

LACLEDE GAS CO
Form S-3
March 20, 2007
Table of Contents

As filed with the Securities and Exchange Commission on March 20, 2007.

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

Under

The Securities Act Of 1933

LACLEDE GAS COMPANY

(Exact name of registrant as specified in its charter)

Missouri
(State or other jurisdiction of incorporation or organization)

43-0368139
(I.R.S. Employer Identification Number)

Douglas H. Yaeger, Mark C. Darrell, Mary C. Kullman

720 Olive Street

St. Louis, MO 63101

(314) 342-0500

(Names, address, including zip code, and telephone number, including area code, of agents for service

and address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of the registration statement as determined by market conditions and other factors.

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If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
First Mortgage Bonds		
Unsecured Debt Securities		
Preferred Stock		
Total	\$350,000,000	\$10,745

(1) There are being registered hereunder such presently indeterminate offering price of First Mortgage Bonds, Unsecured Debt Securities and Preferred Stock with an aggregate initial offering price not to exceed \$350,000,000. Pursuant to Rule 457(o) under the Securities Act of 1933, and General Instruction II.D. of Form S-3, which permits the registration fee to be calculated on the basis of the maximum aggregate offering price of all the securities listed, the table does not specify by each class information as to the amount to be registered, proposed maximum offering price per unit or proposed maximum aggregate offering price.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).

(3) Prior to the filing of this registration statement, \$65,000,000 aggregate offering price of securities remained registered and unsold, pursuant to Registration Statement No. 333-40362, which was initially filed by the registrant on June 29, 2000. Pursuant to Rule 457(p) the registration fee of \$17,160 associated with such unsold securities has been offset against the registration fee of \$10,745 associated with the securities to be registered hereby and such unsold securities are hereby deregistered.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS

(SUBJECT TO COMPLETION, DATED MARCH 20, 2007)

\$350,000,000

LACLEDE GAS COMPANY

First Mortgage Bonds

Unsecured Debt Securities

Preferred Stock

Laclede Gas Company intends to offer these securities from time to time, in one or more series, with an aggregate offering price not to exceed \$350,000,000.

This prospectus contains summaries of the general terms of these securities. We will describe the specific terms and prices of the securities, and the manner in which they are being offered, in more detail in one or more supplements to this prospectus, which will be distributed at the time the securities are offered. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

This prospectus may not be used to consummate sales of any of these securities unless accompanied by a prospectus supplement.

Each prospectus supplement offering any securities will state whether those securities are listed or will be listed on any national securities exchange.

We may sell the securities to or through underwriters, dealers or agents, directly to purchasers, or through a combination of these methods. Each prospectus supplement will provide information regarding the plan of distribution relating to each series of securities. See Plan of Distribution.

See **Risk Factors** to read about certain factors you should consider before purchasing any of the securities being offered.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March , 2007.

Table of Contents

TABLE OF CONTENTS

	PAGE
<u>Risk Factors</u>	1
<u>Laclede Gas Company</u>	1
<u>Where You Can Find More Information</u>	1
<u>Use of Proceeds</u>	2
<u>Ratios of Earnings to Fixed Charges</u>	3
<u>Description of First Mortgage Bonds</u>	3
<u>Description of Unsecured Debt Securities</u>	9
<u>Description of Preferred Stock</u>	16
<u>Book Entry Securities</u>	19
<u>Plan of Distribution</u>	21
<u>Legal Matters</u>	23
<u>Experts</u>	23

ABOUT THIS PROSPECTUS

This prospectus is provided by Laclede Gas Company. In this prospectus, Laclede Gas Company is sometimes referred to by the terms we, us, and our.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, using a shelf registration process. Under this shelf registration process, we may issue and sell any of the securities described in this prospectus in one or more offerings with a maximum aggregate offering price of up to \$350,000,000. We are required to obtain the authorization of the Missouri Public Service Commission before we can sell or issue these securities and use the proceeds of any sales other than as currently authorized.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. Any prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement. The registration statement we filed with the SEC includes exhibits that provide more detail on descriptions of matters discussed in this prospectus. You should read this prospectus and the related exhibits filed with the SEC and any prospectus supplement together with additional information that may be incorporated by reference as described under the heading Where You Can Find More Information.

