

In the Matter of the Adequacy of Laclede Gas)
Company's Service Line Replacement Program) **Case No. GO-99-155**
And Leak Survey Procedures.)

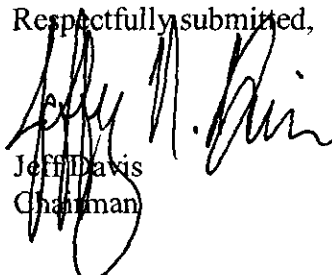
Specifically, the dissent in this case would argue that Laclede should be replacing these lines more quickly than provided in the unanimous stipulation and agreement; however, had this decision been rejected, the unintended consequences would be further delay in the replacement of the copper lines. The Laclede Gas copper line replacement program is nearing the end of its sixth year and there are only four years left to go. Laclede Gas is ahead of schedule and, until someone presents a better plan or can show why the Commission should alter its path, we should follow the established course. In this case, the dissent offers no plan to accelerate the replacement program, no analysis as to whether such an accelerated replacement program is technically feasible and, most importantly, no plan to pay for it. In Case GR-2005-0284, the dissent voted against a 1% rate increase for Laclede Gas that was agreed to by all the parties, despite the fact that there was uncontested evidence that Laclede had invested an additional \$90 million in plant and incurred \$16 million dollars in operating expenses since 2002.¹ I share the

¹ Affidavit of Stephen M. Rackers, filed Sept. 9, 2005, p.3, GR-2005-0284 (2005).

dissent's concern about affordability, but have grave reservations about ignoring uncontested evidence in order to produce results that would make this Commission popular with the ratepayers of this state. Had the minority prevailed in that case, serious questions would be raised about Laclede's ability to recover prudently incurred capital costs, making it more difficult for Laclede to attract investment to accelerate construction projects like the one in question.

This Commission has a responsibility to make state government work for all parties, and we cannot let the fear of what might happen paralyze us to the point of inaction. We have a duty to govern. Governing requires leadership, and leadership requires a willingness to take a stand in order to advance the public interest, even though our decisions may not be popular or what an individual Commissioner would choose if he or she were acting alone.

Respectfully submitted,



Jeff Davis
Chairman

Dated at Jefferson City, Missouri
on this 15th day of February, 2006.