

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

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

STAFF COMMENTS REGARDING LATE-FILED EXHIBIT 1

COMES NOW, the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), by and through counsel, and, for its response to the Commission's December 12, 2013 *Order Granting Staff's Motion For Extension Of Time To File Comments Regarding Accuracy Of Late-Filed Exhibit* ("Order"), provides the following verified comments regarding the accuracy of Laclede's Late Filed Exhibit 1:

1. Staff reviewed Laclede Gas Company's ("Laclede" or "Company") Late Filed Exhibit 1, filed on November 22, 2013, with its motion to permit late filing, pursuant to the Stipulation and Agreement in Case No. GR-2013-0171. This exhibit contains the updated capital structure and embedded costs of long-term debt as of the Company's fiscal year ended September 30, 2013, which are to be used for purposes of determining the Infrastructure System Replacement Surcharge ("ISRS") to be applied to customers' bills. Staff reviewed the Late Filed Exhibit 1 to determine the accuracy of the methodologies and calculations used to develop the rate of return to be used for purposes of developing the ISRS revenue requirement.

2. Staff's review process entailed gathering additional information from the Company through data requests and follow-up emails and telephone calls with the Company. Staff, with cooperation from the Company, independently

reviewed and verified the computations performed by the Company to arrive at the same capital structure and the embedded cost of debt furnished in Late Filed Exhibit 1.

3. Staff confirmed through discussions with the Company that there are errors in the Company's calculation of the embedded cost of debt. Staff determined that that the Company's annualized amortization of discounts and expenses were erroneously calculated by multiplying 1.5 months of amortization times 12 when the multiplier should be 1.0 months. While this correction does not appear significant in the final result, Staff recommends the Commission require the Company to re-file a corrected exhibit.

WHEREFORE, for the above stated reasons, the Staff prays the Commission accept its comments regarding the accuracy of Laclede's Late Filed Exhibit 1 and direct Laclede to file a corrected late filed exhibit 1 no later than January 17, 2014.

Respectfully Submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102
Telephone: (573) 526-7779
Fax: (573) 751-9285
Email: bob.berlin@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 3rd day of January, 2014.

/s/ Robert S. Berlin