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November 5, 1999

**FILED**

NOV - 5 1999

Missouri Public  
Service Commission

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

Re: Case No. ~~GR-99-155~~ 60-99-155

Dear Judge Roberts:

Enclosed for filing on behalf of Laclede Gas Company please find the original and fourteen copies of a Response to Staff's Motion to Establish Procedural Schedule.

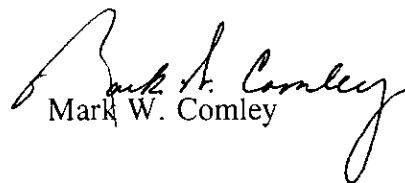
Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

  
Mark W. Comley

MWC:ab

Enclosure

cc: Office of Public Counsel  
Lera Shemwell  
Michael C. Pendergast

**FILED**

NOV - 5 1999

Missouri Public  
Service Commission

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

In the matter of Laclede Gas Company            )  
Regarding the Adequacy of Laclede's            )  
Service Line Replacement Program and            )  
Leak Survey Procedures                            )        Case No. GO-99-155

**RESPONSE TO STAFF'S MOTION TO ESTABLISH  
PROCEDURAL SCHEDULE**

**COMES NOW** Laclede Gas Company ("Laclede" or "Company") and for its Response to Staff's Motion to Establish Procedural Schedule states as follows:

1.        On October 29, 1999, the Staff of the Missouri Public Service Commission ("Staff") filed a Motion to Establish Expedited Procedural Schedule in the above-referenced case, together with a Response to the October 6, 1999 Response previously filed by Laclede in this proceeding. Laclede will only address the latter to the extent it bears on Staff's Motion.

2.        In its Motion, the Staff requests that the Commission schedule a prehearing conference for the purpose of establishing an expedited procedural schedule that would permit a hearing to be held in January or February 2000. The purpose of the hearing would be to obtain a Commission determination on Staff's proposal that the Company be required to commence, effective January 1, 2001, an enhanced replacement program for its direct-buried copper service lines under which ten percent of such lines would be replaced on an annual basis.

3.        As noted by Staff at page 3 of its Response, the Company had previously committed in its October 6, 1999 Response to acquiring, or making arrangements to have in place, the necessary resources needed to commence such a program by January 1, 2001 or, if later, within six months of the date the Commission directs Laclede to commence such a

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program. In return for this commitment, Laclede requested only one thing -- namely, that prior to reaching a final decision on this matter, the Commission afford the Company an opportunity to provide it with additional information that Laclede believes is essential to assessing and developing the type of copper service program that will best serve Laclede's customers. This includes, among other things, the results of the second, system-wide bar hole survey which the Company has committed to completing by July 1, 2000, together with any engineering analyses of these results and other copper-related data that may be performed by Laclede, Staff and the Company's outside consultants in connection with this case. In Laclede's view, it is critical that the Commission consider such information beforehand if it is to approve a program that it can be confident will effectively address public safety issues and not arbitrarily impose significant and unnecessary costs on the Company's customers.

4. At page 3 of its Response, the Staff indicates that it would welcome and give full consideration to any future updated data that can be used to modify the replacement program, but expresses concern that the Company's proposal could delay a final Commission determination well beyond its proposed January 1, 2001 starting date for an enhanced replacement program. The Company very much appreciates Staff's stated willingness to consider the additional information that will be developed by Company. The Company is also sympathetic to Staff's concerns that if no formal schedule is established until after the August 1, 2000, submission date proposed by the Company for this information that it could potentially take many months beyond January 1, 2001 to resolve this matter.

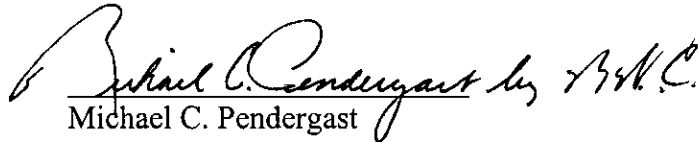
5. Although Laclede believes that a January 1, 2001 commencement date is somewhat arbitrary, it is not the Company's intention to cause any material delay in this date. And the Company is willing to work with Staff at any prehearing conference that may be

established by the Commission to adopt a schedule that will alleviate such concerns. Among other possibilities, it may make sense to establish a schedule under which an initial hearing would be held in February or March of 2000 to present testimony and create a record that would provide the Commission with the factual background and considerations underlying the parties' recommendations to date. This could then be followed up with a more limited hearing in mid-August that would permit the parties to update the record with the additional information described above. Given the implementation of an expedited briefing schedule thereafter (which the Company would recommend), Laclede believes that such an approach would enable the Commission to render a final decision in sufficient time to permit a commencement of the program within a month or two of January 1, 2001, if not on January 1<sup>st</sup> itself. Since it is extremely difficult in any year to perform significant replacements between January 1<sup>st</sup> and the beginning of March (due to the adverse impact of winter weather conditions on construction capabilities and customers who would need to have their heating requirements interrupted), such a timeframe for commencing a program would be the practical equivalent of the one proposed by Staff in this proceeding.

6. Laclede looks forward to discussing this potential approach further with the Staff and would therefore join in Staff's recommendation that the Commission establish a prehearing conference for the purpose of developing an appropriate schedule in this proceeding.

WHEREFORE, for the foregoing reasons, Laclede Gas Company respectfully joins in Staff's request that the Commission issue an Order establishing a prehearing conference in this proceeding for the purpose of developing a recommended procedural schedule in this case.

Respectfully Submitted,



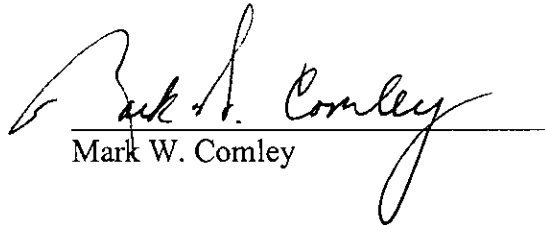
Michael C. Pendergast  
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Laclede Gas Company  
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Missouri Bar No. 31763

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered, on this 5<sup>th</sup> day of November, 1999, to:

Office of Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

Lera Shemwell  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102



Mark W. Comley