

MISSOURI PUBLIC SERVICE COMMISSION

STAFF REPORT
COST OF SERVICE
APPENDICES

LACLEDE GAS COMPANY

CASE NO. GR-2010-0171

Jefferson City, Missouri
May, 2010

MISSOURI PUBLIC SERVICE COMMISSION

**STAFF REPORT
COST OF SERVICE**

APPENDIX 1

Staff Credentials

**LACLEDE GAS COMPANY
CASE NO. GR-2010-0171**

APPENDIX 1

STAFF CREDENTIALS TABLE OF CONTENTS

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Anne M. Allee

Educational and Employment Background

I am employed as a Regulatory Auditor with the Missouri Public Service Commission. I graduated from the University of Missouri in Columbia with a Bachelor of Science degree in Accounting in 1989. I am currently a licensed Certified Public Accountant in the state of Missouri.

During college and after graduation, I worked for Capital Bank as a Teller, New Accounts Representative, and temporary Branch Manager. I began employment with the Commission in 1990 as a Regulatory Auditor in the Accounting Department (now known as the Auditing Department). My duties included assisting with audits and examinations of the books and records of utility companies operating within the state of Missouri.

In October 1993, I obtained my current position as a Regulatory Auditor in the Procurement Analysis Department. Since that time, my responsibilities include reviewing and analyzing amounts charged by natural gas local distribution companies (LDCs) through the Purchased Gas Adjustment (PGA)/Actual Cost Adjustment (ACA) mechanism. Since my time in the Procurement Analysis Department, I have performed and/or assisted in performing numerous ACA reviews which include a review of LDC's capacity release and off-system sales transactions. Please see the attached table for a list of cases and issues in which I have filed testimony.

SUMMARY OF TESTIMONY
ANNE M. ALLEE

Company Name	Case Number	Issues
Choctaw Telephone Company	TR-91-336	Payroll; Payroll Taxes; Employee Pensions/Benefits; Voucher Analysis; Other Misc. Expenses
Laclede Gas Company	GR-92-165	Payroll; Payroll Taxes; Employee Pensions and Benefits
United Cities Gas Company	GR-93-47	Rate Base; CWC; Dues & Donations; Misc. Expenses
St. Louis County Water Company	WR-93-204	Rate Base; CWC; Dues & Donations; Misc. Expenses
Ozark Natural Gas Company	GA-96-264	Cost of Gas per Dth; Reliability of Transportation
Missouri Gas Energy Company	GR-96-285	Natural Gas Storage Inventory Prices
St. Joseph Light and Power Company	GR-96-47	Gas Purchasing Practices
Union Electric Company	GR-97-393	Natural Gas Storage Inventory Prices
Missouri Public Service	GR-96-192	Winter Storage Allocation; Overrun Penalties
Missouri Gas Energy	GR-98-140	Natural Gas Storage Inventory Prices
Ozark Natural Gas Company	GA-98-227	Cost of Gas per Dth; Reliability of Supply and Transportation
St. Joseph Light and Power Company	GR-99-246	Natural Gas Inventory Prices
UtiliCorp United Inc. and St. Joseph Light and Power Company	EM-2000-292	Conditions to be Made Part of Approved Merger
Atmos Energy Corporation and United Cities Gas Company	GR-2001-396 & GR-2001-397 (Consolidated)	Purchasing Practices – Neelyville; Purchasing Practices-Consolidated District; Deferred Carrying Cost Balance; Propane
Missouri Gas Energy	GR-2001-382, GR-2000-425, GR-99-304 & GR-98-167 (Consolidated)	Purchasing Practices; Refunds

Company Name	Case Number	Issues
Union Electric Company	GR-2003-0517	Gas Inventories
Missouri Gas Energy	GR-2004-0209	Gas Inventory, Capacity, Release and Gas Purchasing Practices
Missouri Gas Energy	GR-2006-0422	Gas Inventory, Uncollectible Expense and ACA documentation
Union Electric Company	GR-2007-0003	Gas Inventory, ACA documentation
Missouri Gas Energy	GR-2007-0256	Billing Error
Missouri Gas Energy	GR-2009-0355	Capacity Release and Off-System Sales

Erin M. Carle
Utility Regulatory Auditor

Educational Background

Bachelor's degree in Accounting – Maryville University, May 2006

Work Experience

October 2000-January 2007 – Meramec Valley R-III – Aid/Substitute Teacher/Computer Teacher

December 2005-April 2006 – Fitzgerald & Fitzgerald P.C. – Prepared personal and corporate income taxes, reviewed corporate accounting procedures

April 2002-August 2005 – Longview Animal Nutrition Center – Assist in nutrition testing, data entry, animal surgeries and vaccinations, basic animal care

January 2007 – Missouri Public Service Commission - Auditor

**Case Summary
Of
Erin Carle**

Company	Case No.	Issues
Ameren UE	ER-2008-0318	900 Account Analyses, Advertising, CWC, Outside Services, Customer Advances, Dues and Donations, Interest on Customer Deposits, Leases, Materials and Supplies, Prepayments, Property Taxes, PSC Assessment, Rate Case Expense
RD Sewer	SR-2009-0226	Outside Services, Revenues, Vehicle Expense, Rent Exp., Payroll, Plant, PSC Assessment, Repairs, Sludge Hauling, Office Expense, Utility Bills, EMS
Lakeland Heights Water	WR-2009-0227	Outside Services, Revenues, Vehicle Expense, Rent Exp., Payroll, Plant, PSC Assessment, Repairs, Sludge Hauling, Office Expense, Utility Bills, Meter Reads, EMS
Whispering Hills Water	WR-2009-0228	Outside Services, Revenues, Vehicle Expense, Rent Exp., Payroll, Plant, PSC Assessment, Repairs, Sludge Hauling, Office Expense, Utility Bills, Meter Reads, EMS
Oakbrier Water	WR-2009-0229	Outside Services, Revenues, Vehicle Expense, Rent Exp., Payroll, Plant, PSC Assessment, Repairs, Sludge Hauling, Office Expense, Utility Bills, Meter Reads, EMS
Aqua Missouri	SR-2010-0026 SR-2010-0023 WR-2010-0025 WR-2010-0027	Outside Services, Transportation Exp., Payroll, EMS, Lab Testing, PSC Assessment, Property Tax, Supplies and Expenses, Tank Painting, General Insurance, Legal Expenses, Rate Case Exp.
Aqua Missouri	SC-2010-0150 SC-2010-0152 WC-2010-0151 WC-2010-0153	Complaint Case

JOHN P. CASSIDY

Present Position

I am a Utility Regulatory Auditor V in the Auditing Department, Utility Services Division. My business address is 111 North Seventh Street, Suite 105, St. Louis, Missouri 63101. Since joining the Missouri Public Service Commission's Auditing Department Staff in 1990, I have assisted with and directed audits and examinations of the books and records of utility companies operating within the State of Missouri. I have also conducted numerous audits of small water and sewer companies in conjunction with the Commission's informal rate proceedings. Please refer to the attached Schedule JPC 1 for a list of rate case proceedings in which I have previously filed testimony.

Education

Southeast Missouri State University

Cape Girardeau, Missouri

Bachelor of Science Degree in Business Administration

Double Major: Marketing 1989 and Accounting 1990

RATE CASE PROCEEDING PARTICIPATION
JOHN P. CASSIDY

<u>COMPANY</u>	<u>CASE NO.</u>
Missouri Cities Water Company Payroll and Related Pensions OPEBS General Insurance Expense Advertising Expense Miscellaneous Expenses Type of Testimony Filed: Direct and Surrebuttal	WR-91-172
St. Louis County Water Company Tank Painting Main Failures Residue Removal General Insurance Expense PSC Assessment Miscellaneous Expenses Type of Testimony Filed: Direct	WR-91-361
Southwestern Bell Telephone Company Advertising Expenses Promotional Giveaways Miscellaneous Expenses Type of Testimony Filed: Direct and Surrebuttal	TC-93-224

COMPANY

CASE NO.

Laclede Gas Company

GR-94-220

Payroll and Payroll Taxes
Incentive Compensation
401 (K)
Dental and Vision Insurance
Data Processing

Type of Testimony Filed: Direct

The Empire District Electric Company

ER-95-279

Revenues
Uncollectibles Expense
Municipal Franchise Taxes
Postage Expense
Emission Credits

Type of Testimony Filed: Direct

Imperial Utility Corporation

SC-96-247

Rate Base
Depreciation Reserve
Depreciation Expense
CIAC
Property Taxes
Property Insurance
Lab Testing Expense
Sludge Removal Expense

Type of Testimony Filed: Rebuttal

St. Louis County Water Company

WR-97-382

Payroll and Payroll Taxes
Employee Benefits
Employee Savings
Shared Employees

Type of Testimony Filed: Direct

COMPANY

CASE NO.

Laclede Gas Company

GR-98-374

Payroll and Payroll Taxes
401 (K)
Health Care Costs
Pension Plan
Director's Pension Plan
Trustee Fees
SERP
Outside Consulting
Incentive Compensation
Advertising Expense

Type of Testimony Filed: Direct

United Water Missouri, Inc.

WR-99-326

Payroll and Payroll Taxes
401 (K)
Health Care Costs
Employee Relocation
Corporation Franchise Tax
Advertising Expense
Dues and Donations
Miscellaneous Expenses

Type of Testimony Filed: Direct

Union Electric Company

EC-2000-795

Injuries and Damages
Legal Expense
Environmental Expense

Type of Testimony Filed: Direct

COMPANY

Union Electric Company
Revenues
Uncollectibles Expense
Customer Deposits

CASE NO.

GR-2000-512

Type of Testimony Filed: Direct

Laclede Gas Company

GR-2001-629

Revenues
Gross Receipts Tax
Gas Supply Incentive Plan
Gas Costs
Uncollectibles Expense
Non-Utility Operations

Type of Testimony Filed: Direct

Union Electric Company, d/b/a AmerenUE

EC-2002-01

Fuel Expense
Callaway Refueling
Legal Expense
Environmental Expense
Capacity Purchases
Midwest ISO
Payroll and Related
Incremental Overtime

Type of Testimony Filed: Direct and Surrebuttal

Union Electric Company, d/b/a AmerenUE

EC-2002-1025

Legal Expense
Environmental Expense
Midwest ISO

Type of Testimony Filed: Direct

COMPANY

CASE NO.

Laclede Gas Company

GR-2002-356

Revenues
Gross Receipts Tax
Gas Supply Incentive Plan
Gas Costs
Uncollectibles Expense
Income Taxes

Type of Testimony Filed: Direct

Laclede Gas Company

GT-2003-0117

Financial Aspects

Type of Testimony Filed: Direct

Missouri-American Water Company

WR-2003-0500 & WC-2004-0168

Allocation of Belleville Labs Cost to MAWC
National Call Center
Compensation for Services Provided from MAWC to AWR
Information Technology Services
Capitalization of Shared Services
Transition Costs
Cost Allocation Manual
Affiliate Transactions
Severance Costs
National Call Center Transition Costs
National Shared Services Transition Costs

Type of Testimony Filed: Direct & Surrebuttal

Missouri-American Water Company

SM-2004-0275

Acquisition Adjustment

Type of Testimony Filed: Direct

COMPANY

CASE NO.

The Empire District Electric Company

ER-2004-0572

Interim Energy Charge
Fuel Expense
Purchased Power
Off System Sales
KCPL Transmission Expense
Income Taxes

Type of Testimony Filed: Direct & Surrebuttal

Union Electric Company d/b/a AmerenUE

GR-2007-0003

Environmental Expense

Type of Testimony Filed: Direct

Union Electric Company d/b/a AmerenUE

ER-2007-0002

Fuel Expense
Fuel Inventories
Callaway Refueling Costs
Combustion Turbine Maintenance Expense
Environmental Expense
Gains on the Sale of Sulfur Dioxide Emission Allowances

Type of Testimony Filed: Direct, Rebuttal and Surrebuttal

Missouri-American Water Company

WR-2007-0216

Belleville Labs Allocation
Compensation for Services MAWC Provided to AWR
Income Taxes

Type of Testimony Filed: Direct

COMPANY

CASE NO.

Union Electric Company d/b/a AmerenUE

ER-2008-0318

Fuel and Purchased Power Expense
Off System Sales
Fuel Inventories
Callaway Refueling Costs
Generating Plant Outages
Capacity Charges
Entergy Refunds
Non-Labor Storm Costs – Test Year
Non-Labor Storm Cost AAO
Non-Labor Storm Cost Amortization
SO2 Emission Allowance Sales and Tracker
Deferred Income Taxes for Rate Base
Income Taxes
Production Cost Model Issues

Type of Testimony Filed: Direct and Surrebuttal

Union Electric Company d/b/a AmerenUE

ER-2010-0036

Corporate Allocations
Potential Refundable Entergy Charges
Payroll and Payroll Taxes
Employee Benefits
Voluntary Separation Election
Involuntary Separation Program
Severance Costs
Callaway Security Force

Type of Testimony Filed: Direct

Kim Cox

EDUCATION

Bachelor of Science

Central Missouri State University, Warrensburg, MO – May 1996

PROFESSIONAL EXPERIENCE

I am currently employed as a Rate and Tariff Examiner III for the Missouri Public Service Commission (Commission). I began my employment with the Commission on July 13, 2009. Before coming to the Commission I was in the regulatory field for ten years where I held the position of a Quality Assurance Analyst.

Since starting with the Commission I have completed the Consumer Affairs Training held by NARUC and Economics of Efficiency and Demand Response.

I have provided a Staff Recommendation on the following:

- Missouri Gas Utility Certificate of Convenience and Necessity case GA-2010-0012;
- Missouri Gas Utility Certificate of Convenience and Necessity, case GA-2010-0189;
- Laclede Gas Company Winter Season PGA, case GR-2010-0138;
- Union Electric d/b/a Ameren UE Winter PGA, case GR-2009-0337.

I provided written testimony on Weather-Normalized Sales and Coincident-Peak-Day Demand for The Empire District Gas Company, case GR-2009-0434.

CREDENTIALS AND BACKGROUND OF

DOYLE L. GIBBS

I attended the University of Missouri – St. Louis, where I received a Bachelor of Science degree in Business Administration with a major in Accounting in 1976. I commenced employment in the Missouri Public Service Commission's (Commission) Auditing Department as a Utility Regulatory Auditor in November 1976. I passed the Uniform Certified Public Accountant examination in 1988 and held a license as a Certified Public Accountant in the state of Missouri until October 2005. I retired as a Utility Regulatory Auditor IV from the Commission's Auditing Department in November 2005 and have not renewed my license.

I am currently employed by the Missouri Public Service Commission as a Temporary Utility Regulatory Auditor.

During my full and temporary employment with the Commission I have conducted and assisted with the audits and examinations of the books and records of utility companies operating within the state of Missouri. A listing of the cases in which I have previously participated on behalf of the Commission, and the issues I have addressed in testimony, is attached as Schedule DLG 1.

REGULATORY CASE PROCEEDING PARTICIPATION

DOYLE L. GIBBS

PARTICIPATION		TESTIMONY
COMPANY	CASE NO.	ISSUES
Union Electric (dba AmerenUE)	GR-2007-0003	Direct - Pensions, OPEBs, Electric Plant and Reserve Allocated to Gas
Union Electric (dba AmerenUE)	ER-2007-0002	Direct - Pensions, OPEBs, Allocations
The Empire District Electric Company	ER-2004-0570	Direct, Rebuttal, Surrebuttal - Revenue, Billing Costs, Uncollectible Expense, Pensions, Prepaid Pension Asset, OPEBs, Pensions Expense, Customer Growth
Missouri American Water Company	WR-2003-0500	Direct – Pensions, OPEBs, Income Taxes, Reserve Deficiency Amortization
Union Electric (dba AmerenUE)	EC-2002-1025	Direct-Allocations, Territorial Agr & I&D
Union Electric Company	EC-2002-1	Direct - Revenue, Uncollectibles, Gross Receipts Tax, Territorial Agreements, Allocations, Payroll, Incentive Compensation, Payroll Taxes, Injuries & Damages, Depreciation
Laclede Gas Company	GR-2001-629	Direct - Environmental Costs; Cost of Removal Accounting Authority Orders; Incomes Taxes
St. Louis County Water Company	WR-2000-844	Direct – Accounting Schedules, Revenue, Purchased Water, Fuel & Power, Chemicals, Uncollectibles, Pensions, OPEBs, Outside Services
Missouri-American Water Company	SR-2000-282	True-up - Rebuttal – Chemicals, Property Taxes
Missouri-American Water Company	SR-2000-282	True-up - Direct – Impact of True-up audit
Missouri-American Water Company	SR-2000-282	Direct - True-up, Plant, Depreciation Reserve, Depreciation Expense, Materials & Supplies, Prepayments, Deferred Income Tax, Customer Deposits & Advances, Property Tax, Income Tax
Missouri-American Water Company	WR-2000-281	True-up - Rebuttal – Chemicals, Property Taxes
Missouri-American Water Company	WR-2000-281	True-up - Direct – Impact of True-up audit
Missouri-American Water Company	WR-2000-281	Direct - True-up, Plant, Depreciation Reserve, Depreciation Expense, Materials & Supplies, Prepayments, Deferred Income Tax, Customer Deposits & Advances, Property Tax, Income Tax
United Water Missouri	WR-99-326	Accounting Schedules
Laclede Gas Company	GR-99-315	True-up - Direct – Impact of True-up audit

