

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

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

LACLEDE GAS COMPANY
RESPONSE TO MIEC’S APPLICATION TO INTERVENE

COMES NOW Respondent, Laclede Gas Company (“Laclede” or Company) and submits this response to the application to intervene filed on June 21, 2011, by the Missouri Industrial Energy Consumers (“MIEC”). In support thereof, Laclede states as follows:

1. MIEC’s application should be denied. First, it was filed out of time. Commission rule 4 CSR 240-2.075(1) provides that an application to intervene shall be filed within 30 days after the Commission issues its order giving notice of the case, unless otherwise ordered by the Commission. The Commission issued its Notice of Complaint in this case on March 22, 2011, so the 30 day intervention period expired on April 21, 2011. MIEC’s application to intervene was filed on June 21, two months after the intervention deadline. The Commission did not order a different deadline and MIEC offers no reason why its application is two months late. Therefore, MIEC’s application should be rejected.

2. Second, MIEC cannot make the showing required under Commission Rule 2.075(4)(A), because MIEC’s interest in this case does not differ from that of the general public. In its application, MIEC states that “its interest in this case is to ensure just and reasonable natural gas rates and reliable natural gas service.” Based on this statement,

MIEC argues that its interest differs from that of the general public, but in fact, the public shares MIEC's interest in just and reasonable natural gas rates and reliable natural gas service. This is not a rate case or complaint case where a revenue requirement or allocation of costs among rate classes is at issue. The proposed pipeline interconnection in this case, if built, could serve the public at large and not just industrial customers. Therefore, the interests of MIEC's members do not differ from that of the general public.

3. In addition, MIEC has not alleged that granting the proposed intervention would serve the public interest, as provided in Rule 2.075(4)(B). Laclede avers that granting the proposed intervention would not serve the public interest. The issues in this case are whether the Commission has the power to order an interconnection with an interstate pipeline and whether Laclede acted prudently in declining SLNGP's pipeline proposal. The first issue is purely a legal issue, and the Commission has already stated that there is no specific statute that authorizes the Commission to require Laclede to interconnect with a particular pipeline. If MIEC feels strongly about it, it may request permission to file an amicus brief at the appropriate time. As to the second issue, such gas supply related decisions are routinely evaluated by the Staff, albeit usually in the context of an ACA case rather than a complaint case. MIEC's members have nothing meaningful to add to this analysis.

4. Laclede has alleged in this case that it declined SLNGP's offer for the simple reason that Laclede already has access to the gas supplies to be carried by the proposed pipeline, and at a lower price than SLNGP has estimated. At the Commission's behest, the Staff has now investigated the relevant facts and issued its Report. As the Staff has now verified, SLNGP's estimated transportation rate for its proposed pipeline is

indeed *higher* than the transportation rate currently available to Laclede on the CenterPoint-MRT East Line for access to the same gas supplies (rather than one third of that CenterPoint-MRT rate as SLNGP had originally claimed).

5. In that same report, the Staff has also recommended that the Commission urge Laclede and SLNGP to conduct further discussions on whether a truly “risk free” interconnection arrangement can be reached. Laclede hopes the Commission would understand why the Company would have serious reservations about the advisability of doing business with an inexperienced pipeline operator that cannot even decipher the tariff rates of its main pipeline competitor. Nevertheless, Laclede has stated from the beginning of this process that it is willing to enter into an interconnection agreement with SLNGP assuming it is truly risk free and SLNGP has received the required federal regulatory approvals for its proposed project. To that end, Laclede intends to transmit to all current parties a settlement agreement within the next ten days that would formalize this commitment. In the meantime, however, MIEC’s untimely intervention would be disruptive, serving only to complicate this endeavor further by interjecting a late party, in addition to the Staff and OPC, into a process that is best limited to the two main participants. In summary, MIEC has no role in this case and its untimely intervention would not serve the public interest.

WHEREFORE, for the foregoing reasons, Respondent Laclede Gas Company respectfully requests that the Commission deny MIEC’s application for intervention.

Respectfully submitted,

/s/Michael C. Pendergast

Michael C. Pendergast, Mo. Bar #31763

Vice President and Associate General Counsel

Rick Zucker, Mo. Bar #49211

Assistant General Counsel - Regulatory

Laclede Gas Company
720 Olive Street, Room 1516
St. Louis, MO 63101
Telephone: (314) 342-0533
Fax: (314) 421-1979
Email: mpendergast@lacledegas.com
rzucker@lacledegas.com

Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing Answer was served on the Staff and on the Office of Public Counsel on this 1st day of July, 2011 by United States mail, hand-delivery, email, or facsimile.

/s/ Rick Zucker