LACLEDE GROUP INC
Form 10-Q
August 05, 2015

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

FORM 10-Q

QUARTERLY REPORT

For the Quarterly Period Ended June 30, 2015

Table of Contents

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

FORM 10-Q
(Mark One)

[X]	QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the Quarter Ended June 30, 2015 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. 700 Market Street St. Louis, MO 63101 Telephone Number 314-342-0878	Missouri	74-2976504
1-1822	Laclede Gas Company 700 Market Street St. Louis, MO 63101 Telephone Number 314-342-0878	Missouri	43-0368139
2-38960	Alabama Gas Corporation 2101 6th Avenue North Birmingham, Alabama 35203 Telephone Number 205-326-8100	Alabama	63-0022000

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 [ ]
Alabama Gas Corporation 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. Yes [X] No [ ]
Laclede Gas Company Yes [X] No [ ]
Alabama Gas Corporation Yes [X] No [ ]

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	
Alabama Gas Corporation			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]
Alabama Gas Corporation Yes [ ] No [X]
The number of shares outstanding of each registrant’s common stock as of July 31, 2015 was as follows:

The Laclede Group, Inc.	Common Stock, par value $1.00 per share	43,322,653
Laclede Gas Company	Common Stock, par value $1.00 per share (all owned by The Laclede Group, Inc.)	24,577
Alabama Gas Corporation	Common Stock, par value $0.01 per share (all owned by the Laclede Group, Inc.)	1,972,052

Laclede Gas Company and Alabama Gas Corporation meet the conditions set forth in General Instructions H(1)(a) and (b) to Form 10-Q and are therefore filing this Form 10-Q with the reduced disclosure format specified in General Instructions H(2) to Form 10-Q.

This combined Form 10-Q represents separate filings by The Laclede Group, Inc., Laclede Gas Company and Alabama Gas Corporation. 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 registrants, except that information relating to Laclede Gas Company and Alabama Gas Corporation are also attributed to The Laclede Group, Inc.

Table of Contents

TABLE OF CONTENTS

Table of Contents

GLOSSARY OF KEY TERMS

Alagasco	Alabama Gas Corporation or Alabama Utility	ISRS	Infrastructure System Replacement Surcharge
Alabama Utility	Alabama Gas Corporation or Alagasco; the utility serving the Alabama region	LER	Laclede Energy Resources, Inc.
AOC	Administrative Order on Consent	MDNR	Missouri Department of Natural Resources
APSC	Alabama Public Service Commission	MGE	Missouri Gas Energy
ASC	Accounting Standards Codification	MGP	Manufactured Gas Plant
APUC	Algonquin Power and Utilities Corp.	Missouri Utilities	Laclede Gas Company, including MGE; the utilities serving the Missouri region
Bcf	Billion cubic feet	MMBtu	Million British thermal unit
BVCP	Brownfields/Voluntary Cleanup Program	MoPSC	Missouri Public Service Commission or MPSC
CCM	Cost Control Mechanism	NCP	National Oil and Hazardous Substances Pollution Contingency Plan
CERCLA	Comprehensive Environment Response, Compensation and Liability Act	NEG	New England Gas Company
Energen	Energen Corporation	NPL	National Priorities List
EPA	US Environmental Protection Agency	NSR	Negative Salvage Refund
ESR	Enhanced Stability Reserve	NYMEX	New York Mercantile Exchange, Inc.
ETE	Energy Transfers Equity, LP	O&M	Operations and Maintenance
FASB	Financial Accounting Standards Board	OTCBB	Over-the-Counter Bulletin Board
FERC	Federal Energy Regulatory Commission	PGA	Purchased Gas Adjustment
GAAP	Accounting principles generally accepted in the United States of America	PRP	Potential Responsible Party
Gas Utility	Operating segment including the regulated operations of Laclede Gas Company and Alabama Gas Corporation	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	Intercontinental Exchange	Spire	Laclede Group's compressed natural gas fueling solutions business
Index Range	Range of Alagasco's CCM, which is 2007 rate year O&M expense (Base Year) inflation-adjusted using the June Consumer Price Index for All Urban Consumers plus or minus 1.75%	US	United States

2

Table of Contents

PART I. FINANCIAL INFORMATION

The interim financial statements included herein have been prepared by three separate registrants — The Laclede Group, Inc. (Laclede Group or the Company), Laclede Gas Company (Laclede Gas or Missouri Utilities) and Alabama Gas Corporation (Alagasco or Alabama Utility) — without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). These financial statements should be read in conjunction with the financial statements and the notes thereto included in each registrant's respective Form 10-K for the fiscal year or transition period, as applicable, ended September 30, 2014.

The Financial Information in this Part I includes separate financial statements (i.e., balance sheets, statements of income and comprehensive income, statements of common shareholders' equity and statements of cash flows) for Laclede Group, Laclede Gas and Alagasco. The notes to the financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations are also included and presented herein on a combined basis for the Laclede Group, Laclede Gas and Alagasco.

Table of Contents

Item 1. Financial Statements

THE LACLEDE GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions, Except Per Share Amounts)	2015	2014	2015	2014
Operating Revenues:				
Gas utility	$260.2	$214.0	$1,688.6	$1,283.6
Gas marketing and other	15.0	27.8	83.6	121.3
Total Operating Revenues	275.2	241.8	1,772.2	1,404.9
Operating Expenses:				
Gas utility				
Natural and propane gas	57.7	49.3	844.8	696.4
Other operation and maintenance expenses	90.6	73.0	291.5	207.3
Depreciation and amortization	32.5	18.4	96.7	58.5
Taxes, other than income taxes	26.2	22.2	119.9	92.6
Total Gas Utility Operating Expenses	207.0	162.9	1,352.9	1,054.8
Gas marketing and other	32.2	54.2	138.3	175.3
Total Operating Expenses	239.2	217.1	1,491.2	1,230.1
Operating Income	36.0	24.7	281.0	174.8
Other Income and (Income Deductions)	0.5	(2.4)	2.6	(1.0)
Interest Charges:				
Interest on long-term debt	16.3	8.6	50.0	26.9
Other interest charges	1.5	2.8	6.1	4.3
Total Interest Charges	17.8	11.4	56.1	31.2
Income Before Income Taxes	18.7	10.9	227.5	142.6
Income Tax Expense	4.6	(0.8)	71.9	43.1
Net Income	$14.1	$11.7	$155.6	$99.5
Weighted Average Number of Common Shares Outstanding:				
Basic	43.2	34.9	43.1	33.3
Diluted	43.3	35.0	43.2	33.4
Basic Earnings Per Share of Common Stock	$0.32	$0.34	$3.59	$2.97
Diluted Earnings Per Share of Common Stock	$0.32	$0.33	$3.59	$2.97
Dividends Declared Per Share of Common Stock	$0.46	$0.44	$1.38	$1.32

See the accompanying Notes to the Financial Statements.

Table of Contents

THE LACLEDE GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions)	2015	2014	2015	2014
Net Income	$14.1	$11.7	$155.6	$99.5
Other Comprehensive Income (Loss), Before Tax:				
Cash flow hedging derivative instruments:				
Net hedging gain (loss) arising during the period	0.3	(10.4)	(6.2)	(15.5)
Reclassification adjustment for losses included in net income	1.3	0.8	3.5	2.8
Net unrealized gains (losses) on cash flow hedging derivative instruments	1.6	(9.6)	(2.7)	(12.7)
Defined benefit pension and other postretirement plans:				
Net actuarial gain arising during the period	0.1	—	0.1	—
Amortization of actuarial loss included in net periodic pension and postretirement benefit cost	—	0.1	0.2	0.3
Net defined benefit pension and other postretirement plans	0.1	0.1	0.3	0.3
Other Comprehensive Income (Loss), Before Tax	1.7	(9.5)	(2.4)	(12.4)
Income Tax Expense (Benefit) Related to Items of Other Comprehensive Income	0.7	(3.6)	(0.9)	(4.7)
Other Comprehensive Income (Loss), Net of Tax	1.0	(5.9)	(1.5)	(7.7)
Comprehensive Income	$15.1	$5.8	$154.1	$91.8

See the accompanying Notes to the Financial Statements.

Table of Contents

THE LACLEDE GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

($ Millions, Except Per Share Amounts)	June 30, 2015	September 30, 2014
ASSETS		
Utility Plant	$4,108.4	$3,928.3
Less: Accumulated depreciation and amortization	1,239.1	1,168.6
Net Utility Plant	2,869.3	2,759.7
Non-utility Property (net of accumulated depreciation and amortization, $7.4 and $6.7 at June 30, 2015 and September 30, 2014, respectively)	12.2	9.2
Goodwill	946.0	937.8
Other investments	63.1	60.0
Total Other Property and Investments	1,021.3	1,007.0
Current Assets:		
Cash and cash equivalents	5.7	16.1
Accounts receivable:		
Utility	139.7	148.2
Other	86.7	86.5
Allowance for doubtful accounts	(15.7)	(15.9)
Delayed customer billings	21.9	10.8
Inventories:		
Natural gas	136.7	245.5
Propane gas	12.0	11.7
Materials and supplies	14.6	13.0
Natural gas receivable	19.8	7.3
Derivative instrument assets	3.6	2.4
Unamortized purchased gas adjustments	—	54.0
Regulatory assets	27.0	26.8
Prepayments and other	31.0	21.6
Total Current Assets	483.0	628.0
Deferred Charges:		
Regulatory assets	644.6	614.3
Other	64.7	65.0
Total Deferred Charges	709.3	679.3
Total Assets	$5,082.9	$5,074.0

6

Table of Contents

THE LACLEDE GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)
(UNAUDITED)

	June 30, 2015	September 30, 2014
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock (par value $1.00 per share; 70.0 million shares authorized; 43.3 million and 43.2 million shares issued and outstanding, at June 30, 2015 and September 30, 2014, respectively)	$43.3	$43.2
Paid-in capital	1,035.6	1,029.4
Retained earnings	532.9	437.5
Accumulated other comprehensive loss	(3.2)	(1.7)
Total Common Stock Equity	1,608.6	1,508.4
Long-term debt (less current portion)	1,736.4	1,851.0
Total Capitalization	3,345.0	3,359.4
Current Liabilities:		
Current portion of long-term debt	80.0	—
Notes payable	211.4	287.1
Accounts payable	148.1	176.7
Advance customer billings	12.9	32.2
Wages and compensation accrued	30.5	36.0
Dividends payable	20.9	19.9
Customer deposits	34.2	34.0
Interest accrued	19.4	15.1
Unamortized purchased gas adjustments	52.3	22.4
Taxes accrued	45.0	63.4
Deferred income taxes	—	9.9
Regulatory liabilities	29.4	41.3
Other	36.3	47.8
Total Current Liabilities	720.4	785.8
Deferred Credits and Other Liabilities:		
Deferred income taxes	487.7	383.8
Pension and postretirement benefit costs	233.3	244.9
Asset retirement obligations	102.7	99.2
Regulatory liabilities	114.9	125.8
Other	78.9	75.1
Total Deferred Credits and Other Liabilities	1,017.5	928.8
Commitments and Contingencies (Note 10)		
Total Capitalization and Liabilities	$5,082.9	$5,074.0

See the accompanying Notes to the Financial Statements.

