

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
January 7, 2000**

CASE NO: GO-99-155

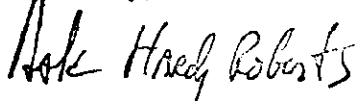
Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Michael C. Pendergast
Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

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

On December 7, 1999, the Staff of the Commission (Staff) and the Office of the Public Counsel (Public Counsel) filed a proposed procedural schedule. This proposed procedural schedule suggested a hearing date of February 17 and 18, 2000. Staff noted that Laclede Gas Company (Laclede) would be proposing an alternative procedural schedule that Staff feels delays the process of resolving the issues in this case. Staff and Public Counsel urge the Commission to reject that alternative, and state that after the February hearing, at which time the Commission will have had a opportunity to read the testimony, hear the issues, and have the matter fully briefed, the Commission will be in a better position to determine if delay in issuing an order is wise.

Also on December 7, 1999, Laclede filed a proposed procedural recommendation in which it indicates that it has no objection to Staff's procedural recommendation that a hearing be held in mid-February. However, Laclede does not believe that a single hearing in February 2000 will be sufficient to provide the Commission with the information required to properly determine what type of replacement program should be implemented, because much of the data needed for

such a decision will not yet be available. Laclede states that it believes it is necessary to the proper design of any long-term copper service program that the Commission schedule a supplemental hearing in late July or early August 2000.

The purpose of the second hearing would be to present the Commission with additional information regarding the results of the second, system-wide bar hole survey which the company has committed to completing by July 1, 2000, as well as any engineering analyses of these results and other copper-related data that may be performed by Laclede, Staff, and the company's outside consultants in connection with this case. Laclede contends that the scheduling of this second hearing will not delay or hamper the company's ability to begin its direct-buried copper service replacement program on the January 1, 2001, commencement date proposed by Staff, if such action is ordered by the Commission. Laclede states that based on its recent experience in Case No. GT-99-303, Laclede believes that a hearing in late July or very early August 2000, together with an expedited briefing schedule similar to the one adopted in Case No. GT-99-303, will permit the Commission to issue a decision by mid-September 2000.¹

On December 10, 1999, Laclede filed a response to the proposed procedural schedule of the Staff and the Public Counsel, in which it denied that its proposed procedural schedule in any way delays the process of resolving the issues in this case.

¹ Laclede notes that the hearing in Case No. GT-99-303 concluded on July 27, 1999, and initial and reply briefs were subsequently filed on August 16, 1999, and August 25, 1999. The Commission issued its Report and Order on September 9, 1999, which was approximately one-and-a-half months after the conclusion of the evidentiary hearing.

On December 17, 1999, Staff filed a response to Laclede's procedural recommendation. Staff contends that in recommending a July hearing date, Laclede has failed to allow sufficient time for Staff to review and evaluate any additional information that may be presented. Staff believes that a more realistic estimate for the earliest date that the Commission could possibly issue a decision, assuming information and reports are not delayed, would be late October or early November 2000. Staff further notes that there is no need for the Commission to decide now whether it will have sufficient evidence after the February hearing to order Laclede to begin a systematic replacement program for copper service lines. Staff states that it believes sufficient information will be presented to the Commission at the February hearing concerning the need and justification for a systematic copper service line replacement program. According to Staff, if the Commission determines after the February hearing that it has sufficient information to order such a program, and does so, there is nothing to prevent the Commission from modifying the ordered program later, when and if additional information of value is developed and presented. Staff states that the Commission has previously made modifications to existing replacement programs upon the receipt of persuasive information.

The parties filed a unanimous partial Stipulation and Agreement (the Agreement) on January 3, 2000. Although the Agreement briefly discusses the issues which have been resolved, it does not identify the issues still in dispute. The Agreement does, however,

note that the parties have filed proposed procedural schedules to deal with the remaining issues.

The Commission has reviewed the proposed procedural schedules and the responses filed by the parties, and determines that it will adopt a variation of the Staff's proposed procedural schedule as set forth in the ordered paragraphs below. The Commission will determine whether a second hearing is necessary after the conclusion of the first hearing. The modified version of the procedural schedule includes the dates for filing a final list of issues and for the parties to submit positions on the issues. In addition, the Commission finds that the following conditions shall be applied to the schedule.

