

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 14th day of
September, 2006.

Staff of the Public Service Commission of Missouri,)	
)	
Complainant,)	
)	
v.)	<u>Case No. GC-2006-0318, et al.</u>
)	
Laclede Gas Company,)	
)	
Respondent.)	

ORDER DENYING REQUEST FOR PUBLIC HEARINGS

Issue Date: September 14, 2006

Effective Date: September 14, 2006

This case is a consolidation of complaints brought against Laclede Gas Company by the Commission's Staff and the Office of the Public Counsel. An evidentiary hearing is scheduled for October 10 and 11, 2006.

On August 30, the Office of the Public Counsel filed a motion asking the Commission to schedule local public hearings in St. Louis during the first week of October, the week before the hearing. The Commission ordered that any party wishing to respond to Public Counsel's motion do so by September 5. Laclede filed a timely response opposing Public Counsel's request for local public hearings. No other party has responded.

Laclede argues that local public hearings are not needed in this complaint case and further that Public Counsel waited until too late in the process to request such hearings. Laclede contends that only a small percentage of its customers are affected by the billing

and gas diversion issues that are present in this case. Those customers that are affected can, and have, expressed their concerns to the Commission directly by phone calls and by filing informal and formal complaints. According to Laclede, nothing would be gained by scheduling a local public hearing at this time.

Laclede also objects that Public Counsel's request for local public hearings has been made too late in the process. In order to mail notice of the local public hearings to its customers at this late date, Laclede would need to make a special mailing, rather than a bill insert, costing the company approximately \$150,000. In addition, if a local public hearing is to be meaningful and if Laclede is to have an opportunity to respond to the allegations that might be made at such hearings, Laclede contends that the evidentiary hearing would need to be delayed from its scheduled dates.

The Commission finds that Laclede's concerns about scheduling local public hearings at this late date are well founded. In order to be meaningful, local public hearings would need to take place long enough before the evidentiary hearing to allow the Commission and the parties to consider and respond to the concerns raised at those hearings in their testimony and questions at the evidentiary hearing. Scheduling local public hearings significantly before the second week of October, at a time when they could be meaningful in this case, is not practical because of the difficulty of getting effective notice to the affected customers within the very short amount of time remaining. Therefore, Public Counsel's Motion for Local Public Hearings will be denied.

The Commission is, however, concerned about the larger billing issues revealed by the public complaints regarding Laclede's estimated billing practices. To address those concerns, the Commission will open a separate case to investigate the billing practices of

natural gas utilities and to consider possible revisions to Chapter 13 of the Commission's rules. The Commission anticipates that local public hearings will be held during the course of that investigation. The details of the new investigative case will be set out in a separate order creating that case.

IT IS ORDERED THAT:

1. The Office of the Public Counsel's Motion for Local Public Hearings is denied.
2. This order shall become effective on September 14, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Murray, Gaw, Clayton and Appling, CC., concur
Davis, Chm., absent

Woodruff, Deputy Chief Regulatory Law Judge