Table of Contents

THE LACLEDE GROUP, INC.
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY
(UNAUDITED)

($ Millions, Except Per Share Amounts)	Common Stock Issued Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
BALANCE SEPTEMBER 30, 2013	32,696,836	$32.7	$594.3	$420.1	$ (0.8)	$1,046.3
Common stock offering	10,350,000	10.4	446.7	—	—	457.1
Equity units offering	—	—	(19.7)	—	—	(19.7)
Net income	—	—	—	99.5	—	99.5
Dividend reinvestment plan	25,548	—	1.1	—	—	1.1
Stock-based compensation costs	—	—	4.2	—	—	4.2
Equity Incentive Plan	86,715	0.1	1.4	—	—	1.5
Employees’ taxes paid associated with restricted shares withheld upon vesting	—	—	(1.1)	—	—	(1.1)
Tax benefit – stock compensation	—	—	0.6	—	—	0.6
Dividends declared	—	—	—	(48.0)	—	(48.0)
Other comprehensive loss, net of tax	—	—	—	—	(7.7)	(7.7)
BALANCE JUNE 30, 2014	43,159,099	$43.2	$1,027.5	$471.6	$ (8.5)	$1,533.8
BALANCE SEPTEMBER 30, 2014	43,178,405	$43.2	$1,029.4	$437.5	$ (1.7)	$1,508.4
Net income	—	—	—	155.6	—	155.6
Dividend reinvestment plan	6,999	—	1.2	—	—	1.2
Stock-based compensation costs	—	—	1.4	—	—	1.4
Equity Incentive Plan	131,409	0.1	3.0	—	—	3.1
Tax benefit – stock compensation	—	—	0.6	—	—	0.6
Dividends declared	—	—	—	(60.2)	—	(60.2)
Other comprehensive loss, net of tax	—	—	—	—	(1.5)	(1.5)
BALANCE JUNE 30, 2015	43,316,813	$43.3	$1,035.6	$532.9	$ (3.2)	$1,608.6

See the accompanying Notes to the Financial Statements.

Table of Contents

THE LACLEDE GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended June 30,	
($ Millions)	2015	2014
Operating Activities:		
Net Income	$155.6	$99.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization, and accretion	97.4	59.1
Deferred income taxes and investment tax credits	70.4	14.5
Changes in assets and liabilities:		
Accounts receivable	(5.2)	(36.8)
Unamortized purchased gas adjustments	83.9	17.4
Deferred purchased gas costs	(16.6)	1.7
Accounts payable	(26.1)	11.3
Delayed/advance customer billings – net	(30.4)	(52.4)
Taxes accrued	(18.6)	22.3
Inventories	106.9	63.8
Other assets and liabilities	(58.7)	(18.7)
Other	7.7	3.3
Net cash provided by operating activities	366.3	185.0
Investing Activities:		
Capital expenditures	(202.9)	(109.5)
Proceeds from sale of right to acquire New England Gas Company	—	11.0
(Payments for) proceeds from final reconciliation of acquisitions	(8.6)	23.9
Other	(0.4)	2.9
Net cash used in investing activities	(211.9)	(71.7)
Financing Activities:		
Issuance of long-term debt	—	143.8
Repayment of long-term debt	(34.7)	(80.0)
Repayment of short-term debt – net	(75.8)	(74.0)
Issuance of common stock	3.6	459.7
Dividends paid	(59.1)	(42.9)
Other	1.2	(1.1)
Net cash (used in) provided by financing activities	(164.8)	405.5
Net (Decrease) Increase in Cash and Cash Equivalents	(10.4)	518.8
Cash and Cash Equivalents at Beginning of Period	16.1	53.0
Cash and Cash Equivalents at End of Period	$5.7	$571.8
Supplemental disclosure of cash (paid) refunded for:		
Interest	$(48.3)	$(26.6)
Income taxes	0.3	(3.0)

See the accompanying Notes to the Financial Statements.

Table of Contents

LACLEDE GAS COMPANY
CONDENSED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions)	2015	2014	2015	2014
Operating Revenues:				
Utility	$187.5	$214.2	$1,265.6	$1,288.1
Other	—	—	—	0.1
Total Operating Revenues	187.5	214.2	1,265.6	1,288.2
Operating Expenses:				
Utility				
Natural and propane gas	57.5	77.6	743.6	769.7
Other operation and maintenance expenses	54.3	73.3	188.7	208.0
Depreciation and amortization	20.7	18.4	61.4	58.5
Taxes, other than income taxes	20.5	22.2	92.0	92.6
Total Utility Operating Expenses	153.0	191.5	1,085.7	1,128.8
Other	—	0.2	—	0.1
Total Operating Expenses	153.0	191.7	1,085.7	1,128.9
Operating Income	34.5	22.5	179.9	159.3
Other (Income Deductions) and Other Income	(0.2)	(2.2)	1.1	(1.2)
Interest Charges:				
Interest on long-term debt	8.2	8.2	24.8	26.1
Other interest charges	0.4	0.8	2.6	2.3
Total Interest Charges	8.6	9.0	27.4	28.4
Income Before Income Taxes	25.7	11.3	153.6	129.7
Income Tax Expense	5.7	(0.7)	44.7	38.2
Net Income	$20.0	$12.0	$108.9	$91.5

See the accompanying Notes to the Financial Statements.

Table of Contents

LACLEDE GAS COMPANY
STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions)	2015	2014	2015	2014
Net Income	$20.0	$12.0	$108.9	$91.5
Other Comprehensive Income (Loss), Before Tax:				
Net gains (losses) on cash flow hedging derivative instruments:				
Net hedging gains (losses) arising during the period	0.2	—	(1.1)	0.1
Reclassification adjustment for losses (gains) included in net income	0.3	—	0.7	(0.1)
Net unrealized gains (losses) on cash flow hedging derivative instruments	0.5	—	(0.4)	—
Defined benefit pension and other postretirement plans:				
Net actuarial gain arising during the period	0.1	—	0.1	—
Amortization of actuarial loss included in net periodic pension and postretirement benefit cost	0.1	—	0.2	0.2
Net defined benefit pension and other postretirement plans	0.2	—	0.3	0.2
Other Comprehensive Income (Loss), Before Tax	0.7	—	(0.1)	0.2
Income Tax Expense Related to Items of Other Comprehensive Income	0.3	—	—	0.1
Other Comprehensive Income (Loss), Net of Tax	0.4	—	(0.1)	0.1
Comprehensive Income	$20.4	$12.0	$108.8	$91.6

See the accompanying Notes to the Financial Statements.

Table of Contents

LACLEDE GAS COMPANY
CONDENSED BALANCE SHEETS
(UNAUDITED)

($ Millions, Except Shares and Per Share Amounts)	June 30, 2015	September 30, 2014
ASSETS		
Utility Plant	$2,527.4	$2,403.3
Less: Accumulated depreciation and amortization	581.2	542.3
Net Utility Plant	1,946.2	1,861.0
Goodwill	210.2	210.2
Other Property and Investments	58.4	55.7
Total Other Property and Investments	268.6	265.9
Current Assets:		
Cash and cash equivalents	3.0	3.7
Accounts receivable:		
Utility	103.4	111.1
Other	28.2	19.2
Allowance for doubtful accounts	(10.6)	(10.7)
Delayed customer billings	21.9	10.8
Receivables from associated companies	2.9	11.4
Inventories:		
Natural gas	89.9	191.1
Propane gas	12.0	11.7
Materials and supplies	9.3	7.8
Unamortized purchased gas adjustments	—	54.0
Regulatory assets	17.5	18.0
Prepayments and other	19.0	15.5
Total Current Assets	296.5	443.6
Deferred Charges:		
Regulatory assets	558.0	523.7
Other	7.8	10.8
Total Deferred Charges	565.8	534.5
Total Assets	$3,077.1	$3,105.0

Table of Contents

LACLEDE GAS COMPANY
CONDENSED BALANCE SHEETS (Continued)
(UNAUDITED)

	June 30, 2015	September 30, 2014
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock and Paid-in capital (par value $1.00 per share; 50,000 authorized; 24,577 shares issued and outstanding)	$747.3	$744.1
Retained earnings	314.8	265.6
Accumulated other comprehensive loss	(2.0)	(1.9)
Total Common Stock Equity	1,060.1	1,007.8
Long-term debt	808.1	807.9
Total Capitalization	1,868.2	1,815.7
Current Liabilities:		
Notes payable	135.2	238.6
Notes payable – associated companies	—	—
Accounts payable	57.0	70.1
Accounts payable – associated companies	6.9	6.0
Advance customer billings	—	15.5
Wages and compensation accrued	26.4	30.3
Dividends payable	19.9	19.0
Customer deposits	14.7	14.8
Interest accrued	9.4	8.1
Taxes accrued	39.0	43.9
Unamortized purchase gas adjustments	20.8	—
Other	20.2	41.9
Total Current Liabilities	349.5	488.2
Deferred Credits and Other Liabilities:		
Deferred income taxes	466.7	399.8
Pension and postretirement benefit costs	200.4	215.3
Asset retirement obligations	73.8	71.2
Regulatory liabilities	70.9	72.1
Other	47.6	42.7
Total Deferred Credits and Other Liabilities	859.4	801.1
Commitments and Contingencies (Note 10)		
Total Capitalization and Liabilities	$3,077.1	$3,105.0

See the accompanying Notes to the Financial Statements.

Table of Contents

LACLEDE GAS COMPANY
STATEMENTS OF COMMON SHAREHOLDER'S EQUITY
(UNAUDITED)

($ Millions)	Common Stock Issued Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
BALANCE SEPTEMBER 30, 2013	24,549	$0.1	$738.1	$237.8	$ (2.1)	$973.9
Net income	—	—	—	91.5	—	91.5
Stock-based compensation costs	—	—	3.1	—	—	3.1
Tax benefit – stock compensation	—	—	0.5	—	—	0.5
Dividends declared	—	—	—	(43.2)	—	(43.2)
Issuance of common stock to Laclede Group	28	—	1.1	—	—	1.1
Other comprehensive income , net of tax	—	—	—	—	0.1	0.1
BALANCE JUNE 30, 2014	24,577	$0.1	$742.8	$286.1	$ (2.0)	$1,027.0
BALANCE SEPTEMBER 30, 2014	24,577	$0.1	$744.0	$265.6	$ (1.9)	$1,007.8
Net income	—	—	—	108.9	—	108.9
Stock-based compensation costs	—	—	2.7	—	—	2.7
Tax benefit – stock compensation	—	—	0.5	—	—	0.5
Dividends declared	—	—	—	(59.7)	—	(59.7)
Other comprehensive loss, net of tax	—	—	—	—	(0.1)	(0.1)
BALANCE JUNE 30, 2015	24,577	$0.1	$747.2	$314.8	$ (2.0)	$1,060.1

See the accompanying Notes to the Financial Statements.

