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

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In the Matter of Laclede Gas Company's Tariff Revision Designed to Clarify Its Liability for Damages Occurring on Customer Piping and Equipment.

Case No. GT-2009-0056

### LACLEDE GAS COMPANY'S PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

**COMES NOW** Laclede Gas Company ("Laclede" or "Company"), and files these proposed Findings of Fact and Conclusions of Law, and in support thereof, states as follows:

### **INTRODUCTION**

On August 22, 2008, Laclede filed tariff sheets setting parameters for the Company's liability in certain instances. Following the tariff filing, the Company proceeded to meet and negotiate with Staff and the Office of Public Counsel ("OPC") over a number of months in an effort to produce reasonably acceptable positions on liability that achieved this balance. During this period, the Company and the Staff reached a basic agreement on the terms of the tariff. However, OPC did not agree, and so a procedural schedule was ordered. (Exh. 1, p. 4; Exh. 4, p. 8)

Pursuant to that schedule, Laclede filed direct testimony on July 17, 2009. Staff and OPC filed rebuttal testimony on August 19, 2009, and all parties filed surrebuttal testimony on September 29, 2009. The hearing in this matter was held on October 7, 2009. During the months prior to the hearing, additional negotiations among the parties resulted in numerous revisions to the tariff sheets proposed by Laclede. The final version, referred to as the Amended Tariff, was attached as Schedule DPA-1 to the surrebuttal testimony of Laclede witness David Abernathy filed on September 29, 2009.

#### **ISSUES**:

The main issue presented in this case is a policy issue, namely whether the Amended Tariff is just and reasonable. However, OPC, Commissioner Jarrett and Judge Dippell have all raised legal issues for briefing, including the following:

- 1. Can the Commission approve a tariff that sets limits on the Company's liability? (OPC)
- 2. Can the Commission approve a tariff that relieves a utility of liability for its own negligence? (Commissioner Jarrett)
- 3. There was discussion in the testimony of the intent of the Amended Tariff. What will be the effect if a court does not agree with the parties' intent? (Judge Dippell)
- 4. Does the Amended Tariff violate Article 1, Section 14 of the Missouri Constitution, the Open Courts provision? (Commissioner Jarrett)
- 5. What is the statute of limitations on negligence claims? (Judge Dippell)
- 6. What is the significance of the fact that the federal standards are referred to as "minimum" safety standards?

### FINDINGS OF FACT

The Amended Tariff is just and reasonable. It is supported by both the experts testifying on behalf of Staff (Exhibits 4-9), and by Laclede Witness David Abernathy, who has first hand knowledge of the unnecessary costs and expenses that both the Company and its customers incur as a result of having to defend and sometimes pay for frivolous or baseless legal actions. (Exh. 1, p. 2) Many of these suits are over incidents that occurred inside the customer's premises and "downstream" of Laclede's meter. All too often, Laclede had no role in creating the incident and no duty, or even the ability, to prevent it. In many instances, Laclede's only connection to the incident was that it

provided natural gas to the premises where the incident occurred or, at some distant point in the past, performed a mandated inspection of the customer-owned equipment located at the premises. Nevertheless, the Company often finds itself having to defend itself in litigation simply because it is viable, accessible and financially solvent. (*Id.* at 2-3)

Mr. Abernathy provided multiple examples of such claims. In one case, Laclede had been sued when a third party attempted to steal gas from the Company in an apartment complex by breaking the locks on several meters and, unfortunately turned on gas to the wrong apartment, causing an explosion. Laclede has been sued for allegedly failing to notice a squirrel's nest in a flue despite the fact that the incident occurred several months after the Company had made a mandated inspection of the customerowned equipment located on the premises. The Company was also sued for allegedly failing to properly inspect a customer-owned furnace during a mandated turn-on inspection performed sixteen months before a carbon monoxide incident occurred, even though an intervening third party had serviced the furnace multiple times prior to the incident, and even though the plaintiff had no evidence that the furnace was even the source of the carbon monoxide. Currently, Laclede faces the prospect of another potential suit where an explosion occurred after someone illegally turned on gas at a locked meter, allowed the gas to escape from an open stove valve and, before the gas could dissipate, lit a cigarette despite a warning from a cohort that there was gas in the house. (Exh. 1, p. 3)

