LACLEDE GROUP INC
Form DEF 14A
December 21, 2007

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [x]
Filed by a Party other than the Registrant [_]

Check the appropriate box:
[_] Preliminary Proxy Statement
[_] Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[x] Definitive Proxy Statement
[_] Definitive Additional Materials
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The Laclede Group, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):
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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Notice of

ANNUAL MEETING OF SHAREHOLDERS

and

PROXY STATEMENT

January 31, 2008

720 Olive Street
St. Louis, MO 63101

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Time	10:00 a.m. central standard time on Thursday, January 31, 2008
Place	Renaissance St. Louis Grand Hotel 800 Washington Avenue St. Louis, Missouri 63101

Items of Business	1.	To elect three members of the Board of Directors to serve for a three-year term.
	2.	To ratify the appointment of Deloitte & Touche LLP as our independent registered public accountant for the 2008 fiscal year.
	3.	To transact such other business as may properly come before the meeting and any adjournment or postponement.
Record Date	You can vote if you are a common shareholder of record on December 3, 2007.	
Annual Report	Our 2007 annual report was delivered with this proxy statement.	

Your vote is important. Whether or not you plan to attend the annual meeting, PLEASE VOTE IN ONE OF THREE WAYS: (1) use the toll-free telephone number shown on your proxy card; (2) visit the website shown on your proxy card to vote via the Internet; or (3) mark, sign, date and promptly return the proxy card in the enclosed, pre-addressed, postage-paid envelope. If your shares are held by a broker, bank or nominee, it is important that you give them your voting instructions.

By the order of the Board of Directors,

MARY CAOLA KULLMAN
Secretary

December 21, 2007

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PROXY STATEMENT
INFORMATION ABOUT THE ANNUAL SHAREHOLDERS MEETING

This proxy statement is furnished to solicit proxies by the Board of Directors of The Laclede Group for use at the annual meeting of its shareholders to be held on January 31, 2008, and at any adjournment or postponement thereof. The meeting will be held at the Renaissance St. Louis Grand Hotel, 800 Washington Avenue, St. Louis, Missouri 63101 at 10:00 a.m. central standard time. **Please note the change in meeting location from prior years.** The Company expects to mail this proxy statement with the annual report for its fiscal year 2007 on or about December 21, 2007.

Annual Meeting Admission

If you are a shareholder of record and plan to attend the annual meeting, please check in with Company representatives at the meeting. If your shares are held by someone else on your behalf, such as a bank or broker, and you plan to attend the meeting, please bring a letter or statement from that firm that shows you were a beneficial holder on December 3, 2007. Please also bring personal identification.

Voting Matters

Your vote is very important.

Holders of record of The Laclede Group common stock at the close of business on December 3, 2007 are entitled to receive this proxy statement and to vote at the meeting. As of that date there were 21,672,110 shares of The Laclede Group common stock outstanding. You are entitled to one vote for each share owned of record on that date.

How you can vote

There are three convenient voting methods for shareholders of record:

Voting by telephone. You can vote your shares by telephone by calling the toll-free telephone number on your proxy card. Telephone voting is available 24 hours a day. If you vote by telephone, you should not return your proxy card. Telephone voting facilities for shareholders of record will close at 11:59 p.m. eastern standard time on January 30, 2008.

Voting by Internet. You can also vote via the Internet. The website for Internet voting is on your proxy card, and voting is available 24 hours a day. If you vote via the Internet, you should not return your proxy card. Internet voting facilities for shareholders of record will close at 11:59 p.m. eastern standard time on January 30, 2008.

Voting by mail. If you choose to vote by mail, mark your proxy card, date and sign it, and return it in the pre-addressed, postage-paid envelope provided.

If you hold your shares through a broker, bank or other holder of record, please follow its directions for providing voting instructions. The availability of telephone or Internet voting will depend on that firm's processes.

If you participate in The Laclede Group dividend reinvestment and stock purchase plan or in the Company Stock Fund of the Laclede Gas Wage Deferral Savings Plan, Salary Deferral Savings Plan, or Missouri Natural Wage Deferral Savings Plan and you do not give voting instructions for shares owned by you through any of these plans, none of your shares held in the plans will be voted. If you participate in the Company Stock Fund of the Employees' Profit Sharing and Salary Deferral Plan of SM&P Utility Resources, Inc. and you do not specify your voting instructions, the trustee of the plan trust will vote your shares in the same proportion as the shares for which voting instructions have been received. To allow sufficient time for voting by the administrators and trustee of the plans, your voting instructions must be received by January 28, 2008.

