LACLEDE GROUP INC
Form 10-K
November 25, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C.

FORM 10-K

ANNUAL REPORT

For the Fiscal Year Ended September 30, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K
(Mark One)

[X]	ANNUAL REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
	For the fiscal year ended September 30, 2014
	OR
[ ]	TRANSITION REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
	For the Transition Period from to

Commission File Number	Registrant, Address and Telephone Number	State of Incorporation	I.R.S. Employer Identification Number
1-16681	The Laclede Group, Inc. 720 Olive Street St. Louis, MO 63101 Telephone Number 314-342-0500	Missouri	74-2976504
1-1822	Laclede Gas Company 720 Olive Street St. Louis, MO 63101 Telephone Number 314-342-0500	Missouri	43-0368139

Securities registered pursuant to Section 12(b) of the Act

	Title of Each Class	Name of Each Exchange On Which Registered
The Laclede Group, Inc.	Common Stock $1.00 par value	New York Stock Exchange
Laclede Gas Company	None	Not applicable

Securities registered pursuant to Section 12(g) of the Act:

The Laclede Group, Inc. Yes [ ] No [X]
Laclede Gas Company Yes [ ] No [X]

Indicate by check mark whether each registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

The Laclede Group, Inc. Yes [X] No [ ]
Laclede Gas Company Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the act.

The Laclede Group, Inc. Yes [ ] No [X]
Laclede Gas Company Yes [ ] No [X]

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days.

The Laclede Group, Inc. Yes [X] No [ ]
Laclede Gas Company Yes [X] No [ ]

Indicate by check mark whether each registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

The Laclede Group, Inc. [X]
Laclede Gas Company [X]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The Laclede Group, Inc. [X]
Laclede Gas Company [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
The Laclede Group, Inc.	X			
Laclede Gas Company			X	

Indicate by check mark whether each registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

The Laclede Group, Inc. Yes [ ] No [X]
Laclede Gas Company Yes [ ] No [X]

The aggregate market value of the voting stock held by non-affiliates of The Laclede Group, Inc. amounted to $1,452,654,866
as of March 31, 2014. All of Laclede Gas Company's equity securities are owned by The Laclede Group, Inc., its parent company and a 1934 Act Reporting Company. Laclede Gas Company meets the conditions set forth in General Instructions I(1)(a) and (b) of Form 10-K and is therefore filing this Form 10-K with the reduced disclosure format specified in General Instructions I(2) to Form 10-K.

The number of shares outstanding of each registrant's common stock as of November 21, 2014 was as follows:

The Laclede Group, Inc.	Common Stock, par value $1.00 per share	43,212,824
Laclede Gas Company		24,577

Common Stock, par value $1.00 per share (all owned by
The Laclede Group, Inc.)

Document Incorporated by Reference:
Portions of Proxy Statement for Laclede Group, Inc. dated December 19, 2014 — Part III Index to Exhibits is found on page 140.

This combined Form 10-K represents separate filings by The Laclede Group, Inc. and Laclede Gas Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrant, except that information relating to Laclede Gas Company is also attributed to The Laclede Group, Inc.

TABLE OF CONTENTS

GLOSSARY OF KEY TERMS

Alagasco	Alabama Gas Corporation or Alabama Utility	MGE	Missouri Gas Energy
Alabama Utility	Alabama Gas Corporation or Alagasco; the utility serving the Alabama region	MGE PSA	Missouri Gas Energy Purchase and Sale Agreement
AOCI	Accumulated other comprehensive income	Missouri Utility	Laclede Gas Company, including Missouri Gas Energy (MGE), the utility serving the Missouri region
APSC	Alabama Public Service Commission	MMBtu	Million British thermal unit
ASC	Accounting Standards Codification	MDPU	Massachusetts Department of Public Utilities
APUC	Algonquin Power and Utilities Corp.	MoPSC	Missouri Public Service Commission or MPSC
Bcf	Billion cubic feet	MRT	Mississippi River Transmission LLC
CAM	Cost Allocation Manual	NEG	New England Gas Company
CCM	Cost Control Mechanism	NYSE	New York Stock Exchange
CNG	Compressed Natural Gas	NYMEX	New York Mercantile Exchange, Inc.
EPA	US Environmental Protection Agency	OCI	Other comprehensive income
ESR	Enhanced Stability Reserve	OTCBB	Over-the-counter bulletin board
ETE	Energy Transfers Equity, LP	PEPL	Panhandle Eastern Pipe Line Company, LP
FASB	Financial Accounting Standards Board	PGA	Purchased Gas Adjustment
FERC	Federal Energy Regulatory Commission	Plaza Mass	Plaza Massachusetts Acquisition, Inc.
FIFO	First-in, first-out	PP&E	Property, plant, and equipment
GAAP	Accounting principles generally accepted in the United States of America	REX	Rockies Express Pipeline, LLC
Gas Utility	Operating segment including the regulated operations of Laclede Gas Company (Missouri Utility) and Alabama Gas Corporation (Alabama Utility)	RSE	Rate Stabilization and Equalization
Gas Marketing	Operating segment including Laclede Energy Resources (LER), a subsidiary engaged in the non-regulated marketing of natural gas and related activities	SEC	US Securities and Exchange Commission
GSA	Gas supply adjustment	SPA	Stock Purchase Agreement with Energen to purchase 100% of the common shares of Alabama Gas Corporation (Alagasco)
ICE	ICE Clear Europe	Spire	Laclede Group's compressed natural gas fueling solutions business
ISRS	Infrastructure System Replacement Surcharge	Southern Natural Gas	Southern Natural Gas Company, LLC
LER	Laclede Energy Resources, Inc.	Southern Star	Southern Star Central Gas Pipeline, Inc.
LG	The Laclede Group, Inc.	SUG	Southern Union Company
LGC	Laclede Gas Company	TGIT	Tallgrass Interstate Gas Transmission, LLC
LIBOR	London Inter-Bank Offered Rate	TSR	Total shareholder return
LIFO	Last-in, first-out	Transco	Transcontinental Gas Pipe Line Company, LLC
LNG	Liquefied natural gas	US	United States

Table of Contents

PART I

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report, excluding historical information, include forward-looking statements. Certain words, such as “may,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “seek,” and similar words and expressions identify forward-looking statements that involve uncertainties and risks. Future developments may not be in accordance with our current expectations or beliefs and the effect of future developments may not be those anticipated. Among the factors that may cause results to differ materially from those contemplated in any forward-looking statement are:

- weather conditions and catastrophic events, particularly severe weather in the natural gas producing areas of the country;
- volatility in gas prices, particularly sudden and sustained changes in natural gas prices, including the related impact on margin deposits associated with the use of natural gas derivative instruments;
- the impact of changes and volatility in natural gas prices on our competitive position in relation to suppliers of alternative heating sources, such as electricity;
- changes in gas supply and pipeline availability, including decisions by natural gas producers to reduce production or shut in producing natural gas wells, expiration of existing supply and transportation arrangements that are not replaced with contracts with similar terms and pricing, as well as other changes that impact supply for and access to the markets in which our subsidiaries transact business;
- legislative, regulatory and judicial mandates and decisions, some of which may be retroactive, including those affecting
  - allowed rates of return
  - incentive regulation
  - industry structure
  - purchased gas adjustment provisions
  - rate design structure and implementation
  - regulatory assets
  - non-regulated and affiliate transactions
  - franchise renewals
  - environmental or safety matters, including the potential impact of legislative and regulatory actions related to climate change and pipeline safety
  - taxes
  - pension and other postretirement benefit liabilities and funding obligations
  - accounting standards;
- the results of litigation;
- the availability and access, in general, of funds to meet our debt obligations prior to or when they become due and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) operating cash flow, or (iii) access to the capital or credit markets;
- retention of, ability to attract, ability to collect from, and conservation efforts of, customers;
- our ability to comply with all covenants in our indentures and credit facilities any violations of which, if not cured in a timely manner, could trigger a default of our obligations under cross-default;
- capital and energy commodity market conditions, including the ability to obtain funds with reasonable terms for necessary capital expenditures and general operations and the terms and conditions imposed for obtaining sufficient gas supply;
- discovery of material weakness in internal controls; and
- employee workforce issues, including but not limited to labor disputes and future wage and employee benefit costs, including changes in discount rates and returns on benefit plan assets.

Readers are urged to consider the risks, uncertainties, and other factors that could affect our business as described in this report. All forward-looking statements made in this report rely upon the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. We do not, by including this statement, assume any obligation to review or revise any particular forward-looking statement in light of future events.

Table of Contents

ITEM 1. BUSINESS

OVERVIEW

The Laclede Group, Inc. (Laclede Group or the Company) is a public utility holding company formed through a corporate restructuring that became effective October 1, 2001. The Company has two key business segments: Gas Utility and Gas Marketing.