14

Table of Contents

LACLEDE GAS COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended June 30,	
($ Millions)	2015	2014
Operating Activities:		
Net Income	$108.9	$91.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	61.4	58.5
Deferred income taxes and investment tax credits	34.0	16.3
Changes in assets and liabilities:		
Accounts Receivable	7.0	(20.3)
Unamortized purchased gas adjustments	74.8	17.4
Deferred purchased gas costs	(16.6)	1.7
Accounts payable	(11.1)	4.7
Delayed/advance customer billings – net	(26.5)	(52.4)
Taxes accrued	(4.8)	19.9
Inventories	99.4	50.7
Other assets and liabilities	(24.9)	(12.4)
Other	1.5	2.0
Net cash provided by operating activities	303.1	177.6
Investing Activities:		
Capital expenditures	(142.4)	(108.4)
Proceeds from final reconciliation of acquisition of Missouri Gas Energy	—	23.9
Other	0.5	3.1
Net cash used in investing activities	(141.9)	(81.4)
Financing Activities:		
Redemption and maturity of first mortgage bonds	—	(80.0)
Repayment of short-term debt – net	(103.5)	(74.0)
Borrowings from Laclede Group	18.4	198.8
Repayment of borrowings from Laclede Group	(18.4)	(118.6)
Dividends paid	(58.8)	(42.8)
Issuance of common stock to Laclede Group	—	1.2
Other	0.4	1.3
Net cash used in financing activities	(161.9)	(114.1)
Net Decrease in Cash and Cash Equivalents	(0.7)	(17.9)
Cash and Cash Equivalents at Beginning of Period	3.7	23.9
Cash and Cash Equivalents at End of Period	$3.0	$6.0
Supplemental disclosure of cash (paid) refunded for:		
Interest	$(22.0)	$(26.1)
Income taxes	(0.6)	0.5

See the accompanying Notes to the Financial Statements.

Table of Contents

ALABAMA GAS CORPORATION
CONDENSED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions)	2015	2014	2015	2014
Operating Revenues:				
Utility	$73.7	$93.8	$427.0	$500.5
Total Operating Revenues	73.7	93.8	427.0	500.5
Operating Expenses:				
Utility				
Natural gas	15.7	38.5	158.5	218.6
Operation and maintenance	36.6	34.8	103.6	106.5
Depreciation and amortization	11.8	11.4	35.3	34.0
Taxes, other than income taxes	5.7	7.3	27.9	32.4
Total Operating Expenses	69.8	92.0	325.3	391.5
Operating Income	3.9	1.8	101.7	109.0
Other Income – Net	0.5	0.8	1.5	2.7
Interest Charges:				
Interest on long-term debt	2.8	3.3	8.8	10.1
Other interest charges	0.5	0.4	1.8	1.5
Total Interest Charges	3.3	3.7	10.6	11.6
Income Before Income Taxes	1.1	(1.1)	92.6	100.1
Income Tax Expense	0.4	(0.5)	35.0	37.8
Net Income	$0.7	$(0.6)	$57.6	$62.3

See the accompanying Notes to the Financial Statements.

Table of Contents

ALABAMA GAS CORPORATION
CONDENSED BALANCE SHEETS
(UNAUDITED)

($ Millions, Except Per Share Amounts)	June 30, 2015	September 30, 2014
ASSETS		
Utility Plant	$1,581.0	$1,525.1
Less: Accumulated depreciation and amortization	657.8	626.4
Net Utility Plant	923.2	898.7
Current Assets:		
Cash and cash equivalents	0.2	5.6
Accounts receivable:		
Utility	36.3	39.0
Other	5.7	5.1
Allowance for doubtful accounts	(5.1)	(5.1)
Inventories:		
Natural gas	35.3	48.0
Materials and supplies	5.1	5.1
Regulatory assets	9.5	8.8
Deferred income taxes	3.6	2.3
Prepayments and other	6.4	1.6
Total Current Assets	97.0	110.4
Deferred Charges:		
Regulatory assets	86.6	90.6
Deferred income taxes	245.2	277.8
Other	51.3	47.1
Total Deferred Charges	383.1	415.5
Total Assets	$1,403.3	$1,424.6

17

Table of Contents

ALABAMA GAS CORPORATION
CONDENSED BALANCE SHEETS (Continued)
(UNAUDITED)

	June 30, 2015	September 30, 2014
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock (par value $0.01 per share; 3.0 million shares authorized; 2.0 million shares issued and outstanding)	$—	$—
Paid-in capital	481.1	503.9
Retained earnings	403.3	345.7
Total Common Stock Equity	884.4	849.6
Long-term debt	135.0	249.8
Total Capitalization	1,019.4	1,099.4
Current Liabilities:		
Current portion of long-term debt	80.0	—
Notes payable	8.5	16.0
Accounts payable	33.6	34.2
Accounts payable – associated companies	1.7	0.4
Advance customer billings	12.9	16.7
Wages and compensation accrued	4.0	5.7
Customer deposits	19.5	19.1
Interest accrued	3.2	3.9
Taxes accrued	25.0	30.0
Regulatory liabilities	28.8	40.7
Unamortized purchased gas adjustments	31.5	22.4
Other	6.7	6.8
Total Current Liabilities	255.4	195.9
Deferred Credits and Other Liabilities:		
Pension and postretirement benefit costs	32.9	29.6
Asset retirement obligations	28.7	27.7
Regulatory liabilities	44.3	53.7
Other	22.6	18.3
Total Deferred Credits and Other Liabilities	128.5	129.3
Commitments and Contingencies (Note 10)		
Total Capitalization and Liabilities	$1,403.3	$1,424.6

See the accompanying Notes to the Financial Statements.

Table of Contents

ALABAMA GAS CORPORATION
STATEMENTS OF COMMON SHAREHOLDER'S EQUITY
(UNAUDITED)

	Common Stock Issued		Paid-in	Retained	
($ Millions)	Shares	Amount	Capital	Earnings	Total
BALANCE SEPTEMBER 30, 2013	1,972,052	$—	$34.5	$330.2	$364.7
Net income	—	—	—	62.3	62.3
Dividends declared	—	—	—	(21.6)	(21.6)
BALANCE JUNE 30, 2014	1,972,052	$—	$34.5	$370.9	$405.4
BALANCE SEPTEMBER 30, 2014	1,972,052	$—	$503.9	$345.7	$849.6
Net income	—	—	—	57.6	57.6
Purchase accounting adjustments	—	—	4.2	—	4.2
Return of capital to Laclede Group	—	$—	(27.0)	$—	(27.0)
BALANCE JUNE 30, 2015	1,972,052	$—	$481.1	$403.3	$884.4

See the accompanying Notes to the Financial Statements.

Table of Contents

ALABAMA GAS CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended June 30,	
($ Millions)	2015	2014
Operating Activities:		
Net Income	$57.6	$62.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	35.3	34.0
Deferred income taxes and investment tax credits	35.0	10.0
Changes in assets and liabilities:		
Accounts receivable	(11.1)	(30.4)
Unamortized purchased gas adjustments	9.1	36.9
Accounts payable	(0.4)	6.2
Advance customer billings	(3.8)	(10.4)
Taxes accrued	(5.0)	8.6
Inventories	12.6	7.9
Other assets and liabilities	(12.0)	15.1
Other	2.5	(9.3)
Net cash provided by operating activities	119.8	130.9
Investing Activities:		
Capital expenditures	(56.7)	(50.7)
Proceeds from sale of assets	—	0.8
Other	(0.5)	(0.4)
Net cash used in investing activities	(57.2)	(50.3)
Financing Activities:		
Repayment of long-term debt	(34.7)	—
Repayment of short-term debt – net	(7.5)	(49.0)
Dividends paid	—	(21.6)
Return of capital to Laclede Group	(27.0)	—
Other	1.2	(6.7)
Net cash used in financing activities	(68.0)	(77.3)
Net (Decrease) Increase in Cash and Cash Equivalents	(5.4)	3.3
Cash and Cash Equivalents at Beginning of Period	5.6	8.5
Cash and Cash Equivalents at End of Period	$0.2	$11.8
Supplemental disclosure of cash (paid) refunded for:		
Interest	$(9.9)	$(10.5)
Income taxes	—	(22.9)

See the accompanying Notes to the Financial Statements.

Table of Contents

THE LACLEDE GROUP, INC., LACLEDE GAS COMPANY AND ALABAMA GAS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
($ in millions, except per share amounts)
(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION - These notes are an integral part of the accompanying unaudited financial statements of The Laclede Group, Inc. (Laclede Group or the Company), as well as Laclede Gas Company (Laclede Gas or the Missouri Utilities) and Alabama Gas Corporation (Alagasco or the Alabama Utility). Laclede Gas, which includes the operations of Missouri Gas Energy (MGE), and Alagasco are wholly owned subsidiaries of the Company. Collectively, Laclede Gas and Alagasco are referred to as the Utilities. The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the disclosures required for complete financial statements. In the opinion of management, the accompanying unaudited financial statements include all adjustments (consisting of only normal recurring accruals) necessary for the fair presentation of the results of operations for the periods presented. This Form 10-Q should be read in conjunction with the Notes to the Financial Statements contained in Laclede Group's, Laclede Gas' and Alagasco's Annual Reports on Form 10-K or 10-KT for the fiscal year or transition period, as applicable, ended September 30, 2014.

The consolidated financial position, results of operations, and cash flows of Laclede Group are primarily derived from the financial position, results of operations, and cash flows of the Utilities. In compliance with GAAP, transactions between the Utilities and their affiliates, as well as intercompany balances on the Utilities' Balance Sheets, have not been eliminated from the Utilities' financial statements. As a result of the Company's August 31, 2014 acquisition of Alagasco, the Company's results of operations for the three and nine months ended June 30, 2015 include Alagasco, which impacts the comparability of the current year financial statements to prior years for Laclede Group. Nonetheless, the separate financial statements for Alabama Gas Corporation are comparable as presented. For a further discussion of the acquisition, see Note 2, Alagasco Acquisition.

The Utilities are regulated natural gas distribution utilities. Due to the seasonal nature of the Utilities, Laclede Group’s earnings are typically concentrated during the heating season of November through April each fiscal year. As a result, the interim statements of income for Laclede Group are not necessarily indicative of annual results or representative of succeeding quarters of the fiscal year.

NATURE OF OPERATIONS - Laclede Group, headquartered in St. Louis, Missouri, is a public utility holding company. It has two key operating segments: Gas Utility and Gas Marketing. The Gas Utility segment is comprised of the operations of the Missouri Utilities and the Alabama Utility and serves St. Louis and eastern Missouri through legacy Laclede Gas, serves Kansas City and western Missouri through MGE, and serves central and northern Alabama through Alagasco. Laclede Group’s primary non-utility business, Laclede Energy Resources, Inc. (LER), included in the Gas Marketing segment, provides non-regulated natural gas services. The activities of other subsidiaries are described in Note 9, Information by Operating Segment, and are reported as Other. The Company's earnings are primarily derived from its Gas Utility segment.

REVENUE RECOGNITION - The Utilities read meters and bill customers on monthly cycles. The Missouri Utilities record their gas utility revenues from gas sales and transportation services on an accrual basis that includes estimated amounts for gas delivered but not yet billed. The accruals for unbilled revenues are reversed in the subsequent accounting period when meters are actually read and customers are billed. The amounts of accrued unbilled revenues for Laclede Gas at June 30, 2015 and September 30, 2014 were $26.4 and $29.4, respectively.

Alagasco records natural gas distribution revenues in accordance with the tariff established by the Alabama Public Service Commission (APSC). The amount of accrued unbilled revenues, which is not recorded as revenue until billed, for Alagasco at June 30, 2015 and September 30, 2014 were $5.4 and $5.2, respectively.

Laclede Group's other subsidiaries, including LER, record revenues when earned, either when the product is delivered or when services are performed.