How you may revoke or change your vote

You may revoke your proxy at any time before it is voted at the meeting by:

- sending timely written notice of revocation to the corporate secretary;
- submitting another timely proxy by telephone, Internet or paper ballot; or
- attending the annual meeting and voting in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy executed in your favor from the holder of record to be able to vote at the meeting.

Other voting matters

All shares that have been properly voted and not revoked will be voted at the annual meeting in accordance with your instructions. If you sign your proxy card but do not give voting instructions, the shares represented by that proxy will be voted by those named in the proxy card in accordance with the recommendations of the Board of Directors.

If any other matters are properly presented at the annual meeting for consideration, the persons named in the enclosed proxy card will have the discretion to vote on those matters for you. As of the printing of this proxy statement, we do not know of any other matter to be raised at the annual meeting.

We hired Broadridge Investor Communications as an independent tabulator of votes to ensure confidentiality of the voting process. However, if you write comments on your proxy card, the comments will be shared with us. We have also hired IVS Associates, Inc. to serve as independent inspector of elections.

How votes are counted and voting requirements

Each share of common stock represents one vote. As provided in The Laclede Groups bylaws, holders of a majority of the shares entitled to vote at the annual meeting, present in person or represented by proxy, will constitute a quorum for the meeting. If a quorum is present, the affirmative vote of a majority of the shares entitled to vote that are present in person or by proxy is required to elect directors (Proposal 1), and to ratify the independent accountants (Proposal 2). Shares represented by proxies that are marked or voted:

- withhold with respect to the election of directors,
- abstain on the ratification of the appointment of the independent registered public accountant, or
- to deny discretionary authority,

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will be counted to determine a quorum but will have the effect of voting against the nominee(s), the ratification of the independent accountant and discretionary authority. If a broker indicates that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered present.

If you hold your shares through a broker, your shares may be voted even if you do not vote or attend the annual meeting on some of the proposals. Under the rules of The New York Stock Exchange, member brokers who do not receive instructions from beneficial owners will be allowed to vote on the election of directors and the ratification of appointment of our independent accountant. Thus, it is important that you provide timely voting instructions to your broker to exercise your voting rights.

Delivery of Proxy Materials and Annual Report

Only one proxy statement, proxy card and annual report for 2007 are being delivered by the Company to multiple shareholders sharing an address, unless the Company receives contrary instructions. The Company will deliver, promptly upon written or oral request, a separate copy of this proxy statement and accompanying materials to shareholders at a shared address to which a single copy was delivered.

A shareholder who wishes to receive a separate copy of this proxy statement, proxy card or the annual report for 2007, now or in the future, or shareholders sharing an address who are receiving multiple copies of proxy materials and wish to receive a single copy of such materials, should submit a request to Investor Services at 314-342-0873, or Investor Services, The Laclede Group, Inc., 720 Olive Street, St. Louis, Missouri 63101.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers to file reports of holdings and transactions in The Laclede Group shares with the Securities and Exchange Commission and The New York Stock Exchange. Based on our records and information, in fiscal year 2007 our directors and executive officers met all applicable Securities and Exchange Commission reporting requirements.

Corporate Governance

Board and Committee Structure

During the 2007 fiscal year, there were seven meetings of our Board of Directors. All directors attended 75% or more of the aggregate number of meetings of the Board and applicable Committee meetings, and all but one director attended the last annual meeting of shareholders.

The standing committees of the Board of Directors include the Audit, Compensation, Corporate Governance, Investment Review and Capital Funds Committees.

The Audit Committee assists the Board of Directors in fulfilling the Board's oversight responsibilities with respect to the quality and integrity of the financial statements, financial reporting process, and systems of internal controls. The Audit Committee also assists the Board in monitoring the independence and performance of the independent registered public accountant, the internal audit department and the operation of ethics programs. At fiscal year end, the Committee members were Mr. Glotzbach as Committee chairman and audit committee financial expert, and Directors Leness, Newberry, Stupp, and Van Lokeren. All Committee members were determined by the Board to be independent and financially literate in accordance with The New York Stock Exchange requirements. The Committee met five times in fiscal year 2007.