Table of Contents

RISK FACTORS

Investing in securities involves risks. You should carefully review all the information we have included or incorporated by reference in this prospectus or any prospectus supplement before deciding to invest. See *Where You Can Find More Information* below. In particular, you should carefully consider the risks and uncertainties discussed in our annual report on Form 10-K for the year ended September 30, 2006, incorporated by reference herein, in Item 1A *Risk Factors* and in Part I under *Forward Looking Statements* (all of which may be updated in future filings we make with the SEC as described under *Where You Can Find More Information*). In addition, you should carefully consider the risks and uncertainties discussed in the applicable prospectus supplement that relates to the securities offered thereby. These risks are not the only ones facing our company. There may be additional risks and uncertainties that we presently do not know or that we currently believe are immaterial that could also impair our business or financial condition. Any of these risks and uncertainties, either alone or taken together, could materially and adversely affect our business, financial condition or operating results.

LACLEDE GAS COMPANY

We are the largest natural gas distribution utility in Missouri, founded in 1857 as The Laclede Gas Light Company. We serve over 630,000 residential, commercial and industrial customers in metropolitan St. Louis and surrounding counties in eastern Missouri. Our utility operations are subject to the jurisdiction of the Missouri Public Service Commission. Generally, we sell gas for househeating, certain other household uses, and we sell and transport gas for commercial and industrial space heating and other industrial uses. We employed 1,874 persons at September 30, 2006.

For the year ended September 30, 2006, we had utility operating revenues of \$1.141 billion, approximately 60% of which came from sales to residential customers and 25% from sales to commercial and industrial customers. The balance of our utility operating revenues are primarily attributable to our on-system transportation services and our off-system sales, and capacity release services. Due to the seasonal nature of our business, earnings are typically concentrated in the first six months of the fiscal year, which generally corresponds with the heating season. We are a wholly-owned subsidiary of The Laclede Group, Inc. (NYSE:LG), a holding company, and we contributed approximately 57% of The Laclede Group's consolidated revenues for the year ended September 30, 2006.

Our principal executive offices are located at 720 Olive Street, St. Louis, Missouri 63101, and our telephone number is (314) 342-0500.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission. These SEC filings are available over the Internet at the SEC's web site at <http://www.sec.gov> or on our own website at <http://www.lacledegas.com>. The other information on our website is not incorporated by reference in or otherwise part of this prospectus and you should not rely upon such information. You may also read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the public reference rooms and their copy charges.

In connection with this offering, we have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933 covering the securities. As permitted by SEC rules, this prospectus omits certain information included in the registration statement. For a more complete understanding of the securities we may offer, you should refer to the registration statement, including its exhibits.

The SEC allows us to incorporate by reference into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus and any prospectus supplement. The annual and quarterly reports listed below have been filed with the SEC on a combined basis by us and our parent, The Laclede Group, but we are only incorporating the information that relates to

Table of Contents

us, not the information that relates to The Laclede Group or its other affiliates. We are incorporating by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than information furnished pursuant to Items 2.02 and 7.01 of Form 8-K and any related exhibits). Those future filings, if any, will update, supersede and replace the information contained in any documents incorporated by reference in this prospectus at the time of the future filings.

SEC Filings	Period/Date
Annual Report on Form 10-K	Year ended September 30, 2006
Quarterly Report on Form 10-Q	Quarter ended December 31, 2006

You may obtain copies of these filings from our website referred to above or request copies of these filings, at no cost, by writing or telephoning us at the following address:

Corporate Secretary
Laclede Gas Company
720 Olive Street, 15th Floor
St. Louis, Missouri 63101
(314) 342-0531

You should rely only on the information contained, or incorporated by reference, in this prospectus and any accompanying prospectus supplement. We have not authorized anyone else to provide you with different information. Neither this prospectus nor any accompanying prospectus supplement is an offer to sell securities and it is not soliciting an offer to buy securities in any jurisdiction in which the offer or sale is not permitted. You should not assume that the information incorporated in this prospectus or any accompanying prospectus supplement is accurate as of any date other than the date on the front of such documents.

USE OF PROCEEDS

Unless we state otherwise in any applicable prospectus supplement, we may use the net proceeds from any sale of the offered securities:

- to redeem, repurchase, repay or retire outstanding indebtedness;
- to finance our working capital and capital expenditure needs;
- to finance strategic investments in or future acquisitions of other entities or their assets; and
- for other general corporate purposes.

We may set forth additional information on the use of net proceeds from a particular offering of securities in the prospectus supplement relating to that offering.

Table of Contents**RATIOS OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratios of earnings to fixed charges for the respective periods indicated:

	Twelve Months					
	Ended					
	December 31, 2006	Fiscal Years Ended September 30,				
		2006	2005	2004	2003	2002
Ratio of earnings to fixed charges (1)	1.99	2.17	2.62	2.89	3.15	2.22

- (1) For purposes of computing the ratios of earnings to fixed charges, earnings represent income from continuing operations plus applicable income taxes and fixed charges. Fixed charges include all interest expense and the portion of rent expense deemed representative of the interest factor.