By effectively seeking to make the Company and its customers "insurers of last resort" for gas-related incidents that happen behind the Company's meter, these and other frivolous actions expose ratepayers to significant and unnecessary costs in matters where

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the Company is not responsible. The Amended Tariff is designed to mitigate these kinds of inappropriate claims and costs. (*Id.* at 3-4)

Most, if not all, of the concepts addressed in the Amended Tariff are already codified in some form or another in Laclede's existing tariff. However, the Amended Tariff has more specific language, because it has become apparent in recent years that courts are more likely to enforce specific, rather than general tariff language. (*Id.* at 5) For example, in situations where the customer uses natural gas as a source for space heating, 60 winter days must expire since the customer's premises was last visited by a Company employee before the Company will be relieved of liability. For situations where gas is used for non-space heating purposes, the period is 90 calendar days.

These periods of time were selected because it is possible that once gas service is initiated, the customer may not immediately use their gas fueled appliances or equipment. (Exh. 1, p. 6) Where work was done during the summer, for example, the customer may not turn on the furnace or boiler that heats the customer's home, thereby frustrating the objective of determining whether the appliance was working in a safe manner. It is also possible that a customer may go on an extended vacation during which appliances in the home would be shut off. During any 60 day period during the winter months of November through March, however, it is almost certain that customers will have used their heating equipment at some point, thereby affording the opportunity to determine if that equipment was working appropriately; hence, the 60 day period for situations where gas is used for space heating. Similarly, where natural gas is consumed by those non-space heating appliances that tend to operate throughout the year (i.e. stoves, water heaters, etc), a 90 calendar day period should likewise provide sufficient time to ensure

that such customer-owned equipment has had a chance to demonstrate that it is functioning in a safe manner. (*Id.* at 6-7)

Moreover, a review of the service contracts of a wide variety of unregulated firms that inspect, test and do work on customer-owned gas appliances and piping revealed that they all place explicit limits on how long they will be liable for any defect or malfunction that may arise in connection with the equipment they inspected or otherwise worked on. In most instances, these warranties or guarantees extended for only 30 days after the work was performed, although a few went as long as 60 or 90 days. In other words, the competitive marketplace recognizes that once work has been performed on a piece of equipment, there should be only a limited amount of time during which the servicer of the equipment should be expected to guarantee continued operation of the equipment. Similarly, there should be limits on how long a utility like Laclede should be held financially responsible for claims arising from defects or malfunctions of customerowned equipment that it may have inspected or worked on at some point in the past. The limits that Laclede has proposed in this regard fall well within the competitive norm. (Exh. 1, pp. 7-8; Exh. 3HC; Exh. 5, p. 6; Exh. 7, p. 3; Exh. 8, p. 3)

Finally, liability limits regarding customer facilities are appropriate because much of the inspection and testing work done by the Company on customer facilities is mandated by the Commission and provided without any direct charge to the customer. In fact, the Missouri Commission has adopted one of the most aggressive programs in the country to ensure that gas service is provided in a safe manner. Specifically, Commission Rule 40.030 (4 CSR 240-40.030) prescribes the safety standards that must be followed by operators who transport natural gas in Missouri (the "Missouri Safety Rule"). The Missouri Safety Rule standards apply to each Missouri municipal and investor-owned gas utility, including Laclede. The Missouri Safety Rule was originally adopted in 1968, and has since been amended 23 times. The Rule is 37 full pages of single-spaced, triple column print, and covers, among other things, metering, corrosion control, operation, maintenance, leak detection, and repair and replacement of gas pipelines. The Missouri Safety Rule is similar to the Minimum Federal Safety Standards contained in 49 CFR Part 192 (the "Federal Safety Rule"). However, the Missouri Safety Rule is, in certain circumstances, stricter than the Federal Safety Rule. With respect to inspections, the Federal Safety Rule requires an operator to inspect only its <u>own</u> facilities when physically turning on the flow of gas. Under Section 12(S) of the Missouri Safety Rule, however, Laclede is required to perform a gas safe inspection of <u>both</u> its <u>own</u> equipment (which generally ends at the meter) *and* the <u>customer's</u> equipment, at the time a Laclede representative physically turns on the flow of gas to a customer. (Exh. 1, pp. 8-9)

Gas utilities in most other states have no obligation to perform any inspections of customer-owned equipment and piping at the time service is initiated and therefore incur no liability for events that occur behind their meters. (*Id.*) There is no reason that the enhanced level of public safety opted for by the Commission should be allowed to be used as a pretext for exposing Missouri utilities and their customers to additional and unnecessary litigation costs. (*Id.* at p. 9) In effect, the Amended Tariff simply serves as a reasonable, partial limit of liability that other gas utilities are able to escape entirely.