The Gas Utility segment includes the regulated operations of Laclede Gas Company (Laclede Gas, the Missouri Utility) and Alabama Gas Corporation (Alagasco or the Alabama Utility) (together with Laclede Gas, the Utilities). Laclede Gas is a public utility engaged in the purchase, retail distribution and sale of natural gas, is the largest natural gas distribution utility in Missouri, serving more than 1.1 million residential, commercial and industrial customers, and is headquartered in St. Louis, Missouri. The Missouri Utility serves St. Louis and eastern Missouri through its legacy Laclede Gas assets and serves Kansas City and western Missouri through Missouri Gas Energy (MGE), whose assets were acquired by Laclede Gas on September 1, 2013. Alagasco is a public utility engaged in the purchase, retail distribution and sale of natural gas principally in central and north Alabama, serving more than 0.4 million residential, commercial and industrial customers with primary offices located in Birmingham, Alabama. The Company purchased 100% of the common shares of Alagasco from Energen Corporation (Energen) in the fourth quarter of 2014. The acquisition date (Closing Date) was September 2, 2014, with an effective time under the Stock Purchase Agreement (SPA) of 11:59 p.m. on August 31, 2014. The purchase price for the Alagasco acquisition remains subject to certain post-closing adjustments, which at this time are not expected to be material.

The Gas Marketing segment includes Laclede Energy Resources, Inc. (LER), a 100% owned subsidiary engaged in the marketing of natural gas and related activities on a non-regulated basis.

As of September 30, 2014, Laclede Group had 3,152 employees, including 24 part-time employees, Laclede Gas had 1,929 employees, including 7 part-time employees, and Alagasco had 943 employees.

The business of the Utilities is subject to seasonal fluctuations with the peak period occurring in the winter season.

Consolidated operating revenues contributed by each segment for the last three fiscal years are presented below. For more detailed financial information regarding the segments, see Note 14, Information By Operating Segment, of the Notes to the Financial Statements.

($ Millions)	2014	2013	2012
Gas Utility	$1,462.6	$847.2	$763.5
Gas Marketing	164.6	169.8	362.0
Total Operating Revenues	$1,627.2	$1,017.0	$1,125.5

2014 Gas Utility operating revenues include twelve months of MGE revenues and one month of Alagasco revenues. 2013 Gas Utility operating revenues include one month of MGE revenues.

Laclede Group’s common stock is listed on the NYSE and trades under the ticker symbol “LG.”

The following table reflects Laclede Group shares issued during the periods indicated:

	2014	2013
Common Stock Issuance	10,350,000	10,005,000
DRIP	33,667	44,074
Equity Incentive Plan	97,902	108,331
Total Shares Issued	10,481,569	10,157,405

Shares were issued during 2014 to effect the acquisition of 100% of the common shares of Alagasco. Shares were also issued at historically consistent levels for Laclede Group's Dividend Reinvestment and Stock Purchase Plan (DRIP) and its Equity Incentive Plan. Shares were issued during 2013 to effect the acquisition of the MGE assets as well as historically consistent levels for Laclede Group's DRIP and its Equity Incentive Plan.

Laclede Gas issued shares to the Laclede Group in both fiscal 2013 and fiscal 2014. For more detailed common stock information of Laclede Group and Laclede Gas, see Item 5. Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities.

Table of Contents

The information the Laclede Group, Laclede Gas and Alagasco file or furnish to the Securities and Exchange Commission (SEC), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and their amendments, and proxy statements are available under SEC Filings in the Investor Services section of Laclede Group's website, www.TheLacledeGroup.com, as soon as reasonably practical after the information is filed with or furnished to the SEC. Information contained on Laclede Group's website is not incorporated by reference in this report.

GAS UTILITY

Natural Gas Supply

The Utilities' fundamental gas supply strategy is to meet the two-fold objective of 1) ensuring that the gas supplies it acquires are dependable and will be delivered when needed and 2) insofar as is compatible with that dependability, purchasing gas that is economically priced. In structuring their natural gas supply portfolio, the Utilities continue to focus on natural gas assets that are strategically positioned to meet the Utilities' primary objectives.

Laclede Gas

Laclede Gas focuses its gas supply portfolio around a number of large natural gas suppliers with equity ownership or control of assets strategically situated to complement its regionally diverse firm transportation arrangements. Laclede Gas utilizes both Mid-Continent and Gulf Coast gas sources to provide a level of supply diversity that facilitates the optimization of pricing differentials as well as protecting against the potential of regional supply disruptions. MGE utilizes both Mid-Continent and Rocky Mountain gas sources to provide a level of supply diversity that accesses low cost supplies while providing a natural gas price arbitrage.

In fiscal year 2014, Laclede Gas purchased natural gas from 43 different suppliers to meet current gas sales and storage injection requirements. Laclede Gas entered into firm agreements with suppliers including major producers and marketers providing flexibility to meet the temperature sensitive needs of its customers. Natural gas purchased by Laclede Gas for delivery to its service area through the Enable Mississippi River Transmission LLC (MRT) system totaled 67.6 billion cubic feet (Bcf). Laclede Gas also holds firm transportation on several other interstate pipeline systems that provide access to gas supplies upstream of MRT. In addition to deliveries from MRT, 55.3 Bcf was purchased on the Southern Star Central Gas Pipeline, Inc. (Southern Star), 10.7 Bcf of gas was purchased on MoGas Pipeline LLC (MoGas), 3.0 Bcf on the Tallgrass Interstate Gas Transmission, LLC (TGIT) system, 2.1 Bcf on the Panhandle Eastern Pipe Line Company, LP (PEPL) system, 0.7 Bcf on the Rockies Express Pipeline, LLC (REX) system, and 0.1 Bcf on the KPC Pipeline (KPC) system. Some of Laclede Gas' commercial and industrial customers purchased their own gas with Laclede Gas transporting 43.4 Bcf to them through its distribution system.

The fiscal year 2014 peak day sendout of natural gas to Laclede Gas customers in both eastern and western Missouri, including transportation customers, occurred on January 6, 2014. The average temperature was negative 2.0 degrees Fahrenheit in St. Louis and negative 3.0 degrees Fahrenheit in Kansas City. On that day, the Missouri Utility's customers consumed 1.814 Bcf of natural gas. For eastern Missouri, about 65% of this peak day demand was met with natural gas transported to St. Louis through the MRT, MO Gas, and Southern Star transportation systems, and the other 35% was met from Laclede Gas' on-system storage and peak shaving resources. For western Missouri, this peak day demand was met with natural gas transported to Kansas City through the Southern Star, PEPL, TGIT, and REX transportation systems.

Alagasco

Alagasco's distribution system is connected to two major interstate natural gas pipeline systems, Southern Natural Gas Company, L.L.C. (Southern Natural Gas) and Transcontinental Gas Pipe Line Company, LLC (Transco). It is also connected to two intrastate natural gas pipeline systems and to Alagasco's four liquefied natural gas (LNG) facilities. Alagasco purchases natural gas from various natural gas producers and marketers. Certain volumes are purchased under firm contractual commitments with other volumes purchased on a spot market basis. The purchased volumes are delivered to Alagasco's system using a variety of firm transportation, interruptible transportation and storage capacity arrangements designed to meet the system's varying levels of demand. Alagasco's LNG facilities can provide the system with up to an additional 0.2 Bcf of natural gas to meet peak day demand.

In calendar year 2014 through September 30, 2014, Alagasco purchased natural gas from 18 different suppliers to meet current gas sales, storage injection, and LNG liquefaction requirements, of which eight are under long term supply agreements. Approximately 46.5 Bcf was transported by Southern Natural Gas, 4.4 Bcf by Transco, and 3.9 Bcf through intrastate pipelines to the Alagasco delivery points for its residential, commercial, and industrial customers.

The 2014 calendar year peak day send out for Alagasco was 0.62 Bcf on January 6, 2014, when the average temperature was 15 degrees Fahrenheit in Birmingham, of which 55% was met with supplies transported through Southern Natural Gas,

Table of Contents

Transco and intrastate facilities, 28% with Alagasco's LNG peak shaving facilities, and 17% with upstream underground storage assets.

Natural Gas Storage

Laclede Gas

Laclede Gas has a contractual right to store 21.6 Bcf of gas in MRT's storage facility located in Unionville, Louisiana, 16.3 Bcf of gas storage in Southern Star system storage facilities located in Kansas and Oklahoma, and 1.4 Bcf of firm storage on PEPL's system storage. MRT's tariffs allow injections into storage from May 16 through November 15 and require the withdrawal from storage of all but 2.1 Bcf from November 16 through May 15. Southern Star tariffs allow both injections and withdrawals into storage year round with ratchets that restrict the associated flows dependent upon the underlying inventory level per the contracts.

In addition, Laclede Gas supplements flowing pipeline gas with natural gas withdrawn from its own underground storage field located in St. Louis and St. Charles Counties in Missouri. The field is designed to provide 0.3 Bcf of natural gas withdrawals on a peak day and annual withdrawals of approximately 4.0 Bcf of gas based on the inventory level that Laclede Gas plans to maintain.

Alagasco

Alagasco has a contractual right to store 12.5 Bcf of gas with Southern Natural Gas, 0.2 Bcf of gas with Transco and 0.2 Bcf with Tennessee Gas Pipeline. In addition, the Company has 1.8 Bcf of LNG storage.

Regulatory Matters

For details on regulatory matters, see Note 15, Regulatory Matters, of the Notes to the Financial Statements.

Other Pertinent Matters

The Missouri Utility is the only distributor of natural gas within its franchised service areas, while the Alabama Utility is the main distributor of natural gas in its service areas. The principal competition for the Utilities comes from the local electric companies. Other competitors in the service areas include suppliers of fuel oil, coal, propane, natural gas pipelines that can directly connect to large volume customers, and for the Missouri Utility, district steam systems in the downtown areas of both St. Louis and Kansas City. Coal is price competitive as a fuel source for very large boiler plant loads, but environmental requirements for coal have shifted the economic advantage to natural gas. Oil and propane can be used to fuel boiler loads and certain direct-fired process applications, but these fuels require on-site storage, thus limiting their competitiveness. In certain cases, district steam has been competitive with gas for downtown St. Louis and Kansas City area heating users.