PARTICIPATION		TESTIMONY
COMPANY	CASE NO.	ISSUES
Laclede Gas Company	GR-99-315	Direct – True-up, Plant, Depreciation Reserve, Depreciation Expenses
Laclede Gas Company	GR-98-374	Direct – Income Tax, Injuries & Damages, Rate Case Expense
Missouri-American Water Company	WO-98-204	Direct – Revenue Requirement for District Specific Pricing
Missouri-American Water Company	WR-97-237	True-up - Payroll, Employee Benefits, Payroll Taxes, Other Insurance, Non-recurring Credits
Atmos Energy Corporation/ United Cities Gas Company	GM-97-70	Rebuttal – Public Detriment, Accounting for merger, Merger Premium
Laclede Gas Company	GR-96-193	Direct – Income Tax, AAO's, Pensions, OPEBs, PSC Assessment
Empire District Electric Company	ER-95-279	Direct - Income Tax, Non-group insurance
Laclede Gas Company	GR-94-220	
St. Louis County Water Company	WR-94-166	
Missouri-American Water Company	WM-93-255	
Southwestern Bell Telephone Company	TC-93-224	
Missouri-American Water Company	WR-93-212	
St. Joseph Power & Light	ER-93-41	
Missouri Pipeline	GR-92-314	
Laclede Gas Company	GR-92-165	
St. Louis County Water Company	WR-91-361	
Missouri Cities	WR-91-172	
Missouri Cities	WR-90-236	
Missouri-American Water Company	WR-89-265	
Missouri Cities Water Company	SR-89-179	
Missouri Cities Water Company	WR-89-178	
St. Louis County Water Company	WR-88-5	
St. Louis County Water Company	WR-87-2	
Missouri Cities Water Company	SR-86-112	
Missouri Cities Water Company	WR-86-111	
Southwestern Bell Telephone Company	TR-86-84	

PARTICIPATION		TESTIMONY
COMPANY	CASE NO.	ISSUES
Arkansas Power & Light Company	ER-85-265	
Missouri Cities Water Company	SR-85-158	
Missouri Cities Water Company	WR-85-157	
Arkansas Power & Light Company	ER-85-20	
Union Electric Company	ER-84-168	
St. Louis County Water Company	WR-83-264	
Union Electric	ER-83-163	
Missouri Cities Water Company	SR-83-15	
Missouri Cities Water Company	WR-83-14	
Laclede Gas Company	GR-82-200	
Capital City Water Company	WR-82-117	
Union Electric Company	ER-82-52	
Union Electric Company	HR-81-259	
Laclede Gas Company	GR-81-245	
Union Electric Company	ER-81-180	
Citizens Electric Cooperative	ER-81-79	
Southwestern Bell Telephone Company	TR-80-256	
Laclede Gas Company	GR-80-210	
Lake St. Louis Sewer Company	SR-80-189	
Union Electric Company	ER-80-17	
Southwestern Bell Telephone Company	TR-79-213	
Associated Natural Gas Company	GR-79-126	
Citizens Electric Cooperative	ER-79-102	
St. Louis County Water Company	WR-78-276	
Laclede Gas Company	GR-78-148	
Missouri Cities Water Company	SR-78-108	
Missouri Cities Water Company	WR-78-107	

PARTICIPATION		TESTIMONY
COMPANY	CASE NO.	ISSUES
St. Joseph Water Company	WR-77-226	
Union Electric Company	ER-77-154	
Laclede Gas Company	GR-77-33	
Missouri Cities **	18510	

Lisa K. Hanneken

Position

I am currently a Utility Regulatory Auditor IV in the Auditing Department, Utility Services Division. My business address is Wainwright State Office Building, 111 North Seventh Street, Suite 105, St. Louis, Missouri 63101. Since joining the Missouri Public Service Commission's Staff in 2001, I have assisted with and directed audits and examinations of the books and records of utility companies operating within the State of Missouri. I have also conducted numerous audits of small water and sewer companies in conjunction with the Commission's informal rate proceedings. Please refer to the attached Schedule LKH 1 for a list of rate case proceedings in which I have previously filed testimony.

Educational Background

Bachelor's degree in Accounting – Webster University, July 2001

MBA/emphasis in Accounting – Maryville University, December 2006

Work History

August 1989 – Rinderer's Union Drug – Pharmacy Technician and bookkeeper

June 1997 – Bucklick Creek, Inc. – Head of accounting and office manager

2000 – Internal Revenue Service – Intern auditor of small corporations

September 2001 – Missouri Public Service Commission - Auditor

**CASE SUMMARY
OF
LISA K. HANNEKEN**

COMPANY	CASE NO.	ISSUES
Laclede Gas Company	GR-2002-356	<u>Direct</u> - Cash Working Capital, Rate Case Exp./PSC Assessment, Advertising, Misc. Expense
Missouri American Water Company	WR-2003-0500	<u>Direct</u> – Rate Base and Related Expenses, AFUDC, Dues and Donations, Waste Disposal Expense, Storage Tank Lease Expense, Deferred Maintenance Expense, Transportation Expense, Insurance Other Than Group, Cost of Depreciation Study Expense
Missouri American Water Company	WR-2003-0500	<u>Surrebuttal</u> – AFUDC, Dues and Donations, St. Joseph Waste Disposal Expense, Transportation Expense, Property Taxes
Fidelity Telephone Company	IR-2004-0272	<u>Direct</u> - Rate Base and Related Expenses; Insurance Other Than Group; Miscellaneous Other Taxes
Central Rivers Wastewater, Inc.	N/A	<u>Rate Review</u> – All issues related to review
Central Jefferson County Utilities	SF-2004-0587	<u>Finance Case</u> – All issues except revenues
TBJ Sewer System, Inc.	SR-2003-0244	<u>Informal Rate Case</u> – All issues
Evergreen Lakes Water Company	QW-2005-0007	<u>Informal Rate Case</u> – All issues
Central Jefferson County Utilities	QS-2006-0003	<u>Small Co Rate Request</u> – Lead Auditor – Rate base, payroll, affiliate transactions

**CASE SUMMARY
OF
LISA K. HANNEKEN**

COMPANY	CASE NO.	ISSUES
Atmos Energy Corporation	GR-2006-0387	<u>Direct</u> – Lead Auditor – Corporate Allocations and Expenses, Payroll and Payroll Taxes, PSC Assessment, Taxes Other, Legal Fees
AmerenUE Electric Company	ER-2007-0002 and GR-2007-0003	<u>Direct</u> – Corporate Allocations and Expenses, Payroll and Payroll Taxes, Employee Benefits, Incentive Compensation, Miscellaneous Expenses
Missouri American Water Company	WR-2007-0216	<u>Direct</u> – Lead Auditor, Allocations, Payroll and Payroll Taxes, Employee Benefits, Incentive Compensation
Laclede Gas Company	GO-2008-0067	Abandonment Case – Recommendation Submission
Aqua Missouri	SR-2008-0267 SR-2008-0368 WR-2008-0266 WR-2008-0269	Informal Rate Case – Lead Auditor for part of time, EMS, Rate Base, Payroll, Corporate Allocations, Misc. Expenses
Laclede Gas Company	GO-2009-0029	Abandonment Case – Recommendation Submission
AmerenUE Gas Company	GT-2009-0038	ISRS filing
Cannon Home Association	SR-2009-0144	<u>Informal Rate Case</u> – Lead Auditor
Peaceful Valley Service Company	SR-2009-0146 WR-2009-0145	<u>Informal Rate Case</u> – Lead Auditor
Atmos Energy Corporation	GO-2009-0046	ISRS filing

**CASE SUMMARY
OF
LISA K. HANNEKEN**

COMPANY	CASE NO.	ISSUES
AmerenUE Gas Company	GT-2009-0413	ISRS filing
Mill Creek Sewer Company	SR-2005-0116	<u>Informal Rate Case</u> – Quarterly Reviews
Aqua Missouri	SR-2010-0026 SR-2010-0023 WR-2010-0025 WR-2010-0027	Informal Rate Case – Lead Auditor, EMS, Rate Base, Revenue, Corporate Allocations, Income taxes
Aqua Missouri	SC-2010-0150 SC-2010-0152 WC-2010-0151 WC-2010-0153	Compliant Cases
Atmos Energy Corporation	GO-2010-0168	ISRS filing
Laclede Gas Company	GO-2010-0212	ISRS filing
Mill Creek Sewer Company	SO-2010-0237	Receivership

Thomas M. Imhoff

Present Position:

I am Rate & Tariff Examination Supervisor in the Energy Department, Operations Division of the Missouri Public Service Commission.

Educational Background and Experience:

I attended Southwest Missouri State University at Springfield, Missouri, from which I received a Bachelor of Science degree in Business Administration, with a major in Accounting, in May 1981. I began employment with the Commission in October, 1981. In May 1987, I successfully completed the Uniform Certified Public Accountant (CPA) examination and subsequently received the CPA certificate. I am currently licensed as a CPA in the State of Missouri. Schedule 1 is a listing of cases that I have filed testimony in.

LACLEDE GAS COMPANY

CASE NO. GR-2010-0171

Summary of Cases in which prepared testimony was presented by:
THOMAS M. IMHOFF

<u>Company Name</u>	<u>Case No.</u>
Terre-Du-Lac Utilities	SR-82-69
Terre-Du-Lac Utilities	WR-82-70
Bowling Green Gas Company	GR-82-104
Atlas Mobilfone Inc.	TR-82-123
Missouri Edison Company	GR-82-197
Missouri Edison Company	ER-82-198
Great River Gas Company	GR-82-235
Citizens Electric Company	ER-83-61
General Telephone Company of the Midwest	TR-83-164
Missouri Telephone Company	TR-83-334
Mobilpage Inc.	TR-83-350
Union Electric Company	ER-84-168
Missouri-American Water Company	WR-85-16
Great River Gas Company	GR-85-136
Grand River Mutual Telephone Company	TR-85-242
ALLTEL Missouri, Inc.	TR-86-14
Continental Telephone Company	TR-86-55
General Telephone Company of the Midwest	TC-87-57
St. Joseph Light & Power Company	GR-88-115
St. Joseph Light & Power Company	HR-88-116
Camelot Utilities, Inc.	WA-89-1
GTE North Incorporated	TR-89-182
The Empire District Electric Company	ER-90-138
Capital Utilities, Inc.	SA-90-224
St. Joseph Light & Power Company	EA-90-252
Kansas City Power & Light Company	EA-90-252
Sho-Me Power Corporation	ER-91-298
St. Joseph Light & Power Company	EC-92-214
St. Joseph Light & Power Company	ER-93-41
St. Joseph Light & Power Company	GR-93-42
Citizens Telephone Company	TR-93-268
The Empire District Electric Company	ER-94-174
Missouri-American Water Company	WR-95-205
Missouri-American Water Company	SR-95-206
Union Electric Company	EM-96-149
The Empire District Electric Company	ER-97-81
Missouri Gas Energy	GR-98-140

<u>Company Name</u>	<u>Case No.</u>
Laclede Gas Company	GR-98-374
Laclede Gas Company	GR-99-315
Atmos Energy Corporation	GM-2000-312
Ameren UE	GR-2000-512
Missouri Gas Energy	GR-2001-292
Laclede Gas Company	GT-2001-329
Laclede Gas Company	GR-2001-629
Missouri Gas Energy	GT-2003-0033
Aquila Networks – L&P	GT-2003-0038
Aquila Networks – MPS	GT-2003-0039
Southern Missouri Gas Company, L.P.	GT-2003-0031
Fidelity Natural Gas, Inc.	GT-2003-0036
Atmos Energy Corporation	GT-2003-0037
Laclede Gas Company	GT-2003-0032
Union Electric Company d/b/a Ameren UE	GT-2003-0034
Laclede Gas Company	GT-2003-0117
Aquila Networks MPS & L&P	GR-2004-0072
Missouri Gas Energy	GR-2004-0209
Missouri Pipeline Company & Missouri Gas Company	GC-2006-0491
Atmos Energy Corporation	GR-2006-0387
Laclede Gas Company	GR-2007-0208
Missouri Gas Utility Company	GR-2008-0060
TriGen-Kansas City Energy Group	HR-2008-0300
Laclede Gas Company	GT-2009-0056
Missouri Gas Energy	GR-2009-0355
Empire District Gas Company	GR-2009-

Lesa A. Jenkins
Utility Regulatory Engineer

Educational Background & Certification

Bachelor of Science, Industrial Engineering, Magna Cum Laude and Honors Scholar - University of Missouri – Columbia

Master of Business Administration - William Woods University

Registered as a professional engineer in the state of Missouri, registration number E-25510

Work Experience

1999 – Current, Missouri Public Service Commission, Procurement Analysis – Regulatory Engineer. My duties include the investigation and review of natural gas reliability/peak day plans of the Missouri natural gas local distribution companies. I have also been involved in the review of energy efficiency programs of Missouri natural gas local distribution companies

1992 –1999, Missouri Department of Natural Resources, Division of Energy. I held various engineering and then management positions with duties related to energy efficiency and alternative fuels, including low-income weatherization program, loan programs, energy efficiency in state facilities, and alternative fuels in state vehicles.

1988 –1992, Missouri Department of Natural Resources, Division of Environmental Quality, Solid Waste Program. I was employed as an environmental engineer with duties during related to regulation of infectious waste, solid waste processing facilities, waste tires, and special waste.

1981 – 1986, Procter & Gamble. I held positions as a production and quality control/quality assurance team manager in Cape Girardeau, Missouri and then in Cincinnati, Ohio.

**Case Summary Of:
Lesa A. Jenkins**

Summary of Testimony				
Company Name	Type Case	Case Number	Issues	Testimony Filed
Laclede Gas Company	Rate	GR-2007-0208	Energy Efficiency and Low-Income Weatherization	Direct 5/04/07
Missouri Gas Energy	ACA	GR-2003-0330, GR-2002-348 Consolidated	Excess Transportation Capacity	Direct 11/23/05, Rebuttal 2/1/06, Surrebuttal 7/19/06
Missouri Gas Energy	Rate	GR-2004-0209	Gas Purchasing Practices	Surrebuttal 6/14/04
Missouri Gas Energy	ACA	GR-2001-382, GR-2000-425, GR-99-304, GR-98-167 Consolidated	Purchasing Practices - Minimum Level of Hedging; Purchasing Practices - Storage; Reliability Analysis	Direct 1/15/03, Rebuttal 3/18/03, Surrebuttal 4/22/03, Supplemental Direct 10/3/03, Supplemental Rebuttal 11/13/03
Aquila, Inc. d/b/a Aquila Networks – MPS	ACA	GR-2000-520 and GR-2001-461 Consolidated	Purchasing Practices-Eastern System; Purchasing Practices-Southern System; Reliability Analysis	Direct 10/24/02, Rebuttal 11/20/02
Atmos Energy Corporation and United Cities Gas Company	ACA	GR-2001-396 and GR-2001-397 Consolidated	Atmos Energy Corporation: Purchasing Practices – General; Purchasing Practices – Southeast Missouri Integrated System; Reliability Analysis	Direct 12/23/02 & 1/31/03, Rebuttal 2/28/03
			United Cities Gas Company: Purchasing Practices – General; Purchasing Practices – Neelyville District; Purchasing Practices – Consolidated District; Reliability Analysis	

**Case Summary Of:
Lesa A. Jenkins**

ACA and Other Recommendations Filed		
Company Name	Case Number	Staff Recommendation Filed
2008/2009 ACA Reviews		
Missouri Gas Utilities*	GR-2009-0306	3/17/2010
Southern Missouri Natural Gas	GR-2009-0287	
Expansion Case		
Southern Missouri Natural Gas	GA-2010-0114	11/24/2009
2007/2008 ACA Reviews		
Southern Missouri Natural Gas	GR-2008-0379	4/7/2009
Missouri Gas Utilities*	GR-2009-0161	5/5/2009
Atmos *	GR-2008-0364	12/28/2009
Ameren UE *	GR-2008-0366	12/29/2009
Missouri Gas Energy	GR-2008-0367	12/30/2009
Empire District Gas *	GR-2008-0368	12/30/2009
Laclede Gas Company	GR-2008-0387	12/30/2009
2006/2007 ACA Reviews		
Missouri Gas Utilities*	GR-2008-0136	7/14/2008
Southern Missouri Natural Gas	GR-2007-0484	8/14/2008
Atmos*	GR-2007-0403	12/29/2008
Missouri Gas Energy	GR-2007-0256	12/15/2008 and 6/30/2009
Ameren UE*	GR-2008-0107	12/15/2008
Empire District Gas*	GR-2008-0123	12/31/2008
Laclede Gas Company	GR-2008-0140	12/31/2008
2005/2006 ACA Reviews		
Southern Missouri Natural Gas	GR-2006-0352	6/8/2007
Missouri Gas Utilities	GR-2007-0178	8/16/2007
Ameren UE	GR-2006-0333	9/21/2007
Empire District Gas (Previously Aquila Networks - MPS)	GR-2006-0297	12/17/2007
Fidelity Natural Gas, Inc / Laclede Gas Company	GR-2007-0179	12/31/2007
Atmos	GR-2006-0300	12/31/2007
Missouri Gas Energy	GR-2006-0291	12/31/2007
Laclede Gas Company	GR-2006-0288	12/31/2007
2004/2005 ACA Reviews		
Southern Missouri Natural Gas	GR-2005-0279	4/13/2006
Missouri Gas Utilities	GR-2006-0200	8/30/2006

