

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

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

**STAFF RESPONSE TO COMMISSION ORDER ESTABLISHING
TIME TO RESPOND TO MOTION TO DISMISS**

COMES NOW, the Staff of the Public Service Commission, (Staff), by and through undersigned counsel and in response to the Commission's *Order Establishing Time to Respond to Motion to Dismiss* states:

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. Staff has reviewed St. Louis Natural Gas Pipeline's filing and Laclede's *Motion to Dismiss, Answer to Complaint and Response to Request for Investigation*.

4. SLNGP proposes to build an 11-mile interstate pipeline from existing facilities in Illinois to interconnect with Laclede's St. Louis distribution system.

5. Laclede attests it has no legal obligation to connect this pipeline. Laclede does have an obligation to provide safe and reliable service.

6. Laclede argues and Staff concurs that the Commission does not have authority to take over the management of a utility company. On the other hand, if the Commission is interested in investigating the issues raised, this may be the best time to do so.

7. The issues raised in this case would be difficult to develop in either a Purchased Gas Adjustment/Actual Cost Accounting (PGA/ACA) case or in a general rate case. Laclede suggests waiting until ACA review to investigate. The problems with that suggestion are that SLNGP is not currently in service and may never be in service, thus, it is impossible to know when the service might be or would have been available, so there is not likely to be an easily identified ACA period in which Staff would conduct an investigation or prudence review of Laclede's decision not to pursue the SLNGP proposal. Any decision Staff would make concerning its timing of a review, would undoubtedly be a highly contested issue. Any information available to Staff in an ACA review would most likely be limited in comparison to what may be available in this case. Therefore if the Commission exerts jurisdiction in this matter, the Staff will be required to conduct an investigation in this case.

8. If the Commission were to decline jurisdiction at this time, the parties could take the matter to circuit court, where a record will be made that the Staff may be able to use in a later proceeding.

9. Staff is supportive of efforts to deliver natural gas to the St. Louis area at lower costs. An investigation could determine whether or not SLNGP can do so, by investigating the key economic facts in dispute, which investigation Staff does not equate with taking over management of a company.

WHEREFORE Staff respectfully awaits a Commission decision with specific instructions to Staff on how it wishes to proceed.

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, transmitted by facsimile or electronically mailed to all counsel of record this 13th day of May, 2011.

/s/ Lera L. Shemwell