Missouri Gas Energy Files First Rate Case in More Than Three Years

If approved, customers will pay less for natural gas service than they paid a decade ago

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KANSAS CITY, Mo., Sept. 16, 2013 /PRNewswire/ -- Missouri Gas Energy (MGE), now a part of Laclede Gas Company (a subsidiary of The Laclede Group, Inc., NYSE:LG), today filed a general rate case with the Missouri Public Service Commission (MoPSC). Missouri law requires that natural gas companies file a general rate case on a regular interval in order to continue recovering funds invested in upgrading natural gas distribution systems. The deadline for MGE to file is this week. This rate case was filed based on meeting this legislative requirement and is unrelated to Laclede's recent purchase of MGE.

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"We'd prefer not to file a rate case on the heels of welcoming MGE's employees and customers into the Laclede family. It's necessary in order to meet legal requirements to continue funding MGE's pipeline infrastructure upgrades. While filing to recover upgrades is the primary driver on timing, costs included in the general rate case are also related to the general operation of our business in western Missouri," said Steve Lindsey, president of Laclede Gas Company.

Lindsey added, "Natural gas remains one of the most cost effective energy sources available today and we are constantly looking for ways to improve service levels for our customers. Our goal continues to be the safe and reliable delivery of natural gas to our customers around the clock. In the end, it's about helping provide for a comfortable home, a hot shower and dry clothes. Those are basics in all of our daily lives."

MGE operates and maintains more than 14,000 miles of pipeline – that's enough to stretch from Kansas City to Beijing, China and back. This general rate case provides for the investments made in these pipelines and for operating the natural gas delivery system across western Missouri.

If approved in its entirety, an average MGE residential customer would see a net increase of $2.33 per month, above amounts currently being collected in rates. The proposed new rates would provide net additional revenues of $17 million. On an inflation-adjusted basis, customers would still be paying less for natural gas service than they paid a decade ago. The MoPSC may take up to 11 months to resolve the case. This means customers will likely not be impacted by any general rate increase until after this year's winter heating season.

This general rate case filing pertains to the 40 percent of a typical customer bill that covers the cost of delivering natural gas and pipeline upgrades. This case doesn't impact the rest of the bill which covers the cost of the natural gas itself. Gas is covered under a separate rate labeled "Cost of Gas" on a customer's bill. Due to historically low natural gas prices, MGE filed to decrease this rate last April by $2.66 per month based on average customer usage.

As a part of the filing, MGE is proposing to offer new programs to customers including incentives to increase energy efficiency and to make it easier for customers to stay connected to natural gas throughout the year. One example is the successful model from Laclede Gas called the EnergyWise financing program. EnergyWise helps customers finance energy efficient appliances at competitive interest rates and pay on their monthly gas bill. Since its inception, Laclede Gas has financed more than $16 million in energy efficient appliances.

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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