Laclede Gas Reaches Agreement on Rate Case

Pending approval, Laclede Gas customers will pay same amount Laclede Group shareholders have opportunity to continue to earn solid rate of return

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ST. LOUIS, May 31, 2013 /PRNewswire/ -- Laclede Gas customers will continue to pay the same amount they do today for safe and reliable natural gas service if the Missouri Public Service Commission (MoPSC) approves an agreement reached by Laclede and other parties to its general rate case filed last December. The agreement, filed with the MoPSC this morning, incorporates into Laclede Gas' general rates $14.8 million in annual revenue that is already included in customer bills for costs supporting pipeline safety upgrades. Laclede Gas had requested a revenue increase of $58.4 million, an amount that included the $14.8 million noted above.

"As a public company, we have obligations to our customers, employees and shareholders. This agreement enables us to fulfill these obligations with a fair and reasonable compromise of the general rate case," said Suzanne Sitherwood, president and CEO of The Laclede Group, parent company of Laclede Gas.

Careful consideration of multiple factors led to the agreement. With this agreement, MoPSC Staff will have more capacity to focus on a timely review of The Laclede Group's transformative acquisition of Missouri Gas Energy (MGE). A procedural schedule has been established and was published earlier this week; it includes a provision that a MoPSC decision be made on the acquisition by the end of August 2013. Laclede's demonstrated ability to achieve and reflect greater operating efficiencies in the cost of natural gas service to customers and to continue recovering such costs through existing rates were also factors that enabled this result.

"We filed our general rate case in December because we're required by law to file at least every three years when consolidating rates related to safety upgrades. We believe we can continue to provide safe and reliable service for our customers without general rate increases at this time. That said, we'll continue to request small adjustments to rates throughout the year, in accordance with regulatory pricing guidelines, to reflect changes in natural gas costs and pipeline safety upgrades," said Steve Lindsey, president of Laclede Gas.

In addition to the customer benefits, the agreement also supports The Laclede Group's obligation to its shareholders and employees. Shareholders will continue to have an opportunity to earn a solid return on their investment both now and as Laclede continues to invest in pipeline safety upgrades in the future. "We've managed our expenses well and we have expanded our workforce by 150 employees over the last two years to support our important investments in pipeline upgrades. That's a win-win for everyone," said Sitherwood.

ABOUT LACLEDE GAS COMPANY

A subsidiary of The Laclede Group, Inc. (NYSE: LG), Laclede Gas Company has provided safe and reliable service to the residents of the St. Louis metropolitan area for more than 150 years. It is the largest gas distribution company in Missouri, serving approximately 630,000 residential, commercial and industrial customers in St. Louis City and parts of 10 counties in eastern Missouri. For more information, please visit www.LacledeGas.com.

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