

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

In the Matter of Laclede Gas Company's)	
Purchased Gas Adjustment (PGA) to be)	
Audited in its 2004-2005 and 2005-2006)	Case No. GR-2005-0203 and
Actual Cost Adjustment)	GR-2006-0288

STAFF'S REPLY TO LACLEDE'S RESPONSE

COMES NOW, the Staff of the Public Service Commission, and for its response to Laclede's opposition to the Staff's motion seeking an order for Laclede to produce documents states:

1. Staff is seeking documents to which Staff and the Commission are entitled by law. Both section 386.450 and 4 CSR 240-40.015 require Laclede to produce the requested documents. Neither the statute nor the rule requires any particular procedure in order for Laclede to be required to produce the documents.

2. Staff agrees that Laclede has produced a great deal of information for Staff review. But Laclede must produce more. Laclede is a public utility regulated by the Commission and must disclose many of its business practices to the Commission. Laclede cannot justifiably refuse to provide documents to which the Commission is legally entitled.

3. Staff's motion does not violate discovery rules. 4 CSR 240-2.090(8) cited by Laclede begins with "except when authorized by an order of the Commission." Staff is seeking such an order.

4. The motion is not an attempt to prejudice the Commission. Staff has stated facts that support the relevance of the requested documents. The Commission

should be aware of Laclede's relationship with LER, Laclede's affiliate. Laclede Energy Resources is a gas marketing affiliate, as defined in the Commission's affiliate transactions rules. The rules have very specific recordkeeping requirements when a regulated utility engages in transactions with an affiliate. Laclede is required to comply with the Commission's rules. 4CSR 240-40.016. Laclede's only real concern is that when the Commission learns the full nature of Laclede's transactions with LER, Laclede will be subject to a monetary adjustment in its ACA case. Laclede should have nothing to fear by being completely transparent regarding its affiliate transactions with LER if these transactions are appropriate.

5. None of Laclede's rights are infringed by Staff filing its motion. Laclede has every opportunity to participate in the process and file a response or other pleading and seek court review of any final Commission decision in the case.

6. If Laclede is in compliance with the rules, it should favor production of the documents that the law requires to remove any doubt regarding the legitimacy of its affiliate transactions with LER.

7. Notably, Laclede's response makes no mention of supplying the documents required by Commission rule, but Laclede nonetheless requests a quick hearing. To force Staff to hearing without requiring Laclede to disclose documents that Laclede is required by law to maintain and produce would deny the Staff the opportunity to present to the Commission evidence of whether Laclede has engaged in inappropriate transactions with LER to the detriment of its customers and would impair the Commission's ability to act in the public interest.

WHEREFORE, the Staff moves the Commission to order Laclede to provide the requested documents as required by law.

Respectfully submitted,

/s/ Steven C. Reed

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, e-mailed or transmitted by facsimile to all counsel and parties of record this 12th day of August, 2008.

/s/ Steven C. Reed