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November 3, 1998

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Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

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DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

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General Counsel

FILED

NOV - 3 1998

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

Missouri Public
Service Commission

RE: Case No. GO-99-155 - Laclede Gas Company

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of a **Staff's Response to Laclede's Response to Motion to Open Docket**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Lera L. Shemwell
Assistant General Counsel
(573) 751-7431
(573) 751-9285 (Fax)

LLS:sw

Enclosure

cc: Counsel of Record

04.

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

FILED
NOV - 3 1998
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

**STAFF'S RESPONSE TO LACLEDE'S RESPONSE
TO MOTION TO OPEN DOCKET**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Response to Laclede's Response to Staff's Motion to Open Docket respectfully states:

1. The Missouri Public Service Commission ("Commission") has authority to establish a docket for the purpose of receiving information from public utilities under its jurisdiction pursuant to Section 393.140 RSMo (1994). Laclede Gas Company (Laclede) is a gas corporation as defined in Section 386.020(18) RSMo (Supp. 1996), and, as such, is a public utility subject to the Commission's jurisdiction pursuant to Section 386.020(42) RSMo (Supp. 1996). Laclede is also subject to the Commission's safety jurisdiction under Section 386.310, RSMo Supp. 1996.

2. As a result of the investigations of two natural gas incidents involving corroded copper service lines (Case Nos. GS-98-422 and GS-98-423), Staff requested that the Commission open a docket to investigate Laclede's copper service line replacement program and the effectiveness of their leak investigations and surveys.

3. In its Response to Staff's Motion to Open Docket, Laclede has asked the Commission to limit the scope of this docket.

4. The two incident dockets noted above were opened to receive information concerning two natural gas explosions and fires that occurred within a few days of each other in March 1998 at residences served by Laclede. Laclede suggests that their response to Staff's recommendations in those two dockets could eliminate any related issues that may need to be addressed in this docket. Laclede's responses to the incident dockets have not yet been submitted, so it is impossible to determine the adequacy of their response. In addition, the effectiveness of any corrective actions will not be known for some time and must be evaluated to determine their adequacy.

5. Staff's Motion to Open Docket in this case does not suggest that Laclede will fail to take the steps necessary to remedy any problems discovered in the two incident investigations. However, Staff's incident investigations are local in scope and are confined to inquiry into the facts of a particular incident at a particular location. Only a docket with a broader scope can examine the potentially larger extent of the issues.

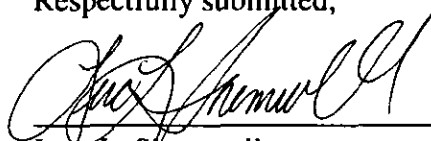
6. It is not prudent to delay full and thorough investigation of Laclede's copper service line replacement program and their monitoring program to determine whether these programs need to be modified to enhance safety.

7. Staff respectfully suggests that placing any limits on the scope of this safety investigation would be unwise and counterproductive. Any limitation on Staff's ability to determine whether Laclede is adequately addressing copper service line leaks, leak investigations, leak surveys and replacement would be imprudent when the purpose of the program is safety.

8. Staff urges the Commission to deny Laclede's request to limit the scope of this docket since an adequate review must consider circumstances in Laclede's entire service territory and should include all possible causal factors.

WHEREFORE, the Staff respectfully requests that the Commission not limit the scope of Staff's investigation into Laclede's copper service line replacement program and its leak investigations and surveys.

Respectfully submitted,

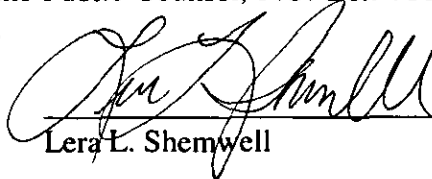


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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed by first class mail postage prepaid or hand-delivered to Michael C. Pendergast, c/o Laclede Gas Co., 720 Olive Street, Rm. 824, St. Louis, MO 63101, and the Office of the Public Counsel, P.O. Box 7800 Jefferson City, MO 65102, on this 3rd day of November 1998.



Lera L. Shemwell

**SERVICE LIST FOR
CASE NO: GO-99-155
November 3, 1998**

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