

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

The Staff of the Missouri Public Service Commission,	)	
	)	
Complainant,	)	
	)	
vs.	)	Case No. GC-2014-0216
	)	
Laclede Gas Company, doing business as Missouri Gas Energy,	)	
	)	
and	)	
	)	
Southern Union Company, formerly doing business as Missouri Gas Energy	)	
	)	
Respondents.	)	

In the Matter of Missouri Gas Energy, a Division of Southern Union Company, Concerning a Natural Gas Incident at 910 West 48 <sup>th</sup> Street in Kansas City, Missouri	)	Case No. GS-2013-0400
	)	
	)	
	)	

**RESPONDENT MGE’S REPLY TO THE STAFF’S RESPONSE  
TO MGE’S MARCH 10 MOTION**

COMES NOW Respondent Laclede Gas Company, doing business as Missouri Gas Energy (“MGE”), and files this Reply to the Staff’s Response to MGE’s March 10 Motion, and in support thereof, states as follows:

1. On March 10, 2014, MGE filed a motion in this case seeking, among other things, an order holding this Complaint case in abeyance and reopening Case No. GS-2013-0400 (the “Investigation Case”), so that the record in the Investigation Case can be made complete and accurate by including the evidence obtained in the extensive discovery process in the civil

litigation. Likewise, if Staff ultimately decided to proceed with the Complaint, it too would be based upon a more full and complete record.

2. On March 20, Staff filed its Response to MGE's March 10 motion. Staff agreed that holding the Complaint case in abeyance would permit the factual record to be developed by the ongoing civil litigation. Staff also agreed that it would be duplicative and unnecessarily costly to independently duplicate that factual record before the Commission.<sup>1</sup>

3. Nevertheless, Staff voiced two concerns with respect to holding the Complaint in abeyance. First, Staff sought to limit any suspension of the Complaint case only until the discovery phase of the civil litigation is completed. Second, Staff worried that public safety could suffer to the extent that there is a delay in addressing Staff's recommendations regarding safety practices. Staff implied that MGE's assertion that it had not violated Commission safety rules indicated that MGE may not be open to considering Staff's recommendations.

4. With respect to Staff's first concern, MGE agrees that the Complaint case should be suspended only until discovery closes in the civil litigation. This is consistent with MGE's request in the March 10 Motion that the Investigation Case be reopened and that Staff supplement its Report after fact and expert discovery closes in the civil litigation.

5. With respect to Staff's second concern, MGE also agrees that producing a full and accurate record regarding the incident should not operate to delay consideration of Staff's recommendations or any other safety improvements. MGE's paramount concern is the safety of the public and its employees. While MGE firmly believes that a full review of the evidence developed through civil discovery will demonstrate that MGE did not violate its emergency

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<sup>1</sup> Staff noted that the Commission did not delay the regulatory proceeding in the Taum Sauk incident while the associated civil litigation progressed. This is consistent with MGE's position. The Taum Sauk proceeding was an investigation rather than a Complaint. From that proceeding, Staff produced a report with recommendations for improvements. Ameren responded to those recommendations in a way that satisfied the Commission without the need for the Complaint process.

procedures and that a complaint proceeding is not warranted, consistent with its March 10 Motion, MGE is willing to meet with Staff to discuss Staff's recommendations in its February 6 Gas Incident Report regarding additional or revised procedures going forward. In addition, MGE is receptive to meeting with Staff and other Missouri operators in a workshop or other forum to discuss other potential improvements to emergency practices and procedures. Accordingly, granting the relief requested in the March 10 Motion would in no way slow the introduction of any measures that might further enhance public safety, and could in fact expedite institution of those measures.

6. With respect to MGE's request to reopen the Investigation Case, the Staff stated no opposition. In footnote 23 to Staff's Response, Staff acknowledges that although its Report focused on MGE's policies and actions, "[t]his by no means should be taken as evidence that Staff believes that all other participants were blameless in this incident, but the Commission does not regulate all of those entities." MGE appreciates that clarification. However, MGE would also point out that the directional drilling contractor, Heartland Midwest, LLC, was working for a regulated entity, Time Warner Cable Midwest, LLC. In Case No. KA-2013-0097, the Commission granted Time Warner Cable Midwest, LLC a video service provider authorization pursuant to the terms § 67.2679.7 of the 2007 Video Services Provider Act, R.S.Mo. § 67.2675, et seq. That Act, including § 67.2693, provides the Commission with investigatory powers over its authorized video service providers. MGE believes that negligent drilling by regulated video and communications service providers, acting through contractors, presents a serious public safety hazard in the State of Missouri, and it further believes that Staff and the Commission have the appropriate jurisdiction to expand the scope of the Investigation Case to include the activities of Time Warner Cable and Heartland Midwest leading to the incident.

WHEREFORE, for the reasons stated herein and in its March 10 Motion, MGE requests that the Commission reopen Case No. GS-2013-0400, direct Staff to revise and update its February 6, 2014 Gas Incident Report based on information from the civil litigation,<sup>2</sup> and hold the Complaint case in abeyance until the close of discovery in such civil litigation.

Respectfully submitted

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<sup>2</sup> As Staff indicated in its March 20 Response, Staff has served DRs on MGE, pursuant to which MGE will regularly provide Staff information from the civil litigation.

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ATTORNEYS FOR RESPONDENT LACLEDE GAS  
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**CERTIFICATE OF SERVICE**

I hereby certify that on the 24th day of March, 2014, a true and accurate copy of the foregoing was filed electronically with the Missouri Public Service Commission, Staff of the Missouri Public Service Commission, and the Office of Public Counsel:

**/s/ Rick Zucker**