

In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change its) Case No. GO-2009-0221
Infrastructure System Replacement Surcharge)

COMES NOW Laclede Gas Company (“Laclede” or "Company") and files this Reply to the responses filed on January 26 by Staff and Public Counsel. In support thereof, Laclede states as follows:

- 1

requirement to show the harm that will be avoided or the benefit that will accrue from expedited treatment.

6. Both parties are mistaken for two main reasons. First, Laclede did comply with the requirements concerning expedited treatment. In paragraph 8 of its January 21 Response and Motion, the Company met these requirements by reciting the harm that would be avoided by the Commission's expedited action, and by stating that such action would not negatively affect Laclede's customers or the general public. Specifically, Laclede noted that since the parties had reached a stipulation and agreement that involved expediting Laclede's ISRS cases, and since the Commission had approved that agreement, harm would be avoided by the parties' honoring the agreed terms. Conversely, failing to honor an agreement approved by the Commission harms the victim of the breach, harms parties' trust in the process of resolving cases and conserving both utility and government resources, both of which are paid for by consumers, and finally harms the authority and respect of the Commission who, by its order, sanctioned that agreement.

7. Second, the burden is on the other parties to demonstrate a good faith effort to expedite ISRS cases. Under paragraph 22 of the Unanimous Stipulation and Agreement approved by the Commission on July 19, 2007 in Case No. GR-2007-0208 (the "Stipulation"), the parties agreed to work towards implementation of the Company's ISRS filings "as soon as reasonably possible." As the Stipulation makes clear, Laclede gave good and valuable consideration in exchange for the parties' commitment to work towards expedited implementation of its ISRS filings. Specifically, Laclede agreed to

reduce each of its requested ISRS filings by one-half of the value of a tax adjustment that Staff had proposed in earlier cases.

8. Laclede appreciates the Commission's efforts to enforce the terms of the Stipulation by taking prompt action in response to the Company's request for expedited treatment. But only the Commission fully honored the Stipulation. Given the terms of the Stipulation, and the Company's agreement to the Staff's adjustments in this case, the Staff's willingness to only "not oppose" expedited treatment without further explanation is ,at the very least, puzzling, albeit not objectionable.

9. Public Counsel's position is the least defensible. In paragraph 7 of its response, Public Counsel misstates the terms of the Stipulation, claiming that it only agreed to "follow a reasonable timeframe," when it actually agreed to "implementation of the ISRS as soon as reasonably possible." The Stipulation does not require the Company to prove its need for expedited treatment; it places the onus squarely on Public Counsel to act as soon as reasonably possible, given its resources. Yet Public Counsel doesn't even provide a reason why it couldn't review the Staff's five page memorandum within the six days allotted by the Commission; rather it simply states that it has not had sufficient time, and that it needs five more days. Further, if Public Counsel needed to ask for more time, it should have done so last week. Instead, Public Counsel did not even contact the Company to communicate any timing issues, but waited right up to the deadline to ask for more time.

10. Laclede can certainly understand a party desiring more time to review information; however, given the terms of the Stipulation, Public Counsel has not evidenced any sign of a good faith effort to expedite this case. Public Counsel's clients

have enjoyed the benefits of substantial ISRS deductions related to the tax issue; Laclede should be entitled to expect Public Counsel to honor its end of the bargain.

11. Laclede requests that the Commission deny Public Counsel's unsupported request to delay this proceeding, and instead approve the Company's compliance tariff filing effective as soon as reasonably practicable, but no later than February 4, 2009.

WHEREFORE, Laclede Gas Company respectfully requests the Commission note the Staff's non-opposition to Laclede's request and deny Public Counsel's request for more time. Laclede respectfully renews its request that the Commission approve the Company's compliance tariff filing effective as soon as reasonably practicable, but no later than February 4, 2009.

Respectfully submitted,

/s/ Michael C. Pendergast

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ATTORNEYS FOR
LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on all parties of record this 27th day of January, 2009 by hand-delivery, fax, electronic mail or regular mail, postage prepaid.

/s/ Gerry Lynch

Gerry Lynch