The Compensation Committee assists the Board in the discharge of its responsibility relative to the compensation of the Company's executives, reviews and makes recommendations to the Board relative to the Company's incentive compensation and equity-based plans, and makes recommendations to the Board regarding

director compensation. At fiscal year end, the Committee members, all of whom were determined to be independent, were Directors Donald (chairman), Glotzbach, Nasser, and Stupp. The Committee met seven times in fiscal year 2007. There are no Compensation Committee interlocks.

The Corporate Governance Committee considers and makes recommendations to the Board relative to corporate governance and its corporate governance guidelines, assists the Board in identifying individuals qualified to become Board members, assists the Board in the oversight of succession planning for executive officers and approves any related party transactions. The Committee also recommends committee appointments to the full Board. At fiscal year end, the Committee members, all of whom were determined to be independent, were Directors Nasser (chairman), Donald, Glotzbach, and Van Lokeren. The Committee met two times in fiscal year 2007.

The Capital Funds Committee oversees the Company's significant multi-year contributions to charitable and civic organizations. It also establishes certain criteria for the corporate giving program. At fiscal year end, the Committee members were Directors Maritz (chairman), Nasser, Newberry, and Yaeger. The Committee met once in fiscal year 2007.

The Investment Review Committee oversees the investments of the defined benefit qualified pension plans of the Company's subsidiaries. At fiscal year end, the Committee members were Directors Van Lokeren (chair), Glotzbach, Leness, Nasser, Stupp, and Yaeger. The Committee met four times in fiscal year 2007.

Director Independence

The Board of Directors believes that a majority of the directors should be independent and determined that the following members were independent: Donald, Glotzbach, Leness, Maritz, Nasser, Newberry, Stupp, and Van Lokeren. Mr. Yaeger, the Chairman, President and Chief Executive Officer, is the only non-independent member of the Board. In determining the independence of directors, the Board found that none of the directors, other than Mr. Yaeger, has any material relationship with the Company other than as a director. In making these determinations, the Board considers all facts and circumstances as well as certain prescribed standards of independence, which are included with our Corporate Governance Guidelines in the Investor Services portion of our website (www.thelacledegroup.com). The director independence standards adopted by the Board largely reflect The New York Stock Exchange standards except the Board chose to use five-year cooling off periods, which is longer than The New York Stock Exchanges three-year period; further the standards provide that the Board does not consider material Laclede Gas Companys provision of natural gas service to any director or immediate family member of the director or director-related company pursuant to Laclede Gas Companys tariffed rates. While the Board noted that Mr. Leness former employer, Merrill Lynch & Co., Inc., provided investment banking services to the Company in fiscal year 2006, Mr. Leness was not an executive officer or director of Merrill Lynch, received no compensation relative to the investment banking services provided to the Company, and retired from Merrill Lynch on June 30, 2006 prior to joining the Companys Board. As a result, the Board determined Mr. Leness did not have a material interest in the transaction and the transaction did not impair the independence of Mr. Leness.

The independent members of the Board meet in executive session at least quarterly, which sessions are led by Mr. Nasser, the current Lead Director. Each quarter, the Lead Director solicits from other Board members topics for discussion in those sessions. Topics include, from time to time, the performance of the Chief Executive Officer, executive succession planning, executive compensation matters, and the Companys strategy.

All of the members of the Audit, Compensation and Corporate Governance Committees are independent under our director independence standards as well as under the standards of The New York Stock Exchange. Mr. Glotzbach has been determined to be the audit committee financial expert for the Audit Committee and further, Directors Leness, Newberry, Stupp and Van Lokeren, who serve on the Audit Committee, meet the audit committee financial expert requirements.

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Corporate Governance Documents

Our key corporate governance documents include:

- Corporate Governance Guidelines;
- charters of each of the Audit, Compensation, and Corporate Governance Committees;
- Code of Business Conduct;
- Financial Code of Ethics;
- Related Party Transaction Policy and Procedures; and
- Policy Regarding the Approval of Independent Registered Public Accountant Provision of Audit and Non-Audit Services.

All of these documents, other than the Policy Regarding the Approval of Independent Registered Public Accountant Provision of Audit and Non-Audit Services, are available on our website at www.thelacledegroup.com in the investor services section and a copy of any of these documents will be sent to any shareholder upon request.

