

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

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

**PUBLIC COUNSEL’S RESPONSE**

**COMES NOW** the Missouri Office of the Public Counsel (OPC) and for its Response to the St. Louis Natural Gas Pipeline, LLC’s Response in Opposition to Laclede Gas Company’s Motion to Dismiss, states as follows:

1. The St. Louis Natural Gas Pipeline, LLC (“SLNGP” or “Complainant”) describes itself as “a new natural gas transmission company organized for the purpose of constructing, owning and operating a new interstate natural gas transmission pipeline.” SLNGP proposes to construct an 11-mile pipeline to connect Laclede Gas Company to the Natural Gas Pipeline Company’s (NGPL) pipeline near Glen Carbon, Illinois, and to sell transport services to Laclede and transport customers served by Laclede’s distribution system. SLNGP claims this new pipeline will provide access to additional natural gas resources on the Rockies Express Pipeline (REX) and will bring lower cost gas supplies to Laclede’s customers.

2. SLNGP’s Complaint seeks an order from the Commission that: 1) orders an investigation into Laclede’s refusal to enter into an interconnection agreement with

SLNGP; 2) orders an investigation into alleged violations of Commission rules and Missouri statutes; and 3) orders Laclede to interconnect with SLNGP.

3. Laclede's Answer to the Complaint disputes SLNGP's claim that interconnection will benefit Laclede's customers. Laclede states that it already has access to natural gas on REX, and that Laclede would bear more costs related to the interconnection than what is claimed by SLNGP. Laclede also argues that the issues raised by SLNGP's complaint, including the claim that Laclede's refusal to interconnect is to protect the interests of its affiliate gas marketer Laclede Energy Resources, should be addressed through the Actual Cost Adjustment (ACA) process.<sup>1</sup>

4. SLNGP filed a response to Laclede's Answer on May 13, 2011, stating that SLNGP could initially provide 200,000 MMBtu per day, and possibly up to 550,000 MMBtu per day by adding compression at the NGPL pipeline. SLNGP further stated that Laclede is currently under contract with MRT-Centerpoint to provide Laclede with 670,000 MMBtu per day, and that the Laclede-MRT contract expires April 1, 2013.

5. SLNGP's Response states that it would provide transportation service for \$0.07-0.085 per MMBtu, compared to \$0.20 per MMBtu through Laclede's agreement with MRT-Centerpoint.<sup>2</sup>

6. SLNGP's Response also states that Laclede plans to construct a seventy-five (75) mile pipeline from REX near Mexico, Missouri to connect with Laclede's distribution system in St. Louis, and suggests this could be a reason for Laclede's refusal

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<sup>1</sup> OPC notes that this is the same ACA process currently stalled by Laclede's refusal to provide access to the records of Laclede Energy Resources as ordered by the Commission in Case Nos. GR-2005-0203 and GR-2006-0288.

<sup>2</sup> Laclede would appear to dispute the transport rate quoted by SLNGP. In a Laclede response to an OPC data request, Laclede provided OPC with a different transport rate available to Laclede on MRT-Centerpoint.

to interconnect with SLNGP. SLNGP states that the transport rate on such a pipeline would be \$0.55 per MMBtu, much higher than the SLNGP rate.

7. If the facts alleged by SLNGP are accurate, customers of Laclede gas could benefit greatly from SLNGP's proposed pipeline. Increasing Laclede's access to gas, and reducing gas costs, could help lower the bills of Laclede's captive customers, and should receive serious consideration by the Commission.

8. OPC urges the Commission to grant SLNGP the relief of investigating SLNGP's allegations regarding interconnection with SLNGP, and the relief of investigating SLNGP's allegations that Laclede's refusal to interconnect violates 4 CSR 240-40.015, 4 CSR 240-40.016, Sections 393.130.1, 393.130.3, 393.140(5), 393.140(11) RSMo 2000, or any other applicable rule or statute.

9. OPC takes no position at this time on SLNGP's request that the Commission order Laclede to interconnect with SLNGP.

WHEREFORE, the Office of the Public Counsel respectfully offers this Response and urges the Commission to order its Staff to conduct a thorough investigation into the issues raised by SLNGP's Complaint.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 17<sup>th</sup> day of May 2011:

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