DESCRIPTION OF FIRST MORTGAGE BONDS**General**

The following description sets forth certain general terms and provisions of first mortgage bonds that we may offer by this prospectus. We may issue first mortgage bonds from time to time in one or more series. Each series of first mortgage bonds will be issued under our Mortgage and Deed of Trust, dated as of February 1, 1945, to UMB Bank & Trust Company, n.a., successor trustee, as amended and supplemented by supplemental indentures and as may be further amended and supplemented from time to time, collectively referred to as our mortgage. Our mortgage is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part, and you should read our mortgage for provisions that may be important to you. Our mortgage has been qualified under the Trust Indenture Act of 1939.

The prospectus supplement relating to any series of first mortgage bonds being offered will include specific terms of that offering, including:

the date or dates on which the principal of the first mortgage bonds will be payable and how it will be paid;

the rate or rates at which the first mortgage bonds will bear interest;

the date or dates from which interest on the first mortgage bonds will accrue, the interest payment dates on which interest will be paid, and the record dates for interest payments;

the place for payment and for the registration and transfer of the first mortgage bonds;

any date or dates on which, and the price or prices at which, the first mortgage bonds may be redeemed at our option and any restrictions on such redemption;

any sinking fund or other provisions or options held by holders of first mortgage bonds that would obligate us to repurchase or otherwise redeem the first mortgage bonds; and

any other terms of the first mortgage bonds not inconsistent with terms of our mortgage.

Unless otherwise indicated in the prospectus supplement, the first mortgage bonds will be issued in denominations of \$1,000 and integral multiples thereof. At December 31, 2006, we had outstanding \$350 million in first mortgage bonds issued under our mortgage.

Table of Contents

Payment and Paying Agent

Principal, interest and any premium on first mortgage bonds issued in the form of global securities will be paid as described below in Book-Entry Securities.

Unless otherwise specified in the applicable prospectus supplement, interest on the first mortgage bonds payable on the applicable interest payment date will be paid to the person in whose name the first mortgage bond is registered at the close of business on the record date for the interest payment date. However, if we default in the payment of interest on any first mortgage bond, the defaulted interest will be paid to the person in whose name the first mortgage bond is registered on the date of payment of such defaulted interest.

Unless otherwise specified in the applicable prospectus supplement, principal, interest and any premium on first mortgage bonds in certificated form will be payable at the corporate trust office of the trustee in The City of New York as paying agent for us, or we may direct payment of interest by checks mailed to the registered owners of the first mortgage bonds. We may change the place of payment on the first mortgage bonds, may appoint one or more additional paying agents (including us) and may remove any paying agent, all at our discretion.

Registration and Transfer

Unless otherwise indicated in the applicable prospectus supplement, first mortgage bonds will initially be issued in the form of one or more global securities, registered in form, without coupons, as described under Book-Entry Securities. The global securities will be registered in the name of a nominee of The Depository Trust Company, as depository, and deposited with, or on behalf of, the depository. Except as described under Book-Entry Securities, owners of beneficial interests in a global security will not be entitled to have first mortgage bonds registered in their names, will not be entitled to receive physical delivery of any first mortgage bonds and will not be considered the registered holders of the bonds under our mortgage. First mortgage bonds may be exchanged for other first mortgage bonds of the same series in any authorized denominations for a like aggregate principal amount. Our mortgage allows us at our option to charge up to two dollars per first mortgage bond for a transfer or exchange as well as a sum sufficient to cover any applicable taxes or other governmental charges in either case. However, we are not required to make transfers or exchanges of first mortgage bonds:

for a period of ten days prior to an interest payment date;

for a period of fifteen days prior to the selection of first mortgage bonds for redemption; or

of any first mortgage bonds called or selected for redemption in full.

Security

Our mortgage creates a continuing lien to secure the payment of the principal of, and interest and any premium on, all first mortgage bonds issued under our mortgage, which are in all respects equally and ratably secured without preference, priority or distinction. The lien of our mortgage covers substantially all of our properties (real, personal and mixed) and franchises, whether now owned or hereafter acquired, other than cash, shares of stock, obligations (including bonds, notes and other securities), property acquired for the purpose of sale or resale in the usual course of business or for consumption in the operation of our properties, construction equipment acquired for temporary use, vehicles and automobiles, and all judgments, accounts and choses in action.