Corporate Governance Guidelines

The Board generally conducts itself in accordance with its Corporate Governance Guidelines. The Guidelines, among other matters, provide:

- the independent directors may elect a Lead Director,
- each independent director must notify the Corporate Governance Committee Chair and the Chairman of the Board as soon as practicable of any event, situation or condition that may affect the Board's evaluation of his or her independence,
- independent directors will not be paid for consulting, the Company will not retain their firms for consulting or services without approval of the full Board nor will any personal loans or extensions of credit be made by the Company to any director other than on the same terms as loans or credit are available to customers generally,
- a director who materially changes his or her job responsibilities must submit a written offer to resign from the Board, which will then take into account the circumstances at that point in time and take such appropriate action as it deems necessary,
- a director is not eligible for election after reaching age 71,
- directors are responsible for attending Board and Committee meetings as well as the annual meeting of shareholders and expected to attend at a minimum 75% of such meetings,
- the Board and its Committees conduct annual assessments of their performance as well as assessments of the performance of each individual director,
- directors have complete access to management,
- the Board has the ability to retain consultants, experts, and advisors as it deems necessary, at Company expense, and
- encouragement to attend educational programs at Company expense.

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Related Party Transaction Policy and Procedures

We have adopted the Related Party Transaction Policy and Procedures under which our Corporate Governance Committee generally pre-approves transactions involving more than $100,000 with our directors, executive officers, 5% or greater shareholders, and their immediate family members. Based on its consideration of all of the relevant facts and circumstances, the Committee will decide whether or not to approve the transaction and will approve only those transactions that it determines to be in the best interests of the Company. If the Company becomes aware of an existing transaction with a related party that has not been approved under the policy, the matter will be referred to the Committee. The Committee will evaluate all options available including ratification, revision or termination of such transaction. The policy includes certain transactions that are deemed pre-approved because they do not pose a significant risk of a conflict of interest. Such pre-approved transactions include the provision of natural gas service to any of the related parties by our utility subsidiary in accordance with its tariffed rates, transactions entered into pursuant to the competitive bid process, and those transactions at such a level as not to be material to the Company or the related party. There were no related party transactions in fiscal year 2007 requiring Committee action.

Policy Regarding the Approval of Independent Registered Public Accountant Provision of Audit and Non-Audit Services

Consistent with Securities and Exchange Commission requirements regarding accountant independence, the Audit Committee recognizes the importance of maintaining the independence, in fact and appearance, of our independent registered public accountant. To this end, the Audit Committee adopted a policy to pre-approve all audit and permissible non-audit services provided by the independent accountant. Under the policy, the

Committee or its designated member must pre-approve services prior to commencement of the specified service, provided that all fees relative to compliance with Section 404 of the Sarbanes-Oxley Act may only be pre-approved by the Committee. Any pre-approvals by the designated member between meetings will be reported to the Audit Committee at its next meeting. The requests for pre-approval are submitted to the Audit Committee or its designated member, as applicable, by both the independent accountant and the Company's Chief Financial Officer with a joint statement as to whether in their view the request is consistent with the Securities and Exchange Commission's rules on accountant independence. At each Committee meeting, the Audit Committee reviews a report summarizing the services, including fees, provided by the independent accountant; a listing of pre-approved services provided since its last meeting; and a current projection presented similar to that included in this proxy statement, of the estimated annual fees to be paid to the independent accountant.

Correspondence with the Board

Those who desire to communicate with the independent directors should send correspondence addressed to the Lead Director, c/o The Laclede Group, Inc., 720 Olive Street, Room 1517, St. Louis, MO 63101. All appropriate correspondence is forwarded directly to the Lead Director. The Company does not, however, forward spam, sales, marketing or mass mailing materials; product or service complaints or inquiries; new product or service suggestions; resumes and other forms of job inquiries; or surveys. However, any filtered information is available to any director upon request.

Shareholders who wish to recommend nominees to the Corporate Governance Committee should make their submission to the Committee by the September 30 preceding the annual meeting by submitting it to Corporate Governance Committee Chair, c/o The Laclede Group, 720 Olive Street, St. Louis, MO 63101. Candidates properly recommended by shareholders will be evaluated by the Committee using the same criteria as applied to other candidates. While there is no set of specific criteria for nominees, the Corporate Governance Committee generally will consider the appropriate skills and characteristics needed in light of the current make-up of the Board, including an assessment of the experience, diversity, age and skills represented on the Board. Generally, the Committee looks for persons who evidence personal characteristics of the highest personal and professional ethics, integrity and values; an inquiring and independent mind and practical wisdom and mature judgment; and expertise that is useful to the Company and complementary to the background and experience of other Board members. The Company does not typically hire or pay any third party to assist in this process.

