

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:

Residential General Service (RG)	\$ 1.24
Residential Seasonal Air Conditioning Service (RA)	\$ 1.24
Commercial & Industrial General Service-Class I (C1)	\$ 1.62
Commercial & Industrial General Service-Class II (C2)	\$ 2.81
Commercial & Industrial General Service-Class III (C3)	\$ 5.63
Commercial & Industrial Seasonal Service-Class I	\$ 1.62
Commercial & Industrial Seasonal Service-Class II	\$ 2.81
Commercial & Industrial Seasonal Service-Class III	\$ 5.63
Large Volume Service (LV)	\$ 55.58
Interruptible Service (IN)	\$ 49.32
General L.P. Gas Service (LP)	\$ 1.08
Unmetered Gas Light Service (SL)	\$.36
Vehicular Fuel Rate (VF)	\$ 1.40
Large Volume Transportation and Sales Service (LVTSS)	\$131.51

DATE OF ISSUE July 25, 2014
 Month Day Year

DATE EFFECTIVE August 25, 2014
 Month Day Year

ISSUED BY L. Craig Dowdy, Sr. VP, Ext. Affairs, Market. & Comm., 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	19,123,449
Deferred Taxes	(3,247)
Accumulated Depreciation	<u>(84,852)</u>

Total Net 19,035,350

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

<u>Work Orders Placed in Service</u>	
Gross Additions	8,494,240
Deferred Taxes	28,096
Accumulated Depreciation	<u>(112,743)</u>

Total Net 8,409,593

Gas Utility Plant Projects - Regulator Stations:

<u>Work Orders Placed in Service</u>	
Gross Additions	806,918
Deferred Taxes	(12,249)
Accumulated Depreciation	<u>(15,278)</u>

Total Net 779,391

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	1,703,968
Deferred Taxes	(416)
Accumulated Depreciation	<u>(6,908)</u>

Total Net 1,696,644

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

<u>Work Orders Placed in Service</u>	
Gross Additions	-
Deferred Taxes	-
Accumulated Depreciation	<u>-</u>

Total Net -

**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	(749,706)
Total Incremental Accumulated Deferred Taxes	(661,793)

Total ISRS Rate Base 28,509,480

Overall Rate of Return per GR-2010-0171 7.1855%

UOI Required 2,048,549

Income Tax Conversion Factor 1.62674

Revenue Requirement Before Interest Deductibility 3,332,450

Total ISRS Rate Base 28,509,480

Weighted Cost of Debt per GR-2010-0171 2.0445%

Interest Deduction 582,876

Marginal Income Tax Rate 38.5272%

Income Tax Reduction due to Interest 224,566

Income Tax Conversion Factor 1.62674

Revenue Requirement Impact of Interest Deductibility 365,310

Total Revenue Requirement on Capital 2,967,140

Depreciation Expense 652,182

ISRS Revenue Overcollection October 2010 through December 2011 (10,864)

Total Company ISRS Revenues 3,608,458

Total Staff Expected ISRS Revenues 2,689,867

Average of Company and Staff Recommendations 3,149,163

Laclede Gas Company
ISRS Depreciation Expense

	Additions	Retirements
	<u>Annual Depreciation</u>	<u>Annual Depreciation</u>
Main Replacements	304,272.47	(3,698.91)
Service Line Replacements and Insertion Projects	318,028.92	(21,370.09)
Regulator Stations	29,936.99	-
Main Relocations net of Reimbursements	25,927.48	(915.11)
Main Reinforcements	-	-
Total	<u>678,165.86</u>	<u>(25,984.11)</u>
Total Net Increase in Depreciation Expense	<u>652,181.75</u>	

**Laclede Gas Company
ISRS Filing**

Incremental Accumulated Deferred Income Taxes and Accumulated Depreciation

<u>ISRS Activity:</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Deferred Income Taxes</u>
<u>Main Replacements, etc.</u>		
At November 15, 2014	393,627.59	3,939,830.70
At May 15, 2014	<u>667,342.69</u>	<u>4,257,503.34</u>
Incremental Change	<u><u>273,715.10</u></u>	<u><u>317,672.64</u></u>
<u>Services</u>		
At November 15, 2014	671,919.55	3,686,889.87
At May 15, 2014	<u>1,108,794.96</u>	<u>3,991,334.70</u>
Incremental Change	<u><u>436,875.41</u></u>	<u><u>304,444.83</u></u>
<u>Regulator Stations</u>		
At November 15, 2014	17,993.86	91,460.35
At May 15, 2014	<u>39,534.99</u>	<u>88,596.64</u>
Incremental Change	<u><u>21,541.13</u></u>	<u><u>-2,863.71</u></u>
<u>Main Relocations</u>		
At November 15, 2014	26,616.96	435,733.07
At May 15, 2014	<u>44,191.02</u>	<u>478,272.04</u>
Incremental Change	<u><u>17,574.06</u></u>	<u><u>42,538.97</u></u>
<u>Main Reinforcements</u>		
At November 15, 2014	0.00	0.00
At May 15, 2014	<u>0.00</u>	<u>0.00</u>
Incremental Change	<u><u>0.00</u></u>	<u><u>0.00</u></u>
TOTAL INCREMENTAL CHANGE	<u><u>749,705.70</u></u>	<u><u>661,792.73</u></u>

