

AN ANALYSIS OF THE COST OF CAPITAL

FOR

LACLEDE GAS COMPANY

CASE NO. GR-2002-356

SCHEDULES

BY

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UTILITY SERVICES DIVISION

MISSOURI PUBLIC SERVICE COMMISSION

June 2002

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

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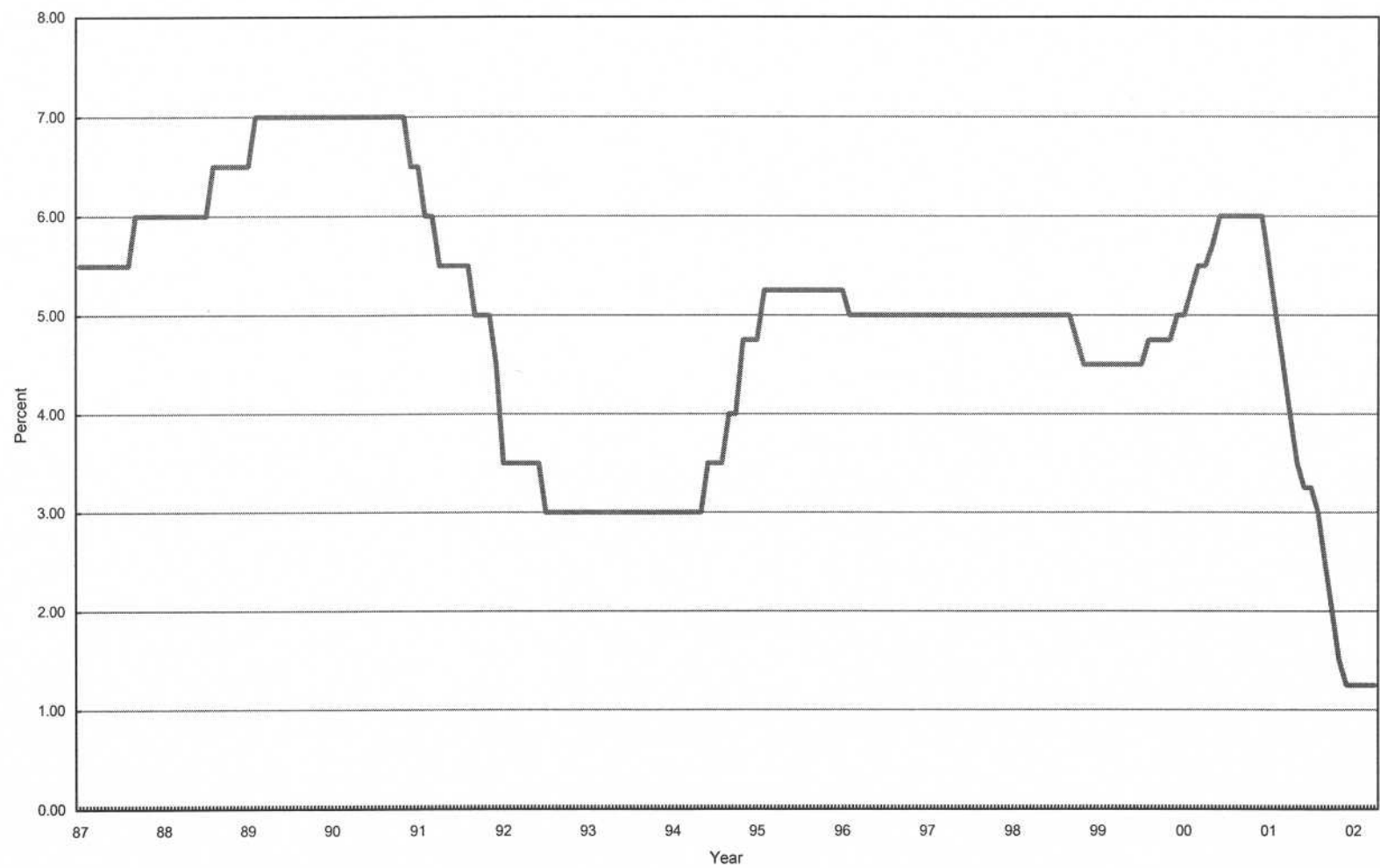
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Federal Reserve Discount Rate Changes

Date	Discount Rate
05/20/85	7.50%
03/07/86	7.00%
04/21/86	6.50%
07/11/86	6.00%
08/21/86	5.50%
09/04/87	6.00%
08/09/88	6.50%
02/24/89	7.00%
12/19/90	6.50%
02/01/91	6.00%
04/30/91	5.50%
09/13/91	5.00%
11/06/91	4.50%
12/20/91	3.50%
07/02/92	3.00%
01/01/93	3.00%
12/31/93	3.00%
05/17/94	3.50%
08/16/94	4.00%
11/15/94	4.75%
02/01/95	5.25%
01/31/96	5.00%
12/12/97	5.00%
01/09/98	5.00%
03/06/98	5.00%
10/15/98	4.75%
11/17/98	4.50%
06/30/99	4.50%
08/24/99	4.75%
11/16/99	5.00%
02/02/00	5.25%
03/21/00	5.50%
05/16/00	5.50%
05/19/00	6.00%
01/03/01	5.75%
01/04/01	5.50%
01/05/01	5.50%
01/31/01	5.00%
02/01/01	5.00%
03/20/01	4.50%
03/21/01	4.50%
04/18/01	4.00%
04/20/01	4.00%
05/15/01	3.50%
06/27/01	3.25%
08/21/01	3.00%
09/16/01	2.50%
10/04/01	2.00%
11/06/01	1.50%
12/11/01	1.25%
01/11/02	1.25%
02/01/02	1.25%
4/12/2002	1.25%
5/7/2002	1.25%

Federal Reserve Discount Rates
1987 - 2002



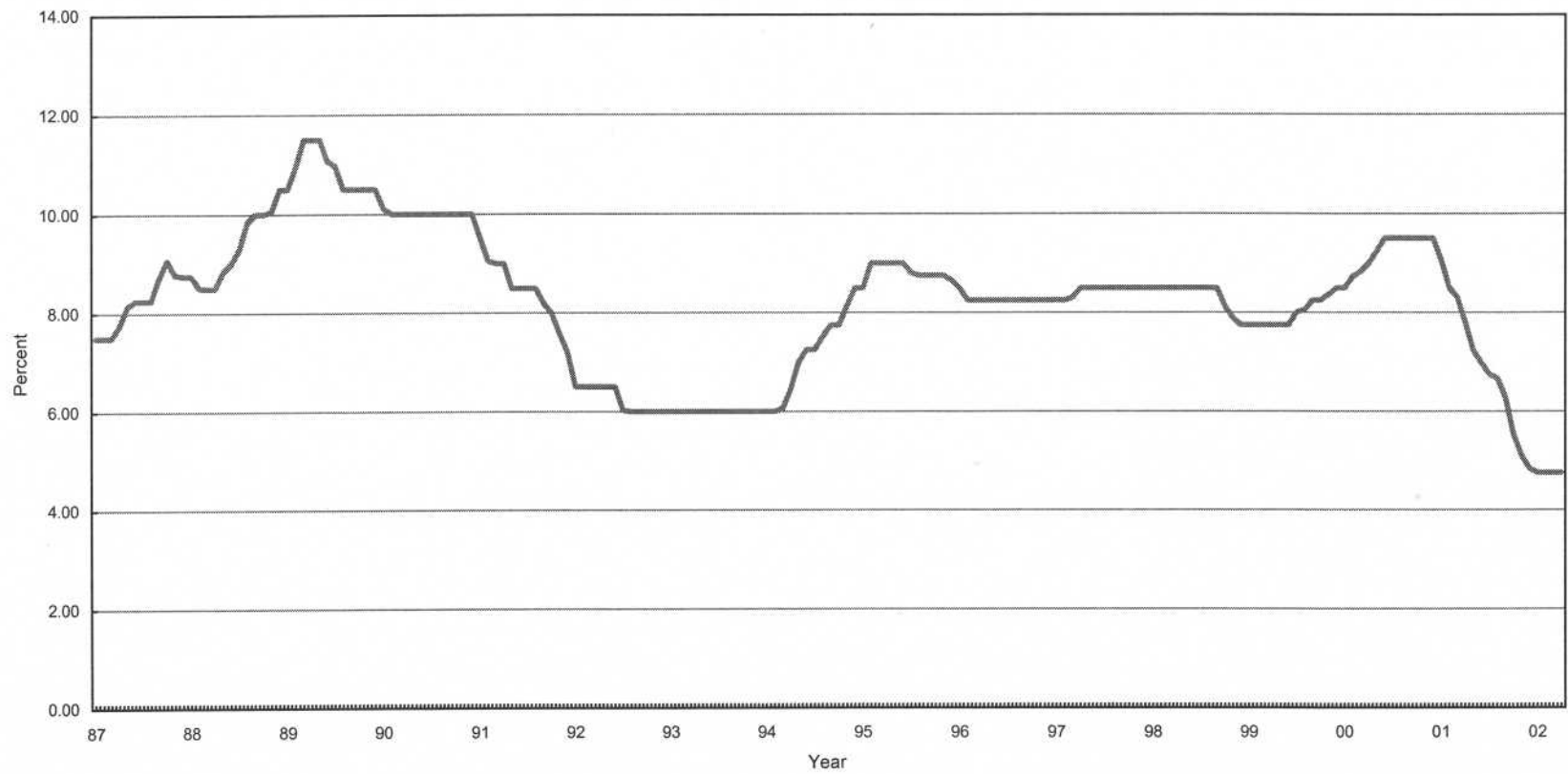
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Average Prime Interest Rates

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1987	7.50	Jan 1991	9.52	Jan 1995	8.50	Jan 1999	7.75
Feb	7.50	Feb	9.05	Feb	9.00	Feb	7.75
Mar	7.50	Mar	9.00	Mar	9.00	Mar	7.75
Apr	7.75	Apr	9.00	Apr	9.00	Apr	7.75
May	8.14	May	8.50	May	9.00	May	7.75
Jun	8.25	Jun	8.50	Jun	9.00	Jun	7.75
Jul	8.25	Jul	8.50	Jul	8.80	Jul	8.00
Aug	8.25	Aug	8.50	Aug	8.75	Aug	8.06
Sep	8.70	Sep	8.20	Sep	8.75	Sep	8.25
Oct	9.07	Oct	8.00	Oct	8.75	Oct	8.25
Nov	8.78	Nov	7.58	Nov	8.75	Nov	8.37
Dec	8.75	Dec	7.21	Dec	8.65	Dec	8.50
Jan 1988	8.75	Jan 1992	6.50	Jan 1996	8.50	Jan 2000	8.50
Feb	8.51	Feb	6.50	Feb	8.25	Feb	8.73
Mar	8.50	Mar	6.50	Mar	8.25	Mar	8.83
Apr	8.50	Apr	6.50	Apr	8.25	Apr	9.00
May	8.84	May	6.50	May	8.25	May	9.24
Jun	9.00	Jun	6.50	Jun	8.25	Jun	9.50
Jul	9.29	Jul	6.02	Jul	8.25	Jul	9.50
Aug	9.84	Aug	6.00	Aug	8.25	Aug	9.50
Sep	10.00	Sep	6.00	Sep	8.25	Sep	9.50
Oct	10.00	Oct	6.00	Oct	8.25	Oct	9.50
Nov	10.05	Nov	6.00	Nov	8.25	Nov	9.50
Dec	10.50	Dec	6.00	Dec	8.25	Dec	9.50
Jan 1989	10.50	Jan 1993	6.00	Jan 1997	8.26	Jan 2001	9.05
Feb	10.93	Feb	6.00	Feb	8.25	Feb	8.50
Mar	11.50	Mar	6.00	Mar	8.30	Mar	8.32
Apr	11.50	Apr	6.00	Apr	8.50	Apr	7.80
May	11.50	May	6.00	May	8.50	May	7.24
Jun	11.07	Jun	6.00	Jun	8.50	Jun	6.98
Jul	10.98	Jul	6.00	Jul	8.50	Jul	6.75
Aug	10.50	Aug	6.00	Aug	8.50	Aug	6.67
Sep	10.50	Sep	6.00	Sep	8.50	Sep	6.28
Oct	10.50	Oct	6.00	Oct	8.50	Oct	5.53
Nov	10.50	Nov	6.00	Nov	8.50	Nov	5.10
Dec	10.50	Dec	6.00	Dec	8.50	Dec	4.84
Jan 1990	10.11	Jan 1994	6.00	Jan 1998	8.50	Jan 2002	4.75
Feb	10.00	Feb	6.00	Feb	8.50	Feb	4.75
Mar	10.00	Mar	6.06	Mar	8.50	Mar	4.75
Apr	10.00	Apr	6.45	Apr	8.50	Apr	4.75
May	10.00	May	6.99	May	8.50		
Jun	10.00	Jun	7.25	Jun	8.50		
Jul	10.00	Jul	7.25	Jul	8.50		
Aug	10.00	Aug	7.51	Aug	8.50		
Sep	10.00	Sep	7.75	Sep	8.49		
Oct	10.00	Oct	7.75	Oct	8.12		
Nov	10.00	Nov	8.15	Nov	7.89		
Dec	10.00	Dec	8.50	Dec	7.75		

Sources: Federal Reserve, <http://www.federalreserve.gov/releases/h15/data/m/prime.txt>

