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May 15, 2001

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DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GT-2001-329

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **MOTION FOR LEAVE TO WITHDRAW HIGHLY CONFIDENTIAL SCHEDULE AND SUBSTITUTE NP SCHEDULE AND TESTIMONY.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Thomas R. Schwarz, Jr.

Thomas R. Schwarz, Jr.
Deputy General Counsel
(573) 751-5239
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TRS:sw
Enclosures
cc: Counsel of Record

FILED²
MAY 15 2001

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
MAY 15 2001

Missouri Public
Service Commission

In the Matter of Laclede Gas Company's)
Tariff Filing to Implement an)
Experimental Fixed Price Plan and Other)
Modifications to its Gas Supply Incentive)
Plan.)

Case No. GT-2001-329

**MOTION FOR LEAVE TO WITHDRAW HIGHLY CONFIDENTIAL
SCHEDULE AND SUBSTITUTE NP SCHEDULE AND TESTIMONY**

COMES NOW the Staff ("Staff") of the Public Service Commission of Missouri ("Commission"), and seeks Commission authority to withdraw HC Schedule 6 to David Sommerer's rebuttal testimony, and leave to file a substitute Schedule 6 and substitute pages 11 and 12 to that testimony. In support of its motion Staff respectfully suggests:

1. In this case the Staff sought authority to include highly confidential natural gas cost and volume information from other Missouri local distribution companies in the rebuttal testimony of David Sommerer. Staff indicated that its use of such material would be in summary form and limited.

2. A number of other LDCs intervened and objected to such a use of information specific to them. Before the Staff had filed its testimony Laclede Gas Company served a data request on Staff seeking, in effect, all Actual Cost Adjustment audit information concerning all other Missouri LDCs. That is, Laclede asserted without ever having seen Staff's testimony that it would need to conduct the equivalent of an ACA audit on all Missouri LDCs in order to prepare its case.

3. In response, Staff emphasized its limited use of price and volume information, and pledged to work with Laclede to provide Laclede with the data it needed for this case. The Commission granted Staff's motion, and adjusted the procedural schedule slightly to provide Laclede additional time for discovery.

4. Staff filed its testimony, using annual cost and volume data from all Missouri LDCs to compute the percentage price change in the delivered cost of natural gas from year to year for each LDC. Staff then ranked the LDCs each year based on that percentage change. Staff did not compare the LDCs on the basis of the delivered cost of gas.

5. Staff concedes that the use of data from other LDCs is novel. For that reason, Staff limited its use to same-company comparisons; to use of a statistic that can be independently calculated by the same method for each LDC; and to a statistic that has meaning for customers.

6. Staff contends that Laclede can verify Staff's computations by using summary price and volume information of the other LDCs. Staff's data is submitted under penalty of perjury to the Commission, the LDCs know that their submissions will be audited by the Staff and reviewed by the Commission, and the LDCs are highly motivated to submit and collect every gas cost dollar they can. The data Staff used is reliable. Laclede continues to insist that it is entitled to conduct the equivalent of a full ACA audit of each LDC, including review of gas supply and transportation contracts, in order to prepare this case. Staff has attached Laclede's data request for ease of reference as Attachment 1.

7. Staff has pledged to work with the Company to resolve any discovery disputes related to its use of other LDC data. It is apparent to Staff that the parties cannot resolve

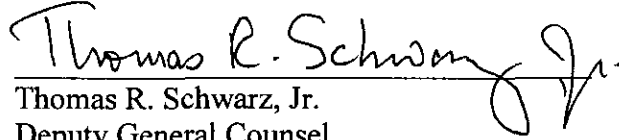
their differences, and that there is not sufficient time in the context of this case to frame the dispute and submit it to the Commission for resolution. Staff believes that it is far more important for the Commission to focus its attention on the core issues in this case. In keeping with its pledge to the Commission and to Laclede to work with Laclede and resolve any discovery disputes, Staff now seeks to eliminate the use of this data. Staff sees no practical alternative to resolve this case before the winter of 2001-2002.

