

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Adequacy of)	
Laclede Gas Company's Service Line)	
Replacement Program and Leak)	Case No. GO-99-155
Survey Procedures.		

STAFF'S ANNUAL REPORT

COMES NOW the Staff of the Missouri Public Service Commission and, in response to the Commission's August 30, 2006 Order Continuing Requirements of Unanimous Stipulation and Agreement, files its Annual Report and 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)⁰, 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 October 28, 2002, the Staff filed a Staff Update Report to Laclede's Copper Service Line Program Pertaining to Case No. GO-99-155, which

summarized data obtained during Staff's ongoing monitoring of the program's progress. This Update Report, with information available through October 2002, indicated Laclede was in compliance with the requirements of the Unanimous Stipulation and Agreement, and Staff expected Laclede to meet their 2002-2003 (through March 1, 2003) goal of 8,000 renewals. Staff continues to monitor the adequacy of Laclede's direct-buried-copper-service-line replacement program and the effectiveness of the leak surveys and investigations, and believes the program is progressing as designed.

5. In the Unanimous Stipulation and Agreement, Laclede agreed to provide its annual program report, which details the copper service line relays/renewals for that program year, to Staff no later than April 30 of each program year.

6. On August 1, 2003, Staff filed its Three Year Summary Report Concerning Laclede's Copper Service Line Replacement Program detailing the copper service line relays/renewals and annual bar-hole leak surveys for each of the first three program years. Staff requested that the Commission approve its recommendation to continue the current requirements of the Stipulation and Agreement, with continued annual reporting from the Staff to the Commission pertaining to the matters addressed in the Stipulation.

7. On March 5, 2004, the Commission issued its Report and Order approving Staff's recommendation that the Commission continue the current requirements of the previously approved Stipulation and Agreement, with annual reporting from Staff to the Commission.

8. On April 6, 2004, the Commission issued an order directing Staff to file a status report regarding the annual report.

9. Staff filed its Status Report on April 19, 2004, requesting sufficient time, of up to September 1, 2004, to file its Annual Report to complete a comprehensive update report detailing the results of the copper service line replacement and bar-hole leak survey completed since Staff filed its three-year summary report on August 1, 2003.

10. On April 27, 2004, the Commission approved Staff's request to provide the Commission with an update report no later than September 1st each year.

11. Staff filed subsequent Annual Reports on September 1, 2004, August 29, 2005, and August 30, 2006, detailing Staff's analysis of the service line replacement program, which included updating the results of the copper service line replacement program and bar-hole survey completed since Staff filed each of its subsequent Annual Reports.

12. Effective November 7, 2004, February 17, 2006, and October 6, 2006, the Commission approved Staff's recommendation in each of its subsequent Annual Reports that Laclede should continue to meet the program provisions, with annual reporting from Staff to the Commission. The Staff was ordered to file Annual Reports no later than September 1st each year. The Report for 2007 is attached.

13. Staff has verified that Laclede has filed its annual Report and is not delinquent on any assessment. Staff has completed an analysis of Laclede's copper service line replacements and bar-hole survey data, and submits its Annual Report attached as Exhibit A.

14. If, at any time during its monitoring and review of this program, Staff believes that changes to the program are necessary, Staff will file a notice with the Commission to recommend that the Commission order corrective action to address Staff's concerns.

WHEREFORE, the Staff respectfully requests that the Commission accept Staff's Report that Laclede continue to meet requirements of the Agreement, unless otherwise ordered by the Commission, with continued annual reporting from Staff to the Commission pertaining to the matters addressed in the Agreement.

Respectfully submitted,

/s/ Lera L. Shemwell

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, sent by facsimile, sent by email or hand-delivered to all counsel of record this 31st day of August, 2007.

/s/ Lera L. Shemwell