

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

In the Matter of the PGA Filing for Laclede) Case No. GR-2004-0273
Gas Company.)

STAFF'S POSITION STATEMENT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its position statement states:

Issue 1

Was it imprudent of Laclede to purchase the right to ** _____
_____ ** during the 2003-2004 ACA period?

Yes. Laclede should have known that ** _____
_____. ** Instead of relying on an outdated and
flawed 1996 study of ** _____ ** to schedule its 2003-2004 gas supply, Laclede
should have re-evaluated the current market and updated its seven (7) year old study to
weigh the costs and benefits of scheduling ** _____
_____ ** scenario.

Issue 2

If so, were Laclede's customers harmed by this action?

Yes. Laclede's customers were harmed by Laclede's failure to adequately
analyze the current gas supply market. Customers paid \$2,055,864 more than they would
have had Laclede considered the current market and opted for a prudent course of action
_ ** _____.

Issue 3

If customers were harmed, in what amount were they harmed, and what amount of gas costs, if any, should be disallowed to Laclede?

Customers paid \$2,055,864 more than they would have had Laclede undertaken prudent decision-making in planning the 2003-2004 gas supply portfolio.

Respectfully submitted,

/s/ Steven C. Reed

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronic mail to all counsel and/or parties of record this 22nd day of January, 2007.

/s/ Steven C. Reed