

**NEWMAN, COMLEY & RUTH**

PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS AT LAW

MONROE BLUFF EXECUTIVE CENTER

601 MONROE STREET, SUITE 301

P. O. BOX 537

JEFFERSON CITY, MISSOURI 65102-0537

TELEPHONE: (573) 634-2266

FACSIMILE: (573) 636-3306

ROBERT K. ANGSTEAD

ROBERT J. BRUNDAGE

MARK W. COMLEY

CATHLEEN A. MARTIN

STEPHEN G. NEWMAN

JOHN A. RUTH

December 10, 1999

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102-0360

**FILED**

DEC 10 1999

Missouri Public  
Service Commission

Re: Case No. G-99-155

Dear Judge Roberts:

Enclosed for filing please find the original and fourteen copies of the Response to Proposed Procedural Schedule of the Staff and Office of the Public Counsel.

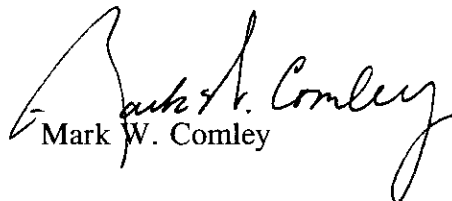
Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

  
Mark W. Comley

MWC:ab

Enclosure

cc: Office of Public Counsel  
Michael C. Pendergast

FILED

DEC 10 1999

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Missouri Public  
Service Commission

In the matter of Laclede Gas Company )  
regarding the adequacy of Laclede's )  
service line replacement program and )  
leak survey procedures. )

Case No. GO-99-155

**RESPONSE TO PROPOSED PROCEDURAL SCHEDULE  
OF THE STAFF AND OFFICE OF THE PUBLIC COUNSEL**

COMES NOW Laclede Gas Company (Laclede) and states as follows:

1. On December 7, 1999 the Missouri Public Service Commission Staff (Staff) and the Office of the Public Counsel (Public Counsel) filed a Proposed Procedural Schedule in this proceeding. Although that pleading acknowledges that most of the issues in this proceeding have been resolved between Laclede and the Staff, it requests a procedural schedule for the remaining issues that provides for a hearing in mid-February 2000. In addition, it incorrectly states that Laclede will be proposing an alternative that "delays the process of resolving the issues in this case" and implies that such a delay may somehow compromise public safety. (Proposed Procedural Schedule of the Staff and the Office of the Public Counsel, p. 3).

2. Laclede takes the strongest possible exception to this unfair and erroneous characterization of the procedural schedule that the Company has proposed in this case and its potential impact on safety. Since Laclede considers the provision of safe and adequate service to its customers to be to be a matter of the very highest priority, it wants to make sure there is absolutely no misunderstanding where it stands on this important matter. Simply put, there is absolutely no basis for the contention that adoption of the Company's procedural recommendations in this case will in any way delay

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implementation of a modified copper service line replacement program that, under Staff's own proposal, is not scheduled to commence until January 1, 2001. Nor is there is any basis for the suggestion that Company is somehow attempting to delay resolution of the issues in this case in a manner that might compromise safety.

3. There is nothing new in the fact that safety considerations are of critical importance to Laclede, its customers and the Commission. Consistent with that philosophy, Laclede has always been extremely concerned whenever a safety-related incident occurs. The impact is particularly profound and troubling, however, where an incident involves a serious injury, loss of life or other tragic consequence such as those discussed by Staff in its Proposed Procedural Schedule.

4. That is precisely why Laclede has not simply waited on the sidelines for directions on implementing enhancements to its copper service program. Instead, it has worked hard to develop and voluntarily implement the numerous safety procedures and operational measures for monitoring and replacing of direct-buried copper service lines that have previously been discussed in the parties' recommendations and responses in this case and that will form the basis for an anticipated Stipulation and Agreement. Far from being "subtle changes in procedure," as suggested by Staff, these significant initiatives far and away exceed any existing federal or state safety requirements. Among others, they include:

(a) measures to conduct invasive bar hole surveys of all the Company's direct-buried copper service lines — a survey technique that, while more costly and time consuming, is especially suited to identifying even the most minute leaks that may exist on copper service lines;

(b) replacing direct-buried copper service lines with Class 3 leaks on a far more aggressive basis than the five years mandated by the Commission's safety rules to just repair such leaks (i.e. within six months for those located in Pressure Region 1 and within 18 months for those located in Pressure Region 2);

(c) replacing all copper service lines with Class 3 on a main-to-meter basis, rather than on a partial basis, as permitted by the Commission's safety rules;

(d) undertaking to conduct similar surveys and to continue such accelerated replacements in the future.