**Case Summary Of:
Lesa A. Jenkins**

ACA and Other Recommendations Filed		
Company Name	Case Number	Staff Recommendation Filed
Aquila Networks - MPS	GR-2005-0271	12/6/2006
Laclede Gas Company	GR-2005-0203	12/28/2006
Missouri Gas Energy	GR-2005-0169	12/29/2006
2003/2004 ACA Reviews		
Laclede Gas Company	GR-2004-0273	12/29/2005
Missouri Gas Energy	GR-2005-0104	12/29/2005
Atmos	GR-2004-0479	11/23/2005
Aquila Networks - MPS	GR-2004-0539	11/21/2005
Aquila L & P	GR-2004-0538 (Consolidated with GR-2004-0539)	
Ameren UE	GR-2005-0102	11/9/2005
Southern Missouri Gas Company	GR-2005-0064	6/8/2005
2002/2003 ACA Reviews		
Laclede Gas Company	GR-2003-0224	12/30/2004
Missouri Gas Energy	GR-2003-0330	12/29/2004
Aquila L & P	GR-2003-0369	12/28/2004
Atmos	GR-2003-0219	12/22/2004
Aquila Networks - MPS	GR-2003-0311	12/22/2004
Southern Missouri Gas Company	GR-2004-0193	5/19/2004
Fidelity Natural Gas, Inc	GR-2003-0323	2/26/2004
2001/2002 ACA Reviews		
Missouri Gas Energy	GR-2002-348	12/19/2003
Atmos	GR-2003-0150	9/15/2003
Aquila Networks - MPS	GR-2002-392	8/15/2003
Aquila L & P (old St. Joseph Light & Power)	GR-2002-468	8/7/2003
Southern Missouri Gas Company	GR-2002-440	5/22/2003
Ameren UE	GR-2002-438	5/15/2003
Fidelity Natural Gas, Inc	GR-2003-0148	3/26/2003
2000/2001 ACA Reviews		
Southern Missouri Gas Company	GR-2001-388	10/31/2002
Atmos - Areas B, K, & S (old ANG)	GR-2001-396	9/30/2002
Atmos - Areas P&U (old United Cities)	GR-2001-397	8/29/2002
Aquila Networks - MPS	GR-2001-461	7/9/2002
Laclede Gas Company	GR-2001-387	6/28/2002

**Case Summary Of:
Lesa A. Jenkins**

ACA and Other Recommendations Filed		
Company Name	Case Number	Staff Recommendation Filed
Fidelity Natural Gas, Inc	GR-2001-495	6/28/2002
Missouri Gas Energy (MGE)	GR-2001-382	5/31/2002
Ameren UE	GR-2001-488	2/7/2002
Atmos - Area G (Greeley)	GR-2001-394	1/18/2002
1999/2000 ACA Reviews		
United Cities Gas Company / Atmos	GR-2000-392	8/29/2002
Missouri Public Service /UtiliCorp	GR-2000-520	7/9/2002
Laclede Gas Company	GR-2000-622	3/15/2002
Missouri Gas Energy (MGE)	GR-2000-425	11/27/2001
Ameren UE	GR-2000-579	11/15/2001
Associated Natural Gas (ANG)/ Atmos	GR-2000-573	11/1/2001
St. Joseph Light & Power (SJLP) / UtiliCorp	GR-2000-574	8/28/2001
Southern Missouri Gas Company	GR-2001-39	7/2/2001
Fidelity Natural Gas, Inc	GR-2001-250	6/1/2001
Greeley Gas Company /Atmos	GR-2001-36	5/1/2001
1998/1999 ACA Reviews		
United Cities Gas Company	GR-99-280	9/29/2000
Missouri Public Service (MPS)	GR-99-435	9/1/2000
Laclede Gas Company	GR-99-316	8/14/2000
Missouri Gas Energy (MGE)	GR-99-304	8/1/2000
Associated Natural Gas (ANG)	GR-99-392	8/1/2000
Southern Missouri Gas Company	GR-2000-288	8/1/2000
Ameren UE	GR-99-396	7/31/2000
St. Joseph Light & Power (SJLP)	GR-99-394	6/30/2000
Fidelity Natural Gas, Inc	GR-2000-285	6/30/2000
Greeley Gas Company	GR-2000-319	5/1/2000
<i>* Reviewed engineering work of Derick Miles</i>		

Manisha Lakhanpal

Present Position: Regulatory Economist III

I joined Missouri Public Service Commission in August 2007 as a Regulatory Economist II in the Economic Analysis Section of the Energy Department, Operations Division.

Educational Background:

In December 2005, I graduated with a Masters of Science in Applied Economics, specializing in Electricity, Natural Gas and Telecommunication, from Illinois State University, Normal, Illinois. I have a Post Graduate Diploma in Business Management from Chetana's Institute of Management and Research, Mumbai, India and an undergraduate degree in Political Science and History from University of Delhi, New Delhi, India.

Work Experience:

I first joined Missouri Public Service Commission as an intern in 2006 (May 2006 - August 2006). Prior to returning to PSC I was employed by the Indiana Utility Regulatory Commission, Indianapolis, as a Utility Analyst (September 2006 - August 2007). During my time in Indiana I worked on a variety of cases and projects, including a major rate case, wholesale power cost trackers for municipal utilities, environmental cost recovery cases, a certificate of need for the first wind power project in Indiana as well as a related case involving the purchase of output from the facility, and annual report to the legislature on the state of the industry in Indiana.

In the summer of 2005 (May 2005-July 2005), I worked as an Intern at Commonwealth Edison (ComEd), Chicago, on projects related to deregulation of electric markets in Illinois.

In India I have worked as an Operations Executive for an insurance company (June 2001 - December 2003).

Case Proceeding Participation

Company	Case Number	Issue
Missouri Gas Utility	GR-2008-0060	Weather normal variables for weather normalization
Empire District Electric Company	ER-2008-0093	Weather normal variables for weather normalization, Revenue for Large Power and Large Transmission rate class
Trigen-Kansas City Energy Corporation-(Steam/Heat)	HR-2008-0300	Weather normal variables and weather normalization factors
Ameren UE	ER-2008-0318	Weather normal variables for weather normalization, Revenue for Large Power and Large Transmission rate class
Kansas City Power & Light Company	ER-2009-0089	Weather normal variables for weather normalization, Retail Rate Revenue
KCP&L GMO Company	ER-2009-0090	Weather normal variables for weather normalization
MGE (filed rebuttal and surrebuttal testimony)	GR-2009-0355	Weather normal variables for weather normalization
Ameren UE	ER-2010-0036	Weather normal variables for weather normalization, Revenue for Large Power and Large Transmission rate class
Empire Gas	GR-2009-0434	Weather normal variables for weather normalization
Empire District Electric Company	ER-2010-0130	Weather normal variables for weather normalization, Revenue for Large Power and Large Transmission rate class
Atmos Energy	GR-2010-0192	Weather normal variables for weather normalization

Publications: “Educational Attainment and AIDS Incidence: A Cross-Country Study”, coauthored with Dr. Rati Ram, Department of Economics, Illinois State University, Economics of Education Review, 2008, vol. 27, issue 1, pages 14-21.

ZEPHANIA MAREVANGEPO

Educational and Employment Background and Credentials

I am currently employed as a Utility Regulatory Auditor II for the Missouri Public Service Commission (Commission). I accepted the position of Utility Regulatory Auditor I in December 2008.

I earned a Bachelor of Science degree in Business Administration with an emphasis in Accounting and Financial Services from Columbia College in July 2007. I earned a Masters in Business Administration with an emphasis in Accounting from Lincoln University in May 2009. My accounting and financial services degrees required an understanding of financial concepts, including the cost of capital.

I sponsored the Rate of Return section of the Cost of Service Report in the Laclede Gas Company rate case, Case Nos. GR-2010-0171. I sponsored recommendations in two finance cases, Case Nos. EO-2009-0274 and GF-2009-0450. I have developed rate of return recommendations for numerous small water and sewer rate cases and have assisted as needed in small water and sewer certificate cases.

David M. Sommerer

Educational Background and Work Experience

In May 1983, I received a Bachelor of Science degree in Business and Administration with a major in Accounting from Southern Illinois University at Carbondale, Illinois. In May 1984, I received a Master of Accountancy degree from the same university. Also, in May 1984, I sat for and passed the Uniform Certified Public Accountants examination. I am currently a licensed CPA in Missouri. Upon graduation, I accepted employment with the Commission.

From 1984 to 1990 I assisted with audits and examinations of the books and records of public utilities operating within the state of Missouri. In 1988, the responsibility for conducting the Actual Cost Adjustment (ACA) audits of natural gas utilities was given to the Accounting Department (now referred to as the Auditing Department). I assumed responsibility for planning and implementing these audits and trained available Staff on the requirements and conduct of the audits. I participated in most of the ACA audits from early 1988 to early 1990. On November 1, 1990, I transferred to the Commission's Energy Department. Until November of 1993, my duties consisted of reviews of various tariff proposals by electric and gas utilities, Purchased Gas Adjustment (PGA) reviews, and tariff reviews as part of a rate case. In November of 1993, I assumed my present duties of managing a newly created department called the Procurement Analysis Department. This Department was created to more fully address the emerging changes in the gas industry especially as they impacted the utilities' recovery of gas costs. My duties have included managing the five member staff, reviewing ACA audits and recommendations, participating in the gas integrated resource planning project, serving on the gas project team, serving on the natural gas commodity price task force, and participating in matters relating to natural gas service in the state of Missouri. In July of 2006, the Federal Issues/Policy Analysis Section was transferred to the Procurement Analysis Department. That group analyzes filings made before the Federal Energy Regulatory Commission (FERC).

CASES WHERE TESTIMONY WAS FILED

DAVID M. SOMMERER

COMPANY	CASE NO.	ISSUES
Missouri Gas Energy	GR-2009-0355	PGA tariff
Laclede Gas Company	GT-2009-0026	Tariff Proposal, ACA Process
Missouri Gas Utility	GR-2008-0060	Carrying Costs
Laclede Gas Company	GR-2007-0208	Gas Supply Incentive Plan, Off-system Sales, Capacity Release
Laclede Gas Company	GR-2005-0284	Off-System Sales/GSIP
Laclede Gas Company	GR-2004-0273	Demand Charges
AmerenUE	EO-2004-0108	Transfer of Gas Services
Aquila, Inc.	EF-2003-0465	PGA Process, Deferred Gas Cost
Missouri Gas Energy	GM-2003-0238	Pipeline Discounts, Gas Supply
Laclede Gas Company	GT-2003-0117	Low-Income Program
Laclede Gas Company	GR-2002-356	Inventory, Off-System Sales
Laclede Gas Company	GR-2001-629	Inventory, Off-System Sales
Laclede Gas Company	GR-2001-387	ACA Price Stabilization
Missouri Gas Energy	GR-2001-382	ACA Hedging/Capacity Release
Laclede Gas Company	GT-2001-329	Incentive Plan
Laclede Gas Company	GO-2000-394	Price Stabilization
Laclede Gas Company	GT-99-303	Incentive Plan
Laclede Gas Company	GC-99-121	Complaint PGA
Laclede Gas Company	GR-98-297	ACA Gas Cost
Laclede Gas Company	GO-98-484	Price Stabilization
Laclede Gas Company	GR-98-374	PGA Clause
Missouri Gas Energy	GC-98-335	Complaint Gas Costs

COMPANY	CASE NO.	ISSUES
United Cities Gas Company	GO-97-410	PGA Clause
Missouri Gas Energy	GO-97-409	PGA Clause
Missouri Gas Energy	GR-96-450	ACA Gas Costs
Missouri Public Service	GA-95-216	Cost of Gas
Missouri Gas Energy	GO-94-318	Incentive Plan
Western Resources Inc.	GR-93-240	PGA tariff, Billing Adjustments
Union Electric Company	GR-93-106	ACA Gas Costs
United Cities Gas Company	GR-93-47	PGA tariff, Billing Adjustments
Laclede Gas Company	GR-92-165	PGA tariff
United Cities Gas Company	GR-91-249	PGA tariff
United Cities Gas Company	GR-90-233	PGA tariff
Associated Natural Gas Company	GR-90-152	Payroll
KPL Gas Service Company	GR-90-50	Service Line Replacement
KPL Gas Service Company	GR-90-16	ACA Gas Costs
KPL Gas Service Company	GR-89-48	ACA Gas Costs
Great River Gas Company	GM-87-65	Lease Application
Grand River Mutual Tel. Company	TR-87-25	Plant, Revenues
Empire District Electric Company	WR-86-151	Revenues
Associated Natural Gas Company	GR-86-86	Revenues, Gas Cost
Grand River Mutual Telephone	TR-85-242	Cash Working Capital
Great River Gas Company	GR-85-136	Payroll, Working Capital
Missouri-American Water Company	WR-85-16	Payroll

DAVID WILLIAMS
EDUCATION AND EXPERIENCE

I am currently employed as a Utility Engineering Specialist III for the Missouri Public Service Commission (Commission). I was employed by the Commission in July of 2008.

I received a Master of Science degree in Industrial Engineering from the University of Missouri - Columbia in 1967, and undergraduate degrees in Engineering and Business Management in 1965.

From 1967 until 2000 I was employed by the University of Missouri in engineering, research and information technology capacities. Please refer to the attached Schedule DW 1 for a list of case proceedings in which I have previously filed testimony.

**CASE PARTICIPATION
OF
DAVID WILLIAMS**

Company	Case Number
AmerenUE decommissioning	EO-2006-0098
Aqua Missouri (Development)	SC-2010-0150
Aqua Missouri, Inc.	SC-2010-0152
Aqua Missouri (Development)	SR-2010-0023
Aqua Missouri, Inc.	WC-2010-0151
Aqua Missouri, Inc. (CU)	SR-2010-0026
Aqua Missouri, Inc. (CU)	WR-2010-0027
Aqua Missouri, Inc. (RU)	WC-2010-0153
Aqua Missouri, Inc. (RU)	WR-2010-0025
Citizens Telephone Company	IO-2009-0032
Empire District Electric	ER-2010-0130
Empire District Gas	GR-2009-0434
Hickory Hills Water & Sewer	SR-2009-0154
Hickory Hills Water & Sewer	WR-2009-0151
Kansas City Power and Light	ER-2009-0089
KCP&L Greater Missouri Op.	ER-2009-0090
KCP&L Greater Missouri Op.	HR-2009-0092
Laclede Gas	GR-2010-0171
Lake Region Water & Sewer	SR-2010-0110

Company	Case Number
Lake Region Water & Sewer	WR-2010-0111
Mid-Missouri Telephone	IU-2010-0164
Missouri Gas Energy	GE-2010-0030
Missouri Gas Energy	GR-2009-0355
Missouri Utilities	SR-2009-0153
Missouri Utilities	WR-2009-0150
Osage Water	SR-2009-0152
Osage Water	WR-2009-0149
Suburban Water and Sewer	WR-2009-0197
Swiss Villa Utilities	WO-2007-0410
Whiteside Hidden Acres	SA-2009-0262
Whiteside Hidden Acres	WA-2009-0261
Woodland Acres	WA-2009-0031

MISSOURI PUBLIC SERVICE COMMISSION

**STAFF REPORT
COST OF SERVICE**

APPENDIX 2

Support for Staff Cost of Capital Recommendation

**LACLEDE GAS COMPANY
CASE NO. GR-2010-0171**

AN ANALYSIS OF THE COST OF CAPITAL

FOR

LACLEDE GAS COMPANY

CASE NO. GR-2010-0171

SCHEDULES

BY

ZEPHANIA MAREVANGEPO

UTILITY SERVICES DIVISION

MISSOURI PUBLIC SERVICE COMMISSION

MAY 2010

List of Schedules

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12-2	Comparable Natural Gas Distribution Companies
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LACLEDE GAS COMPANY
CASE NO. GR-2010-0171

Federal Reserve Discount Rate Changes and Federal Reserve Funds Rate Changes

Date	Federal Reserve Discount Rate	Federal Reserve Funds Rate
01/01/83	8.50%	
12/31/83	8.50%	
04/09/84	9.00%	
11/21/84	8.50%	
12/24/84	8.00%	
05/20/85	7.50%	
03/07/86	7.00%	
04/21/86	6.50%	
07/11/86	6.00%	
08/21/86	5.50%	
09/04/87	6.00%	
08/09/88	6.50%	
02/24/89	7.00%	
07/13/90		8.00% *
10/29/90		7.75%
11/13/90		7.50%
12/07/90		7.25%
12/18/90		7.00%
12/19/90	6.50%	
01/09/91		6.75%
02/01/91	6.00%	6.25%
03/08/91		6.00%
04/30/91	5.50%	5.75%
08/06/91		5.50%
09/13/91	5.00%	5.25%
10/31/91		5.00%
11/06/91	4.50%	4.75%
12/06/91		4.50%
12/20/91	3.50%	4.00%
04/09/92		3.75%
07/02/92	3.00%	3.25%
09/04/92		3.00%
01/01/93		
12/31/93	No Changes	No Changes
02/04/94		3.25%
03/22/94		3.50%
04/18/94		3.75%
05/17/94	3.50%	4.25%
08/16/94	4.00%	4.75%
11/15/94	4.75%	5.50%
02/01/95	5.25%	6.00%
07/06/95		5.75%
12/19/95		5.50%
01/31/96	5.00%	5.25%
03/25/97		5.50%
12/12/97	5.00%	
01/09/98	5.00%	
03/06/98	5.00%	
09/29/98		5.25%
10/15/98	4.75%	5.00%
11/17/98	4.50%	4.75%

Date	Federal Reserve Discount Rate	Federal Reserve Funds Rate
06/30/99	4.50%	5.00%
08/24/99	4.75%	5.25%
11/16/99	5.00%	5.50%
02/02/00	5.25%	5.75%
03/21/00	5.50%	6.00%
05/19/00	6.00%	6.50%
01/03/01	5.75%	6.00%
01/04/01	5.50%	6.00%
01/31/01	5.00%	5.50%
03/20/01	4.50%	5.00%
04/18/01	4.00%	4.50%
05/15/01	3.50%	4.00%
06/27/01	3.25%	3.75%
08/21/01	3.00%	3.50%
09/17/01	2.50%	3.00%
10/02/01	2.00%	2.50%
11/06/01	1.50%	2.00%
12/11/01	1.25%	1.75%
11/06/02	0.75%	1.25%
01/09/03	2.25%**	1.25%
06/25/03	2.00%	1.00%
06/30/04	2.25%	1.25%
08/10/04	2.50%	1.50%
09/21/04	2.75%	1.75%
11/10/04	3.00%	2.00%
12/14/04	3.25%	2.25%
02/02/05	3.50%	2.50%
03/22/05	3.75%	2.75%
05/03/05	4.00%	3.00%
06/30/05	4.25%	3.25%
08/09/05	4.50%	3.50%
09/20/05	4.75%	3.75%
11/01/05	5.00%	4.00%
12/13/05	5.25%	4.25%
01/31/06	5.50%	4.50%
03/28/06	5.75%	4.75%
05/10/06	6.00%	5.00%
06/29/06	6.25%	5.25%
08/17/07	5.75%	5.25%
09/18/07	5.25%	4.75%
10/31/07	5.00%	4.50%
12/11/07	4.75%	4.25%
01/22/08	4.00%	3.50%
01/30/08	3.50%	3.00%
03/16/08	3.25%	
03/18/08	2.50%	2.25%
04/30/08	2.25%	2.00%
10/08/08	1.75%	1.50%
10/29/08	1.25%	1.00%
12/16/08	0.50%	0.00-0.25%
02/16/10	0.75%	

* Staff began tracking the Federal Funds Rate.