In the course of its business, LER enters into commitments associated with the purchase or sale of natural gas. Certain of LER’s derivative natural gas contracts are designated as normal purchases or normal sales and, as such, are excluded from the scope of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 815, “Derivatives and Hedging.” Those contracts are accounted for as executory contracts and recorded on an accrual basis. Revenues and expenses from such contracts are recorded using a gross presentation. Contracts not designated as normal purchases or normal sales are recorded as derivatives with changes in fair value recognized in earnings in the periods prior to physical delivery. Certain of LER’s wholesale purchase and sale transactions are classified as trading activities for financial reporting purposes. Under GAAP,

Table of Contents

revenues and expenses associated with trading activities are presented on a net basis in Gas Marketing Operating Revenues in the Condensed Consolidated Statements of Income. This net presentation has no effect on operating income or net income.

GROSS RECEIPTS TAXES - Gross receipts taxes associated with the Utilities' services are imposed on the Utilities and billed to customers. The revenue and expense amounts are recorded gross in the "Operating Revenues" and "Taxes, other than income taxes" lines, respectively, in the Company's Condensed Consolidated Statements of Income and the Utilities' Condensed Statements of Income.

The following table presents gross receipts taxes recorded:

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions)	2015	2014	2015	2014
Laclede Group	$14.6	$13.7	$87.0	$67.9
Laclede Gas	11.1	13.7	66.9	67.9
Alagasco	3.5	4.7	20.1	24.1

REGULATED OPERATIONS - The Utilities account for their regulated operations in accordance with FASB ASC Topic 980, “Regulated Operations.” This Topic sets forth the application of GAAP for those companies whose rates are established by or are subject to approval by an independent third-party regulator. The provisions of this accounting guidance require, among other things, that financial statements of a regulated enterprise reflect the actions of regulators, where appropriate. These actions may result in the recognition of revenues and expenses in time periods that are different than non-regulated enterprises. When this occurs, costs are deferred as assets in the balance sheet (regulatory assets) and recorded as expenses when those amounts are reflected in rates. In addition, regulators can impose liabilities upon a regulated company for amounts previously collected from customers and for recovery of costs that are expected to be incurred in the future (regulatory liabilities). Management believes that the current regulatory environment supports the continued use of these regulatory accounting principles and that all regulatory assets and regulatory liabilities are recoverable or refundable through the regulatory process. As authorized by the Missouri Public Service Commission (MoPSC), the Purchased Gas Adjustment (PGA) clauses allow the Missouri Utilities to flow through to customers, subject to prudence review by the MoPSC, the cost of purchased gas supplies. Similarly, Alagasco's rate schedules for natural gas distribution charges contain a Gas Supply Adjustment (GSA) rider, which permits the pass-through to customers of changes in the cost of gas supply. Regulatory assets and liabilities related to the PGA clauses and GSA rider are both labeled Unamortized Purchased Gas Adjustments herein. See additional discussion on regulated operations in Note 4, Regulatory Matters.

TRANSACTIONS WITH AFFILIATES - Transactions between the Company and its affiliates have been eliminated from the consolidated financial statements of Laclede Group. In addition to the normal intercompany shared services transactions, there were approximately $1.7 of employee-related integration transactions between Alagasco and Laclede Group in the quarter ended June 30, 2015. Laclede Gas had the following transactions with affiliates:

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions)	2015	2014	2015	2014
Sales of natural gas from Laclede Gas to LER	$0.9	$0.2	$3.8	$4.5
Sales of natural gas from LER to Laclede Gas	15.2	28.1	56.5	72.5
Transportation services provided by Laclede Pipeline Company to Laclede Gas	0.3	0.3	0.8	0.8

GOODWILL - Goodwill is measured as the excess of the acquisition-date fair value of the consideration transferred over the amount of acquisition-date identifiable assets acquired net of assumed liabilities.

As part of the Alagasco acquisition (discussed in Note 2, Alagasco Acquisition), the Company initially recorded $727.6 of goodwill as of September 30, 2014. As part of the final reconciliation of net assets, $8.6 was paid by the Company to Energen Corporation (Energen) on January 6, 2015. This payment, offset partly by other immaterial purchase price adjustments in the second quarter of 2015, resulted in goodwill of $735.8 as of June 30, 2015 related to the Alagasco acquisition, included in Other for segment reporting purposes. Alagasco has no goodwill on its balance sheet as push down accounting was not applied. For Laclede Group and Laclede Gas, goodwill related to the 2013 acquisition of MGE, included in the Gas Utility segment, was $210.2 as of both June 30, 2015 and September 30, 2014.

UTILITY PLANT - Laclede Gas had accrued capital expenditures of $5.3 and $3.0 as of June 30, 2015 and September 30, 2014, respectively. Alagasco had accrued capital expenditures of $5.0 as of both June 30, 2015 and September 30, 2014. Accrued capital expenditures are excluded from the capital expenditures shown in the statements of cash flows.

REVISIONS TO PRIOR FINANCIAL STATEMENTS - In the Statements of Shareholder’s Equity in Alagasco's most recent Annual Report on Form 10-KT, $31.7 was misclassified between common stock and paid-in capital, with no impact on total

22

Table of Contents

shareholder's equity. The prior period balances have been corrected in this filing and the filings for the prior two quarters. In addition, certain current and noncurrent assets and liabilities in the prior period have been adjusted to conform with the current period presentation for Laclede Group, Laclede Gas and Alagasco.

NEW ACCOUNTING PRONOUNCEMENTS - In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. This standard is intended to improve the financial reporting requirements for revenue from contracts with customers by providing a principles-based approach to the recognition of revenue. The core principle of the standard is when an entity transfers goods or services to customers it will recognize revenue in an amount that reflects the consideration the entity expects to be entitled to for those goods or services. The standard outlines a five-step model and related application guidance, which replaces most existing revenue recognition guidance. ASU 2014-09 also requires disclosures that will enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The guidance was originally to be effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, with early adoption not permitted. In July 2015, the FASB approved a one-year deferral of the effective date, but companies may choose to adopt it as of the original effective date. The Company, Laclede Gas and Alagasco are currently assessing the available transition methods and the potential impacts of the standard, which must be adopted by the first quarter of fiscal 2019.

In April 2015, the FASB issued ASU No. 2015-03, Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs. Currently different balance sheet presentation requirements exist for debt issuance costs and debt discount and premium. Debt issuance costs are recorded as a deferred charge (asset), while debt discount and debt premium costs are recorded as a liability adjustment. This standard will require debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by this standard. The guidance is effective for fiscal years beginning after December 15, 2015 and interim periods within those years, with early adoption permitted. The application of this standard will be retrospective, wherein the balance sheet of each individual period presented will be adjusted to reflect the period-specific impacts of applying the new guidance. The Company, Laclede Gas and Alagasco are currently assessing the timing and impacts of adopting this standard, which must be adopted by the first quarter of fiscal year 2017.

2. ALAGASCO ACQUISITION

The Company completed the acquisition of 100% of the common stock of Alagasco (Alagasco Transaction) from Energen for $1,600.0, including cash and assumed debt. The acquisition date (Closing Date) was September 2, 2014, with an effective time under the Stock Purchase Agreement of 11:59 p.m. on August 31, 2014. The Alagasco Transaction was subject to certain post-closing adjustments for cash, indebtedness and working capital as discussed below. Total cash consideration paid at closing, net of cash acquired and debt assumed, was $1,305.2. Subsequently, the Company and Energen agreed to a final reconciliation of net assets, and $8.6 was paid by the Company to Energen on January 6, 2015, effectively increasing the total net consideration to $1,313.8. The Alagasco Transaction was accounted for under the acquisition method of accounting in accordance with FASB ASC Topic 805, "Business Combinations." The Company determined that the Alagasco Transaction met the scope exceptions for pushdown accounting, and as such the excess consideration transferred over the fair value of assets acquired was recorded at Laclede Group. The Company and Energen made an election under Section 338(h)(10) of the Internal Revenue Code of 1986, as amended, to treat the Alagasco Transaction as a deemed purchase and sale of assets for tax purposes. As a result, the existing deferred tax assets and liabilities were re-measured as of the Closing Date.

Table of Contents

3. EARNINGS PER COMMON SHARE

	Three Months Ended June 30,		Nine Months Ended June 30,	
(Millions, except per share amounts)	2015	2014	2015	2014
Basic EPS:				
Net Income	$14.1	$11.7	$155.6	$99.5
Less: Income allocated to participating securities	0.1	—	0.5	0.4
Net Income Available to Common Shareholders	$14.0	$11.7	$155.1	$99.1
Weighted Average Shares Outstanding	43.2	34.9	43.1	33.3
Basic Earnings Per Share of Common Stock	$0.32	$0.34	$3.59	$2.97
Diluted EPS:				
Net Income	$14.1	$11.7	$155.6	$99.5
Less: Income allocated to participating securities	0.1	—	0.5	0.4
Net Income Available to Common Shareholders	$14.0	$11.7	$155.1	$99.1
Weighted Average Shares Outstanding	43.2	34.9	43.1	33.3
Dilutive Effect of Stock Options, Restricted Stock and Restricted Stock Units	0.1	0.1	0.1	0.1
Weighted Average Diluted Shares	43.3	35.0	43.2	33.4
Diluted Earnings Per Share of Common Stock	$0.32	$0.33	$3.59	$2.97

In the three and nine months ended June 30, 2015 and 2014, there were approximately 300,000 shares of restricted stock and stock units subject to performance or market conditions excluded from the calculation of diluted EPS. Also, Laclede Group's 2014 2.0% Series Equity Units issued in June 2014 were anti-dilutive for the three and nine months ended June 30, 2015 and 2014; accordingly, they were excluded from the calculation of weighted average diluted shares for those periods.

4. REGULATORY MATTERS

As explained in Note 1, Summary of Significant Accounting Policies, Laclede Gas and Alagasco account for regulated operations in accordance with FASB ASC Topic 980, "Regulated Operations." The following regulatory assets and regulatory liabilities, including purchased gas adjustments, were reflected in the balance sheets of the Company and the Utilities as of June 30, 2015 and September 30, 2014.