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Laclede Gas Company
ISRS Deferred Taxes — Rate Base Reduction

Depreciation for the period for Plant in Service	March 1st - Nov 15 2014 - 2014 Mar 1 - Aug 30 2014		March 1st - Nov 15 2014 - 2014 Mar 1 - Aug 30 2014		Total	
	B	C	B	C		
	20 Year Life 50% Bonus	20 Year Life 0% Bonus	20 Year Life 50% Bonus	20 Year Life 0% Bonus		
<u>Main Replacements, etc.</u> Additions	-	-	-	-	16,764,879.79	16,764,879.79
Bonus Depreciation	-	-	-	-	-	-
Adjusted Tax Basis on Additions	-	-	-	-	16,764,879.79	16,764,879.79
Bonus Depreciation for Period February 1 - Sept 30 2014	-	-	-	-	-	-
Oct 1 - Oct 31, 2014	-	-	-	-	-	-
Tax Depreciation On Adj. Basis Fiscal Year 2014 (Mar 1 - Sep 30)	-	-	-	-	-	-
Fiscal Year 2015 (Oct 1 - Oct 31)	-	-	-	-	78,585.37	78,585.37
	-	-	-	-	-	-
Total Tax Depreciation	-	-	-	-	78,585.37	78,585.37
Total Book Depreciation						70,156.69
Difference Between Book and Tax Depreciation						8,428.68
Deferred Income Taxes (@38.5272%)						3,247.34

Laclede Gas Company
ISRS Deferred Taxes — Rate Base Reduction

Depreciation for the period
for Plant in Service

March 1st - Nov 15
2014 - 2014
Mar 1 - Aug 30
2014

							Total
	B	C		0	B	C	
	20 Year Life 50% Bonus	20 Year Life 0% Bonus	15 Year Life 50% Bonus	0	20 Year Life 50% Bonus	20 Year Life 0% Bonus	
<u>Services</u>							
Additions	-	-		-	-	8,494,240.45	8,494,240.45
Bonus Depreciation	-	-	-	-	-	-	-
Adjusted Tax Basis on Additions	-	-	-	-	-	8,494,240.45	8,494,240.45
Bonus Depreciation for Period							
February 1 - Sept 30 2014	-	-	-	-	-	-	-
Oct 1 - Oct 31, 2014	-	-	-	-	-	-	-
Tax Depreciation On Adj. Basis							
Fiscal Year 2014 (Mar 1 - Sep 30)	-	-	-	-	-	-	-
Fiscal Year 2015 (Oct 1 - Oct 31)	-	-	-	-	-	39,816.75	39,816.75
	-	-	-	-	-	-	-
Total Tax Depreciation	-	-	-	-	-	39,816.75	39,816.75
Total Book Depreciation							<u>112,742.57</u>
Difference Between Book and Tax Depreciation							<u>(72,925.82)</u>
Deferred Income Taxes (@38.5272%)							<u>(28,096.31)</u>

Laclede Gas Company
ISRS Deferred Taxes — Rate Base Reduction

Depreciation for the period for Plant in Service	Oct 1 - Nov 15 2013 - 2014 Sep 1 - Sep 30 2013				March 1st - Nov 15 2014 - 2014 Mar 1 - Aug 30 2014			Total
	20 Year Life 100% Bonus	20 Year Life 50% Bonus	20 Year Life 0% Bonus	15 Year Life 50% Bonus	20 Year Life 100% Bonus	20 Year Life 50% Bonus	20 Year Life 0% Bonus	
<u>Regulator Stations</u>								
Additions	-	-	133,284.56	-	-	-	673,633.70	806,918.26
Bonus Depreciation	-	-	-	-	-	-	-	-
Adjusted Tax Basis on Additions	-	-	133,284.56	-	-	-	673,633.70	806,918.26
Bonus Depreciation for Period								
February 1 - Sept 30 2014	-	-	-	-	-	-	-	-
Oct 1 - Oct 31, 2014	-	-	-	-	-	-	-	-
Tax Depreciation On Adj. Basis								
Fiscal Year 2014 (Mar 1 - Sep 30)	-	-	4,998.17	-	-	-	-	4,998.17
Fiscal Year 2015 (Oct 1 - Ocxt 31)	-	-	9,621.81	-	-	-	25,261.26	34,883.07
	-	-	1,112.43	-	-	-	6,078.70	7,191.13
Total Tax Depreciation	-	-	15,732.41	-	-	-	31,339.96	47,072.37
Total Book Depreciation								15,278.25
Difference Between Book and Tax Depreciation								31,794.12
Deferred Income Taxes (@38.5272%)								12,249.40