Our mortgage allows certain permitted liens and encumbrances:

restrictions, exceptions and reservations of easements, rights of way or otherwise contained in any and all deeds and/or other conveyances under or through which we claim title thereto;

Table of Contents

with respect to property acquired since the execution of our mortgage, all defects and limitations of title and all other encumbrances existing at the time of such acquisition, including any purchase money mortgage or lien created at the time of acquisition;

defects of title with respect to certain real estate of minor importance acquired by us since 1945;

liens and deeds of trust on our leasehold estate at our general offices; and

excepted encumbrances as defined in our mortgage.

Satisfaction and Discharge

We will be discharged from our obligations on the first mortgage bonds, or any portion of the principal amount of the first mortgage bonds, if we irrevocably deposit with the trustee sufficient cash to pay the principal, or portion of principal, interest and any other sums when due on the first mortgage bonds at their maturity, stated maturity date or redemption.

Our mortgage will be deemed satisfied and discharged when no first mortgage bonds issued under our mortgage remain outstanding and when we have paid all other sums payable by us under our mortgage.

Consolidation, Merger and Sale of Assets

Our mortgage does not prevent our consolidation with or merger into another corporation or our sale or lease of all or substantially all of the mortgaged property to a corporation provided:

we effect the transaction so as to preserve and not impair the lien of our mortgage;

any lease is subject to immediate termination by (a) us or the trustee at any time during a completed default under our mortgage or (b) a purchaser of the property at a sale under our mortgage; and

the payment of the principal and interest of all first mortgage bonds issued under our mortgage and the performance and observance of all of our covenants and conditions in our mortgage are expressly assumed by the successor corporation.

The successor corporation may exercise our same powers and rights under our mortgage. Our mortgage will not become a lien upon any of the property or franchises of the successor corporation, except:

property which the successor corporation may acquire or construct which becomes an integral part of the property covered by our mortgage;

property used by the successor corporation as the basis under our mortgage for the issuance of first mortgage bonds; or

franchises, repairs and additional property as may be acquired, made or constructed by the successor corporation (a) to maintain, renew and preserve the mortgaged property or (b) in pursuance of some covenant or agreement under our mortgage.

Our mortgage does not restrict transactions in which we are the surviving entity.

Eminent Domain Provision

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If any governmental body or agency exercises any right that it may have through eminent domain or otherwise to purchase or designate a purchaser of all or substantially all of the mortgaged property, or if we sell all or substantially all of the mortgaged property to any governmental body or agency, then we shall have the right to redeem all first mortgage bonds outstanding under our mortgage. The first mortgage bonds would be redeemed at their principal amounts plus accrued interest to the date of redemption together with any premiums as may be required. We covenant that in any of such events we will deposit with the trustee an amount in cash as needed so that all moneys then held by the trustee shall be sufficient to redeem all first mortgage bonds outstanding under our mortgage. The trustee will then take such steps as may be necessary

Table of Contents

to effect the redemption. The trustee will use the deposited moneys for the redemption. If we fail to take any steps necessary to effect the prompt redemption of the first mortgage bonds, the trustee shall have the power, in our name or otherwise, to take such steps. The trustee, however, is under no obligation to take any such steps unless the amount of cash on deposit with the trustee shall be sufficient to effect the redemption.

Dividend Restriction Covenant

Our mortgage contains several restrictions on our ability to pay dividends on our common stock. Under the most restrictive of these provisions, we may not declare or pay any dividend if, after the dividend, the aggregate net amount spent for all dividends after September 30, 1953 would exceed a maximum amount determined by using a formula in our mortgage, which is described below. This provision does not, however, restrict dividends paid in the form of our common stock. In addition, the amount we have spent on the acquisition or retirement of our common stock since that date is added to, and the amount received from the issuance of new stock is deducted from, the aggregate amount spent for dividends. Under our mortgage's formula, the maximum amount is the sum of \$8 million plus our earnings applicable to common stock (adjusted for stock repurchases and issuances) for the period from September 30, 1953, to the last day of the quarter before the declarations or payment date for the dividend. As of December 31, 2006, the amount under our mortgage's formula that was available to pay dividends was \$266 million.

Issuance of Additional First Mortgage Bonds

The aggregate amount of first mortgage bonds that may be issued under our mortgage is unlimited. Our board of directors shall determine, for each series of first mortgage bonds, denominations, maturity, interest rate, redemption or sinking fund provisions, and other terms. Sinking fund, redemption or maintenance and improvement fund provisions for first mortgage bonds of one series may be inapplicable to first mortgage bonds of another series.