Audit Committee Report

The primary function of the Audit Committee is oversight. Management is responsible for the preparation, presentation and integrity of the Company's financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting practices and policies; for establishing internal controls and procedures designed to provide reasonable assurance that the Company is in compliance with accounting standards and applicable laws and regulations; and for assessing the effectiveness of the Company's internal control over financial reporting. The independent registered public accounting firm (the "firm") is responsible for planning and performing an independent audit of the financial statements in accordance with the standards of the Public Company Accounting Oversight Board and to issue a report thereon. The Audit Committee is responsible for overseeing the conduct of these activities by Company management and the firm.

In this context, the Audit Committee has reviewed and discussed the audited financial statements for fiscal year 2007 with management and the firm, Deloitte & Touche LLP. The Committee has also discussed with the firm the matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees) and by the rules of the Public Company Accounting Oversight Board.

Deloitte & Touche LLP has provided the Committee with the written disclosures and letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the committee discussed with the independent registered public accounting firm that firm's independence.

Based on the reviews and discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements referred to above be included in the Annual Report on Form 10-K for the year ended September 30, 2007.

Audit Committee
Edward L. Glotzbach, Chairperson
Anthony V. Leness
Brenda D. Newberry
John P. Stupp, Jr.
Mary Ann Van Lokeren

Fees of Independent Registered Public Accountant

The following table displays the aggregate fees for professional audit services for the audit of the financial statements for the fiscal years ended September 30, 2007 and 2006 and fees billed for other services during those periods by the Company's independent registered public accounting firm, Deloitte & Touche LLP.

	2007	2006
Audit fees	$526,500	$516,250
Audit related fees (1)	60,363	115,115
Tax fees (2)	40,000	36,130
All other fees	-	-
Total	$626,863	$667,495

(1) Audit related fees consisted of audits of employee benefit plans, consents for registration statements, comfort letters and work paper reviews.

(2) Tax fees consisted primarily of assistance with tax compliance and reporting.

The Audit Committee pre-approved all of the fees disclosed for fiscal years 2007 and 2006. The policy regarding the approval of independent registered public accountant provision of audit and non-audit services is described earlier in this proxy statement on page 6.

The Compensation Committee Report follows the Compensation Discussion and Analysis. Disclosures relative to the engagement of a compensation consultant and the role of management in compensation decisions are included in the Compensation Discussion and Analysis.

PROPOSAL 1
ELECTION OF DIRECTORS

The Board of Directors is divided into three classes. Directors Glotzbach, Maritz, and Stupp, whose terms will expire upon the election on January 31, 2008, will stand for reelection for terms expiring in 2011. The persons named in the enclosed proxy card intend to vote proxies FOR the election of the three nominees. If any nominee becomes unavailable for any reason before the meeting, which is not anticipated, the proxies received for that nominee will be voted for a person to be selected by our Board of Directors.

Information about the nominees and directors

Nominees for term expiring in 2011:

Edward L. Glotzbach, 59, became Vice Chairman of Information Services Group in November 2007 when it acquired Technology Partners International, Inc. From December 2004 to November 2007, he served as President and CEO of Technology Partners International, Inc., an organization that assists clients with the evaluation, negotiation, implementation and management of IT and business process sourcing initiatives. From October 2003 to December 2004, he served as Vice President and Chief Financial Officer of the firm. From 1970 to September 2003, he served in many positions with SBC Communications, with his most recent position there being Executive Vice President and Chief Information Officer for six years.

Director since 2005

W. Stephen Maritz, 49, has been Chairman of the Board of Maritz Inc. since February 2001 and Chief Executive Officer since November 1998. Maritz Inc. provides performance improvement, marketing research and travel services on a global basis.

Director since 2000

John P. Stupp, Jr., 57, has been President of Stupp Bros., Inc. since March 2004 and Chief Executive Officer of Stupp Corporation since August 1995. He previously served as Executive Vice President from April 1995 – March 2004 and Chief Operating Officer from April 1996 – March 2004. Stupp Bros., Inc. has two operating divisions: Stupp Bridge Company, a fabricator of steel highway and railroad bridges; and Stupp Corporation, producer of custom-made ERW (electric resistance welded) pipe for gas and oil transmission; and three subsidiaries: Hammert's Iron Works, Inc., a fabricator of structural steel; Bayou Coating LLC, coating applicators for steel line pipe; and Midwest BankCentre, a Missouri bank holding company. He serves as a director of Stupp Bros., Inc. and Atrion Corporation.

