

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

In the Matter of the Abandonment by)
Laclede Gas Company, on Behalf of its)
Missouri Natural Gas Company Division,)
of General L.P. Gas Service to Customers)
in the Spanish Manor, Crest Manor and)
White Oak Estates Mobile Home Parks in)
Jefferson County, Missouri.)
)

Case No. GO-2009-0029

STAFF RECOMMENDATION

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and respectfully states as follows:

1. On July 18, 2008, Laclede Gas Company (“Laclede” or “Company”) filed, on behalf of its Missouri Natural Gas Company Division, a *Verified Application to Abandon L.P. Gas Service to Customers in the Spanish Manor, Crest Manor, and White Oak Estates Mobile Home Parks in Jefferson County, Missouri* (“*Application*”). Upon approval of the *Application*, the Company would discontinue its propane gas service to customers in the three aforementioned mobile home parks, purge lines and remove meters at an estimated overall cost of \$36,100, and abandon certain assets and transfer others in connection with the sale of the remaining propane to the proposed successor provider; *i.e.*, AmeriGas Partners, L.P. Laclede’s request is based on its assessment that the low number of residents in these parks and the lack of any prospect for growth make it economically unattractive either to convert these customers to natural gas service or to support the continued provision of propane service.

2. In an order issued August 18, 2008, the Commission directed the Staff to file, no later than September 17, 2008, either a recommendation concerning this matter or a status report stating when it intends to file its recommendation.

3. Attached hereto as Appendix A is the Staff's Memorandum in which it recommends that the Commission authorize the proposed transaction, including the condition that the Company recognize on its books and records a \$6,000 current market value as the appropriate net salvage for storage tanks to be transferred to AmeriGas. The Staff further recommends that this \$6,000 fair market value be recognized as a reduction to the estimated total removal cost of \$36,100 for the three systems.

WHEREFORE, for the reasons set forth in the attached Memorandum, the Staff respectfully recommends that the Commission issue an Order granting Laclede's request for permission to abandon and sell to AmeriGas, the Company's assets and service in the Crest Manor, Spanish Manor, and White Oak Estates Mobile Home Parks. The Staff further recommends that the Commission's authorization include a requirement that the Company: a) recognize on its books and records a \$6,000 current market value as the appropriate net salvage for the storage tanks to be transferred to AmeriGas, and b) apply this amount as an offset to the estimated \$36,100 overall removal cost for these three systems.

Respectfully submitted,

/s/ **Dennis L. Frey**

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 17th day of September 2008.

/s/ **Dennis L. Frey**