Regarding plaintiff's rights to redress in the courts, customers and non-customers alike will continue to have the opportunity to pursue their claims in civil court regarding alleged acts of negligence by the Company. The Amended Tariff simply provides

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direction in specific instances regarding whether the Company has met the standard of care established by the Commission. It is fitting and proper for the Commission to set these standards; it would be very poor public policy indeed for the Commission to surrender to judges and jurors, who have no particular technical expertise in how natural gas systems and facilities operate, the authority to determine when a utility has or has not met its obligations to provide natural gas service in a safe manner. Such an ad hoc approach to setting safety standards – through the imposition of civil liability for particular acts and omissions rather than the approval and enforcement of informed regulation – is nowhere contemplated by Missouri law or sound public policy. To the contrary, the Missouri legislature has long recognized that the power to determine how utilities should go about the task of rendering utility service in a safe and reliable way resides with the Commission rather than the courts. (Exh. 1, p. 10)

For it is the Commission, and not the courts, that has the resources and obligation to assess the financial costs associated with providing various levels and types of service and to determine whether a particular measure makes enough of a contribution to public safety to justify its costs and recovery from ratepayers. It is also the Commission, and not the courts, that have an expert safety Staff, with decades of experience in assessing the operational, engineering, and financial implications of various safety measures. Given these attributes, the Commission not only has the right but the affirmative duty to establish the standards that utilities should follow to ensure that gas service is provided in an efficient and safe manner. Indeed, the Commission itself has recognized as much by opposing prior efforts by attorneys and others to use the courts to alter the terms of safety programs and other measures that have been approved by the Commission to protect public safety in a rational and prudent manner. (*Id.* at 10-11) The very same considerations warrant approval of the Company's proposal in this case.

It was evident from the cross-examination of OPC witness Meisenheimer, that OPC's approach to this issue, if approved, would lead to a morass of inconsistent and potentially unjustified "safety" standards – standards that would expose utility customers to needless costs and the Company to conflicting and irreconcilable requirements on how it should conduct its business. Specifically, Ms. Meisenheimer (Tr. 157-66) acknowledged that should a jury determine that Laclede should have done something more or different than what the Commission's safety standards require (and award a significant amount of damages), the Company might have no choice but to implement whatever practices were necessary to satisfy this ad hoc safety standard in the future so as to avoid further liability. (Tr. 163-64) Ms. Meisenheimer also acknowledged that the costs of implementing such practices would, in all likelihood, be eventually included in the rates charged to utility customers. (Tr. 165) What Ms. Meisenheimer was not able to articulate, however, was any reasonable policy rationale for its effort to make the Commission a mere bystander in the critical process of establishing utility safety standards; with real control residing instead in whatever notion of public safety a judge or jury might concoct based on their narrow and inexperienced view of a single case. (Tr. 158, line 24 – 160, line 16)

OPC also objected to the Amended Tariff on the alleged grounds that it provides protection for unregulated services. The language of the Amended Tariff itself refutes this argument, stating:

> The Non-Incident Operational Period shall begin on the date that Company representatives were last inside the customer's place of

business or premises to perform testing, inspection or other work for which the costs and revenues are normally considered in the ratemaking process.

(emphasis supplied). The Amended Tariff covers no work wherein the revenues are not imputed in Laclede's rates. Further, the Amended tariff does not apply where the Company has agreed to assume an obligation relating to customer equipment. Nor does it apply to merchandise sold by Laclede. (*See* Amended Tariff, p. 2; Exh. 2, p. 5)

It is fair and appropriate for the Commission to set liability parameters for services that generate revenues used to reduce rates customers pay for utility services. (Exh. 6, p. 8; Exh. 8, pp. 2-3) This is especially true because the Commission's safety rules continue to apply when Laclede is providing such services, affording customers additional safety protection. (Exh. 6, pp. 8–9)

Finally, the Amended Tariff does not exculpate Laclede from its responsibilities. The Amended Tariff does not protect Laclede from its own negligence, but addresses a situation where courts were creating standards so as to make Laclede and its customers unwilling insurers. As Mr. Abernathy stated with regard to the Amended Tariff, "its intent is to not protect us from our negligence, but to protect us when we're not negligent." (Tr. 64, line 1 - 65, line 5)

### CONCLUSIONS OF LAW

The Commission reaches the following conclusions of law on the legal issues raised in this case.

