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October 31, 2001

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360

FILED³

OCT 31 2001

Re: Case No. EC-2002-1

Missouri Public
Service Commission

Dear Judge Roberts:

Please find enclosed for filing on behalf of Laclede Gas Company in the above-referenced matter a Response to Staff's Complaint.


Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

Thank you.

Sincerely,

NEWMAN, COMLEY & RUTH P.C.

By:


Mark W. Comley
comleym@ncrpc.com

MWC:ab

Enclosure

cc: Office of Public Counsel
General Counsel's Office
James J. Cook
Lisa C. Langeneckert
Diana M. Vulsteke
Robin E. Fulton
Michael C. Pendergast

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

OCT 31 2001

Missouri Public
Service Commission

Staff of the Missouri)
Public Service Commission,)
)
Complainant,)
)
v.)
)
Union Electric Company, d/b/a)
AmerenUE,)
)
Respondent.)

Case No. EC-2002-1

RESPONSE TO STAFF'S COMPLAINT

Comes Now Laclede Gas Company ("Laclede" or "Company") and, pursuant to the Commission's October 30, 2001, Order Granting Intervention in the above-captioned case, submits the following Response to the Complaint filed by the Staff of the Missouri Public Service Commission ("Staff") against Union Electric Company, d/b/a/ AmerenUE ("AmerenUE") on or about July 2, 2001. In support thereof, Laclede respectfully states as follows:

1. On October 1, 2001, the Commission issued its Order granting Laclede's Application to Intervene in this proceeding pursuant to 4 CSR 240.2-075(4). By granting Laclede's Application to Intervene, the Commission has acknowledged that Laclede has an interest in the outcome of this case that is different from that of the general public. As a general matter, Laclede's primary interest in proceedings involving AmerenUE have centered on rate design and class cost of service issues. Nevertheless, in its Order Granting Intervention the Commission directed the intervenors to file a responsive pleading to Staff's Complaint admitting or denying each factual assertion or legal

conclusion set out therein. To Laclede's knowledge, there is nothing in the Commission's Rules of Practice and Procedure or in the statutes governing the Commission that would require an intervenor in a complaint case to admit or deny factual or legal assertions made against a third-party Respondent. Nor does Laclede believe that such a requirement can be imposed as condition to the exercise of its recognized rights to participate fully in this proceeding as an intervenor.

2. Moreover, since Laclede is neither the complainant nor the respondent in this case it is not in a position to admit or deny with certainty any or all of the factual assertions or legal conclusions set out in the Staff Complaint or AmerenUE's Answer thereto, particularly at this stage of the proceeding. Much of the information needed to admit or deny such matters are within the possession of the Commission Staff or AmerenUE and it would take an extraordinary effort on the part of Laclede to obtain, evaluate and draw informed conclusions regarding such matters even after the volume of necessary information was obtained. And such an effort is complicated further by the fact that AmerenUE has yet to provide prefiled testimony responding to the Complaint. Nevertheless, Laclede will attempt to respond to such assertion, as best it can, based on the information it has available to it at this time. For purposes of doing so, Laclede will address each allegation in the same order that it is presented in Staff's Complaint.

3. Based on information and belief, Laclede believes the allegations contained in Paragraph 1 of the Complaint are true and correct.

4. Based on information and belief, Laclede believes the assertions set forth in Paragraph 2 of the Complaint are true and correct.

5. Based on information and belief, Laclede believes the assertion set forth in Paragraph 3 of the Complaint is generally true and correct. Laclede does not, however, have sufficient information to determine whether such assertion is a fully complete and accurate depiction of AmerenUE's status.

6. Paragraph 4 through 10 of the Complaint contain partial quotations of a statutes. Laclede admits that each quote is contained in the statute cited in those paragraphs.

7. Based on AmerenUE's answer that admitted the allegations of the first sentence of Paragraph 11 of the Complaint, Laclede has no basis to deny the allegation contained in the first sentence. Additionally, Laclede has no information upon which to admit or deny whether the Staff was working in either St. Louis or Jefferson City for the purpose of meeting Section 7g provision of the July 12, 1996 Stipulation and Agreement in Case No. EM-96-149 or the other matters set forth in Paragraph 11.

8. Paragraph 12 of the Complaint contains a partial quotation of a document filed by the Staff. Laclede has no basis to deny that such quotation is an accurate representation of the cited portion of such document. Laclede has no basis, however, to admit or deny the accuracy of the allegations set forth in the quoted section of the February 1, 2001 Staff report.

