

P.S.C. MO. No. 5 Consolidated, Eighth Revised Sheet No. 12
CANCELLING P.S.C. MO. No. 5 Consolidated, Seventh Revised Sheet No. 12

Laclede Gas Company
 Name of Issuing Corporation or Municipality

For Refer to Sheet No. 1
 Community, Town or City

SCHEDULE OF RATES

INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE ("ISRS")

Description: The ISRS is designed to recover the costs associated with the Company's eligible infrastructure replacements in accordance with the provisions of Sections 393.1009 to 393.1015, RSMo.

Applicability: In addition to the other charges provided for in the Company's tariff, a monthly ISRS shall be added to each customer's bill for service rendered on and after the effective date of the ISRS.

Schedule of Surcharges: The amount of the ISRS by rate schedule is as follows:

	<u>Per Bill Per Month</u>
Residential General Service (RG)	\$.67
Residential Seasonal Air Conditioning Service (RA)	\$.67
Commercial & Industrial General Service-Class I (C1)	\$.88
Commercial & Industrial General Service-Class II (C2)	\$ 1.39
Commercial & Industrial General Service-Class III (C3)	\$ 2.79
Commercial & Industrial Seasonal Service-Class I	\$.88
Commercial & Industrial Seasonal Service-Class II	\$ 1.39
Commercial & Industrial Seasonal Service-Class III	\$ 2.79
Large Volume Service (LV)	\$34.86
Interruptible Service (IN)	\$30.95
General L.P. Gas Service (LP)	\$.64
Unmetered Gas Light Service (SL)	\$.23
Vehicular Fuel Rate (VF)	\$.88
Large Volume Transportation and Sales Service (LVTSS)	\$82.15

DATE OF ISSUE March 30, 2007
 Month Day Year

DATE EFFECTIVE April 30, 2007
 Month Day Year

ISSUED BY K.J. Neises Executive Vice President, 720 Olive St., St. Louis, MO 63101
 Name of Officer Title Address

Laclede Gas Company
ISRS Revenue Requirement Calculation

ISRS Activity:

Gas Utility Plant Projects - Main Replacements and Other Projects Extending Useful Life of Mains:

<u>Work Orders Placed in Service</u>	
Gross Additions	772,227
Deferred Taxes	(3,945)
Accumulated Depreciation	(1,305)
Total Net	766,977

Gas Utility Plant Projects - Service Line Replacements and Insertion Projects:

<u>Work Orders Placed in Service</u>	
Gross Additions	7,914,984
Deferred Taxes	(44,816)
Accumulated Depreciation	(48,670)
Total Net	7,821,498

Gas Utility Plant Projects - Regulator Stations:

<u>Work Orders Placed in Service</u>	
Gross Additions	77,613
Deferred Taxes	(443)
Accumulated Depreciation	(467)
Total Net	76,703

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	1,067,746
Deferred Taxes	(7,114)
Accumulated Depreciation	(3,163)
Total Net	1,057,469

Gas Utility Plant Projects - Main Reinforcements Related to Other ISRS Eligible Projects:

<u>Work Orders Placed in Service</u>	
Gross Additions	33,614
Deferred Taxes	(207)
Accumulated Depreciation	(164)
Total Net	33,243

Increase in Accumulated Deferred Income Taxes and Accumulated Depreciation
Associated with Eligible Infrastructure System Replacements which are included in a
Currently Effective ISRS

Total Incremental Accumulated Depreciation	(366,724)
Total Incremental Accumulated Deferred Taxes	(264,396)

Total ISRS Rate Base	9,124,770
Overall Rate of Return per Testimony from GR-2005-0284	8.45%
UOI Required	771,043
Income Tax Conversion Factor	1.6276
Revenue Requirement Before Interest Deductibility	1,254,950

Total ISRS Rate Base	9,124,770
Weighted Cost of Debt per Testimony from GR-2005-0284	3.46%
Interest Deduction	315,717
Marginal Income Tax Rate	38.5596%
Income Tax Reduction due to Interest	121,739
Income Tax Conversion Factor	1.6276
Revenue Requirement Impact of Interest Deductibility	198,143

Total Revenue Requirement on Capital	1,056,807
Depreciation Expense	299,668
Property Taxes	588,315
Incremental Decrease in Property Taxes - January 1, 2006 Property	(4,460)

Total Company ISRS Revenues	1,940,330
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Total Staff Expected ISRS Revenues	1,654,566
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Average of Company and Staff Recommendations	1,797,448
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Laclede Gas Company
ISRS Filing
Incremental Accumulated Deferred Income Taxes and Accumulated Depreciation

ISRS Activity:

Main Replacements, etc.

