-gas revenue increases for each of the General Service rate schedules as follows:
3. a. For the November through April winter period:

$$\text{NON-GAS REVENUE INCREASE} = \\ (\text{ABLK1UB} - \text{EBLK1UB}) \times \text{BLK1RATE} \times \text{BILLS}$$

where:

ABLK1UB= Actual average block 1 use per bill

EBLK1UB= Estimated average block 1 use per bill established in the resolution of the Company's most recent general rate case

BLK1RATE= Block 1 distribution charge for gas used for applicable rate schedule

BILLS = The lesser of the total number of bills actually rendered during the month in the applicable customer category or the total number of bills used in the resolution of the Company's most recent general rate case

and $\text{ABLK1UB} > \text{EBLK1UB}$.

- b. For the May through October summer period:

Non-gas revenue increases calculated as described above including the use of block 2 use per bill and charge for gas used and the Seasonal Service and Seasonal Air Conditioning Service rate schedules.

4. Each year the increases described above and any balance or credit from the previous year shall be accumulated to produce a cumulative balance of excess non-gas revenues for each General Service customer category. A Customer Usage Refund ("CUR") for each such category, which shall be implemented concurrent with the Company's Winter PGA rates, shall be computed by dividing such balance by the total estimated block 1 and block 2 sales volumes for such category during the subsequent November through October period. The CUAs shall be applied to all therms sold to customers in the applicable customer category and shall remain in effect until the effective date of the Company's next succeeding Winter PGA. All actual CUR refunds shall be debited to the appropriate customer category balance within the CUR account and any remaining balance shall be reflected in the subsequent CUR computations. Each month, carrying costs, at a simple rate of interest equal to the prime bank lending rate (as published in The Wall Street Journal on the first business day of such month), minus two percentage points, shall be applied to the Company's average beginning and ending CUA account balances.
5. The CURs shall be effective on a pro-rata basis beginning with the effective date of the Company's winter PGA rates and shall be fully effective one month thereafter.

DATE OF ISSUE

December 4, 2009

DATE EFFECTIVE

January 4, 2010

Month Day Year

Month Day Year

ISSUED BY

K.J. Neises, Executive Vice President,

720 Olive St.,

St. Louis, MO 63101

Name of Officer

Title

Address

ALTERNATE #2 TO PROPOSED TARIFF SHEETS – FOR SPECIMEN PURPOSES ONLY

P.S.C. MO. No. 5 Consolidated, Original Sheet No. 47
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

CUSTOMER USAGE REFUND CLAUSE (continued)

In accordance with the Company's Customer Usage Refund Clause, the following refunds per therm will become effective on and after the effective date of this tariff.

<u>Rate Schedule</u>	<u>CUA (\$/therm)</u>
RG	\$.00000
C1	\$.00000
C2	\$.00000
C3	\$.00000
RA	\$.00000
CA	\$.00000

DATE OF ISSUE December 4, 2009 DATE EFFECTIVE January 4, 2010
Month Day Year Month Day Year

ISSUED BY K.J. Neises, Executive Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address

In the Matter of Laclede Gas Company's)
Tariff to Revise Natural Gas Rate Schedules) Case No. GR-2010-_____

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

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Michael T. Cline
Michael T. Cline

Loren C. Justine
Notary Public