### 1. Can the Commission approve a tariff that sets limits on the Company's liability?

Answer: Yes.

As previously noted, the Commission's authority to approve tariffs limiting liability is a matter of longstanding law. Back in 1924, the Missouri Supreme Court confirmed this concept in a case concerning telegraph tariffs. In *State ex rel. Western Union Telegraph v. Public Service Comm'n*, 264 S.W. 669 (Mo. 1924), Western Union's tariffs limited its liability for mistakes, delays and even non-delivery of messages. The Court found that the limitation of liability was one of the terms of telegraph service, along with the rate charged for the service. Since the rates were deemed lawful, the limitations of liability included with the rates were lawful too. The Court stated that "the power to pass on the reasonableness and lawfulness of rates necessarily includes the power to determine the reasonableness and lawfulness of such limitations of liability as are integral parts of the rates." *Id.* at 672.

In *Warner v. Southwestern Bell Telephone Co.*, 428 S.W.2d 596 (Mo. 1968), the Supreme Court upheld a liability tariff provision that was not directly connected to the rate itself. Southwestern Bell mistakenly failed to list a business customer in the correct directory two years in a row. The company's tariff limited its liability to the amount paid for service during the term of the directory. Nevertheless, the customer sued and won a large verdict, including punitive damages. The Court overturned the verdict, instead agreeing with the great weight of authority in this area, both in Missouri and elsewhere that, since the utility is regulated in its rights and privileges, it should likewise be regulated to some extent in its liabilities. Setting parameters on the utility's liabilities assists in the goal of having service provided at reasonable rates. A broadened liability exposure must inevitably raise the cost and the rates of utility service. *Id.* at 601-02;

Danisco Ingredients USA, Inc. v. Kansas City Power & Light Co., 986 P. 2d 377, 383-84 (Ks. 1999).

More recently, the Western District Court of Appeal upheld the validity of a tariff limiting liability in *A.C. Jacobs and Co., Inc. v. Union Electric Co.*, 17 S.W.3d 579 (Mo. App. W.D. 2000). In this case, Union Electric overcharged a retirement home over a period of seven years. The company's tariff limited refunds in such instances to 60 prior billing periods (five years). The Court found that the Commission had approved the tariff and by doing so had determined that the limit on refunds was just and reasonable. The limitation of liability was upheld. *Id.* at 582-83.

## 2. Can the Commission approve a tariff that relieves a utility of liability for its own negligence?

### Answer: The Amended Tariff is not intended to, nor does it, relieve Laclede of liability for its own negligence. However, the law in this area is clear that tariffs can limit liability for ordinary negligence, but not for willful or wanton misconduct.

The Amended Tariff sets the boundaries of the Company's obligations in certain areas. For example, the Amended Tariff provides that compliance with the Federal and State gas safety rules on odorization of gas constitutes compliance with the Company's obligations in this area. This provision establishes the duties owed by the Company to the public with respect to odorization. Failure to meet this standard would constitute a failure by the Company to comply with its obligations and expose the Company to potential damages and penalties.

Contrary to the position taken by OPC, this provision <u>establishes</u> the terms of liability; it does not <u>relieve</u> the Company from liability. In effect, the Amended Tariff

stands for the proposition that there will be one set of standards for the Company to follow in performing a gas safety procedure such as odorization. And those standards will be set by the federal government's pipeline safety rules and the Commission gas safety rules, and not by the whim of a judge or twelve jurors who may be trying to find a deep pocket insurer for an injured party.

Even if the Amended Tariff did limit the Company's liability for its own negligence, the law would clearly support it. In *Warner v. Southwestern Bell, supra*, the Missouri Supreme Court cited legal authority for the principle that, while limitations of liability provisions are valid and enforceable, they do not exempt a utility when its conduct has been wanton or willful. The Court stated that it agreed with this legal authority, and concluded that liability limitation provisions are effective where the utility is merely negligent, but does not exempt the utility for willful and wanton conduct. *Warner* at 603.