Our mortgage permits the three different types of issuances of additional first mortgage bonds: (1) on the basis of unfunded property additions not subject to a prior lien, in a principal amount not exceeding 60% of the cost or fair value thereof, whichever is less; (2) on the basis of retired first mortgage bonds previously outstanding and not made the basis of certain credits under other provisions of our mortgage; and (3) on the basis of cash deposited with the trustee, which we may later withdraw after substituting either property additions or retired first mortgage bonds.

At December 31, 2006, approximately \$255 million principal amount of first mortgage bonds was issuable under clause (1) above and approximately \$60 million principal amount of first mortgage bonds was issuable under clause (2) above.

Notwithstanding the foregoing, additional first mortgage bonds generally may not be issued unless our net earnings for 12 consecutive months within the 15 months preceding such issuance is equal to or greater than twice the annual interest charges on all first mortgage bonds and prior lien bonds then outstanding and then being issued. We do not need to comply with the earnings test under clause (2) above if the interest attributable to the retired bonds was included in a net earnings certificate delivered to the trustee and the interest rate on the new first mortgage bonds is less than the interest rate of the retired bonds.

Release and Substitution of Property

Unless we are in default under our mortgage, property may be released against cash or, to a limited extent, purchase money mortgages, property additions, and the waiver of the right to issue first mortgage bonds. Any cash deposited may be withdrawn upon the basis of property additions and the waiver of the right to issue first mortgage bonds on the basis of property additions. Our mortgage contains special provisions with respect to pledged prior lien bonds.

Table of Contents

Events of Default and Remedies

A completed default under our mortgage means any of the following:

failure to pay the principal of any first mortgage bond when due, whether at its stated maturity or by declaration, redemption or otherwise;

failure to pay interest on any first mortgage bond within 60 days of when it is due;

failure to pay any interest on or principal of any outstanding prior lien bonds with any applicable grace period;

certain events involving our bankruptcy, insolvency or reorganization for a period of 90 days or more or our written admission of our inability to pay our debts generally as they mature; or

failure to perform any covenant, agreement or condition in our mortgage within 90 days of notice thereof to us from the trustee.

Our mortgage provides that if a completed default happens, the trustee may, and upon written request of the holders of a majority in principal amount of the first mortgage bonds then outstanding will, declare the principal and accrued interest then owing immediately due and payable. However, after that declaration but before any sale under that declaration, the holders of a majority in principal amount of all outstanding first mortgage bonds may, under certain circumstances, rescind and annul the declaration if all agreements with respect to the completed default have been fully performed and all interest in arrears and expenses and charges have been paid. Upon the occurrence of a completed default, the trustee may take possession of, manage, and operate the property. In addition, the trustee may sell all of the property, or those parcels as the holders of a majority in principal amount of the first mortgage bonds outstanding may determine.

Subject to the provisions of our mortgage relating to the duties of the trustee, if an event of a completed default occurs and continues, the trustee is under no obligation to exercise any of its rights or powers under our mortgage unless the holders of a majority in principal amount of the first mortgage bonds then outstanding have requested the trustee to take action and have adequately indemnified the trustee. In addition, the holders of a majority in principal amount of the first mortgage bonds then outstanding have the right to direct the time, method, and place of conducting any proceedings for any remedy available to the trustee and to exercise any trust or power conferred on the trustee.

Our mortgage provides that the trustee, within 90 days after the occurrence of a completed default, will give notice to the holders of the default, unless the default is cured before the giving of the notice. In the case of a default in the payment of the principal of or interest on any of the first mortgage bonds, however, the trustee is protected in withholding notice if it determines in good faith that the withholding of the notice is in the interest of the holders of first mortgage bonds.

Holders of first mortgage bonds have no right to institute any suit, action or proceeding in equity or at law for the foreclosure of our mortgage, for the execution of any trust, for the appointment of a receiver or any other remedy unless:

prior notice is given to the trustee of a completed default;

holders of at least 25% of the first mortgage bonds then outstanding request the trustee, and offer it reasonable opportunity, to proceed;

offer the trustee adequate security and indemnity; and

the trustee within 60 days of the notice fails or refuses to institute such action.

Table of Contents

Our mortgage also provides that a court in its discretion may require, in any suit to enforce any provision of our mortgage or against the trustee, the filing by the party filing the suit of an undertaking to pay the costs of the suit. The court may also assess reasonable costs including attorneys fees against any party to the suit. These provisions do not apply, however, to a suit filed by the trustee or any bondholder for the payment of principal or interest on any first mortgage bond on or after the stated due date of the first mortgage bond.

Compliance Certificates

We are required to furnish annually to the trustee a certificate as to compliance with all conditions and covenants under our mortgage. We must provide similar certificates to the trustee upon each release of property from the lien of our mortgage and upon each issuance of additional first mortgage bonds. Further, our mortgage requires us to deliver a similar certificate to the trustee each time we declare a dividend, make any other payment or distribution on our capital stock, or purchase, redeem, acquire or retire any shares of our capital stock.

