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## Missouri Public Service Commission

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September 28, 2001

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

**FILED<sup>3</sup>**

SEP 28 2001

Missouri Public  
Service Commission

**RE: Case No. GT-2001-329-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.**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RESPONSE TO LACLEDE'S REQUEST FOR CLARIFICATION AND MOTION FOR EXPEDITED TREATMENT.**

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,

David A. Meyer  
Associate General Counsel  
(573) 751- 8706  
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Enclosure

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

**FILED<sup>3</sup>**  
**SEP 28 2001**

**Missouri Public  
Service Commission**

In the Matter of Laclede Gas Company's )  
Tariff Filing to Implement an )  
Experimental Fixed Price Plan and Other ) Case No. GT-2001-329  
Modifications to Its Gas Supply Incentive )  
Plan. )

**STAFF RESPONSE TO LACLEDE'S REQUEST FOR CLARIFICATION  
AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its response to Laclede's Motion, states:

1. On September 27, 2001, Laclede Gas Company (Laclede) filed a Request for Clarification and Motion for Expedited Treatment, requesting the Commission to allow Laclede to "retain a portion of the revenues it achieves through the temporary release of pipeline capacity" and transportation discounts, in light of the language in Finding of Fact Paragraph 2 in the Commission's September 20, 2001 Report and Order. (Laclede Request, paras. 3 and 4).

2. Laclede's Request goes beyond a request for Clarification. Paragraph 6 of Laclede's Request offers point after point of new argument and contains references to facts outside the record – and should be disregarded.

3. Laclede is mistaken when it asserts that the Laclede's Gas Supply Incentive Program ends October 17, 2001. Laclede's tariffs provide an expiration date of September 30, 2001, and parties have referred to this date repeatedly throughout this proceeding. The Commission's Order Suspending Tariff of December 14, 2000 and subsequent Order of February 25, 2001 merely suspended Laclede's proposed tariffs, including "P.S.C. Mo. No. 5 Consolidated, *Fifth* Revised Sheet No. 28-a." The Orders had no effect on tariff sheets currently

in force. Laclede now seeks to replace the *Fourth* Revised Sheet No. 28-a, currently in effect, with a new sheet, thereby extending its incentive program beyond the expiration date that has been pending since July 14, 2000. At no time in this proceeding has *Fourth* Revised Sheet 28-a, setting an expiration date of September 30, 2001, been suspended or altered. Once approved, a tariff becomes part of Missouri law. *Carter's Custom Tile & Remodeling, Inc. v. Southwestern Bell Tel. Co.*, 834 S.W.2d 892, 893 (Mo.App. E.D. 1992). A copy of the current, *Fourth* Revised Sheet No. 28-a is attached as Attachment A to this Response, and can also be found as Schedule 4-7 to Staff Exhibit 19 (Rebuttal Testimony of Thomas M. Imhoff).

4. All parties agree that off-system sales are addressed in the pending Laclede rate case. At the very least, until that case has concluded, Laclede will continue to "have the opportunity to make profits" through that mechanism (Report and Order at 10). This point should not require clarification.


5. As for temporary releases of pipeline capacity and transportation discounts, a passing reference that these principles remain valid does not lead to the conclusion that Laclede's current Gas Supply Incentive Program must remain in place. The Report and Order does not direct or even imply that this should be the case. Staff has relied upon the Report and Order's logical meaning, that when a properly designed incentive plan is put in place, these elements will be incorporated. The Commission envisions future incentive plans, as do the other parties. This hardly requires clarification.

6. Staff also would note that Findings of Fact 4 and 5 in the Report and Order reference "Laclede's Exhibit 18" and "Laclede's Exhibit 35," but that these exhibits were in fact tendered by Staff and the Office of Public Counsel, respectively.

WHEREFORE, Staff respectfully requests the Commission issue an Order denying Laclede's Request for Clarification and acknowledging that Laclede's Gas Supply Incentive Program expires under the language of the attached, currently effective tariff on September 30, 2001.

Respectfully submitted,

DANA K. JOYCE  
General Counsel

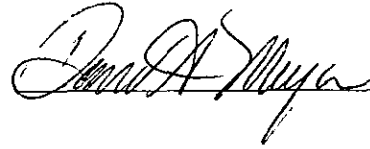
  
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## Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record on this 28<sup>th</sup> day of September, 2001.



---

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

RECEIVED

JUN 13 2000

D. Gas Supply Incentive Plan

2. The debits and credits to the IA Account shall be allocated to the applicable customer classifications, based on the volumes sold and/or transported during the ACA period. Debits from item 1.b. and 1.d. shall be allocated to the Company's firm sales and firm transportation customers consistent with the allocation of capacity reservation charges set forth in Section A.2.b. The debit or credits from item 1.c. shall be allocated to the Company's on-system firm sales only.

3. For each ACA year, the debits and credits recorded in the IA Account including any balance from the previous year shall be accumulated to produce a cumulative balance of incentive adjustments. For purposes of computing new ACA factors for the subsequent twelve-month period beginning with the effective date of the Winter PGA, such cumulative incentive adjustment balances shall be combined with the appropriate Deferred Purchased Gas Costs Account balances. The Company shall separately record that portion of ACA revenue recovery which is attributable to recovery of the IA Account balances. Any remaining balance shall be reflected in the subsequent ACA computations.

4. If an unusual event occurs which would have a significant adverse impact on purchased gas costs, such as, an act of God, a significant change in federal or state laws or regulations, including tax laws, or a significant change in gas supply market or system operating conditions, the Company reserves the right at any time to make a filing seeking to either terminate or modify the GSIP, including modification to the Base Period Cost described in 1.d. above.

5. Unless terminated in accordance with Section D.4., the GSIP shall continue in effect through September 30, 2001, subject to the following terms and conditions which shall become effective October 1, 2000:

FILED

JUL 14 2000

MISSOURI  
Public Service Commission

DATE OF ISSUE

June 12, 2000

DATE EFFECTIVE

July 14, 2000

Month Day Year

Month Day Year

ISSUED BY

K. J. Moises,

Senior Vice President,

720 Olive St., St. Louis, MO 63101

Name of Officer

Title

Address

Attachment A

**Service List for  
Case No. GT-2001-329  
Verified: September 28, 2001 (cgo)**

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