Table of Contents

	Laclede Group		Laclede Gas		Alagasco	
	June 30,	September 30,	June 30,	September 30,	June 30,	September 30,
($ Millions)	2015	2014	2015	2014	2015	2014
Regulatory Assets:						
Current:						
Pension and postretirement benefit costs	$21.6	$21.4	$15.2	$15.0	$6.4	$6.4
Unamortized purchased gas adjustments	—	54.0	—	54.0	—	—
Other	5.4	5.4	2.3	3.0	3.1	2.4
Total Regulatory Assets (current)	27.0	80.8	17.5	72.0	9.5	8.8
Non-current:						
Future income taxes due from customers	130.3	117.0	130.3	117.0	—	—
Pension and postretirement benefit costs	424.6	431.5	362.9	365.4	61.7	66.1
Accretion and depreciation of asset retirement obligations	19.5	18.4	—	—	19.5	18.4
Purchased gas costs	20.9	4.3	20.9	4.3	—	—
Energy efficiency	21.3	18.9	21.3	18.9	—	—
Other	28.0	24.2	22.6	18.1	5.4	6.1
Total Regulatory Assets (non-current)	644.6	614.3	558.0	523.7	86.6	90.6
Total Regulatory Assets	$671.6	$695.1	$575.5	$595.7	$96.1	$99.4
Regulatory Liabilities:						
Current:						
RSE adjustment	$10.3	$19.8	$—	$—	$10.3	$19.8
Unbilled service margin	5.4	5.2	—	—	5.4	5.2
Refundable negative salvage	10.8	13.4	—	—	10.8	13.4
Unamortized purchased gas adjustments	52.3	22.4	20.8	—	31.5	22.4
Other	2.9	2.9	0.6	0.6	2.3	2.3
Total Regulatory Liabilities (current)	81.7	63.7	21.4	0.6	60.3	63.1
Non-current:						
Postretirement liabilities	24.5	26.2	—	—	24.5	26.2
Refundable negative salvage	16.2	26.8	—	—	16.2	26.8
Accrued cost of removal	59.1	60.5	59.1	60.5	—	—
Other	15.1	12.3	11.8	11.6	3.6	0.7
Total Regulatory Liabilities (non-current)	114.9	125.8	70.9	72.1	44.3	53.7
Total Regulatory Liabilities	$196.6	$189.5	$92.3	$72.7	$104.6	$116.8

Table of Contents

A portion of the Company's and Laclede Gas' regulatory assets are not earning a return, as shown in the schedule below:

	Laclede Group		Laclede Gas	
	June 30,	September 30,	June 30,	September 30,
($ Millions)	2015	2014	2015	2014
Regulatory Assets Not Earning a Return:				
Future income taxes due from customers	$130.3	$117.0	$130.3	$117.0
Pension and postretirement benefit costs	221.2	240.9	221.2	240.9
Other	14.6	16.0	14.6	16.0
Total Regulatory Assets Not Earning a Return	$366.1	$373.9	$366.1	$373.9

Like all the Company's regulatory assets, these regulatory assets are expected to be recovered from customers in future rates. The Company and Laclede Gas expect these items to be recovered over a period not to exceed 15 years consistent with precedent set by the MoPSC. The portion of regulatory assets related to pensions and other postemployment benefits that pertains to unfunded differences between the projected benefit obligation and plan assets also does not earn a rate of return. Alagasco does not have any regulatory assets that are not earning a return.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents and short-term debt approximate fair value due to the short maturity of these instruments. The fair values of long-term debt are estimated based on market prices for similar issues. Refer to Note 6, Fair Value Measurements, for information on financial instruments measured at fair value on a recurring basis.

Laclede Group

The carrying amounts and estimated fair values of financial instruments not measured at fair value on a recurring basis for the Company are as follows:

			Classification of Estimated Fair Value		
($ Millions)	Carrying Amount	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2015					
Cash and cash equivalents	$5.7	$5.7	$5.7	$—	$—
Short-term debt	211.4	211.4	—	211.4	—
Long-term debt, including current portion	1,816.4	1,888.4	—	1,888.4	—
As of September 30, 2014					
Cash and cash equivalents	$16.1	$16.1	$16.1	$—	$—
Short-term debt	287.1	287.1	—	287.1	—
Long-term debt	1,851.0	1,937.3	—	1,937.3	—

Table of Contents

Laclede Gas

The carrying amounts and estimated fair values of financial instruments not measured at fair value on a recurring basis for Laclede Gas are as follows:

($ Millions)	Carrying Amount	Fair Value	Classification of Estimated Fair Value Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2015					
Cash and cash equivalents	$3.0	$3.0	$3.0	$—	$—
Short-term debt	135.2	135.2	—	135.2	—
Long-term debt	808.1	868.5	—	868.5	—
As of September 30, 2014					
Cash and cash equivalents	$3.7	$3.7	$3.7	$—	$—
Short-term debt	238.6	238.6	—	238.6	—
Long-term debt	807.9	876.2	—	876.2	—

Alagasco

The carrying amounts and estimated fair values of financial instruments not measured at fair value on a recurring basis for Alagasco are as follows:

($ Millions)	Carrying Amount	Fair Value	Classification of Estimated Fair Value Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2015					
Cash and cash equivalents	$0.2	$0.2	$0.2	$—	$—
Short-term debt	8.5	8.5	—	8.5	—
Long-term debt, including current portion	215.0	226.7	—	226.7	—
As of September 30, 2014					
Cash and cash equivalents	$5.6	$5.6	$5.6	$—	$—
Short-term debt	16.0	16.0	—	16.0	—
Long-term debt	249.8	266.4	—	266.4	—

6. FAIR VALUE MEASUREMENTS

The following tables for Laclede Group and Laclede Gas categorize the assets and liabilities in the balance sheets that are accounted for at fair value on a recurring basis in periods subsequent to initial recognition. Currently Alagasco has no assets or liabilities that are accounted for at fair value on a recurring basis in periods subsequent to initial recognition.

The mutual funds included in Level 1 are valued based on exchange-quoted market prices of individual securities. The mutual funds included in Level 2 are valued based on the closing net asset value per unit.

Derivative instruments included in Level 1 are valued using quoted market prices on the New York Mercantile Exchange (NYMEX). Derivative instruments classified in Level 2 include physical commodity derivatives that are valued using Over-the-Counter Bulletin Board (OTCBB), broker, or dealer quotation services whose prices are derived principally from, or are corroborated by, observable market inputs. Also included in Level 2 are certain derivative instruments that have values that are similar to, and correlate with, quoted prices for exchange-traded instruments in active markets. Derivative instruments included in Level 3 are valued using generally unobservable inputs that are based upon the best information available and reflect management’s assumptions about how market participants would price the asset or liability. The Level 3 balances as of June 30, 2015 and September 30, 2014 consisted of gas commodity contracts. The Company’s and the Utilities' policy is to recognize transfers between the levels of the fair value hierarchy, if any, as of the beginning of the interim reporting period in which circumstances change or events occur to cause the transfer.

The mutual funds are included in the "Other investments" line of the balance sheets. Derivative assets and liabilities, including receivables and payables associated with cash margin requirements, are presented net in the balance sheets when a legally enforceable netting agreement exists between the Company or Laclede Gas and the counterparty to a derivative contract.

Table of Contents

Laclede Group

($ Millions)	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Effects of Netting and Cash Margin Receivables /Payables	Total
As of June 30, 2015					
ASSETS					
Gas Utility					
U. S. stock/bond mutual funds	$16.0	$4.0	$—	$—	$20.0
NYMEX/ICE natural gas contracts	1.7	—	—	(1.7)	—
Subtotal	17.7	4.0	—	(1.7)	20.0
Gas Marketing					
NYMEX/ICE natural gas contracts	2.7	2.6	—	(4.1)	1.2
Natural gas commodity contracts	$—	$2.4	$0.7	$(0.5)	2.6
Total	$20.4	$9.0	$0.7	$(6.3)	$23.8
LIABILITIES					
Gas Utility					
NYMEX/ICE natural gas contracts	$9.5	$—	$—	$(9.5)	$—
OTCBB natural gas contracts	—	7.1	—	—	7.1
NYMEX gasoline and heating oil contracts	0.4	—	—	(0.4)	—
Subtotal	9.9	7.1	—	(9.9)	7.1
Gas Marketing					
NYMEX/ICE natural gas contracts	0.4	2.9	—	(3.3)	—
Natural gas commodity contracts	—	0.9	—	(0.5)	0.4
Total	$10.3	$10.9	$—	$(13.7)	$7.5
As of September 30, 2014					
ASSETS					
Gas Utility					
U. S. stock/bond mutual funds	$15.7	$3.9	$—	$—	$19.6
NYMEX/ICE natural gas contracts	2.4	—	—	(2.4)	—
OTCBB natural gas contracts	—	0.1	—	(0.1)	—
Subtotal	18.1	4.0	—	(2.5)	19.6
Gas Marketing					
NYMEX natural gas contracts	1.0	1.2	—	(1.8)	0.4
Natural gas commodity contracts	—	2.7	0.2	(0.2)	2.7
Total	$19.1	$7.9	$0.2	$(4.5)	$22.7
LIABILITIES					
Gas Utility					
NYMEX/ICE natural gas contracts	$5.2	$—	$—	$(5.2)	$—
OTCBB natural gas contracts	—	4.1	—	(0.1)	4.0
Gasoline and heating oil contracts	0.2	—	—	(0.2)	—
Subtotal	5.4	4.1	—	(5.5)	4.0
Gas Marketing					
NYMEX/ICE natural gas contracts	1.1	0.7	—	(1.8)	—
Natural gas commodity contracts	—	0.7	—	(0.2)	0.5
Total	$6.5	$5.5	$—	$(7.5)	$4.5

28

Laclede Gas

($ Millions)	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Effects of Netting and Cash Margin Receivables /Payables	Total
As of June 30, 2015					
ASSETS					
U. S. stock/bond mutual funds	$16.0	$4.0	$—	$—	$20.0
NYMEX/ICE natural gas contracts	1.7	—	—	(1.7)	—
Total	17.7	4.0	—	(1.7)	20.0
LIABILITIES					
NYMEX/ICE natural gas contracts	9.5	—	—	(9.5)	—
OTCBB natural gas contracts	—	7.1	—	—	7.1
Gasoline and heating oil contracts	0.4	—	—	(0.4)	—
Total	$9.9	$7.1	$—	$(9.9)	$7.1
As of September 30, 2014					
ASSETS					
U. S. stock/bond mutual funds	$15.7	$3.9	$—	$—	$19.6
NYMEX/ICE natural gas contracts	2.4	—	—	(2.4)	—
OTCBB natural gas contracts	—	0.1	—	(0.1)	—
Total	18.1	4.0	—	(2.5)	19.6
LIABILITIES					
NYMEX/ICE natural gas contracts	5.2	—	—	(5.2)	—
OTCBB natural gas contracts	—	4.1	—	(0.1)	4.0
NYMEX gasoline and heating oil contracts	0.2	—	—	(0.2)	—
Total	$5.4	$4.1	$—	$(5.5)	$4.0

7. CONCENTRATIONS OF CREDIT RISK

Other than in LER (the Gas Marketing segment), Laclede Group has no significant concentrations of credit risk. A significant portion of LER’s transactions are with (or are associated with) energy producers, utility companies, and pipelines. The concentration of transactions with these counterparties has 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. To manage this risk, as well as credit risk from significant counterparties in these and other industries, LER has established procedures to determine the creditworthiness of its counterparties. These procedures include obtaining credit ratings and credit reports, analyzing counterparty financial statements to assess financial condition, and considering the industry environment in which the counterparty operates. This information is monitored on an ongoing basis. In some instances, LER may require credit assurances such as prepayments, letters of credit, or parental guarantees. In addition, LER may enter into netting arrangements to mitigate credit risk with counterparties in the energy industry from which LER both sells and purchases natural gas. Sales are typically made on an unsecured credit basis with payment due the month following delivery. Accounts receivable amounts are closely monitored and provisions for uncollectible amounts are accrued when losses are probable. LER records accounts receivable, accounts payable, and prepayments for physical sales and purchases of natural gas on a gross basis. The amount included in LER's accounts receivable attributable to energy producers and their marketing affiliates totaled $11.3 at June 30, 2015. Net receivable amounts from these customers on the same date, reflecting netting arrangements, were $8.6. LER's accounts receivable attributable to utility companies and their marketing affiliates comprised $17.6 of total accounts receivable at June 30, 2015, while net receivable amounts from these customers, reflecting netting arrangements, were $15.5.

LER also has concentrations of credit risk with certain individually significant counterparties and with pipeline companies associated with its natural gas receivable amounts. At June 30, 2015, the amounts included in accounts receivable from LER's five largest counterparties (in terms of net accounts receivable exposure) totaled $17.2. These five counterparties are either investment-grade rated or owned by investment-grade rated companies. Net receivable amounts from these five customers on the same date, reflecting netting arrangements, were $14.9.

