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December 19, 2001

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, Missouri 65102

RE: *Laclede Gas Company*
Case No. GT-2001-329

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and eight (8) copies of the Notice of Laclede Gas Company Regarding Resolution Of Certain Issues. A copy of the foregoing Notice has been hand-delivered or mailed this date to each party of record.

Thank you for your attention to this matter.

Sincerely,

James M. Fischer

James M. Fischer

Enclosures

cc: Office of the Public Counsel
Dan Joyce, General Counsel
Diana M. Vuylsteke
Dean L. Cooper
Thomas M. Byrne

FILED[2]
DEC 1 9 2001
Missouri Public Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

NOTICE OF LACLEDE GAS COMPANY
REGARDING RESOLUTION OF CERTAIN ISSUES

COMES NOW Laclede Gas Company ("Laclede" or "Company") and for its Notice Regarding Resolution of Certain Issues, states as follows:

1. On November 16, 2001, Laclede, the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("Public Counsel") and several other parties filed a Unanimous Stipulation and Agreement ("Stipulation") resolving all issues in Laclede's general rate case proceeding, Case No. GR-2001-629. On November 29, 2001, the Commission approved the Stipulation and accompanying tariffs for service rendered on and after December 1, 2001.

2. Among the issues resolved by the Stipulation was the treatment to be afforded the revenues achieved by the Company as a result of its off-system sales of gas and its release of pipeline capacity. Specifically, paragraph 9 of the Stipulation, as approved by the Commission, provides as follows:

> The rates recommended herein reflect an imputed revenue level of three million dollars ($3,000,000) for the release of pipeline capacity and off-system sales. In exchange for this imputation, the Company shall be permitted to retain 100% of any revenues realized from such transactions during the period the rates established in this proceeding are in effect. Unless otherwise provided by tariff, it is expressly understood that during such period no other treatment of such revenues shall be implemented as

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> the result of any action taken in another Commission case, and that Laclede shall not pursue its rights to rehearing or judicial review of the Commission's decision in Case No. GT-2001-329 as it specifically relates to the treatment of capacity release and off system sales revenues. The Parties further agree that during this period, any Party may propose and the Commission may approve and implement incentive provisions for other elements of the Company's gas supply costs. The Parties also agree that incentive provisions for capacity release and off system sales can also be proposed for implementation after the end of such period.

3. In accordance with the provision quoted above, this is to notify the Commission that to the extent the Company's Request for Clarification and Application for Rehearing in this case address the treatment of off-system sales or capacity release revenues, such issues are now moot for purposes of this proceeding.[1] As a consequence, there is no longer any need for the Commission to address these specific issues in the context of either Laclede's Request for Clarification or its Application for Rehearing.

4. The remaining issues raised by Laclede in those pleadings are, however, properly before the Commission and remain ripe for determination. Accordingly, for the reasons set forth at length in its Request for Clarification and Application for Rehearing, Laclede respectfully renews its request that the Commission grant the relief sought therein in connection with the other elements of the Company's Gas Supply Incentive Plan. As shown in those pleadings and by the record in this case, the granting of such relief is both necessary and appropriate in that it would permit a continuation of incentive provisions that have proven their value to the Company's customers, while providing a needed bridge to any incentive plan that may ultimately be developed and approved by

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[1] The Company's Request for Clarification and Application for Rehearing of the Commission's September 20, 2001 Report and Order in this case were filed on September 27, 2001 and October 10, 2001, respectively.

the Commission pursuant to the roundtable process now underway as well as a needed source of additional funding for low-income energy assistance programs.

WHEREFORE, for the foregoing reasons, Laclede respectfully requests that the Commission take note of the matters addressed herein when ruling upon Laclede's Request for Clarification and Application for Rehearing.

Respectfully submitted,

Michael C. Pendergast by JMT

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CERTIFICATE OF SERVICE

Michael C. Pendergast, Assistant Vice President and Associate General Counsel for Laclede Gas Company, hereby certifies that the foregoing Notice Regarding Resolution of Certain Issues has been duly served upon the General Counsel of the Staff of the Public Service Commission, Office of the Public Counsel and all parties of record to this proceeding by placing a copy thereof in the United States mail, postage prepaid, or by hand delivery, on this 19th day of December, 2001.

Michael C. Pendergast by JMT

Michael C. Pendergast