

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)
soft copper service line replacement)
program previously approved pursuant)
to Case No. GO 99-155 and as)
revised by Case No. GS-2008-0038.)

Case No. GS-2008-0038

STAFF'S REPORT

COMES NOW the Staff of the Missouri Public Service Commission and Files Its Annual Report in this matter stating:

1. On October 14, 1998, Staff filed a motion to open a case to investigate the adequacy of Laclede Gas Company's (Laclede or Company) direct-buried-copper-service-line replacement program and the effectiveness of the Company's leak survey procedures and investigations.

2. On October 30, 1998, the Commission issued an Order Establishing Case (Case No. GO-99-155) for the purpose of receiving information relevant to the adequacy of Laclede's copper service line replacement program and the effectiveness of the Company's leak surveys and investigations.

3. On February 18, 2000, the Parties filed a Unanimous Stipulation and Agreement (Agreement), in which Section 7(h) states: "[a]fter the third year of this program, Laclede and the Gas Safety Staff will review the progress and results of the Company's Copper Service Safety Program to determine future relay/renewal plans, including the rate of such future actions, potential modifications to survey techniques and other related matters."

4. On August 8, 2007 Laclede filed, in this case, a Verified Application Requesting a Revision in the Replacement Requirements for Case No. GO-99-155 Establishing the Adequacy of the Company's Copper Service Line Replacement Program and Leak Survey Procedures for Soft Copper Service Lines.

5. On September 6, 2007, Staff responded with its recommendation that Laclede's copper service line replacement program and its leak survey procedures had met the program goals of reducing the number of gas leaks found on copper service lines.

6. Staff further recommended, and Laclede agreed, to a slight reduction in the number of soft copper service lines Laclede was required to replace annually from 8,000 to 7,000. The average overall number of service line replacements will, however, remain at approximately 8,000 annually for the term of the program.

7. On September 20, 2007, the Commission issued its *Order Granting Reduction of Replacement Requirements*.

8. Staff's Annual Report on Laclede's progress with soft copper service line replacements and its gas leak survey procedures was due on September 1.

9. On September 1, the Commission issued its Order Extending Time to File Staff's Annual Report until September 18.

10. Attached is Staff's Annual Report on Laclede's service line replacement program.

11. Staff will submit a final report to the Commission on or before June 1, 2010 following the completion of the Program and will report to the Commission if Staff determines that public safety is compromised.

WHEREFORE, the Staff respectfully requests that the Commission accept Staff's Annual Report.

Respectfully submitted,

/s/ Lera L. Shemwell

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, sent by facsimile, sent by electronic mail or hand-delivered to all counsel of record this 18th day of September, 2009.

/s/ Lera L. Shemwell