

THE LACLEDE GROUP, INC. CODE OF BUSINESS CONDUCT
(As Amended 7-24-03)

INTRODUCTION

This Code of Business Conduct is about values. Values we express by treating each other with the dignity and respect each of us deserves. Values we honor by communicating openly and honestly with our investors and dealing fairly with our suppliers. Values we aspire to when we serve our Company and our community with integrity, loyalty and a consistent commitment to do the very best we can. The long-term success of the Company depends on various factors, including the maintenance of an ethical business environment that focuses not only on adherence to the letter and the spirit of regulatory and legal mandates but also imposes consistently high standards for the business conduct of the Company and its directors, officers, employees and representatives.

The Laclede Group, Inc. companies have long shared and conducted the affairs of the Company in accordance with these values that are rooted in compliance with applicable law and the highest ethical standards of honesty, integrity and fairness. Increasing competition and restructuring in the energy industry, as well as the Company's increasing non-regulated business activities, make it appropriate to re-emphasize our commitment to these highest standards of business conduct.

As representatives of the Company, you are responsible for observing and enforcing the standards of conduct and other requirements of this Code and the policies whether or not imposed by law. A failure to follow the Code or the policies risks various consequences including:

- disciplinary measures up to and including termination of employment
- criminal and/or civil penalties against the Company as well as an involved employee
- damage to the Company's reputation.

As you can see, adherence to the Code and policies is critical. Only through each person's continued cooperation and compliance can the Company meet its legal and ethical obligations.

The Code incorporates several policies that provide more detailed analyses of certain areas. The Code and policies are distributed to directors and employees and updated on a periodic basis and they apply to all Company operations, including transactions and dealings between regulated and non-regulated entities. "Company" means The Laclede Group, Inc., as well as its subsidiaries and any other entity in which it has a controlling interest.

CONFLICTS OF INTEREST

A conflict of interest may arise in any situation in which a director's or an employee's loyalties are divided between business or personal interests that, to some degree, are incompatible or competitive with the interests of The Laclede Group and its subsidiaries and affiliates. Such conflicts should be avoided. No director or employee should knowingly place himself or herself in a position that would have the appearance of being, or could be construed to be, in conflict with interests of the Company. Please see the Conflict of Interest Policy for more detail.

PURCHASES AND SALES OF SECURITIES AND PREVENTION OF SELECTIVE DISCLOSURE

If you are aware of any material development at The Laclede Group, Inc. or any of its affiliates or subsidiaries that is not a matter of general public knowledge, you should not make any purchases or sales of Company securities or engage in any other transaction to take personal advantage of that information, and you should not disclose the existence or content of that information to others outside the Company, including family, social acquaintances or business associates. The purchase or sale of securities while possessing material nonpublic information or the selective disclosure of such information to others who may trade is prohibited by federal and state laws.

As part of your responsibilities and duties, you may also have access to material nonpublic information about other companies such as our customers, suppliers and business partners. The same prohibitions apply to trading in another company's securities and disclosing the existence or content of that information relative to such company to others.

These requirements are described in greater detail in the Company Policy Regarding Purchases and Sales of Securities and Prevention of Selective Disclosure. A copy may be obtained from the Company's Corporate Secretary or Chief Governance Officer.

FINANCIAL AND PUBLIC REPORTING

The primary purpose of the Company's financial and public reporting process is to assure the accurate disclosure of financial and other information to the public through the preparation and issuance of timely and accurate financial statements, periodic reports and other supplemental information.

Each Company executive, officer and department head is responsible for accurately recording and timely submitting to the appropriate accounting or treasury personnel the financial information related to his or her area of responsibility. Accounting personnel carry the added responsibility to act independently to ensure that the financial information provided by the other corporate areas is accounted for accurately and correctly. Moreover, the Company's principal executive officer and

certain of the Company's senior financial officers, including the Company's Chief Financial Officer, Vice President-Finance, Controller, principal accounting officer or Company officers serving in a finance, accounting, treasury or tax role (the "Financial Officers") are also subject to the Financial Code of Ethics. It is critical that the CEO and Financial Officers understand their obligations under the Company's Policy on Financial and Public Reporting and the Financial Code of Ethics, which are available from the Corporate Secretary or Chief Governance Officer.

Consistent with the highest standards of honesty and integrity, the Company seeks to maintain accurate books and records at all times. Applicable laws and regulations establish the following requirements with regard to record keeping and communications:

- The Company's financial statements and all books and records on which they are based must accurately and fairly reflect all transactions and assets of the Company.
- All disbursements of funds and all receipts must be properly and promptly recorded.
- No undisclosed or unrecorded fund may be established for any purpose.
- No false or artificial statements or entries may be made for any purpose in the books and records of the Company or in any internal or external correspondence, memoranda, or communication of any type, including telephone or written communications.

All employees should follow these requirements. For more details on the financial and public reporting process, see the Company's Policy on Financial and Public Reporting.