	<u>Accumulated Depreciation</u>	<u>Accumulated Deferred Income Taxes</u>
At September 2006	19,482.43	50,579.27
At February 2007	<u>44,120.69</u>	<u>77,553.42</u>
Incremental Change	<u><u>24,638.26</u></u>	<u><u>26,974.15</u></u>

Services

At September 2006	383,584.81	329,578.27
At February 2007	<u>682,324.68</u>	<u>500,640.24</u>
Incremental Change	<u><u>298,739.87</u></u>	<u><u>171,061.97</u></u>

Regulator Stations

At September 2006	1,924.27	7,913.00
At February 2007	<u>8,863.81</u>	<u>12,089.00</u>
Incremental Change	<u><u>6,939.54</u></u>	<u><u>4,176.00</u></u>

Main Relocations

At September 2006	38,980.89	101,209.02
At February 2007	<u>70,645.63</u>	<u>154,491.60</u>
Incremental Change	<u><u>31,664.74</u></u>	<u><u>53,282.58</u></u>

Main Reinforcements

At September 2006	9,794.61	35,239.54
At February 2007	<u>14,536.19</u>	<u>44,140.48</u>
Incremental Change	<u><u>4,741.58</u></u>	<u><u>8,900.94</u></u>

TOTAL INCREMENTAL CHANGE

<u><u>366,723.99</u></u>	<u><u>264,395.64</u></u>
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**Total
Property Taxes**

Property Taxes on Plant in Service at January 1, 2006 - March 2006 Filing	222,986.54
Property Taxes on Plant in Service at January 1, 2006 - January 1, 2007 Valuation	<u>218,526.81</u>
Incremental Change	<u><u>-4,459.73</u></u>

Laclede Gas Company
ISRS Depreciation Expense

	Additions	Retirements
	<u>Annual Depreciation</u>	<u>Annual Depreciation</u>
Main Replacements	12,017.70	(655.86)
Service Line Replacements and Insertion Projects	298,369.50	(28,195.00)
Regulator Stations	2,879.46	-
Main Relocations net of Reimbursements	15,729.09	(1,004.81)
Main Reinforcements	527.73	-
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Total	329,523.48	(29,855.67)
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Total Net Increase in Depreciation Expense	<u><u>299,667.81</u></u>	

Laclede Gas Company
ISRS Calculation of Property Taxes

DISTRIBUTION REAL ESTATE

Service Additions	<u>CY 2006</u>
380.10	162,639.93
380.20	13,323,106.91
380.92	1,282,615.54
380.90	-
380.82	132.71
380.80	179.12
380.72	39,977.16
380.70	(4,310.90)
380.21	2,024,159.28
380.11	23,327.64
380.62	-

Total Service Addns.	<u>16,851,827.39</u>
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Specific Real Additions

376.70	35,471.10
Mains - 376s	<u>6,497,444.78</u>
Total Spec. Addns.	<u>6,532,915.88</u>

Retirements

Services	(1,496,793.48)
Mains - Cast Iron	(71,047.52)
Mains - Steel	(312,408.53)
Mains - Plastic	<u>(61,374.02)</u>
	<u>(1,941,623.55)</u>

Net Real Estate	21,443,119.72
Assessment Rate	<u>32%</u>
Assessed Value	<u>6,861,798.31</u>
Real Estate Rate/\$100	<u>8.4194</u>
Real Estate Taxes	<u>577,722.25</u>

