

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

In the Matter of Laclede Gas Company's Verified)	
Application for Authority to Issue and Sell)	
First Mortgage Bonds, Unsecured Debt and)	
Preferred Stock, in Connection with a Universal)	Case No. GF-2007-0220
Shelf Registration Statement, and to Issue Common)	
Stock and Receive Capital Contributions, all in a)	
Total Amount Not to Exceed \$500 Million)	

LACLEDE GAS COMPANY'S RESPONSE TO STAFF RECOMENDATION

COMES NOW Laclede Gas Company ("Laclede" or "Company") and, pursuant to the Commission's February 14, 2007 Order Directing Filing, submits this Response to the Recommendation and Memorandum ("Recommendation") filed by the Staff on February 13, 2007, and respectfully states as follows:

1. On December 15, 2006, Laclede filed its verified application for authority to issue and sell first mortgage bonds, unsecured debt and preferred stock, in connection with a universal shelf registration statement, and to issue common stock and receive capital contributions, all in a total amount not to exceed \$500 Million. Subject to the limitation of the total authority requested, the application does not provide for any specific limitation on either debt or equity.

2. On February 13, 2007, the Staff filed the Recommendation in which it recommended approval of Laclede's application, subject to 11 stated conditions. Laclede agrees to the Staff's recommendation regarding the application, including the conditions stated in the Recommendation.

WHEREFORE, Laclede Gas Company, the applicant herein, respectfully requests that an order be issued by the Commission, effective March 1, 2007, or as soon thereafter as reasonably practicable finding that:

(1) The money, property or labor to be procured or paid for by the issuance of the Registered Securities and Common Stock, as defined in the application, 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, as required by Section 393.200 RSMo; and that

(2) Laclede is specifically authorized:

- (a) to issue and sell Registered Securities and Common Stock in an aggregate amount not to exceed \$500 million at any time, or from time to time, for a three-year period following the effective date of the grant of authority requested herein, subject to the conditions set forth in Staff's Recommendation; and
- (b) to enter into, execute, deliver and perform the necessary agreements, indentures, notes and other documents and filings concerning the issuance and sale of the Registered Securities and Common Stock; and
- (c) to do all other things not contrary to law or the rules and regulations of the Commission, incidental, necessary or appropriate to the performance of any acts specifically to be authorized in such order; and that

- (3) Such other and further relief that the Commission deems just and proper is granted.

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 Response was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 20th day of February, 2007, by hand-delivery, e-mail, fax, or regular mail, postage prepaid.

/s/ Rick Zucker