

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

In the Matter of Laclede Gas Company's)
Filing of Revised Tariff to Increase its) Case No. GR-2013-0171
Annual Revenues for Natural Gas)

**REPLY TO LACLEDE'S REQUEST
FOR APPROVAL OF LATE-FILED EXHIBIT**

COMES NOW the Missouri Office of the Public Counsel (OPC) and for its Reply to Laclede's Request for Approval of Late-Filed Exhibit states:

1. On November 22, 2013, Laclede Gas Company filed a Motion to Permit Late Filing of a Late-Filed Exhibit and Request for Approval of the Late-Filed Exhibit. Laclede's late-filed exhibit was required by the Stipulation and Agreement filed in this case and approved by the Commission.

2. The purpose of Laclede's late-filed exhibit is to provide updates to the equity and debt percentage and cost of long-term debt following the close of Laclede's acquisition of Missouri Gas Energy (MGE), solely for purpose of calculating Laclede's Infrastructure System Replacement Surcharge (ISRS). The parties agreed in the Stipulation and Agreement that the updated equity percentage would be Laclede's actual equity percentage or 53%, whichever is less. Laclede's late-filed exhibit seeks Commission approval of 53% cost of common equity and 47% cost of long term debt.

3. Public Counsel does not agree that Laclede's cost of common equity is as high as 53%; however, Public Counsel does not intend to oppose Laclede's filing. Public Counsel only asks that the Commission make clear in its order that the equity and debt numbers approved by the Commission are only for Laclede's ISRS, and do not reflect the

debt and equity to be determined by the Commission in any MGE case. In deciding not to oppose, Public Counsel took into consideration the cost of hiring a finance expert and the potential ISRS impact of overstating the cost of common equity to 53%.

WHEREFORE, the Office of the Public Counsel respectfully submits this reply to Laclede's late-filed exhibit.

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 all counsel of record this 3rd day of January 2014:

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