8. In withdrawing HC Schedule 6 Staff does not concede that its proposed use is unwarranted or unworkable. Should the Commission decide to adopt the meaningful incentive program suggested by Staff in the rebuttal testimony of Staff witness Schallenberg, there will be adequate time to address the discovery issue prior to using the information in the fall of 2002.

WHEREFORE, Staff renews its motion for leave to withdraw HC Schedule 6 to David Sommerer's rebuttal testimony, and for leave to file a substitute schedule and substitute pages 11 and 12 of David Sommerer's rebuttal testimony to reflect the change in Schedule 6.

Respectfully submitted,

DANA K. JOYCE
General Counsel

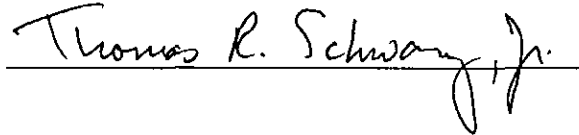


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 15th day of May, 2001.



Attachment 1

Case No. GT-2001-329
First Set of Data Requests from Laclede Gas Company
to the Staff of the Missouri Public Service Commission

1. For each of the Missouri natural gas utilities referenced in paragraph 1 of Staff's April 18, 2001 Motion for Order Permitting Use of Information and For Expedited Treatment in Case No. GT-2001-329, please provide or make available within the next ten days the following information for each of the five most recent ACA periods for these utilities, including the ACA period ending in 2001:
 - (a) copies of all correspondence (including e-mails) between each utility and all other interstate and intrastate pipelines regarding new pipeline services including drafts and final contracts;
 - (b) a listing by name and purpose of all electronic journals, diaries, memoranda, spreadsheets and reports routinely used by the gas purchasing function at each utility;
 - (c) copies of any studies performed by each utility, or for the utility by a third person, that analyzed the mix of pipeline services, changes in transportation and storage contracts;
 - (d) copies of all requests for proposals issued by each utility that related to the procurement of natural gas supply, transportation, and storage services;
 - (e) copies of all requests for proposals issued by each utility for risk management services;
 - (f) copies of all requests for proposals and any other contract with suppliers, marketers, producers, etc. that show that the utility has requested such pricing alternatives as: fixed prices, ceilings, costless collars, and other variations to index pricing, including copies of all supplier or potential supplier responses to these requests and all documentation relating to any existing hedging program;
 - (g) a schedule showing all cost information for each purchase of natural gas supplies made by each of the utilities;
 - (h) an explanation of the process whereby each utility ensures that system supply customers that are subject to the PGA receive the lowest gas costs as compared to off-system sales customers;
 - (i) a schedule showing, on a monthly basis, the level of off-system sales profits realized by each utility;

- (j) a complete description of how each utility ensures that it is nominating and dispatching the lowest cost gas for the system supply customer;
- (k) copies of all documentation which establishes that the utility considers variable transportation costs in its analysis to order the lowest cost supplies for its system supply customers;
- (l) a copy of all procedures each utility uses to nominate gas;
- (m) copies of each utility's gas procurement plans;
- (n) copies of each utility's internal audit reports and analyses of its gas supply function;
- (o) copies of each utility's external audit work papers that related to its gas supply function;
- (p) copies of all interstate and intrastate transportation agreements that were in effect for each utility during the subject ACA periods;
- (q) copies of all gas supply contracts that were in effect for each utility during the subject ACA periods;
- (r) copies of all analyses, including provision-by-provision analyses of significant changes and improvements in each utility's interstate pipeline contracts, intrastate pipeline contracts, and gas supply contracts that have changed during the subject ACA periods;
- (s) copies of all firm supply nomination confirmations for each utility;
- (t) copies of all spot supply nomination documents for each utility;
- (u) copies of all proposals received from suppliers for each utility; and
- (v) copies of all analyses performed by each utility that identifies actual purchases by producing region and type of supply (baseload, swing, combination, spot, etc.).

