

ANNUAL NOTICE

ISRS

Each year, Laclede spends tens of millions of dollars on its more than 16,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge must be adjusted periodically, and is being implemented in accordance with Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.