

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

In the Matter of Laclede Gas Company's Verified)
Application for a Two Year Extension of the)
Financing Authority Granted in Case No. GF-2009-) Case No. GF-2013-0085
0450 Subject to the Same Terms and Conditions)
Previously Approved by the Commission.)

**LACLEDE GAS COMPANY'S RESPONSE TO
STAFF RECOMMENDATION**

COMES NOW Laclede Gas Company ("Laclede" or "Company") and, pursuant to the Commission's September 26, 2012 Order Directing Filing, files this Response to the Staff's September 24 Recommendation, respectfully stating as follows:

1. On June 16, 2010, the Commission issued its Report and Order in Case No. GF-2009-0450 (the "2010 Report and Order") granting Laclede authorization in accordance with Section 393.200 RSMo, and subject to certain terms and conditions, to issue registered securities, common stock, private placement investments and capital leases in an overall amount not to exceed \$518 million (the "Current Financing Authority").

2. The Current Financing Authority was granted to Laclede for a three-year period expiring on June 30, 2013. On August 21, 2012, Laclede filed an application seeking a two-year extension of the financing authority, which would extend such authority to June 30, 2015. Laclede assured the Commission that its request is intended only to extend the authorization period and not to change any of the other terms in the 2010 Report and Order, all of which shall remain in full force and effect.

3. Staff's Recommendation includes two pages of comments, in which Staff, among other things, agrees to the two-year extension, but seeks to add another condition to the list of terms and conditions that apply to the Current Financing Authority.

Specifically, Staff seeks to require Laclede to provide Staff 30 days notice explaining the intended use of the proceeds from an anticipated debt financing before closing on a transaction issued under the Commission's financing authority.¹

4. While Laclede does not concur with all of the statements made in the Comments section of Staff's Recommendation, Laclede does not object to the substance of Staff's additional condition, and the Company is willing to provide Staff advance notice of the intended use of debt financings.

5. Laclede agrees to provide at least 30 days advance notice of anticipated debt issuances under its financing authority. In the event there are unusual changes in market conditions or other circumstances that make it inadvisable or impractical to provide 30 days notice, however, Laclede reserves the right to proceed, provided that its advance notice to Staff details such circumstances and explains why it is necessary and in the best interests of Laclede's customers to proceed with the issuance.

6. In summary, for any debt issuances under its financing authority, Laclede agrees to provide Staff 30 days advance notice, or the reason why less than 30 days notice was provided, explaining the intended use of the proceeds of such issuance.

7. Laclede believes that extension of the Current Financing Authority under the terms and conditions set forth above will benefit Laclede and its customers.

WHEREFORE, Laclede respectfully requests that the Commission issue its Order: (a) extending the Company's Current Financing Authority for an additional two

¹ There appeared to be an ambiguity as to whether the notice applied to all financings or just debt financings. The Staff has clarified that the notice just applies to debt financings.

years through June 30, 2015, subject to all of the terms and conditions approved by the Commission in Case No. GF-2009-0450; (b) requiring Laclede to also provide Staff 30 days notice explaining the intended use of proceeds of debt issuances under such authority, or the reason why less than 30 days notice was provided; and (c) finding, as required by Section 393.200, that the money, property or labor to be procured or paid for by the issuance and/or execution of the instruments authorized in Case No. GF-2009-0450, as extended herein, is, or will be, reasonably required for the purposes specified in the order and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

Respectfully submitted,

LACLEDE GAS COMPANY

By /s/ Michael C. Pendergast

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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the General Counsel of the Staff and on the Office of the Public Counsel on this 5th day of October 2012 by hand-delivery, e-mail, fax, or regular mail.

/s/ Marcia Spangler