Eleven years later, the Western District Court of Appeals followed this holding, while finding that a liability limitation provision did not bar a suit that stated a claim of willful or wanton misconduct. In *Engman v. Southwestern Bell Co.*, 591 S.W. 2d 78 (Mo. App. W.D. 1979), a telephone company representative entered a home without announcing himself or knocking on the door, and proceeded to disconnect service. The Court found that the facts alleged by the plaintiff supported a claim of intentional invasion of privacy that could be considered wanton or willful misconduct. *Id.* at 81.

The principle stated in the *Warner* case was more recently confirmed in a case involving KCP&L. In *Danisco Ingredients v. KCP&L*, *supra*, the Kansas Supreme Court responded to questions posed by the Missouri Western District Court of Appeals

regarding Kansas law on limitation of liability provisions. KCP&L's tariff relieved it of liability for any damages occasioned by any irregularity or interruption of electric service. The Court cited a long list of cases, including *Warner*, that stand for the proposition that tariffs absolving utilities from liability for simple negligence are reasonable and will be upheld. The Court went on to find that KCP&L's tariff appeared to be too broad, and should be enforced as protection for KCP&L's ordinary negligence, but not for its willful or wanton misconduct. *Danisco* at 383-86.

It should be noted that the Amended Tariff also involves a liability limitation in connection with interruption of service. However, these limitations apply under certain stated conditions, none of which involve Laclede's willful or wanton conduct, or even its negligence. In summary, the law is clear that tariffs can limit liability for ordinary negligence, but not for willful or wanton misconduct.

- 3. There was discussion in testimony of the intent of the Amended Tariff. What will be the effect if a court does not agree with the parties' intent?
  - Answer: The Amended Tariff is clear and therefore not subject to interpretation. However, as with any statute or tariff, the parties will have to accept a court's judgment interpreting the Amended Tariff, subject to appeal, or seek tariff changes to address the court's interpretation.

The Amended Tariff sets parameters on the Company's obligations, and states that the Company will not be subject to liability when it meets those obligations. The discussion of intent in the testimony primarily surrounded whether the obligations in the Amended Tariff were established so as to relieve the Company of responsibility for its own negligence or simply to define the boundaries where the Company would not be negligent in the cases covered by the Amended Tariff. As discussed above, the Amended Tariff defines boundaries, outside of which the Company is neither negligent nor responsible for damages.

The language of the Amended Tariff itself is clear. Where such language is clear and unambiguous, courts do not resort to construction or interpretation. *City of Harrisonville v. Public Water Supply Dist.*, 49 S.W. 3d 225, 230 (Mo. App. W.D. 2001). Assuming the Amended Tariff is legally valid as discussed above, the court's duty is to determine the "applicability of such provisions to a given state of facts..." *Warner v. Southwestern Bell, supra,* 428 S. W. 2d at 602. In other words, a court will assess whether the Amended Tariff applies to the case before it.

If the court finds the Amended Tariff to be ambiguous, it will then apply rules of construction, which may include determining the parties' intent. The court would then issue its ruling based on its interpretation of the meaning of the Amended Tariff. (*See A.C. Jacobs*, *supra*, 17 S.W. 3d at 584-85)

### 4. Does the Amended Tariff violate Article 1, Section 14 of the Missouri Constitution, the Open Courts provision?

Answer: The Amended Tariff does not violate the Open Courts provision as it does not prevent any person from obtaining access to or redress from the courts.

Article 1, §14 of the Missouri Constitution states that "the courts of justice shall be open to every person, and certain remedy afforded for every injury to person, property or character, and that right and justice shall be administered without sale, denial or delay." The Amended Tariff does not violate this provision because in no way does it bar access to the courts. In the large mass of law governing liability tariffs, none have been held to run afoul of Missouri's Open Courts provision.

In fact, courts are open for the challenge of any act by the Commission, and the courts have long since found that laws creating a regulatory structure are not intended to preclude individuals from bringing private actions. *Corbett v. Lincoln Savings & Loan Assn.*, 17 S.W. 2d 275, 278 (Mo. App. E. D. 1929). Further, it has long been held that even statutes of limitations do not violate this provision. *Cooper v. Minor*, 16 S.W. 3d 578 (Mo. 2000).