Average Prime Interest Rate
1987 - 2002

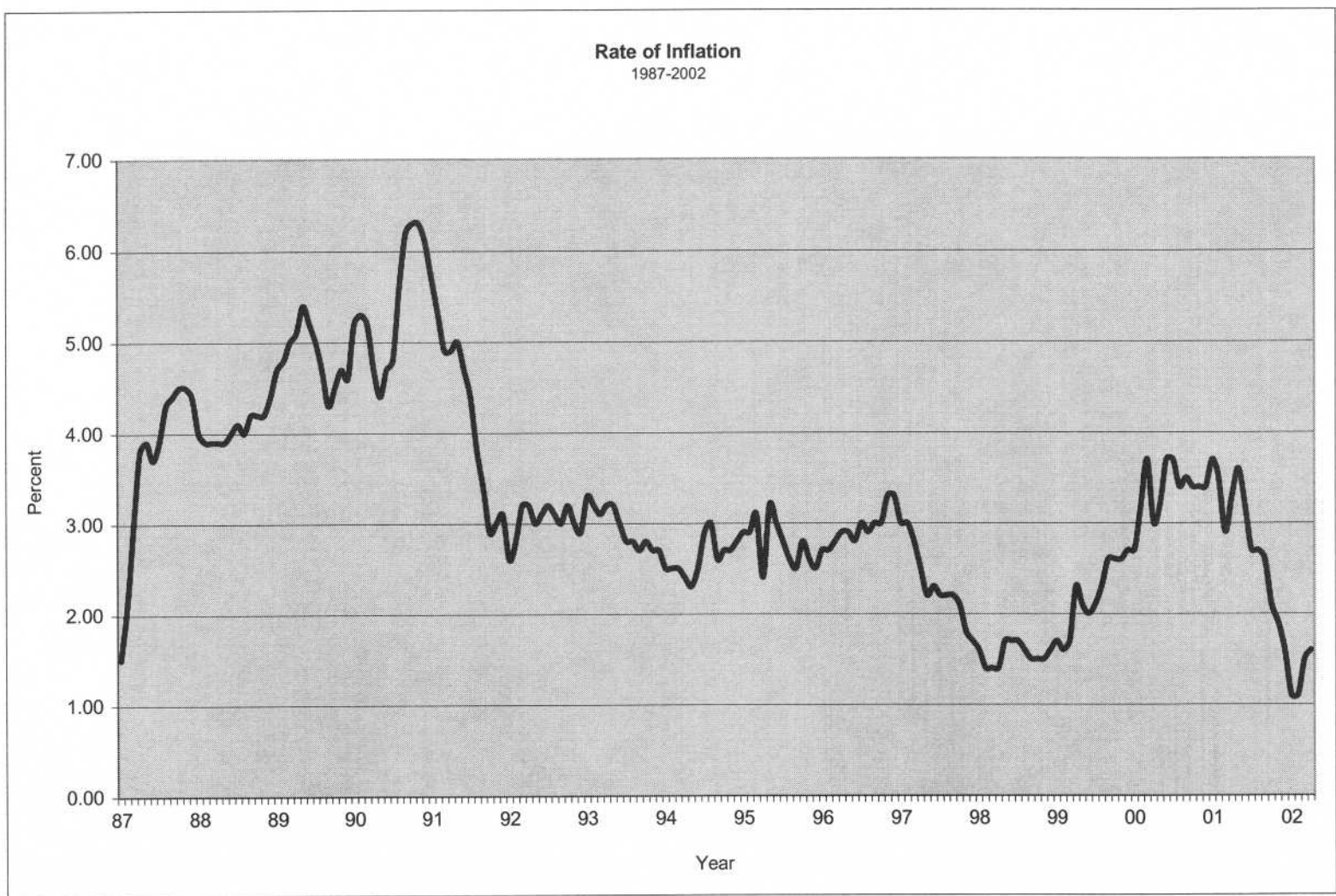


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Rate of Inflation

<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>
Jan 1987	1.50	Jan 1991	5.70	Jan 1995	2.90	Jan 1999	1.70
Feb	2.10	Feb	5.30	Feb	2.90	Feb	1.60
Mar	3.00	Mar	4.90	Mar	3.10	Mar	1.70
Apr	3.80	Apr	4.90	Apr	2.40	Apr	2.30
May	3.90	May	5.00	May	3.20	May	2.10
Jun	3.70	Jun	4.70	Jun	3.00	Jun	2.00
Jul	3.90	Jul	4.40	Jul	2.80	Jul	2.10
Aug	4.30	Aug	3.80	Aug	2.60	Aug	2.30
Sep	4.40	Sep	3.40	Sep	2.50	Sep	2.60
Oct	4.50	Oct	2.90	Oct	2.80	Oct	2.60
Nov	4.50	Nov	3.00	Nov	2.60	Nov	2.60
Dec	4.40	Dec	3.10	Dec	2.50	Dec	2.70
Jan 1988	4.00	Jan 1992	2.60	Jan 1996	2.70	Jan 2000	2.70
Feb	3.90	Feb	2.80	Feb	2.70	Feb	3.20
Mar	3.90	Mar	3.20	Mar	2.80	Mar	3.70
Apr	3.90	Apr	3.20	Apr	2.90	Apr	3.00
May	3.90	May	3.00	May	2.90	May	3.20
Jun	4.00	Jun	3.10	Jun	2.80	Jun	3.70
Jul	4.10	Jul	3.20	Jul	3.00	Jul	3.70
Aug	4.00	Aug	3.10	Aug	2.90	Aug	3.40
Sep	4.20	Sep	3.00	Sep	3.00	Sep	3.50
Oct	4.20	Oct	3.20	Oct	3.00	Oct	3.40
Nov	4.20	Nov	3.00	Nov	3.30	Nov	3.40
Dec	4.40	Dec	2.90	Dec	3.30	Dec	3.40
Jan 1989	4.70	Jan 1993	3.30	Jan 1997	3.00	Jan 2001	3.70
Feb	4.80	Feb	3.20	Feb	3.00	Feb	3.50
Mar	5.00	Mar	3.10	Mar	2.80	Mar	2.90
Apr	5.10	Apr	3.20	Apr	2.50	Apr	3.30
May	5.40	May	3.20	May	2.20	May	3.60
Jun	5.20	Jun	3.00	Jun	2.30	Jun	3.20
Jul	5.00	Jul	2.80	Jul	2.20	Jul	2.70
Aug	4.70	Aug	2.80	Aug	2.20	Aug	2.70
Sep	4.30	Sep	2.70	Sep	2.20	Sep	2.60
Oct	4.50	Oct	2.80	Oct	2.10	Oct	2.10
Nov	4.70	Nov	2.70	Nov	1.80	Nov	1.90
Dec	4.60	Dec	2.70	Dec	1.70	Dec	1.60
Jan 1990	5.20	Jan 1994	2.50	Jan 1998	1.60	Jan 2002	1.10
Feb	5.30	Feb	2.50	Feb	1.40	Feb	1.10
Mar	5.20	Mar	2.50	Mar	1.40	Mar	1.50
Apr	4.70	Apr	2.40	Apr	1.40	Apr	1.60
May	4.40	May	2.30	May	1.70		
Jun	4.70	Jun	2.50	Jun	1.70		
Jul	4.80	Jul	2.90	Jul	1.70		
Aug	5.60	Aug	3.00	Aug	1.60		
Sep	6.20	Sep	2.60	Sep	1.50		
Oct	6.30	Oct	2.70	Oct	1.50		
Nov	6.30	Nov	2.70	Nov	1.50		
Dec	6.10	Dec	2.80	Dec	1.60		

Source: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers,
Change for 12-Month Period, Bureau of Labor Statistics, <ftp://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt>



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Average Yields on Mergent's Public Utility Bonds

<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>
Jan 1987	8.77	Jan 1991	9.56	Jan 1995	8.77	Jan 1999	6.87
Feb	8.81	Feb	9.31	Feb	8.56	Feb	7.00
Mar	8.75	Mar	9.39	Mar	8.41	Mar	7.18
Apr	9.30	Apr	9.30	Apr	8.30	Apr	7.16
May	9.82	May	9.29	May	7.93	May	7.42
Jun	9.87	Jun	9.44	Jun	7.62	Jun	7.70
Jul	10.01	Jul	9.40	Jul	7.73	Jul	7.66
Aug	10.33	Aug	9.16	Aug	7.86	Aug	7.86
Sep	11.00	Sep	9.03	Sep	7.62	Sep	7.87
Oct	11.32	Oct	8.99	Oct	7.46	Oct	8.02
Nov	10.82	Nov	8.93	Nov	7.40	Nov	7.86
Dec	10.99	Dec	8.76	Dec	7.21	Dec	8.04
Jan 1988	10.75	Jan 1992	8.67	Jan 1996	7.20	Jan 2000	8.22
Feb	10.11	Feb	8.77	Feb	7.37	Feb	8.10
Mar	10.11	Mar	8.84	Mar	7.72	Mar	8.14
Apr	10.53	Apr	8.79	Apr	7.88	Apr	8.14
May	10.75	May	8.72	May	7.99	May	8.55
Jun	10.71	Jun	8.64	Jun	8.07	Jun	8.22
Jul	10.96	Jul	8.46	Jul	8.02	Jul	8.17
Aug	11.09	Aug	8.34	Aug	7.84	Aug	8.05
Sep	10.56	Sep	8.32	Sep	8.01	Sep	8.16
Oct	9.92	Oct	8.44	Oct	7.76	Oct	8.08
Nov	9.89	Nov	8.53	Nov	7.48	Nov	8.03
Dec	10.02	Dec	8.36	Dec	7.58	Dec	7.79
Jan 1989	10.02	Jan 1993	8.23	Jan 1997	7.79	Jan 2001	7.76
Feb	10.02	Feb	8.00	Feb	7.68	Feb	7.69
Mar	10.16	Mar	7.85	Mar	7.92	Mar	7.59
Apr	10.14	Apr	7.76	Apr	8.08	Apr	7.81
May	9.92	May	7.78	May	7.94	May	7.88
Jun	9.49	Jun	7.68	Jun	7.77	Jun	7.75
Jul	9.34	Jul	7.53	Jul	7.52	Jul	7.71
Aug	9.37	Aug	7.21	Aug	7.57	Aug	7.57
Sep	9.43	Sep	7.01	Sep	7.50	Sep	7.73
Oct	9.37	Oct	6.99	Oct	7.37	Oct	7.64
Nov	9.33	Nov	7.30	Nov	7.24	Nov	7.61
Dec	9.31	Dec	7.33	Dec	7.16	Dec	7.86
Jan 1990	9.44	Jan 1994	7.31	Jan 1998	7.03	Jan 2002	7.69
Feb	9.66	Feb	7.44	Feb	7.09	Feb	7.62
Mar	9.75	Mar	7.83	Mar	7.13	Mar	7.83
Apr	9.87	Apr	8.20	Apr	7.12	Apr	7.74
May	9.89	May	8.32	May	7.11		
Jun	9.69	Jun	8.31	Jun	6.99		
Jul	9.66	Jul	8.47	Jul	6.99		
Aug	9.84	Aug	8.41	Aug	6.96		
Sep	10.01	Sep	8.65	Sep	6.88		
Oct	9.94	Oct	8.88	Oct	6.88		
Nov	9.76	Nov	9.00	Nov	6.96		
Dec	9.57	Dec	8.79	Dec	6.84		

Source: Mergent Bond Record

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

Average Yields on Thirty Year U.S. Treasury Bonds

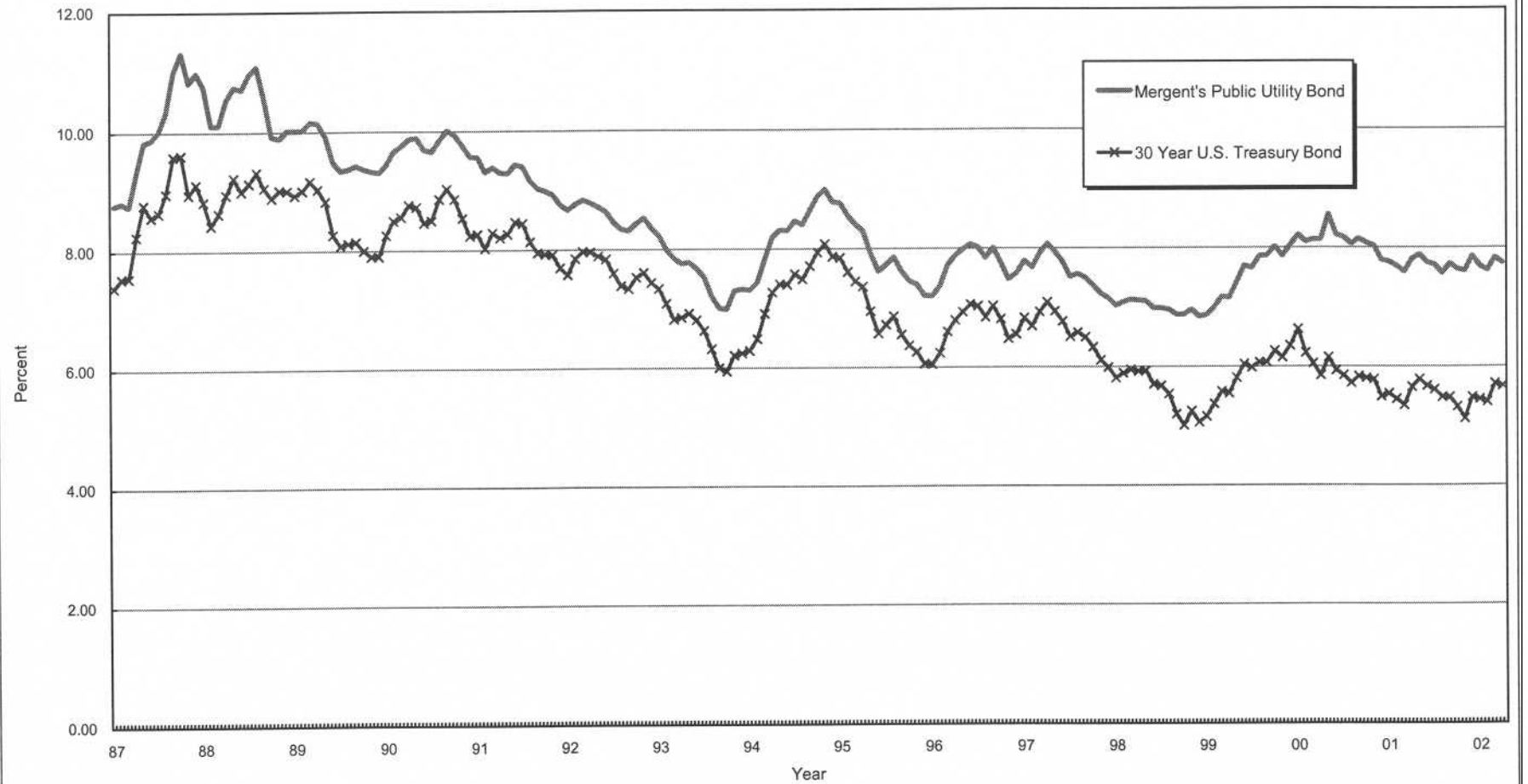
Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1987	7.39	Jan 1991	8.27	Jan 1995	7.85	Jan 1999	5.16
Feb	7.54	Feb	8.03	Feb	7.61	Feb	5.37
Mar	7.55	Mar	8.29	Mar	7.45	Mar	5.58
Apr	8.25	Apr	8.21	Apr	7.36	Apr	5.55
May	8.78	May	8.27	May	6.95	May	5.81
Jun	8.57	Jun	8.47	Jun	6.57	Jun	6.04
Jul	8.64	Jul	8.45	Jul	6.72	Jul	5.98
Aug	8.97	Aug	8.14	Aug	6.86	Aug	6.07
Sep	9.59	Sep	7.95	Sep	6.55	Sep	6.07
Oct	9.61	Oct	7.93	Oct	6.37	Oct	6.26
Nov	8.95	Nov	7.92	Nov	6.26	Nov	6.15
Dec	9.12	Dec	7.70	Dec	6.06	Dec	6.35
Jan 1988	8.83	Jan 1992	7.58	Jan 1996	6.05	Jan 2000	6.63
Feb	8.43	Feb	7.85	Feb	6.24	Feb	6.23
Mar	8.63	Mar	7.97	Mar	6.60	Mar	6.05
Apr	8.95	Apr	7.96	Apr	6.79	Apr	5.85
May	9.23	May	7.89	May	6.93	May	6.15
Jun	9.00	Jun	7.84	Jun	7.06	Jun	5.93
Jul	9.14	Jul	7.60	Jul	7.03	Jul	5.85
Aug	9.32	Aug	7.39	Aug	6.84	Aug	5.72
Sep	9.06	Sep	7.34	Sep	7.03	Sep	5.83
Oct	8.89	Oct	7.53	Oct	6.81	Oct	5.80
Nov	9.02	Nov	7.61	Nov	6.48	Nov	5.78
Dec	9.01	Dec	7.44	Dec	6.55	Dec	5.49
Jan 1989	8.93	Jan 1993	7.34	Jan 1997	6.83	Jan 2001	5.54
Feb	9.01	Feb	7.09	Feb	6.69	Feb	5.45
Mar	9.17	Mar	6.82	Mar	6.93	Mar	5.34
Apr	9.03	Apr	6.85	Apr	7.09	Apr	5.65
May	8.83	May	6.92	May	6.94	May	5.78
Jun	8.27	Jun	6.81	Jun	6.77	Jun	5.67
Jul	8.08	Jul	6.63	Jul	6.51	Jul	5.61
Aug	8.12	Aug	6.32	Aug	6.58	Aug	5.48
Sep	8.15	Sep	6.00	Sep	6.50	Sep	5.48
Oct	8.00	Oct	5.94	Oct	6.33	Oct	5.32
Nov	7.90	Nov	6.21	Nov	6.11	Nov	5.12
Dec	7.90	Dec	6.25	Dec	5.99	Dec	5.48
Jan 1990	8.26	Jan 1994	6.29	Jan 1998	5.81	Jan 2002	5.45
Feb	8.50	Feb	6.49	Feb	5.89	Feb	5.40
Mar	8.56	Mar	6.91	Mar	5.95	Mar	5.71 ¹
Apr	8.76	Apr	7.27	Apr	5.92	Apr	5.67 ¹
May	8.73	May	7.41	May	5.93	May	5.64 ¹
Jun	8.46	Jun	7.40	Jun	5.70		
Jul	8.50	Jul	7.58	Jul	5.68		
Aug	8.86	Aug	7.49	Aug	5.54		
Sep	9.03	Sep	7.71	Sep	5.20		
Oct	8.86	Oct	7.94	Oct	5.01		
Nov	8.54	Nov	8.08	Nov	5.25		
Dec	8.24	Dec	7.87	Dec	5.06		

Note:

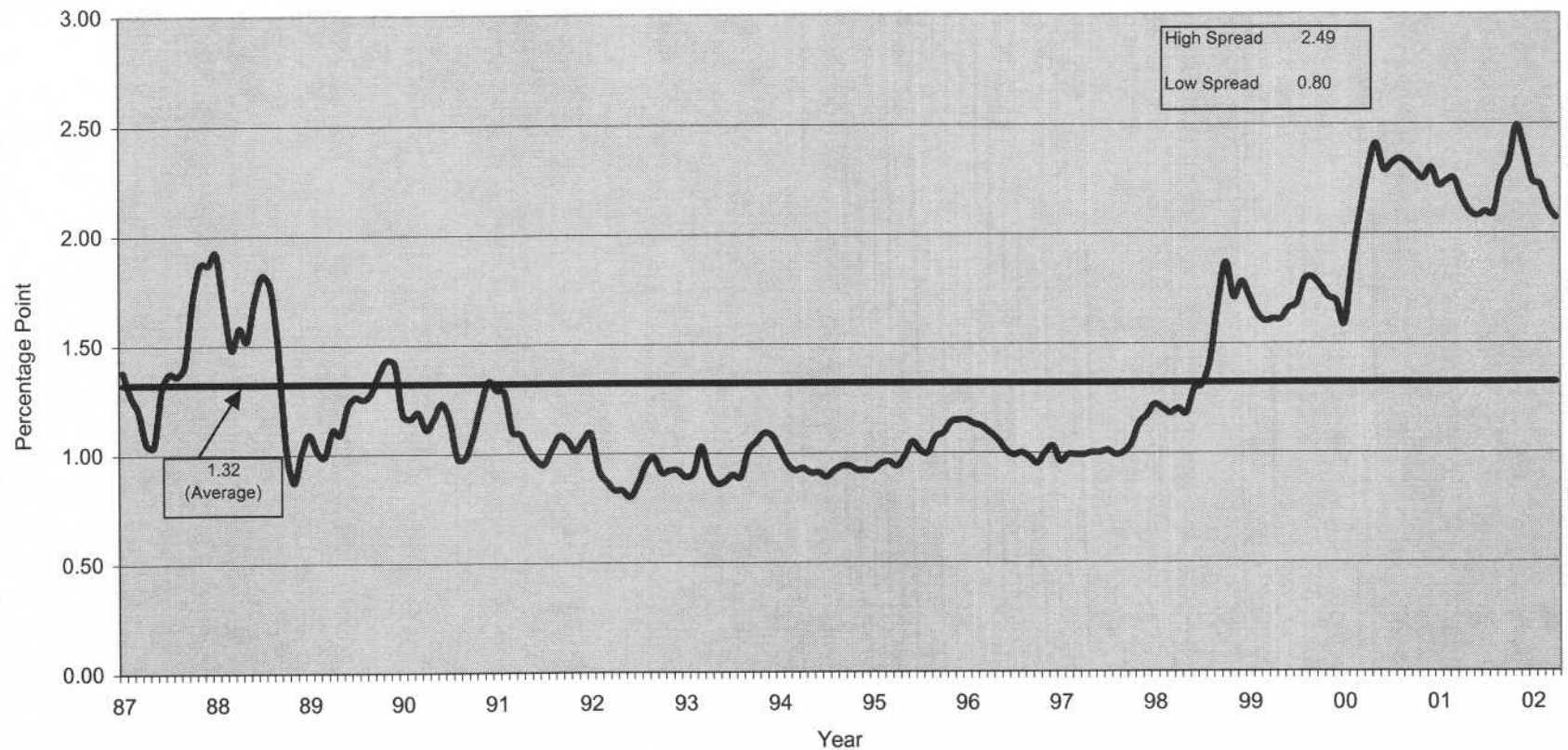
¹ Monthly Average quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) as of June 7, 2002.