Laclede Gas' residential, commercial, and small industrial markets represented approximately 91% of its operating revenue for fiscal 2014. Alagasco's residential, commercial, and small industrial markets represented approximately 86% of its operating revenue for the twelve months ended September 30, 2014. Given the current level of natural gas supply and market conditions, the Utilities believe that the relative comparison of natural gas equipment and operating costs with those of competitive fuels will not change significantly in the foreseeable future, and that these markets will continue to be supplied by natural gas. In new multi-family and commercial rental markets, the Missouri Utility's competitive exposure is presently limited to space and water heating applications. Certain alternative heating systems can be cost competitive in traditional markets.

Laclede Gas offers gas transportation service to its large-user industrial and commercial customers. The tariff approved for that type of service produces a margin similar to that which the Missouri Utility would have received under its regular sales rates. Alagasco's transportation tariff allows the Alabama Utility to transport gas for large commercial and industrial customers rather than buying and reselling it to them and is based on the Alabama Utility's sales profit margin so that operating margins are unaffected. During 2014, substantially all of Alagasco's large commercial and industrial customer deliveries involved the transportation of customer-owned gas.

The Utilities are subject to various environmental laws and regulations that, to date, have not materially affected the Utilities' or the Company's financial position and results of operations. For a detailed discussion of environmental matters, see Note 16, Commitment and Contingencies, of the Notes to the Financial Statements.

Union Agreements

For its legacy eastern Missouri business, Laclede Gas has labor agreements with Locals 884, 11-6 and 11-194 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International

Union (USW), which represent approximately 67% of Laclede Gas' employees. On February 14, 2014, the agreements with Locals 11-6 and

Table of Contents

11-194 were extended through midnight on July 31, 2015. Laclede Gas and Local 884 have a labor agreement that expires on midnight on July 31, 2015.

With respect to its MGE operations in western Missouri, Laclede Gas has labor agreements with Local 53 of the International Brotherhood of Electrical Workers (IBEW), Locals 12561, 14228 and 11-267 of the USW and Gas Workers Metal Trades Local Union 781-Kansas City and Local 781-Monett of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, which represent approximately 75% of MGE employees. On April 25, 2014, Laclede Gas and IBEW Local 53 reached a tentative agreement on a new contract that will expire at midnight on July 31, 2016. The tentative agreement was ratified by the IBEW membership on April 29, 2014. On May 28, 2014, Laclede Gas and USW Locals 12561, 14228 and 11-267 along with Gas Workers Local 781 KC and Local 781 Monett reached tentative agreement on new labor contracts that expire at midnight on July 31, 2016. The tentative agreements were ratified by the memberships of the various unions on May 31, 2014.

Alagasco has labor agreements with three unions. Local Unions 12030, 12030-A of the United Steelworkers and Local Union 548 of the United Association of Gas Fitters, which together make up approximately 42% of Alagasco's employees. Local Union 12030's contract, covering 230 employees, expires at midnight on December 18, 2014. Local Union 12030-A's contract, covering 65 employees, expires at midnight on April 30, 2017 and Local Union 548's contract covering 121 employees expires at midnight on June 30, 2016. Alagasco and USW Local Union 12030 commenced contract negotiations in mid-November 2014.

Operating Revenues and Customer Information

Revenues and therms sold and transported for the Gas Utility segment for the last three fiscal years are as follows (before intersegment eliminations):

Gas Utility Operating Revenues			
($ Millions)	2014 *	2013 **	2012
Residential	$974.3	$556.8	$487.5
Commercial & Industrial	357.1	184.1	161.9
Interruptible	2.1	3.5	2.1
Transportation	32.4	15.3	14.1
Off-System and Capacity Release	79.5	90.2	92.5
Other	22.4	7.9	6.6
Total	$1,467.8	$857.8	$764.7

Gas Utility Therms Sold and Transported			
(Millions)	2014 *	2013 **	2012
Residential	952.9	496.6	385.3
Commercial & Industrial	435.6	229.6	183.6
Interruptible	3.5	3.1	3.0
Transportation	484.6	160.4	146.1
System Therms Sold and Transported	1,876.6	889.7	718.0
Off-System	125.8	229.4	314.5
Total Therms Sold and Transported	2,002.4	1,119.1	1,032.5

* Includes MGE for the twelve months ended September 30, 2014 and Alagasco for the one month ended September 30, 2014.

** Includes MGE for the one month ended September 30, 2013.

Table of Contents

The following table presents our Gas Utility customers as of September 30 for the last three fiscal years:

Gas Utility Customers	2014 *	2013 **	2012
Residential	1,427,375	1,027,556	588,061
Commercial & Industrial	134,838	100,335	39,741
Interruptible	18	17	15
Transportation	911	628	140
Total Customers	1,563,142	1,128,536	627,957

* The number of customers for 2014 is based on average customers over the twelve months ended September 30, 2014, including Alagasco customers for the one month of Laclede Group ownership. Previous methodology was a point in time customer count as of September 30, 2013 and 2012, which did not capture seasonal customers. The average customer methodology will be utilized going forward.

** Includes MGE for the one month ended September 30, 2013.

Laclede Gas has franchises in nearly all of the 236 Missouri communities where it provides service with terms varying from five years to an indefinite duration. Generally, a franchise allows Laclede Gas, among other things, to install pipes and construct other facilities in the community. All of the franchises are free from unduly burdensome restrictions and are adequate for the conduct of Laclede Gas Company's current public utility business in the State of Missouri. In recent years, although certain franchise agreements have expired, including Clayton, North Kansas City, Cameron, and Riverside, Laclede Gas has continued to provide service in those communities without formal franchises.

Alagasco has franchises in nearly all of the 186 Alabama communities where it provides service with terms varying from five years to an indefinite duration. Generally, a franchise allows Alagasco, among other things, to install pipes and construct other facilities in the community. All of the franchises are free from unduly burdensome restrictions and are adequate for the conduct of Alagasco's current public utility business in the State of Alabama.

GAS MARKETING

LER is engaged in the marketing of natural gas and providing energy services to both on-system utility transportation customers and customers outside of the Missouri Utility’s traditional service area. During fiscal year 2014, LER utilized 14 interstate and intrastate pipelines and 98 suppliers to market natural gas to its customers primarily in the Midwest. LER served more than 230 retail customers and 90 wholesale customers. Through its retail operations, LER offers natural gas marketing services to large commercial and industrial customers, while its wholesale business consists of buying and selling natural gas to other marketers, producers, utilities, power generators, pipelines, and municipalities. Wholesale activities currently represent a majority of LER’s total business.

In the course of its business, LER enters into agreements to purchase natural gas at a future date in order to lock up supply to cover future sales commitments to its customers. To secure access to the markets it serves, LER contracts for transportation capacity on various pipelines from both pipeline companies and through the secondary capacity market from third parties. Throughout fiscal year 2014, LER held approximately 0.4 Bcf per day of firm transportation capacity. In addition, to ensure reliability of service and to provide operational flexibility, LER enters into firm storage contracts and interruptible park and loan transactions with various companies, where it is able to buy and retain gas to be delivered at a future date, at which time LER sells the natural gas to third parties. As of September 30, 2014, LER has contracted for approximately 4.8 Bcf of such storage and park and loan capacity for the 2014-2015 winter period.

LER’s strategy is to leverage its market expertise and risk management skills to manage and optimize the value of its portfolio of commodity, transportation, park and loan, and storage contracts while controlling costs and acting on new marketplace opportunities. Fiscal year 2014 was very profitable for LER due to extreme price volatility and basis differentials (pricing differences between supply regions) that occurred during the 2014 winter period caused by significantly colder than normal weather in and around the Midwest and the corresponding pipeline operational constraints related thereto. During that period of extreme conditions, LER was able to reliably serve its firm markets and incrementally serve others in the upper Midwest that were experiencing significantly higher than expected demand.

Looking forward, market conditions appear to be less profitable than last year with expectations of more normal winter weather and an increase in nationwide gas production. Although year over year nationwide natural gas storage inventory levels are lower than last year’s level, higher year over year flowing production levels are expected to reliably meet this winter's needs absent a repeat of last year’s extreme weather. Going forward, LER continues to look for new opportunities, concentrating its efforts on growing supply and demand areas in and around the Midwest.

Table of Contents

OTHER

The principal driver of the Other segment results for fiscal 2014 and fiscal 2013 have been costs associated with acquisition activity. Fiscal 2014 results include expenses related to MGE integration and transaction expenses of the Alagasco acquisition totaling $13.6, net of tax. In fiscal 2013, the Other segment included $10.5, net of tax, of transaction and integration expenses relating to the acquisition of substantially all the assets and liabilities of MGE.

Other also includes Laclede Pipeline Company, a 100% owned subsidiary of Laclede Group, which operates a propane pipeline under Federal Energy Regulatory Commission (FERC) jurisdiction. This pipeline allows Laclede Gas to receive propane that is vaporized to supplement its natural gas supply and meet peak demands on its distribution system. Laclede Pipeline Company also provides transportation services to third parties.

