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**Laclede Gas
Company**

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Date: June 4, 2001

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Pages: 4 (including cover page)

Re:

CC:

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•Comments:

Attached please find the work papers of Glenn Buck in GT-2001-329.

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Exhibit No. 28
Date 6-19-01 Case No. GT-2001-329
Reporter FS

Earned Returns Versus Authorized Returns
Fiscal Years 1997 - 2000
Based On Unadjusted Average Equity

<u>Fiscal</u> <u>Year</u>	<u>Average</u> <u>Equity</u> ⁽¹⁾	<u>Net</u> <u>Income</u>	<u>After</u> <u>Tax</u> <u>GSIP</u>	<u>Adjusted</u> <u>Net</u> <u>Income</u>	<u>Return On</u> <u>Average</u> <u>Equity</u>	<u>ROE Excl.</u> <u>GSIP</u>	<u>Authorized</u> <u>Return</u>
1997	255,679	32,369	4,542	27,827	12.66%	10.88%	11.00%
1998	260,986	27,795	3,908	23,887	10.65%	9.15%	11.00%
1999	273,892	25,965	3,320	22,645	9.48%	8.27%	10.19%
2000	289,073	25,872	5,917	19,955	8.95%	6.90%	10.50%

(1) Based on Average Equity as Reported in the "Shakelford Report"

Laclede Gas
GT-2001-329

Effect of Commodity Business (\$000)		Total Cost
Inventory Levels		
Propane	11,671	
Natural Gas Stored Underground - Lac.	15,016	
Natural Gas Stored Underground - Other	42,626	
	<u>69,313</u>	
Pre-Tax Return on Rate Base	12.70%	
Revenue Reqmt.	<u>8,803</u>	
Carrying Cost	7.79%	5,399
(After-tax Weighted Cost of Capital)		
Short Term Debt Rate	6.31%	<u>4,374</u>
		4,374
Cash Working Capital Effect		
Gas Cost Component	6,187	
After-Tax Return on Rate Base	7.79%	
	<u>482</u>	
		482
Customer Deposits		
12 Month Average included in Rate Base	(3,628)	
Percent Gas Cost	66.39%	
	<u>(2,409)</u>	
After-Tax Return on Rate Base	7.79%	
	<u>(188)</u>	
		(188)
Deferred Gas Cost		
Monthly		
12 Month Average Deferred Gas Costs	17,182	
(Exclusive of IA Amounts)		
After-Tax Return on Rate Base	7.79%	
	<u>1,338</u>	
		1,338
CWRB		
Monthly		
12 Month Average CWRB Balance	3,794	
Percent Gas Cost	66.39%	
	<u>2,519</u>	
Weighted Cost of Capital	7.79%	
	<u>198</u>	
		198
Uncollectible Accounts		
Normalized Level	9,216	
Percent Gas Cost	66.39%	
	<u>6,119</u>	
		6,119
TOTAL		<u>12,321</u>
Billed Revenue	780,913	
Billed Gas Cost	518,463	66.39% Percent used above

Laclede Gas
GR-99-315

Effect of Commodity Business (\$000)

Total Cost

Inventory Levels

Propane	12,602
Natural Gas Stored Underground - Lac.	11,670
Natural Gas Stored Underground - Other	24,234
	<u>48,506</u>
Carrying Cost (After-tax Weighted Cost of Capital)	7.61% <u>3,691</u>
Short Term Debt Rate	5.29% <u>2,566</u>

2,566

Cash Working Capital Effect

Gas Cost Component	9,307
After-Tax Return on Rate Base	7.61% <u>708</u>

708

Customer Deposits

12 Month Average included in Rate Base	(3,066)
Percent Gas Cost	66.39% <u>(2,036)</u>
After-Tax Return on Rate Base	7.61% <u>(155)</u>

(155)

Deferred Gas Cost

Monthly

12 Month Average Deferred Gas Costs (Exclusive of IA Amounts & PSP)	-
After-Tax Return on Rate Base	7.61% <u>-</u>

CWRB

Monthly

12 Month Average CWRB Balance	3,062
Percent Gas Cost	66.39% <u>2,033</u>
Weighted Cost of Capital	7.61% <u>155</u>

155

Uncollectible Accounts

Normalized Level	8,352
Percent Gas Cost	66.39% <u>4,217</u>

4,217

TOTAL

7,491

Billed Revenue 780,913
 Billed Gas Cost 518,463 66.39% Percent used above