BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

)

)

)

)

In the Matter of Laclede Gas Company's Purchased Gas Adjustment (PGA) to be Audited in its 2004-2005 and 2005-2006 Actual Cost Adjustment.

Case No. GR-2005-0203 and GR-2006-0208

PUBLIC COUNSEL'S RESPONSE IN SUPPORT OF THE STAFF'S MOTION TO PRODUCE

COMES NOW the Missouri Office of the Public Counsel and for its Response in Support of the Staff's Motion to Produce states:

1. On July 25, 2008, the Commission's Staff filed a List of Documents Required by Staff to Analyze Laclede's ACA Filings and Motion for Order Directing Laclede to Produce. Staff seeks documents from Laclede that would allow Staff to analyze the transactions between Laclede Gas Company (Laclede) and its affiliate, Laclede Energy Resources (LER).

2. On August 4, 2008, Laclede filed a response, arguing that the Commission should reject the Staff's attempt to review Laclede's transactions with LER. Laclede's attempt to deny access to the very documents that could prove Laclede's innocence only amplifies the suspicious nature of the affiliate transactions between Laclede and LER.

3. The questions raised by the Staff's Motion, and the additional doubts raised by Laclede's refusal to produce records of its transactions with LER, will continue until a thorough review of Laclede's dealings with LER and the truth behind the Laclede-LER relationship is revealed. Consumers depend on the Commission to insure consumers are protected from affiliate abuse, and without a Commission order directing Laclede to produce the requested documents, the public will have little faith that their

1

interests are being protected. Anything short of complete and open discovery of the data requested by the Staff would lead consumers to question the Commission's commitment to protect consumer interests by vigorously enforcing consumer protection laws.

4. Laclede's primary argument opposing the Staff's Motion is that the Staff did not follow the Commission's discovery rules. 4 CSR 240-2.090(8). This procedural step is beneficial in situations where there is a chance that the parties involved might reach an agreement on the data to be produced. However, it is clear from Laclede's response that Laclede does not intend to voluntarily produce the requested data. Given Laclede's opposition to releasing the data, the Commission may wish to waive its discovery rule for good cause and direct Laclede to produce the requested documents. 4 CSR 240-2.015 and 4 CSR 240-2.090(8). This solution would allow the parties to move forward with an investigation without being bogged down by procedural arguments and further delays

WHEREFORE, the Office of the Public Counsel respectfully offers this response in support of the Staff's request for a Commission order directing Laclede to produce the requested documents.

> Respectfully submitted, OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston

Marc D. Poston (#45722) Senior Public Counsel P. O. Box 2230 Jefferson City MO 65102 (573) 751-5558 (573) 751-5562 FAX marc.poston@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 6th day of August 2008:

Office General Counsel Missouri Public Service Commission 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 GenCounsel@psc.mo.gov Michael Pendergast Laclede Gas Company 720 Olive Street, Suite 1250 St. Louis, MO 63101 mpendergast@lacledegas.com

Rick Zucker Laclede Gas Company 720 Olive Street St. Louis, MO 63101 rzucker@lacledegas.com

/s/ Marc Poston