Other additionally includes Laclede Group's subsidiaries that are engaged in, among other activities, oil production, real estate development, compression of natural gas, and financial investments in other enterprises. These operations are conducted through seven subsidiaries. The Other category also includes Laclede Gas' non-regulated propane services business which involves providing propane-related services and storage to third parties and its affiliate, Laclede Pipeline Company. Beginning July 1, 2013, propane-related services are included within Gas Utility operations pursuant to Laclede Gas' rate case.

Table of Contents

ITEM 1A. RISK FACTORS

Laclede Group’s and the Utilities' business and financial results are subject to a number of risks and uncertainties, including those set forth below. The risks described below are those the Company and the Utilities consider to be material. When considering any investment in Laclede Group or the Utilities' securities, investors should carefully consider the following information, as well as information contained in the caption "Forward-Looking Statements," Item 7A, and other documents Laclede Group and Laclede Gas file with the SEC. This list is not exhaustive, and Laclede Group's and the Utilities' respective management places no priority or likelihood based on the risk descriptions, order of presentation or grouping by subsidiary. All references to dollar amounts are in millions.

RISKS AND UNCERTAINTIES THAT RELATE TO THE BUSINESS AND FINANCIAL RESULTS OF LACLEDE GROUP AND ITS SUBSIDIARIES

As a holding company, Laclede Group depends on its operating subsidiaries to meet its financial obligations.

Laclede Group is a holding company with no significant assets other than the stock of its operating subsidiaries and cash investments. Laclede Group, and the Missouri Utility prior to Laclede Group’s formation, have paid dividends continuously since 1946. Laclede Group’s ability to pay dividends to its shareholders is dependent on the ability of its subsidiaries to generate sufficient net income and cash flows to pay upstream dividends and make loans or loan repayments. In addition, because it is a holding company and the substantial portion of its assets are represented by its holdings in the Utilities, the risks faced by the Utilities as described under RISKS THAT RELATE TO THE GAS UTILITY SEGMENT below may also adversely affect Laclede Group’s cash flows, liquidity, financial condition and results of operations.

A downgrade in Laclede Group’s and/or its subsidiaries' credit ratings may negatively affect its ability to access capital.

Currently, Laclede Group and its utility subsidiaries have investment grade credit ratings, which are subject to review and change by the rating agencies. On December 16, 2013, Standard & Poor’s lowered its debt ratings for Alagasco from investment grade with a stable outlook to investment grade with a negative outlook. In April 2014, upon the announcement of Laclede Group’s intent to acquire Alagasco, Standard & Poor’s upgraded the outlook to “positive.” Upon the completion of the acquisition by Laclede Group, Standard & Poor’s upgraded Alagasco's debt ratings to A-, stable outlook. Laclede Group, Laclede Gas and Alagasco each have a working capital line of credit to meet their short-term liquidity needs. Laclede Group’s line of credit may also be used to meet the liquidity needs of any of its subsidiaries. If the rating agencies lowered the credit rating at any of these entities, particularly below investment grade, it might significantly limit such entity’s ability to secure new or additional credit facilities and would increase its costs of borrowing. Laclede Group’s or the Utilities’ ability to borrow under current or new credit facilities and costs of that borrowing have a direct impact on their ability to execute their operating strategies. In the fourth quarter of 2014, Laclede Group issued its first public debt and received its first senior unsecured debt ratings. Standard & Poor’s rated Laclede Group debt BBB+, one notch lower than its issuer rating of A-, while Fitch also rated the Laclede Group debt at BBB+, equal to its issuer rating, and Moody’s (which does not use issuer ratings) rated the Laclede Group debt at Baa2. These rating levels have no specific implications for Laclede Group's corporate funding ability or our ability to access the capital markets, nor do they trigger any collateralization requirements under Laclede Group's corporate guarantees. There is no assurance that such credit ratings for any of the Laclede Group companies will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency’s judgment, circumstances so warrant.

Unexpected losses may adversely affect Laclede Group’s or its subsidiaries financial condition and results of operations.

As with most businesses, there are operations and business risks inherent in the activities of Laclede Group’s subsidiaries. If, in the normal course of business, Laclede Group or any of its subsidiaries becomes a party to litigation, such litigation could result in substantial monetary judgments, fines, or penalties or be resolved on unfavorable terms. In accordance with customary practice, Laclede Group and its subsidiaries maintain insurance against a significant portion of, but not all, risks and losses. In addition, in the normal course of its operations, Laclede Group and its subsidiaries may be exposed to loss from other sources, such as bad debt expense or the failure of a counterparty to meet its financial obligations. Laclede Group and its operating companies employ many strategies to gain assurance that such risks are appropriately managed, mitigated, or insured, as appropriate. To the extent a loss is not fully covered by insurance or other risk mitigation strategies, that loss could adversely affect the Company's and/or its subsidiaries' financial condition and results of operations.

Increased inter-dependence on technology may adversely hinder Laclede Group’s and its subsidiaries' business operations and affect their financial condition and results of operations if such technologies fail or are compromised.
Over the last several years, Laclede Group and its subsidiaries have implemented a variety of technological tools including both Company-owned information technology and technological services provided by outside parties. In fiscal year 2013, the Company completed its implementation of a Company-wide enterprise resource planning (ERP) system. These tools and systems support critical functions including Laclede Group and its subsidiaries' integrated planning, scheduling and dispatching of field resources, its automated meter reading system, customer care and billing, procurement and accounts payable, operational plant logistics, management reporting, and external financial reporting. The failure of these or other similarly important technologies, or the Company’s or Laclede Gas' inability to have these technologies supported, updated, expanded, or integrated into other technologies, could hinder its business operations and adversely impact its financial condition and results of operations.
Although the Company and its subsidiaries have, when possible, developed alternative sources of technology and built redundancy into their computer networks and tools, there can be no assurance that these efforts to date would protect against all potential issues related to the loss of any such technologies or the Utilities’ use of such technologies.
Laclede Gas has also completed the acquisition of the assets and liabilities of MGE in Kansas City. Through fiscal 2015, Laclede Gas will be integrating MGE’s data into its systems.
The Company recently completed the acquisition of the common stock of Alagasco. Alagasco utilizes a different ERP system which will remain in place pending review of the Company's long-term ERP needs during the integration process. The Company continues to evaluate Alagasco’s security controls, both process and tool based.
Furthermore, the Company and its subsidiaries are subject to cyber-security risks primarily related to breaches of security pertaining to sensitive customer, employee, and vendor information maintained by the Company and its subsidiaries in the normal course of business, as well as breaches in the technology that manages natural gas distribution operations and other business processes. A loss of confidential or proprietary data or security breaches of other technology business tools could adversely affect the Company’s and its subsidiaries' reputation, diminish customer confidence, disrupt operations, and subject the Company and its subsidiaries to possible financial liability, any of which could have a material effect on the Company’s and its subsidiaries' financial condition and results of operations. The Company and its subsidiaries closely monitor both preventive and detective measures to manage these risks and maintains cyber risk insurance to mitigate a significant portion, but not all, of these risks and losses. To the extent that the occurrence of any of these cyber events is not fully covered by insurance, it could adversely affect the Company’s and its subsidiaries' financial condition and results of operations.
Resources expended to pursue business acquisitions, investments or other business arrangements may adversely affect Laclede Group’s financial position and results of operations and return on investments made may not meet expectations.
From time to time, Laclede Group may seek to grow through strategic acquisitions, investments or other business arrangements, including the recent MGE and Alagasco acquisitions, the opening of public compressed natural gas (CNG) stations or other future opportunities. Attractive acquisition candidates may be difficult to acquire on economically acceptable terms. It is possible for Laclede Group to expend considerable resources pursuing an acquisition candidate, but for a variety of reasons such as changes in economic conditions, changes in the acquisition candidate’s business or concerns arising out of due diligence review, decide not to consummate a definitive transaction. To the extent that acquisitions are made, such acquisitions involve a number of risks, including but not limited to, the assumption of material liabilities, the diversion of management’s attention from daily operations to the integration of the acquisition, difficulties in assimilation and retention of employees, securing adequate capital to support the transaction, and regulatory approval. Uncertainties exist in assessing the value, risks, profitability, and liabilities associated with certain businesses or assets and there is a possibility that anticipated operating and financial synergies expected to result from an acquisition do not develop. The failure to complete an acquisition successfully, or to integrate future acquisitions that it may choose to undertake could have an adverse effect on its financial condition, results of operations and the market’s perception of the Company’s execution of its strategy.
In order to manage and diversify the risks of certain development projects, Laclede Group may use partnerships or other investments. Such business arrangements may limit Laclede Group’s ability to fully direct the management and

policies of the business relationship. These arrangements may cause additional risks such as operating agreements limiting Laclede Group's control or Laclede Group's ability to appropriately value the business drivers or assets of the business arrangement. While Laclede Group would pursue strategies to mitigate these risks and enforce its interests, these risks may adversely impact the projects and Laclede Group’s financial condition, results of operations and cash flows.

In addition, to the extent Laclede Group engages in any of the above activities together with or through one or more of its subsidiaries, including the Utilities, such subsidiaries may face the same risks.

Table of Contents

Workforce risks may affect the Company's financial results.

