Sustained Colder Winter Impacts Natural Gas Prices

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KANSAS CITY, Mo., April 30, 2014 /PRNewswire/ -- Today Missouri Gas Energy (MGE) filed a request with the Missouri Public Service Commission to increase the Cost of Gas rate to reflect the higher cost paid for natural gas and pipeline transportation. If approved, the average residential customer would see an overall bill increase of 3.4 percent or about $1.31 per month starting May 15 until the next winter heating season.

MISSOURI GAS ENERGY

Laclede Gas

"We pass along the cost of natural gas to our customers dollar for dollar. This rate is designed to recover the actual cost we incur to buy gas and ship it to homes across western Missouri. Due to increased gas supplies, we have been able to lower the cost of gas substantially over the past 6 years. However, this winter we experienced a cost increase on both pipeline transportation and on the cost of the gas itself. The sustained cold weather this winter increased demand for gas and that increased the price of gas across the country, including the price paid by Missouri Gas Energy," said Steve Lindsey, president of MGE.

The current residential Cost of Gas rate of 56 cents per hundred cubic feet has not been covering MGE's actual cost of gas. The new rate of 62 cents will help to recover these costs. Each October, MGE files to reconcile differences between the gas costs billed to customers and the costs actually incurred.

The Cost of Gas rate is separate from the local delivery costs considered in MGE's general rate case, in which a settlement was recently approved by the Missouri Public Service Commission. Over the course of a year, the cost of gas accounts for nearly 60 cents of every dollar of a typical residential customer bill. The remaining 40 cents covers the infrastructure, operating and maintenance costs MGE incurs to deliver that gas safely and reliably to homes and businesses.

ABOUT MISSOURI GAS ENERGY

Missouri Gas Energy has provided natural gas service to the residents of the Kansas City metropolitan area and western Missouri for nearly 150 years. Now owned by Laclede Gas Company, a subsidiary of The Laclede Group, Inc. (NYSE:LG), we are part of the largest gas distribution company in Missouri, delivering natural gas to more than 1.1 million customers. Missouri Gas Energy serves residential, commercial and industrial customers in 30 counties. For more information, please visit www.MissouriGasEnergy.com.

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