Director since 2005

The Board of Directors recommends a vote "FOR" election of these nominees as directors.

Directors with term expiring in 2009:

Arnold W. Donald, 52, is President and Chief Executive Officer of Juvenile Diabetes Research Foundation International, the leading charitable funder and advocate of type 1 (juvenile) diabetes research worldwide. He served as Chairman of the Board of Merisant Company from March 2000 to November 2005 and as its CEO from March 2000 to June 2003. He is a director of Crown Holdings, Inc., Oil-Dri Corporation of America, Carnival Corporation and The Scotts Company.

Director since 2003

Anthony V. Leness, 67, was Managing Director Investment Banking – Global Power & Energy Group at Merrill Lynch & Co., Inc., in New York City from 1978 to his retirement on June 30, 2006. Merrill Lynch provides wealth management, capital market, investment banking and consulting services. He served as a

relationship manager on a broad range of large and small companies, including industrial, communications, oil and gas exploration, natural gas pipeline, and, since 1990, exclusively on power and natural gas distribution companies.

Director since 2006

William E. Nasser, 68, was, until October 2003, CEO of SouthWest NanoTechnologies, Inc., a privately held specialty chemical firm. He served as Chairman of Enchira Biotechnology Corp. from April 1998 to January 2003. He retired as Chairman of the Board, Chief Executive Officer and President of Petrolite Corporation in November 1995.

Director since 2000

Directors with term expiring in 2010:

Brenda D. Newberry, 54, became Chairman and Chief Executive Officer of The Newberry Group in 2006. From 1996-2005, she served as its President and Chief Executive Officer. Ms. Newberry founded The Newberry Group in 1996 with her husband. The Newberry Group provides IT consulting services on a global basis, specializing in cyber-security services, information systems consulting, and project management services.

Director since 2007

Mary Ann Van Lokeren, 60, retired as Chairman and Chief Executive Officer of Krey Distributing Co., an Anheuser-Busch wholesaler, in October 2006. She had served in that capacity since December 1986. She is a director of Masco Corporation.

Director since 2000

Douglas H. Yaeger, 58, has been Chairman of the Board, President and Chief Executive Officer of The Laclede Group since its inception in October 2000. He has been Laclede Gas Chairman of the Board since January 1999, Chief Executive Officer since January 1999 and President since December 1997. He is a director of First Banks, Inc.

Director since 2000

Directors Compensation

The Compensation Committee periodically reviews director compensation relative to data from the national surveys of director compensation, including those from Mercer and The Conference Board. In October 2007 the Compensation Committee recommended and the Board approved certain changes in director compensation to be effective in 2008. The basic retainers and fees payable through January 2008 as well as those approved effective February 2008 are set forth below. No retainers or fees are paid to directors who are executives or employees of the Company and its subsidiaries.

Board and Committee Fees and Retainers

	Through January 2008	**Effective February 2008**
Annual Board Retainer	$ 35,000	$ 35,000
Lead Director Annual Retainer	-	12,000
Audit Committee Chair Annual Retainer	10,000	10,000
Compensation Committee Chair Annual Retainer	7,500	10,000
Other Committee Chair Annual Retainer	6,000	6,000
Board Meeting Fee for Personal Attendance	2,000	2,000
Board Meeting Fee for Teleconference Attendance	1,000	1,000
Committee Meeting Fee for Personal Attendance	1,000	1,000
Committee Meeting Fee for Teleconference Attendance	500	500

The table below discloses the compensation paid or earned by all those who served as Company directors in fiscal year 2007. Not included in the table is the retirement plan for non-employee directors in which participation and benefits have been frozen since November 1, 2002. Under that plan, a non-employee director who had at least five years of service as a director as of November 1, 2002, qualified for an annual payment after retirement in an amount equal to the board retainer at November 1, 2002, ($18,000) with such payments being made for the longer of 10 years or life. The current directors eligible for benefits under the plan are Nasser and Van Lokeren. Dr. Henry Givens, Jr. retired at the annual meeting in January 2007 in accordance with the mandatory retirement provisions of the Company's bylaws and began receiving benefits under the plan.

