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February 1, 2002

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

FILED³

FEB 04 2002

**Missouri Public
Service Commission**

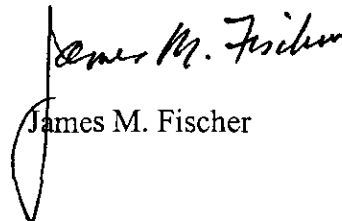
RE: *Laclede Gas Company*
Case No. GT-2001-329

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and eight (8) copies of the Motion of Laclede Gas Company For Commission Ruling On Application For Rehearing. A copy of the foregoing pleading 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

/jr
Enclosures

cc: Attorneys of Record

FILED³

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FEB 04 2002

Missouri Public
Service Commission

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

**MOTION OF LACLEDE GAS COMPANY FOR
COMMISSION RULING ON APPLICATION FOR REHEARING**

COMES NOW Laclede Gas Company ("Laclede" or "Company") and, pursuant to 4 CSR 240-240.080 and 4 CSR 240-2.160, moves the Commission for a ruling on the Application For Rehearing filed by the Company in this proceeding on October 10, 2001. In support thereof, Laclede states as follows:

1. On September 20, 2001, the Commission issued its Report and Order in the above-captioned proceeding in which it determined that Laclede's Gas Supply Incentive Plan should be permitted to expire after five years of operation. On September 27, 2001, Laclede filed its Request for Clarification in which it sought certain clarifications of, or modifications to, various aspects of the Commission's Report and Order that, if granted, might obviate the need for an Application for Rehearing. Since those clarifications were not forthcoming, Laclede submitted its Application for Rehearing on October 10, 2001, in which it asserted that the Commission's Report and Order was unsupported by adequate findings of fact, contrary to the competent and substantial evidence on the record, arbitrary and capricious, and otherwise unlawful.

2. Laclede continues to believe that the GSIP proposals presented by the Company in this case were reasonable and in the best interests of its customers. As

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Laclede discussed at length in its Application for Rehearing and other pleadings in this matter, the record evidence in this case -- much of which was undisputed -- clearly demonstrated that the GSIP had produced tens of millions of dollars in savings for the Company's customers since its inception in 1996. That same evidence also showed that continuation of the GSIP was critical to maintaining the level of financial resources required by the Company to fulfill its public utility obligations, as indicated by its effect in reducing (but by no means eliminating) the persistent and significant shortfalls between the returns deemed appropriate by this Commission and those actually achieved by Laclede. Finally, the evidence showed that in addition to benefiting all customers through reductions in their cost of service, the GSIP, as proposed by the Company, would also provide an important and increasingly critical source of private funding for low-income customers requiring energy assistance.

3. These compelling public interest justifications for a GSIP have not waned in the nearly four months since the Company filed its Application for Rehearing. In view of these considerations, the Company has worked diligently in both this and other forums to resolve or eliminate, at least on a temporary basis, a number of the difficult issues that were raised in this case. For example, as set out in its October 10, 2001, Application for Rehearing, Laclede did not seek to have the Commission revisit its decision in this case regarding the Company's proposals relating to the gas supply commodity component of its GSIP. Moreover, the Company pursued and reached at least a temporary resolution of the treatment to be afforded off-system sales and capacity release revenues as a result of its recent rate case proceeding. (*See Notice of Laclede Gas Company Regarding Resolution of Certain Issues*, dated December 19, 2001, which indicated that the

Commission need no longer address these two aspects of the GSIP in this case). And the Company has also been a full participant in the roundtable process that was commenced by the Commission in response to its Task Force's Recommendation that properly structured incentive plans should be utilized in the gas cost area.

4. Laclede will continue to take an active role in that process by encouraging dialogue on the proposals it has developed for general adoption by gas utilities in Missouri. However, without some affirmative Commission action on incentive provisions that the Company believes are already in full accord with the incentive principles that the Commission's Task Force has advocated, Laclede has no reason to believe that such a process is likely to produce a mutually agreeable incentive plan structure in the near future, if at all.

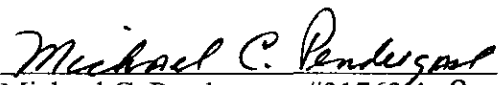
5. In that regard, Laclede appreciates the Commission's previous efforts to consider its Application for Rehearing and recognizes that an Order Granting Application for Rehearing has been posted on the Commission's agenda on several occasions. In view of the considerations discussed above, however, Laclede believes that immediate Commission action re-instituting the remaining incentive proposals is fully warranted, appropriate and required. As Laclede has previously pointed out, such action will permit the operation of incentive provisions that, as demonstrated by the record in this case, have proven their value and importance to the Company and its customers in the past and that promise to provide an additional source of critically-needed funding for low income energy assistance programs in the future. At the same time, they will also serve as a bridge to whatever incentive structure may ultimately result from the process that has been established by the Commission to implement its Task Force's strong endorsement of

gas cost incentives. Finally, Laclede would submit that in view of the amount of time which has passed since Laclede filed its Application for Rehearing, such action is mandated by a due regard for Laclede's rights to timely judicial review should such an eventuality be necessary.

6. For all of these reasons, Laclede respectfully requests that the Commission rule upon and grant its Application for Rehearing as it applies to transportation discounts, gas supply demand charges, and mix of pipeline supply costs.

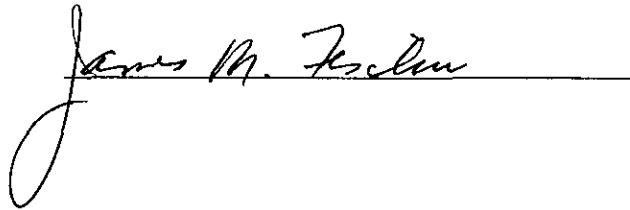
WHEREFORE, for the foregoing reasons, Laclede respectfully requests that the Commission rule upon Laclede's Request for Clarification and Application for Rehearing.

Respectfully submitted,


Michael C. Pendergast #31763 *by Jm*
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Associate General Counsel
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CERTIFICATE OF SERVICE

Michael C. Pendergast, Vice President and Associate General Counsel for Laclede Gas Company, hereby certifies that the foregoing Motion 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 4th day of February, 2002.

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