**Revised discount window program begins. Reflects rate on primary credit. This revised discount window policy results in incomparability of the discount rates after January 9, 2003 to discount rates before January 9, 2003.

Source:

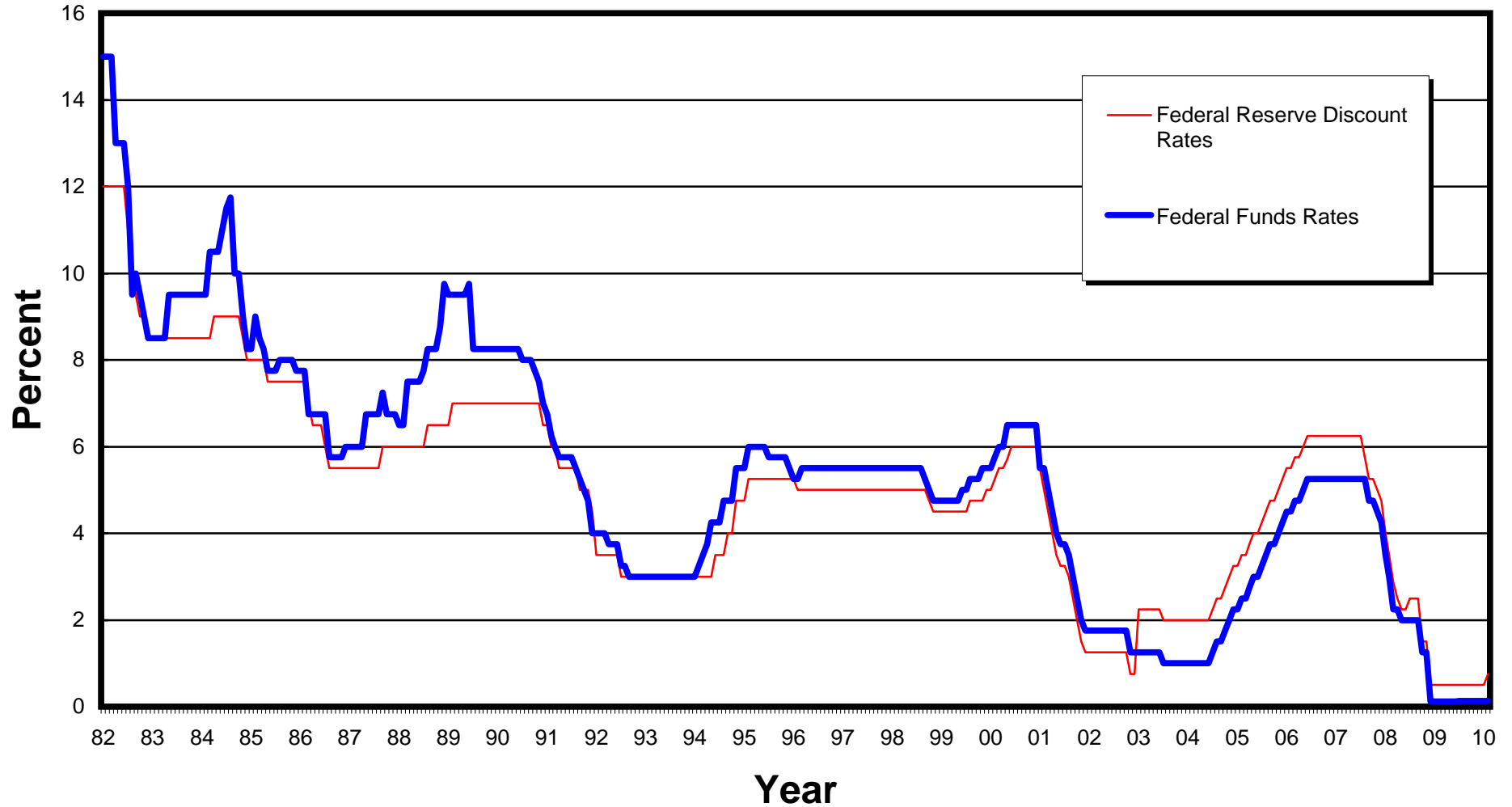
Federal Reserve Discount rate <http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.html>

Federal Reserve Funds rate <http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.html>

Note: Interest rates as of December 31 for each year are underlined.

Federal Reserve Discount Rates and Federal Funds Rates

1982 - 2010



LACLEDE GAS COMPANY
CASE NO. GR-2010-0171

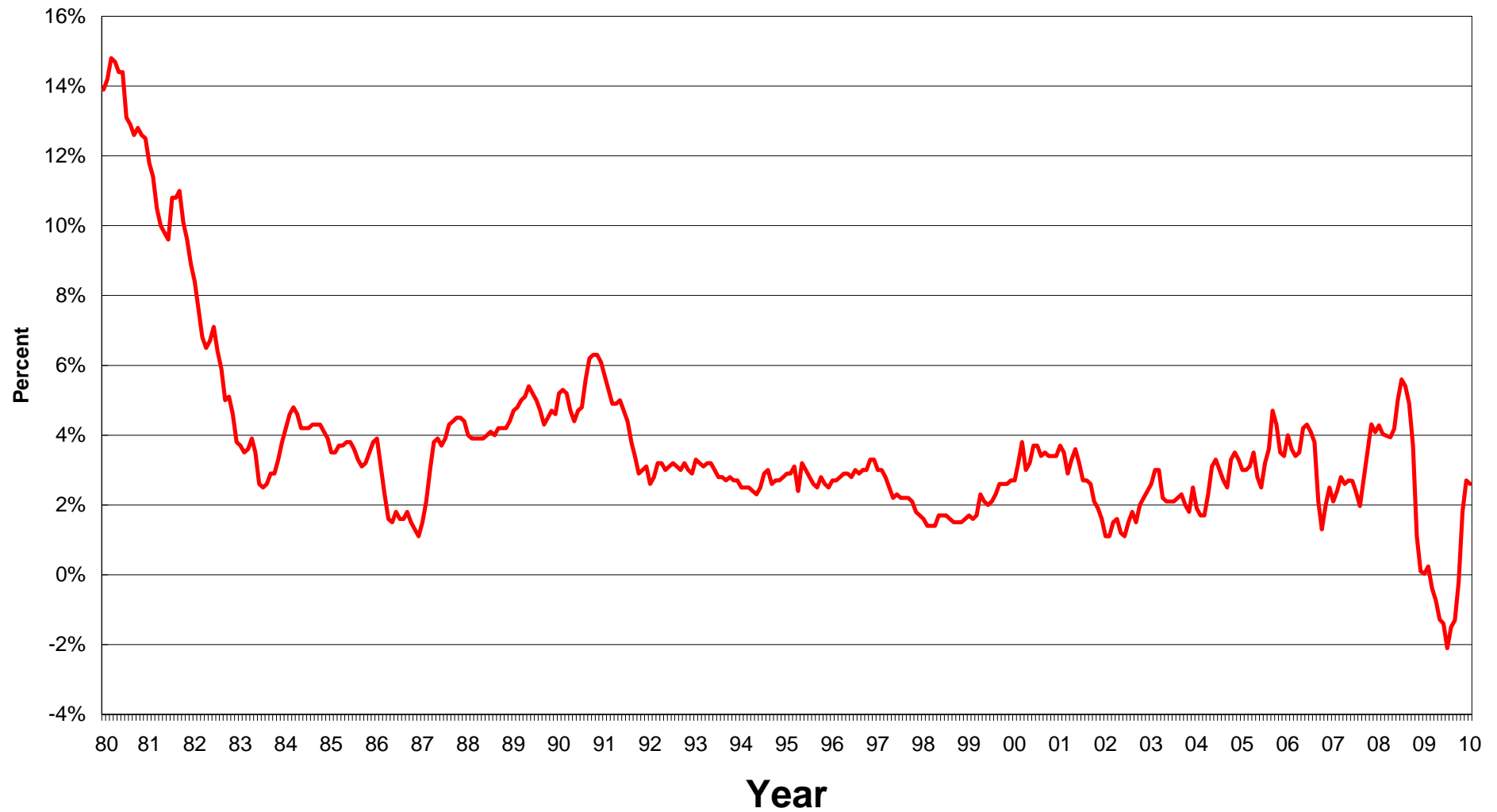
Rate of Inflation

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	13.90	Jan 1984	4.20	Jan 1988	4.00	Jan 1992	2.60	Jan 1996	2.70	Jan 2000	2.70	Jan 2004	1.90	Jan 2008	4.30
Feb	14.20	Feb	4.60	Feb	3.90	Feb	2.80	Feb	2.70	Feb	3.20	Feb	1.70	Feb	4.00
Mar	14.80	Mar	4.80	Mar	3.90	Mar	3.20	Mar	2.80	Mar	3.70	Mar	1.70	Mar	4.00
Apr	14.70	Apr	4.60	Apr	3.90	Apr	3.20	Apr	2.90	Apr	3.00	Apr	2.30	Apr	3.90
May	14.40	May	4.20	May	3.90	May	3.00	May	2.90	May	3.20	May	3.10	May	4.20
Jun	14.40	Jun	4.20	Jun	4.00	Jun	3.10	Jun	2.80	Jun	3.70	Jun	3.30	Jun	5.00
Jul	13.10	Jul	4.20	Jul	4.10	Jul	3.20	Jul	3.00	Jul	3.70	Jul	3.00	Jul	5.60
Aug	12.90	Aug	4.30	Aug	4.00	Aug	3.10	Aug	2.90	Aug	3.40	Aug	2.70	Aug	5.40
Sep	12.60	Sep	4.30	Sep	4.20	Sep	3.00	Sep	3.00	Sep	3.50	Sep	2.50	Sep	4.90
Oct	12.80	Oct	4.30	Oct	4.20	Oct	3.20	Oct	3.00	Oct	3.40	Oct	3.30	Oct	3.70
Nov	12.60	Nov	4.10	Nov	4.20	Nov	3.00	Nov	3.30	Nov	3.40	Nov	3.50	Nov	1.10
Dec	12.50	Dec	3.90	Dec	4.40	Dec	2.90	Dec	3.30	Dec	3.40	Dec	3.30	Dec	0.10
Jan 1981	11.80	Jan 1985	3.50	Jan 1989	4.70	Jan 1993	3.30	Jan 1997	3.00	Jan 2001	3.70	Jan 2005	3.00	Jan 2009	0.00
Feb	11.40	Feb	3.50	Feb	4.80	Feb	3.20	Feb	3.00	Feb	3.50	Feb	3.00	Feb	0.20
Mar	10.50	Mar	3.70	Mar	5.00	Mar	3.10	Mar	2.80	Mar	2.90	Mar	3.10	Mar	-0.40
Apr	10.00	Apr	3.70	Apr	5.10	Apr	3.20	Apr	2.50	Apr	3.30	Apr	3.50	Apr	-0.70
May	9.80	May	3.80	May	5.40	May	3.20	May	2.20	May	3.60	May	2.80	May	-1.28
Jun	9.60	Jun	3.80	Jun	5.20	Jun	3.00	Jun	2.30	Jun	3.20	Jun	2.50	June	-1.40
Jul	10.80	Jul	3.60	Jul	5.00	Jul	2.80	Jul	2.20	Jul	2.70	Jul	3.20	July	-2.10
Aug	10.80	Aug	3.30	Aug	4.70	Aug	2.80	Aug	2.20	Aug	2.70	Aug	3.60	Aug	-1.50
Sep	11.00	Sep	3.10	Sep	4.30	Sep	2.70	Sep	2.20	Sep	2.60	Sep	4.70	Sep	-1.30
Oct	10.10	Oct	3.20	Oct	4.50	Oct	2.80	Oct	2.10	Oct	2.10	Oct	4.30	Oct	-0.20
Nov	9.60	Nov	3.50	Nov	4.70	Nov	2.70	Nov	1.80	Nov	1.90	Nov	3.50	Nov	1.80
Dec	8.90	Dec	3.80	Dec	4.60	Dec	2.70	Dec	1.70	Dec	1.60	Dec	3.40	Dec	2.70
Jan 1982	8.40	Jan 1986	3.90	Jan 1990	5.20	Jan 1994	2.50	Jan 1998	1.60	Jan 2002	1.10	Jan 2006	4.00	Jan 2010	2.60
Feb	7.60	Feb	3.10	Feb	5.30	Feb	2.50	Feb	1.40	Feb	1.10	Feb	3.60	Feb	2.10
Mar	6.80	Mar	2.30	Mar	5.20	Mar	2.50	Mar	1.40	Mar	1.50	Mar	3.40	Mar	2.30
Apr	6.50	Apr	1.60	Apr	4.70	Apr	2.40	Apr	1.40	Apr	1.60	Apr	3.50		
May	6.70	May	1.50	May	4.40	May	2.30	May	1.70	May	1.20	May	4.20		
Jun	7.10	Jun	1.80	Jun	4.70	Jun	2.50	Jun	1.70	Jun	1.10	June	4.30		
Jul	6.40	Jul	1.60	Jul	4.80	Jul	2.90	Jul	1.70	Jul	1.50	July	4.10		
Aug	5.90	Aug	1.60	Aug	5.60	Aug	3.00	Aug	1.60	Aug	1.80	Aug	3.80		
Sep	5.00	Sep	1.80	Sep	6.20	Sep	2.60	Sep	1.50	Sep	1.50	Sep	2.10		
Oct	5.10	Oct	1.50	Oct	6.30	Oct	2.70	Oct	1.50	Oct	2.00	Oct	1.30		
Nov	4.60	Nov	1.30	Nov	6.30	Nov	2.70	Nov	1.50	Nov	2.20	Nov	2.00		
Dec	3.80	Dec	1.10	Dec	6.10	Dec	2.80	Dec	1.60	Dec	2.40	Dec	2.50		
Jan 1983	3.70	Jan 1987	1.50	Jan 1991	5.70	Jan 1995	2.90	Jan 1999	1.70	Jan 2003	2.60	Jan 2007	2.10		
Feb	3.50	Feb	2.10	Feb	5.30	Feb	2.90	Feb	1.60	Feb	3.00	Feb	2.40		
Mar	3.60	Mar	3.00	Mar	4.90	Mar	3.10	Mar	1.70	Mar	3.00	Mar	2.80		
Apr	3.90	Apr	3.80	Apr	4.90	Apr	2.40	Apr	2.30	Apr	2.20	Apr	2.60		
May	3.50	May	3.90	May	5.00	May	3.20	May	2.10	May	2.10	May	2.70		
Jun	2.60	Jun	3.70	Jun	4.70	Jun	3.00	Jun	2.00	Jun	2.10	Jun	2.70		
Jul	2.50	Jul	3.90	Jul	4.40	Jul	2.80	Jul	2.10	Jul	2.10	Jul	2.40		
Aug	2.60	Aug	4.30	Aug	3.80	Aug	2.60	Aug	2.30	Aug	2.20	Aug	2.00		
Sep	2.90	Sep	4.40	Sep	3.40	Sep	2.50	Sep	2.60	Sep	2.30	Sep	2.80		
Oct	2.90	Oct	4.50	Oct	2.90	Oct	2.80	Oct	2.60	Oct	2.00	Oct	3.50		
Nov	3.30	Nov	4.50	Nov	3.00	Nov	2.60	Nov	2.60	Nov	1.80	Nov	4.30		
Dec	3.80	Dec	4.40	Dec	3.10	Dec	2.50	Dec	2.70	Dec	1.90	Dec	4.10		

Source: U.S. Dept of Labor, Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers,
Change for 12-Month Period, Bureau of Labor Statistics,
http://www.bls.gov/schedule/archives/cpi_nr.htm

LACLEDE GAS COMPANY
CASE NO. GR-2010-0171

Rate of Inflation
1980 - 2010



LACLEDE GAS COMPANY
CASE NO. GR-2010-0171
Average Yields on Mergent's Public Utility Bonds

