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JUN 26 2001

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street
Jefferson City, Missouri 65102

**Missouri Public
Service Commission**

**RE: *In the Matter of the Application of Laclede Gas Company
for an Order Authorizing Its Plan to Restructure Itself Into
a Holding Company, Regulated Utility Company, and
Unregulated Subsidiaries, Case No. GM-2001-342***

Dear Mr. Roberts:

On behalf of intervenors Paper, Allied-Industrial, Chemical, and Energy Workers Local 5-6 (PACE 5-6) and Paper, Allied-Industrial, Chemical, and Energy Workers Union Local 5-194 ("PACE 5-194"), I am enclosing for filing an original and nine copies of Statement of Positions on Issues of Intervenors PACE 5-6 and 5-194 in the referenced matter. I would request that you return a file stamped copy of the statement of positions on issues to me in the enclosed envelope.

Thank you for your assistance.

Very truly yours,



JAN BOND

JB/jkl

Enclosures

cc: All parties of record (w/encl.)

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED

JUN 26 2001

In the Matter of the Application of)
Laclede Gas Company for an Order)
Authorizing Its Plan to Restructure)
Itself Into a Holding Company,)
Regulated Utility Company, and)
Unregulated Subsidiaries.)

Missouri Public
Service Commission

Case No. GM-2001-342

**STATEMENT OF POSITIONS ON ISSUES OF
INTERVENORS PAPER, ALLIED-INDUSTRIAL,
CHEMICAL, AND ENERGY WORKERS LOCAL NO. 5-6, AFL-CIO,
AND PAPER, ALLIED-INDUSTRIAL, CHEMICAL, AND
ENERGY WORKERS LOCAL NO. 5-194, AFL-CIO**

Come now Intervenors Paper, Allied-Industrial, Chemical, and Energy Workers Local 5-6, AFL-CIO ("Local 5-6"), and Paper, Allied-Industrial, Chemical, and Energy Workers Union Local 5-194, AFL-CIO ("Local 5-194") (collectively, the "unions"), by counsel, and respectfully state their positions on the contested issues before the Commission in this case as follows:¹

General Issues

1. Does the application for authority to reorganize as currently filed represent a detriment to the public interest? If so, what is the nature and significance of that detriment to the approval of the application?

Unions' Position: The unions do not take formal positions on these issues since the purpose of their intervening here was to represent the interests of their members that differ from those of the general public.

¹ The unions note, however, that their positions on various issues may change between the time this document is drafted and the time this case is heard by the Commission due to changing settlement positions of other parties. Further, the unions point out that they are not taking formal positions here on all the contested issues in the case.

2. Should the Commission approve certain conditions before this proposed restructuring is approved? What, if any conditions discussed in the prefiled testimony of the parties should be approved by the Commission?

Unions' Position:

A. Information Requested

If the Commission approves the Company's proposed restructuring, Staff and OPC will need access to certain information to determine compliance with the Cost Allocation Manual ("CAM") and agreed or imposed affiliate transaction criteria. Union-represented employees of Laclede perform work for certain of Laclede's affiliates, and according to Laclede will continue to perform such work after any reorganization. In order to protect the union-represented employees and bargaining unit work and to insure Laclede's compliance with its collective bargaining agreements with the unions, the unions also will need access to certain information, albeit not as much information as Staff and OPC, after the restructuring. The unions believe the proposed restructuring should not be approved without the following conditions for providing the unions with information:

(a) The company would submit its revised Cost Allocation Manual to the unions, in addition to Staff and OPC

(b) The Company would submit annually to the unions, in addition to Staff and OPC, under appropriate confidentiality protections, information concerning affiliate transactions.

(c) The Company and The Laclede Group would provide to the unions upon reasonable request, in addition to Staff and OPC, under appropriate confidentiality protections, all books, records, and employees² of any of the Laclede corporate entities to verify compliance with the CAM and with any conditions agreed to by the parties or imposed by the Commission, provided that the corporate entities could object to such production.

(d) The Company would provide to the unions, in addition to Staff and OPC, revised organizational charts showing any future modifications to the Laclede corporate structure.

