

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

In the Matter of the Verified Application and)	
Petition of Laclede Gas Company to Change its)	Case No. GO-2009-0221
Infrastructure System Replacement Surcharge)	

**RESPONSE TO STAFF RECOMMENDATION AND
MOTION FOR EXPEDITED TREATMENT**

COMES NOW Laclede Gas Company (“Laclede” or "Company") and files this Response to Staff Recommendation and Motion for Expedited Treatment, pursuant to 4 CSR 240-2.080(16), and in support thereof, states as follows:

1. On November 21, 2008, Laclede filed its Verified Application and Petition and a Tariff Sheet to increase its Infrastructure System Replacement Surcharge (“ISRS”), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri and Commission Rule 4 CSR 240-3.265 (the “ISRS Rule”).

2. Pursuant to paragraph 22 of the Unanimous Stipulation and Agreement filed on July 9, 2007, and approved by the Commission on July 19, 2007 in Case No. GR-2007-0208 (the “Stipulation”), the parties agreed to work towards implementation of the Company’s ISRS filings as soon as reasonably possible. Based on past experience regarding processing of its ISRS filings, Laclede set January 19, 2009, as the effective date of the tariff.

3. On December 1, 2008, the Commission suspended the tariff until March 21, 2009 and directed the Staff to file its report by January 20, 2009, one day after the originally proposed effective date.

4. On January 20, 2009, Staff filed its Memorandum and Recommendation (“Staff Recommendation”), in which it recommended that the Commission reject the Company’s tariff filing, approve the Staff’s determination of incremental annual pre-tax revenues in the amount of \$2,089,404, and authorize Laclede to file ISRS rates as reflected in Attachment B to the Staff Recommendation.

5. Laclede responds to the Staff Recommendation by stating that, while the Company does not necessarily subscribe to the Staff’s methodology, it accepts the Staff’s calculation and determination of annual pre-tax revenues, and the ISRS rates reflected in Attachment B of the Staff Memorandum. Consistent with the Staff Recommendation, the Company also agrees that, in future ISRS cases, it will not seek additional recovery for any ISRS-eligible plant put into service prior to November 30, 2008, nor will it apply depreciation and deferred income taxes prior to March 15, 2009, for prior ISRSs.

6. Contemporaneously herewith, Laclede is filing a tariff (the “Compliance Tariff”), with rates that comply with Attachment B to the Staff Recommendation.

7. Pursuant to the agreement in the Stipulation to work towards implementation of the Company’s ISRS filings as soon as reasonably possible, Laclede respectfully requests that the Commission issue its order directing a response to the Staff Recommendation such that the Commission may approve the Compliance Tariff effective as soon as reasonably practicable, but not later than February 4, 2009.

8. Since this request is based on the Stipulation, which was signed by all of the parties to this case and approved by the Commission, harm will be avoided, and the intent of the parties and the Commission will be served, by Commission approval of the Compliance Tariff as soon as reasonably practicable. Laclede states that there will be no

negative effect on Laclede's customers or the general public if the Commission acts to permit the Compliance Tariff to be effective on or before the date requested.

9. This pleading was filed as soon as it could have been following yesterday afternoon's filing of the Staff Recommendation.

WHEREFORE, for the foregoing reasons, Laclede Gas Company respectfully requests that the Commission direct the parties to this case to respond to the Staff Recommendation and this request in sufficient time to accommodate the proposed approval date, and that the Commission approve the annual pre-tax ISRS revenues and rates in accordance with the Staff Recommendation, effective as soon as reasonably practicable, but no later than February 4, 2009.

Respectfully submitted,

/s/ Michael C. Pendergast

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ATTORNEYS FOR
LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on all parties of record this 21st day of January, 2009 by hand-delivery, fax, electronic mail or by placing a copy of such pleading, postage prepaid, in the United States mail.

/s/ Gerry Lynch

Gerry Lynch