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	12.12	Jan 1984	13.40	Jan 1988	10.75	Jan 1992	8.67	Jan 1996	7.20	Jan 2000	8.22	Jan 2004	6.23	Jan 2008	6.08
Feb	13.48	Feb	13.50	Feb	10.11	Feb	8.77	Feb	7.37	Feb	8.10	Feb	6.17	Feb	6.28
Mar	14.33	Mar	14.03	Mar	10.11	Mar	8.84	Mar	7.72	Mar	8.14	Mar	6.01	Mar	6.29
Apr	13.50	Apr	14.30	Apr	10.53	Apr	8.79	Apr	7.88	Apr	8.14	Apr	6.38	Apr	6.36
May	12.17	May	14.95	May	10.75	May	8.72	May	7.99	May	8.55	May	6.68	May	6.38
Jun	11.87	Jun	15.16	Jun	10.71	Jun	8.64	Jun	8.07	Jun	8.22	Jun	6.53	Jun	6.50
Jul	12.12	Jul	14.92	Jul	10.96	Jul	8.46	Jul	8.02	Jul	8.17	Jul	6.34	Jul	6.50
Aug	12.82	Aug	14.29	Aug	11.09	Aug	8.34	Aug	7.84	Aug	8.05	Aug	6.18	Aug	6.48
Sep	13.29	Sep	14.04	Sep	10.56	Sep	8.32	Sep	8.01	Sep	8.16	Sep	6.01	Sep	6.59
Oct	13.53	Oct	13.68	Oct	9.92	Oct	8.44	Oct	7.76	Oct	8.08	Oct	5.95	Oct	7.70
Nov	14.07	Nov	13.15	Nov	9.89	Nov	8.53	Nov	7.48	Nov	8.03	Nov	5.97	Nov	7.80
Dec	14.48	Dec	12.96	Dec	10.02	Dec	8.36	Dec	7.58	Dec	7.79	Dec	5.93	Dec	6.87
Jan 1981	14.22	Jan 1985	12.88	Jan 1989	10.02	Jan 1993	8.23	Jan 1997	7.79	Jan 2001	7.76	Jan 2005	5.80	Jan 2009	6.77
Feb	14.84	Feb	13.00	Feb	10.02	Feb	8.00	Feb	7.68	Feb	7.69	Feb	5.64	Feb	6.72
Mar	14.86	Mar	13.66	Mar	10.16	Mar	7.85	Mar	7.92	Mar	7.59	Mar	5.86	Mar	6.85
Apr	15.32	Apr	13.42	Apr	10.14	Apr	7.76	Apr	8.08	Apr	7.81	Apr	5.72	Apr	6.90
May	15.84	May	12.89	May	9.92	May	7.78	May	7.94	May	7.88	May	5.60	May	6.83
Jun	15.27	Jun	11.91	Jun	9.49	Jun	7.68	Jun	7.77	Jun	7.75	Jun	5.39	June	6.54
Jul	15.87	Jul	11.88	Jul	9.34	Jul	7.53	Jul	7.52	Jul	7.71	Jul	5.50	July	6.15
Aug	16.33	Aug	11.93	Aug	9.37	Aug	7.21	Aug	7.57	Aug	7.57	Aug	5.51	Aug	5.80
Sep	16.89	Sep	11.95	Sep	9.43	Sep	7.01	Sep	7.50	Sep	7.73	Sep	5.54	Sep	5.60
Oct	16.76	Oct	11.84	Oct	9.37	Oct	6.99	Oct	7.37	Oct	7.64	Oct	5.79	Oct	5.64
Nov	15.50	Nov	11.33	Nov	9.33	Nov	7.30	Nov	7.24	Nov	7.61	Nov	5.88	Nov	5.71
Dec	15.77	Dec	10.82	Dec	9.31	Dec	7.33	Dec	7.16	Dec	7.86	Dec	5.83	Dec	5.86
Jan 1982	16.73	Jan 1986	10.66	Jan 1990	9.44	Jan 1994	7.31	Jan 1998	7.03	Jan 2002	7.69	Jan 2006	5.77	Jan 2010	5.83
Feb	16.72	Feb	10.16	Feb	9.66	Feb	7.44	Feb	7.09	Feb	7.62	Feb	5.83	Feb	5.94
Mar	16.07	Mar	9.33	Mar	9.75	Mar	7.83	Mar	7.13	Mar	7.83	Mar	5.98		
Apr	15.82	Apr	9.02	Apr	9.87	Apr	8.20	Apr	7.12	Apr	7.74	Apr	6.28		
May	15.60	May	9.52	May	9.89	May	8.32	May	7.11	May	7.76	May	6.39		
Jun	16.18	Jun	9.51	Jun	9.69	Jun	8.31	Jun	6.99	Jun	7.67	June	6.39		
Jul	16.04	Jul	9.19	Jul	9.66	Jul	8.47	Jul	6.99	Jul	7.54	July	6.37		
Aug	15.22	Aug	9.15	Aug	9.84	Aug	8.41	Aug	6.96	Aug	7.34	Aug	6.20		
Sep	14.56	Sep	9.42	Sep	10.01	Sep	8.65	Sep	6.88	Sep	7.23	Sep	6.03		
Oct	13.88	Oct	9.39	Oct	9.94	Oct	8.88	Oct	6.88	Oct	7.43	Oct	6.01		
Nov	13.58	Nov	9.15	Nov	9.76	Nov	9.00	Nov	6.96	Nov	7.31	Nov	5.82		
Dec	13.55	Dec	8.96	Dec	9.57	Dec	8.79	Dec	6.84	Dec	7.20	Dec	5.83		
Jan 1983	13.46	Jan 1987	8.77	Jan 1991	9.56	Jan 1995	8.77	Jan 1999	6.87	Jan 2003	7.13	Jan 2007	5.96		
Feb	13.60	Feb	8.81	Feb	9.31	Feb	8.56	Feb	7.00	Feb	6.92	Feb	5.91		
Mar	13.28	Mar	8.75	Mar	9.39	Mar	8.41	Mar	7.18	Mar	6.80	Mar	5.87		
Apr	13.03	Apr	9.30	Apr	9.30	Apr	8.30	Apr	7.16	Apr	6.68	Apr	6.01		
May	13.00	May	9.82	May	9.29	May	7.93	May	7.42	May	6.35	May	6.03		
Jun	13.17	Jun	9.87	Jun	9.44	Jun	7.62	Jun	7.70	Jun	6.21	June	6.34		
Jul	13.28	Jul	10.01	Jul	9.40	Jul	7.73	Jul	7.66	Jul	6.54	July	6.28		
Aug	13.50	Aug	10.33	Aug	9.16	Aug	7.86	Aug	7.86	Aug	6.78	Aug	6.28		
Sep	13.35	Sep	11.00	Sep	9.03	Sep	7.62	Sep	7.87	Sep	6.58	Sep	6.24		
Oct	13.19	Oct	11.32	Oct	8.99	Oct	7.46	Oct	8.02	Oct	6.50	Oct	6.17		
Nov	13.33	Nov	10.82	Nov	8.93	Nov	7.40	Nov	7.86	Nov	6.44	Nov	6.04		
Dec	13.48	Dec	10.99	Dec	8.76	Dec	7.21	Dec	8.04	Dec	6.36	Dec	6.23		

Source: [Mergent Bond Record for March 2009 PU Bonds \(page 11\)](#)

LACLEDE GAS COMPANY
CASE NO. GR-2010-0171

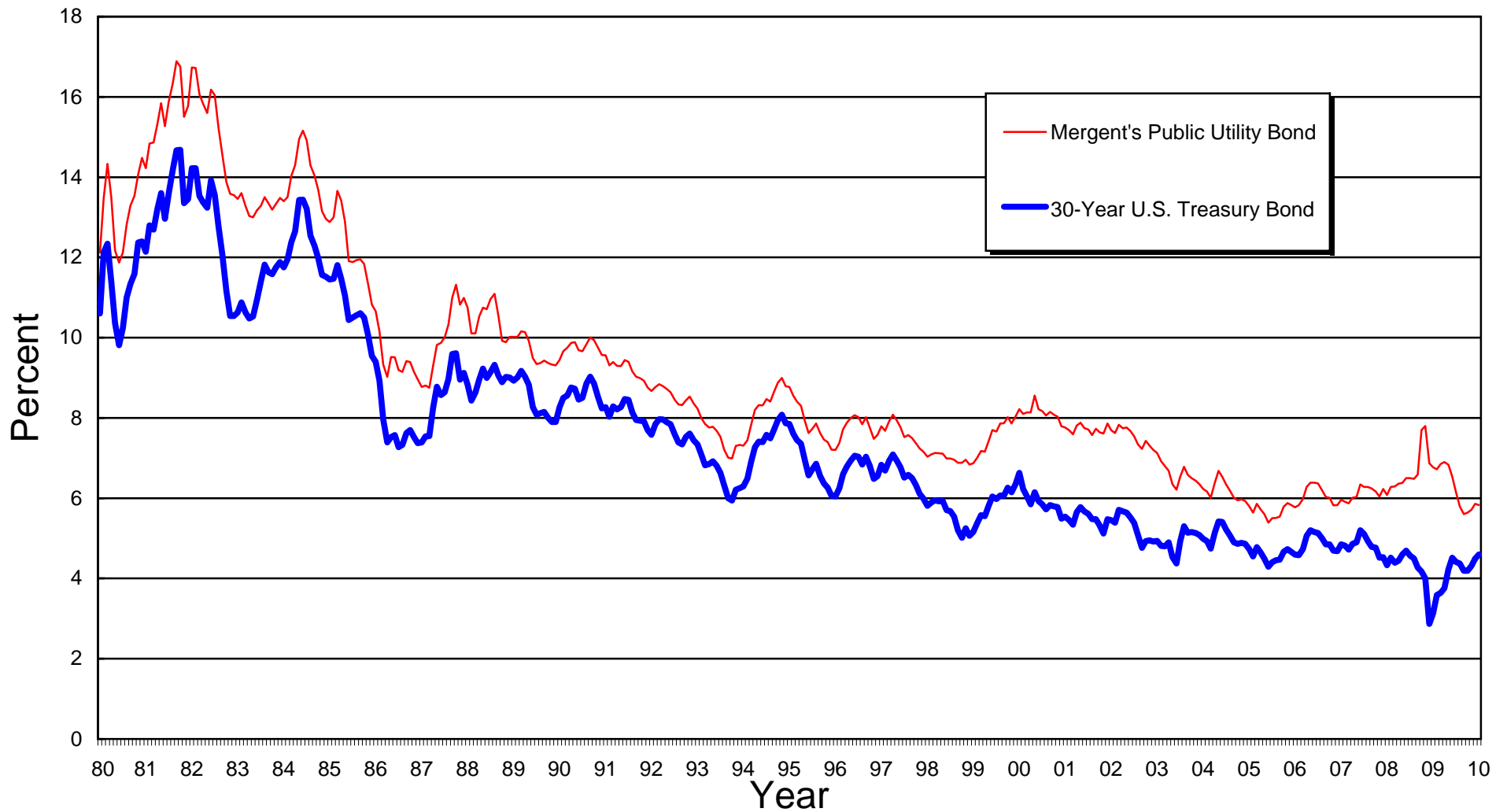
Average Yields on Thirty-Year U.S. Treasury Bonds

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	10.60	Jan 1984	11.75	Jan 1988	8.83	Jan 1992	7.58	Jan 1996	6.05	Jan 2000	6.63	Jan 2004	4.99	Jan 2008	4.33
Feb	12.13	Feb	11.95	Feb	8.43	Feb	7.85	Feb	6.24	Feb	6.23	Feb	4.93	Feb	4.52
Mar	12.34	Mar	12.38	Mar	8.63	Mar	7.97	Mar	6.60	Mar	6.05	Mar	4.74	Mar	4.39
Apr	11.40	Apr	12.65	Apr	8.95	Apr	7.96	Apr	6.79	Apr	5.85	Apr	5.14	Apr	4.44
May	10.36	May	13.43	May	9.23	May	7.89	May	6.93	May	6.15	May	5.42	May	4.60
Jun	9.81	Jun	13.44	Jun	9.00	Jun	7.84	Jun	7.06	Jun	5.93	Jun	5.41	Jun	4.69
Jul	10.24	Jul	13.21	Jul	9.14	Jul	7.60	Jul	7.03	Jul	5.85	Jul	5.22	Jul	4.57
Aug	11.00	Aug	12.54	Aug	9.32	Aug	7.39	Aug	6.84	Aug	5.72	Aug	5.06	Aug	4.50
Sep	11.34	Sep	12.29	Sep	9.06	Sep	7.34	Sep	7.03	Sep	5.83	Sep	4.90	Sep	4.27
Oct	11.59	Oct	11.98	Oct	8.89	Oct	7.53	Oct	6.81	Oct	5.80	Oct	4.86	Oct	4.17
Nov	12.37	Nov	11.56	Nov	9.02	Nov	7.61	Nov	6.48	Nov	5.78	Nov	4.89	Nov	4.00
Dec	12.40	Dec	11.52	Dec	9.01	Dec	7.44	Dec	6.55	Dec	5.49	Dec	4.86	Dec	2.87
Jan 1981	12.14	Jan 1985	11.45	Jan 1989	8.93	Jan 1993	7.34	Jan 1997	6.83	Jan 2001	5.54	Jan 2005	4.73	Jan 2009	3.13
Feb	12.80	Feb	11.47	Feb	9.01	Feb	7.09	Feb	6.69	Feb	5.45	Feb	4.55	Feb	3.59
Mar	12.69	Mar	11.81	Mar	9.17	Mar	6.82	Mar	6.93	Mar	5.34	Mar	4.78	Mar	3.64
Apr	13.20	Apr	11.47	Apr	9.03	Apr	6.85	Apr	7.09	Apr	5.65	Apr	4.65	Apr	3.76
May	13.60	May	11.05	May	8.83	May	6.92	May	6.94	May	5.78	May	4.49	May	4.23
Jun	12.96	Jun	10.44	Jun	8.27	Jun	6.81	Jun	6.77	Jun	5.67	Jun	4.29	June	4.52
Jul	13.59	Jul	10.50	Jul	8.08	Jul	6.63	Jul	6.51	Jul	5.61	Jul	4.41	July	4.41
Aug	14.17	Aug	10.56	Aug	8.12	Aug	6.32	Aug	6.58	Aug	5.48	Aug	4.46	Aug	4.37
Sep	14.67	Sep	10.61	Sep	8.15	Sep	6.00	Sep	6.50	Sep	5.48	Sep	4.47	Sept	4.19
Oct	14.68	Oct	10.50	Oct	8.00	Oct	5.94	Oct	6.33	Oct	5.32	Oct	4.67	Oct	4.19
Nov	13.35	Nov	10.06	Nov	7.90	Nov	6.21	Nov	6.11	Nov	5.12	Nov	4.73	Nov	4.31
Dec	13.45	Dec	9.54	Dec	7.90	Dec	6.25	Dec	5.99	Dec	5.48	Dec	4.66	Dec	4.49
Jan 1982	14.22	Jan 1986	9.40	Jan 1990	8.26	Jan 1994	6.29	Jan 1998	5.81	Jan 2002	5.44	Jan 2006	4.59	Jan 2010	4.60
Feb	14.22	Feb	8.93	Feb	8.50	Feb	6.49	Feb	5.89	Feb	5.39	Feb	4.58	Feb	4.62
Mar	13.53	Mar	7.96	Mar	8.56	Mar	6.91	Mar	5.95	Mar	5.71	Mar	4.73	Mar	4.64
Apr	13.37	Apr	7.39	Apr	8.76	Apr	7.27	Apr	5.92	Apr	5.67	Apr	5.06		
May	13.24	May	7.52	May	8.73	May	7.41	May	5.93	May	5.64	May	5.20		
Jun	13.92	Jun	7.57	Jun	8.46	Jun	7.40	Jun	5.70	Jun	5.52	Jun	5.16		
Jul	13.55	Jul	7.27	Jul	8.50	Jul	7.58	Jul	5.68	Jul	5.38	July	5.13		
Aug	12.77	Aug	7.33	Aug	8.86	Aug	7.49	Aug	5.54	Aug	5.08	Aug	5.00		
Sep	12.07	Sep	7.62	Sep	9.03	Sep	7.71	Sep	5.20	Sep	4.76	Sep	4.85		
Oct	11.17	Oct	7.70	Oct	8.86	Oct	7.94	Oct	5.01	Oct	4.93	Oct	4.85		
Nov	10.54	Nov	7.52	Nov	8.54	Nov	8.08	Nov	5.25	Nov	4.95	Nov	4.69		
Dec	10.54	Dec	7.37	Dec	8.24	Dec	7.87	Dec	5.06	Dec	4.92	Dec	4.68		
Jan 1983	10.63	Jan 1987	7.39	Jan 1991	8.27	Jan 1995	7.85	Jan 1999	5.16	Jan 2003	4.94	Jan 2007	4.85		
Feb	10.88	Feb	7.54	Feb	8.03	Feb	7.61	Feb	5.37	Feb	4.81	Feb	4.82		
Mar	10.63	Mar	7.55	Mar	8.29	Mar	7.45	Mar	5.58	Mar	4.80	Mar	4.72		
Apr	10.48	Apr	8.25	Apr	8.21	Apr	7.36	Apr	5.55	Apr	4.90	Apr	4.86		
May	10.53	May	8.78	May	8.27	May	6.95	May	5.81	May	4.53	May	4.90		
Jun	10.93	Jun	8.57	Jun	8.47	Jun	6.57	Jun	6.04	Jun	4.37	Jun	5.20		
Jul	11.40	Jul	8.64	Jul	8.45	Jul	6.72	Jul	5.98	Jul	4.93	July	5.11		
Aug	11.82	Aug	8.97	Aug	8.14	Aug	6.86	Aug	6.07	Aug	5.30	Aug	4.93		
Sep	11.63	Sep	9.59	Sep	7.95	Sep	6.55	Sep	6.07	Sep	5.14	Sep	4.79		
Oct	11.58	Oct	9.61	Oct	7.93	Oct	6.37	Oct	6.26	Oct	5.16	Oct	4.77		
Nov	11.75	Nov	8.95	Nov	7.92	Nov	6.26	Nov	6.15	Nov	5.13	Nov	4.52		
Dec	11.88	Dec	9.12	Dec	7.70	Dec	6.06	Dec	6.35	Dec	5.08	Dec	4.53		

