

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

In the Matter of Laclede Gas Company's)	
Application for a Variance from the)	
Provisions of Commission Rules)	<u>Case No. GE-2011-0171</u>
Regarding the Timing of CAM Annual)	
Reports.)	

STAFF RESPONSE TO COMMISSION QUESTION

COMES NOW, the Staff of the Public Service Commission, (Staff), by and through undersigned counsel and in response to the Commission's question posed during its January 12, 2011 Agenda meeting states:

1. The Commission's question was: "How long has Staff been urging Laclede to file this application for a variance?"
2. Staff has notes from a meeting as early as June 27, 2003, which was attended by Lera Shemwell, Doug Micheel, Ryan Kind, Janis Fischer, Mike Pendergast, Glenn Buck and Mike Spotanski. The notes indicate that Laclede had agreed in the Stipulation and Agreement in GM-2001-342 to provide additional information in its annual CAM/Affiliate Transactions Report submission (to Staff and OPC). The first report was due on April 15, 2003.
3. The notes indicate Laclede asked what they would need to do to continue to file the annual CAM/Affiliate Transactions Report submission on April 15, instead of March 15 as required by the Affiliate Transactions Rules.
4. Staff suggested the Company would need to file for a waiver.
5. There have been additional meetings since that initial meeting to discuss Laclede's compliance with the Rules.

6. In an attempt to resolve Staff's concerns with Laclede's CAM, as a part of the Stipulation and agreement in Case No. GR-2007-0208, paragraph 23 provides:

Within ninety(90) days of the effective date of the Commission's Report and Order in this case, Laclede, Staff and Public Counsel, shall begin meeting to discuss any issues or concerns they may have relating to Laclede's Cost Allocation Manual ("CAM"), the compliance of the CAM with the Commission's affiliate transactions rules and the transactions between Laclede and its affiliates. Such meetings shall not be construed as placing any restrictions on Staff's or Public Counsel's ability to investigate and file complaints concerning such matters.

7. In Laclede's most recent rate case, GR-2010-0171 in the July 2010 Partial Stipulation and Agreement, in Attachment C the parties agreed " LGS shall request and the Staff and OPC shall support a waiver from the Commission of the calendar year affiliate transactions report and submission date of March 15th requirements of the affiliate transactions rule."

WHEREFORE Staff answers the question posed of it in the Commission's January 12 Agenda meeting asking how long Staff has been urging Laclede to file a waiver from the Commission's affiliate transactions rules regarding annual submission of its CAM and affiliate transactions report.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell

Missouri Bar No. 43792

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7431 (Telephone)
(573) 751-9285 (Fax)
lera.shemwell@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, electronic mail or transmitted by facsimile to all counsel and parties of record this 18th day of January, 2011.

/s/ Lera L. Shemwell