(A) The Commission will require the prefiling of testimony as defined in 4 CSR 240-2.130. All parties shall comply with this rule, including the requirement that testimony be filed on line-numbered pages. The practice of prefiling testimony is designed to give parties notice of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays caused by allegations of unfair surprise at the hearing.

(B) The parties shall agree on and file a list of issues to be determined herein by the Commission. Staff shall be responsible for actually drafting and filing the list of issues and the other parties shall cooperate with Staff in the development thereof. Any issue not included in the issues list will be presumed to not require determination by the Commission.

(C) Each party shall file a list of the witnesses to appear on each day of the hearing and the order in which they shall be called. The parties shall establish the order of cross-examination and file a joint pleading indicating the same.

(D) Each party shall file a statement of its position on each disputed issue, including a summary of the factual and legal points relied on by the party. Such statement shall be simple and concise, shall follow the issues set out in the issues list, and shall not contain argument about why the party believes its position to be the correct one. The position statement shall be filed in both paper form and electronically, either on computer disk or by e-mail. Electronically submitted documents shall be in Word, WordPerfect, or ASCII format. The Regulatory Law Judge's e-mail address is: vruth@mail.state.mo.us.

(E) The Commission's general policy provides for the filing of the transcript within two weeks after the hearing. If any party seeks to expedite the filing of the transcript, such request shall be tendered in writing to the Regulatory Law Judge at least five days prior to the date of the hearing.

(F) All pleadings, briefs and amendments shall be filed in accordance with 4 CSR 240-2.080. The briefs to be submitted by the parties shall follow the same list of issues as filed in the case. The briefs must set forth and cite the proper portions of the record concerning the remaining unresolved issues that are to be decided by the Commission. Each principal brief shall not exceed 30 pages in length; reply briefs shall not exceed 15 pages in length. The

presiding officer will establish a briefing schedule at the close of the hearing.

(G) Each party shall submit proposed findings of fact, conclusions of law, and ordered paragraphs, in both paper form and electronically, either on computer disk or by e-mail. Electronically submitted documents should be in Word, WordPerfect, or ASCII format. The Regulatory Law Judge's e-mail address is: vruth@mail.state.mo.us.

(H) All parties are required to bring an adequate number of copies of exhibits which they intend to offer into evidence at the hearing. If an exhibit has been prefiled, only three copies of the exhibit are necessary for the court reporter. If an exhibit has not been prefiled, the party offering it should bring, in addition to the three copies for the court reporter, copies for the five Commissioners, the Regulatory Law Judge, and all counsel.

IT IS THEREFORE ORDERED:

1. That the following procedural schedule is adopted for this proceeding, subject to the conditions discussed above:

Direct testimony by Staff	-	January 13, 2000 3:00 p.m.
Rebuttal testimony by Laclede	-	January 26, 2000 3:00 p.m.
Final list of issues	-	February 2, 2000 3:00 p.m.
Surrebuttal testimony by Staff	-	February 7, 2000 3:00 p.m.
Submit parties' positions on the issues	-	February 10, 2000 3:00 p.m.
Hearing	-	February 17-18, 2000 9:00 a.m.

2. That the evidentiary hearing will be held in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri. Anyone wishing to attend who has special needs as addressed by the Americans With Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services Hotline — 1-800-392-4211, or TDD Hotline — 1-800-829-7541.

3. That this order shall become effective on January 14, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Vicky Ruth, Regulatory Law Judge,
by delegation of authority pursuant
to 4 CSR 240-2.120(1) (November 30,
1995) and Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 7th day of January, 2000.

FYI: To Be Issued By Delegation

Alt/Sec'y: Ruth Payne

1-4
Date Circulated 1-7
Return by 3 p.m.
10 a.m.

GD-99-155
CASE NO.

[Signature]
Lumpe, Chair

[Signature]
Crumpton, Commissioner

[Signature]
Murray, Commissioner

[Signature]
Schemenauer, Commissioner

[Signature]
Drainer, Vice Chair

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

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 7TH day of January 2000.

[Signature: Dale Hardy Roberts]

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