Sources: Federal Reserve web site, <http://www.federalreserve.gov/releases/H15/data/m/tcm30y.txt>

Average Yields on Mergent's Public Utility Bonds and
Thirty Year U.S. Treasury Bonds (1987 - 2002)



Monthly Spreads Between Yields on Mergent's Public Utility Bonds and Thirty Year U.S. Treasury Bonds (1987 - 2002)



LACLEDE GAS COMPANY
CASE NO. GR-2002-356

Economic Estimates and Projections, 2002-2004

Source	Inflation Rate			Real GDP			Unemployment			3-Mo. T-Bill Rate			30-Yr. T-Bond Rate		
	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
Value Line Investment Survey (3/01/02)	2.0%	2.6%	2.6%	1.5%	3.4%	3.5%	6.0%	5.8%	5.5%	2.1%	3.0%	3.8%	5.6%	5.9%	6.2%
The Budget and Economic Outlook FY2002-2012 (January 2002)	1.8%	2.5%	2.5%	0.8%	4.1%	3.7%	6.1%	5.9%	5.4%	2.2%	4.5%	4.8%	N.A.	N.A.	N.A.
Current rate	1.60% ¹			5.60% ²			5.80% ³			1.72% ⁴			5.64% ⁵		

Notes: N.A. = Not Available.

¹ Reflects growth on annual basis for 12-months ended April 30, 2002 reported as of June 7, 2002.

² Annual rate reported by U.S. Department of Commerce, Bureau of Economic Analysis for 1st Quarter 2002 as of May 24, 2002.

³ Rate reported by Bureau of Labor Statistics for the period ending April 30, 2002 as of June 7, 2002.

⁴ Rate reported by Federal Reserve for the period ending April 30, 2002 as of June 7, 2002.

⁵ Average monthly rate quoted on Yahoo! Finance for period ending May, 31, 2002 as of June 7, 2002.

Sources of Current Rates: The Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers, <http://stats.bls.gov/bls/home.htm> as of May 15, 2002.
Federal Reserve website, <http://www.federalreserve.gov/releases/H15/data/m/> as of May 15, 2002.
U.S. Department of Commerce, Bureau of Economic Analysis, <http://www.cbo.gov> as of May 15, 2002.

Other Sources: The Congressional Budget Office, The Budget and Economic Outlook: Fiscal Years 2002-2011, January 2002 as published on <http://www.cbo.gov/ahowdoc.cfm?index=3019&sequence=1> as of May 14, 2002.
Yahoo! Finance at web site, <http://tables.finance.yahoo.com>

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

Historical Capital Structures for Laclede Gas Company

(Thousands of Dollars)

Capital Component	1997	1998	1999	2000	2001
Common Equity	\$250,387.0	\$256,785.0	\$282,324.0	\$282,985.0	\$274,865.0 **
Preferred Stock	\$1,960.0	\$1,960.0	\$1,958.0	\$1,813.0	\$1,588.0 *
Long-Term Debt	\$154,413.0	\$179,238.0	\$204,323.0	\$234,408.0	\$284,459.0 *
Short-Term Debt	\$74,000.0	\$98,500.0	\$84,700.0	\$127,000.0	\$117,050.0 *
Total	<u>\$480,760.0</u>	<u>\$536,483.0</u>	<u>\$573,305.0</u>	<u>\$646,206.0</u>	<u>\$677,962.0</u>

Capital Component	1997	1998	1999	2000	2001
Common Equity	52.08%	47.86%	49.24%	43.79%	40.54%
Preferred Stock	0.41%	0.37%	0.34%	0.28%	0.23%
Long-Term Debt	32.12%	33.41%	35.64%	36.27%	41.96%
Short-Term Debt	15.39%	18.36%	14.77%	19.65%	17.26%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Notes: The amount of Long-Term Debt includes Current Maturities.

* Figures for 2001 were obtained from The Laclede Group's 2001 Annual Report, page 29.

** Common Equity figure was obtained from The Laclede Group in Response to Staff Data Request No. 3801 Revised.

Source: Laclede Gas Company's Stockholders Annual Reports. All data is as of September 30 for each respective year.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

Selected Financial Ratios for Laclede Gas Company

Financial Ratios	1997	1998	1999	2000	2001
Return on Year-End Common Equity	12.93%	10.82%	9.20%	9.14%	10.55%
Earnings Per Common Share	\$1.84	\$1.58	\$1.43	\$1.37	\$1.61
Cash Dividends Per Common Share	\$1.30	\$1.32	\$1.34	\$1.34	\$1.34
Common Dividend Payout Ratio	70.65%	83.54%	93.71%	97.81%	83.23%
Year-End Market Price Per Common Share	\$24.312	\$23.062	\$22.750	\$21.625	\$24.000
Year-End Book Value Per Common Share	\$14.26	\$14.57	\$14.96	\$14.99	\$15.26
Year-End Market to Book Ratio	1.70 x	1.58 x	1.52 x	1.44 x	1.57 x
Senior Debt Rating	AA-	AA-	AA-	AA-	AA-

Notes: Return on Year-End Common Equity = Net Income Applicable to Common Stock / Year-End Common Stockholders' Equity.

Common Dividend Payout Ratio = Cash Dividends Per Common Share / Earnings Per Common Share.

Year-End Market to Book Ratio = Year-End Market Price Per Common Share / Year-End Book Value Per Common Share.

All per share amounts reflect a two-for-one stock split effective February 11, 1994.

All per share amounts are as of September 30 fiscal year end.

All Year-End Market Price Per Common Share are as of September 30 fiscal year end.

Sources: Laclede Gas Company's Stockholders Annual Report for 2001 and Wallstreet City web site,
<http://www.wallstreetcity.com/>

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Capital Structure as of March 31, 2002
for Laclede Gas Company**

Capital Component	Amount in Dollars	Revised Percentage of Capital
Common Stock Equity	\$286,125,637	41.75%
Preferred Stock	\$1,266,375	0.18%
Long-Term Debt	\$281,378,589	41.05%
Short-Term Debt	\$116,600,077	17.01%
Total Capitalization	<u>\$685,370,678</u>	<u>100.00%</u>

Gas Distribution Utility Financial Ratio Benchmarks

Adjusted Total Debt / Total Capital

		AA	A
Standard & Poor's Corporation's Utilities Rating Service Financial Statistics, July 2000	Upper Quartile	53.67%	52.89%
	Median	50.57%	50.50%
	Lower Quartile	47.20%	47.44%
		BBB	
		Upper Quartile	60.86%
		Median	55.60%
		Lower Quartile	51.86%

Notes: See Schedule 13 for the amount of Preferred Stock outstanding at March 31, 2002.

See Schedule 11-1 for the amount of Long-Term Debt outstanding at March 31, 2002.

See Schedule 12 for the average amount of Short-term Debt outstanding net of Construction Work in Progress and Gas Safety Deferrals.

Source: Laclede Gas Company's Response to Data Request Nos. 3801.

* Correction made June 27, 2002. This revised amount flows from correction made to Schedule 12.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Embedded Cost of Long-Term Debt as of March 31, 2002
for Laclede Gas Company**

	(1)	(2)	(3)
Long-Term Debt	Interest Rate	Principal Amount Outstanding (3/31/02)	Annualized Cost to Company (1 * 2)
First Mortgage Bonds:			
6-1/4% Series due May 1, 2003	6.250%	\$25,000,000	\$1,562,500
8-1/2% Series due November 15, 2004	8.500%	\$25,000,000	\$2,125,000
8-5/8% Series due May 15, 2006	8.625%	\$40,000,000	\$3,450,000
7-1/2% Series due November 1, 2007	7.500%	\$40,000,000	\$3,000,000
6-1/2% Series due November 15, 2010	6.500%	\$25,000,000	\$1,625,000
6-1/2% Series due October 15, 2012	6.500%	\$25,000,000	\$1,625,000
7.00% Series due June 1, 2029	7.000%	\$25,000,000	\$1,750,000
7.90% Series due September 15, 2030	7.900%	\$30,000,000	\$2,370,000
6 5/8% Series due June 15, 2016	6.625%	\$50,000,000	\$3,312,500
Less: Unamortized Net Premium or Discount Expense and Debt Issuance Expense		<u>(\$3,621,411)</u>	
Add: Annual Amortization of Net Premium or Discount Expense and Debt Issuance Expense			\$646,351
Total		<u>\$281,378,589</u>	<u>\$21,466,351</u>

$$\begin{aligned}
 &\text{Embedded Cost of Long-Term Debt} = \frac{\$21,466,351}{\$281,378,589} \\
 &= 7.63\%
 \end{aligned}$$

Notes: Principal Amount Outstanding as of March 31, 2002 includes Current Maturities.

See Schedule 11-2 for the amount of the Annual Amortization of Net Premium or Discount Expense and Debt Issuance Expense.

Source: Laclede Gas Company's response to Staff's Data Information Request Nos. 3802.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Annual Amortization of Net Premium or Discount Expense and Debt Issuance Expense
as of March 31, 2002 for Laclede Gas Company**

		(1)	(2)	(3)
		Number of	Unamortized Net	Annual
		Months to	Premium or Discount	Amortization of Net
		Maturity	Expense and	Premium or Discount
		Maturity	Debt Issuance	Expense and
		(03/31/02)	Expense	Debt Issuance
Long-Term Debt	Maturity Date		(3/31/02)	Expense
First Mortgage Bonds:				
6-1/4% Series due May 1, 2003	(05/01/03)	13.2	\$45,394	\$41,267
8-1/2% Series due November 15, 2004	(11/15/04)	32.0	\$61,150	\$22,931
8-5/8% Series due May 15, 2006	(05/15/06)	50.2	\$195,032	\$46,621
7-1/2% Series due November 1, 2007	(11/01/07)	68.0	\$226,051	\$39,872
6-1/2% Series due November 15, 2010	(11/15/10)	105.0	\$115,932	\$13,245
6-1/2% Series due October 15, 2012	(11/15/10)	105.0	\$346,886	\$39,632
7.00% Series due June 1, 2029	(06/01/29)	330.8	\$169,847	\$6,161
7.90% Series due September 15, 2030	(09/15/30)	346.5	\$377,452	\$13,072
6 5/8% Series due June 15, 2016	(06/15/16)	173.0	\$1,495,223	\$103,715
Reacquired First Mortgage Bonds:				
9.00% Series due May 1, 2011 (*)	(05/01/03)	13.2	\$326,264	\$296,604
9-5/8% Series due May 15, 2013	(05/15/13)	135.4	\$262,180	\$23,230
Total			\$3,621,411	\$646,351

Note: Column 3 = [(Column 2 / Column 1) * 12].

Debt issuance Expense includes Losses on Reacquired Debt.

The Reacquired 9% Series due May 1, 2011, is being amortized over the life of the 6-1/4% Series due May 1, 2003, which was used to refinance the 9% Series due May 1, 2011.

Source: Laclede Gas Company's response to Staff's Data Information Request Nos. 3802 & 3804.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Average Net Short-Term Debt Outstanding
for Laclede Gas Company**
(in thousands)

Month	(1) Short-Term Debt (End of Month)	(2) Construction Work-In Progress	(3) Gas Safety Deferrals (AAOs)	(4) Net Short-Term Debt
March 2001	\$195,700	\$4,274	\$1,944	\$189,482
April	\$171,800	\$4,932	\$2,332	\$164,536
May	\$145,100	\$5,831	\$2,469 *	\$136,800
June	\$90,200	\$6,305	\$2,601	\$81,294
July	\$104,000	\$6,382	\$2,756	\$94,862
August	\$115,100	\$8,406	\$2,885	\$103,809
September	\$117,050	\$6,189	\$3,036	\$107,825
October	\$128,250	\$6,394	\$3,191	\$118,665
November	\$130,800	\$6,754	\$2,940	\$121,106
December	\$133,820	\$7,105	\$106	\$126,609
January 2002	\$120,430	\$7,300	\$125	\$113,005
February	\$99,020	\$8,211	\$141	\$90,668
March	<u>\$75,600</u>	<u>\$8,278</u>	<u>\$182</u>	<u>\$67,140</u>
13-Month Average	<u>\$125,144</u>	<u>\$6,643</u>	<u>\$1,901</u>	<u>\$116,600</u>

Notes:

- (1) Column 4 = Column 1 - (Column 2 + Column 3)
- (2) 13-month average was utilized in order to reflect a full 12 months of activity.
- (3) Column 3 represents Allowance for Gas Safety Deferrals financed at construction short-term debt rate.

Source: Laclede Gas Company's Month Ending General Ledgers and Data Request No. 3803.

* Typo corrected June 27, 2002. Original entry showed \$24,769. This correction will impact 13-month average for Gas Safety Deferrals, Net Short-Term Debt for May 2001 and 13-month average for Net Short-Term Debt, which flows into Schedule 10 - Capital Structure for Laclede Gas Company as of March 31, 2002.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Embedded Cost of Preferred Stock as of March 31, 2002
for Laclede Gas Company**

	(1)	(2)	(3)
Preferred Stock	Dividend Rate	Principal Amount Outstanding (3/31/02)	Annualized Cost to Company (1 * 2)
<u>Redeemable Preferred Stock: Stated Par Value of \$25 Per Share</u>			
5% Series B	5.000%	\$1,118,725	\$55,936
4.56% Series C	4.560%	\$147,650	\$6,733
Less: Net Unamortized Premium and Issuance Expense		\$0	
Total		<u>\$1,266,375</u>	<u>\$62,669</u>

$$\begin{aligned}
 \text{Embedded Cost of Preferred Stock} &= \frac{\$62,669}{\$1,266,375} \\
 &= \mathbf{4.95\%}
 \end{aligned}$$

Note: The amount of Preferred Stock includes the amount redeemable within one year.

Source: Laclede Gas Company's response to Staff's Data Information Request No. 3802.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for Laclede Gas Company**

<u>Year</u>	<u>Dividends Per Share</u>	<u>Earnings Per Share</u>	<u>Book Value Per Share</u>
1991	\$1.20	\$1.28	\$11.83
1992	\$1.20	\$1.17	\$11.79
1993	\$1.22	\$1.61	\$12.19
1994	\$1.22	\$1.42	\$12.44
1995	\$1.24	\$1.27	\$13.05
1996	\$1.26	\$1.87	\$13.72
1997	\$1.30	\$1.84	\$14.26
1998	\$1.32	\$1.58	\$14.57
1999	\$1.34	\$1.47	\$14.96
2000	\$1.34	\$1.37	\$14.99
2001	\$1.34	\$1.61	\$15.26

Annual Compound Growth Rates

	<u>DPS</u>	<u>EPS</u>	<u>BVPS</u>
1991 - 2001	1.11%	2.32%	2.58%
1996 - 2001	1.24%	-2.95%	2.15%

Trend Line Growth Rates

	<u>DPS</u>	<u>EPS</u>	<u>BVPS</u>
1991 - 2001	1.35%	1.92%	3.00%
1996 - 2001	1.19%	-4.76%	2.04%

	<u>DPS</u>	<u>EPS</u>	<u>BVPS</u>
Average of Historical Growth Rates	1.22%	-0.87%	2.44%
Standard Deviation:	0.09%	3.06%	0.38%

Source: Value Line Investment Survey: Ratings and Reports, March 22, 2002.

