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September 2, 2003

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

**FILED**<sup>3</sup>

SEP 02 2003

Re: Case No. GO-2003-0506

Missouri Public  
Service Commission

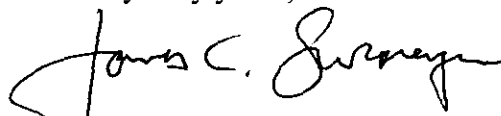
Dear Mr. Roberts:

Enclosed for filing on behalf of Laclede Gas Company, please find an original and eight (8) copies of a Motion of Laclede Gas Company for Commission Determination on the Pleadings.

Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

I thank you in advance for your cooperation in this matter.

Very truly yours,

  
James C. Swearngen

JCS/lar

Enclosure

cc: Dan Joyce  
John Coffman

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

**FILED<sup>3</sup>**  
SEP 02 2003

Missouri Public  
Service Commission

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    ) Case No. GO-2003-0506  
main replacement program previously approved pursuant        )  
to Rule 4 CSR 240-40.030(15)(E)                                    )

**MOTION OF LACLEDE GAS COMPANY  
FOR COMMISSION DETERMINATION ON THE PLEADINGS**

COMES NOW Laclede Gas Company ("Laclede" or "Company"), pursuant to 4 CSR 240-2.117(2), and in support of its Motion for Commission Determination on the Pleadings, states as follows.

1. On May 21, 2003, Laclede filed a Verified Application in which it requested that the Commission issue an Order establishing replacement requirements for the final phase of the Company's unprotected steel main replacement program previously approved pursuant to Rule 4 CSR 240-40.030(15)(E). In its Verified Application, Laclede noted that there was currently no specific replacement schedule in effect for this program. Laclede also explained in detail why the replacement schedule set forth in the Verified Application was fully consistent with both public safety and the principle that its customers should not be burdened with unnecessary costs. (See Verified Application, pp. 3-11).

2. On June 3, 2003, the Commission issued its Order and Notice in this case in which it: (a) directed that customary notice of the Application be given; (b) established an intervention deadline of June 23, 2003; and (c) directed its Staff to file a pleading by

June 13, 2003 stating when it would be able to file its memorandum and recommendation.

3. The intervention deadline by the Commission came and passed without any party seeking to intervene in this proceeding. In response to the Commission's Order and Notice, however, the Staff did file its memorandum and recommendation in this case on June 13, 2003. In its filing, the Staff recommended that Laclede's Verified Application be approved. Like Laclede, the Staff noted that there was currently no replacement schedule in effect for the program. The Staff also explained why the replacement schedule proposed by the Company in its Application was fully consistent with public safety. (*See Staff's Memorandum, pp. 3-4*).

4. Although a proposed Commission Order approving Laclede's Verified Application was eventually placed on the Commission's Agenda, the Order was subsequently withdrawn. Apparently, the Commission's action in withdrawing the Order was prompted, at least in part, by a desire to review the three-year status report on Laclede's copper service replacement program that was to be filed by the Staff on August 1, 2003 in Case No. GO-99-155.

5. Now that Staff's status report in the copper service case has been filed, Laclede renews its request that the Commission approve its Verified Application in this proceeding. While Laclede does not believe there is (or should be) any direct tie between its copper service program and the establishment of a replacement schedule for its unprotected steel main program, the Staff's Status Report in Case No. GO-99-155 does provide a further confirmation of why the Commission should approve the Company's Application in this case.

6. As the Staff notes in its Status Report, the Company has implemented its obligations under the copper service replacement program in an aggressive manner by performing far more main-to-meter replacements of its copper service lines than was originally contemplated. This has, in turn, resulted in the replacement of far more feet of copper service line during the last three years than would have been the case had the Company relied more extensively on partial replacements of these lines -- an approach that is also sanctioned by the program's terms. Such actions demonstrate Laclede's willingness to allocate additional resources above and beyond those necessary to satisfy the minimum requirements of the Commission's safety requirements when there is good reason to do so. Additionally, the Company's greater focus on main-to-meter replacements was, in part, responsive to suggestions made by the Commission's Safety Staff and therefore also reflects the Staff's knowledge, experience and diligence in advancing the goal of public safety.

7. The same considerations are also part and parcel of the actions Laclede has undertaken in connection with its unprotected steel main program and the replacement schedule that it has proposed be observed for the final phase of the program. As Laclede noted in its Application, the Company has continued to exceed -- and exceed substantially -- the minimum annual replacement average of 1,800 feet per year required for unprotected steel mains located beneath pavement continuous to building walls and for mains near concentrations of the general public. Since 1995, Laclede has replaced an average of 2,354 feet in these categories and in fiscal year 2002 replaced nearly 3000 feet of such mains. As a result, all of the unprotected steel mains in these categories will be replaced nearly three years ahead of schedule. Once again, these actions reflect an

ongoing effort on the part of both the Company and the Staff to identify situations where public safety will be advanced by more aggressive action and a corresponding commitment to allocate the additional resources necessary to make that happen.

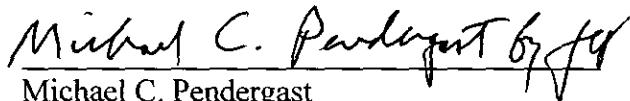
8. At the same time it furthers neither the safety nor the financial interests of Laclede's customers to burden them with costs that do not need to be incurred. Indeed, to do so would be a disservice to the Company's customers. Laclede has shown in its Verified Application why the replacement schedule it set forth therein will continue to protect public safety while, at the same time, ensuring that unnecessary costs are not imposed on the Company's customers. And that conclusion has been independently verified by those Staff personnel who have been properly entrusted to make such evaluations by virtue of their substantial expertise, long experience in the day-to-day oversight of safety-related activities, and outstanding reputation for doing whatever they believe is necessary to protect public safety.

9. In light of the foregoing considerations, Laclede submits that the Commission should approve its Verified Application based on the pleadings submitted in this case. Laclede also believes that now is the appropriate time to take such action. This is particularly true in view of the time that has elapsed since the intervention deadline in this case was established, the absence of any information that would raise a question concerning the propriety of the replacement schedule set forth in the Application, and the desirability of obtaining timely guidance from the Commission in the event it believes that any alternative to this schedule is appropriate.

WHEREFORE, for the foregoing reasons, Laclede Gas Company respectfully renews its request that the Commission issue its Order establishing an annual replacement

requirement of 10,000 feet per year for all unprotected steel mains now or hereinafter identified as falling in those categories described in Sections (15)(E) 3 through 6 of Rule 4 CSR 240-40.0-030 of the Commission's Pipeline Safety Rules.

Respectfully submitted,



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#### Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing Motion was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 2<sup>ND</sup> day of SEPT, 2003 by hand-delivery or by placing a copy of such Motion, postage prepaid, in the United States mails.

