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## Missouri Public Service Commission

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March 14, 2002

ROBERT J. QUINN, JR.  
Executive Director  
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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

**FILED<sup>2</sup>**  
MAR 14 2002  
Missouri Public  
Service Commission

**RE: Case No. GR-2001-387 and GR-2000-622**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

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,

Bruce H. Bates  
Associate General Counsel  
(573) 751-7434  
(573) 751-9285 (Fax)

BHB/lb  
Enclosure  
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>3</sup>

MAR 14 2002

Missouri Public  
Service Commission

In the Matter of Laclede Gas Company's )  
Purchased Gas Adjustment Tariff )  
Revisions to be Reviewed in Its 2000- )  
2001 Actual Cost Adjustment. )

Case No. GR-2001-387

In the Matter of Laclede Gas Company's )  
Purchased Gas Adjustment Factors to be )  
Reviewed in Its 1999-2000 Actual Cost )  
Adjustment. )

Case No. GR-2000-622

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its  
*Recommendation* states:

In the attached *Memorandum*, which is labeled *Appendix A*, the Staff recommends that  
the Missouri Public Service Commission issue an order approving the proposed tariff sheets,  
P.S.C. MO. No. 5, Eleventh Revised Sheet No. 22 Canceling Tenth Revised Sheet No. 22; and  
One Hundred Ninetieth Revised Sheet No. 29 Canceling One-Hundred Eighty-Ninth Revised  
Sheet No. 29, to be effective on and after March 22, 2002, for the reasons stated therein.

Respectfully submitted,

DANA K. JOYCE  
General Counsel

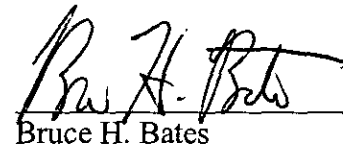


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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel or parties of record as shown on the attached service list this 14th day of March 2002.



Bruce H. Bates

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2001-387, File No. 200200752, Laclede Gas Company

FROM: James M. Russo, Energy - Tariff/Rate Design *JMR*

*Wanda T. Wynn* 3-14-02  
Energy Department/Date

*Thomas R. Schwan Jr.* 3/14/02 *TR* 3-14-02  
General Counsel's Office/Date

SUBJECT: Staff Recommendation on Tariff Sheets Filed to Terminate the Actual Cost Adjustment applicable to the Large Volume Transportation and Sales Service rate schedule

DATE: March 14, 2002

On March 8, 2002, the Laclede Gas Company (Laclede or Company) filed tariff sheets to terminate the Actual Cost Adjustment (ACA) factor that became effective November 19, 2001, and that is applicable to customers who purchase gas from the Company under the Large Volume Transportation and Sales Service (LVTSS) rate schedule. Contemporaneously, with the filing of these tariff sheets, the Company has filed a motion for expedited treatment.

The proposed revisions will eliminate the current ACA credit factor applicable to sales made under the Company's Large Volume Transportation and Sales Service (LVTSS) rate schedule.

Laclede is requesting the credit be eliminated because it is apparent that nearly the entire ACA over-collection balance that gave rise to the credit has already been distributed. This is due to LVTSS customers purchasing significantly higher than normal volumes from Laclede under the LVTSS rate schedule due to the extremely favorable price produced by the large ACA credit. As a consequence, Laclede anticipates that the ACA balance applicable to these customers will begin to reflect a substantial under-recovery of gas costs. The Company believes this will pose significant problems in the future when the Company attempts to recover this under-recovery from LVTSS customers who can avoid these charges by simply purchasing their gas from alternative sources. Laclede states in their March 8, 2002, cover letter to the Commission that:

Even if the Commission approves the expedited effective date requested in the [sic] this filing and accompanying motion, the Company conservatively estimates that by the end of this month the Company will have distributed over \$200,000 of excess credits to LVTSS sales customers.

The Commission's Energy - Tariff/Rate Design Staff has reviewed this filing and maintains that the tariff sheets have been filed in compliance with Commission rules and regulations and has no objection to the proposed changes to the ACA clause. This filing was made on ten (10) days or greater notice. Therefore,

*DH*  
02-11-02 10:55 RCV

Appendix A

MO PSC CASE NO. GR-2001-387

OFFICIAL CASE FILE MEMORANDUM

PAGE 2 OF 2

Staff recommends that the following tariff sheets be approved, to be effective on and after March 22, 2002:

P.S.C. MO. No. 5

Eleventh Revised Sheet No. 22 Canceling Tenth Revised Sheet No. 22

One Hundred Ninetieth Revised Sheet No. 29 Cancelling One-Hundred Eighty-Ninth Revised Sheet No. 29

**Service List for**  
**Case No. GR-2001-387**  
**Verified: March 14, 2002 (lb)**

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**Kenneth J. Neises/Michael C. Pendergast**  
**Laclede Gas Company**  
**720 Olive Street**  
**St. Louis, MO 63101**