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)	Case No. GR-2013-0171
Revenues for Natural Gas)	

LACLEDE GAS COMPANY'S RESPONSE TO COMMENTS OF STAFF AND OPC TO LATE-FILED EXHIBIT 1 AND REQUEST FOR APPROVAL OF LATE-FILED EXHIBIT 1

COMES NOW Laclede Gas Company ("Laclede Gas" or the "Company"), and submits this response to the comments filed by Staff and OPC to Laclede Gas' Late-Filed Exhibit 1, and requests that the Commission approve Late-Filed Exhibit 1 for use with ISRS filings by the Laclede division of Laclede Gas. In support thereof, Laclede Gas states as follows:

- 1. On June 26, 2013, the Commission approved a Unanimous Stipulation and Agreement (the "Agreement") resolving the above captioned case. Pursuant to paragraph 16 of the Agreement, the equity-debt percentages and the cost of long-term debt the Company uses for ISRS purposes are to be updated following the close of Laclede Gas' acquisition of MGE.
- 2. The Agreement provides that the updated ISRS figures were to be submitted as a late-filed exhibit in this case. On November 22, 2013, Laclede Gas submitted the late-filed exhibit as Late-Filed Exhibit 1. On January 3, 2014, Staff and OPC filed pleadings in response to Laclede Gas' filing of Late-Filed Exhibit 1. OPC stated that it did not oppose Late-Filed Exhibit 1. Staff indicated that it found a minor error that should nevertheless be corrected.
- 3. Laclede Gas is willing to make the change suggested by Staff, which will decrease the total cost of capital by .0047%. Accordingly, the revised Late-Filed Exhibit 1 is attached hereto.

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¹ OPC also indicated that its decision not to oppose Late-Filed Exhibit 1 should not prejudice its right to take any position it deems advisable regarding capital structure in MGE's rate case currently on file with the Commission (Case No. GR-2014-0007).

4. Paragraph 16 of the Agreement states that Late-Filed Exhibit 1 is to be approved by the Commission. Now that the parties have had an opportunity to comment, Laclede Gas requests that the Commission approve the revised Late-Filed Exhibit 1 attached as provided in the Agreement.

WHEREFORE, for the foregoing reasons, Laclede respectfully requests that the Commission approve the revised Late-Filed Exhibit 1 pursuant to paragraph 16 of the Agreement for use in ISRS filings by the Laclede Division of Laclede Gas.

Respectfully Submitted,

/s/ Rick Zucker

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ATTORNEY FOR LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 10th day of January, 2014.

/s/Marcia Spangler

Marcia Spangler

Laclede Gas Company Case No. GR-2013-0171 ISRS Capital Structure and Costs Post Acquisition Update

Component	% of Total	Cost	Wtd. Cost
Common Equity Long Term Debt	53.00% * 47.00%	9.70% 4.35%	5.1410% 2.0445%
Total Capital	100.00%		7.1855%
Tax multiplier			1.626737
Composite Weighted Cost of Debt			2.0445%