

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

In the Matter of the Verified Application)	
and Petition of Laclede Gas Company to)	
Change Its Infrastructure System)	Case No. GO-2008-0351
Replacement Surcharge.)	

RESPONSE OF THE OFFICE OF THE PUBLIC COUNSEL

COMES NOW the Missouri Office of the Public Counsel and for its Response to the Commission's June 16, 2008 Order Establishing Time to Respond to Motion for Expedited Treatment and Staff Recommendation states:

1. In its June 16, 2008 Order the Commission expressed a willingness to expedite consideration of Laclede's application and tariff designed to increase the Infrastructure System Replacement Surcharge (ISRS) only if that expedited consideration does not infringe on the right of the other parties to make their views known. Public Counsel has not been allowed adequate time to review and respond to Laclede's proposed ISRS tariff or the Staff Recommendation filed in support of the tariff filing. Public Counsel disagrees with Laclede's arguments in support of its Motion for Expedited Treatment. The Commission should reject Laclede's Motion for Expedited Treatment and extend the date by which Public Counsel may respond to the Staff Recommendation and Laclede's Application.

2. Public Counsel disagrees with Laclede's claim that the intent of the parties to the Stipulation and Agreement in the last rate case will be served by granting expedited treatment. Laclede's motion failed to disclose the conditions to which Public Counsel and other parties agreed to in implementing an ISRS as soon as reasonably possible in

GR-2007-0208. Specifically, Paragraph 22 of the Stipulation and Agreement recognizes and accommodates a discovery process and resource constraints;

The parties agree to continue their resolution of the ISRS issue regarding income tax by reducing the Company's filed amount by one-half of the value of the Staff's tax adjustment and, in exchange for this reduction, implementation of the ISRS as soon as reasonably possible, contingent on the Company's timely provision of data and information, including response to discovery, and the availability of the parties resources to process the surcharge.

Public Counsel received Staff's accounting workpapers on June 16, 2008 and rate design workpapers on June 17, 2008, allowing insufficient time to verify by June 18, 2008 that the data and methods used to calculate the proposed ISRS are consistent with the law and the terms of the Stipulation and Agreement in GR-2007-0208.

3. 4 CSR 240-2.080(16)(B) requires that any party seeking expedited treatment in any case shall identify the harm that will be avoided, or the benefit that will accrue, including a statement of the negative effect, or that there will be no negative effect, on the party's customers or the general public, if the commission acts by the date desired by the party. Laclede's request for expedited treatment does not identify what harm will be avoided nor does it identify the benefit that will accrue. Laclede fails to recognize the harm that may result from granting expedited treatment. With this filing Laclede seeks to more than double the existing ISRS surcharge for all rate schedules. It would be inconsistent with the Stipulation and Agreement in GR-2007-0208 and inappropriate to deny Public Counsel a reasonable opportunity to review and respond to Laclede's proposed tariff and Staff's Recommendation.

4. 4 CSR 240-2.080(16)(C) requires that the pleading seeking expedited treatment was filed as soon as it could have been or an explanation why it was not. At

paragraph 7 of Laclede's Motion for Expedited Treatment the Company claims that the pleading was filed as soon as it could have been following the Staff Recommendation. However, Laclede provides no explanation for why its request for expedited treatment could not have been filed prior to the Staff Recommendation when it is common for utilities to file requests for expedited treatment at the time an application and proposed tariff are filed.

5. The Commission's June 16 Order directs party responses to either Laclede's request for expedited treatment or to Laclede's ISRS Application to be filed no later than June 18, 2008. While this pleading offers a timely response to Laclede's motion to expedite consideration of the Application, Public Counsel is unable to respond by June 18, 2008 as to whether Public Counsel has any objections to Laclede's ISRS Application. Before Public Counsel can indicate whether it has objections to the ISRS Application, Public Counsel first needs sufficient time to review the Staff's workpapers. Public Counsel was taken by surprise with Laclede's request to expedite consideration of the petition, but believes it can offer any objections to the Application by June 23, 2008.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission reject Laclede's request for expedited treatment and instead grant Public Counsel additional time to review and respond to Laclede's ISRS application and the Staff's recommendation.

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 18th day of June 2008:

General Counsel Office
Missouri Public Service
Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
GenCounsel@psc.mo.gov

Mills Lewis
Office Of Public Counsel
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

Shemwell Lera
Missouri Public Service
Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
Lera.Shemwell@psc.mo.gov

Pendergast C Michael
Laclede Gas Company
720 Olive Street, Suite 1250
St. Louis, MO 63101
mpendergast@lacledegas.com

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

Vuylsteke M Diana
Missouri Industrial Energy
Consumers
211 N. Broadway, Suite 3600
St. Louis, MO 63102
dmvuylsteke@bryancave.com

Schroder A Sherrie
USW Local 11-6
7730 Carondelet Ave., Ste 200
St. Louis, MO 63105
saschroder@hstly.com

Evans A Michael
USW Local 11-6
7730 Carondelet, Suite 200
St. Louis, MO 63105
mevans@hstly.com

/s/ Marc Poston