Table of Contents

8. PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

This footnote includes all pension plans of the Company whether historical plans or those acquired as part of the purchase of certain assets and liabilities of MGE on September 1, 2013 or those acquired in the Alagasco Transaction effective August 31, 2014. The net pension and postretirement obligations were re-measured at the applicable acquisition dates as well as at the fiscal year end.

Pension Plans

The pension plans of Laclede Group consist of plans for employees at the Missouri Utilities and plans covering employees of Alagasco.

The Missouri Utilities have non-contributory, defined benefit, trusteed forms of pension plans covering the majority of their employees. Plan assets consist primarily of corporate and US government obligations and a growth segment consisting of exposure to equity markets, commodities, real estate and inflation-indexed securities, achieved through derivative instruments and investments in diversified mutual funds.

Alagasco has non-contributory, defined benefit, trusteed forms of pension plans covering the majority of its employees. Qualified plan assets are comprised of United States equities consisting of mutual and commingled funds with varying strategies, global equities consisting of mutual funds, alternative investments of limited partnerships and commingled and mutual funds, and fixed income investments.

The net periodic pension cost included the following components:

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions)	2015	2014	2015	2014
Laclede Group				
Service cost – benefits earned during the period	$4.4	$2.4	$13.0	$7.3
Interest cost on projected benefit obligation	7.4	6.0	22.3	18.0
Expected return on plan assets	(9.4)	(6.6)	(28.1)	(19.9)
Amortization of prior service cost	0.1	0.2	0.3	0.4
Amortization of actuarial loss	1.8	1.8	5.7	5.3
Loss on lump-sum settlements	12.5	—	12.5	1.3
Sub-total	16.8	3.8	25.7	12.4
Regulatory adjustment	(6.3)	2.9	3.4	7.4
Net pension cost	$10.5	$6.7	$29.1	$19.8
Laclede Gas				
Service cost – benefits earned during the period	$2.9	$2.4	$8.6	$7.3
Interest cost on projected benefit obligation	5.8	6.0	17.6	18.0
Expected return on plan assets	(7.3)	(6.6)	(21.9)	(19.9)
Amortization of prior service cost	0.1	0.2	0.3	0.4
Amortization of actuarial loss	1.8	1.8	5.7	5.3
Loss on lump-sum settlements	12.5	—	12.5	1.3
Sub-total	15.8	3.8	22.8	12.4
Regulatory adjustment	(7.8)	2.9	(1.0)	7.4
Net pension cost	$8.0	$6.7	$21.8	$19.8

Table of Contents

($ Millions)	Three Months Ended June 30, 2015	2014	Nine Months Ended June 30, 2015	2014
Alagasco				
Service cost – benefits earned during the period	$1.5	$1.9	$4.4	$5.5
Interest cost on projected benefit obligation	1.6	1.5	4.7	4.4
Expected return on plan assets	(2.1)	(1.9)	(6.2)	(5.6)
Amortization of prior service cost	—	—	—	0.1
Amortization of actuarial loss	—	0.9	—	2.9
Loss on lump-sum settlements	—	—	—	10.9
Sub-total	1.0	2.4	2.9	18.2
Regulatory adjustment	1.5	0.3	4.4	(10.3)
Net pension cost	$2.5	$2.7	$7.3	$7.9

Pursuant to the provisions of the Missouri Utilities' and Alagasco's pension plans, pension obligations may be satisfied by lump-sum cash payments. Lump-sum payments are recognized as settlements (which can result in gains or losses) only if the total of such payments exceeds 100% of the sum of service and interest costs in a specific year. Two Laclede Gas plans and one Alagasco plan met the criteria for settlement recognition in the quarter ended June 30, 2015, requiring remeasurement of the obligation under those plans using updated census data and assumptions for discount rate and mortality. The net reduction in projected benefit obligation was $7.4.

The funding policy of the Utilities is to contribute an amount not less than the minimum required by government funding standards, nor more than the maximum deductible amount for federal income tax purposes. Fiscal year 2015 contributions to Laclede Gas' pension plans through June 30, 2015 were $27.2 to the qualified trusts and $0.3 to the non-qualified plans. There were no fiscal 2015 contributions to the Alagasco pension plans through June 30, 2015. Contributions to the Missouri Utilities' pension plans for the remaining three months of fiscal 2015 are anticipated to be approximately zero to the qualified trusts and $0.2 to the non-qualified plans. There are no expected contributions to Alagasco's pension plans for the remaining three months of fiscal 2015.

Postretirement Benefits

The Utilities provide certain life insurance benefits at retirement. Laclede Gas plans provide for medical insurance after early retirement until age 65. For retirements prior to January 1, 2015, the MGE plans provided medical insurance after retirement until death. For retirements after January 1, 2015, the MGE plans provide medical insurance after early retirement until age 65. The transition obligation not yet included in postretirement benefit cost is being amortized over 20 years. Under the Alagasco plans, medical insurance is currently available upon retirement until death for certain retirees depending on the type of employee and the date the employee was originally hired.

Net periodic postretirement benefit cost for the Company consisted of the following components:

($ Millions)	Three Months Ended June 30, 2015	2014	Nine Months Ended June 30, 2015	2014
Laclede Group				
Service cost – benefits earned during the period	$3.2	$2.8	$9.6	$8.4
Interest cost on accumulated postretirement benefit obligation	2.8	2.1	8.4	6.5
Expected return on plan assets	(3.3)	(1.7)	(9.9)	(5.1)
Amortization of prior service credit	0.2	—	0.6	—
Amortization of actuarial loss	1.3	1.5	3.8	4.5
Sub-total	4.2	4.7	12.5	14.3
Regulatory adjustment	(2.8)	(2.4)	(8.2)	(7.2)
Net postretirement benefit cost	$1.4	$2.3	$4.3	$7.1

Table of Contents

($ Millions)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Nine Months Ended June 30, 2015	Nine Months Ended June 30, 2014
Laclede Gas				
Service cost – benefits earned during the period	$3.0	$2.8	$9.2	$8.4
Interest cost on accumulated postretirement benefit obligation	2.2	2.1	6.5	6.5
Expected return on plan assets	(2.0)	(1.7)	(6.1)	(5.1)
Amortization of prior service cost	0.2	—	0.6	—
Amortization of actuarial loss	1.3	1.5	3.8	4.5
Sub-total	4.7	4.7	14.0	14.3
Regulatory adjustment	(2.3)	(2.4)	(6.9)	(7.2)
Net postretirement benefit cost	$2.4	$2.3	$7.1	$7.1
Alagasco				
Service cost – benefits earned during the period	$0.2	$0.1	$0.4	$0.5
Interest cost on accumulated postretirement benefit obligation	0.6	0.7	1.9	1.9
Expected return on plan assets	(1.3)	(1.3)	(3.8)	(3.4)
Amortization of actuarial gain	—	(0.4)	—	(0.9)
Amortization of transition obligation	—	—	—	0.3
Sub-total	(0.5)	(0.9)	(1.5)	(1.6)
Regulatory adjustment	(0.5)	—	(1.3)	—
Net postretirement benefit income	$(1.0)	$(0.9)	$(2.8)	$(1.6)

Missouri and Alabama state law provides for the recovery in rates of costs accrued pursuant to GAAP provided that such costs are funded through an independent, external funding mechanism. The Utilities have established Voluntary Employees' Beneficiary Association (VEBA) and Rabbi Trusts as external funding mechanisms. The assets of the VEBA and Rabbi Trusts consist primarily of money market securities and mutual funds invested in stocks and bonds. The Utilities' funding policy is to contribute amounts to the trusts equal to the periodic benefit cost calculated pursuant to GAAP as recovered in rates. Fiscal year 2015 contributions to the postretirement plans through June 30, 2015 were $8.9 for the Missouri Utilities. Contributions to the postretirement plans for the remaining three months of fiscal year 2015 are anticipated to be $9.2 to the qualified trusts and $0.2 paid directly to participants from the Missouri Utilities' funds. For Alagasco, there were no contributions to the postretirement plans during the first nine months of fiscal year 2015, and there are none expected for the remaining three months.

9. INFORMATION BY OPERATING SEGMENT

The Company has two key operating segments: Gas Utility and Gas Marketing. The Gas Utility segment comprises the regulated operations of the Utilities, consisting of Laclede Gas and Alagasco. Laclede Gas and Alagasco are public utilities engaged in the retail distribution and sale of natural gas serving an area in eastern Missouri through its legacy Laclede Gas assets, an area in western Missouri through its MGE assets, and central and northern Alabama through its Alagasco assets. The Gas Marketing segment includes the results of LER, a subsidiary engaged in the non-regulated marketing of natural gas and related activities, and LER Storage Services, Inc., which utilizes natural gas storage contracts for providing natural gas sales. Other includes:

- unallocated corporate items, including certain debt and associated interest costs,
- Laclede Pipeline Company, a subsidiary of Laclede Group which operates a propane pipeline under Federal Energy Regulatory Commission (FERC) jurisdiction, and
- 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. All subsidiaries are wholly owned.

Accounting policies and intersegment transactions are described in Note 1, Summary of Significant Accounting Policies.

32

Table of Contents

($ Millions)	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Three Months Ended June 30, 2015					
Operating Revenues:					
Revenues from external customers	$260.2	$14.5	$0.5	$—	$275.2
Intersegment revenues	1.0	14.4	0.5	(15.9)	—
Total Operating Revenues	261.2	28.9	1.0	(15.9)	275.2
Operating Expenses:					
Gas Utility					
Natural and propane gas	73.2	—	—	(15.5)	57.7
Other operation and maintenance	90.9	—	—	(0.3)	90.6
Depreciation and amortization	32.5	—	—	—	32.5
Taxes, other than income taxes	26.2	—	—	—	26.2
Total Gas Utility Operating Expenses	222.8	—	—	(15.8)	207.0
Gas Marketing	—	27.4	—	—	27.4
Other	—	—	4.9	(0.1)	4.8
Total Operating Expenses	222.8	27.4	4.9	(15.9)	239.2
Operating Income (Loss)	$38.4	$1.5	$(3.9)	$—	$36.0
Net Economic Earnings (Loss)	$16.5	$0.5	$(5.9)	$—	$11.1
Three Months Ended June 30, 2014					
Operating Revenues:					
Revenues from external customers	$214.0	$27.1	$0.7	$—	$241.8
Intersegment revenues	0.2	27.9	0.5	(28.6)	—
Total Operating Revenues	214.2	55.0	1.2	(28.6)	241.8
Operating Expenses:					
Gas Utility					
Natural and propane gas	77.6	—	—	(28.3)	49.3
Other operation and maintenance	73.3	—	—	(0.3)	73.0
Depreciation and amortization	18.4	—	—	—	18.4
Taxes, other than income taxes	22.2	—	—	—	22.2
Total Gas Utility Operating Expenses	191.5	—	—	(28.6)	162.9
Gas Marketing	—	50.0	—	—	50.0
Other	—	—	4.2	—	4.2
Total Operating Expenses	191.5	50.0	4.2	(28.6)	217.1
Operating Income (Loss)	$22.7	$5.0	$(3.0)	$—	$24.7
Net Economic Earnings (Loss)	$13.3	$1.9	$(0.7)	$—	$14.5