The courts emphatically have jurisdiction over a suit for damages based on negligence in which a determination of the legal validity and applicability of tariff provisions to a given state of facts is required. *Warner v. Southwestern Bell, supra,* 428 S. W. 2d at 602. Thus, the Amended Tariff can be challenged in the courts as to its validity and lawfulness. Plaintiffs may argue that the Amended tariff does not apply to their particular set of facts. As the Missouri Supreme court stated, "If this were not true, we would not find as we do such a large number of cases in which the courts throughout the country have assumed jurisdiction." *Id.* at 602-03.

However, while the Open Courts provision guarantees access to the courts, it does not guarantee that plaintiffs will prevail on any claim they dream up. The Amended Tariff applies the wisdom and experience of the Commission in establishing gas safety rules, and sets the parameters of liability based in part on those rules. Plaintiffs cannot be heard to claim that the reasonable standards set forth in the Amended Tariff deny them open access to the courts.

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### 5. What is the statute of limitations on negligence claims?

Answer: The statute of limitations on negligence claims is five years. However, limitations statutes pertain to the amount of time between when an incident giving rise to damage occurred and when the suit is filed. As a result, it is not affected by the time frames in the Amended Tariff.

The statute of limitations in Missouri on torts caused by negligence is five years. *§516.120* (R.S. Mo. 2009). The limitation period applies to when civil actions can be commenced after the cause of action has accrued. The cause of action is not deemed to accrue when the wrong is done or the technical breach of contract or duty occurs, but when the damage resulting therefrom is sustained and is capable of ascertainment. *§516.100* (R.S.Mo. 2009).

In other words, limitation statutes dictate when a plaintiff must sue after the plaintiff knows or should have known that damage occurred. This is completely different from the purpose of the time frames stated in the Amended Tariff, which provide when Laclede may or may not be at fault.

### 6. What is the significance of the fact that the federal standards are referred to as "minimum" safety standards?

# Answer: The federal government established adequate pipeline safety standards, and strictly prohibits the states from offering less than these standards.

OPC has raised the issue that compliance with federal and state gas safety rules is insufficient because these rules are "minimum" rules, and not meant to be used as safety standards. Exh. 12, pp. 6-7. OPC reads the word "minimum" as meaning minimal or

marginal. This interpretation presupposes that the federal government intended to create safety rules that were not adequate but instead provided only a minimal level of safety.

OPC has misread the meaning of the word "minimum." The term "minimum" actually refers to Congress' instruction that the federal government set adequate interstate pipeline safety standards, which the states are required to meet, at a <u>minimum</u>, and may exceed if they so choose. In other words, states may exceed the federal safety standards, but may not go below them. Contrary to OPC's view, the federal rules are so stringent that they affirmatively prohibit a state from adopting less strict requirement in *any* area, even if the state has adopted stricter requirements in some areas. (49 U.S.C. §60104(c)) Further, for states to even be entitled to enforce their own safety standards, they must certify annually with the federal government and meet a laundry list of requirements to obtain such certification. (49 U.S.C. §60105) Quoted below is the purpose of the minimum federal pipeline safety standards, which clearly indicates that such standards are designed to provide utility customers and the public with sufficient protection against risks associated with the transportation of natural gas through pipeline facilities. (49

U.S.C. § 60102(a)(1))

§ 60102. Purpose and general authority

(a) Purpose and minimum safety standards.--

(1) Purpose.--The purpose of this chapter is to provide *adequate* protection against risks to life and property posed by pipeline transportation and pipeline facilities by improving the regulatory and enforcement authority of the Secretary of Transportation... (*emphasis supplied*).

**WHEREFORE**, Laclede Gas Company respectfully requests that the Commission accept the Company's Findings of Fact and Conclusions of Law.

Respectfully submitted,

/s/ Rick Zucker

Michael C. Pendergast # 31763 Vice President & Associate General Counsel Rick E. Zucker #49211 Assistant General Counsel

Laclede Gas Company 720 Olive Street, Room 1520 St. Louis, MO 63101 (314) 342-0532 (telephone) E-mail:<u>mpendergast@lacledegas.com</u>

ATTORNEYS FOR LACLEDE GAS COMPANY

### **CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the General Counsel of the Staff of the Missouri Public Service Commission, and the Office of the Public Counsel, on this 13<sup>th</sup> day of November, 2009 by hand-delivery, fax, electronic mail or by regular mail, postage prepaid.

/s/Gerry Lynch