

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

In the Matter of Fidelity Natural Gas, Inc.'s)	
Purchased Gas Adjustment (PGA) Factors)	<u>Case No. GR-2006-0170</u>
to be Audited in its 2004-2005)	
Actual Cost Adjustment)	

**RESPONSE OF LACLEDE GAS COMPANY
TO STAFF RECOMMENDATION**

COMES NOW Laclede Gas Company and, in response to the Recommendation and accompanying Memorandum filed by the Staff of the Missouri Public Service Commission in the above-captioned proceedings on December 21, 2006, states that it has no objection thereto.

Respectfully submitted,

/s/ Michael C. Pendergast
Michael C. Pendergast, #31763
Vice President & Associate General Counsel
Rick Zucker, #49211
Assistant General Counsel-Regulatory

Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101
Telephone: (314) 342-0532
Facsimile: (314) 421-1979
E-mail: mpendergast@lacledegas.com
rzucker@lacledegas.com

Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing Response was served on the General Counsel of the Staff and the Office of the Public Counsel on this 22nd day of January, 2007 by hand-delivery, fax, electronic or regular mail.

/s/ Gerry Lynch
Gerry Lynch