Laclede Gas Company
ISRS Deferred Taxes — Rate Base Reduction

Depreciation for the period for Plant in Service	March 1st - Nov 15 2014 - 2014 Mar 1 - Aug 30 2014			March 1st - Nov 15 2014 - 2014 Mar 1 - Aug 30 2014			Total
				0	B	C	
	20 Year Life 100% Bonus	20 Year Life 50% Bonus	20 Year Life 0% Bonus	20 Year Life 100% Bonus	20 Year Life 50% Bonus	20 Year Life 0% Bonus	
<u>Main Relocations</u>							
Additions	-	-	-	-	-	1,703,968.24	1,703,968.24
Bonus Depreciation	-	-	-	-	-	-	-
Adjusted Tax Basis on Additions	-	-	-	-	-	1,703,968.24	1,703,968.24
Bonus Depreciation for Period							
February 1 - Sept 30 2014	-	-	-	-	-	-	-
Oct 1 - Oct 31, 2014	-	-	-	-	-	-	-
Tax Depreciation On Adj. Basis							
Fiscal Year 2014 (Mar 1 - Sep 30)	-	-	-	-	-	-	-
Fiscal Year 2015 (Oct 1 - Oct 31)	-	-	-	-	-	7,987.35	7,987.35
	-	-	-	-	-	-	-
Total Tax Depreciation	-	-	-	-	-	7,987.35	7,987.35
Total Book Depreciation							6,907.54
Difference Between Book and Tax Depreciation							1,079.81
Deferred Income Taxes (@38.5272%)							416.02

Laclede Gas Company
Capital Structure/Rate of Return for ISRS
Case GR-2013-0171

	% of Cap Structure	Embedded Cost	Weighted Cost
LTD	47.00%	4.35%	2.0445%
Preferred Stock	0.00%	0.00%	0.0000%
Common Equity	53.00%	9.70%	5.1410%
Total Capital *			<u>7.1855%</u>
Tax Multiplier			1.626737
Composite Weighted Cost of Debt			2.0445%

* Reflects Stipulation and Agreement in GR-2013-0171, Late Filed Exhibit 1

**Laclede Gas Company
ISRS Rate Design**

Total ISRS Revenues 3,149,163

<u>Customer Rate Class</u>	<u>Number of Customers*</u>	<u>Customer Charge</u>	<u>Ratio to Residential Customer Charge</u>	<u>Weighted Customer Nos.</u>	<u>Customer Percentage</u>	<u>Current ISRS Charge</u>	<u>Current ISRS Revenues</u>
Residential	602,420	19.50	1.0000	602,420	88.0834%	0.38	2,773,889
C&I 1	30,895	25.50	1.3077	40,402	5.9074%	0.50	186,032
C&I 2	8,945	44.29	2.2713	20,317	2.9707%	0.87	93,553
C&I 3	589	88.57	4.5421	2,677	0.3914%	1.74	12,325
LV	73	874.78	44.8605	3,279	0.4794%	17.21	15,096
Interruptible	16	776.36	39.8133	634	0.0927%	15.28	2,918
Transportation	133	2,069.94	106.1508	14,127	2.0656%	40.73	65,048
Transportation - Other**	0	1,707.94	87.5867	0	0.0000%	0.00	0
Gas Light	83	5.69	0.2918	24	0.0035%	0.11	111
Vehicular Fuel	4	22.09	1.1328	5	0.0007%	0.43	21
Liquid Propane	42	17.00	0.8718	37	0.0054%	0.33	169
Total	643,201				100.0000%		3,149,163

*Average customers - FY 2013

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

**Laclede Gas Company
ISRS Rate Design**

Total ISRS Revenues 10,167,388

<u>Customer Rate Class</u>	<u>Number of Customers*</u>	<u>Customer Charge</u>	<u>Ratio to Residential Customer Charge</u>	<u>Weighted Customer Nos.</u>	<u>Customer Percentage</u>	<u>Current ISRS Charge</u>	<u>Current ISRS Revenues</u>
Residential	602,420	19.50	1.0000	602,420	88.0834%	1.24	8,955,778
C&I 1	30,895	25.50	1.3077	40,402	5.9074%	1.62	600,624
C&I 2	8,945	44.29	2.2713	20,317	2.9707%	2.81	302,045
C&I 3	589	88.57	4.5421	2,677	0.3914%	5.63	39,794
LV	73	874.78	44.8605	3,279	0.4794%	55.58	48,740
Interruptible	16	776.36	39.8133	634	0.0927%	49.32	9,421
Transportation	133	2,069.94	106.1508	14,127	2.0656%	131.51	210,015
Transportation - Other**	0	1,707.94	87.5867	0	0.0000%	0.00	0
Gas Light	83	5.69	0.2918	24	0.0035%	0.36	358
Vehicular Fuel	4	22.09	1.1328	5	0.0007%	1.40	67
Liquid Propane	42	17.00	0.8718	37	0.0054%	1.08	545
Total	643,201				100.0000%		10,167,388

*Average customers - FY 2013

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