(e) The Company and/or The Laclede Group or any affiliate thereof would provide advance notice to the unions in the event that the Company or The Laclede Group or any affiliate thereof were contemplating the transfer of any department or function which would affect bargaining unit employees, or were contemplating the transfer of any bargaining unit employees, from the Company to The Laclede Group or any affiliate thereof. The Company would acknowledge that this condition would not diminish any other rights the unions have to notice

² With the limitations and/or protections requested infra.

and bargaining under their collective bargaining agreements or other applicable laws.

(f) All parties would agree, or the Commission would set forth in its Report and Order here, that no agreement or order here should be deemed to change in any way any of the rights and obligations of the Company or the unions under the collective bargaining agreements between them or under any "non-MPSC" law.

The unions do not take a formal position here concerning the extent of information required by Staff and/or OPC, with two exceptions outlined below under the section "Issues Relating to the Intervenor Unions."

B. Transfer of Assets or Functions

The unions support the recommendation of OPC, as set forth in the rebuttal testimony of OPC witness Russell W. Trippensee, that the company "be required to seek Commission approval prior to the transfer of any assets or functions currently preformed by Laclede Gas Company for regulated services provided by Laclede Gas, for unregulated services provided by Laclede Gas, or for subsidiaries/affiliates of Laclede Gas Company as a condition for the approval of [the Company's] request." [Trippensee Rebuttal, p. 13, ll. 6-10]

Except as otherwise set forth elsewhere in this Statement of Positions, the unions do not take formal positions on any other proposed conditions at this time. However, due to timing limitations, this Statement of Positions is being drafted before a scheduled settlement conference, which may result in changes in other parties' positions to which the unions would ask to respond.

3. Does Section 393.140 (12), R.S.Mo. 2000, prevent imposition of conditions limiting or requiring Commission approval of the business activities of the proposed holding company and its unregulated subsidiaries? Do other regulated utilities engage in unregulated business activities through subsidiary companies with or without Commission approval?

Unions' Position: Section 393.140 (12), R.S.Mo. 2000, does not prevent imposition of any of the conditions proposed or supported by the unions here. The unions do not take a formal position here concerning the statutory limitations on any other proposals. The unions further do not take a formal position here concerning the business activities of other regulated activities.

Issues Relating to the Intervenor Unions

4. If the Commission accepts OPC's recommendation that it and Staff should have access to employees of the Laclede Gas Company and the Laclede

Group in connection with Cost Allocation (CAM) compliance should that "access" be limited to non-bargaining unit employees?

Unions' Position: Yes, as proposed in the surrebuttal testimony of Joseph Schulte and as adopted in the surrebuttal testimony of Barbara Temm.

5. In the alternative, in connection with CAM compliance, if the Commission believes that the Staff and OPC should have access to all employees of the companies described just above, regardless of bargaining unit status, should the Staff and OPC be required to give reasonable notice of any requested inquiry to the bargaining unit employee's union and allow that union to be present and represent the employee during the CAM inquiry?

Unions' Position: Yes, as proposed in the surrebuttal testimony of Joseph Schulte and as adopted in the surrebuttal testimony of Barbara Temm.

6. If the Commission adopts the Staff's recommendation that a "Code of Conduct" be applied to CAM compliance, should enforcement of this Code be limited to non-bargaining unit employees?

Unions' Position: Yes. However, as proposed in the surrebuttal testimony of Joseph Schulte and as adopted in the surrebuttal testimony of Barbara Temm, in order to satisfy the concerns of the unions on this issue, a Commission Report and Order could set forth (or the parties could agree) that, "Nothing [in the Code of Conduct] shall be deemed to change in any way any of the rights and obligations of the Company or the unions under their collective bargaining agreements or under federal labor law."

7. Do the other parties agree to the consideration sought by the unions as detailed on page 7 and page 8 of Mr. Schulte's Surrebuttal?

Unions' Position: These conditions/considerations are all set forth above in the unions' position to Issue No. 2. To the extent any party has a problem with any of these conditions/considerations, the unions remain willing to discuss them with a view toward settlement.

Issue of the Intervenor Missouri Energy Group

8. Will the proposed restructuring have an adverse impact on the present or future rates for the customers of Laclede Gas Company?

Unions' Position: The unions do not take a formal position on this issue.

Respectfully submitted,

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Certificate of Service

The undersigned hereby certifies that a copy of the foregoing was sent by U.S. Mail, postage pre-paid to:

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this 25th day of June, 2000.