LACLEDE GAS COMPANY
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**Historical and Projected Growth Rates
for Laclede Gas Company**

Historical Growth Rates

Average DPS Annual Compound & Trend Line Growth	1.22%
Average EPS Annual Compound & Trend Line Growth	-0.87%
Average BVPS Annual Compound & Trend Line Growth	2.44%
Average of Historical Growth Rates	0.93%

Projected Growth Rates from Outside Sources

5 Year Growth Forecast (Mean) I/B/E/S Inc.'s Institutional Brokers Estimate System March 14, 2002	3.00%
5-Year Projected EPS Growth Rate (120-day Consensus - Mean) Zack's Investment Research, Inc. May 15, 2002	4.50%
5-Year Projected EPS Growth Rate Standard & Poor's Corporation's Earnings Guide May 2002	3.00%
Projected EPS Growth Rate (3 to 5 Years) Value Line's Ratings and Reports March 22, 2002	7.00%
Average of Projected Growth Rates	4.38%

**Proposed Range of Growth
for Laclede Gas Company**

3.00% to 4.00%

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Monthly High / Low Average Dividend Yields
for Laclede Gas Company**

	(1)	(2)	(3)	(4)	(5)
Month / Year	High Stock Price	Low Stock Price	Average High / Low Price	Expected Dividend	Projected Dividend Yield
January 2002	24.900	22.500	\$23.700	\$1.360	5.74%
February 2002	23.750	22.000	\$22.875	\$1.360	5.95%
March 2002	24.090	23.100	\$23.595	\$1.360	5.76%
April 2002	24.880	23.300	\$24.090	\$1.360	5.65%
May 12, 2002	24.820	22.980	\$23.900	\$1.360	5.69%
Average					<u><u>5.76%</u></u>

**Proposed Dividend Yield
for Laclede Gas Company:**

5.75%

Notes: Column 3 = [(Column 1 + Column 2) / 2].

Column 4 = Estimated Dividends Declared per share represents the projected dividend for 2002 based on Value Line at March 22, 2002.

Column 5 = (Column 4 / Column 3).

Sources: WallStreet City, <http://www.wallstreetcity.com> as of May 13, 2002.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

Discounted Cash Flow (DCF) Costs of Common Equity Estimates
for Laclede Gas Company

EDE's Cost of Common Equity	=	Dividend Yield	+	Expected Growth
8.75%	=	5.75%	+	3.00%
9.75%	=	5.75%	+	4.00%

Discounted Cash Flow (DCF) Model Derivation

$$\text{Present Price} = \frac{\text{Expected Dividends}}{\text{Discounted by } k} + \frac{\text{Present Price (1 + g)}}{\text{Discounted by } k}$$

where: g = estimated growth rate and k = cost of common equity.

Letting: P0 = present price and D1 = expected dividends, then

$$P_0 = \frac{D_1}{(1+k)} + \frac{P_0 (1 + g)}{(1+k)} \quad \text{or}$$

$$k = \frac{D_1}{P_0} + g$$

Thus:

$$\text{Cost of Common Equity} = \text{Dividend Yield} + \text{Expected Growth}$$

Notes: See Schedule 16 for calculation of proposed range of dividend yield for Laclede Gas Company.

See Schedule 15 for calculation of proposed range of growth for Laclede Gas Company.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Capital Asset Pricing Model (CAPM) Cost of Equity Estimates
for Laclede Gas Company**

LG's Cost of Common Equity	=	Risk Free Rate	+	(LG's Beta	*	Market Risk Premium (1926 - 2001))
9.25%	=	5.40%	+	(0.55	*	7.00%)
9.56%	=	5.71%	+	(0.55	*	7.00%)
Midpoint	=	9.41%						

The capital asset pricing model (CAPM) describes the relationship between a security's investment risk and its market rate of return. This relationship identifies the rate of return which investors expect a security to earn so that its market return is comparable with the market returns earned by other securities that have similar risk. The general form of the CAPM is as follows:

$$\text{Cost of Common Equity} = \text{Risk Free Rate} + [\text{Beta} * \text{Market Risk Premium}]$$

where:

The Risk Free Rate reflects the level of return which can be achieved without accepting any risk. The Risk Free Rate is represented by the yield on 30-Year U.S. Treasury Bonds. The appropriate rate was determined to be the high / low range of 5.71 % to 5.40 % for the six-month period ending May 31, 2002 as published on the Federal Reserve website, <http://www.federalreserve.gov/releases/h15/data/m/tcm30y.txt>. Rate for periods ending 3/31/02 through 5/31/02 quoted on Yahoo! Finance at <http://table.finance.yahoo.com>. Based on 30-Year Treasury Yld (Chicago Board Options Exchange) reported as of June 7, 2002.

Beta represents the relative movement and relative risk between a particular stock and the market. The appropriate beta for Laclede was determined to be 0.55 as published in The Value Line Investment Survey: Ratings and Reports, March 22, 2002.

The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium was determined to be 7.00 %, which is calculated by subtracting the Arithmetic Mean for Long-term Government Bonds (5.7%) from the Arithmetic Mean for Large Company Stock (12.7%). {Source: Ibbotson Associates Stocks, Bonds, Bills, and Inflation: 2002 Yearbook for the period 1926 - 2001}

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Average Risk Premium Above the Yields of 30-Year U.S. Treasury Bonds
for Laclede Gas Company's Expected Returns on Common Equity**

Mo/Year	LG's Expected ROE	30-Year U.S. Treasury Bond Yields	LG's Risk Premium	Mo/Year	LG's Expected ROE	30-Year U.S. Treasury Bond Yields	LG's Risk Premium
Jan 1991	12.50%	8.27%	4.23%	Jan 1997	12.00%	6.83%	5.17%
Feb	12.50%	8.03%	4.47%	Feb	12.00%	6.69%	5.31%
Mar	12.50%	8.29%	4.21%	Mar	12.00%	6.93%	5.07%
Apr	11.50%	8.21%	3.29%	Apr	12.00%	7.09%	4.91%
May	11.50%	8.27%	3.23%	May	12.00%	6.94%	5.06%
Jun	11.50%	8.47%	3.03%	Jun	12.00%	6.77%	5.23%
Jul	11.50%	8.45%	3.05%	Jul	12.00%	6.51%	5.49%
Aug	11.50%	8.14%	3.36%	Aug	12.00%	6.58%	5.42%
Sep	11.50%	7.95%	3.55%	Sep	12.00%	6.50%	5.50%
Oct	11.50%	7.93%	3.57%	Oct	12.50%	6.33%	6.17%
Nov	11.50%	7.92%	3.58%	Nov	12.50%	6.11%	6.39%
Dec	11.50%	7.70%	3.80%	Dec	12.50%	5.99%	6.51%
Jan 1992	12.00%	7.58%	4.42%	Jan 1998	12.00%	5.81%	6.19%
Feb	12.00%	7.85%	4.15%	Feb	12.00%	5.89%	6.11%
Mar	12.00%	7.97%	4.03%	Mar	12.00%	5.95%	6.05%
Apr	12.00%	7.96%	4.04%	Apr	11.50%	5.92%	5.58%
May	12.00%	7.89%	4.11%	May	11.50%	5.93%	5.57%
Jun	12.00%	7.84%	4.16%	Jun	11.50%	5.70%	5.80%
Jul	10.00%	7.60%	2.40%	Jul	10.50%	5.68%	4.82%
Aug	10.00%	7.39%	2.61%	Aug	10.50%	5.54%	4.96%
Sep	10.00%	7.34%	2.66%	Sep	10.50%	5.20%	5.30%
Oct	10.00%	7.53%	2.47%	Oct	13.00%	5.01%	7.99%
Nov	10.00%	7.61%	2.39%	Nov	13.00%	5.25%	7.75%
Dec	10.00%	7.44%	2.56%	Dec	13.00%	5.06%	7.94%
Jan 1993	13.00%	7.34%	5.66%	Jan 1999	12.00%	5.16%	6.84%
Feb	13.00%	7.09%	5.91%	Feb	12.00%	5.37%	6.63%
Mar	13.00%	6.82%	6.18%	Mar	12.00%	5.58%	6.42%
Apr	12.00%	6.85%	5.15%	Apr	9.50%	5.55%	3.95%
May	12.00%	6.92%	5.08%	May	9.50%	5.81%	3.69%
Jun	12.00%	6.81%	5.19%	Jun	9.50%	6.04%	3.46%
Jul	13.00%	6.63%	6.37%	Jul	9.00%	5.98%	3.02%
Aug	13.00%	6.32%	6.68%	Aug	9.00%	6.07%	2.93%
Sep	13.00%	6.00%	7.00%	Sep	9.00%	6.07%	2.93%
Oct	13.00%	5.94%	7.06%	Oct	10.00%	6.26%	3.74%
Nov	13.00%	6.21%	6.79%	Nov	10.00%	6.15%	3.85%
Dec	13.00%	6.25%	6.75%	Dec	10.00%	6.35%	3.65%
Jan 1994	12.50%	6.29%	6.21%	Jan 2000	10.00%	6.63%	3.37%
Feb	12.50%	6.49%	6.01%	Feb	10.00%	6.23%	3.77%
Mar	12.50%	6.91%	5.59%	Mar	10.00%	6.05%	3.95%
Apr	12.00%	7.27%	4.73%	Apr	11.00%	5.85%	5.15%
May	12.00%	7.41%	4.59%	May	11.00%	6.15%	4.85%
Jun	12.00%	7.40%	4.60%	Jun	11.00%	5.93%	5.07%
Jul	11.50%	7.58%	3.92%	Jul	9.50%	5.85%	3.65%
Aug	11.50%	7.49%	4.01%	Aug	9.50%	5.72%	3.78%
Sep	11.50%	7.71%	3.79%	Sep	9.50%	5.83%	3.67%
Oct	11.50%	7.94%	3.56%	Oct	9.10%	5.80%	3.30%
Nov	11.50%	8.08%	3.42%	Nov	9.10%	5.78%	3.32%
Dec	11.50%	7.87%	3.63%	Dec	9.10%	5.49%	3.61%
Jan 1995	11.50%	7.85%	3.65%	Jan 2001	11.00%	5.54%	5.46%
Feb	11.50%	7.61%	3.89%	Feb	11.00%	5.45%	5.55%
Mar	11.50%	7.45%	4.05%	Mar	11.00%	5.34%	5.66%
Apr	10.00%	7.36%	2.64%	Apr	13.50%	5.65%	7.85%
May	10.00%	6.95%	3.05%	May	13.50%	5.78%	7.72%
Jun	10.00%	6.57%	3.43%	Jun	13.50%	5.67%	7.83%
Jul	9.00%	6.72%	2.28%	Jul	12.00%	5.61%	6.39%
Aug	9.00%	6.86%	2.14%	Aug	12.00%	5.48%	6.52%
Sep	9.00%	6.55%	2.45%	Sep	12.00%	5.49%	6.51%
Oct	9.00%	6.37%	2.63%	Oct	10.50%	5.32%	5.18%
Nov	9.00%	6.26%	2.74%	Nov	10.50%	5.12%	5.38%
Dec	9.00%	6.06%	2.94%	Dec	10.50%	5.48%	5.02%
Jan 1996	9.00%	6.05%	2.95%	Jan 2002	10.00%	5.45%	4.55%
Feb	9.00%	6.24%	2.76%	Feb	10.00%	5.40%	4.60%
Mar	9.00%	6.60%	2.40%	Mar	13.00%	5.71%	7.29%
Apr	12.00%	6.79%	5.21%	Apr	13.00%	5.67%	7.33%
May	12.00%	6.93%	5.07%	May	13.00%	5.64%	7.36%
Jun	12.00%	7.06%	4.94%				
Jul	13.00%	7.03%	5.97%				
Aug	13.00%	6.84%	6.16%				
Sep	13.00%	7.03%	5.97%				
Oct	14.00%	6.81%	7.19%				
Nov	14.00%	6.48%	7.52%				
Dec	14.00%	6.55%	7.45%				

Note:

¹ Rate quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) reported as of June 7, 2002.

Sources: The Value Line Investment Survey: Ratings & Reports and the Federal Reserve web site
<http://www.federalreserve.gov/releases/r115/data/m1cm30y.td>

Summary Information (1991-2002)

Average Risk Premium: 4.79%
(Jan 1991 - Feb 2002)

High Risk Premium: 7.99%
(October 1998)

Low Risk Premium: 2.14%
(August 1995)

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Risk Premium Costs of Equity Estimates
for Laclede Gas Company**

LG's Cost of Common Equity	=	30-Year U.S. Treasury Bond Yield (5/31/02)	+	Equity Risk Premium (Jan 1991 - May 2002)
10.43%	=	5.64%	+	4.79%

The risk premium approach is based upon the proposition that common stocks are more risky than debt and, as a result, investors require a higher expected return on stocks than bonds. In this approach, the cost of common equity is computed by the following formula:

$$\text{Cost of Common Equity} = \text{Current Cost of Debt} + \text{Equity Risk Premium}$$

where:

The Current Cost of Debt is represented by the yield on the 30-Year U.S. Treasury Bond.

The appropriate rate was determined by using the yield on 30-Year U.S. Treasury Bonds at May 31, 2002 quoted on Yahoo! Finance at <http://table.finance.yahoo.com>. Rate is based on 30-year treasury yield for period ending May 2002 (Chicago Board Options Exchange) reported as of June 7, 2002.

The Equity Risk Premium represents the difference between LG's expected return on common equity (ROE) as projected in the Value Line Investment Survey and the 30-Year U.S. Treasury Bond Yield as stated on the Federal Reserve web site, <http://www.federalreserve.gov/releases/H15/data/m/tcm30y.txt>. The appropriate Equity Risk Premium was determined to be the average risk premium for the period January 1991 through May 2002. See Schedule 19 for the calculation of the Equity Risk Premium of 4.79%.

LACLEDE GAS COMPANY
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Criterion for Selecting Natural Gas Distribution Companies

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Publicly Traded & Information Printed In Value Line	Pre-Tax Interest Coverage as of 12/31/01 > 2.0 x	Distribution Revenues to Total Revenues > 90%	Long-Term Debt to Total Capital as of 12/31/01 < 55%	Positive DPS Annual Compound Growth Rate (1991 - 2001)	No Missouri Operations	Natural Gas Distribution Company Met All Criteria
Natural Gas Distribution Company	Ticker Symbol						
AGL Resources, Inc. (AGL)	ATG	Yes	Yes	Yes	Yes ¹	Yes	Yes
Atmos Energy Corporation	ATO	Yes	Yes	Yes	Yes	No	
Cascade Natural Gas Corporation	CGC	Yes	Yes	Yes	No		
Delta Natural Gas Company Inc.	DGAS	No					
EnergyWest	EWST	Yes	Yes	Yes	N.A.		
EnergySouth, Inc. (ENSI)	ENSI	Yes	Yes	Yes	Yes ¹	N.A.	
Laclede Gas Company	LG	Yes	Yes	Yes	Yes	No	
New Jersey Resources Corporation	NJR	Yes	Yes	Yes	Yes	Yes	Yes
Northwest Natural Gas Company (NWN)	NWN	Yes	Yes	Yes	Yes ¹	Yes	Yes
Peoples Energy Corporation (PGL)	PGL	Yes	Yes	Yes	Yes ¹	Yes	Yes
Piedmont Natural Gas Company, Inc. (PNY)	PNY	Yes	Yes ³	Yes	Yes ²	Yes	Yes
RGC Resources, Inc.	RGCO	Yes	No				
South Jersey Industries, Inc.	SJI	Yes	Yes	Yes	Yes	Yes	Yes
Southern Union Company	SUG	Yes	No				
WGL Holdings, Inc.	WGL	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Columns 1, 5 & 6 = Value Line Investment Survey: Ratings & Reports, March 22, 2002.

Columns 2 & 3 = Edward Jones & Co.'s Natural Gas Industry Summary: Quarterly Financial & Common Stock Information, March 31, 2002.

Column 4 = Company Specific SEC Filings for the Quarter ending December 31, 2001.

NOTE:

¹ Information as of period ending 3/31/02.

² Information as of period ending 1/31/02.

³ Information for Piedmont Natural Gas Company, Inc. is for the 12 months ending 1/31/02.

LACLEDE GAS COMPANY
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**Seven Comparable Natural Gas Distribution Companies
for Laclede Gas Company**

Number	Ticker Symbol	Company Name
1	ATG	AGL Resources, Inc.
2	NJR	New Jersey Resources
3	NWN	Northwest Natural Gas Company
4	PGL	Peoples Energy Corporation
5	PNY	Piedmont Natural Gas Company, Inc.
6	SJI	South Jersey Industries
7	WGL	WGL Holdings, Inc.

**Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for the Seven Comparable Natural Gas Distribution Companies**

Company Name	Dividends Per Share		Earnings Per Share		Book Value Per Share	
	1991	2001	1991	2001	1991	2001
AGL Resources, Inc.	\$1.02	\$1.08	\$1.04	\$1.50	\$9.42	\$12.19
New Jersey Resources	\$1.00	\$1.17	\$0.50	\$1.95	\$8.57	\$13.20
Northwest Natural Gas Company	\$1.13	\$1.25	\$0.67	\$1.88	\$12.23	\$18.60
Peoples Energy Corporation	\$1.71	\$2.04	\$2.05	\$3.16	\$16.95	\$22.75
Piedmont Natural Gas Company, Inc.	\$0.87	\$1.52	\$0.89	\$2.02	\$9.65	\$17.26
South Jersey Industries	\$1.41	\$1.48	\$1.27	\$2.29	\$13.53	\$16.40
Washington Gas Light Company	\$1.05	\$1.26	\$1.14	\$1.88	\$9.63	\$16.24

Annual Compound Growth Rates

Company Name	DPS	EPS	BVPS
	1991-2001	1991-2001	1991-2001
AGL Resources, Inc.	0.57%	3.73%	2.61%
New Jersey Resources	1.58%	14.58%	4.41%
Northwest Natural Gas Company	1.01%	10.87%	4.28%
Peoples Energy Corporation	1.78%	4.42%	2.99%
Piedmont Natural Gas Company, Inc.	5.74%	8.54%	5.99%
South Jersey Industries	0.49%	6.07%	1.94%
WGL Holdings, Inc.	1.84%	5.13%	5.36%
Average	<u>1.86%</u>	<u>7.62%</u>	<u>3.94%</u>
Standard Deviation	1.66%	3.66%	1.37%

Source: The Value Line Investment Survey: Ratings & Reports, March 22, 2002.

**Historical and Projected Growth Rates
for the Seven Comparable Natural Gas Distribution Companies**

Company Name	(1) Average Positive Historical Annual Growth Rate	(2) Projected 5 Year Growth IBES (Mean)	(3) Projected 5 Year EPS Growth (S&P)	(4) Projected 3-5 Year EPS Growth Value Line	(5) Average Projected Growth	(6) Historical & Projected Growth
AGL Resources, Inc.	2.30%	8.43%	7.00%	9.50%	8.31%	5.31%
New Jersey Resources	6.86%	6.33%	7.00%	9.50%	7.61%	6.50%
Northwest Natural Gas Company	5.39%	4.55%	5.00%	7.50%	5.68%	4.37%
Peoples Energy Corporation	3.06%	5.58%	6.00%	7.50%	6.36%	6.56%
Piedmont Natural Gas Company, Inc.	6.76%	4.50%	5.00%	6.50%	5.33%	4.08%
South Jersey Industries	2.83%	5.33%	5.00%	7.00%	5.78%	4.94%
WGL Holdings, Inc.	4.11%	4.17%	4.00%	7.50%	5.22%	4.85%
Average	<u>4.47%</u>	<u>5.56%</u>	<u>5.57%</u>	<u>7.86%</u>	<u>6.33%</u>	<u>5.23%</u>
Proposed Range of Growth					5.25 - 6.25%	

Notes: Column 5 = $[(\text{Column 2} + \text{Column 3} + \text{Column 4}) / 3]$.

Column 6 = $[(\text{Column 1} + \text{Column 5}) / 2]$.

Sources: Column 1 = Average of 10 Year Annual Compound Growth Rates from Schedule 22.

Column 2 = I/B/E/S Inc.'s Institutional Brokers Estimate System, Utility Industry/Company Long-term Growth Report, March 14, 2002.

Column 3 = Standard & Poor's Corporation's Earnings Guide, May 2002.

Column 4 = Value Line Investment Survey: Ratings and Report, March 22, 2002.

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**Average High/Low Stock Price for January through May 2002
for the Seven Comparable Natural Gas Distribution Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	— January 2002 —		— February 2002 —		— March 2002 —		— April 2002 —		— May 19, 2002 —		Average High/Low Stock Price (January - May 2002)
Company Name	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	
AGL Resources, Inc.	\$23.020	\$20.600	\$22.780	\$20.950	\$23.690	\$22.160	\$24.340	\$22.800	\$24.170	\$22.800	\$22.731
New Jersey Resources	\$31.240	\$29.466	\$31.160	\$29.233	\$32.000	\$30.060	\$32.900	\$30.290	\$32.590	\$30.500	\$30.944
Northwest Natural Gas Company	\$27.990	\$25.160	\$26.800	\$24.200	\$28.500	\$26.230	\$30.300	\$27.600	\$30.300	\$27.750	\$27.483
Peoples Energy Corporation	\$38.990	\$35.500	\$37.400	\$35.250	\$39.980	\$37.060	\$40.180	\$38.010	\$39.840	\$38.000	\$38.021
Piedmont Natural Gas Company, Inc.	\$35.890	\$32.900	\$34.050	\$31.790	\$36.250	\$32.010	\$37.950	\$35.000	\$38.000	\$35.180	\$34.902
South Jersey Industries	\$32.790	\$31.400	\$31.650	\$29.950	\$32.700	\$30.300	\$35.500	\$31.700	\$36.650	\$35.050	\$32.769
WGL Holdings, Inc.	\$29.480	\$25.850	\$27.130	\$25.710	\$27.540	\$26.310	\$27.950	\$26.250	\$27.400	\$25.680	\$26.930

Notes: Column 11 = 1 / (Column 1 + Column 2 + Column 3 + Column 4 + Column 5 + Column 6 + Column 7 + Column 8 + Column 9 + Column 10 / 10).

Sources: Wall Street City Web Site, <http://www.wallstreetcity.com/> as of May 20, 2002.

LACLEDE GAS COMPANY
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**DCF Estimated Costs of Common Equity
for the Seven Comparable Natural Gas Distribution Companies**

	(1)	(2)	(3)	(4)	(5)
Company Name	Expected Dividend (Projected 2002)	Average High/Low Stock Price (1/31/02 - 5/19/02)	Projected Dividend Yield	Average Projected Growth Rate	Estimated Cost of Common Equity
AGL Resources, Inc.	\$1.08	\$22.731	4.75%	8.31%	13.06%
New Jersey Resources	\$1.20	\$30.944	3.88%	7.61%	11.49%
Northwest Natural Gas Company	\$1.26	\$27.483	4.58%	5.68%	10.27%
Peoples Energy Corporation	\$2.08	\$38.021	5.47%	6.36%	11.83%
Piedmont Natural Gas Company, Inc.	\$1.60	\$34.902	4.58%	5.33%	9.92%
South Jersey Industries	\$1.50	\$32.769	4.58%	5.78%	10.35%
WGL Holdings, Inc.	\$1.28	\$26.930	4.75%	5.22%	9.98%
Average			<u>4.66%</u>	<u>6.33%</u>	<u>10.99%</u>

**Proposed
Dividend Yield** **4.75%**

**Proposed Range
of Growth** **5.25 - 6.25%**

**Estimated Cost
of Common Equity** **10.0 - 11.0%**

Mipoint = 10.50%

Notes: Column 1 = Expected Dividends Declared per share represents the projected dividend for 2002.

Column 3 = (Column 1 / Column 2).

Column 5 = (Column 3 + Column 4).

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, March 22, 2002.

Column 2 = Schedule 25.

Column 4 = Schedule 24.

**Average Risk Premium Above the Yields of 30-Year U.S. Treasury Bonds
for AGL Resources, Inc.'s Expected Returns on Common Equity**

Mo/Year	AGL's Expected ROE	30-Year U.S. Treasury Bond Yields	AGL's Risk Premium	Mo/Year	AGL's Expected ROE	30-Year U.S. Treasury Bond Yields	AGL's Risk Premium
Jan 1991	11.50%	8.27%	3.23%	Jan 1997	14.50%	6.83%	7.67%
Feb	11.50%	8.03%	3.47%	Feb	14.50%	6.69%	7.81%
Mar	11.50%	8.29%	3.21%	Mar	14.50%	6.93%	7.57%
Apr	11.50%	8.21%	3.29%	Apr	14.00%	7.09%	6.91%
May	11.50%	8.27%	3.23%	May	14.00%	6.94%	7.06%
Jun	11.50%	8.47%	3.03%	Jun	14.00%	6.77%	7.23%
Jul	11.50%	8.45%	3.05%	Jul	14.00%	6.51%	7.49%
Aug	11.50%	8.14%	3.36%	Aug	14.00%	6.58%	7.42%
Sep	11.50%	7.95%	3.55%	Sep	14.00%	6.50%	7.50%
Oct	10.50%	7.93%	2.57%	Oct	13.50%	6.33%	7.17%
Nov	10.50%	7.92%	2.58%	Nov	13.50%	6.11%	7.39%
Dec	10.50%	7.70%	2.80%	Dec	13.50%	5.99%	7.51%
Jan 1992	11.50%	7.58%	3.92%	Jan1998	11.50%	5.81%	5.69%
Feb	11.50%	7.85%	3.65%	Feb	11.50%	5.89%	5.61%
Mar	11.50%	7.97%	3.53%	Mar	11.50%	5.95%	5.55%
Apr	11.00%	7.96%	3.04%	Apr	11.00%	5.92%	5.08%
May	11.00%	7.89%	3.11%	May	11.00%	5.93%	5.07%
Jun	11.00%	7.84%	3.16%	Jun	11.00%	5.70%	5.30%
Jul	11.00%	7.60%	3.40%	Jul	10.50%	5.68%	4.82%
Aug	11.00%	7.39%	3.61%	Aug	10.50%	5.54%	4.96%
Sep	11.00%	7.34%	3.66%	Sep	10.50%	5.20%	5.30%
Oct	11.00%	7.53%	3.47%	Oct	10.50%	5.01%	5.49%
Nov	11.00%	7.61%	3.39%	Nov	10.50%	5.25%	5.25%
Dec	11.00%	7.44%	3.56%	Dec	10.50%	5.06%	5.44%
Jan 1993	11.50%	7.34%	4.16%	Jan 1999	12.00%	5.16%	6.84%
Feb	11.50%	7.09%	4.41%	Feb	12.00%	5.37%	6.63%
Mar	11.50%	6.82%	4.68%	Mar	12.00%	5.58%	6.42%
Apr	11.50%	6.85%	4.65%	Apr	12.00%	5.55%	6.45%
May	11.50%	6.92%	4.58%	May	12.00%	5.81%	6.19%
Jun	11.50%	6.81%	4.69%	Jun	12.00%	6.04%	5.96%
Jul	11.50%	6.63%	4.87%	Jul	11.50%	5.98%	5.52%
Aug	11.50%	6.32%	5.18%	Aug	11.50%	6.07%	5.43%
Sep	11.50%	6.00%	5.50%	Sep	11.50%	6.07%	5.43%
Oct	10.50%	5.94%	4.56%	Oct	9.50%	6.26%	3.24%
Nov	10.50%	6.21%	4.29%	Nov	9.50%	6.15%	3.35%
Dec	10.50%	6.25%	4.25%	Dec	9.50%	6.35%	3.15%
Jan 1994	11.00%	6.29%	4.71%	Jan 2000	9.50%	6.63%	2.87%
Feb	11.00%	6.49%	4.51%	Feb	9.50%	6.23%	3.27%
Mar	11.00%	6.91%	4.09%	Mar	9.50%	6.05%	3.45%
Apr	10.50%	7.27%	3.23%	Apr	10.00%	5.85%	4.15%
May	10.50%	7.41%	3.09%	May	10.00%	6.15%	3.85%
Jun	10.50%	7.40%	3.10%	Jun	10.00%	5.93%	4.07%
Jul	11.00%	7.58%	3.42%	Jul	10.50%	5.85%	4.65%
Aug	11.00%	7.49%	3.51%	Aug	10.50%	5.72%	4.78%
Sep	11.00%	7.71%	3.29%	Sep	10.50%	5.83%	4.67%
Oct	11.00%	7.94%	3.06%	Oct	10.50%	5.80%	4.70%
Nov	11.00%	8.08%	2.92%	Nov	10.50%	5.78%	4.72%
Dec	11.00%	7.87%	3.13%	Dec	10.50%	5.49%	5.01%
Jan 1995	11.00%	7.85%	3.15%	Jan 2001	11.50%	5.54%	5.96%
Feb	11.00%	7.61%	3.39%	Feb	11.50%	5.45%	6.05%
Mar	11.00%	7.45%	3.55%	Mar	11.50%	5.34%	6.16%
Apr	12.00%	7.36%	4.64%	Apr	12.00%	5.65%	6.35%
May	12.00%	6.95%	5.05%	May	12.00%	5.78%	6.22%
Jun	12.00%	6.57%	5.43%	Jun	12.00%	5.67%	6.33%
Jul	11.50%	6.72%	4.78%	Jul	13.00%	5.61%	7.39%
Aug	11.50%	6.86%	4.64%	Aug	13.00%	5.48%	7.52%
Sep	11.50%	6.55%	4.95%	Sep	13.00%	5.49%	7.51%
Oct	12.50%	6.37%	6.13%	Oct	12.50%	5.32%	7.18%
Nov	12.50%	6.26%	6.24%	Nov	12.50%	5.12%	7.38%
Dec	12.50%	6.06%	6.44%	Dec	12.50%	5.48%	7.02%
Jan 1996	13.00%	6.05%	6.95%	Jan 2002	13.00%	5.45%	7.55%
Feb	13.00%	6.24%	6.76%	Feb	13.00%	5.40%	7.60%
Mar	13.00%	6.60%	6.40%	Mar	13.00%	5.71% ¹	7.29%
Apr	13.50%	6.79%	6.71%	Apr	13.00%	5.67% ¹	7.33%
May	13.50%	6.93%	6.57%	May	13.00%	5.64% ¹	7.36%
Jun	13.50%	7.06%	6.44%				
Jul	14.00%	7.03%	6.97%				
Aug	14.00%	6.84%	7.16%				
Sep	14.00%	7.03%	6.97%				
Oct	14.00%	6.81%	7.19%				
Nov	14.00%	6.48%	7.52%				
Dec	14.00%	6.55%	7.45%				

Summary Information

(1991-2002)

Average Risk Premium:
(Jan 1991 - May 2002)

5.14%

High Risk Premium:
(February 1997)

7.81%

Low Risk Premium:
(October 1991)

2.57%

Note:

¹ Rate quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) as of June 7, 2002.

Sources: The Value Line Investment Survey; Ratings & Reports and Federal Reserve web site
<http://www.federalreserve.gov/releases/H15/data/m1cm30y.txt>

**Average Risk Premium Above the Yields of 30-Year U.S. Treasury Bonds
for New Jersey Resources's Expected Returns on Common Equity**