The Company and its subsidiaries are subject to various workforce risks, including, but not limited to, the risk that it will be unable to attract and retain qualified personnel; that it will be unable to effectively transfer the knowledge and expertise of an aging workforce to new personnel as those workers retire; and that it will be unable to reach collective bargaining arrangements with the unions that represent certain of its workers, which could result in work stoppages.

Changes in accounting standards may adversely impact the Utilities' financial condition and results of operations.

Laclede Group and its subsidiaries are subject to changes in US Generally Accepted Accounting Principles (GAAP), SEC regulations and other interpretations of financial reporting requirements for public utilities. Neither the Company nor any of its subsidiaries have any control over the impact these changes may have on their financial condition or results of operations nor the timing of such changes. The potential issues associated with rate-regulated accounting, along with other potential changes to GAAP, that the US Financial Accounting Standards Board (FASB) continues to consider may be significant.

RISKS RELATED TO THE COMPANY'S AND ITS SUBSIDIARIES' ACQUISITION AND INTEGRATION ACTIVITIES

As a result of recent acquisitions, the Company and its subsidiaries are subject to risks related to a higher level of indebtedness.

In connection with the Alagasco and MGE acquisitions, Laclede Group and Laclede Gas incurred additional debt to pay a portion of the acquisition cost and transaction expenses. On August 19, 2014 Laclede Group issued unsecured debt in the aggregate principal amount of $625.0 to finance the acquisition of Alagasco. On August 13, 2013, Laclede Gas issued debt in the aggregate principal amount of $450.0 to finance the acquisition of MGE. Laclede Group's total consolidated indebtedness as of September 30, 2014 was $2,138.1 ($287.1 of short-term borrowings and $1,851.0 of long-term debt) and Laclede Gas' total indebtedness as of September 30, 2014 was $1,046.5 ($238.6 of short-term borrowings and $807.9 of long-term debt).

Laclede Group's and Laclede Gas' debt service obligations with respect to this increased indebtedness could have an adverse impact on their earnings and cash flows (which after the acquisitions include the earnings and cash flows of MGE and, in the case of Laclede Group, Alagasco) for as long as the indebtedness is outstanding. Among other risks, the increase in indebtedness may:

- make it more difficult for Laclede Group or Laclede Gas to pay or refinance their debts as they become due during adverse economic and industry conditions;
- limit the Company's or Laclede Gas' flexibility to pursue other strategic opportunities or react to changes in its business and the industry in which they operate and, consequently, place them at a competitive disadvantage to competitors with less debt;
- require an increased portion of the Company's or Laclede Gas' cash flows from operations of their respective subsidiaries to be used for debt service payments, thereby reducing the availability of their cash flows to fund working capital, capital expenditures, dividend payments and other general corporate purposes;
- result in a downgrade in the credit rating of Laclede Group's or the Utilities' indebtedness, which could limit the Utilities' ability to borrow additional funds or increase the interest rates applicable to Utilities' indebtedness;
- result in higher interest expense in the event of an increase in market interest rates for both long-term debt and short-term commercial paper or bank loans at variable rates;
- reduce the amount of credit available to support hedging activities; and
- require that additional terms, conditions or covenants be placed on the Company or Laclede Gas.

Based upon current levels of operations, Laclede Group or Laclede Gas expect to be able to generate sufficient cash through earnings on a consolidated basis or through refinancing to make all of the principal and interest payments when such payments are due under their existing credit agreements, indentures and other instruments governing outstanding indebtedness; but there can be no assurance that Laclede Group or Laclede Gas will be able to repay or refinance such borrowings and obligations in future periods.

In addition, in order to maintain investment-grade credit ratings, Laclede Group and Laclede Gas may consider it appropriate to reduce the amount of indebtedness outstanding following the acquisitions. This may be accomplished in several ways, including, in the case of Laclede Group, issuing additional shares of common stock or securities convertible into shares of common stock, or in the case of Laclede Group or Laclede Gas, reducing discretionary uses of cash or a combination of these and other measures. Issuances of additional shares of common stock or securities convertible into shares of common stock would have the effect of diluting the ownership percentage that shareholders hold in the Company, increase the Company's dividend payment obligations and might reduce the reported earnings per share.

Table of Contents

The acquisition of MGE and/or Alagasco may not achieve its intended results, including anticipated efficiencies and cost savings.

Although the Company and its subsidiaries expect that the acquisition of MGE and Alagasco will result in various benefits, including a significant cost savings and other financial and operational benefits, there can be no assurance regarding when or the extent to which the Company and its subsidiaries will be able to realize these benefits. Achieving the anticipated benefits, including cost savings, is subject to a number of uncertainties, including whether the assets acquired can be operated in the manner the Company and its subsidiaries intended. Events outside of the control of the Company and its subsidiaries, including but not limited to regulatory changes or developments, could also adversely affect their ability to realize the anticipated benefits from the MGE and Alagasco acquisitions.

Thus the integration of MGE and Alagasco may be unpredictable, subject to delays or changed circumstances, and the Company and its subsidiaries can give no assurance that the acquisitions will perform in accordance with their expectations or that their expectations with respect to integration or cost savings as a result of the MGE and Alagasco acquisitions will materialize. In addition, the anticipated costs to the Company and its subsidiaries to achieve the integration of MGE and Alagasco may differ significantly from their current estimates. The integration may place an additional burden on management and internal resources, and the diversion of management's attention during the integration process could have an adverse effect on the Company's and its subsidiaries' business, financial condition and expected operating results.

In connection with the MGE and the Alagasco acquisitions, Laclede Gas and Laclede Group, respectively, recorded goodwill and long-lived assets that could become impaired and adversely affect its financial condition and results of operations.

Laclede Group and Laclede Gas will assess goodwill for impairment annually or more frequently if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company and Laclede Gas will assess their long-lived assets for impairment whenever events or circumstances indicate that an asset's carrying amount may not be recoverable. To the extent the value of goodwill or long-lived assets becomes impaired, the Company and Laclede Gas may be required to incur impairment charges that could have a material impact on its results of operations. No impairment of long-lived assets was recorded during 2014 or 2013. Since interest rates are a key component, among other assumptions, in the models used to estimate the fair values of the Company's reporting units, as interest rates rise, the calculated fair values decrease and future impairments may occur. Due to the subjectivity of the assumptions and estimates underlying the impairment analysis, Laclede Group and Laclede Gas cannot provide assurance that future analysis will not result in impairment. These assumptions and estimates include projected cash flows, current and future rates for contracted capacity, growth rates, weighted average cost of capital and market multiples. For additional information, see Item 7, "Critical Accounting Policies."

RISKS THAT RELATE TO THE GAS UTILITY SEGMENT

Regulation of the Utilities' businesses may impact rates they are able to charge, costs, and profitability.

The Utilities are subject to regulation by federal, state and local regulatory authorities. At the state level, the Utilities are regulated by regulatory authorities in Missouri by the MoPSC and in Alabama by the APSC. The state regulatory authorities regulate many aspects of the Utilities' distribution operations, including construction and maintenance of facilities, operations, safety, the rates that the Utilities may charge customers, the terms of service to their customers, transactions with their affiliates, and the rate of return that they are allowed to realize; as well as the accounting treatment for certain aspects of their operations. For further discussion of these accounting matters, see Critical Accounting Policies pertaining to the Utilities' operations.

The Utilities' ability to obtain and timely implement rate increases and rate supplements to maintain the current rate of return is subject to regulatory review and approval. There can be no assurance that they will be able to obtain rate increases or rate supplements or continue earning the current authorized rates of return. Furthermore, in accordance with a MoPSC's Unanimous Stipulation and Agreement, the Missouri Utility will not file a general rate case for non-gas costs prior to October 1, 2015 unless a significant, unusual event impacts any of its operations. The first Missouri Utility general rate case filed in Missouri after October 1, 2015, requires that it be for both the legacy Laclede Gas and the MGE operations. Alagasco's rate setting process, Rate Stabilization and Equalization (RSE), is subject to regulation by the APSC and is implemented pursuant to an APSC order that will continue beyond

September 30, 2018, unless the APSC enters an order to the contrary in a manner consistent with the law. Under the current RSE order, Alagasco is allowed to earn a return on average common equity between 10.5% and 10.95%. Quarterly reviews are conducted by the APSC and if it is determined that Alagasco will exceed the allowed range of return, rates are reduced to bring the projected return within the allowed range. Rates can only be increased once a year effective December 1. Alagasco's year-end equity under RSE is limited to 56.5% of total capitalization, subject to certain adjustments. The RSE order includes a Cost Control Mechanism (CCM) which requires Alagasco's operation and maintenance expenses to be within an allowed index range based on inflation-adjusted from 2007 actual operation and

Table of Contents

maintenance (O&M) expenses. If O&M expenses exceed the index range, 75% of the amount over the range is returned to customers through future rate adjustments.

The Utilities could incur additional costs if required to adjust to new laws or regulations, revisions to existing laws or regulations or changes in interpretations of existing laws or regulations such as the Dodd-Frank Act. In addition, as the regulatory environment for the natural gas industry increases in complexity, the risk of inadvertent noncompliance could also increase. If the Utilities fail to comply with applicable laws and regulations, whether existing or new, they could be subject to fines, penalties or other enforcement action by the authorities that regulate Utilities' operations.

The Utilities are involved in legal or administrative proceedings before various courts and governmental bodies that could adversely affect their results of operations, cash flows and financial condition.