Trustee

UMB Bank & Trust, n.a., is the trustee under our mortgage. UMB Bank, n.a., an affiliate of the trustee, serves as transfer agent for our preferred stock, transfer agent for our parent company's common stock, rights agent for our parent company's preferred share purchase rights, and plan agent for our parent company's dividend reinvestment and stock purchase plan. Our parent also has a line of credit from UMB Bank, n.a., and we have also recently had, and may from time to time in the future have, lines of credit from UMB Bank, n.a.

Modification of Mortgage

Our mortgage contains provisions permitting modification of our mortgage by consent of the holders of two-thirds in principal amount of all first mortgage bonds whose rights are affected by such modification. However, no modification may:

extend the maturity of the principal of any first mortgage bonds,

reduce the rate of interest on any first mortgage bond,

modify any other term of payment of principal and interest,

deprive to any holder of a first mortgage bond the mortgage lien,

create a lien on the mortgaged property ranking equal or prior to the mortgage lien; or

reduce the percentage required for modification,

without the consent of any holder of first mortgage bonds affected by the modification. Holders of at least three-fourths in principal of the first mortgage bonds outstanding (including first mortgage bonds offered by this prospectus), however, may consent to the postponement of any interest payment for a period not exceeding three years from its due date.

Reservation of Rights

In the supplemental indentures for our first mortgage bonds issued on or after June 9, 2006, we have reserved the right to amend or supplement our mortgage without any consent or other action of the holders of any series of first mortgage bonds created on or after June 9, 2006, for any of the following purposes:

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to correct or amplify the description of property subject to the lien of our mortgage, to better assure, convey and confirm to the trustee any property required to be subject to our mortgage or to subject additional property to the lien of our mortgage; and

to change or eliminate any provision of our mortgage or to add any new provision to our mortgage provided that the change, elimination or addition must not adversely affect the interests of the holders of the first mortgage bonds of any series.

Table of Contents

We have also provided that our mortgage shall be deemed to be amended to comply with the Trust Indenture Act of 1939, as in effect from time to time.

Maintenance and Improvement Fund

First mortgage bonds issued on and after June 9, 2006 will not be entitled to the benefits of a maintenance and improvement fund. However, so long as the outstanding series of first mortgage bonds created prior to June 9, 2006 remain outstanding, we will be required to comply with the maintenance and improvement fund requirements. Those requirements include paying annually to the trustee cash equal to 2³/₄% of the average amount of our gross property account less certain credits. These credits consist of:

credit for ordinary maintenance and repairs to the mortgaged property in the calendar year in question;

credit for expenditures since August 31, 1942 for property additions that have not been made the basis for the issuance of first mortgage bonds, for a prior credit or as to which the right to have first mortgage bonds authenticated has been waived (this credit is limited to the cost of mortgaged property retired subsequent to August 31, 1942);

credit for property additions that could be the basis for the issuance of first mortgage bonds, but which first mortgage bonds have not yet been issued;

credit for outstanding first mortgage bonds surrendered to the trustee for cancellation; and

credit up to \$2,000,000 for the payment of certain debentures that were issued in 1945 and have now been paid.

If the credits taken exceed the amount of the annual payment that would otherwise be required, the excess credits may be carried forward from year to year. We may choose to use these excess credits or to deposit cash into the fund. Any cash so deposited may be withdrawn on the basis of those credits or used to redeem first mortgage bonds. Any cash not so withdrawn or used within three years from the receipt thereof by the trustee shall be used by the trustee to redeem first mortgage bonds. The credit balance that is shown on the most recent certificate, which was filed in 2006 for the calendar year 2005 and may, therefore, be carried forward, is \$88,959,227.

DESCRIPTION OF UNSECURED DEBT SECURITIES

General

The following description sets forth certain general terms and provisions of unsecured debt securities that we may offer by this prospectus. We may issue debt securities from time to time in one or more series. Each series of debt securities will be issued under our indenture between us and the trustee. The form of our indenture is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part, and you should read our indenture for provisions that may be important to you. Our indenture will be qualified under the Trust Indenture Act of 1939.

The debt securities will be our direct senior, unsecured and unsubordinated general obligations. The debt securities will rank equally with any of our other senior, unsecured and unsubordinated debt. As of December 31, 2006, we had \$257 million of short-term unsecured debt outstanding, all in the form of commercial paper, and \$350 million of first mortgage bonds issued and outstanding under our mortgage. Our indenture does not restrict our ability to issue additional first mortgage bonds under our mortgage.