Mo/Year	NJR's Expected ROE	30-Year U.S. Treasury Bond Yields	NJR's Risk Premium	Mo/Year	NJR's Expected ROE	30-Year U.S. Treasury Bond Yields	NJR's Risk Premium
Jan 1991	10.00%	8.27%	1.73%	Jan 1997	14.50%	6.83%	7.67%
Feb	9.00%	8.03%	0.97%	Feb	14.50%	6.69%	7.81%
Mar	9.00%	8.29%	0.71%	Mar	14.50%	6.93%	7.57%
Apr	9.00%	8.21%	0.79%	Apr	14.00%	7.09%	6.91%
May	7.50%	8.27%	-0.77%	May	14.00%	6.94%	7.06%
Jun	7.50%	8.47%	-0.97%	Jun	14.00%	6.77%	7.23%
Jul	7.50%	8.45%	-0.95%	Jul	14.50%	6.51%	7.99%
Aug	8.00%	8.14%	-0.14%	Aug	14.50%	6.58%	7.92%
Sep	8.00%	7.95%	0.05%	Sep	14.50%	6.50%	8.00%
Oct	8.00%	7.93%	0.07%	Oct	14.50%	6.33%	8.17%
Nov	7.50%	7.92%	-0.42%	Nov	14.50%	6.11%	8.39%
Dec	7.50%	7.70%	-0.20%	Dec	14.50%	5.99%	8.51%
Jan 1992	11.00%	7.58%	3.42%	Jan1998	14.50%	5.81%	8.69%
Feb	10.50%	7.85%	2.65%	Feb	14.50%	5.89%	8.61%
Mar	10.50%	7.97%	2.53%	Mar	14.50%	5.95%	8.55%
Apr	10.50%	7.96%	2.54%	Apr	14.50%	5.92%	8.58%
May	9.00%	7.89%	1.11%	May	14.50%	5.93%	8.57%
Jun	9.00%	7.84%	1.16%	Jun	14.50%	5.70%	8.80%
Jul	9.00%	7.60%	1.40%	Jul	15.00%	5.68%	9.32%
Aug	10.50%	7.39%	3.11%	Aug	15.00%	5.54%	9.46%
Sep	10.50%	7.34%	3.16%	Sep	15.00%	5.20%	9.80%
Oct	10.50%	7.53%	2.97%	Oct	15.00%	5.01%	9.99%
Nov	11.50%	7.61%	3.89%	Nov	15.00%	5.25%	9.75%
Dec	11.50%	7.44%	4.06%	Dec	15.00%	5.06%	9.94%
Jan 1993	12.00%	7.34%	4.66%	Jan 1999	14.50%	5.16%	9.34%
Feb	11.50%	7.09%	4.41%	Feb	14.50%	5.37%	9.13%
Mar	11.50%	6.82%	4.68%	Mar	14.50%	5.58%	8.92%
Apr	11.50%	6.85%	4.65%	Apr	14.50%	5.55%	8.95%
May	12.00%	6.92%	5.08%	May	14.50%	5.81%	8.69%
Jun	12.00%	6.81%	5.19%	Jun	14.50%	6.04%	8.46%
Jul	12.00%	6.63%	5.37%	Jul	14.50%	5.98%	8.52%
Aug	11.50%	6.32%	5.18%	Aug	14.50%	6.07%	8.43%
Sep	11.50%	6.00%	5.50%	Sep	14.50%	6.07%	8.43%
Oct	11.50%	5.94%	5.56%	Oct	14.50%	6.26%	8.24%
Nov	11.50%	6.21%	5.29%	Nov	14.50%	6.15%	8.35%
Dec	11.50%	6.25%	5.25%	Dec	14.50%	6.35%	8.15%
Jan 1994	12.00%	6.29%	5.71%	Jan 2000	15.00%	6.63%	8.37%
Feb	12.00%	6.49%	5.51%	Feb	15.00%	6.23%	8.77%
Mar	12.00%	6.91%	5.09%	Mar	15.00%	6.05%	8.95%
Apr	12.00%	7.27%	4.73%	Apr	15.00%	5.85%	9.15%
May	12.00%	7.41%	4.59%	May	15.00%	6.15%	8.85%
Jun	12.00%	7.40%	4.60%	Jun	15.00%	5.93%	9.07%
Jul	12.00%	7.58%	4.42%	Jul	15.00%	5.85%	9.15%
Aug	12.00%	7.49%	4.51%	Aug	15.00%	5.72%	9.28%
Sep	12.00%	7.71%	4.29%	Sep	15.00%	5.83%	9.17%
Oct	12.00%	7.94%	4.06%	Oct	15.00%	5.80%	9.20%
Nov	12.00%	8.08%	3.92%	Nov	15.00%	5.78%	9.22%
Dec	12.00%	7.87%	4.13%	Dec	15.00%	5.49%	9.51%
Jan 1995	11.50%	7.85%	3.65%	Jan 2001	14.50%	5.54%	8.96%
Feb	11.50%	7.61%	3.89%	Feb	14.50%	5.45%	9.05%
Mar	11.50%	7.45%	4.05%	Mar	14.50%	5.34%	9.16%
Apr	12.50%	7.36%	5.14%	Apr	14.50%	5.65%	8.85%
May	12.50%	6.95%	5.55%	May	14.50%	5.78%	8.72%
Jun	12.50%	6.57%	5.93%	Jun	14.50%	5.67%	8.83%
Jul	12.50%	6.72%	5.78%	Jul	12.50%	5.61%	6.89%
Aug	12.50%	6.86%	5.64%	Aug	12.50%	5.48%	7.02%
Sep	12.50%	6.55%	5.95%	Sep	12.50%	5.49%	7.01%
Oct	13.00%	6.37%	6.63%	Oct	12.50%	5.32%	7.18%
Nov	13.00%	6.26%	6.74%	Nov	12.50%	5.12%	7.38%
Dec	13.00%	6.06%	6.94%	Dec	12.50%	5.48%	7.02%
Jan 1996	13.50%	6.05%	7.45%	Jan 2002	14.50%	5.45%	9.05%
Feb	13.50%	6.24%	7.26%	Feb	14.50%	5.40%	9.10%
Mar	13.50%	6.60%	6.90%	Mar	14.50%	5.71%	8.79%
Apr	13.50%	6.79%	6.71%	Apr	14.50%	5.67%	8.83%
May	13.50%	6.93%	6.57%	May	14.50%	5.64%	8.86%
Jun	13.50%	7.06%	6.44%				
Jul	13.50%	7.03%	6.47%				
Aug	13.50%	6.84%	6.66%				
Sep	13.50%	7.03%	6.47%				
Oct	13.50%	6.81%	6.69%				
Nov	13.50%	6.48%	7.02%				
Dec	13.50%	6.55%	6.95%				

Summary Information

(1991-2002)

Average Risk Premium:
(Jan 1991 - May 2002)

7.53%

High Risk Premium:
(Feb 1995)

9.99%

Low Risk Premium:
(Jan 2000)

3.65%

Note:

¹ Rate quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) as of June 7, 2002.

Sources: The Value Line Investment Survey; Ratings & Reports and Federal Reserve web site
<http://www.federalreserve.gov/releases/r15/data/rm1cm30y.txt>

**Average Risk Premium Above the Yields of 30-Year U.S. Treasury Bonds
for Northwest Natural Gas Company's Expected Returns on Common Equity**

Mo/Year	NWN's Expected ROE	30-Year U.S. Treasury Bond Yields	NWN's Risk Premium	Mo/Year	NWN's Expected ROE	30-Year U.S. Treasury Bond Yields	NWN's Risk Premium
Jan 1991	12.50%	8.27%	4.23%	Jan 1997	12.00%	6.83%	5.17%
Feb	12.50%	8.03%	4.47%	Feb	12.00%	6.69%	5.31%
Mar	12.50%	8.29%	4.21%	Mar	12.00%	6.93%	5.07%
Apr	12.50%	8.21%	4.29%	Apr	12.00%	7.09%	4.91%
May	11.50%	8.27%	3.23%	May	12.00%	6.94%	5.06%
Jun	11.50%	8.47%	3.03%	Jun	12.00%	6.77%	5.23%
Jul	11.50%	8.45%	3.05%	Jul	12.00%	6.51%	5.49%
Aug	12.00%	8.14%	3.86%	Aug	12.00%	6.58%	5.42%
Sep	12.00%	7.95%	4.05%	Sep	12.00%	6.50%	5.50%
Oct	12.00%	7.93%	4.07%	Oct	12.00%	6.33%	5.67%
Nov	12.50%	7.92%	4.58%	Nov	12.00%	6.11%	5.89%
Dec	12.50%	7.70%	4.80%	Dec	12.00%	5.99%	6.01%
Jan 1992	12.50%	7.58%	4.92%	Jan 1998	11.50%	5.81%	5.69%
Feb	12.00%	7.85%	4.15%	Feb	11.50%	5.89%	5.61%
Mar	12.00%	7.97%	4.03%	Mar	11.50%	5.95%	5.55%
Apr	12.00%	7.96%	4.04%	Apr	10.00%	5.92%	4.08%
May	11.00%	7.89%	3.11%	May	10.00%	5.93%	4.07%
Jun	11.00%	7.84%	3.16%	Jun	10.00%	5.70%	4.30%
Jul	11.00%	7.60%	3.40%	Jul	9.50%	5.68%	3.82%
Aug	9.00%	7.39%	1.61%	Aug	9.50%	5.54%	3.96%
Sep	9.00%	7.34%	1.66%	Sep	9.50%	5.20%	4.30%
Oct	9.00%	7.53%	1.47%	Oct	9.50%	5.01%	4.49%
Nov	7.50%	7.61%	-0.11%	Nov	9.50%	5.25%	4.25%
Dec	7.50%	7.44%	0.06%	Dec	9.50%	5.06%	4.44%
Jan 1993	7.50%	7.34%	0.16%	Jan 1999	11.00%	5.16%	5.84%
Feb	12.00%	7.09%	4.91%	Feb	11.00%	5.37%	5.63%
Mar	12.00%	6.82%	5.18%	Mar	11.00%	5.58%	5.42%
Apr	12.00%	6.85%	5.15%	Apr	8.50%	5.55%	2.95%
May	12.50%	6.92%	5.58%	May	8.50%	5.81%	2.69%
Jun	12.50%	6.81%	5.69%	Jun	8.50%	6.04%	2.46%
Jul	12.50%	6.63%	5.87%	Jul	9.50%	5.98%	3.52%
Aug	13.00%	6.32%	6.68%	Aug	9.50%	6.07%	3.43%
Sep	13.00%	6.00%	7.00%	Sep	9.50%	6.07%	3.43%
Oct	13.00%	5.94%	7.06%	Oct	10.50%	6.26%	4.24%
Nov	13.50%	6.21%	7.29%	Nov	10.50%	6.15%	4.35%
Dec	13.50%	6.25%	7.25%	Dec	10.50%	6.35%	4.15%
Jan 1994	12.50%	6.29%	6.21%	Jan 2000	10.50%	6.63%	3.87%
Feb	12.50%	6.49%	6.01%	Feb	10.50%	6.23%	4.27%
Mar	12.50%	6.91%	5.59%	Mar	10.50%	6.05%	4.45%
Apr	12.50%	7.27%	5.23%	Apr	10.00%	5.85%	4.15%
May	11.50%	7.41%	4.09%	May	10.00%	6.15%	3.85%
Jun	11.50%	7.40%	4.10%	Jun	10.00%	5.93%	4.07%
Jul	11.50%	7.58%	3.92%	Jul	10.50%	5.85%	4.65%
Aug	9.50%	7.49%	2.01%	Aug	10.50%	5.72%	4.78%
Sep	9.50%	7.71%	1.79%	Sep	10.50%	5.83%	4.67%
Oct	10.50%	7.94%	2.56%	Oct	10.00%	5.80%	4.20%
Nov	10.50%	8.08%	2.42%	Nov	10.00%	5.78%	4.22%
Dec	10.50%	7.87%	2.63%	Dec	10.00%	5.49%	4.51%
Jan 1995	11.50%	7.85%	3.65%	Jan 2001	10.50%	5.54%	4.96%
Feb	11.50%	7.61%	3.89%	Feb	10.50%	5.45%	5.05%
Mar	11.50%	7.45%	4.05%	Mar	10.50%	5.34%	5.16%
Apr	11.00%	7.36%	3.64%	Apr	10.50%	5.65%	4.85%
May	11.00%	6.95%	4.05%	May	10.50%	5.78%	4.72%
Jun	11.00%	6.57%	4.43%	Jun	10.50%	5.67%	4.83%
Jul	10.50%	6.72%	3.78%	Jul	9.50%	5.61%	3.89%
Aug	10.50%	6.86%	3.64%	Aug	9.50%	5.48%	4.02%
Sep	10.50%	6.55%	3.95%	Sep	9.50%	5.49%	4.01%
Oct	10.50%	6.37%	4.13%	Oct	9.50%	5.32%	4.18%
Nov	10.50%	6.26%	4.24%	Nov	9.50%	5.12%	4.38%
Dec	10.50%	6.06%	4.44%	Dec	9.50%	5.48%	4.02%
Jan 1996	11.50%	6.05%	5.45%	Jan 2002	10.00%	5.45%	4.55%
Feb	11.50%	6.24%	5.26%	Feb	10.00%	5.40%	4.60%
Mar	11.50%	6.60%	4.90%	Mar	10.00%	5.71% ¹	4.29%
Apr	11.50%	6.79%	4.71%	Apr	10.50%	5.67% ¹	4.83%
May	11.50%	6.93%	4.57%	May	10.50%	5.64% ¹	4.86%
Jun	11.50%	7.06%	4.44%				
Jul	11.50%	7.03%	4.47%				
Aug	11.50%	6.84%	4.66%				
Sep	11.50%	7.03%	4.47%				
Oct	12.00%	6.81%	5.19%				
Nov	12.00%	6.48%	5.52%				
Dec	12.00%	6.55%	5.45%				

Summary Information

(1991-2002)

Average Risk Premium:
(Jan 1991 - May 2002)

4.36%

High Risk Premium:
(November 1993)

7.29%

Low Risk Premium:
(November 1992)

-0.11%

Note:

¹ Rate quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) as of June 7, 2002.

Sources: The Value Line Investment Survey: Ratings & Reports and Federal Reserve Web Site,
<http://www.federalreserve.gov/releases/H15/data/m1cm30y.txt>

**Average Risk Premium Above the Yields of 30-Year U.S. Treasury Bonds
for Peoples Energy Corporation's Expected Returns on Common Equity**

Mo/Year	PGL's Expected ROE	30-Year U.S. Treasury Bond Yields	PGL's Risk Premium	Mo/Year	PGL's Expected ROE	30-Year U.S. Treasury Bond Yields	PGL's Risk Premium
Jan 1991	14.00%	8.27%	5.73%	Jan 1997	12.00%	6.83%	5.17%
Feb	14.00%	8.03%	5.97%	Feb	12.00%	6.69%	5.31%
Mar	14.00%	8.29%	5.71%	Mar	12.00%	6.93%	5.07%
Apr	12.00%	8.21%	3.79%	Apr	12.00%	7.09%	4.91%
May	12.00%	8.27%	3.73%	May	12.00%	6.94%	5.06%
Jun	12.00%	8.47%	3.53%	Jun	12.00%	6.77%	5.23%
Jul	12.00%	8.45%	3.55%	Jul	12.50%	6.51%	5.99%
Aug	12.00%	8.14%	3.86%	Aug	12.50%	6.58%	5.92%
Sep	12.00%	7.95%	4.05%	Sep	12.50%	6.50%	6.00%
Oct	11.50%	7.93%	3.57%	Oct	14.00%	6.33%	7.67%
Nov	11.50%	7.92%	3.58%	Nov	14.00%	6.11%	7.89%
Dec	11.50%	7.70%	3.80%	Dec	14.00%	5.99%	8.01%
Jan 1992	12.00%	7.58%	4.42%	Jan 1998	12.50%	5.81%	6.69%
Feb	12.00%	7.85%	4.15%	Feb	12.50%	5.89%	6.61%
Mar	12.00%	7.97%	4.03%	Mar	12.50%	5.95%	6.55%
Apr	11.50%	7.96%	3.54%	Apr	11.50%	5.92%	5.58%
May	11.50%	7.89%	3.61%	May	11.50%	5.93%	5.57%
Jun	11.50%	7.84%	3.66%	Jun	11.50%	5.70%	5.80%
Jul	11.50%	7.60%	3.90%	Jul	11.00%	5.68%	5.32%
Aug	11.50%	7.39%	4.11%	Aug	11.00%	5.54%	5.46%
Sep	11.50%	7.34%	4.16%	Sep	11.00%	5.20%	5.80%
Oct	11.50%	7.53%	3.97%	Oct	11.00%	5.01%	5.99%
Nov	11.50%	7.61%	3.89%	Nov	11.00%	5.25%	5.75%
Dec	11.50%	7.44%	4.06%	Dec	11.00%	5.06%	5.94%
Jan 1993	12.50%	7.34%	5.16%	Jan 1999	12.00%	5.16%	6.84%
Feb	12.50%	7.09%	5.41%	Feb	12.00%	5.37%	6.63%
Mar	12.50%	6.82%	5.68%	Mar	12.00%	5.58%	6.42%
Apr	12.50%	6.85%	5.65%	Apr	10.50%	5.55%	4.95%
May	12.50%	6.92%	5.58%	May	10.50%	5.81%	4.69%
Jun	12.50%	6.81%	5.69%	Jun	10.50%	6.04%	4.46%
Jul	12.50%	6.63%	5.87%	Jul	10.50%	5.98%	4.52%
Aug	12.50%	6.32%	6.18%	Aug	10.50%	6.07%	4.43%
Sep	12.50%	6.00%	6.50%	Sep	10.50%	6.07%	4.43%
Oct	11.50%	5.94%	5.56%	Oct	10.50%	6.26%	4.24%
Nov	11.50%	6.21%	5.29%	Nov	10.50%	6.15%	4.35%
Dec	11.50%	6.25%	5.25%	Dec	10.50%	6.35%	4.15%
Jan 1994	12.00%	6.29%	5.71%	Jan 2000	12.00%	6.63%	5.37%
Feb	12.00%	6.49%	5.51%	Feb	12.00%	6.23%	5.77%
Mar	12.00%	6.91%	5.09%	Mar	12.00%	6.05%	5.95%
Apr	12.50%	7.27%	5.23%	Apr	11.50%	5.85%	5.65%
May	12.50%	7.41%	5.09%	May	11.50%	6.15%	5.35%
Jun	12.50%	7.40%	5.10%	Jun	11.50%	5.93%	5.57%
Jul	11.50%	7.58%	3.92%	Jul	12.00%	5.85%	6.15%
Aug	11.50%	7.49%	4.01%	Aug	12.00%	5.72%	6.28%
Sep	11.50%	7.71%	3.79%	Sep	12.00%	5.83%	6.17%
Oct	11.50%	7.94%	3.56%	Oct	12.00%	5.80%	6.20%
Nov	11.50%	8.08%	3.42%	Nov	12.00%	5.78%	6.22%
Dec	11.50%	7.87%	3.63%	Dec	12.00%	5.49%	6.51%
Jan 1995	11.00%	7.85%	3.15%	Jan 2001	12.50%	5.54%	6.96%
Feb	11.00%	7.61%	3.39%	Feb	12.50%	5.45%	7.05%
Mar	11.00%	7.45%	3.55%	Mar	12.50%	5.34%	7.16%
Apr	10.00%	7.36%	2.64%	Apr	13.50%	5.65%	7.85%
May	10.00%	6.95%	3.05%	May	13.50%	5.78%	7.72%
Jun	10.00%	6.57%	3.43%	Jun	13.50%	5.67%	7.83%
Jul	9.50%	6.72%	2.78%	Jul	13.50%	5.61%	7.89%
Aug	9.50%	6.86%	2.64%	Aug	13.50%	5.48%	8.02%
Sep	9.50%	6.55%	2.95%	Sep	13.50%	5.49%	8.01%
Oct	9.50%	6.37%	3.13%	Oct	13.50%	5.32%	8.18%
Nov	9.50%	6.26%	3.24%	Nov	13.50%	5.12%	8.38%
Dec	9.50%	6.06%	3.44%	Dec	13.50%	5.48%	8.02%
Jan 1996	12.00%	6.05%	5.95%	Jan 2002	12.00%	5.45%	6.55%
Feb	12.00%	6.24%	5.76%	Feb	12.00%	5.40%	6.60%
Mar	12.00%	6.60%	5.40%	Mar	12.00%	5.71%	6.29%
Apr	12.00%	6.79%	5.21%	Apr	12.00%	5.67%	6.33%
May	12.00%	6.93%	5.07%	May	12.00%	5.64%	6.36%
Jun	12.00%	7.06%	4.94%				
Jul	13.50%	7.03%	6.47%				
Aug	13.50%	6.84%	6.66%				
Sep	13.50%	7.03%	6.47%				
Oct	15.00%	6.81%	8.19%				
Nov	15.00%	6.48%	8.52%				
Dec	15.00%	6.55%	8.45%				

Summary Information

(1991-2002)

Average Risk Premium:
(Jan 1991 - May 2002)

5.36%

High Risk Premium:
(November 1996)

8.52%

Low Risk Premium:
(April 1995)

2.64%

Note:

¹ Rate quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) as of June 7, 2002.

