

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

In the Matter of the verified application of Laclede)
Gas Company for an order establishing replacement)
requirements for the final phase of its unprotected)
steel main replacement program previously)
approved pursuant to rule 4 CSR 240-40.30(15)(E))

Case No. GO-2003-0506

DISSENTING OPINION OF COMMISSIONER ROBERT M. CLAYTON III

This Commissioner dissents to the majority order accepting staff's status report for Laclede's compliance with its Unprotected Steel Main Replacement Program. In 2004, this Commissioner agreed that Laclede should be permitted to reduce its obligations under the program which was instituted for public safety purposes in 1991. However, this Commissioner has a number of concerns and cannot continue to support this reduced obligation on the part of Laclede. For example, this Commissioner dissented to receiving the report last year because Laclede failed to meet the reduced standards agreed upon by the parties. The penalty last year should have been that Laclede be required to revert to the former requirement of 20,000 feet being annually replaced.

It should be noted that if the Commission had denied Laclede's request in 2004, the entire program would be completed in its entirety by the end of fiscal year 2009. Now, it appears that it will take an additional seven years to eliminate this potential safety hazard. The Commission should err on the side of safety and should revisit the issue.

Lastly, this Commissioner argues that Laclede should have the ability to accelerate its program because it is now eligible to utilize the Infrastructure System

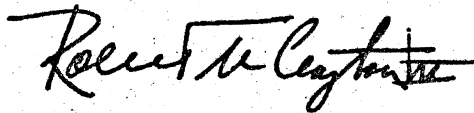
Replacement Surcharge (ISRS) which speeds the recovery of costs from the ratepayer.

As noted in prior opinions, this Commissioner believes that those incentives warrant accelerating infrastructure programs rather than slow them down. Perhaps the ISRS was pursued by utilities for reasons beyond enhancing their infrastructure programs.

The safety of Laclede's customers, employees and the general public is of the utmost importance and this Commissioner strongly encourages Laclede to make a concerted effort to replace significantly more unprotected steel main than is minimally required.

For the foregoing reasons, this Commissioner dissents.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Robert M. Clayton III", written over a horizontal line.

Robert M. Clayton III
Commissioner

Dated at Jefferson City, Missouri,
on this 30th day of April 2008.