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January 20, 2000

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ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. KOLILIS
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

FILED³

JAN 20 2000

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GO-2000-395

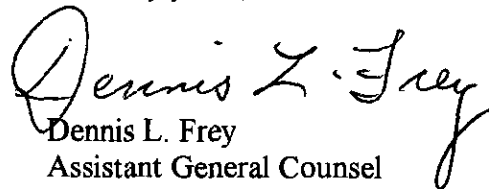
Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of the **STAFF'S RESPONSE TO LACLEDE GAS COMPANY'S MOTION.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,



Dennis L. Frey
Assistant General Counsel
(573) 751-8700
(573) 751-9285 (Fax)

DLF/lb
Enclosure
cc: Counsel of Record

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

FILED³
JAN 20 2000
Missouri Public
Service Commission

In the Matter of Laclede Gas Company's)
Gas Supply Incentive Plan (GSIP II))

Case No. GO-2000-395

STAFF'S RESPONSE TO LACLEDE GAS COMPANY'S MOTION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), and for its Response respectfully states as follows:

1. On December 29, 1999, the Staff filed a Motion requesting that the Commission enter and Order opening a docket in the above-captioned case in order to enable Staff to monitor Laclede Gas Company's ("Laclede" or "Company") Gas Supply Incentive Program ("GSIP II"), which was approved by the Commission in its September 9, 1999 Report and Order in Case No. GT-99-303. The Commission granted Staff's request in its Order Opening Case and Directing Notice, dated January 11, 2000.

2. On January 10, 2000, Laclede filed a Response to the aforementioned Staff Motion, wherein, in addition to requesting that the Commission grant Staff's Motion and issue its standard Protective Order, the Company asked that the Commission adopt a procedure similar to that which it has followed in the past. Specifically, Laclede requested that it be required to file an annual monitoring report showing first-year results of GSIP II at the same time as the Company's 1999/2000 ACA filing (November 2000). The Company went on to state its intention to use the form of monitoring report previously approved by the Commission, but modified as appropriate. Laclede further requested that the Staff's audit of the Company's ACA

performance be timed to coincide with its audit of the aforementioned ACA filing. Laclede further proposed to make quarterly summaries of its GSIP II performance available to both Staff and the Office of the Public Counsel.

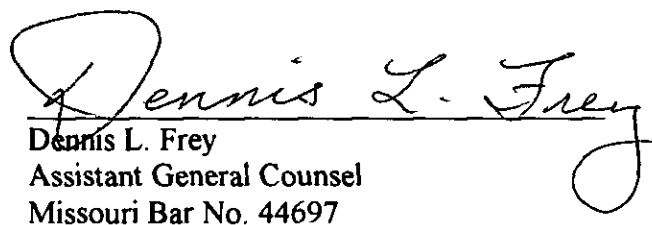
3. On January 14, 2000, the Commission issued its Order Granting Protective Order, but deferred a ruling on Laclede's requests regarding the submission of reports until after the expiration of the ten-day period within which other parties may respond.

4. The Staff has no objections to the above-noted Laclede proposals provided that the scope of Staff's review is not limited to an audit of the transactions themselves. In order to ensure a full and proper evaluation of GSIP II, Staff should be authorized to inquire into supporting documentation as well as other aspects of plan, such as the underlying rationales and strategies. Furthermore, Staff intends to exercise its review authority at such time as each quarterly report becomes available.

WHEREFORE, the Staff respectfully requests that the Commission issue an Order granting Laclede's proposals regarding submission of reports, subject to the condition that Staff's continuing evaluation of GSIP II shall not be limited in scope to a review of the mere transactions themselves. Staff further requests that it be authorized to exercise its review authority at such time as each GSIP II quarterly report becomes available.

Respectfully submitted,

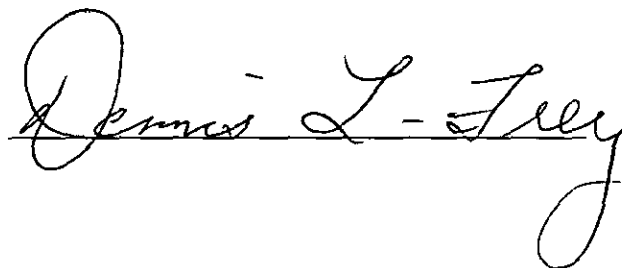
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 20th day of January 2000.



Service List for
Case No. GO-2000-395
Revised: January 20, 2000

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