Source: The Value Line Investment Survey; Ratings & Reports and Federal Reserve web site,
<http://www.federalreserve.gov/releases/H15/data/mcm/mcm30y.txt>

**Average Risk Premium Above the Yields of 30-Year U.S. Treasury Bonds
for Piedmont Natural Gas Company's Expected Returns on Common Equity**

Mo/Year	PNY's Expected ROE	30-Year U.S. Treasury Bond Yields	PNY's Risk Premium	Mo/Year	PNY's Expected ROE	30-Year U.S. Treasury Bond Yields	PNY's Risk Premium
Jan 1991	13.50%	8.27%	5.23%	Jan 1997	12.00%	6.83%	5.17%
Feb	13.50%	8.03%	5.47%	Feb	12.00%	6.69%	5.31%
Mar	13.50%	8.29%	5.21%	Mar	12.00%	6.93%	5.07%
Apr	10.00%	8.21%	1.79%	Apr	12.50%	7.09%	5.41%
May	10.00%	8.27%	1.73%	May	12.50%	6.94%	5.56%
Jun	10.00%	8.47%	1.53%	Jun	12.50%	6.77%	5.73%
Jul	9.50%	8.45%	1.05%	Jul	12.50%	6.51%	5.99%
Aug	9.50%	8.14%	1.36%	Aug	12.50%	6.58%	5.92%
Sep	9.50%	7.95%	1.55%	Sep	12.50%	6.50%	6.00%
Oct	8.50%	7.93%	0.57%	Oct	13.00%	6.33%	6.67%
Nov	8.50%	7.92%	0.58%	Nov	13.00%	6.11%	6.89%
Dec	8.50%	7.70%	0.80%	Dec	13.00%	5.99%	7.01%
Jan 1992	11.50%	7.58%	3.92%	Jan 1998	13.00%	5.81%	7.19%
Feb	11.50%	7.85%	3.65%	Feb	13.00%	5.89%	7.11%
Mar	11.50%	7.97%	3.53%	Mar	13.00%	5.95%	7.05%
Apr	13.00%	7.96%	5.04%	Apr	13.00%	5.92%	7.08%
May	13.00%	7.89%	5.11%	May	13.00%	5.93%	7.07%
Jun	13.00%	7.84%	5.16%	Jun	13.00%	5.70%	7.30%
Jul	13.00%	7.60%	5.40%	Jul	13.50%	5.68%	7.82%
Aug	13.00%	7.39%	5.61%	Aug	13.50%	5.54%	7.96%
Sep	13.00%	7.34%	5.66%	Sep	13.50%	5.20%	8.30%
Oct	13.00%	7.53%	5.47%	Oct	13.50%	5.01%	8.49%
Nov	13.00%	7.61%	5.39%	Nov	13.50%	5.25%	8.25%
Dec	13.00%	7.44%	5.56%	Dec	13.50%	5.06%	8.44%
Jan 1993	13.50%	7.34%	6.16%	Jan 1999	13.50%	5.16%	8.34%
Feb	13.50%	7.09%	6.41%	Feb	13.50%	5.37%	8.13%
Mar	13.50%	6.82%	6.68%	Mar	13.50%	5.58%	7.92%
Apr	13.50%	6.85%	6.65%	Apr	13.00%	5.55%	7.45%
May	13.50%	6.92%	6.58%	May	13.00%	5.81%	7.19%
Jun	13.35%	6.81%	6.54%	Jun	13.00%	6.04%	6.96%
Jul	14.00%	6.63%	7.37%	Jul	12.50%	5.98%	6.52%
Aug	14.00%	6.32%	7.68%	Aug	12.50%	6.07%	6.43%
Sep	14.00%	6.00%	8.00%	Sep	12.50%	6.07%	6.43%
Oct	13.00%	5.94%	7.06%	Oct	12.00%	6.26%	5.74%
Nov	13.00%	6.21%	6.79%	Nov	12.00%	6.15%	5.85%
Dec	13.00%	6.25%	6.75%	Dec	12.00%	6.35%	5.65%
Jan 1994	10.00%	6.29%	3.71%	Jan 2000	13.00%	6.63%	6.37%
Feb	10.00%	6.49%	3.51%	Feb	13.00%	6.23%	6.77%
Mar	10.00%	6.91%	3.09%	Mar	13.00%	6.05%	6.95%
Apr	10.00%	7.27%	2.73%	Apr	12.50%	5.85%	6.65%
May	10.00%	7.41%	2.59%	May	12.50%	6.15%	6.35%
Jun	10.00%	7.40%	2.60%	Jun	12.50%	5.93%	6.57%
Jul	11.00%	7.58%	3.42%	Jul	12.50%	5.85%	6.65%
Aug	11.00%	7.49%	3.51%	Aug	12.50%	5.72%	6.78%
Sep	11.00%	7.71%	3.29%	Sep	12.50%	5.83%	6.67%
Oct	11.50%	7.94%	3.56%	Oct	12.50%	5.80%	6.70%
Nov	11.50%	8.08%	3.42%	Nov	12.50%	5.78%	6.72%
Dec	11.50%	7.87%	3.63%	Dec	12.50%	5.49%	7.01%
Jan 1995	11.50%	7.85%	3.65%	Jan 2001	12.50%	5.54%	6.96%
Feb	11.50%	7.61%	3.89%	Feb	12.50%	5.45%	7.05%
Mar	11.50%	7.45%	4.05%	Mar	12.50%	5.34%	7.16%
Apr	12.00%	7.36%	4.64%	Apr	12.50%	5.65%	6.85%
May	12.00%	6.95%	5.05%	May	12.50%	5.78%	6.72%
Jun	12.00%	6.57%	5.43%	Jun	12.50%	5.67%	6.83%
Jul	11.50%	6.72%	4.78%	Jul	12.00%	5.61%	6.39%
Aug	11.50%	6.86%	4.64%	Aug	12.00%	5.48%	6.52%
Sep	11.50%	6.55%	4.95%	Sep	12.00%	5.49%	6.51%
Oct	11.50%	6.37%	5.13%	Oct	10.50%	5.32%	5.18%
Nov	11.50%	6.26%	5.24%	Nov	10.50%	5.12%	5.38%
Dec	11.50%	6.06%	5.44%	Dec	10.50%	5.48%	5.02%
Jan 1996	12.00%	6.05%	5.95%	Jan 2002	11.00%	5.45%	5.55%
Feb	12.00%	6.24%	5.76%	Feb	11.00%	5.40%	5.60%
Mar	12.00%	6.60%	5.40%	Mar	11.00%	5.71% ¹	5.29%
Apr	12.00%	6.79%	5.21%	Apr	11.00%	5.67% ¹	5.33%
May	12.00%	6.93%	5.07%	May	11.00%	5.64% ¹	5.36%
Jun	12.00%	7.06%	4.94%				
Jul	12.50%	7.03%	5.47%				
Aug	12.50%	6.84%	5.66%				
Sep	12.50%	7.03%	5.47%				
Oct	12.50%	6.81%	5.69%				
Nov	12.50%	6.48%	6.02%				
Dec	12.50%	6.55%	5.95%				

Summary Information

(1991-2002)

Average Risk Premium:
(Jan 1991 - May 2002)

5.55%

High Risk Premium:
(October 1998)

8.49%

Low Risk Premium:
(October 1991)

0.57%

Note:

¹ Rate quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) as of June 7, 2002.

Source: The Value Line Investment Survey: Ratings & Reports and Federal Reserve web site,
<http://www.federalreserve.gov/releases/H15/data/m/m30y.txt>

**Average Risk Premium Above the Yields of 30-Year U.S. Treasury Bonds
for South Jersey Industries' Expected Returns on Common Equity**

Mo/Year	SJI's Expected ROE	30-Year U.S. Treasury Bond Yields	SJI's Risk Premium	Mo/Year	SJI's Expected ROE	30-Year U.S. Treasury Bond Yields	SJI's Risk Premium
Jan 1991	12.00%	8.27%	3.73%	Jan 1997	12.00%	6.83%	5.17%
Feb	12.00%	8.03%	3.97%	Feb	12.00%	6.69%	5.31%
Mar	12.00%	8.29%	3.71%	Mar	12.00%	6.93%	5.07%
Apr	12.00%	8.21%	3.79%	Apr	10.50%	7.09%	3.41%
May	12.00%	8.27%	3.73%	May	10.50%	6.94%	3.56%
Jun	12.00%	8.47%	3.53%	Jun	10.50%	6.77%	3.73%
Jul	12.00%	8.45%	3.55%	Jul	10.50%	6.51%	3.99%
Aug	10.50%	8.14%	2.36%	Aug	10.50%	6.58%	3.92%
Sep	10.50%	7.95%	2.55%	Sep	10.50%	6.50%	4.00%
Oct	10.50%	7.93%	2.57%	Oct	10.50%	6.33%	4.17%
Nov	9.50%	7.92%	1.58%	Nov	10.50%	6.11%	4.39%
Dec	9.50%	7.70%	1.80%	Dec	10.50%	5.99%	4.51%
Jan 1992	12.50%	7.58%	4.92%	Jan 1998	11.50%	5.81%	5.69%
Feb	10.50%	7.85%	2.65%	Feb	11.50%	5.89%	5.61%
Mar	10.50%	7.97%	2.53%	Mar	11.50%	5.95%	5.55%
Apr	10.50%	7.96%	2.54%	Apr	11.00%	5.92%	5.08%
May	10.50%	7.89%	2.61%	May	11.00%	5.93%	5.07%
Jun	10.50%	7.84%	2.66%	Jun	11.00%	5.70%	5.30%
Jul	10.50%	7.60%	2.90%	Jul	9.50%	5.68%	3.82%
Aug	12.00%	7.39%	4.61%	Aug	9.50%	5.64%	3.96%
Sep	12.00%	7.34%	4.66%	Sep	9.50%	5.20%	4.30%
Oct	12.00%	7.53%	4.47%	Oct	9.00%	5.01%	3.99%
Nov	12.00%	7.61%	4.39%	Nov	9.00%	5.25%	3.75%
Dec	12.00%	7.44%	4.56%	Dec	9.00%	5.06%	3.94%
Jan 1993	11.50%	7.34%	4.16%	Jan 1999	10.50%	5.16%	5.34%
Feb	11.50%	7.09%	4.41%	Feb	10.50%	5.37%	5.13%
Mar	11.50%	6.82%	4.68%	Mar	10.50%	5.58%	4.92%
Apr	11.50%	6.85%	4.65%	Apr	11.00%	5.55%	5.45%
May	11.50%	6.92%	4.58%	May	11.00%	5.81%	5.19%
Jun	11.50%	6.81%	4.69%	Jun	11.00%	6.04%	4.96%
Jul	11.50%	6.63%	4.87%	Jul	12.00%	5.98%	6.02%
Aug	11.50%	6.32%	5.18%	Aug	12.00%	6.07%	5.93%
Sep	11.50%	6.00%	5.50%	Sep	12.00%	6.07%	5.93%
Oct	10.50%	5.94%	4.56%	Oct	12.00%	6.26%	5.74%
Nov	10.50%	6.21%	4.29%	Nov	12.00%	6.15%	5.85%
Dec	10.50%	6.25%	4.25%	Dec	12.00%	6.35%	5.65%
Jan 1994	10.50%	6.29%	4.21%	Jan 2000	11.50%	6.63%	4.87%
Feb	10.50%	6.49%	4.01%	Feb	11.50%	6.23%	5.27%
Mar	10.50%	6.91%	3.59%	Mar	11.50%	6.05%	5.45%
Apr	10.50%	7.27%	3.23%	Apr	11.50%	5.85%	5.65%
May	10.50%	7.41%	3.09%	May	11.50%	6.15%	5.35%
Jun	10.50%	7.40%	3.10%	Jun	11.50%	5.93%	5.57%
Jul	9.50%	7.58%	1.92%	Jul	11.50%	5.85%	5.65%
Aug	9.50%	7.49%	2.01%	Aug	11.50%	5.72%	5.78%
Sep	9.50%	7.71%	1.79%	Sep	11.50%	5.83%	5.67%
Oct	9.50%	7.94%	1.56%	Oct	11.50%	5.80%	5.70%
Nov	9.50%	8.08%	1.42%	Nov	11.50%	5.78%	5.72%
Dec	9.50%	7.87%	1.63%	Dec	11.50%	5.49%	6.01%
Jan 1995	12.00%	7.85%	4.15%	Jan 2001	12.00%	5.54%	6.46%
Feb	12.00%	7.61%	4.39%	Feb	12.00%	5.45%	6.55%
Mar	12.00%	7.45%	4.55%	Mar	12.00%	5.34%	6.66%
Apr	12.00%	7.36%	4.64%	Apr	12.00%	5.65%	6.35%
May	12.00%	6.95%	5.05%	May	12.00%	5.78%	6.22%
Jun	12.00%	6.57%	5.43%	Jun	12.00%	5.67%	6.33%
Jul	12.00%	6.72%	5.28%	Jul	12.00%	5.61%	6.39%
Aug	12.00%	6.86%	5.14%	Aug	12.00%	5.48%	6.52%
Sep	12.00%	6.55%	5.45%	Sep	12.00%	5.49%	6.51%
Oct	13.00%	6.37%	6.63%	Oct	12.00%	5.32%	6.68%
Nov	13.00%	6.26%	6.74%	Nov	12.00%	5.12%	6.88%
Dec	13.00%	6.06%	6.94%	Dec	12.00%	5.48%	6.52%
Jan 1996	10.50%	6.05%	4.45%	Jan 2002	12.00%	5.45%	6.55%
Feb	10.50%	6.24%	4.26%	Feb	12.00%	5.40%	6.60%
Mar	10.50%	6.60%	3.90%	Mar	12.00%	5.71%	6.29%
Apr	10.50%	6.79%	3.71%	Apr	12.50%	5.67%	6.83%
May	10.50%	6.93%	3.57%	May	12.50%	5.64%	6.86%
Jun	10.50%	7.06%	3.44%				
Jul	10.50%	7.03%	3.47%				
Aug	10.50%	6.84%	3.66%				
Sep	10.50%	7.03%	3.47%				
Oct	11.00%	6.81%	4.19%				
Nov	11.00%	6.48%	4.52%				
Dec	11.00%	6.55%	4.45%				

Summary Information

(1991-2002)

Average Risk Premium:
(Jan 1991 - May 2002)

4.60%

High Risk Premium:
(December 1995)

6.94%

Low Risk Premium:
(November 1994)

1.42%

Note:

¹ Rate quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) as of June 7, 2002.