9. Paragraph 13 of the Complaint contains a partial quotation of a document filed by the Staff. Laclede has no basis to deny that such quotation is an accurate representation of the cited portion of such document. Laclede has no basis, however, to admit or deny the accuracy of the allegations set forth in quoted section of the February 1, 2001 pleading.

10. Paragraph 14 of the Complaint contains a partial quotation from a filing made by AmerenUE titled "Recommendations of Union Electric Company Concerning the Continuation of the EARP." Laclede has no basis to admit or deny the allegations contained in the quoted section. Laclede does believe, however, that from as early as February 1, 2001 and continuing to this day a dispute has existed as to whether or not AmerenUE's rates and charges need to be reduced and whether AmerenUE's present rates and charges are not just and reasonable.

11 Paragraph 15 of the Complaint contains characterizations of an Order issued by the Commission on March 8, 2001. Laclede has no basis for denying the accuracy of such characterizations but takes no position on the meaning or significance of such Order.

12. Paragraph 16 contains a description of discussions between the Staff and UE concerning a possible third EARP. Laclede has no basis to admit or deny any of the facts associated with those discussions.

13. Laclede has no basis to deny the statement in Paragraph 17 that in "performing its earnings audit, the Staff has used a test year of the 12 months ended June 30, 2000, updated for known and measurable changes to December 31, 2000."

14. Paragraph 18 refers to certain documents being provided to AmerenUE. Laclede has no basis to admit or deny the allegations contained in Paragraph 18. Laclede would deny that the mere filing of testimony alone shows or demonstrates that AmerenUE's rates and charges are not just and reasonable as required by Chapters 382 and 393.

15. Paragraph 19 contains the Staff's characterization of its case and a recitation of the testimony filed by them. Laclede admits that the Staff witness listed under each heading filed testimony concerning the subject matter identified in Paragraph 19.

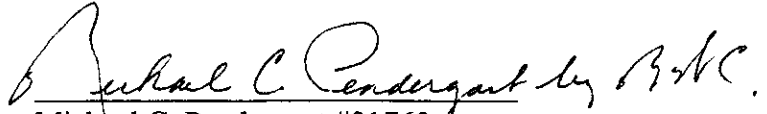
16. The first two sentences of Paragraph 20 contain a summary of 4 CSR 240-2.110(5) and of 4 CSR 240-2.070(7). Laclede respectfully requests that the Commission refer to those Rules in their entirety. Additionally, Paragraph 20 contains allegations regarding statements made in previous pleadings submitted by AmerenUE. Laclede has no basis for denying the accuracy of such allegations.

17. Laclede has no basis to admit or deny the allegations in the first two sentences of Paragraph 21. Laclede denies that the mere filing of testimony alone demonstrates or shows that current rates and charges of AmerenUE are not just and reasonable.

18. Until it has had an opportunity to obtain and review additional information and evaluate AmerenUE's prefiled testimony once it is submitted, Laclede has no basis to admit or deny the allegations or defenses set forth in AmerenUE's Answer to Staff's Complaint.

19. Laclede reserves the right to take a position on all the issues raised by the Staff, AmerenUE or any other party to this proceeding through either the filing of testimony, cross examinations, the filing of briefs or any other means provided for by statute or rule.

Respectfully submitted,



Michael C. Pendergast #31763

Assistant Vice President

Associate General Counsel

Laclede Gas Company

720 Olive Street, Room 1520

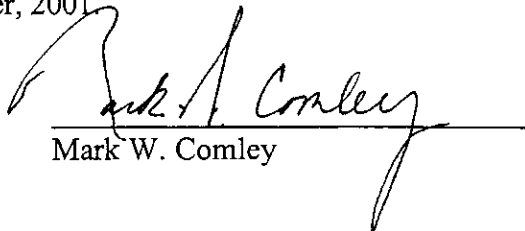
St. Louis, MO 63101

(314) 342-0532 Phone

(314) 421-1979 Fax

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Response to Staff's Complaint has been duly served upon the General Counsel of the Staff of the Public Service Commission and the Office of the Public Counsel and all parties of record to this proceeding by placing a copy thereof in the United States mail, postage prepaid, or by hand delivery, on this 31st day of October, 2001.



Mark W. Comley