The Utilities are involved in legal or administrative proceedings before various courts and governmental bodies with respect to general claims, rates, environmental issues, gas cost prudence reviews and other matters. Adverse decisions regarding these matters, to the extent they require the Utilities to make payments in excess of amounts provided for in their financial statements, or to the extent they are not covered by insurance, could adversely affect the Utilities' results of operations, cash flows and financial condition.

The Utilities' liquidity may be adversely affected by delays in recovery of their costs, due to regulation.

In the normal course of business, there may be a lag between when the Utilities incur increases in certain of their costs and the time in which those costs are considered for recovery in the ratemaking process. Cash requirements for increased operating costs, increased funding levels of defined benefit pension and postretirement costs, capital expenditures, and other increases in the costs of doing business may require outlays of cash prior to the authorization of increases in rates charged to customers, as approved by the MoPSC and APSC. Accordingly, the Utilities' liquidity may be adversely impacted to the extent higher costs are not timely recovered from their customers. In accordance with a MoPSC Unanimous Stipulation and Agreement, the Missouri Utility will not file a general rate case for non-gas costs prior to October 1, 2015 unless a significant, unusual event impacts any of its operations. The first Missouri Utility general rate case filed in Missouri after October 1, 2015, is required to be for both the legacy Laclede Gas and the MGE operations.

The Utilities' ability to meet their customers' natural gas requirements may be impaired if contracted gas supplies, interstate pipeline and/or storage services are not available or delivered in a timely manner.

In order to meet their customers' annual and seasonal natural gas demands, the Utilities must obtain sufficient supplies, interstate pipeline capacity, and storage capacity. If they are unable to obtain these, either from their suppliers' inability to deliver the contracted commodity or the inability to secure replacement quantities, the Utilities' financial condition and results of operations may be adversely impacted. If a substantial disruption in interstate natural gas pipelines' transmission and storage capacity were to occur during periods of heavy demand, the Utilities' financial results could be adversely impacted.

The Utilities' liquidity and, in certain circumstances, Utilities' results of operations may be adversely affected by the cost of purchasing natural gas during periods in which natural gas prices are rising significantly.

The Missouri Utility's tariff rate schedules contain Purchased Gas Adjustment (PGA) clauses and the Alabama Utility's tariff rate schedule contains a Gas Supply Adjustment (GSA) rider that permit the Utilities to file for rate adjustments to recover the cost of purchased gas. Changes in the cost of purchased gas are flowed through to customers and may affect uncollectible amounts and cash flows and can therefore impact the amount of capital resources.

Currently, the Missouri Utility is allowed to adjust the gas cost component of its rates up to four times each year while the Alabama Utility may adjust its gas cost component of its rates on a monthly basis. The Missouri Utility must make a mandatory gas cost adjustment at the beginning of the winter, in November, and during the next twelve months it may make up to three additional discretionary gas cost adjustments, so long as each of these adjustments is separated by at least two months.

The MoPSC typically approves the Missouri Utility's PGA changes on an interim basis, subject to refund and the outcome of a subsequent audit and prudence review. Due to such review process, there is a risk of a disallowance of full recovery of these costs. Any material disallowance of purchased gas costs would adversely affect revenues.

Increases in the prices the Missouri Utility charges for gas may also adversely affect revenues because they could lead customers to reduce usage and cause some customers to have trouble paying the resulting higher bills. These higher prices may increase bad debt expenses and ultimately reduce earnings. The Missouri Utility has used short-term borrowings in the past to finance storage inventories and purchased gas costs, and expects to do so in the future. Rapid increases in the price of purchased gas may result in an increase in short-term debt.

Table of Contents

To lower financial exposure to commodity price fluctuations, the Missouri Utility enters into contracts to hedge the forward commodity price of its natural gas supplies. As part of this strategy, the Missouri Utility may use fixed-price, forward, physical purchase contracts, swaps, futures, and option contracts. However, the Missouri Utility does not hedge the entire exposure of energy assets or positions to market price volatility, and the coverage will vary over time. Any costs, gains, or losses experienced through hedging procedures, including carrying costs, generally flow through the PGA clause, thereby limiting the Missouri Utility’s exposure to earnings volatility. However, variations in the timing of collections of such gas costs under the PGA clause and the effect of cash payments for margin deposits associated with the Missouri Utility’s use of natural gas derivative instruments may cause short-term cash requirements to vary. These procedures remain subject to prudence review by the MoPSC.

The Utilities may be adversely affected by economic conditions.

Periods of slowed economic activity generally result in decreased energy consumption, particularly by industrial and large commercial companies, a loss of existing customers, fewer new customers especially in newly constructed buildings. As a consequence, national or regional recessions or other downturns in economic activity could adversely affect the Utilities’ revenues and cash flows or restrict their future growth. Economic conditions in Utilities’ service territory may also adversely impact the Utilities’ ability to collect Utilities’ accounts receivable resulting in an increase in bad debt expenses.

Environmental laws and regulations may require significant expenditures or increase operating costs.

The Utilities are subject to federal, state and local environmental laws and regulations affecting many aspects of their present and future operations. These laws and regulations require the Utilities to obtain and comply with a wide variety of environmental licenses, permits, inspections, and approvals. Failure to comply with these laws and regulations and failure to obtain any required permits and licenses may result in costs to the Utilities in the form of fines, penalties or business interruptions, which may be material. In addition, existing environmental laws and regulations could be revised or reinterpreted and/or new laws and regulations could be adopted or become applicable to the Utilities or their facilities, thereby impacting the Utilities’ cost of compliance. The discovery of presently unknown environmental conditions, including former manufactured gas plant sites, and claims against the Utilities under environmental laws and regulations may result in expenditures and liabilities, which could be material. To the extent environmental compliance costs are not fully covered by insurance or recovered in rates from the Utilities’ customers, those costs may have an adverse effect on the Utilities’ financial condition and results of operations.

The Utilities are subject to pipeline safety and system integrity laws and regulations that may require significant expenditures or significant increases in operating costs.

Such laws and regulations affect various aspects of the Utilities’ present and future operations. These laws and regulations require the Utilities maintain pipeline safety and system integrity by identifying and reducing pipeline risks. Compliance with these laws and regulations, or future changes in these laws and regulations, may result in increased capital, operating and other costs which may not be recoverable in a timely manner from customers in rates. Failure to comply may result in fines, penalties, or injunctive measures that would not be recoverable from customers in rates and could result in a material effect on the Utilities’ financial condition and results of operations.

Transporting, distributing, and storing natural gas and transporting and storing propane involves numerous risks that may result in accidents and other operating risks and costs.

There are inherent in gas distribution activities a variety of hazards and operations risks, such as leaks, accidental explosions, including third party damages, and mechanical problems, which could cause substantial financial losses. In addition, these risks could result in serious injury to employees and non-employees, loss of human life, significant damage to property, environmental pollution, impairment of operations, and substantial losses to the Utilities. The location of pipelines and storage facilities near populated areas, including residential areas, commercial business centers, and industrial sites, could increase the level of damages resulting from these risks. Similar risks also exist for the Missouri Utility's propane storage and transmission operations. These activities may subject the Utilities to litigation or administrative proceedings from time to time. Such litigation or proceedings could result in substantial monetary judgments, fines, or penalties against the Utilities or be resolved on unfavorable terms. The Utilities are subject to Federal and State laws and regulations requiring the Utilities to maintain certain safety and system integrity measures by identifying and managing storage and pipeline risks. Compliance with these laws and regulations, or future changes in these laws and regulations, may result in increased capital, operating and other costs which may not be recoverable in a timely manner from customers in rates. In accordance with customary industry practices, the Utilities maintain insurance against a significant portion, but not all, of these risks and losses. To the extent that the occurrence of any of these events is not fully covered by insurance, it could adversely affect the Utilities' financial condition and results of operations.

Table of Contents

Because of the highly competitive nature of its business, the Utilities may not be able to retain existing customers or acquire new customers, which would have an adverse impact on its businesses, operating results and financial conditions.

Both the Missouri Utility and the Alabama Utility face the risk that customers may bypass gas distribution services by gaining distribution directly from interstate pipelines. The Utilities cannot provide any assurance that increased competition or other changes in legislation, regulation or policies will not have a material adverse effect on their business, financial condition or results of operation.

The Utilities compete with distributors offering a broad range of services and prices, from full-service distributors to those offering delivery only. The Utilities also compete for retail customers with suppliers of alternative energy products, principally propane and electricity. If they are unable to compete effectively, the Utilities may lose existing customers and/or fail to acquire new customers, which would have a material adverse effect on their business, operating results and financial condition.

Changes in the wholesale costs of purchased natural gas supplies may adversely impact the Utilities’ competitive position compared with alternative energy sources.

Changes in wholesale natural gas prices compared with prices for electricity, fuel oil, coal, propane, or other energy sources may affect the Utilities’ retention of natural gas customers and may adversely impact their financial condition and results of operations.

Significantly warmer-than-normal weather conditions, the effects of global warming and climate change, and other factors that influence customer usage may affect the Utilities’ sale of heating energy and adversely impact their financial position and results of operations.

The Utilities’ earnings are primarily generated by the sale of heating energy. The Missouri Utility has weather mitigation rate designs and the Alabama Utility has customer use adjustments, each of which is approved by the respective state regulatory body, which provide better assurance of the recovery of each Utilities’ fixed costs and margins during winter months despite variations in sales volumes due to the impacts of weather and other factors that affect customer usage.