Source: The Value Line Investment Survey: Ratings & Reports and Federal Reserve web site,
<http://www.federalreserve.gov/releases/H15/data/m/mcm30y.txt>

**Average Risk Premium Above the Yields of 30-Year U.S. Treasury Bonds
for WGL Holdings, Inc.'s Expected Returns on Common Equity**

Mo/Year	WGL's Expected ROE	30-Year U.S. Treasury Bond Yields	WGL's Risk Premium	Mo/Year	WGL's Expected ROE	30-Year U.S. Treasury Bond Yields	WGL's Risk Premium
Jan 1991	13.00%	8.27%	4.73%	Jan 1997	14.50%	6.83%	7.67%
Feb	13.00%	8.03%	4.97%	Feb	14.50%	6.69%	7.81%
Mar	13.00%	8.29%	4.71%	Mar	14.50%	6.93%	7.57%
Apr	11.50%	8.21%	3.29%	Apr	12.50%	7.09%	5.41%
May	11.50%	8.27%	3.23%	May	12.50%	6.94%	5.56%
Jun	11.50%	8.47%	3.03%	Jun	12.50%	6.77%	5.73%
Jul	11.50%	8.45%	3.05%	Jul	13.00%	6.51%	6.49%
Aug	11.50%	8.14%	3.36%	Aug	13.00%	6.58%	6.42%
Sep	11.50%	7.95%	3.55%	Sep	13.00%	6.50%	6.50%
Oct	11.00%	7.93%	3.07%	Oct	13.50%	6.33%	7.17%
Nov	11.00%	7.92%	3.08%	Nov	13.50%	6.11%	7.39%
Dec	11.00%	7.70%	3.30%	Dec	13.50%	5.99%	7.51%
Jan 1992	12.50%	7.58%	4.92%	Jan 1998	13.50%	5.81%	7.69%
Feb	12.50%	7.85%	4.65%	Feb	13.50%	5.89%	7.61%
Mar	12.50%	7.97%	4.53%	Mar	13.50%	5.95%	7.55%
Apr	12.00%	7.96%	4.04%	Apr	12.00%	5.92%	6.08%
May	12.00%	7.89%	4.11%	May	12.00%	5.93%	6.07%
Jun	12.00%	7.84%	4.16%	Jun	12.00%	5.70%	6.30%
Jul	12.00%	7.60%	4.40%	Jul	12.00%	5.68%	6.32%
Aug	12.00%	7.39%	4.61%	Aug	12.00%	5.54%	6.46%
Sep	12.00%	7.34%	4.66%	Sep	12.00%	5.20%	6.80%
Oct	12.00%	7.53%	4.47%	Oct	11.50%	5.01%	6.49%
Nov	12.00%	7.61%	4.39%	Nov	11.50%	5.25%	6.25%
Dec	12.00%	7.44%	4.56%	Dec	11.50%	5.06%	6.44%
Jan 1993	12.00%	7.34%	4.66%	Jan 1999	10.50%	5.16%	5.34%
Feb	12.00%	7.09%	4.91%	Feb	10.50%	5.37%	5.13%
Mar	12.00%	6.82%	5.18%	Mar	10.50%	5.58%	4.92%
Apr	12.50%	6.85%	5.65%	Apr	9.00%	5.55%	3.45%
May	12.50%	6.92%	5.58%	May	9.00%	5.81%	3.19%
Jun	12.50%	6.81%	5.69%	Jun	9.00%	6.04%	2.96%
Jul	13.00%	6.63%	6.37%	Jul	9.50%	5.98%	3.52%
Aug	13.00%	6.32%	6.68%	Aug	9.50%	6.07%	3.43%
Sep	13.00%	6.00%	7.00%	Sep	9.50%	6.07%	3.43%
Oct	12.50%	5.94%	6.56%	Oct	10.00%	6.26%	3.74%
Nov	12.50%	6.21%	6.29%	Nov	10.00%	6.15%	3.85%
Dec	12.50%	6.25%	6.25%	Dec	10.00%	6.35%	3.65%
Jan 1994	11.50%	6.29%	5.21%	Jan 2000	12.00%	6.63%	5.37%
Feb	11.50%	6.49%	5.01%	Feb	12.00%	6.23%	5.77%
Mar	11.50%	6.91%	4.59%	Mar	12.00%	6.05%	5.95%
Apr	12.00%	7.27%	4.73%	Apr	12.00%	5.85%	6.15%
May	12.00%	7.41%	4.59%	May	12.00%	6.15%	5.85%
Jun	12.00%	7.40%	4.60%	Jun	12.00%	5.93%	6.07%
Jul	12.50%	7.58%	4.92%	Jul	12.00%	5.85%	6.15%
Aug	12.50%	7.49%	5.01%	Aug	12.00%	5.72%	6.28%
Sep	12.50%	7.71%	4.79%	Sep	12.00%	5.83%	6.17%
Oct	12.00%	7.94%	4.06%	Oct	12.00%	5.80%	6.20%
Nov	12.00%	8.08%	3.92%	Nov	12.00%	5.78%	6.22%
Dec	12.00%	7.87%	4.13%	Dec	12.00%	5.49%	6.51%
Jan 1995	11.00%	7.85%	3.15%	Jan 2001	12.50%	5.54%	6.96%
Feb	11.00%	7.61%	3.39%	Feb	12.50%	5.45%	7.05%
Mar	11.00%	7.45%	3.55%	Mar	12.50%	5.34%	7.16%
Apr	11.00%	7.36%	3.64%	Apr	13.50%	5.65%	7.85%
May	11.00%	6.95%	4.05%	May	13.50%	5.78%	7.72%
Jun	11.00%	6.57%	4.43%	Jun	13.50%	5.67%	7.83%
Jul	11.50%	6.72%	4.78%	Jul	12.50%	5.61%	6.89%
Aug	11.50%	6.86%	4.64%	Aug	12.50%	5.48%	7.02%
Sep	11.50%	6.55%	4.95%	Sep	12.50%	5.49%	7.01%
Oct	11.50%	6.37%	5.13%	Oct	11.00%	5.32%	5.68%
Nov	11.50%	6.26%	5.24%	Nov	11.00%	5.12%	5.88%
Dec	11.50%	6.06%	5.44%	Dec	11.00%	5.48%	5.52%
Jan 1996	12.00%	6.05%	5.95%	Jan 2002	10.50%	5.45%	5.05%
Feb	12.00%	6.24%	5.76%	Feb	10.50%	5.40%	5.10%
Mar	12.00%	6.60%	5.40%	Mar	10.50%	5.71% ¹	4.79%
Apr	13.00%	6.79%	6.21%	Apr	8.50%	5.67% ¹	2.83%
May	13.00%	6.93%	6.07%	May	8.50%	5.64% ¹	2.86%
Jun	13.00%	7.06%	5.94%				
Jul	14.00%	7.03%	6.97%				
Aug	14.00%	6.84%	7.16%				
Sep	14.00%	7.03%	6.97%				
Oct	14.50%	6.81%	7.69%				
Nov	14.50%	6.48%	8.02%				
Dec	14.50%	6.55%	7.95%				

Summary Information

(1991-2002)

Average Risk Premium: **5.40%**
(Jan 1991 - May 2002)

High Risk Premium: **8.02%**
(November 1996)

Low Risk Premium: **2.83%**
(April 2002)

Note:

¹ Rate quoted on Yahoo! Finance at <http://table.finance.yahoo.com>
Based on 30 Yr. Treasury Yld (Chicago Board Options Exchange) as of June 7, 2002.

Source: The Value Line Investment Survey: Ratings & Reports and Federal Reserve web site,
<http://www.federalreserve.gov/releases/H15/data/mfcm30y.txt>

LACLEDE GAS COMPANY
CASE GR-2002-356

**Risk Premium Costs of Equity Estimates
for the Seven Comparable Natural Gas Distribution Companies**

	(1)	(2)	(3)	(4)
Company Name	Bond Rating	Appropriate Yield	Equity Premium	Cost of Common Equity
AGL Resources, Inc.	A-	5.64%	5.14%	10.78%
New Jersey Resources	A	5.64%	7.53%	13.17%
Northwest Natural Gas Company	A	5.64%	4.36%	10.00%
Peoples Energy Corporation	A+	5.64%	5.36%	11.00%
Piedmont Natural Gas Company, Inc.	A	5.64%	5.55%	11.19%
South Jersey Industries	BBB+	5.64%	4.60%	10.24%
WGL Holdings, Inc.	AA-	5.64%	5.40%	11.04%
Average			5.42%	11.06%

NOTES:

Column 1 = The bond rating is from Standard & Poor's Utilities and Perspectives, May 20, 2002.

Column 2 = The appropriate yield is equal to the rate for 30-Year U.S. Treasury Bonds for the period ending May 31, 2002 quoted on Yahoo! Finance at <http://table.finance.yahoo.com>. Rate is based on 30-year treasury yield for period ending May 2002 (Chicago Board Options Exchange) reported as of June 7, 2002.

Column 3 = The equity premium represents the average difference between the Company's expected return on common equity as reported in The Value Line Investment Survey: Ratings & Report and the average yield on equally rated 30-Year U.S. Treasury Bonds from January 1991 through May 2002. (See Schedules 27-1 through 27-7)

Column 4 = Column 2 + Column 3.

**Capital Asset Pricing Model (CAPM) Costs of Common Equity Estimates
for the Seven Comparable Natural Gas Distribution Companies**

	(1)	(2)	(3)	(4)	(5)	(6)
Company Name	Risk Free Rate (Low)	Risk Free Rate (High)	Company's Value Line Beta	Market Risk Premium	CAPM Cost of Common Equity (Low)	CAPM Cost of Common Equity (High)
AGL Resources, Inc.	5.40%	5.71%	0.60	7.00%	9.60%	9.91%
New Jersey Resources	5.40%	5.71%	0.60	7.00%	9.60%	9.91%
Northwest Natural Gas Company	5.40%	5.71%	0.60	7.00%	9.60%	9.91%
Peoples Energy Corporation	5.40%	5.71%	0.70	7.00%	10.30%	10.61%
Piedmont Natural Gas Company, Inc.	5.40%	5.71%	0.60	7.00%	9.60%	9.91%
South Jersey Industries	5.40%	5.71%	0.45	7.00%	8.55%	8.86%
WGL Holdings, Inc.	5.40%	5.71%	0.60	7.00%	9.60%	9.91%
Average			0.59		9.55%	9.86%

Notes: Column 5 = [Column 1 + (Column 3 * Column 4)].

Midpoint = 9.71%

Column 6 = [Column 2 + (Column 3 * Column 4)].

Sources: Column 1 & 2 = The Risk Free Rate reflects the level of return which can be achieved without accepting any risk. The Risk Free Rate is represented by the yield on 30-Year U.S. Treasury Bonds. The appropriate rate was determined to be the high / low range of 5.71 % to 5.40 % for the six-month period ending May 31, 2002 as published on the Federal Reserve website, <http://www.federalreserve.gov/releases/h15/data/m/tcm30y.txt>. Rate for periods ending 3/31/02 through 5/31/02 quoted on Yahoo! Finance at <http://table.finance.yahoo.com>. Based on 30-Year Treasury Yld (Chicago Board Options Exchange) reported as of June 7, 2002.

Column 3 = Beta represents the relative movement and relative risk between a particular stock and the market. The appropriate beta for each company was determined by information published in The Value Line Investment Survey: Ratings and Reports, March 22, 2002.

Column 4 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium was determined to be 7.00 %, which is calculated by subtracting the Arithmetic Mean for Long-term Government Bonds (5.7%) from the Arithmetic Mean for Large Company Stock (12.7%). (Source: Ibbotson Associates Stocks, Bonds, Bills, and Inflation: 2002 Yearbook for the period 1926 - 2001)

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

Selected Financial Ratios for the Seven Comparable Natural Gas Distribution Companies

Company Name	Date of Information	Common Equity to Total Capital Ratio	Market-to-Book Value (9/30/01)	Pre-Tax Interest Coverage Ratio	2002 Projected Return on Common Equity
AGL Resources, Inc.	12/31/2001	42.00%	1.79 x	2.65 x	13.00%
New Jersey Resources	12/31/2001	47.00%	2.24 x	5.80 x	14.00%
Northwest Natural Gas Company	12/31/2001	53.00%	* 1.51 x	3.30 x	10.50%
Peoples Energy Corporation	12/31/2001	56.00%	1.73 x	3.01 x	12.00%
Piedmont Natural Gas Company, Inc.	1/31/2002	54.00%	** 1.95 x	3.26 x	11.00%
South Jersey Industries	12/31/2001	43.00%	* 1.70 x	3.25 x	12.50%
WGL Holdings, Inc.	12/31/2001	56.00%	1.62	3.27 x	8.50%
Average		50.14%	1.79 x	3.51 x	11.64%
 Laclede Gas Company	 12/31/01	 50.00%	 1.52 x	 2.02 x	 8.50%

* For the period ending 12/31/01

** For the period ending 10/31/01

Sources: The Value Line Investment Survey: Ratings & Reports, March 22, 2002.

Edward Jones' Natural Gas Industry Summary: Quarterly Financial and Common Stock Information, March 31, 2002.

LACLEDE GAS COMPANY
CASE NO. GR-2002-356

**Pro Forma Pre-Tax Interest Coverage Ratios
for Laclede Gas Company**

	<u>8.75%</u>	<u>9.25%</u>	<u>9.75%</u>
1. Common Equity (Schedule 10)	\$286,125,637	\$286,125,637	\$286,125,637
2. Earnings Allowed (ROE * [1])	\$25,035,993	\$26,466,621	\$27,897,250
3. Preferred Dividends (Schedule 13)	\$62,669	\$62,669	\$62,669
4. Net Income Available ([2] + [3])	\$25,098,662	\$26,529,291	\$27,959,919
5. Tax Multiplier (1 / { 1 - Tax Rate }) (Laclede's Tax Rate is 38.3886 per Steve Rackers, Staff Auditor)	1.6231	1.6231	1.6231
6. Pre-Tax Earnings ([4] * [5])	\$40,737,043	\$43,059,061	\$45,381,080
7. Annual Interest Costs [\$21,466,351 + \$3,897,941] (Interest on Long-term debt + Interest on Average Short-term debt)	\$25,364,291 *	\$25,364,291 *	\$25,364,291 *
8. Avail. for Coverage ([6] + [7])	\$66,101,334 *	\$68,423,352 *	\$70,745,371 *
9. Pro Forma Pre-Tax Interest Coverage ([8] / [7])	2.61 x	2.70 x	2.79 x

Financial Statistics: Gas Distribution - Pretax Interest Coverage (x)

Standard & Poor's Corporation's
Utilities Rating Service
Financial Statistics - Gas Distribution
July 2000

	<u>AA</u>	<u>A</u>	<u>BBB</u>
Upper Quartile	5.19x	4.94x	3.01x
Median	4.58x	3.89x	2.85x
Lower Quartile	4.19x	2.72x	1.98x

NOTE: Item 7 = (Total from Column 3 on Schedule 11-1) + (Net Short-term debt from Schedule 12 * Average Interest Rate on ST Debt)

* Correction made June 27, 2002. This correction flows from correction made on Schedule 12.

Public Utility Revenue Requirement

or

Cost of Service

The formula for the revenue requirement of a public utility may be stated as follows :

Equation 1 : **Revenue Requirement = Cost of Service**

or

Equation 2 : **$RR = O + (V - D)R$**

The symbols in the second equation are represented by the following factors :

RR	=	Revenue Requirement
O	=	Prudent Operating Costs, including Depreciation and Taxes
V	=	Gross Valuation of the Property Serving the Public
D	=	Accumulated Depreciation
(V - D)	=	Rate Base (Net Valuation)
(V - D)R	=	Return Amount (\$\$) or Earnings Allowed on Rate Base
R	=	$iL + dP + kE$ or Overall Rate of Return (%)
i	=	Embedded Cost of Debt
L	=	Proportion of Debt in the Capital Structure
d	=	Embedded Cost of Preferred Stock
P	=	Proportion of Preferred Stock in the Capital Structure
k	=	Required Return on Common Equity (ROE)
E	=	Proportion of Common Equity in the Capital Structure

**Weighted Cost of Capital as of March 31, 2002
for Laclede Gas Company**

Capital Component	Revised Percentage of Capital	Embedded Cost	Weighted Cost of Capital Using Common Equity Return of:		
			Revised 8.75%	Revised 9.25%	Revised 9.75%
Common Stock Equity	41.75% *	-----	3.65% *	3.86% *	4.07% *
Preferred Stock	0.18% *	4.95%	0.01%	0.01%	0.01%
Long-Term Debt	41.05% *	7.63%	3.13% *	3.13% *	3.13% *
Short-Term Debt	17.01% *	3.343%	0.57% *	0.57% *	0.57% *
Total	<u>100.00%</u>		<u>7.36%</u> *	<u>7.57%</u> *	<u>7.78%</u> *

* Correction made June 27, 2002. These corrections are a result of the correction made to Schedule 12.

Notes: See Schedule 10 for the Capital Structure Ratios

See Schedule 13 for the Embedded Cost of Preferred Stock

See Schedule 11-1 for the Embedded Cost of Long-Term Debt.

Laclede's Embedded Cost of Short-Term Debt is the average Short-Term Debt Interest Rate Paid for the 12 month Period Ended March 31, 2002, and was taken from the Company's Response to Staff's Data Information Request No. 3803.