BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

The Staff of the Missouri Public Service) Commission,)

Complainant,

vs.

Case No. GC-2011-0006

Laclede Gas Company,

Respondent.

STAFF'S RESPONSE TO LACLEDE'S MOTION FOR RECONSIDERATION AND APPLICATION FOR REHEARING

COMES NOW the Staff of the Missouri Public Service Commission, by and through the Chief Staff Counsel, and for its Response to Laclede's Motion for Reconsideration and Application for Rehearing, states as follows:

1. Laclede Gas Company ("Laclede") filed its Motion for Reconsideration and Application for Rehearing on November 12, 2010. Therein, Laclede rehashed and repeated the same arguments it has made to the Commission in written pleadings and at oral argument. Since Laclede has failed to produce any new argument or identify any error by the Commission, its motion and application should be denied.

2. Staff repeats what it has said previously -- the present case has a limited focus. Laclede has either violated the stipulation and agreement approved by the Commission in Case No. GM-2001-342 or it has not. Laclede's Cost Allocation Manual ("CAM"), its compliance with the Commission's Affiliate

Transaction Rules,¹ and Staff's interpretation and enforcement of those rules has no place in this case. None of that amounts to a defense to Staff's complaint against Laclede.

3. Staff concurs with the Response filed this day by the Office of the Public Counsel.

4. Staff suggests that Laclede seek Commission approval of its CAM, as required by the Affiliate Transaction Rules.

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

<u>s/ Kevin A. Thompson</u> **KEVIN A. THOMPSON** Missouri Bar Number 36288 Chief Staff Counsel Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102 573-751-6514 (Voice) 573-526-6969 (Fax) kevin.thompson@psc.mo.gov

Attorney for the Staff of the Missouri Public Service Commission.

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

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 **22nd 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.

<u>s/ Kevin A. Thompson</u>