DISTRIBUTION PERSONAL PROPERTY

	<u>CY 2006</u>
378.00	389,853.82
378.10	-
378.70	4,890.39
378.90	796.94
379.00	6,923.92
379.90	<u>42,453.03</u>
Total Spec. Pers.	<u>444,918.10</u>

Specific Personal Retirements

378.00	-
378.10	-
378.90	-
379.00	-
379.90	<u>(4,361.64)</u>
Total Spec. Pers.	<u>(4,361.64)</u>

Net Personal Prop.	440,556.46
Assessment Rate	<u>33.33%</u>
Assessed Value	<u>146,837.47</u>
Personal Prop. Rate/\$100	<u>7.2136</u>
Personal Property Taxes	<u>10,592.27</u>

Total Property Taxes	<u><u>588,314.52</u></u>
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Laclede Gas Company
ISRS Deferred Taxes--Rate Base Reduction

	Oct. - Jan. 2006 - 2007 15 Year Life	Total
Main Replacements, etc.		
Adjusted Tax Basis on Additions	528,348.22	528,348.22
Tax Depreciation On Adj. Basis Fiscal Year 2007	11,007.25	11,007.25
Total Tax Depreciation	11,007.25	11,007.25
Total Book Depreciation		777.12
Difference Between Book and Tax Depreciation		10,230.13
Deferred Income Taxes (@38.5596%)		3,944.70

Laclede Gas Company
ISRS Deferred Taxes--Rate Base Reduction

	Oct. - Jan. 2006 - 2007 15 Year Life	Total
<u>Services</u>		
Adjusted Tax Basis on Additions	7,914,983.75	7,914,983.75
Tax Depreciation On Adj. Basis Fiscal Year 2007	164,895.49	164,895.49
Total Tax Depreciation	164,895.49	164,895.49
Total Book Depreciation		48,670.19
Difference Between Book and Tax Depreciation		116,225.30
Deferred Income Taxes (@38.5596%)		44,816.01

Laclede Gas Company
ISRS Deferred Taxes--Rate Base Reduction

	Oct. - Jan. 2006 - 2007 15 Year Life	Total
<u>Regulator Stations</u>		
Adjusted Tax Basis on Additions	77,612.63	77,612.63
Tax Depreciation On Adj. Basis Fiscal Year 2007	1,616.93	1,616.93
Total Tax Depreciation	1,616.93	1,616.93
Total Book Depreciation		466.96
Difference Between Book and Tax Depreciation		1,149.97
Deferred Income Taxes (@38.5596%)		443.42

Laclede Gas Company
ISRS Deferred Taxes--Rate Base Reduction

	Oct. - Jan. 2006 - 2007 15 Year Life	Oct. - Jan. 2006 - 2007 20 Year Life	Total
<u>Main Relocations</u>			
Adjusted Tax Basis on Additions	946,504.63	121,241.27	1,067,745.90
Tax Depreciation On Adj. Basis Fiscal Year 2007	19,718.85	1,894.39	21,613.24
Total Tax Depreciation	19,718.85	1,894.39	21,613.24
Total Book Depreciation			3,163.09
Difference Between Book and Tax Depreciation			18,450.15
Deferred Income Taxes (@38.5596%)			7,114.30

Laclede Gas Company
ISRS Deferred Taxes--Rate Base Reduction

	Oct. - Jan. 2006 - 2007 15 Year Life	Total
<u>Main Reinforcements</u>		
Adjusted Tax Basis on Additions	33,614.14	33,614.14
Tax Depreciation On Adj. Basis Fiscal Year 2007	700.29	700.29
Total Tax Depreciation	700.29	700.29
Total Book Depreciation		163.68
Difference Between Book and Tax Depreciation		536.61
Deferred Income Taxes (@38.5596%)		206.91

Laclede Gas Company
Capital Structure/Rate of Return for ISRS

Case GR-2005-0284

Laclede Direct Testimony

	% of Cap Structure	Embedded Cost	Weighted Cost
LTD	46.42%	6.94%	3.22%
STD	3.51%	5.75%	0.20%
Preferred	0.15%	4.94%	0.01%
Common	49.92%	11.75%	5.87%
Rate of Return on Original Cost			<u>9.30%</u>

