

LACLEDE GAS COMPANY
720 OLIVE STREET
ST. LOUIS, MISSOURI 63101

AREA CODE 314
342-0532

MICHAEL C. PENDERGAST
ASSISTANT VICE PRESIDENT
ASSOCIATE GENERAL COUNSEL

May 8, 2000

VIA FEDERAL EXPRESS

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Harry S Truman Building
301 W. High Street, 5th Floor
Jefferson City, MO 65101

FILED²
MAY 09 2000
Missouri Public
Service Commission

RE: Case No. GO-2000-395

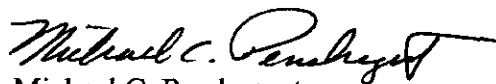
Dear Mr. Roberts:

Enclosed for filing on behalf of Laclede Gas Company, please find an original and fourteen copies of a Response to Staff Memorandum in the above referenced case. Please see that this filing is brought to the attention of the appropriate Commission personnel.

Please file-stamp the additional copy of this pleading and return the same in the pre-addressed, stamped envelope provided.

Thank you for your consideration in this matter.

Sincerely,


Michael C. Pendergast

MCP:jaa

cc: All parties of record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
MAY 09 2000

Missouri Public
Service Commission

In the Matter of Laclede Gas Company's)
Gas Supply Incentive Plan (GSIP II)) Case No. GO-2000-395

RESPONSE TO STAFF MEMORANDUM

COMES NOW Laclede Gas Company ("Laclede" or "Company") and for its Response to the Staff Memorandum in support of the Unanimous Stipulation and Agreement, states as follows:

1. On or about May 2, 2000, the Staff filed a memorandum in support of the Unanimous Stipulation and Agreement that was submitted by the parties in the above-captioned case on April 20, 2000. In its memorandum, the Staff indicated, among other things, that the recommended one-year extension period for the GSIP II would allow sufficient time to gain considerable experience with the performance of the GSIP II, and to engage in serious and good faith negotiations aimed at correcting any deficiencies in GSIP II.

2. Although Laclede is unaware of any deficiencies in the structure or operation of the GSIP II, which is currently producing substantial benefits for the Company's customers, it is prepared to work with the Staff and Public Counsel in the months ahead on the matters addressed by the Stipulation and Agreement. Specifically, while the Company does not share Staff's concerns, Laclede is committed to making a constructive and good faith effort to arrive at an overall incentive plan that all parties can recommend be implemented upon conclusion of the one-year extension period proposed by the parties. Moreover, to ensure that such efforts can succeed and to provide the

Commission sufficient time to resolve any issues that may arise, the Company is prepared to begin this dialogue as soon as the Stipulation and Agreement filed by the Parties is acted upon by the Commission.

3. Laclede accordingly joins with the Staff in urging the Commission to approve the Unanimous Stipulation and Agreement filed by the parties on April 20, 2000.

Respectfully submitted,

A handwritten signature in cursive script, reading "Michael C. Pendergast", written over a horizontal line.

Michael C. Pendergast #31763
Assistant Vice President and
Associate General Counsel
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CERTIFICATE OF SERVICE

Michael C. Pendergast, Assistant Vice President and Associate General Counsel for Laclede Gas Company, hereby certifies that the foregoing Response to Staff Memorandum has been duly served upon all parties of record to this proceeding by placing a copy thereof in the United States mail, postage prepaid, or by hand delivery, on this 8th day of May, 2000.