Name	**Fees Earned or Paid in Cash**	**Stock Awards(1)**	**Nonqualified Deferred Compensation Earnings (2)**	**All Other Compensation (3)**	**Total**
Donald	$ 57,000	$ 4,831	$ 367	$ 3,920	$ 66,118
Givens, Jr.	18,667	27,829	5,939	-	52,435
Glotzbach	65,500	4,892	4,428	2,760	77,580
Leness	47,000	17,746	-	1,890	66,636
Maritz	47,000	7,519	3,524	5,298	63,341
Nasser	60,000	46,121	27,507	-	133,628
Newberry	37,000	1,471	986	584	40,041
Stupp, Jr.	55,000	4,297	-	2,760	62,057
Van Lokeren	56,500	46,121	15,080	-	117,701

(1) Amounts calculated using the provisions of Statement of Financial Accounting Standards No. 123 (Revised 2004), "Share-Based Payment," (SFAS No. 123(R)) except that these amounts are exclusive of the estimate of forfeitures. See Note 1, Summary of Significant Accounting Policies, Stock-Based Compensation, of the consolidated financial statements in the Company's annual report for the year ended September 30, 2007 for a discussion regarding the manner in which the fair value of these awards are calculated, including assumptions used.

The table below provides more details relative to the restricted stock awards made under the Restricted Stock Plans for Non-employee Directors:

	No. of Shares Awarded in Fiscal Year 2007	**Fair Value of Shares Awarded in Fiscal Year 2007**	**Aggregate No. of Shares Awarded at 2007 Fiscal Year End**
Donald	1,000	$ 32,740	3,200
Givens, Jr.	850	27,829	4,800
Glotzbach	1,000	32,740	2,400
Leness	1,000	32,740	1,800
Maritz	1,000	32,740	4,150
Nasser	850	27,829	4,400
Newberry	800	26,192	800
Stupp, Jr.	1,000	32,740	2,400
Van Lokeren	850	27,829	4,800

Under the plans, each of those directors who does not have benefits under the frozen retirement plan for non-employee directors received a grant of 1,000 restricted shares, except as a new director Newberry received an initial grant of 800 restricted shares. Each of those directors with benefits under the frozen retirement plan received a grant of 850 shares. Under the terms of the restricted stock plans, which provides for vesting based upon age entering the plan and years of service, Givens, Nasser, and Van Lokeren have each become fully vested in their shares. All of the remaining directors are not yet vested in their shares.

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(2) Represents above-market earnings in fiscal year 2007 on deferrals of fees and retainers by participating directors in the Deferred Income Plans.

(3) Includes dividends paid on restricted shares of stock.

The Company's Restricted Stock Plan for Non-Employee Directors, approved by shareholders in January 2003, provides an initial award of 800 restricted shares to each new non-employee director. Annually thereafter, each non-employee director who is not a participant in the retirement plan for non-employee directors receives an additional grant of 1,000 shares, which the Board increased to 1,600 shares effective January 2008, for service rendered during the year preceding the annual meeting, while each non-employee director who is a participant in the retirement plan for non-employee directors receives an annual grant of 850 shares, which the Board increased to 1,450 shares effective January 2008, on the annual meeting date for the prior year's service. The Plan trustee purchases shares for grants on the open market and holds them in trust for the account of the participants until they are vested. Forfeited shares are held by the trustee and available for future grants. Participants receive cash dividends on the Company's common stock and may vote the shares awarded even while the shares are restricted, but the restricted shares may not be sold, pledged or otherwise transferred, except in accordance with the terms of the Plan. Shares vest depending on the participant's age entering the plan and years of service as a director. Directors Nasser and Van Lokeren are fully vested in their awards under the plan. The table below shows the vesting schedule for the other directors.

	Half of Plan Shares Vest	**All of Plan Shares Vest**
Donald	----	Annual Meeting January 2015
Glotzbach	On 65th birthday in 2013	Annual meeting January 2017
Leness	Annual Meeting January 2009	On 70th birthday in 2010
Maritz	----	Annual Meeting January 2012
Newberry	On 65th birthday in 2018	Annual Meeting January 2019
Stupp, Jr.	On 65th birthday in 2015	Annual Meeting January 2017

Stock Ownership Guidelines for Non-employee Directors

Non-employee directors and executive officers of the Company are subject to stock ownership guidelines. Under these guidelines, non-employee directors are expected to own shares with a market value equal to two times the annual retainer and are expected to retain shares awarded under the Restricted Stock Plan for Non-employee Directors for at least three years after the restrictions lapse. The non-employee directors have five years to meet the ownership guidelines.