Staff Direct Testimony

LTD	47.98%	7.04%	3.38%
STD	3.18%	5.75%	0.18%
Preferred	0.12%	4.93%	0.01%
Common	48.71%	9.43%	4.59%
Rate of Return on Original Cost			<u>8.16%</u>

Public Counsel Testimony

LTD	46.42%	6.94%	3.22%
STD	3.51%	5.75%	0.20%
Preferred	0.15%	4.94%	0.01%
Common	49.92%	9.50%	4.74%
Rate of Return on Original Cost			<u>8.17%</u>

MIEC Testimony

LTD	46.42%	6.94%	3.22%
STD	3.51%	5.75%	0.20%
Preferred	0.15%	4.94%	0.01%
Common	49.92%	9.50%	4.74%
Rate of Return on Original Cost			<u>8.17%</u>

Overall Rate of Return

Laclede	9.30%
Staff	8.16%
OPC	8.17%
MIEC	8.17%
Average	<u>8.45%</u>

Weighted Cost of Debt

Laclede	3.42%
Staff	3.56%
OPC	3.42%
MIEC	3.42%
Average	<u>3.46%</u>

Short-Term Debt Rate Based on Current Wall Street Journal Prime Rate minus 2.5%

1,797,448

Customer Rate Class	Number of Customers*	Ratio to			Weighted Customer Nos.	Customer Percentage	Current	Current
		Customer Charge	Residential Customer Charge	ISRS Charge			ISRS Revenues	
Residential	598,976	12.00	1.0000	598,976	87.2777%	0.22	1,568,772	
C&I 1	31,053	15.75	1.3125	40,758	5.9389%	0.29	106,748	
C&I 2	9,392	25.00	2.0833	19,566	2.8511%	0.45	51,246	
C&I 3	665	50.00	4.1667	2,769	0.4035%	0.91	7,253	
LV	94	625.00	52.0833	4,883	0.7115%	11.37	12,789	
Interruptible	16	555.00	46.2500	759	0.1106%	10.09	1,989	
Transportation	150	1,473.00	122.7500	18,413	2.6829%	26.79	48,224	
Transportation - Other**	0	1,190.00	99.1667	0	0.0000%	0.00	0	
Gas Light	110	4.10	0.3417	38	0.0055%	0.07	99	
Vehicular Fuel	5	15.70	1.3083	6	0.0009%	0.29	15	
Liquid Propane	125	11.50	0.9583	120	0.0175%	0.21	314	
Total	640,585				100.0000%		1,797,448	

*Average customers - FY 2006

****Single customers with multiple accounts located on contiguous property.**

Laclede Gas Company
ISRS Cumulative Rate Design

Total ISRS Revenues		5,511,793									
Customer Rate Class	Number of Customers*	Customer Charge	Ratio to Residential Customer Charge	Weighted Customer Nos.	Customer Percentage	ISRS Charge	ISRS Revenues	Total ISRS Revenues			
Residential	598,976	12.00	1.0000	598,976	87.2777%	0.67	4,810,568				
C&I 1	31,053	15.75	1.3125	40,758	5.9389%	0.88	327,338				
C&I 2	9,392	25.00	2.0833	19,566	2.8511%	1.39	157,145				
C&I 3	665	50.00	4.1667	2,769	0.4035%	2.79	22,240				
LV	94	625.00	52.0833	4,883	0.7115%	34.86	39,215				
Interruptible	16	555.00	46.2500	759	0.1106%	30.95	6,098				
Transportation	150	1,473.00	122.7500	18,413	2.6829%	82.15	147,877				
Transportation - Other**	0	1,190.00	99.1667	0	0.0000%	0.00	0				
Gas Light	110	4.10	0.3417	38	0.0055%	0.23	303				
Vehicular Fuel	5	15.70	1.3083	6	0.0009%	0.88	47				
Liquid Propane	125	11.50	0.9583	120	0.0175%	0.64	963				
Total	640,585				100.0000%		5,511,793				

*Average customers - FY 2006

**Single customers with multiple accounts located on contiguous property.