2. For each of the Missouri natural gas utilities referenced in paragraph 1 of Staff's April 18, 2001 Motion for Order Permitting Use of Information and For Expedited Treatment in Case No. GT-2001-329, please provide:

- (a) a full and complete description of the natural gas storage capabilities of each utility, including: (i) the total volume of natural gas that each utility is entitled to store on an annual basis pursuant to any contract with a third party; (ii) the specific contractual terms and conditions under which such

volumes may be stored, including rates for storing the gas and any and all contractual limitations on injections and withdrawals; (iii) the location of the storage facilities subject to such contractual storage rights, together with a listing of any interstate or intrastate pipeline facilities that connect with such storage facilities; (iv) the annual and monthly volume of gas delivered into and transported from each storage facility through each of the respective interstate or intrastate pipelines listed in the preceding subpart (iii); (v) the location, physical capabilities and operational constraints of any storage facilities owned or operated by the utility; (vi) a schedule showing the utility's actual monthly injections into and withdrawals from all such storage facilities over the past five ACA periods;

- (b) a full and complete description of the interstate and intrastate pipeline facilities used by each utility to transport to or receive at its city gates the gas supplies utilized to serve the requirements of its Missouri utility customers, including: (i) the specific contractual terms and conditions under which gas may be transported on such pipelines, including a full and complete breakdown of what portion of the transportation service taken by the utility is firm or interruptible; (ii) the maximum authorized rates that the pipeline may charge for such service pursuant to its FERC approved tariff's; (iii) the rates actually paid for transportation service by the utility, including a quantification of the total annual dollar value of any discounts negotiated by the utility from such maximum rates for each of the five most recent ACA periods; (iv) the monthly and annual volumes transported by or on behalf of the utility through each pipeline facility for each of the five most recent ACA periods; (v) the production areas that can be accessed by each interstate and intrastate pipeline facility utilized by the utility; (vi) the specific terms and conditions governing the release of pipeline capacity held by the utility; (vii) the total volume of capacity released by the utility on each pipeline; (viii) the total amount received by the utility for each release of pipeline capacity for each of the five most recent ACA periods;
- (c) a full and complete description of the gas supply contracts held by each utility, including: (i) the specific contractual terms and conditions of each contract; (ii) the monthly and annual volumes that may be purchased under each contract; (iii) the commodity and demand charges authorized by each contract; (iv) the total annual and monthly volumes purchased by the utility for the five most recent ACA periods with a quantification of what portion of those volumes were baseload, swing, combination and/or peaking volumes;
- (d) a full and complete description of the load characteristics and customer demand requirements of each utility, including: (i) the annual and monthly sales volumes experienced by each utility during each of its five most

recent ACA periods; (ii) the highest daily sales volume experienced by each utility during the period covered by its five most recent ACA periods; (iii) the annual customer load factor experienced by each utility during its five most recent ACA periods; (iv) the relative percentage of sales volumes made to residential versus non-residential customers; (v) a description and copies of any Missouri Commission approved curtailment, unauthorized use, transportation, standby or other tariffs that may impact the volume of each utility's customer gas demands during certain periods; (vi) a full and complete description of whether the LDC or any affiliate of the LDC also purchases gas supplies to fuel electric generation and, if so, a full explanation of any interrelationship between, or coordination of, the purchases made for gas and electric operations; and

- (e) a full and complete description of the relative impact of weather variations on the pattern, amount and cost of each utility's purchases or gas supplies and transportation services. Also please include: (i) the average heating degree days experienced by each utility on a monthly and annual basis for each of its five most recent ACA periods; (ii) the highest heating degree days experienced by each utility on any single day during the past five years.

- 3. For each of the Missouri natural gas utilities referenced in paragraph 1 of Staff's April 18, 2001 Motion for Order Permitting Use of Information and For Expedited Treatment in Case No. GT-2001-329, please provide within the next ten days copies of all Staff reports, memoranda, testimony, correspondence, internal and external e-mails, and any other document written by or on behalf of the Staff that addresses any matter pertaining to such utility's management and utilization of its gas supply, transportation and storage assets for each of the utility's five most recent ACA periods.

**Service List for
Case No. GT-2001-329
Verified: May 15, 2001 (SW)**

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