

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

The Staff of the Missouri Public Service)
Commission,)
)
Complainant,)
)
vs.)
)
Laclede Gas Company,)
)
Respondent.)

Case No. GC-2011-0006

**STAFF'S SUGGESTIONS IN OPPOSITION TO
LACLEDE'S REPLY**

COMES NOW the Staff of the Missouri Public Service Commission, by and through the Chief Staff Counsel, and for its Suggestions in Opposition to the Reply of Respondent Laclede Gas Company ("Laclede"), states as follows:

1. Laclede filed its Reply to the Responses filed by Staff and Public Counsel on November 2, 2010. Therein, among other things, Laclede somewhat hysterically accused Staff of making an "Orwellian argument" in its "desperation to defend the indefensible." By that phrase, Laclede refers to an unauthorized pricing standard that it believes Staff has applied to transactions between Laclede and its unregulated gas marketing affiliate, LER.

2. This case actually arises on Staff's complaint that Laclede has violated a stipulation and agreement that it voluntarily entered into and offered to the Commission as an inducement to allow it to reconfigure itself into a holding company with one regulated subsidiary and some number of unregulated subsidiaries. From that original focus, Laclede has vigorously sought to divert

attention to Staff's interpretation and enforcement of the Commission's Affiliate Transaction Rules.¹ Those rules are not even implicated in Staff's complaint against Laclede, although they are involved in some other pending cases involving Staff and Laclede.

3. Staff understands that Laclede desires to "tee-up" a global consideration by the Commission of its affiliate transactions and Staff's interpretation and enforcement of the Commission's Affiliate Transaction Rules. Staff welcomes such a consideration, but suggests that this is not the case for it. The present case has a limited focus – Laclede has either violated the stipulation and agreement in question or it has not. The accusations that Laclede here makes against Staff do not amount to a defense to Staff's complaint against Laclede. Therefore, they have no place in this case.

4. Staff suggests that the Commission open an investigation into its interpretation of its own affiliate transactions rules and their application to regulated gas utilities. Such a case would serve as a far more satisfactory venue for the concerns that Laclede is attempting to raise in this case.

5. In the meantime, as Staff and Public Counsel have urged already, the Commission should dismiss Laclede's purported Counterclaim. The reasons for dismissal have been elaborated elsewhere, in the motions filed by Staff and Public Counsel on October 4, 2010, and September 28, 2010, respectively.

WHEREFORE, Staff prays that the Commission will dismiss Laclede's Counterclaim filed herein against the Staff, open a workshop or investigatory

¹ Rules 4 CSR 240-40.015 and 4 CSR 240-40.016.

docket within which to consider the affiliate transactions rules and the propriety of transactions with affiliates by regulated gas distribution utilities; and grant such other and further relief as the Commission finds just in the premises.

Respectfully submitted,

s/ Kevin A. Thompson

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **2nd day of November, 2010**, on the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

s/ Kevin A. Thompson