BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Verified Application and Petition of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge

Case No. GO-2013-0352

LACLEDE GAS COMPANY'S RESPONSE TO STAFF RECOMMENDATION AND MOTION FOR EXPEDITED TREATMENT

COMES NOW Laclede Gas Company ("Laclede" or "Company") and files this Response to Staff Recommendation and Motion for Expedited Treatment, and in support thereof, states as follows:

1. In this pleading, Laclede agrees to and accepts the Staff's Recommendation, and asks the Commission to issue its Order rejecting the tariff filed on January 11, 2013, and directing the Company to file a revised tariff sheet in the form contained in the attached specimen tariff sheet that complies with the rates set forth in the Staff recommendation. Laclede further requests that the Commission direct in its Order that such tariff include an effective date of March 15, 2013.

2. On January 11, 2013, Laclede filed its Application in this case. The Application covered actual ISRS costs from June 1, 2012 through November 30, 2012, and has now been updated through January 31, 2013. Based on prior agreements among the parties regarding calculation and processing of ISRS cases, Laclede requested an effective date for its new ISRS rates of March 15, 2013.

3. Today, Staff filed its Recommendation ("Staff Recommendation"), in which it recommended that the Commission reject the Company's tariff filing, and instead approve the Staff's determination of such revenues, based upon actual ISRS eligible costs incurred through January 31, 2013, in the amount of \$4,824,037. The Staff

recommended that Laclede be authorized to file ISRS rates as reflected in Attachment B to the Staff Recommendation.

Response to Staff Recommendation

4. Laclede responds to the Staff Recommendation by stating that it accepts the Staff's figure for incremental annual pre-tax revenues as stated in paragraph 3 above, and accepts the ISRS rates reflected in Attachment B of the Staff Recommendation.

5. Attached hereto as Appendix A is a specimen tariff with rates that comply with Attachment B to the Staff Recommendation.

Motion for Expedited Treatment

6. As set forth in its Application, Laclede requests that its revised ISRS tariff sheet be approved for service rendered on and after March 15, 2013. There is good cause for such expedited treatment since, pursuant to paragraph 16 of the Partial Stipulation and Agreement approved by the Commission in Case No. GR-2010-0171 (the "Stipulation"), the parties have agreed to work to implement the Company's ISRS filings as soon as reasonably possible.

7. In addition, the results of this ISRS case will affect the incremental amount Laclede is requesting in its rate case (Case No. GR-2013-0171), a factor that the parties to the rate case have agreed to include in the notice that will be sent to customers informing them of details of the rate case and the local public hearings. It will be very helpful to have the ISRS decision effective by March 15, so that Laclede can timely prepare such notices for printing and mailing.

8. Since this request is based upon the Stipulation, which was signed by all of the parties to this case and approved by the Commission, harm will be avoided, and the intent of the parties and the Commission will be served, by a Commission order directing

the Company to file a tariff effective March 15, 2013. A March 15 effective date will also help to avoid additional costs to expedite printing and handling of rate case notices. Laclede states that there will be no negative effect on Laclede's customers or the general public if the Commission issues such an order.

9. This pleading was filed as soon as it could have been following receipt and evaluation of the Staff Recommendation.

WHEREFORE, for the foregoing reasons, Laclede Gas Company respectfully requests that the Commission accept this response and, consistent with Staff's Recommendation, issue its Order rejecting the January 11 tariff and directing the Company to file a revised tariff sheet effective March 15, 2013 with the same rates contained in the attached specimen tariff.

Respectfully submitted,

/s/ Michael C. Pendergast_

Michael C. Pendergast # 31763 Vice President & Associate General Counsel Rick E. Zucker #49211 Assistant General Counsel –Regulatory Laclede Gas Company 720 Olive Street, Room 1520 St. Louis, MO 63101 (314) 342-0532 (telephone) (314) 421-1979 (fax) E-mail:mpendergast@lacledegas.com

ATTORNEYS FOR LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on all of the parties to this on this 7th day of March, 2013 by hand-delivery, fax, electronic mail or by placing a copy of such Application, postage prepaid, in the United States mail.

/s/ Marcia Spangler

Marcia Spangler

P.S.C. MO. No. 5 Consolidated, Twentieth Revised Sheet No. 12 CANCELLING P.S.C. MO. No. 5 Consolidated, Nineteenth Revised Sheet No. 12

For

Laclede Gas Company

Refer to Sheet No. 1 Community, Town or City

Name of Issuing Corporation or Municipality

SCHEDULE OF RATES INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE ("ISRS") Description: The ISRS is designed to recover the costs associated with the Company's eligible infrastructure replacements in accordance with the provisions of Sections 393.1009 to 393.1015, RSMo. Applicability: In addition to the other charges provided for in the Company's tariff, a monthly ISRS shall be added to each customer's bill for service rendered on and after the effective date of the ISRS. Schedule of Surcharges: The amount of the ISRS by rate schedule is as follows: Per Bill Per Month Residential General Service (RG) \$ 1.82 Residential Seasonal Air Conditioning Service (RA) \$ 1.82 Commercial & Industrial General Service-Class I (C1) \$ 2.38 \$ Commercial & Industrial General Service-Class II (C2) 3.79 Commercial & Industrial General Service-Class III (C3) \$ 7.57 Commercial & Industrial Seasonal Service-Class I \$ 2.38 Commercial & Industrial Seasonal Service-Class II \$ 3.79 Commercial & Industrial Seasonal Service-Class III \$ 7.57 \$ 74.78 Large Volume Service (LV) Interruptible Service (IN) \$ 66.36 General L.P. Gas Service (LP) \$ 1.59 Unmetered Gas Light Service (SL) \$.49 Vehicular Fuel Rate (VF) \$ 1.89 Large Volume Transportation and Sales Service (LVTSS) \$176.94 2013 March 15, 2013 DATE OF ISSUE DATE EFFECTIVE Month Day Year Month Day Year

ISSUED BY M.C. Darrell, Senior Vice President and General Counsel, 720 Olive St., St. Louis, MO 63101 Name of Officer Title

Address

Appendix A