Table of Contents

($ Millions)	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Nine Months Ended June 30, 2015					
Operating Revenues:					
Revenues from external customers	$1,688.6	$82.3	$1.3	$—	$1,772.2
Intersegment revenues	4.0	52.9	1.5	(58.4)	—
Total Operating Revenues	1,692.6	135.2	2.8	(58.4)	1,772.2
Operating Expenses:					
Gas Utility					
Natural and propane gas	902.1	—	—	(57.3)	844.8
Other operation and maintenance	292.3	—	—	(0.8)	291.5
Depreciation and amortization	96.7	—	—	—	96.7
Taxes, other than income taxes	119.9	—	—	—	119.9
Total Gas Utility Operating Expenses	1,411.0	—	—	(58.1)	1,352.9
Gas Marketing	—	129.5	—	—	129.5
Other	—	—	9.1	(0.3)	8.8
Total Operating Expenses	1,411.0	129.5	9.1	(58.4)	1,491.2
Operating Income (Loss)	$281.6	$5.7	$(6.3)	$—	$281.0
Net Economic Earnings (Loss)	$162.8	$3.0	$(11.4)	$—	$154.4
Nine Months Ended June 30, 2014					
Operating Revenues:					
Revenues from external customers	$1,283.6	$120.2	$1.1	$—	$1,404.9
Intersegment revenues	4.5	68.0	1.5	(74.0)	—
Total Operating Revenues	1,288.1	188.2	2.6	(74.0)	1,404.9
Operating Expenses:					
Gas Utility					
Natural and propane gas	769.7	—	—	(73.3)	696.4
Other operation and maintenance	208.0	—	—	(0.7)	207.3
Depreciation and amortization	58.5	—	—	—	58.5
Taxes, other than income taxes	92.6	—	—	—	92.6
Total Gas Utility Operating Expenses	1,128.8	—	—	(74.0)	1,054.8
Gas Marketing	—	166.8	—	—	166.8
Other	—	—	8.5	—	8.5
Total Operating Expenses	1,128.8	166.8	8.5	(74.0)	1,230.1
Operating Income (Loss)	$159.3	$21.4	$(5.9)	$—	$174.8
Net Economic Earnings (Loss)	$93.8	$9.8	$(1.1)	$—	$102.5

The Company's total assets by segment were as follows:

($ Millions)	June 30, 2015	September 30, 2014
Total Assets:		
Gas Utility	$4,480.1	$4,520.0
Gas Marketing	151.2	156.7
Other	1,560.6	1,575.7
Eliminations	(1,109.0)	(1,178.4)
Total Assets	$5,082.9	$5,074.0

34

The following table reconciles the Company's Net Income (GAAP) to Net Economic Earnings (Non-GAAP):

	Three Months Ended June 30,		Nine Months Ended June 30,	
($ Millions)	2015	2014	2015	2014
Net Income (GAAP)	$14.1	$11.7	$155.6	$99.5
Unrealized loss (gain) on energy-related derivative contracts	(1.7)	(1.0)	(2.1)	(2.3)
Lower of cost or market inventory adjustments	(0.2)	(0.1)	—	(0.7)
Realized loss (gain) on economic hedges prior to sale of the physical commodity	1.5	—	1.6	(0.1)
Acquisition, divestiture and restructuring activities	2.1	3.9	4.0	6.1
Gain on sale of property	(4.7)	—	(4.7)	—
Net Economic Earnings (Non-GAAP)	$11.1	$14.5	$154.4	$102.5

10. COMMITMENTS AND CONTINGENCIES

Commitments

The Company and the Utilities have entered into contracts with various counterparties, expiring on dates through 2019, for the storage, transportation, and supply of natural gas. Minimum payments required under the contracts in place at June 30, 2015 are estimated at approximately $1,468.0, $699.9, and $482.9 for the Company, Laclede Gas, and Alagasco, respectively. Additional contracts are generally entered into prior to or during the heating season of November through April. The Missouri Utilities recover their costs from customers in accordance with their PGA clause and Alagasco recovers its cost through its GSA rider.

Contingencies

Laclede Gas

Similar to other natural gas utility companies, Laclede Gas owns and operates natural gas distribution, transmission, and storage facilities, the operations of which are subject to various environmental laws, regulations, and interpretations. While environmental issues resulting from such operations arise in the ordinary course of business, such issues have not materially affected the Company’s or Laclede Gas' financial position and results of operations. As environmental laws, regulations, and their interpretations change, however, the Company or Laclede Gas may incur additional environmental liabilities that may result in additional costs.

In the natural gas industry, many gas distribution companies like Laclede Gas and MGE have incurred environmental liabilities associated with sites they or their predecessor companies formerly owned or operated where manufactured gas operations took place. At this time, Laclede Gas has identified three former manufactured gas plant (MGP) sites where costs have been incurred and claims have been asserted: one in Shrewsbury, Missouri and two in the City of St. Louis, Missouri. Laclede Gas has enrolled the two sites in the City of St. Louis in the Missouri Department of Natural Resources Brownfields/Voluntary Cleanup Program (BVCP). MGE has enrolled all of its owned former manufactured gas plant sites in the BVCP.

With regard to the former MGP site located in Shrewsbury, Missouri, Laclede Gas and state and federal environmental regulators agreed upon certain remedial actions to a portion of the site in a 1999 Administrative Order on Consent (AOC), which actions have been completed. On September 22, 2008, Environmental Protection Agency (EPA) Region VII issued a letter of Termination and Satisfaction terminating the AOC. However, if after this termination of the AOC, regulators require additional remedial actions, or additional claims are asserted, Laclede Gas may incur additional costs.

In conjunction with redevelopment of one of the sites located in the City of St. Louis, Laclede Gas and another former owner of the site entered into an agreement (Remediation Agreement) with the City development agencies, the developer, and an environmental consultant that obligates one of the City agencies and the environmental consultant to remediate the site and obtain a No Further Action letter from the Missouri Department of Natural Resources. The Remediation Agreement also provides for a release of Laclede Gas and the other former site owner from certain liabilities related to the past and current environmental condition of the site and requires the developer and the environmental consultant to maintain certain insurance coverage, including remediation cost containment, premises pollution liability, and professional liability. The operative provisions of the Remediation Agreement were triggered on December 20, 2010, on which date Laclede Gas and the other former site owner, as full consideration under the Remediation Agreement, paid a small percentage of the cost of remediation of the site. The amount paid by Laclede Gas did not materially impact the financial condition, results of operations, or cash flows of the Company.

Table of Contents

Laclede Gas has not owned the other site located in the City of St. Louis for many years. In a letter dated June 29, 2011, the Attorney General for the State of Missouri informed Laclede Gas that the Missouri Department of Natural Resources had completed an investigation of the site. The Attorney General requested that Laclede Gas participate in the follow up investigations of the site. In a letter dated January 10, 2012, Laclede Gas stated that it would participate in future environmental response activities at the site in conjunction with other potentially responsible parties that are willing to contribute to such efforts in a meaningful and equitable fashion. Accordingly, Laclede Gas entered into a cost sharing agreement for remedial investigation with other potentially responsible parties. Pending Missouri Department of Natural Resources approval which has not occurred as of the date of filing, the remedial investigation of the site will begin.

Laclede Gas has notified its insurers that it seeks reimbursement for costs incurred in the past and future potential liabilities associated with the MGP sites. While some of the insurers have denied coverage and reserved their rights, Laclede Gas continues to discuss potential reimbursements with them.

On March 10, 2015, Laclede Gas received a Section 104(e) information request from EPA Region VII regarding the former Thompson Chemical/Superior Solvents site located at 60 Chouteau Avenue in St. Louis, Missouri. In turn, Laclede Gas issued a Freedom of Information Act (FOIA) request to the EPA on April 3, 2015, in an effort to identify the basis of the inquiry. The FOIA response from the EPA was received on July 15, 2015, and the information is being evaluated prior to issuing the response due to the EPA on August 21, 2015.

MGE has seven owned MGP sites enrolled in the BVCP, including Joplin MGP #1, St. Joseph MGP #1, Kansas City Coal Gas Station B, Kansas City Station A Railroad area, Kansas City Coal Gas Station A North, Kansas City Coal Gas Station A South, and Independence MGP #2. Source removal has been conducted at all of the owned sites since 2003 with the exception of Joplin, which is in the early stages of site analysis and characterization. Remediation efforts at these sites are at various stages of completion, ranging from groundwater monitoring and sampling following source removal activities to early site characterization in Joplin. As part of its participation in the BVCP, MGE communicates regularly with the MDNR with respect to its remediation efforts and monitoring activities at these sites. On May 11, 2015, MDNR approved the next phase of investigation at the Kansas City Station A North and Railroad area.

To date, costs incurred for all Missouri Utilities' MGP sites for investigation, remediation and monitoring these sites have not been material. However, the amount of costs relative to future remedial actions at these and other sites is unknown and may be material. The actual future costs that Laclede Gas may incur could be materially higher or lower depending upon several factors, including whether remediation actions will be required, final selection and regulatory approval of any remedial actions, changing technologies and government regulations, the ultimate ability of other potential responsible parties to pay, the successful completion of remediation efforts required by the Remediation Agreement described above, and any insurance recoveries.

In 2013, Laclede Gas retained an outside consultant to conduct probabilistic cost modeling of 19 former MGP sites owned or operated by Laclede Gas or MGE. The purpose of this analysis was to develop an estimated range of probabilistic future liability for each site. That analysis, completed in August 2014, provided a range of demonstrated possible future expenditures to investigate, monitor and remediate all 19 MGP sites from $8.1 to $39.3 based upon current available facts, technology and laws and regulations.

Costs associated with environmental remediation activities are accrued when such costs are probable and reasonably estimable. To the extent such costs (less any amounts received from insurance proceeds or as contributions from other potential responsible parties), are incurred prior to a rate case, Laclede Gas would request from the MoPSC authority to defer such costs and collect them in the next rate case. The Company does not expect potential liabilities that may arise from remediating these sites to have a material impact on the future financial position or results of operations of Laclede Gas or the Company.

Alagasco

Alagasco owns and operates natural gas distribution, transmission, and storage facilities, the operations of which are subject to various environmental laws, regulations, and interpretations. While environmental issues resulting from such operations arise in the ordinary course of business, such issues have not materially affected the Company’s or Alagasco's financial position and results of operations. As environmental laws, regulations, and their interpretations change, however, Alagasco may be required to incur additional costs.

Alagasco is in the chain of title of nine former MGP sites, four of which it still owns, and five former manufactured gas distribution sites, one of which it still owns. Management expects that, should future remediation of the sites be required, Alagasco's share of the remediation costs will not materially affect the financial position and results of operations of Alagasco. During 2011, a removal action was completed at the Huntsville, Alabama MGP site pursuant to an Administrative Settlement Agreement and Order on Consent among the EPA, Alagasco and the current site owner.

In 2012, Alagasco responded to an EPA Request for Information Pursuant to Section 104 of Comprehensive Environment Response, Compensation, and Liability Act (CERCLA) relating to the 35th Avenue Superfund Site located in North Birmingham,

Table of Contents

Jefferson County, Alabama. The Request related to a former site of a manufactured gas distribution facility owned by Alagasco and located in the vicinity of the 35th Avenue Superfund Site. In September 2013, Alagasco received from the EPA a General Notice Letter and Invitation to Conduct a Removal Action at the 35th Avenue Superfund Site. The letter identifies Alagasco as a potentially responsible party (PRP) under CERCLA for the cleanup of the Site or costs the EPA incurs in cleaning up the site. The EPA also offered the PRP group the opportunity to conduct Phase I of the proposed removal action which involved removal activities at approximately 50 residences that purportedly exceed certain risk levels for contamination. All Phase I work was conducted by the EPA without PRP participation, and is completed or close to completion. In August of 2014, the EPA offered the PRP group the opportunity to conduct Phase II of the proposed removal action which involved removal activities at approximately 30 additional residences that purportedly exceed certain risk levels for contamination. Alagasco has not agreed to undertake any of the proposed removal activities.

