

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

In the Matter of the Application of Laclede	)	
Gas Company for an Accounting Authority Order	)	
Authorizing the Company to Defer for Future Recovery	)	Case No. GU-2007-0138
the Costs of Complying With the Permanent	)	
Amendment to the Commission's Cold Weather Rule	)	

**LACLEDE GAS COMPANY'S RESPONSE  
TO PUBLIC COUNSELS REPLY**

**COMES NOW** Laclede Gas Company ("Laclede" or "Company") and, for its Response To Public Counsel's Reply to Laclede's Opposition, states as follows:

1. On April 15, 2008, Public Counsel filed its response to Laclede's opposition to Public Counsel's Motion for Waiver in this case. Laclede does not mean to belabor the record in this case, but several assertions made by Public Counsel in its pleading demand a response. In the space of less than 3 pages, Public Counsel accuses the company of being dishonest, of trying to obscure the issues in this case, and of trying to cheat its customers.

2. Laclede will permit the record that has already been established in this proceeding to speak to the issue of whether there is any factual basis for these highly offensive accusations. Suffice it to say, Laclede has done nothing more in this case than recommend that its compliance cost be determined based on the very method that Public Counsel itself advocated, and that both Laclede and the Commission Staff agreed to, *less than 9 months ago*. To now suggest that the use of such a method amounts to a dishonest attempt to cheat customers is an unwarranted affront not only to the Company and the Staff, but also to the Public Counsel employee who authored it. Plainly, this type of unprincipled discourse should not be tolerated by the Commission.

3. Nor should the Commission tolerate Public Counsel's suggestion in paragraph 2d of its Reply that some costs claimed by Laclede are not eligible for recovery because they were incurred in connection with the Company permitting customers to maintain or restore their utility service for a payment of less than 50% of their arrearages. It is abundantly clear from the record in this case that in those instances where Laclede tried to work with a particular customer to maintain utility service by accepting less than the full amount it could have demanded, the Company voluntarily assumed the risk of never recovering the difference between that lesser amount and 50% (since it is the latter that has been used as the baseline for measuring compliance cost). (Tr. 55-57). Indeed, in its efforts to help customers maintain utility service, the Company not only assumed that risk, but also relinquished the potential opportunity to write-off the customer's arrearage and thereby recover, in the form of higher rates in its 2007 Rate Case, 100% of what the customer owed.

4. There is absolutely *NOTHING* in the Cold Weather Rule provisions adopted by the Commission to suggest that utilities were precluded from working with customers in this manner, or to indicate that utilities which did so would forego the opportunity to recover *any* costs incurred in connection with such customers. To the contrary, such actions were completely consistent with the overriding spirit and purpose of the Cold Weather Rule changes that the Commission adopted, namely to help customers maintain vital utility services when they need those services the most. In suggesting otherwise, Public Counsel has simply revealed once again how legally bankrupt its newfound interpretations of these rule changes are.

Respectfully requested,

**/s/ Michael C. Pendergast**

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing pleading has been duly served on the General Counsel of the Staff of the Missouri Public Service Commission and on the Office of the Public Counsel on this 16th day of April, 2008, by hand-delivery, facsimile, electronic mail, or by placing a copy of such Request, postage prepaid, in the United States mail.

**/s/ Gerry Lynch**

Gerry Lynch