

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

<b>In the Matter of Laclede Gas Company's Purchased Gas Adjustment for 2004-2005.</b>	) ) )	<b>Case No. GR-2005-0203</b>
<b>In the Matter of the PGA filing of Laclede Gas Company for 2005- 2006.</b>	) ) )	<b>Case No. GR-2006-0288</b>

**STAFF RESPONSE TO LACLEDE'S REQUEST FOR MEDIATION,  
RESPONSE IN OPPOSITION TO STAFF'S REQUEST FOR CLARIFICATION  
AND ALTERNATIVE REQUEST FOR ORAL ARGUMENT**

COMES NOW the Staff of the Missouri Public Service Commission and In Response to Laclede's Request for Mediation, Response in Opposition to Staff's Request for Clarification, and Alternative Request for Oral Argument states:

1. Though Laclede continues to argue otherwise, the Commission has already determined in its effective October 20, 2008 *Order Granting Motion to Compel*, that LER documents are relevant to Staff's prudence review in these cases. The Commission found that LER's "discretion in sourcing supply could result in gains for LER that should be allocated to Laclede's ACA" and that "Laclede may have shared the benefit of a sale with LER, thus receiving less than fair market value."

2. For months, Staff has sought discovery of the withheld documents in order to determine whether Laclede has made prudent gas purchasing decisions when engaged in affiliate transactions with Laclede Energy Resources (LER). Whether Laclede is in compliance with the Commission's affiliate transactions rules and has been prudent in its dealings with LER hinges upon review of the documents requested by Staff.

3. Laclede has refused to comply. Since October when the Commission issued its *Order Granting Motion to Compel* Laclede has steadfastly declined to produce documents. In fact, Laclede has responded with every objection and means of delay it can conjure up.

4. This includes Mr. Pendergast's offer to meet with Staff. On January 21, 2009, the Commission clarified its order compelling production and directed Laclede to produce the documents by February 4, 2009. A few days before February 4, Mr. Pendergast met with Staff counsel and offered to meet with the Staff regarding production of the documents. Mr. Pendergast told the undersigned counsel his goal was to limit the documents Laclede would make available to Staff. Since the Commission had already ordered Laclede to supply all of the LER documents, counsel was unwilling to agree to review only those documents chosen by Laclede or fewer documents than the Commission had ordered to be produced.

5. Granting Laclede's request for mediation or oral argument only plays into Laclede's goal of further delaying production of information expected to show the reasonableness of Laclede's purchasing decisions.

6. Laclede's responses must cause the Commission to wonder why Laclede is trying so hard to hide documents from scrutiny.

WHEREFORE Staff files its response to Laclede's endless lamentations.

Respectfully submitted,

**/s/ Lera L. Shemwell**

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**Certificate of Service**

I hereby certify that copies of the foregoing have been emailed, mailed, hand-delivered, or transmitted by facsimile to all counsel of record this 3rd day of March, 2009.

**/s/ Lera Shemwell**

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