5. This same willingness to initiate and undertake the reasonable measures or actions that are best suited to protect public safety has also been reflected in Laclede's approach to the procedural schedule in this case. That is precisely why Laclede indicated in its December 7, 1999 Procedural Schedule Recommendation that it had no objection to the expedited hearing that the Staff proposes in February, 2000, and is prepared to comply with the testimony filing dates that Staff has proposed to facilitate that hearing. It is also why all of the actions taken by Laclede in this case -- including its proposal for a supplemental hearing in late July or early August, 2000, its commitment to an expedited briefing schedule thereafter, and its commitment to obtain on a timely basis the resources required, if necessary, to implement a program of the magnitude proposed by Staff -- have all been designed to ensure that the most appropriate copper service program is ultimately approved by the Commission and can begin on the date that Staff itself has proposed.

6. In view of these considerations, it is extremely disappointing, to say the least, to have Staff imply that the Company is engaging in delaying tactics or that safety

may somehow be implicated or affected by the Company's request for a supplemental hearing in late July or early August. The Company has repeatedly asked Staff what possible reason it could have for objecting to a procedural approach that does nothing more than permit the Commission to receive additional and potentially valuable information,<sup>1</sup> while in no way delaying implementation of any replacement program that may ultimately be approved by the Commission. As of this date, the Staff has not provided such a reason. While Laclede recognizes that Staff may be under no obligation to explain its position on this issue, neither it nor Public Counsel are entitled to suggest that it has anything to do with safety. Nor are they entitled to suggest that Laclede seeks to delay this proceeding in a manner that may compromise safety, when all of the Company's efforts and recommendations have been directed toward ensuring that Staff's proposed implementation date will be met.

7. Given the fact that Laclede is completely willing to participate in the mid-February hearing that the Staff and Public Counsel are proposing in order to present all available information about this proceeding to the Commission at the earliest possible date, and given the fact that Laclede's proposed supplemental hearing is designed only to provide the Commission with additional relevant information based, in large part, on the results of the second bar hole survey that Laclede has committed to undertake next Spring, Laclede believes it is wholly unfair to suggest that it is any sense attempting to delay the Commission's receipt of evidence in this case, or the Commission's proper and

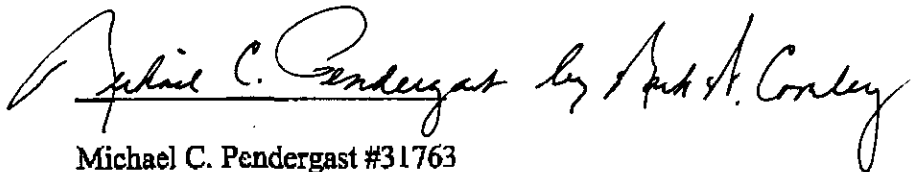
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<sup>1</sup> As stated in its December 7, 1999 Procedural Schedule Recommendation, this includes additional information from Laclede's ongoing analysis of its copper service lines, most notably the results of the Company's second, system-wide bar hole survey which both Staff and Laclede have agreed should be done by the Company and which will only be available after Laclede completes the survey in July of 2000. As stated in that pleading, Laclede believes it is important for the Commission to consider this information in determining what long term approach to Laclede's copper service lines will be most effective in protecting public safety, without arbitrarily imposing unnecessary costs on the Company's customers.

timely resolution of the issues in this case. Any suggestion by Staff and Public Counsel to the contrary is simply wrong.

**WHEREFORE**, for the foregoing reasons, Laclede respectfully requests that the Commission adopt the procedural schedule it has proposed.

Respectfully submitted,

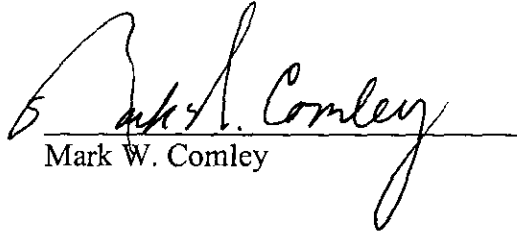
A handwritten signature in cursive script, reading "Michael C. Pendergast by Andrew A. Conley". The signature is written in dark ink and is positioned above the typed name and address.

Michael C. Pendergast #31763  
Thomas M. Byrne #33340  
Laclede Gas Company  
720 Olive Street, Room 1520  
St. Louis, MO 63101  
(314) 342-0532 Phone  
(314) 421-1979 Fax

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered, on this 10<sup>th</sup> day of December, 1999, to:

Office of Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

  
Mark W. Comley