The prospectus supplement relating to any series of debt securities being offered will include specific terms relating to that offering, including:

the title of the debt securities;

the total principal amount of the debt securities;

Table of Contents

the date or dates on which the principal of the debt securities will be payable and how it will be paid;

the rate or rates at which the debt securities will bear interest, or how such rate or rates will be determined;

the date or dates from which interest on the debt securities will accrue, the interest payment dates on which interest will be paid, and the record dates for interest payments;

any right to extend the interest payment periods for the debt securities and the duration of the extension;

the percentage, if less than 100%, of the principal amount of the debt securities that will be payable if the maturity of the debt securities is accelerated;

any date or dates on which, and the price or prices at which, the debt securities may be redeemed at our option and any restrictions on such redemptions;

any sinking fund or other provisions or options held by holders of debt securities that would obligate us to repurchase or otherwise redeem the debt securities;

any changes or additions to the events of default under our indenture or changes or additions to our covenants under our indenture;

if the debt securities will be issued in denominations other than \$1,000;

if payments on the debt securities may be made in a currency or currencies other than United States dollars;

any convertible feature or options regarding the debt securities;

any rights or duties of another person to assume our obligations with respect to the debt securities;

any collateral, security, assurance or guarantee for the debt securities; and

any other terms of the debt securities not inconsistent with terms of our indenture.

Our indenture does not limit the principal amount of debt securities that may be issued. Our indenture allows debt securities to be issued up to the principal amount that may be authorized by us.

Debt securities may be sold at a discount below their principal amount. United States federal income tax considerations applicable to debt securities sold at an original issue discount may be described in the prospectus supplement. In addition, certain United States federal income tax or other considerations applicable to any debt securities that are denominated or payable in a currency or currency unit other than United States dollars may be described in the prospectus supplement.

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Except as may otherwise be described in the prospectus supplement, the covenants contained in our indenture will not afford holders of debt securities protection in the event of a highly leveraged or similar transaction involving us or in the event of a change of control.

Payment and Paying Agents

Except as may be provided in the prospectus supplement, interest, if any, on each debt security payable on each interest payment date will be paid to the person in whose name such debt security is registered as of the close of business on the regular record date for the interest payment date. However, interest payable at maturity will be paid to the person to whom the principal is paid. If there has been a default in the payment of interest on any debt security, the defaulted interest may be paid to the holder of such debt security as of the close of business on a date to be fixed by the trustee, which will be between 10

Table of Contents

and 15 days prior to the date proposed by us for payment of such defaulted interest or in any other manner permitted by any securities exchange on which such debt security may be listed, if the trustee finds it practicable.

Unless otherwise specified in the prospectus supplement, principal of, and premium, if any, and interest, if any, on the debt securities at maturity will be payable upon presentation of the debt securities at the trustee's corporate trust office. We may change the place of payment on the debt securities, may appoint one or more additional paying agents (including us) and may remove any paying agent, all at our discretion.

Registration and Transfer

Unless otherwise specified in the prospectus supplement, the transfer of debt securities may be registered, and debt securities may be exchanged for other debt securities of the same series or tranche, of authorized denominations and with the same terms and principal amount, at the trustee's corporate trust office. We may change the place for registration of transfer and exchange of the debt securities and may designate additional places for such registration and exchange. Unless otherwise provided in the prospectus supplement, no service charge will be made for any transfer or exchange of the debt securities. However, we may require payment to cover any tax or other governmental charge that may be imposed. We will not be required to execute or to provide for the registration of transfer of, or the exchange of, (a) any debt security during a period of 15 days prior to giving any notice of redemption or (b) any debt security selected for redemption except the unredeemed portion of any debt security being redeemed in part.

Defeasance and Discharge

Unless the applicable prospectus supplement states otherwise, the indenture, with respect to any and all series of debt securities, will be discharged and canceled (except for certain specified surviving obligations) if, among other things, we pay, in full, the principal of (and premium, if any) and interest on all series of the debt securities and all other sums required under the indenture and we deliver a certificate to the trustee stating that we have complied with all conditions precedent relating to the satisfaction and discharge of the indenture.

