BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Verified Application and)	
Petition of Laclede Gas Company to Change its)	Case No. GO-2009-0389
Infrastructure System Replacement Surcharge)	

REPLY TO STAFF'S RESPONSE

COMES NOW Laclede Gas Company ("Laclede" or "Company") and files this Reply to the July 8, 2009 Response submitted by Staff, in response to Laclede's Motion for Expedited Treatment in this case. In support thereof, Laclede states as follows:

- 1. On July 2, 2009, Laclede filed a substitute tariff sheet and a Motion for Expedited Treatment in which Laclede adopted Staff's recommended increase in ISRS revenues and requested that the Commission approve the increase, effective no later than July 16, 2009. In support of its Request for Expedited Treatment, Laclede cited the Unanimous Stipulation and Agreement approved by the Commission on July 19, 2007 in Case No. GR-2007-0208 (the "Stipulation"), in which the parties had agreed to work towards implementation of the Company's ISRS filings *as soon as reasonably possible*, in exchange for valuable consideration that Laclede had given as part of the overall settlement. Given the fact that Staff submitted its recommendation in this case on June 26, 2009, and that Laclede had agreed to implement that recommendation in all its particulars, Laclede believed its request to make the ISRS effective by July 16 was fully consistent with both the letter and spirit of the Stipulation.
- 2. On July 8, 2009, Staff filed its Response to Laclede's Motion. Notably, the Staff states in its Response that it does not oppose Laclede's Motion for Expedited Treatment and that the substitute tariff sheet filed by Laclede on July 2 correctly reflects the ISRS rates recommended by Staff.

- 3. The Staff did go on to say in its Response that its commitment in the Stipulation to implement an ISRS filing as soon as reasonably possible did not extend to affirmatively supporting a Motion for Expedited Treatment. Since the Staff has indicated it does not oppose the Motion, this distinction should not have any impact on the Commission's prompt processing of Laclede's filing. The Company would note, however, that a Motion for Expedited Treatment is the preferred, and perhaps only, procedural device by which a party can request that the Commission act by a certain date. Since such a request was essential to achieving the goal of timely action, to which the parties agreed and the Commission approved, Staff should not be surprised that Laclede used this procedural device for that purpose. Indeed, it is difficult to see what other action the Company could have taken.
- 4. In paragraph 5 of its response, Staff implies that Laclede may have omitted statements required by the Commission's rule on requesting expedited treatment relating to the harm that will be avoided or the benefit that will accrue from expedited treatment. Given the Staff's commitment, as stated above, to work towards implementation of the Company's ISRS filings as soon as reasonably possible, and the Commission's approval of this "time is of the essence" provision of the Stipulation, it is difficult to understand why Staff would even raise such a technicality when the justification for timely action is so apparent. Regardless, the Company met the requirements of Rule 2.080(16) by reciting the harm that would be avoided by the Commission's expedited action, and by stating that such action would not negatively affect Laclede's customers or the general public. Specifically, Laclede noted that since the parties had reached a stipulation and agreement that involved expediting Laclede's

ISRS cases, and since the Commission had approved that agreement, harm would be avoided by the parties' honoring the agreed terms. Accordingly, all requirements for expedited treatment have been met. In addition, Laclede would note that failing to honor an agreement approved by the Commission would harm the victim of the breach, harm the parties' trust in the process of resolving cases, harm the principle of conservation of utility and government resources, both of which are paid for by consumers, and finally harm the authority of and respect for the Commission who, by its order approving the Stipulation, sanctioned that agreement.

5. Finally, in discussions yesterday with Staff regarding its pleading, Staff counsel reconfirmed that Staff has no objection to the expedited relief requested by the Company, so there should be no bar in any event to providing such relief.

WHEREFORE, for the foregoing reasons, Laclede respectfully requests that the Commission approve the ISRS increase, as modified to reflect Staff's recommendation, effective as soon as reasonably possible, but no later than July 16, 2009.

Respectfully submitted,

/s/ Michael C. Pendergast

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ATTORNEYS FOR LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on all parties of record this 9th day of July, 2009 by hand-delivery, fax, electronic mail or by placing a copy of such pleading, postage prepaid, in the United States mail.

/s/ Gerry Lynch	
Gerry Lynch	