

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

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and, for its Recommendation in this matter states:

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 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 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. In its Application, Laclede proposes a reduction in the number of soft copper service lines it is required to replace annually from 8,000 to 5,600. (See attached Staff Recommendation, Attachment A, page 3, bullet points 2 and 3).

6. Laclede states that this proposed revision is due to increased costs of replacing the remaining copper service lines, which are scattered rather than grouped and are in high traffic areas or in locations where construction is difficult.

7. Laclede noted that its approach has been approved in previous replacement programs, as noted in the Application, in the later stages of those programs.

8. Staff's recommendation, which it believes is consistent with the goal of the program of assuring public safety, is that Laclede be required to replace 7,000 soft copper service lines annually, continue annual bar-hole surveys and comply with all the recommendations contained in the attached Staff Recommendation.

WHEREFORE, the Staff respectfully requests that the Commission accept Staff's Recommendation that Laclede continue to meet all the requirements of the original Stipulation and Agreement, unless otherwise ordered by the Commission, but that Laclede may reduce the number of replacements to 7,000 annually. Staff will continue to report to the Commission annually and, if at any time, the leakage rate increases, or Staff determines that public safety is compromised, the Staff will immediately bring this information back to the Commission and recommend appropriate remedial action.

Respectfully submitted,

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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 6th day of September, 2007.

/s/ Lera L. Shemwell