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BENEFICIAL OWNERSHIP OF LACLEDE GROUP COMMON STOCK

The table below shows as of December 1, 2007 the number of shares of our common stock beneficially owned by (i) each person known to the Company to be the beneficial owner of more than five percent of the Company's common stock, (ii) each current director and director nominee, (iii) each named executive officer listed in the Summary Compensation Table, and (iv) all directors, nominees and executive officers as a group.

Amount and Nature of Ownership

Name	Shares Beneficially Owned (1)	Percent of Class
B. C. Cooper	3,901 (2)	*
A. W. Donald	3,200 (3)	*
M. C. Geiselhart	4,000 (4)	*
E. L. Glotzbach	2,400 (3)	*
A. V. Leness	3,800 (3)	*
W. S. Maritz	4,150 (3)	*
W. E. Nasser	5,400	*
K. J. Neises	20,958 (4)	*
B. D. Newberry	800 (3)	*
R. E. Shively	46,732 (4)	*
J. P. Stupp, Jr.	1,157,400 (3)(5)	5.3%
M. A. Van Lokeren	5,800	*
D. H. Yaeger	130,082 (4)(6)	*
Ameriprise Financial, Inc.	1,764,464 (7)	8.1%
Barclays Global Investors, N.A./Barclays Global Fund Advisors/Barclays Global Investors Ltd.	1,467,747 (8)	6.8%
Stupp Bros., Inc.	1,155,000 (5)	5.3%
All nominees, directors and executive officers as a group (21)	1,506,204	7.0%

(1) Except as otherwise indicated, each person has sole voting and investment power with respect to all of the shares listed.

(2) Includes 2,678 shares owned jointly with spouse with shared voting and investment power.

(3) Includes restricted, non-vested shares granted under the Restricted Stock Plan for Non-Employee Directors, as to which each recipient has sole voting power and no current investment power, as follows: A. W. Donald 3,200; E. L. Glotzbach 2,400; A. V. Leness 1,800; W. S. Maritz 4,150; B. D. Newberry 800; and J. P. Stupp, Jr. 2,400.

(4) Includes options exercisable currently and within 60 days for the following number of shares under the Equity Incentive Plan: K. J. Neises 10,350; R. E. Shively 35,625; D. H. Yaeger 90,000. Includes restricted non-vested shares granted under the Equity Incentive Plan approved in 2003 and under the 2006 Equity Incentive Plan approved, as to which a recipient has sole voting power and no current investment power as follows: M. C. Geiselhart 4,000; K. J. Neises 10,000; R. E. Shively 9,000; and D. H. Yaeger 30,000.

(5) Stupp Bros., Inc. owns 1,155,000 shares. Mr. Stupp is a director and executive officer of Stupp Bros., Inc. and has an interest in a voting trust that controls 100% of the stock of Stupp Bros., Inc., which is located at 3800 Weber Road, St. Louis, MO 63125. These shares are pledged as collateral to secure credit facilities for Stupp Bros., Inc. and are currently held by Bank of America.

(6) Includes 95 shares held in sons name and 20 shares held in spouses name.

(7)

Information provided as of December 31, 2006 in Amendment 2 to Schedule G by Ameriprise Financial, Inc., 145 Ameriprise Financial Center, Minneapolis, MN 55474. Ameriprise Financial, Inc. is the parent holding company for Ameriprise Trust Company, RiverSource Funds, and RiverSource Investments, LLC. Of the shares reported,

Ameriprise Trust Company reported an interest in 1,483,884 shares as the directed trustee for certain employee benefit plans and as trustee and investment manager of the RiverSource Trust Collective Funds. At the time of the filing, Ameriprise served as the plan trustee for several of the employee benefit plans of Laclede Gas Company, a subsidiary of the Company. The reporting person, and each of its subsidiaries listed above, disclaims beneficial ownership of any shares reported on the Schedule 13G.

(8) Information provided as of December 31, 2006 in Schedule 13G filed by these shareholders, whose address is 45 Fremont Street, San Francisco, CA 94105. Barclays Global Investors, NA reports sole voting power as to 690,300 shares and sole dispositive power as to 794,497 shares; Barclays Global Fund Advisors reports sole voting and dispositive power as to 659,630 shares; and Barclays Global Investors Ltd. Reports sole voting and dispositive power as to 13,620 shares, resulting in an a