Alagasco has discussed its designation as a PRP with the EPA (including an in-person meeting in Atlanta), and Alagasco has requested additional information from the EPA regarding the testing and removal activities and its designation as a PRP. Alagasco responded to an additional Request for Information from the EPA on June 18, 2015. At this point, Alagasco has not been provided information that would allow it to determine the extent, if any, of its potential liability with respect to the 35th Avenue Superfund Site.

Alagasco has also been approached by a law firm regarding entry into an agreement to toll the statute of limitations with potential plaintiffs related to purported damages allegedly incurred by such potential plaintiffs in connection with the 35th Avenue Superfund Site, and is considering whether to enter into such a tolling arrangement.

The EPA published a proposal to add the 35th Avenue Superfund Site to its National Priorities List (NPL). CERCLA requires that the National Oil and Hazardous Substances Pollution Contingency Plan (NCP) include a list of national priorities among the known releases or threatened releases of hazardous substances, pollutants or contaminants throughout the United States. The NPL constitutes this list. Alagasco submitted comments in opposition to the proposed listing on January 20, 2015 and responded to an EPA Request for Information on June 18, 2015.

Costs associated with environmental remediation activities are accrued when such costs are probable and reasonably estimable. To the extent such costs (less any amounts received from insurance proceeds or as contributions from other potential responsible parties) are incurred, Alagasco would defer such costs and recover them over a period of time in accordance with Alagasco's Enhanced Stability Reserve (ESR). Alagasco does not expect potential liabilities that may arise from remediating these sites to have a material impact on the future financial position or results of operations of Alagasco or the Company.

On December 17, 2013, an incident occurred at a Housing Authority apartment complex in Birmingham, Alabama which resulted in one fatality, personal injuries and property damage. Alagasco is cooperating with the National Transportation Safety Board which is investigating the incident. Alagasco has been named as a defendant in several lawsuits arising from the incident, and additional lawsuits and claims may be filed against Alagasco.

Alagasco is, from time to time, a party to various pending or threatened legal proceedings and has accrued a provision for its estimated liability. Certain of these lawsuits include claims for punitive damages in addition to other specified relief. Alagasco recognizes its liability for contingencies when information available indicates both a loss is probable and the amount of the loss can be reasonably estimated. Based upon information presently available, and in light of available legal and other defenses, contingent liabilities arising from threatened and pending litigation are not considered material in relation to the financial position of Alagasco. It should be noted, however, that there is uncertainty in the valuation of pending claims and prediction of litigation results.

Laclede Group

In addition to the matters noted above, the Company, Laclede Gas and Alagasco are involved in other litigation, claims, and investigations arising in the normal course of business. Management, after discussion with counsel, believes that the final outcomes of such matters will not have a material effect on the statements of income, balance sheets, and statements of cash flows of the Company, Laclede Gas, or Alagasco.

Table of Contents

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

($ in millions, except per share amounts)

This section analyzes the financial condition and results of operations of The Laclede Group, Inc. (Laclede Group or the Company), Laclede Gas Company (Laclede Gas), and Alabama Gas Corporation (Alagasco). Laclede Gas and Alagasco are wholly owned subsidiaries of the Company. Collectively, Laclede Gas and Alagasco are referred to as the Utilities. This section includes management's view of factors that affect the respective business of the Company, Laclede Gas, and Alagasco, explanations of past financial results including changes in earnings and costs from the prior periods, and the effects of such factors on the Company's, Laclede Gas' and Alagasco's overall financial condition and liquidity.

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 in or shut 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;
- The acquisitions of MGE and/or Alagasco may not achieve their intended results, including anticipated cost savings;
- 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, or
  - 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 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;

- 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.

Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Company’s Condensed Consolidated Financial Statements and Laclede Gas' and Alagasco's Condensed Financial Statements and the Notes thereto.

Table of Contents

RESULTS OF OPERATIONS

Overview

The Company has two key operating segments: Gas Utility and Gas Marketing. Laclede Group's earnings are primarily derived from its Gas Utility segment, which reflects the regulated activities of the Utilities.

Gas Utility

The Gas Utility segment consists of the regulated businesses of Laclede Gas and Alagasco. Laclede Gas and Alagasco are public utilities engaged in the retail distribution and sale of natural gas serving an area in eastern Missouri through Laclede Gas, an area in western Missouri, through MGE (collectively, the Missouri Utilities) and central and northern Alabama through Alagasco (the Alabama Utility) (collectively, the Utilities). The earnings of the Utilities are primarily generated by the sale of heating energy. The Utilities' earnings are typically concentrated during the heating season of November through April each fiscal year.

Gas Marketing

Laclede Energy Resources (LER) is engaged in the marketing of natural gas and related activities on a non-regulated basis and is reported in the Gas Marketing segment. LER markets natural gas to both on-system utility transportation customers and customers outside of Laclede Gas' traditional service territory, including large retail and wholesale customers. LER's operations and customer base are subject to more fluctuations in market conditions than the Utilities. LER entered into a 10-year contract for 1 Bcf of natural gas storage effective August 1, 2013 and has an additional 3.5 Bcf of storage contracts that expire various times through April 30, 2016.

Other

Other includes:

- unallocated corporate items, including certain debt and associated interest costs,
- Laclede Pipeline Company, a subsidiary of Laclede Group which operates a propane pipeline under Federal Energy Regulatory Commission (FERC) jurisdiction, and
- 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. All subsidiaries are wholly owned.

EARNINGS

Net income reported by Laclede Group, Laclede Gas and Alagasco are determined in accordance with accounting principles generally accepted in the United States of America (GAAP). Management also uses the non-GAAP measures of net economic earnings, net economic earnings per share, and operating margin when evaluating and reporting results of operations. These non-GAAP operating metrics should not be considered as an alternative to, or more meaningful than, GAAP measures such as net income. These non-GAAP measures are described below and reconciled to the Company's most directly comparable GAAP measures on the following pages.

Non-GAAP Measures - Net Economic Earnings and Net Economic Earnings Per Share

Net Economic Earnings and Net Economic Earnings Per Share are non-GAAP measures that exclude from net income the after-tax impacts of fair value accounting and timing adjustments associated with energy-related transactions as well as acquisition, divestiture, and restructuring activities. These fair value and timing adjustments are made in instances where the accounting treatment differs from the economic substance of the underlying transaction, including the following:

- Net unrealized gains and losses on energy-related derivatives that are required by GAAP fair value accounting associated with current changes in the fair value of financial and physical transactions prior to their completion and settlement. These unrealized gains and losses result primarily from two sources:
  1) changes in the fair values of physical and/or financial derivatives prior to the period of settlement; and
  2) ineffective portions of accounting hedges, required to be recorded in earnings prior to settlement, due to differences in commodity price changes between the locations of the forecasted physical purchase or sale transactions and the locations of the underlying hedge instruments;
- Lower of cost or market adjustments to the carrying value of commodity inventories resulting when the market price of the commodity falls below its original cost, to the extent that those commodities are economically hedged; and

- Realized gains and losses resulting from the settlement of economic hedges prior to the sale of the physical commodity.

These adjustments eliminate the impact of timing differences and the impact of current changes in the fair value of financial and physical transactions prior to their completion and settlement. Unrealized gains or losses are recorded in each period until

39

Table of Contents

being replaced with the actual gains or losses realized when the associated physical transaction(s) occur. While management uses these non-GAAP measures to evaluate both the Utilities and LER, the net effect of adjustments on the Utilities' earnings are minimal. This is due to gains or losses on Laclede Gas' natural gas derivative instruments being deferred pursuant to its PGA clause, as authorized by the MoPSC; and gains or losses on any Alagasco natural gas derivative instruments being deferred pursuant to its GSA rider, as authorized by the APSC. Management believes that excluding the earnings volatility caused by recognizing changes in fair value prior to settlement and other timing differences associated with related purchase and sale transactions provides a useful representation of the economic effects of only the actual settled transactions and their effects on results of operations.

In addition, management excludes the impact related to unique acquisition, divestiture, and restructuring activities when evaluating on-going performance, and therefore excludes these impacts from net economic earnings. Management believes that this presentation provides a useful representation of operating performance by facilitating comparisons of year-over-year results.

The definition and measurement of net economic earnings provided above is consistent with that used by management and the Board of Directors in assessing the Company's, Laclede Gas' and Alagasco's performance as well as determining performance under the Company's, Laclede Gas', and Alagasco's incentive compensation plans. Further, the Company believes this better enables an investor to view the Company's, Laclede Gas' and Alagasco's performance in that period on a basis that would be comparable to prior periods.

Non-GAAP Measure - Operating Margin

In addition to operating revenues and operating expenses, management also uses the non-GAAP measure of operating margin when evaluating results of operations. As shown in tables within the discussions below, operating margin is calculated by subtracting from operating revenues the natural and propane gas expense and gross receipts tax expense that are collected in revenues. The Utilities pass on to their customers (subject to prudence review by the MoPSC and APSC) increases and decreases in the wholesale cost of natural gas in accordance with their PGA clauses (Missouri Utilities) and GSA rider (Alagasco). The wholesale cost of natural gas similarly impacts the Company's non-regulated businesses and the amounts they can charge their customers. The volatility of the wholesale natural gas market results in fluctuations from period to period in the recorded levels of, among other items, revenues and natural gas cost expense and has no direct effect on operating margin. As these costs are included in operating revenues and operating expenses and management does not have any control over these amounts, management believes that operating margin is a more useful measure. In addition, it is management's belief that operating margin and the remaining operating expenses are more useful measures in assessing the Company's and the Utilities' performance because management has more ability to influence these items.

Table of Contents

THREE MONTHS ENDED JUNE 30, 2015
LACLEDE GROUP
Net Income and Net Economic Earnings
Reconciliation of the Company's Net Economic Earnings to the most comparable GAAP measure, Net Income, is as follows:

($ Millions, except per share amounts)	Gas Utility	Gas Marketing	Other	Consolidated	Per Diluted Share **
Three Months Ended June 30, 2015					
Net Income (Loss) (GAAP)	$20.7	$1.0	$(7.6)	$14.1	$0.32
Unrealized (gain) loss on energy-related derivatives*	0.1	(1.8)	—	(1.7)	(0.04)
Lower of cost or market inventory adjustments*	—	(0.2)	—	(0.2)	(0.01)
Realized loss on economic hedges prior to the sale of the physical commodity*	—	1.5	—	1.5	0.04
Acquisition, divestiture and restructuring activities*	0.4	—	1.7	2.1	0.05
Gain on sale of property*	(4.7)	—	—	(4.7)	(0.11)
Net Economic Earnings (Loss) (Non-GAAP)	$16.5	$0.5	$(5.9)	$11.1	$0.25
Three Months Ended June 30, 2014					
Net Income (Loss) (GAAP)	$12.1	$3.0	$(3.4)	$11.7	$0.33
Unrealized gain on energy-related derivatives*	—	(1.0)	—	(1.0)	(0.02)
Lower of cost or market inventory adjustments*	—	(0.1)	—	(0.1)	—
Acquisition, divestiture and restructuring activities*	1.2	—	2.7	3.9	0.10