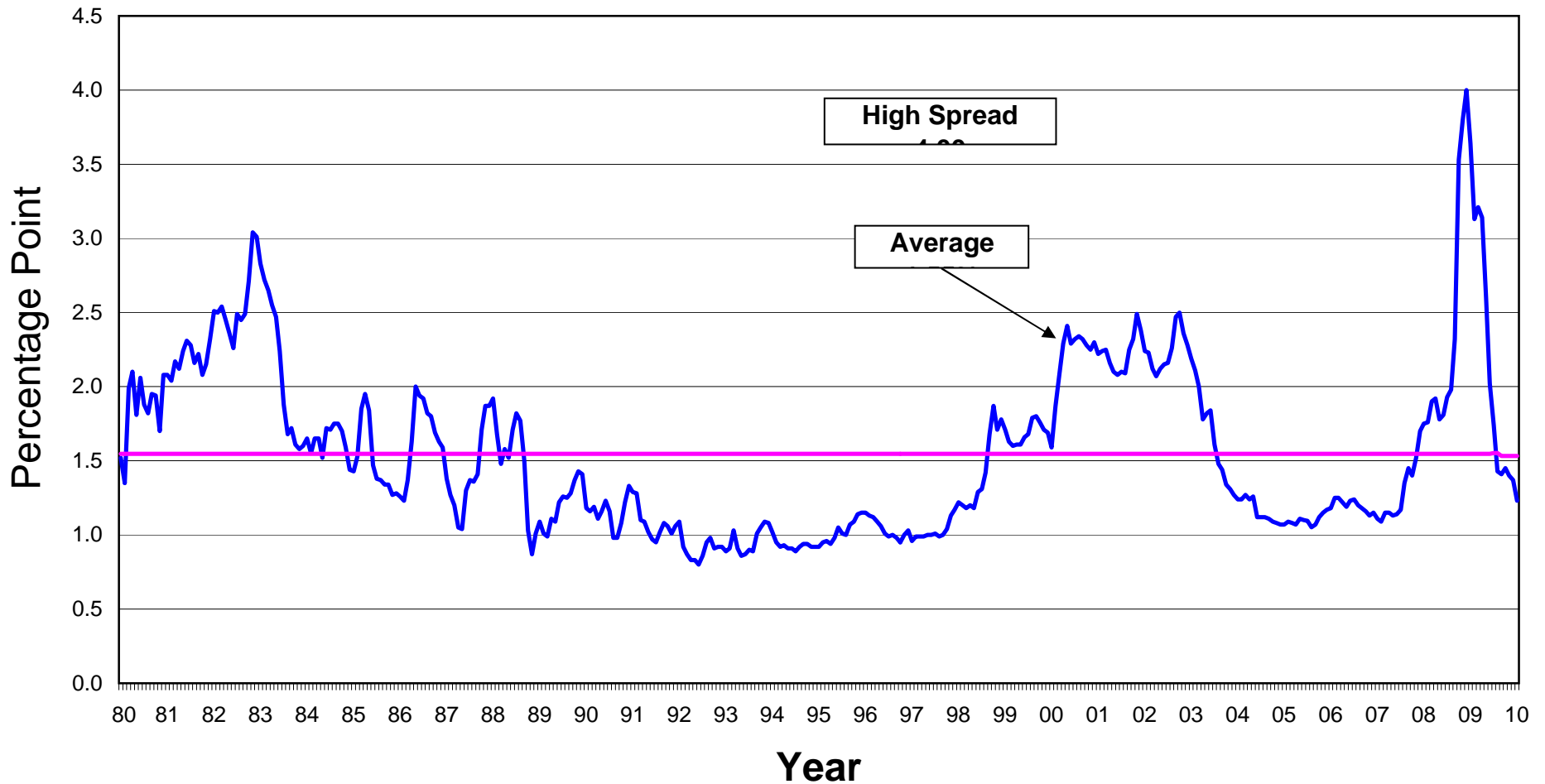
Sources: <http://finance.yahoo.com/q/hp?s=^TYX>
<http://research.stlouisfed.org/fred2/data/GS30.txt>

LACLEDE GAS COMPANY
CASE NO. GR-2010-0171

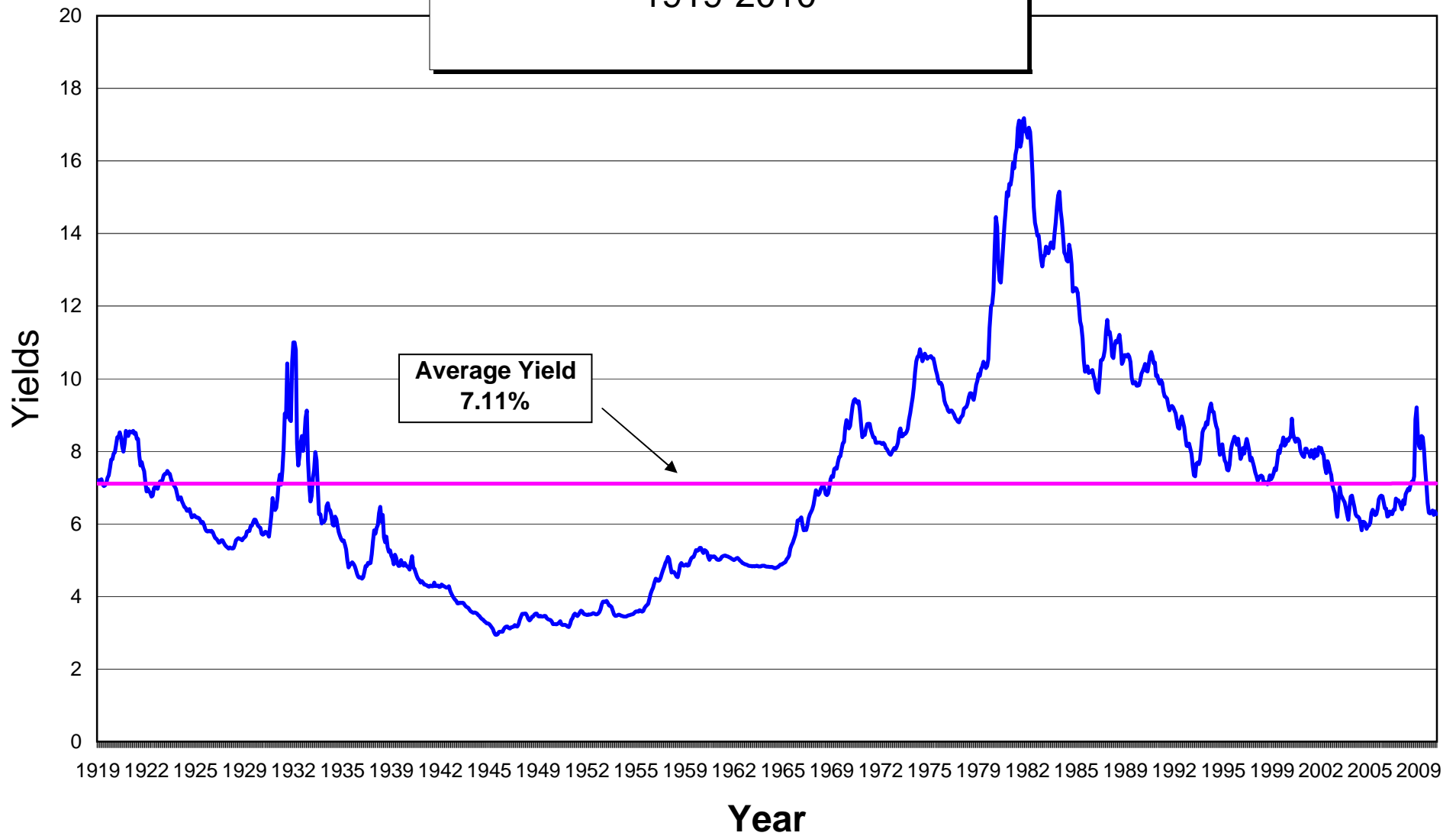
Average Yields on Mergent's Public Utility Bonds and
Thirty-Year U.S. Treasury Bonds (1980 - 2010)



Monthly Spreads Between Yields on Mergent's Public Utility Bonds
and
Thirty-Year U.S. Treasury Bonds (1980 - 2010)



Moody's Baa Corporate Bond Yields
1919-2010



LACLEDE GAS COMPANY
CASE NO. GR-2010-0171

**Historical Capital Structures for Laclede Group Inc.
Consolidated Basis**

LACLEDE GROUP INC. TOTAL CAPITALIZATION

Capital Components	2005	2006	2007	2008	2009
Common Equity	\$366,525,000	\$402,637,000	\$428,325,000	\$486,479,000	\$517,030,000
Preferred Stock	\$948,000	\$787,000	\$627,000	\$467,000	\$0
Long-Term Debt	\$340,433,000 ¹	\$395,441,000 ¹	\$355,522,000 ¹	\$389,181,000	\$389,240,000
Short-Term Debt	\$86,325,000	\$207,300,000	\$211,400,000	\$215,900,000	\$129,800,000
Total	<u>\$794,231,000</u>	<u>\$1,006,165,000</u>	<u>\$995,874,000</u>	<u>\$1,092,027,000</u>	<u>\$1,036,070,000</u>

Capital Structure	2005	2006	2007	2008	2009	5-Year Average
Common Equity	46.15%	40.02%	43.01%	44.55%	49.90%	44.73%
Preferred Stock	0.12%	0.08%	0.06%	0.04%	0.00%	0.06%
Long-Term Debt	42.86%	39.30%	35.70%	35.64%	37.57%	38.21%
Short-Term Debt	10.87%	20.60%	21.23%	19.77%	12.53%	17.00%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

LACLEDE GAS COMPANY TOTAL CAPITALIZATION

Capital Components	2005	2006	2007	2008	2009
Common Equity	\$335,278,000	\$339,500,000	\$345,511,000	\$358,628,000	\$402,585,000
Preferred Stock	\$948,000	\$787,000	\$627,000	\$467,000	\$0
Long-Term Debt	\$294,033,000	\$349,041,000	\$309,122,000	\$389,181,000	\$389,240,000
Short-Term Debt	\$86,325,000	\$207,300,000	\$211,400,000	\$215,900,000	\$129,800,000
Total	<u>\$716,584,000</u>	<u>\$896,628,000</u>	<u>\$866,660,000</u>	<u>\$964,176,000</u>	<u>\$921,625,000</u>

Capital Structure	2005	2006	2007	2008	2009	5-Year Average
Common Equity	46.79%	37.86%	39.87%	37.20%	43.68%	41.08%
Preferred Stock	0.13%	0.09%	0.07%	0.05%	0.00%	0.07%
Long-Term Debt	41.03%	38.93%	35.67%	40.36%	42.23%	39.65%
Short-Term Debt	12.05%	23.12%	24.39%	22.39%	14.08%	19.21%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Notes: 1. Long-term debt includes debt to Unconsolidated Affiliate Trust

Source: Laclede Group Inc.'s 2005, 2006, 2007, 2008 and 2009 SEC filings (10-K).

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Selected Financial Ratios for Laclede Group Inc.

Financial Ratios	2005	2006	2007	2008	2009
Return on Common Equity	10.90%	12.50%	11.60%	11.80%	12.40%
Earnings Per Common Share	\$1.90	\$2.37	\$2.31	\$2.64	\$2.92
Cash Dividends Per Common Share	\$1.37	\$1.40	\$1.45	\$1.49	\$1.53
Common Dividend Payout Ratio	72.11%	59.07%	62.77%	56.44%	52.40%
Year-End Market Price Per Common Share	\$26.74	\$27.60	\$29.07	\$45.43	\$31.41
Year-End Book Value Per Common Share	\$17.31	\$18.85	\$19.79	\$22.12	\$23.32
Year-End Market-to- Book Ratio	1.54 x	1.46 x	1.47 x	2.05 x	1.35 x
Funds From Operations (FFO) Interest Coverage Ratio	3.3 x	2.4 x	3.1 x	4.3 x	4.49 x
FFO/Average Total Debt	16.2%	19.0%	14.2%	22.3%	21.5%
Corporate Credit Rating (Standard & Poor's Corporation)	A	A	A	A	A

Formulas:

Common Dividend Payout Ratio = Common Dividends Paid / Earnings Per Common Share.

Year-End Market-to-Book Ratio = Year-End Market Price Per Common Share / Year-End Book Value Per Common Share.

Sources: Standard and Poor's Laclede Group Inc. Research Update October 30, 2009.

Value Line Investment Survey for Laclede Group, September 30, 2009.

<http://finance.yahoo.com>

AUS Utility Report, March 31, 2010

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Capital Structure as of September 30, 2009
Laclede Gas Company

Capital Component	Dollar Amount	Percentage of Capital
Common Stock Equity	\$ 517,030,000	57.41%
Long-Term Debt	\$ 383,612,550 ¹	42.59%
Short-Term Debt	\$ -	0.00%
Total Capitalization	\$ 900,642,550	100.00%

Note: 1. Long-term Debt at September 30, 2009 is based on the net balance of long-term debt, including current maturities (total principal amount of long-term debt outstanding less unamortized expenses and discounts) Ref: Response to Data Request No. 0107.

Source: Laclede Group SEC 10-K filing and Laclede's response to Staff Data Request No. 107.

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**Embedded Cost of Long-Term Debt
as of September 30, 2009**

	<u>Amount Outstanding</u>	<u>Annual Cost</u>
Bonds and Unsecured Notes Series:		
6 1/2% Series Due 11/15/10	\$25,000,000	\$1,625,000
6 1/2% Series Due 10/15/12	\$25,000,000	\$1,625,000
5 1/2% Series Due 05/01/19	\$50,000,000	\$2,750,000
7% Series Due 06/01/29	\$25,000,000	\$1,750,000
7 9/10% Series Due 09/15/30	\$30,000,000	\$2,370,000
6% Series Due 05/01/34	\$100,000,000	\$6,000,000
6.15% Series Due 06/01/36	\$55,000,000	\$3,382,500
6.35% Series Due 10/15/38	\$80,000,000	\$5,080,000
Unamortized Premium, Discount and Expense	-\$6,387,450	
Annual Amortization		<u>\$384,485</u>
Total	<u><u>\$383,612,550</u></u>	<u><u>\$24,966,985</u></u>
Embedded Cost of Long-term Debt		6.51%

Source: Laclede's Response to Staff's Data Request No. 107

LACLEDE GAS COMPANY
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Criteria for Selecting Comparable Natural Gas Distribution Companies

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Natural Gas Distribution Companies	Stock Publicly Traded	Information Printed In Value Line	10-Year Value Line Historical Growth Available	No Reduced Dividend since 2007	Projected Growth Available from Value Line and Reuters	At Least Investment Grade Credit Rating	Comparable Company Met All Criteria
AGL Resources, Inc.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Atmos Energy Corporation	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Delta Natural Gas Company, Inc.	Yes	Yes	Yes	Yes	No		
Energy West	Yes	Yes	Yes	No			
Laclede Group	Yes	Yes	Yes	Yes	No		
New Jersey Resources Corp.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Northwest Natural Gas Company	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Piedmont Natural Gas Company, Inc.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RGC Resources, Inc.	Yes	Yes	Yes	Yes	No		
South Jersey Industries, Inc.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
WGL Holdings, Inc.	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Column 1 = Edward Jones' Natural Gas Industry Summary, March 31, 2010.

Columns 2, 3, 4, and 5 = The Value Line Investment Survey: Ratings & Reports, March 12, 2010.

Column 6 = Reuters Estimates, April 22, 2010

Column 7 = Standard & Poor's RatingsDirect

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**Seven Comparable Natural Gas Distribution Companies
For Laclede Gas Company**

Number	Ticker Symbol	Company Name
1	AGL	AGL Resources, Inc.
2	ATO	Atmos Energy Corporation.
3	NJR	New Jersey Resources Corporation
4	NWN	Northwest Natural Gas
5	PNY	Piedmont Natural Gas Company, Inc.
6	SJI	South Jersey Industries, Inc.
7	WGL	WGL Holdings, Inc.

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**Ten-Year Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for the Seven Comparable Natural Gas Distribution Companies**

----- 10-Year Annual Compound Growth Rates -----				Average of 10 Year Annual Compound
<u>Company Name</u>	<u>DPS</u>	<u>EPS</u>	<u>BVPS</u>	<u>Growth Rates</u>
AGL Resources, Inc.	4.00%	7.00%	7.00%	6.00%
Atmos Energy Corporation	2.00%	4.00%	7.00%	4.33%
New Jersey Resources Corp.	4.50%	8.00%	8.50%	7.00%
Northwest Natural Gas Co.	2.00%	5.00%	3.50%	3.50%
Piedmont Natural Gas Co.	5.00%	5.00%	5.00%	5.00%
South Jersey Industries, Inc.	3.50%	11.50%	9.00%	8.00%
WGL Holdings, Inc.	<u>1.50%</u>	<u>4.00%</u>	<u>4.00%</u>	<u>3.17%</u>
Average	<u>3.21%</u>	<u>6.36%</u>	<u>6.29%</u>	<u>5.29%</u>
Standard Deviation	1.28%	2.52%	2.00%	1.67%

Source: The Value Line Investment Survey: Ratings & Reports, March 12, 2010.