However, significantly warmer-than-normal weather conditions in the Utilities’ service areas and other factors, such as global warming, climate change and alternative energy sources, may result in reduced profitability and decreased cash flows attributable to lower gas sales. Furthermore, continuation of the weather mitigation rate design at Laclede Gas, the rate design where distribution costs are recovered predominantly through fixed monthly charges at MGE or the Rate Stabilization and Equalization (RSE) at Alagasco are subject to regulatory discretion. In addition, the promulgation of regulations by the EPA or the potential enactment of Congressional legislation addressing global warming and climate change may result in future additional compliance costs that could impact the Utilities’ financial conditions and results of operations.

Regional supply/demand fluctuations and changes in national pipeline infrastructure, as well as regulatory discretion, may adversely affect the Missouri Utility's ability to profit from off-system sales and capacity release.

The Missouri Utility's income from off-system sales and capacity release is subject to fluctuations in market conditions and changing supply and demand conditions in areas the Missouri Utility holds pipeline capacity rights. Specific factors impacting the Missouri Utility’s income from off-system sales and capacity release include the availability of attractively-priced natural gas supply, availability of pipeline capacity, and market demand. Income from off-system sales and capacity release is shared with customers. The Missouri Utility is allowed to retain 15% to 25% of the first $6.0 in annual income earned (depending on the level of income earned) and 30% of income exceeding $6.0 annually. In accordance with an agreement approved by the MoPSC, Laclede Gas deferred, until fiscal year 2017, its ability to retain 15% of the first $2.0. MGE is allowed to retain 15% to 25% of the first $3.6 in annual income earned (depending on the level of income earned) and 30% of income exceeding $3.6 annually. The Missouri Utility’s ability to retain such income in the future is subject to regulatory discretion in a base rate proceeding.

Catastrophic events may adversely affect the Utilities’ facilities and operations.

Catastrophic events such as fires, earthquakes, explosions, floods, tornadoes, hurricanes, tropical storms, terrorist acts, pandemic illnesses or other similar occurrences could adversely affect the Utilities’ facilities and operations. The Utilities have emergency planning and training programs in place to respond to events that could cause business interruptions. However, unanticipated events or a combination of events, failure in resources needed to respond to events, or slow or inadequate response to events may have an adverse impact on the Utilities' operations, financial condition, and results of operations. The availability of insurance covering catastrophic events may be limited or may result in higher deductibles, higher premiums, and more restrictive policy terms.

Table of Contents

RISKS THAT RELATE TO THE GAS MARKETING SEGMENT

Increased competition, fluctuations in natural gas commodity prices, expiration of supply and transportation arrangements, and pipeline infrastructure projects may adversely impact LER's future profitability.

Competition in the marketplace and fluctuations in natural gas commodity prices have a direct impact on LER's business. Changing market conditions and prices, the narrowing of regional and seasonal price differentials, and limited future price volatility may adversely impact LER's sales margins or affect LER's ability to procure gas supplies and/or to serve certain customers, which may reduce sales profitability and/or increase certain credit requirements caused by reductions in netting capability. Also, LER's profitability may be impacted by the effects of the expiration, in the normal course of business, of certain of its natural gas supply contracts if those contracts cannot be replaced and/or renewed with arrangements with similar terms and pricing. Although the Federal Energy Regulatory Commission (FERC) regulates the interstate transportation of natural gas and establishes the general terms and conditions under which LER may use interstate gas pipeline capacity to purchase and transport natural gas, LER must occasionally renegotiate its transportation agreements with a concentrated group of pipeline companies. Renegotiated terms of new agreements, or increases in FERC-authorized rates of existing agreements, may impact LER's future profitability. Profitability may also be adversely impacted if pipeline capacity or future storage capacity secured by LER is not fully utilized and/or its costs are not fully recovered.

Reduced access to credit and/or capital markets may prevent LER from executing operating strategies.

LER relies on its cash flows, netting capability, parental guarantees, and access to Laclede Group's liquidity resources to satisfy its credit and working capital requirements. LER's ability to rely on parental guarantees is dependent upon Laclede Group's financial condition and credit ratings. If the rating agencies lowered Laclede Group's credit ratings, particularly below investment grade, counterparty acceptance of parental guarantees may diminish, resulting in decreased availability of credit. Additionally, under such circumstances, certain counterparties may require LER to provide prepayments or cash deposits, amounts of which would be dependent upon natural gas market conditions. Reduced access to credit or increased credit requirements, which may also be caused by factors such as higher overall natural gas prices, may limit LER's ability to enter into certain transactions. In addition, LER has concentrations of counterparty credit risk in that a significant portion of its transactions are with (or are associated with) energy producers, utility companies, and pipelines. These concentrations of counterparties have the potential to affect the Company's overall exposure to credit risk, either positively or negatively, in that each of these three groups may be affected similarly by changes in economic, industry, or other conditions. LER also has concentrations of credit risk in certain individually significant counterparties. LER closely monitors its credit exposure and, although uncollectible amounts have not been significant, increased counterparty defaults are possible and may result in financial losses and/or capital limitations.

Risk management policies, including the use of derivative instruments, may not fully protect LER's sales and results of operations from volatility and may result in financial losses.

In the course of its business, LER enters into contracts to purchase and sell natural gas at fixed prices and index-based prices. Commodity price risk associated with these contracts has the potential to impact earnings and cash flows. To minimize this risk, LER has a risk management policy that provides for daily monitoring of a number of business measures, including fixed price commitments.

LER currently manages the commodity price risk associated with fixed-price commitments for the purchase or sale of natural gas by either closely matching the offsetting physical purchase or sale of natural gas at fixed prices or through the use of natural gas futures, options, and swap contracts traded on or cleared through the NYMEX and ICE to lock in margins. These exchange-traded/cleared contracts may be designated as cash flow hedges of forecasted transactions. However, market conditions and regional price changes may cause ineffective portions of matched positions to result in financial losses. Additionally, to the extent that LER's natural gas contracts are classified as trading activities or do not otherwise qualify for the normal purchases or normal sales designation (or the designation is not elected), the contracts are recorded as derivatives at fair value each period. Accordingly, the associated gains and losses are reported directly in earnings and may cause volatility in results of operations. Gains or losses (realized and unrealized) on certain wholesale purchase and sale contracts, consisting of those classified as trading activities, are required to be presented on a net basis (instead of a gross basis) in the statements of consolidated income. Such presentation could result in volatility in the Company's operating revenues.

LER's ability to meet its customers' natural gas requirements may be impaired if contracted gas supplies and interstate pipeline services are not available or delivered in a timely manner.

LER's ability to deliver natural gas to its customers is contingent upon the ability of natural gas producers, other gas marketers, and interstate pipelines to fulfill delivery obligations to LER under firm contracts. If these counterparties fail to perform, they have a contractual obligation to reimburse LER for adverse consequences. LER will attempt to use such reimbursements to

Table of Contents

obtain the necessary supplies so that LER may fulfill its customer obligations. To the extent that it is unable to obtain the necessary supplies, LER's financial position and results of operations may be adversely impacted.

Regulatory and legislative developments pertaining to the energy industry may adversely impact LER's results of operations, financial condition and cash flows.

LER's business is non-regulated in that the rates it charges its customers are not established by or subject to approval by any regulatory body. However, LER is subject to various laws and regulations affecting the energy industry. New regulatory and legislative actions may adversely impact LER's results of operations, financial condition, and cash flows by potentially reducing customer growth opportunities and/or increasing the costs of doing business.

LER could incur additional costs to comply with new laws and regulations, such as the Dodd-Frank Act. In addition, as the regulatory environment for the natural gas industry increases in complexity, the risk of inadvertent noncompliance could also increase. If LER fails to comply with applicable laws and regulations, whether existing or new ones, it could be subject to fines, penalties or other enforcement action by the authorities that regulate its operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Laclede Gas

The principal properties of Laclede Gas consist of more than 30,000 miles of gas main and related service pipes, meters, and regulators. Laclede Gas has an underground storage facility, 16 operating centers, and other related properties, some of which are leased. Substantially all of Laclede Gas' utility plant is subject to the liens of its mortgage. MGE has 13 operating centers, and other related properties some of which are leased.

All of the properties of Laclede Gas are held in fee, or by easement, or under lease agreements. The principal lease agreements include underground storage rights that are of indefinite duration, the downtown St. Louis office building and MGE's Kansas City, Missouri office building. The current lease on the downtown St. Louis office building extends through February 2015. The Company has chosen not to exercise the option to renew the current downtown St. Louis office space. Consistent with our growth strategy, Laclede Group has leased approximately 127,000 rentable square feet of office space in the 700 Market Street building in downtown St. Louis to serve as the Company's primary office space. The lease commences in early 2015, and has an initial term of 20 years, with up to four options to renew for additional five year terms. Additionally, Laclede Group has leased approximately 35,000 rentable square feet of office space at 800 Market Street. The lease commences in early 2015, and has an initial term of 10 years, with up to two options to renew for additional five year terms. The current lease on MGE's Kansas City office lease extends through November 30, 2015 with the option to renew for four additional terms of five years each. Laclede Gas entered into an agreement to sell the Forest Park property, which closed on May 14, 2014. As part of the agreement Laclede Gas leased back the property for a term that expires March 31, 2015.

