

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

<b>St. Louis Natural Gas Pipeline, LLC</b>	)	
	)	
<b>Complainant</b>	)	
	)	
<b>v.</b>	)	
	)	<b><u>Case No. GC-2011-0294</u></b>
<b>Laclede Gas Company,</b>	)	
	)	
<b>Respondent.</b>	)	

**STAFF RESPONSE TO LACLEDE’S AND ST. LOUIS  
NATURAL GAS PIPELINE’S RESPONSES TO STAFF’S REPORT**

COMES NOW, the Staff of the Public Service Commission, (Staff), by and through undersigned counsel and in response to *Laclede Gas Company’s* July 11 *Response to Staff Report*, and *St. Louis Natural Gas Pipeline LLC’s Response to Staff Investigation Report of June 30, 2011 and Proposed Negotiation Schedule* files this Response to clarify several points.

1. SNLGP filed a Complaint on March 22, 2011 asking the Commission to investigate Laclede Gas Company’s, among other things, refusal of an interconnection agreement with SLNGP. Additionally, SLNGP requested the Commission to order Laclede, among other things, to permit SLNGP’s interconnection with Laclede’s distribution system.

2. Laclede Gas Company, (“Laclede”) filed a Motion to Dismiss SLNGP’s Complaint and request for an investigation.

3. In response to the Commission’s May 26, *Order Denying Laclede’s Motion To Dismiss and Directing Staff To Investigate* Staff filed its Report.

4. On July 11, in Response to Commission Order both Laclede and St. Louis Natural Gas Pipeline's (SLNGP) filed responses to Staff's Report.

5. Staff has not yet taken any position as to whether Laclede's reasons for declining SLNGP's proposals to interconnect were "entirely proper and appropriate" (*Laclede Response* para. 1) or "prudent and reasonable" (*Laclede Response* para. 5) or that Laclede has "good and valid reasons for declining SLNGP's proposals" (*Laclede Response* para. 7).

6. Nor has Staff taken a position as to whether SLNGP could supply a cheaper or more reliable gas to the St. Louis area.

7. In response to Laclede's footnote 2, Staff also takes no position as to the cost of building pipeline, realizing that all construction estimates are necessarily estimates and may change even during construction.

8. Staff's position, with which Staff believes Laclede agrees, is that Laclede should be indifferent to this proposal so long as there is little or no cost to Laclede, or its customers.

9. Staff takes no position in regard to the "truly risk free" settlement provisions Laclede has listed in its responsive filing, including whether or not the settlement proposals are reasonable or appropriate. (*Laclede Response*, para. 10) Staff, however, is not under the impression that offering an interconnection agreement only after SLNGP has obtained FERC approval is the standard process.

10. In summary, Staff is neither in agreement with nor opposed to Laclede's proposed conditions. Staff is confident Laclede will negotiate in good faith and that in

its negotiations with SLNGP Laclede will proceed in a manner similar to the manner in which Laclede conducts negotiations with any other pipeline company.

11. Staff has put all of its data requests to Laclede in EFIS but has not provided SLNGP with Laclede's answers to Staff data requests, which were all classified as "Highly Confidential." This is Staff's usual procedure with HC data responses.

WHEREFORE Staff responds to both Laclede's and SLNGP's Responses to the Staff Report to clarify its position on issues in this case.

Respectfully submitted,

**/s/ Lera L. Shemwell**

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**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel and parties of record this 14th day of July, 2011.

/s/ Lera L. Shemwell