LACLEDE GAS COMPANY
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**Five-Year Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for the Seven Comparable Natural Gas Distribution Companies**

----- 5-Year Annual Compound Growth Rates -----				
<u>Company Name</u>	<u>DPS</u>	<u>EPS</u>	<u>BVPS</u>	<u>Average of 5 Year Annual Compound Growth Rates</u>
AGL Resources, Inc.	8.00%	8.50%	10.00%	8.83%
Atmos Energy Corp.	1.50%	4.50%	7.00%	4.33%
New Jersey Resources Corp.	6.00%	7.50%	10.50%	8.00%
Northwest Natural Gas Co.	3.00%	8.00%	3.50%	4.83%
Piedmont Natural Gas Co.	4.50%	6.50%	4.50%	5.17%
South Jersey Industries, Inc.	6.00%	13.00%	11.00%	10.00%
WGL Holdings, Inc.	<u>2.00%</u>	<u>5.50%</u>	<u>5.00%</u>	<u>4.17%</u>
Average	<u>4.43%</u>	<u>7.64%</u>	<u>7.36%</u>	<u>6.48%</u>
Standard Deviation	2.21%	2.55%	2.90%	2.22%

Source: The Value Line Investment Survey: Ratings & Reports, March 12, 2010.

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**Average of Ten and Five-Year Dividends Per Share, Earnings Per Share
& Book Value Per Share Growth Rates for the Seven Comparable
Natural Gas Distribution Companies**

<u>Company Name</u>	<u>10-Year Average DPS, EPS & BVPS</u>	<u>5-Year Average DPS, EPS & BVPS</u>	<u>Average of 5-Year & 10-Year Averages</u>
AGL Resources, Inc.	6.00%	8.83%	7.42%
Atmos Energy Corp.	4.33%	4.33%	4.33%
New Jersey Resources Corporation	7.00%	8.00%	7.50%
Northwest Natural Gas	3.50%	4.83%	4.17%
Piedmont Natural Gas Company, Inc.	5.00%	5.17%	5.08%
South Jersey Industries, Inc.	8.00%	10.00%	9.00%
WGL Holdings, Inc.	<u>3.17%</u>	<u>4.17%</u>	<u>3.67%</u>
Average	<u>5.29%</u>	<u>6.48%</u>	<u>5.88%</u>

LACLEDE GAS COMPANY
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**Five-Year Projected Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for the Seven Comparable Natural Gas Distribution Utility Companies**

----- 5-Year Projected Compound Growth Rates -----				
Company Name	DPS	EPS	BVPS	Average of 5 Year Annual Compound Growth Rates
AGL Resources, Inc.	2.50%	3.50%	5.00%	3.67%
Atmos Energy Corp.	2.00%	5.50%	3.50%	3.67%
New Jersey Resources Corporation	5.50%	6.50%	4.50%	5.50%
Northwest Natural Gas	6.00%	5.00%	5.00%	5.33%
Piedmont Natural Gas Company, Inc.	3.50%	4.00%	3.00%	3.50%
South Jersey Industries, Inc.	6.50%	5.50%	5.00%	5.67%
WGL Holdings, Inc.	3.00%	2.50%	4.00%	3.17%
Average	4.14%	4.64%	4.29%	4.36%
Standard Deviation	1.68%	1.27%	0.75%	1.01%

Source: The Value Line Investment Survey: Ratings & Reports, March 12, 2010.

LACLEDE GAS COMPANY
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**Historical and Projected Growth Rates for the
Seven Comparable Natural Gas Distribution Companies**

	(1)	(2)	(3)	(4)
<u>Company Name</u>	<u>Historical Growth Rate (DPS, EPS and BVPS)</u>	<u>Projected Growth Rate (DPS, EPS and BVPS)</u>	<u>Projected 5-Year EPS Growth Reuters (Mean)</u>	<u>Projected 3-5 Year EPS Growth Value Line</u>
AGL Resources, Inc.	7.42%	3.67%	5.55%	3.50%
Atmos Energy Corp.	4.33%	3.67%	4.52%	5.50%
New Jersey Resources Corporation	7.50%	5.50%	5.05%	6.50%
Northwest Natural Gas	4.17%	5.33%	5.50%	5.00%
Piedmont Natural Gas Company, Inc.	5.08%	3.50%	7.00%	4.00%
South Jersey Industries, Inc.	9.00%	5.67%	13.50%	5.50%
WGL Holdings, Inc.	3.67%	3.17%	0.60%	2.50%
	5.88%	4.36%	5.96%	4.64%

Proposed Range of Growth: 4.75%-5.75%

Sources: Column 1 = Average of 10-Year and 5-Year Annual Compound Growth Rates from Schedule 11-3.

Column 2 = Schedule 14.

Column 3 = Reuters Website, April 22, 2010

Column 4 = The Value Line Investment Survey: Ratings and Reports, March 12, 2010.

LACLEDE GAS COMPANY
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**Average High / Low Stock Price for January 2009 through March 2010
for the Seven Comparable Natural Gas Distribution Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	-- January 2010 --		-- February 2010 --		-- March 2010 --		Average High/Low Stock Price (01/10 - 03/10)
Company Name	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	
AGL Resources, Inc.	\$37.240	\$34.910	\$36.860	\$34.260	\$38.830	\$36.330	\$36.405
Atmos Energy Corp.	\$29.820	\$27.600	\$28.190	\$26.330	\$29.240	\$27.480	\$28.110
New Jersey Resources Corp.	\$37.960	\$36.020	\$37.040	\$33.490	\$38.170	\$36.430	\$36.518
Northwest Natural Gas Co.	\$45.820	\$42.790	\$44.840	\$41.050	\$47.540	\$44.230	\$44.378
Piedmont Natural Gas Co.	\$27.100	\$25.510	\$25.980	\$23.870	\$28.040	\$25.950	\$26.075
South Jersey Industries, Inc.	\$39.250	\$37.390	\$40.500	\$37.190	\$42.500	\$39.630	\$39.410
WGL Holdings, Inc.	\$34.070	\$31.630	\$33.340	\$31.000	\$35.020	\$33.120	\$33.030

Notes:

Column 7 = [(Column 1 + Column 2 + Column 3 + Column 4 + Column 5 + Column 6) / 6].

**Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Seven Comparable Natural Gas Distribution Companies**

	(1)	(2)	(3)
Company Name	Expected Annual Dividend	Average High/Low Stock Price	Projected Dividend Yield
AGL Resources, Inc.	\$1.77	\$36.405	4.86%
Atmos Energy Corp.	\$1.35	\$28.110	4.78%
New Jersey Resources Corp.	\$1.38	\$36.518	3.79%
Northwest Natural Gas Co.	\$1.71	\$44.378	3.84%
Piedmont Natural Gas Co.	\$1.12	\$26.075	4.30%
South Jersey Industries, Inc.	\$1.36	\$39.410	3.44%
WGL Holdings, Inc.	\$1.52	\$33.030	4.60%
Average			<u>4.23%</u>

Proposed Dividend Yield: **4.25%**

Proposed Range of Growth: **4.75% - 5.75%**

Estimated Proxy Cost of Common Equity: **9.00%-10.00%**

Recommended Cost of Common Equity **9.00%-10.00%**

Notes: Column 1 = Estimated Dividends Declared per share based on 75% weight given to 2010 and 25% to 2011.

Column 3 = (Column 1 / Column 2).

Sources: Column 1 = The Value Line Investment Survey: Ratings and Reports, March 12, 2010.

Column 2 = Schedule 14.

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**Capital Asset Pricing Model (CAPM) Costs of Common Equity Estimates
Based on Historical Return Differences Between Common Stocks and Long-Term U.S. Treasuries
for the Seven Comparable Natural Gas Distribution Companies**

	(1)	(2)	(3)	(4)	(5)	(6)
			Arithmetic Average Market Risk Premium (1926-2009)	Geometric Average Market Risk Premium (1926-2009)	Arithmetic CAPM Cost of Common Equity (1926-2009)	Geometric CAPM Cost of Common Equity (1926-2009)
Company Name	Risk Free Rate	Company's Value Line Beta				
AGL Resources, Inc.	4.64%	0.75	6.00%	4.40%	9.14%	7.94%
Atmos Energy Corp.	4.64%	0.65	6.00%	4.40%	8.54%	7.50%
New Jersey Resources Corp.	4.64%	0.65	6.00%	4.40%	8.54%	7.50%
Northwest Natural Gas Co.	4.64%	0.60	6.00%	4.40%	8.24%	7.28%
Piedmont Natural Gas Co.	4.64%	0.65	6.00%	4.40%	8.54%	7.50%
South Jersey Industries, Inc.	4.64%	0.60	6.00%	4.40%	8.24%	7.28%
WGL Holdings, Inc.	4.64%	0.65	6.00%	4.40%	8.54%	7.50%
Average		0.65			8.54%	7.50%

Sources:

Column 1 = The appropriate yield is equal to the average 30-year U.S. Treasury Bond yield for March 2010 which was obtained from the St. Louis Federal Reserve website at <http://research.stlouisfed.org/fred2/series/GS30/22>.

Column 2 = Beta is a measure of the movement and relative risk of an individual stock to the market as a whole as reported by the Value Line Investment Survey: Ratings & Reports, March 12, 2010.

Column 3 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium for the period 1926 - 2009 was determined to be 6.00% based on an arithmetic average as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2010 Yearbook.

Column 4 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium for the period 1926 - 2009 was determined to be 4.40% based on a geometric average as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2010 Yearbook.

Column 5 = (Column 1 + (Column 2 * Column 3)).

Column 6 = (Column 1 + (Column 2 * Column 4)).

LACLEDE GAS COMPANY
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Selected Financial Ratios for the Seven Comparable Natural Gas Distribution Companies

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Company Name	2009 Common Equity Ratio	2009 Long-Term Debt Ratio	Funds From Operations to Interest	Funds From Operations to Total Debt	Market- to-Book Value	2009 Return on Common Equity	2010 Projected Return on Common Equity	Bond Rating
AGL Resources, Inc.	48.00%	53.00%	5.12 x	20.86%	1.55 x	14.50%	12.00%	BBB+
Atmos Energy Corp.	50.10%	49.90%	3.91 x	21.36%	1.12 x	8.30%	9.00%	BBB+
New Jersey Resources Corp.	60.20%	39.80%	6.54 x	26.69%	2.08 x	14.60%	15.00%	A
Northwest Natural Gas Co.	52.30%	47.70%	4.45 x	22.21%	1.80 x	11.10%	11.00%	A+
Piedmont Natural Gas Co.	55.90%	44.10%	6.41 x	24.79%	1.98 x	13.20%	13.00%	A
South Jersey Industries, Inc.	63.50%	36.50%	5.70 x	21.82%	2.19 x	13.10%	13.50%	BBB+
WGL Holdings, Inc.	65.00%	33.30%	7.04 x	30.45%	1.46 x	11.60%	10.50%	AA-
Average	56.43%	43.47%	4.83 x	22.1%	1.74 x	12.34%	12.00%	A

Sources:

The Value Line Investment Survey Ratings & Reports, March 12, 2010: for columns (1), (2), (6) and (7).

Standard & Poor's RatingsDirect for columns (3), (4) and (8).

AUS Utility Reports, March 2010 for column (5).

Public Utility Revenue Requirement
or
Cost of Service

The formula for the revenue requirement of a public utility may be stated as follows :

Equation 1 : **Revenue Requirement = Cost of Service**

or

Equation 2 : **$R = O + (V - D) R$**

The symbols in the second equation are represented by the following factors :

R	=	Revenue Requirement
O	=	Prudent Operating Costs, including Depreciation and Taxes
V	=	Gross Valuation of the Property Serving the Public
D	=	Accumulated Depreciation
$(V - D)$	=	Rate Base (Net Valuation)
$(V - D) R$	=	Return Amount (\$\$) or Earnings Allowed on Rate Base
R	=	$i L + d P + k E$ or Overall Rate of Return (%)
i	=	Embedded Cost of Debt
L	=	Proportion of Debt in the Capital Structure
d	=	Embedded Cost of Preferred Stock
P	=	Proportion of Preferred Stock in the Capital Structure
k	=	Required Return on Common Equity (ROE)
E	=	Proportion of Common Equity in the Capital Structure

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**Weighted Cost of Capital
for Laclede Gas Company**

Capital Component	Percentage of Capital	Embedded Cost	Weighted Cost of Capital Using Common Equity Return of:		
			9.00%	9.50%	10.00%
Common Stock Equity	57.41%	-----	5.17%	5.45%	5.74%
Long-Term Debt	42.59%	6.51%	2.77%	2.77%	2.77%
Short-Term Debt	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>		<u>7.94%</u>	<u>8.23%</u>	<u>8.51%</u>

Notes:

See Schedule 9 for the Capital Structure Ratios.

See Schedule 10 for the Embedded Cost of Long-Term Debt.

The DCF model is a market-oriented approach for deriving the cost of common equity. The cost of common equity calculated from the DCF model is inherently capable of attracting capital. This results from the theory that security prices adjust continually over time, so that an equilibrium price exists and the stock is neither undervalued nor overvalued. It can also be stated that stock prices continually fluctuate to reflect the required and expected return for the investor.

The constant-growth form of the DCF model was used in this analysis. This model relies upon the fact that a company's common stock price is dependent upon the expected cash dividends and upon cash flows received through capital gains or losses that result from stock price changes. The interest rate which discounts the sum of the future expected cash flows to the current market price of the common stock is the calculated cost of common equity. This can be expressed algebraically as:

$$\text{Present Price} = \frac{\text{Expected Dividends}}{\text{Discounted by } k} + \frac{\text{Expected Price in 1 year}}{\text{Discounted by } k} \quad (1)$$

where k equals the cost of equity. Since the expected price of a stock in one year is equal to the present price multiplied by one plus the growth rate, equation (1) can be restated as:

$$\text{Present Price} = \frac{\text{Expected Dividends}}{(1 + k)} + \frac{\text{Present Price } (1+g)}{(1 + k)} \quad (2)$$

where g equals the growth rate and k equals the cost of equity. Letting the present price equal P_0 and expected dividends equal D_1 , the equation appears as:

$$P_0 = \frac{D_1}{(1 + k)} + \frac{P_0(1+g)}{(1 + k)} \quad (3)$$

The cost of equity equation may also be algebraically represented as:

$$k = \frac{D_1}{P_0} + g \quad (4)$$

Thus, the cost of common stock equity, k , is equal to the expected dividend yield (D_1/P_0) plus the expected growth in dividends (g) continuously summed into the future. The growth in dividends and implied growth in earnings will be reflected in the current price. Therefore, this model also recognizes the potential of capital gains or losses associated with owning a share of common stock.

The discounted cash flow method is a continuous stock valuation model. The DCF theory is based on the following assumptions:

1. Market equilibrium;
2. Perpetual life of the company;
3. Constant payout ratio;
4. Payout of less than 100% earnings;
5. Constant price/earnings ratio;
6. Constant growth in cash dividends;
7. Stability in interest rates over time;
8. Stability in required rates of return over time; and,
9. Stability in earned returns over time.

Flowing from these, it is further assumed that an investor's growth horizon is unlimited and that earnings, book values and market prices grow hand-in-hand. Although the entire list of the above assumptions is rarely met, the DCF model is a reasonable working model describing an actual investor's expectations and resulting behaviors.

The CAPM describes the relationship between a security's investment risk and its market rate of return. This relationship identifies the rate of return which investors expect a security to earn so that its market return is comparable with the market returns earned by other securities that have similar risk. The general form of the CAPM is as follows:

$$k = R_f + \beta (R_m - R_f)$$

where:

$$\begin{aligned} k &= \text{the expected return on equity for a specific security;} \\ R_f &= \text{the risk-free rate;} \\ \beta &= \text{beta; and} \\ R_m - R_f &= \text{the market risk premium.} \end{aligned}$$

The first term of the CAPM is the risk-free rate (R_f). The risk-free rate reflects the level of return that can be achieved without accepting any risk. In reality, there is no such risk-free asset, but it is generally represented by U.S. Treasury securities.

The second term of the CAPM is beta (β). Beta is an indicator of a security's investment risk. It represents the relative movement and relative risk between a particular security and the market as a whole (where beta for the market equals 1.00). Securities with betas greater than 1.00 exhibit greater volatility than do securities with betas less than 1.00. This causes a higher beta security to be less desirable to a risk-averse investor and therefore requires a higher return in order to attract investor capital away from a lower beta security.

The final term of the CAPM is the market risk premium ($R_m - R_f$). The market risk premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk-free investment.

October 30, 2009

Laclede Group Inc. (The)

Primary Credit Analyst:

Kenneth L Farer, New York (1) 212-438-1679; kenneth_farer@standardandpoors.com

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Laclede Group Inc. (The)

Major Rating Factors

Strengths:

- Reasonably supportive regulation including a purchased-gas recovery and infrastructure cost recovery clauses,
- A stable, largely residential customer base,
- A diversified gas supply and significant storage capacity, and
- Low operating risks.

Weaknesses:

- A relatively weak financial profile characterized by high leverage and somewhat weak cash flow measures,
- Higher risk unregulated activities at parent-Laclede Group, and
- Below-average customer growth.

Corporate Credit Rating

A/Stable/--

Rationale

The rating on St. Louis, Mo.-based The Laclede Group Inc. (LG) reflect an excellent business risk profile and intermediate financial risk profile. The ratings are based on the consolidated credit profile of natural gas utility subsidiary Laclede Gas Co. (A/Stable/A-1; about 65% of revenues and 75% of operating income), LG's non-regulated gas marketing segment (not rated), and its other non-regulated business.