Alagasco

The primary offices of Alagasco are located in leased office space in Birmingham, Alabama. The lease extends through February 28, 2018 and there is no option for renewal.

The properties of Alagasco consist primarily of its gas distribution system, which includes approximately 11,000 miles of main and approximately 12,000 miles of service lines, odorization and regulation facilities, and customer meters. Alagasco also has two LNG facilities, thirteen operation centers, two business centers, and other related property and equipment, some of which are leased by Alagasco.

For further information on the Utilities' leases see Note 16, Commitments and Contingencies, of the Notes to the Financial Statements.

Other properties of Laclede Group, including LER, do not constitute a significant portion of its properties.

Table of Contents

ITEM 3. LEGAL PROCEEDINGS

For a description of pending regulatory matters of Laclede Group, see Note 15, Regulatory Matters, of the Notes to the Financial Statements. For a description of environmental matters, see Note 16, Commitments and Contingencies, of the Notes to the Financial Statements.

Laclede Group and its subsidiaries are involved in litigation, claims, and investigations arising in the normal course of business. Management, after discussion with counsel, believes the final outcome will not have a material effect on the consolidated financial position or results of operations reflected in the consolidated financial statements presented herein.

Table of Contents

EXECUTIVE OFFICERS OF THE REGISTRANT – Listed below are executive officers as defined by the SEC for Laclede Group and Laclede Gas. Their ages, at September 30, 2014, and positions are listed below along with their business experience during the past five years.

Name, Age, and Position with Company *	Appointed (1)
S. Sitherwood, Age 54	
Laclede Group	
President and Chief Executive Officer	February 2012
President (2)	September 2011
Laclede Gas	
Chairman of the Board and Chief Executive Officer (2)	October 2012
Chairman of the Board, Chief Executive Officer and President	February 2012
S. L. Lindsey, Age 48	
Laclede Group	
Executive Vice President, Chief Operating Officer, Distribution Operations	October 2012
Laclede Gas	
President (3)	October 2012
S. P. Rasche, Age 54	
Laclede Group	
Executive Vice President, Chief Financial Officer	November 2013
Senior Vice President, Chief Financial Officer	October 2013
Senior Vice President, Finance and Accounting	May 2012
Laclede Gas	
Chief Financial Officer	May 2012
Vice President, Finance (4)	November 2009
M. C. Darrell, Age 56	
Laclede Group	
Senior Vice President, General Counsel and Chief Compliance Officer	May 2012
General Counsel (5)	May 2004

Table of Contents

M. C. Kullman, Age 54

Laclede Group	
Senior Vice President, Chief Administrative Officer and Corporate Secretary	May 2012
Chief Governance Officer and Corporate Secretary	February 2004
Laclede Gas	
Senior Vice President, Assistant Corporate Secretary	October 2013
Corporate Secretary	May 2012
Chief Governance Officer and Corporate Secretary	February 2004

L. C. Dowdy, Age 58

Laclede Group	
Senior Vice President, External Affairs, Corporate Communications and Marketing (6)	January 2014
Laclede Gas	
Senior Vice President	January 2014

M. R. Spotanski, Age 54

Laclede Group	
Senior Vice President, Chief Integration and Innovation Officer (7)	May 2012

* The information provided relates to the Company and its principal subsidiaries. Many of the executive officers have served or currently serve as officers or directors for other subsidiaries of the Company.

(1) Officers of Laclede Group [and Laclede Gas] are normally reappointed at the Board of Directors in November of each year.

(2) Ms. Sitherwood served as President of Atlanta Gas Light Company, Chattanooga Gas Company, and Florida City Gas, all of which are subsidiaries of AGL Resources, Inc., from November 2004 to September 2011. During that time, she also served as Senior Vice President of Southern Operations for AGL Resources, Inc. From September 2011 to February 2012, Ms. Sitherwood served as President of The Laclede Group, Inc. and became its President and Chief Executive Officer effective February 1, 2012.

(3) Mr. Lindsey served as Senior Vice President, Southern Operations of AGL Resources, Inc. and President of its Atlanta Gas Light, Chattanooga Gas and Florida City Gas subsidiaries from December 2011 to October 2012. He also served as Vice President and General Manager of Atlanta Gas Light and Chattanooga Gas from 2005 to 2011.

(4) Mr. Rasche served as the Chief Financial Officer for TLC Vision Corporation from 2004 to May 2009.

(5) Mr. Darrell served as Senior Vice President and General Counsel of Laclede Gas Company from October 2007 to July 2012.

(6) Mr. Dowdy served as Partner at the law firm McKenna Long & Aldridge LLP until December 2013.

(7) Mr. Spotanski served as Senior Vice President – Operations and Marketing of Laclede Gas Company from October 2007 to July 2012. On September 30, 2014, Mr. Spotanski announced his retirement from the Company effective January 1, 2015.

23

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Laclede Group

Laclede Group's common stock trades on The New York Stock Exchange under the symbol "LG." The high and the low sales price for the common stock for each quarter in the two most recent fiscal years are:

	2014		2013	
	High	Low	High	Low
1st Quarter	$47.82	$43.96	$44.04	$37.35
2nd Quarter	47.48	43.95	42.89	37.43
3rd Quarter	48.75	44.75	48.50	41.83
4th Quarter	49.95	45.36	47.84	42.84

The number of holders of record as of September 30, 2014 was 3,809.

Dividends declared on the common stock for the two most recent fiscal years were:

	2014	2013
1st Quarter	$0.440	$0.425
2nd Quarter	0.440	0.425
3rd Quarter	0.440	0.425
4th Quarter	0.440	0.425

For disclosures related to securities authorized for issuance under equity compensation plans, see Item 12, page 94.

During the three months ended September 30, 2014, the only repurchases of our common stock were pursuant to elections by employees to have shares of stock withheld to cover employee tax withholding obligations upon the vesting of performance-based and time-vested restricted stock and stock units. The following table provides information on those repurchases:

Period	Total Number of Shares Purchases	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet be Purchased Under the Plans
July 1, 2014 – July 31, 2014	—	$—	—	—
August 1, 2014 – August 31, 2014	—	$—	—	—
September 1, 2014 – September 30, 2014	793	$49.49	—	—
Total	793	$49.49	—	—

Laclede Gas

Laclede Gas common stock is owned by its parent, The Laclede Group, Inc., and is not traded on any stock exchange.

Dividends declared on the common stock for the two most recent fiscal years were:

	2014	2013
1st Quarter	$586.08	$747.77
2nd Quarter	587.16	748.56
3rd Quarter	587.14	1,080.54
4th Quarter	773.05	592.87

Laclede Gas' mortgage contains several restrictions on its ability to pay cash dividends on its common stock, as described in further detail in Note 5, Stockholder's Equity, of the Notes to the Financial Statements.

Table of Contents

Laclede Group periodically purchases common stock of Laclede Gas with the price set at the book value of Laclede Gas common stock as of the most recently completed fiscal quarter. The details on sales of common stock of Laclede Gas to Laclede Group during the past three fiscal years are set forth below:

Date of Sale	Aggregate Purchase Price (millions)	Number of Shares
2012		
December 13, 2011	$0.4	11
February 8, 2012	0.7	18
May 14, 2012	0.9	22
August 14, 2012	0.7	18
September 12, 2012	40.0	1,018
2013		
December 13, 2012	$0.8	21
March 13, 2013	0.9	22
May 10, 2013	0.2	5
August 8, 2013	0.4	9
August 30, 2013	430.0	10,581
September 30, 2013	45.0	1,107
2014		
December 10, 2013	$0.3	9
February 6, 2014	0.4	9
May 12, 2014	0.4	10

Exemption from registration for the sale of stock was claimed under section 4(a)(2) of the Securities Act of 1933.

Table of Contents

ITEM 6. SELECTED FINANCIAL DATA

The Laclede Group, Inc.

	Fiscal Years Ended September 30				
($ Millions, Except Per Share Amounts)	2014 (1)	2013 (2)	2012	2011	2010
Statements of Income data					
Total operating revenues	$1,627.2	$1,017.0	$1,125.5	$1,603.3	$1,735.0
Net Income	84.6	52.8	62.6	63.8	54.0
Common Stock data					
Diluted Earnings Per Share of Common Stock	$2.35	$2.02	$2.79	$2.86	$2.43
Dividends Declared Per Share of Common Stock	1.76	1.70	1.66	1.62	1.58
Statements of Financial Position data					
Total Assets	$5,074.0	$3,125.4	$1,880.3	$1,783.1	$1,840.2
Long-Term Debt (less current portion)	1,851.0	912.7	339.4	364.4	364.3
Consolidated Net Economic Earnings Data (3)					
Net Income (GAAP)	$84.6	$52.8	$62.6	$63.8	$54.0
Unrealized (gain) loss on energy-related derivatives	(0.9)	0.5	(0.3)	(1.4)	2.2
Lower of cost or market inventory adjustments	(0.7)	0.9	—	—	—
Realized (gain) loss on economic hedges prior to the sale of the physical commodity	(0.2)	—	0.2	—	—
Acquisition, divestiture and restructuring activities	17.3	10.8	0.1	—	—
Net Economic Earnings (Non-GAAP)	$100.1	$65.0	$62.6	$62.4	$56.2
Diluted Earnings per Share of Common Stock:					
Net Income (GAAP)	$2.35	$2.02	$2.79	$2.86	