

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

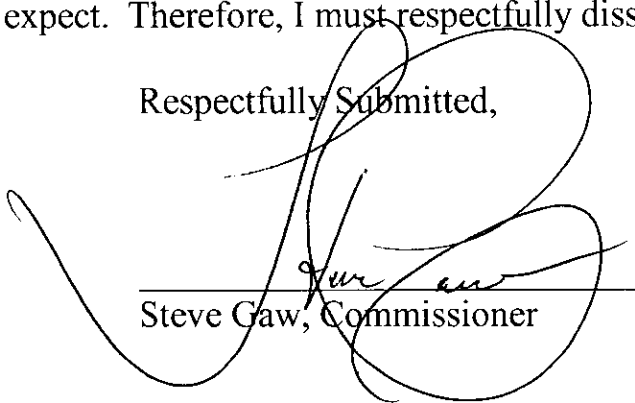
In the Matter of Laclede Gas Company's Verified)
Application for Authority to Issue and Sell First)
Mortgage Bonds, Unsecured Debt and Preferred)
Stock, in Connection with a Universal Shelf) **Case No. GF-2007-0220**
Registration Statement, and to Issue Common)
Stock and Receive Capital Contributions, All in a)
Total Amount Not to Exceed \$500 Million)

DISSENTING OPINION OF COMMISSIONER STEVE GAW

This Commissioner is concerned with the majority's decision to grant Laclede's financing application for \$500 million based upon assumptions rather than written representations. Staff evidently assumed, when reviewing this application and giving its approval, that Laclede would pay off its long term debt with the financing sought herein to better Laclede's current bond ratings and maintain credit ratings. However, nothing in Laclede's documents state that paying off the existing long-term debt is Laclede's intention or that Laclede would be required to utilize the financing only toward this end. The majority's Order does not so limit Laclede in its use of this \$500 million, which the Order should have done.

If Staff had analyzed bond ratings or credit rating information or verified its assumption on use, then the majority's Order could have relied on this verified information and guarded against a usage of the funds that is different from that which Staff assumes will be the use of the new indebtedness by Laclede. In the alternative, the Order should have explicitly stated limitations of how the funds from securities could be applied. This Commissioner would then have been satisfied with the foundation for this approval. As it is currently, without verification, this regulatory body is not providing the vigilant oversight consumers expect. Therefore, I must respectfully dissent.

Respectfully Submitted,



Steve Gaw, Commissioner

Dated at Jefferson City, Missouri,
on this 17th day of September, 2007.