

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

In the Matter of the Verified Application and)	
Petition of Laclede Gas Company to Change its)	Case No. GO-2012-0356
Infrastructure System Replacement Surcharge)	

LACLEDE GAS COMPANY’S REPLY
TO STAFF RESPONSE REGARDING SUSPENSION OF TARIFF

COMES NOW Laclede Gas Company (“Laclede” or "Company") and files this Reply to the Staff’s Response to Laclede’s proposed tariff effective date and Motion to Suspend Tariff Filing. In support thereof, Laclede respectfully states as follows:

1. On April 27, 2012, Laclede filed its Application in this case, along with a tariff containing a proposed effective date of July 9, 2012.

2. On May 31, 2012, Staff filed a response recommending that the tariff be suspended for an additional 48 days to August 26, 2012.

3. In the Application, Laclede recited that in the past few Laclede rate cases, the Commission approved the parties’ agreement to implement the Company’s ISRS applications “as soon as reasonably possible,” in exchange for Laclede’s commitment to reduce the ISRS by a certain amount. Accordingly, rather than provide a 30 day tariff effective date which would certainly require suspension, Laclede scheduled its tariff to become effective on July 9, 2012, roughly 73 days after the filing of the Application. Laclede requested that, rather than further suspend the tariff at this time, the Commission and the parties work toward this reasonable implementation date.

4. In its May 31 filing, Staff did not disagree that the date chosen may be reasonable, nor did Staff dispute that ISRS filings have become largely routine in nature. However, Staff is concerned that if an event occurred that required more time to process

the case, the tariff could inadvertently go into effect by operation of law. Staff seeks to avoid this possibility by having the tariff suspended for a full 120 days.

5. A few years ago Laclede began the process of setting ISRS tariff dates about 10 weeks out, because Laclede believed it was administratively easier for all parties, as it obviates the need to deal with the expedited treatment request process.

6. In Laclede's most recent ISRS case, Case No. GO-2012-0145, Staff filed a Response to Order Directing Filing of Staff Report on December 15, 2011, in which Staff opined that if this ISRS case proceeds without incident like other recent ISRS cases, then Laclede's effective date should work, and the Commission would not have to suspend the tariff. However, Staff added, if there are complications in the case, a brief suspension may be necessary.

7. Given the high likelihood that this case and future ISRS cases will proceed without incident, rather than be required with near certainty to expedite the 120 day suspension period, Laclede seeks to continue to establish tariff effective dates of about 10 weeks. The Company believes this is both administratively convenient and assures compliance with the parties' approved agreement to implement ISRS cases as soon as reasonably possible.

8. However, Laclede agrees with Staff that it would be inappropriate to have the tariff go into effect by operation of law if there are actual complications in the ISRS case. In such case, Laclede commits to voluntarily extend the tariff effective date as necessary to accommodate the complication. This should not be viewed as affecting the ISRS agreement approved in Case No. GR-2010-0171, or as waiving Laclede's right to have its ISRS filings implemented as soon as reasonably possible.

9. Laclede hopes that this assurance addresses Staff's concerns regarding the tariff inadvertently or unintentionally becoming effective.

WHEREFORE, Laclede respectfully requests that, rather than suspend the Company's ISRS tariff at this time, the Commission allow the parties to work toward the reasonable tariff effective date of July 9, 2012 proposed by Laclede, with the understanding that the Company will voluntarily extend the effective date should complications arise in the case.

Respectfully submitted,

/s/ Michael C. Pendergast

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ATTORNEYS FOR LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Application and Petition was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 11th day of June, 2012 by hand-delivery, fax, electronic mail or by placing a copy of such Application, postage prepaid, in the United States mail.

/s/ Gerry Lynch

Gerry Lynch