In addition, we may at any time terminate certain of our obligations under the indenture with respect to the debt securities of any series or terminate our obligations under certain covenants set forth in the indenture (after which any omission to comply with such obligations shall not constitute a default with respect to the debt securities) if we irrevocably deposit in trust with the trustee for the debt securities, for the benefit of the holders, cash or United States government obligations, or a combination thereof, in such amounts as will be sufficient to pay the principal of and premium and interest, if any, on the dates such payments are due in accordance with the terms of the indenture and the debt securities; provided that such funds shall have been on deposit with such trustee for a period of at least 90 days, or such trustee shall have received an opinion of counsel to the effect that payments to holders with such monies as proceeds are not recoverable as a preference under any applicable United States federal or state law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization or relief of debtors. We must also comply with certain other conditions, including (under certain circumstances) the delivery of an opinion of counsel to the effect that the holder of the debt securities will not realize income, gain or loss for federal income tax purposes as a result of such defeasance. The opinion of counsel may be required to be accompanied by a ruling of the Internal Revenue Service issued to us or based on a change in law or regulation occurring after the date of the indenture.

Consolidation, Merger, and Sale of Assets

Under the terms of our indenture, we may not consolidate with or merge into any other entity or convey, transfer or lease our properties and assets substantially as an entirety to any entity, unless:

the surviving or successor entity is organized and validly existing under the laws of any domestic jurisdiction and it expressly assumes our obligations on all debt securities and under our indenture;

Table of Contents

immediately after giving effect to the transaction, no event of default and no event which, after notice or lapse of time or both, would become an event of default shall have occurred and be continuing; and

we shall have delivered to the trustee an officer's certificate and an opinion of counsel as to compliance with the foregoing. The terms of our indenture do not restrict us in a merger in which we are the surviving entity.

Events of Default

Event of default when used in our indenture with respect to any series of debt securities, means any of the following:

failure to pay interest, if any, on any debt security of the applicable series for 60 days after it is due;

failure to pay the principal of or premium, if any, on any debt security of the applicable series within three business days after its maturity;

failure to perform any other covenant in our indenture, other than a covenant that does not relate to that series of debt securities, that continues for 90 days after we receive written notice from the trustee, or we and the trustee receive a written notice from 33% of the holders of the debt securities of that series; however, the trustee or the trustee and the holders of such principal amount of debt securities of this series can agree to an extension of the 90- day period and that an agreement to extend will be automatically deemed to occur if we are diligently pursuing action to correct the default;

certain events involving our bankruptcy, insolvency or reorganization; or

any other event of default included in any supplemental indenture or officer's certificate for a specific series of debt securities.

The trustee may withhold notice to the holders of debt securities of any default, except default in the payment of principal, premium or interest, if it considers such withholding of notice to be in the interests of the holders. An event of default for a particular series of debt securities does not necessarily constitute an event of default for any other series of debt securities issued under our indenture.

Remedies

If an event of default with respect to fewer than all the series of debt securities occurs and continues, either the trustee or the holders of at least 33% in principal amount of the debt securities of such series may declare the entire principal amount of all the debt securities of such series, together with accrued interest, to be due and payable immediately. However, if the event of default is applicable to all outstanding debt securities under our indenture, only the trustee or holders of at least 33% in principal amount of all outstanding debt securities of all series, voting as one class, and not the holders of any one series, may make such a declaration of acceleration.

At any time after a declaration of acceleration with respect to the debt securities of any series has been made and before a judgment or decree for payment of the money due has been obtained, the event of default giving rise to such declaration of acceleration will be considered waived, and such declaration and its consequences will be considered rescinded and annulled, if:

we have paid or deposited with the trustee a sum sufficient to pay:

all overdue interest, if any, on all debt securities of the series;

the principal of, and premium, if any, on, any debt securities of the series which have otherwise become due and interest, if any, that is currently due;

Table of Contents

interest, if any, on overdue interest; and

all amounts due to the trustee under our indenture; or

any other event of default with respect to the debt securities of that series has been cured or waived as provided in our indenture. There is no automatic acceleration, even in the event of our bankruptcy, insolvency or reorganization.

Other than its duties in case of an event of default, the trustee is not obligated to exercise any of its rights or powers under our indenture at the request, order or direction of any of the holders, unless the holders offer the trustee a reasonable indemnity. If they provide a reasonable indemnity, the holders of a majority in principal amount of any series of debt securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any power conferred upon the trustee. However, if the event of default relates to more than one series, only the holders of a majority in aggregate principal amount of all affected series will have the right to give this direction. The trustee is not obligated to comply with directions that conflict with law or other provisions of our indenture.

No holder of debt securities of any series will have any right to institute any proceeding under our indenture, or to exercise any remedy under our indenture, unless:

the holder has previously given to the trustee written notice of a continuing event of default;

the holders of a majority in aggregate principal amount of the outstanding debt securities of all series in respect of which an event of default shall have occurred and be continuing have made a written request to the trustee and have off