LG's excellent business risk profile reflects reasonably supportive regulation by the Missouri Public Service Commission (MoPSC), a stable, largely residential customer base, diverse gas supply sources, significant gas storage capacity, and low operating risks characterize LG and Laclede Gas's excellent business profile. These strengths are moderated by below-average customer growth and higher risks associated with LG's unregulated activities. High leverage and somewhat weak cash flow measures characterize the companies' intermediate financial profile.

The MoPSC provides favorable cost-recovery mechanisms, including recovery of capital expenditures and adjustments related to weather conditions. Effective Aug. 1, 2007, the MoPSC granted a \$38.6 million rate and an allowed ROE of 10%. The MoPSC also granted provisions which allow the company to retain a portion of profits generated by off-system sales. Continued, favorable regulatory treatment related to increasing costs and infrastructure investments is critical to achieve financial metrics appropriate for current ratings.

LG's unregulated businesses have higher risks than the regulated operations due to greater variability in cash flow generation. Laclede Energy Resources Inc. (LER) provides gas marketing services to large industrial and wholesale clients. LER's financial performance can vary dramatically with changes in commodity prices and price volatility, effectiveness of the company's hedge program, and competition. Financial performance at LER has improved primarily from a combination of additional firm transportation capacity, lower natural gas prices, and higher sales volumes. As a result of these factors, LG's unregulated businesses generated FFO of about \$38 million for the 12 months ended June 30, 2009, compared with \$24 million in fiscal 2008 and \$21 million in fiscal 2007.

Because the majority of debt is issued by Laclede Gas, the utility's stand-alone financial metrics are materially weaker than those of LG. As a result, Laclede Gas's stand-alone credit metrics remain slightly weak for the rating.

At June 30, 2009, Laclede Gas generated FFO interest coverage of 3.7x, FFO to total debt of 18%, and total debt to capital of 57%. At June 30, 2009, LG's credit metrics were appropriate for the rating with FFO interest coverage of 5x FFO to total debt of 25%, and total debt to capital of 51%.

Short-term credit factors

LG maintains adequate liquidity. As of June 30, 2009, the company had \$89 million in cash and the full amount available under its \$50 million working capital line of credit which expired in October 2009. This facility was renewed on Oct. 2, 2009, with two one-year lines of credit totaling \$50 million. In addition, about \$187 million was available under Laclede Gas's \$320 million revolving credit facility, which matures in December 2011. Laclede Gas's revolving credit facility also serves as backup to Laclede Gas's commercial paper program. The program provides short-term borrowings and is primarily associated with purchasing natural gas and supporting storage inventory for delivery to customers during the winter. Under its various debt agreements, Laclede Gas must maintain debt to capital below 70% and EBITDA interest coverage of at least 2.25x. For the 12 months ended June 30, 2009, debt to capital was 56% and EBITDA interest coverage was 3.73x (as defined). With debt to capital of 50%, LG was comfortably in compliance with its requirement to maintain leverage below 70%.

The low-risk nature of Laclede Gas's regulated utility operations and healthy service territory should enable the company to generate reasonably stable cash flow. Over the next twelve months, Standard & Poor's expects LG to generate FFO of at least \$100 million, which is adequate for funding annual dividends (\$35 million) and annual capital expenditures (about \$60 to \$65 million). In addition, the company's near-term maturities are manageable with no maturities due until November 2010 (\$25 million). Given our expectation for gas prices through 2010, LG should maintain sufficient liquidity including the working capital needs of Laclede Gas and LER.

LG performs adequately when subject to stress testing for adverse commodity price movements and credit events that could require collateral posting. Under some stress case scenarios, LG could face constrained liquidity, although we are comfortable with this at the current rating and the company's access to the capital markets.

Outlook

The stable outlook on LG reflects our expectations of continued gradual improvement in financial metrics despite limited customer growth. A significant increase in unregulated activities, variations in LER's performance resulting in reduced cash flows, unfavorable shifts in the regulatory environment, significant delays in rate relief, or rate case approvals at substantially lower levels than requested could lead to a lower rating. A downgrade would be warranted if FFO to debt is sustained at or below 20%. An upgrade would require sustained cash flow generation at or above 25% with leverage of 50% and a reduction in the company's business risk profile. This would most likely be achieved if the MoPSC authorizes sufficient rate increases along with a reduction in business risks associated with the non-regulated marketing segment.

Accounting

Standard & Poor's adjusts LG's financial statements for operating leases and pension and post-retirement obligations. The adjustment includes adding a debt equivalent, interest expense, and depreciation to the company's reported financial statements. As a result, debt equivalents of \$10 million are added for operating leases and \$42 million for pension and post-retirement obligations.

Due to the distortions in leverage and cash flow metrics caused by the substantial seasonal working-capital requirements of gas utilities, Standard & Poor's adjusts inventory and debt balances by netting the value of Laclede Gas's natural gas inventory against the outstanding commercial paper for regulated subsidiaries. This adjustment provides a more accurate view of the company's financial performance by reducing seasonality, where there is a very high likelihood of recovery. As inventories are depleted and accounts receivable are monetized, with support from commodity pass-through mechanisms, these funds reduce the utility's short-term borrowings.

Laclede Gas prepares its financial statements using SFAS No. 71, "Accounting for Effects of Certain Types of Regulation." Consequently, Laclede Gas recorded certain regulatory assets and liabilities as of June 30, 2009, of \$389 million and \$45 million, respectively. The majority of the regulatory assets is pension and postretirement benefits (about 50%), future income taxes due from customers, and purchased gas costs. The regulatory asset accounts should decline as the costs are recovered through customer rates.

The company enters derivative transactions to manage its commodity price risks associated with purchasing natural gas, as well as the price risk associated with fixed-price commitments of its unregulated marketing affiliate LER. The effect of derivatives on LG's financial statements should be minimal, as Laclede Gas can pass on the costs of such instruments, including carrying costs, to customers through the purchased-gas adjustment clause. At June 30, 2009, the fair value of LER's derivatives was \$17.5 million, which is approximately 1% of consolidated assets. In addition, LER's unmatched positions were immaterial at June 30, 2009.

Table 1.

Laclede Group Inc. (The) -- Peer Table*					
Industry Sector: Gas					
	--Average of past three fiscal years--				
	Laclede Group Inc. (The)	Laclede Gas Co.	Piedmont Natural Gas Co. Inc.	AGL Resources Inc.	Vectren Corp.
Rating history	A/Stable/--	A/Stable/A-1	A/Stable/--	A-/Stable/A-2	A-/Stable/--
(Mil. \$)					
Revenues	1,966.6	1,136.4	1,908.3	2,638.3	2,269.4
Net income from continuing operations	49.7	33.5	103.9	213.3	127.0
Funds from operations (FFO)	94.1	68.8	227.1	482.7	348.7
Capital expenditures	62.2	61.0	173.9	307.6	335.9
Cash and short-term investments	39.5	2.6	7.8	18.3	48.9
Debt	511.9	524.0	996.2	2,403.1	1,859.5
Preferred stock	16.1	0.6	0	0	0
Equity	439.8	333.2	873.7	1,681.0	1,294.1
Debt and equity	951.7	857.2	1,870.0	4,084.1	3,153.6
Adjusted ratios					
EBIT interest coverage (x)	2.7	2.0	3.6	3.7	2.8
FFO int. cov. (x)	3.1	2.4	4.6	4.4	4.3
FFO/debt (%)	18.4	13.1	22.8	20.1	18.8
Discretionary cash flow/debt (%)	(15.4)	(21.4)	(10.6)	(4.3)	(4.6)
Net Cash Flow / Capex (%)	99.2	61.6	88.2	113.3	74.8
Debt/debt and equity (%)	53.8	61.1	53.3	58.8	59.0

Table 1.

Laclede Group Inc. (The) -- Peer Table* (cont.)					
Return on common equity (%)	11.9	9.7	11.3	12.9	9.9
Common dividend payout ratio (un-adj.) (%)	62.7	93.3	71.0	56.6	76.7

*Fully adjusted (including postretirement obligations).

Table 2.

Laclede Group Inc. (The) -- Financial Summary*						
Industry Sector: Gas						
	--Average of past three fiscal years--	--Fiscal year ended Sep. 30--				
	Issuer	2008	2007	2006	2005	2004
Rating history		A/Stable/--	A/Stable/--	A/Stable/--	A/Stable/--	A/Stable/--
(Mil. \$)						
Revenues	1,966.6	2,209.0	1,855.9	1,835.0	1,597.0	1,250.3
Net income from continuing operations	49.7	57.6	45.7	45.8	40.1	36.1
Funds from operations (FFO)	94.1	106.6	75.3	100.4	73.0	81.3
Capital expenditures	62.2	56.6	64.2	65.8	64.3	69.9
Cash and short-term investments	39.5	14.9	52.7	50.8	6.0	13.9
Debt	511.9	478.2	530.2	527.5	450.2	428.0
Preferred stock	16.1	0.5	23.8	24.0	24.1	24.3
Equity	439.8	486.9	454.9	377.5	358.6	319.2
Debt and equity	951.7	965.1	985.1	905.0	808.8	747.2
Adjusted ratios						
EBIT interest coverage (x)	2.7	3.5	2.9	2.2	3.0	3.0
FFO int. cov. (x)	3.1	4.3	3.1	2.4	3.3	3.7
FFO/debt (%)	18.4	22.3	14.2	19.0	16.2	19.0
Discretionary cash flow/debt (%)	(15.4)	(21.1)	(2.8)	(23.1)	2.9	(2.4)
Net Cash Flow / Capex (%)	99.2	131.1	65.9	104.4	65.9	75.9
Debt/debt and equity (%)	53.8	49.5	53.8	58.3	55.7	57.3
Return on common equity (%)	11.9	12.6	11.0	11.9	11.1	11.1
Common dividend payout ratio (un-adj.) (%)	62.7	56.4	68.3	65.0	72.0	73.4

*Fully adjusted (including postretirement obligations).

Table 3.

Reconciliation Of Laclede Group Inc. (The) Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. \$)*						
--Fiscal year ended Sep. 30, 2008--						
Laclede Group Inc. (The) reported amounts						
	Debt	Operating income (before D&A)	Operating income (before D&A)	Operating income (after D&A)	Interest expense	Cash flow from operations
Reported	605.2	146.7	146.7	111.3	29.5	(12.5)

Table 3.

Reconciliation Of Laclede Group Inc. (The) Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. \$)* (cont.)

Standard & Poor's adjustments							
Operating leases	10.0	4.9	0.7	0.7	0.7	4.2	4.2
Postretirement benefit obligations	41.6	(3.8)	(3.8)	(3.8)	--	(2.8)	(2.8)
Accrued interest not included in reported debt	10.1	--	--	--	--	--	--
Share-based compensation expense	--	--	1.3	--	--	--	--
Asset retirement obligations	17.4	1.6	1.6	1.6	1.6	(0.5)	(0.5)
Reclassification of nonoperating income (expenses)	--	--	--	1.9	--	--	--
Reclassification of working-capital cash flow changes	--	--	--	--	--	--	118.2
Short-term debt reduction related to regulated natural gas inventory	(206.2)	--	--	--	--	--	--
Total adjustments	(127.0)	2.7	(0.2)	0.4	2.3	0.9	119.2

Standard & Poor's adjusted amounts

	Debt	Operating income (before D&A)	EBITDA	EBIT	Interest expense	Cash flow from operations	Funds from operations
Adjusted	478.2	149.4	146.5	111.8	31.8	(11.6)	106.6

*Laclede Group Inc. (The) reported amounts shown are taken from the company's financial statements but might include adjustments made by data providers or reclassifications made by Standard & Poor's analysts. Please note that two reported amounts (operating income before D&A and cash flow from operations) are used to derive more than one Standard & Poor's-adjusted amount (operating income before D&A and EBITDA, and cash flow from operations and funds from operations, respectively). Consequently, the first section in some tables may feature duplicate descriptions and amounts.

Ratings Detail (As Of October 30, 2009)***Laclede Group Inc. (The)**

Corporate Credit Rating A/Stable/--

Corporate Credit Ratings History

05-May-2003 A/Stable/--

24-Apr-2002 A+/Stable/--

Business Risk Profile

Excellent

Financial Risk Profile

Intermediate

Debt Maturities

As of Sept. 30, 2008:

2009: \$0

2010: \$0

2011: \$25 mil.

2012: \$0

2013: \$25 mil.

Thereafter: \$339 mil.

Related Entities**Laclede Gas Co.**

Issuer Credit Rating A/Stable/A-1

Ratings Detail (As Of October 30, 2009)*(cont.)

Commercial Paper

Local Currency A-1

Senior Secured (9 Issues) A

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

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MISSOURI PUBLIC SERVICE COMMISSION

STAFF REPORT
COST OF SERVICE

APPENDIX 3

**Cold Winter Requirements and
Reliance on Lange UGS and Propane**

LACLEDE GAS COMPANY

CASE NO. GR-2010-0171

SCHEDULE LJ 1

HAS BEEN DEEMED

HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

MISSOURI PUBLIC SERVICE COMMISSION

**STAFF REPORT
COST OF SERVICE**

APPENDIX 4

Supporting Documents for Allocations

**LACLEDE GAS COMPANY
CASE NO. GR-2010-0171**

SCHEDULE LKH 1 - 1

HAS BEEN DEEMED

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IN ITS ENTIRETY

Missouri Public Service Commission

Respond Data Request

Data Request No.	0205
Company Name	Laclede Gas Company-Investor(Gas)
Case/Tracking No.	GR-2010-0171
Date Requested	3/26/2010
Issue	General Information and Miscellaneous - Other General Info & Misc.
Requested From	Elizabeth Wotawa
Requested By	John Cassidy
Brief Description	Laclede Group Signage
Description	<p>1. Provide the date when the current exterior Laclede Group signage attached to the south side of the building was installed.</p> <p>2. List and quantify all capital expenditures incurred as a result of the installation of this new Laclede Group signage that were charged to Laclede Gas Company's books and records. Provide the dates of the charges, the amounts, the vendor names and the accounts charged. Also provide all supporting calculations completed in order to determine the amount of the total costs that may have been allocated to Laclede Gas Company.</p> <p>3. For the twelve months ending September 30, 2009, provide a list and quantification of all expenses that were charged to Laclede Gas Company's books and records related to the Laclede Group signage. Such expenses would include, but not be limited to operation and maintenance of the signage, inspections and licensing fees, additional insurance costs, lighting etc... Provide the dates of the charges, the amounts, the vendor names and the accounts charged. Also provide all supporting calculations completed in order to determine the amount of the total costs that may have been allocated to Laclede Gas Company.</p> <p>4. If any costs are allocated to Laclede Gas Company, please indicate when the decision to install the Laclede Group signage was made and who made this decision.</p> <p>5. Provide all rationale and support for the belief that Laclede Gas Company should pay for any portion of the capital expenditures and expenses associated with this new sign. Provide a copy of all supporting documentation relied upon to support any decision made by Laclede Gas Company to accept any charges related to this new signage.</p> <p>6. Please indicate the exact name of the Company currently identified by the exterior signage that exists at the Olive Street main entrance to the building.</p> <p>7. Please indicate the exact name of the Company currently identified by the signage that exists in the lobby at the main entrance to the building.</p>
Response	See attached
Objections	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **GR-2010-0171** before the Commission, any matters are discovered which

would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Laclede Gas Company-Investor(Gas)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Laclede Gas Company-Investor(Gas)** and its employees, contractors, agents or others employed by or acting in its behalf.

Security : Public
Rationale : NA

LACLEDE GAS COMPANY
CASE NO. GR-2010-0171
RESPONSE TO DATA REQUEST NO. 0205

1. The Laclede Group signage at 720 Olive was installed in the spring of 2008.
2. The total cost of the sign, which was capitalized in account 390100 on Laclede Gas Company's books, was \$333,462.27. Charges were incurred as follows:

Engraphix Architectural Signage, Inc. – fabrication and installation

October 2007	\$100,000.00
January 2008	50,000.00
May 2008	50,000.00
July 2008	<u>99,617.23</u>
Sub-Total	\$299,617.23

Miscellaneous charges	<u>33,845.04</u>
Total Amount Capitalized	\$333,462.27

3. For the twelve months ended September 30, 2009, Laclede Gas Company charged amortization expense associated with the capital expenditure totaling \$27,788.52 to account 404310. Also during fiscal 2009, costs were incurred for electrical work totaling \$4,588.00 and for power to light the sign totaling approximately \$600. These amounts were charged to Laclede Gas account 921200. Maintenance is incurred on an as-needed basis and there were no costs incurred during fiscal 2009. There also were no insurance costs, inspections or license fees, or other costs incurred with respect to this sign during fiscal 2009.

4. The purchase and installation of the sign was authorized in January 2007.

5. Corporate branding and signage builds awareness and conveys stability and substance to potential investors and customers. Since investment amounts raised by Laclede Group have been flowed through to Laclede Gas to meet its utility obligations, it is appropriate that Laclede Gas bear a portion of the costs. As such, the Company plans to include a portion of such costs in the March 2010 update of this case based on the CAM three-factor allocator.

6. The exterior signage on the Olive Street main entrance to the building says Laclede Gas Building. This signage refers to the name of the building, not the company. The building located at 720 Olive Street is named the Laclede Gas Building, which includes tenants from several companies and businesses.

7. The signage in the lobby at the main entrance to the building says Laclede Gas Building. This signage refers to the name of the building, not the company. The building located at 720 Olive Street is named the Laclede Gas Building, which includes tenants from several companies and businesses.

SCHEDULE LKH 2

PAGES 4 - 24

HAS BEEN DEEMED

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