PERSONNEL POLICIES

The Company's policy is to treat all current and potential employees fairly and with dignity and respect. To that end, the Company seeks to provide equal opportunities to all employees and job applicants and strives to provide a work environment free from discrimination and harassment. Laclede will not tolerate sexual advances, actions, comments, or any other inappropriate conduct in the workplace that creates, in the judgment of management, an intimidating, harassing or hostile work environment. Employees who have been found to engage in harassing or discriminating behavior are subject to disciplinary measures, including discharge. For more detail, you should ask your human resources department for a copy of the policies regarding equal employment opportunities and the prevention of harassment.

To provide for a safe work environment, the Company and its subsidiaries have policies prohibiting the use and/or possession of alcohol or controlled substances. In addition, certain employees, such as those who perform an operating, maintenance or emergency response function relative to Laclede Gas' distribution system, those who

provide locating services and those who operate certain company-owned vehicles, are subject to alcohol and controlled substance testing policies. Violations of any of these policies subject an employee to disciplinary action, including discharge. For a copy of the applicable policies, contact your human resources department.

Copies of the policies mentioned above are distributed to all employees at the commencement of their employment. Other written policies that are communicated to employees from time to time include such subjects as hiring relatives of employees, attendance and safety. These, too, may be obtained from your human resources department.

FAIR COMPETITION AND ANTITRUST

As a good corporate citizen, the Company seeks to comply with all applicable laws, including fair competition and antitrust laws. The most common antitrust violations of which you should be aware involve agreements, written or oral, formal or informal, with competitors, customers or suppliers that unreasonably restrain competition. Thus, you should not discuss or make any agreements or understandings with competitors about prices to be charged, territorial boundaries or market share, except for Laclede Gas Company's tariff rates filed with the Missouri Public Service Commission. Antitrust laws are complex and can be difficult to understand. If you have any questions, please call the Legal Department.

Even within The Laclede Group and its subsidiaries, care must be exercised to ensure that the non-regulated activities of The Laclede Group's subsidiaries do not adversely affect the regulated utility services to Laclede Gas' customers and vice versa. Transactions between or among Laclede Gas and The Laclede Group or any of its nonregulated subsidiaries must comply with the Cost Allocation Manual ("CAM"). The CAM sets forth policies and procedures to be followed when Laclede Gas engages in any transactions with affiliates of The Laclede Group. Copies of the CAM are available from Laclede Gas' Finance Division. If you have any questions regarding the CAM, you should contact the Finance Division or the Legal Department.

RECORDS RETENTION

You are expected to be familiar with the retention schedules for Company records and to adhere to those schedules. However, if you learn of a subpoena or a pending, imminent or contemplated litigation or government investigation, you should contact and hold the records as instructed by the Legal Department.

ENVIRONMENTAL AND SAFETY LAWS

The Company is concerned about the health and safety of its employees, as well as the protection of the environment. As an employee you are expected to: (a) learn the procedures for handling and disposing of any hazardous materials you may use in your job, (b) know and follow safety and environmental procedures that apply to your job, (c) be alert for unsafe or hazardous conditions, (d) share ideas for improving safety and reducing waste, and (e) use your best efforts to ensure that your actions are carried out in a safe and healthful manner. Questions about the identification, proper handling and disposal of hazardous materials should be appropriately directed to SM&P's Manager, Training or Laclede Gas' Environmental Engineering Services or Safety Departments.

POLITICAL ACTIVITIES

The Company strongly encourages you to become involved in civic affairs and to participate personally in political activities. To maintain the voluntary and independent nature of such activities, however, your involvement or participation in these matters must be done on a personal basis, and at your own time and expense. Further, if you express a personal opinion on public issues, you should make it clear that the comments are yours and not the Company's.

DEALINGS WITH GOVERNMENTAL PERSONNEL

It is the Company's policy to comply with the law and to cooperate with any reasonable demand made in a government investigation. In so doing, however, the legal rights of the Company and of the personnel involved must be protected. If you receive an inquiry, a subpoena, or other legal document regarding Company business from any governmental agency, you should immediately notify the Company's Legal Department. A Legal Department attorney should also be consulted immediately if any communications are received from lawyers for private parties who may have a dispute with the Company.

Company personnel routinely have ongoing contacts and communications with government representatives and officials. In particular, certain employees of Laclede Gas have regular contact with members of the employees of the Missouri Public Service Commission. Missouri law generally prohibits regulated public utilities such as Laclede Gas Company from offering any gifts, meals, gratuities, goods, services or travel, regardless of value, to all members and employees of the Missouri Public Service Commission or the Office of Public Counsel. Care should always be taken to avoid any relationship or contact with government personnel that may be viewed as improper.

ADMINISTRATION AND ENFORCEMENT OF THIS CODE

Duty to Report

Every director, officer and employee has a duty to adhere to this Code of Business Conduct and policies and to report any suspected violations. You should report a violation or potential violation of this Code or any of the policies incorporated into it to your supervisor, the head of the Company's Internal Audit Department, the Chief Governance Officer or the Legal Department, as appropriate. Effective January 1, 2004, you may also report a possible violation anonymously by calling the Compliance Hotline. The Company will investigate any matter so reported and may take appropriate disciplinary and corrective action up to and including termination if any violation or other wrongdoing is found. The Company forbids retaliation against employees who report violations of this Code in good faith.

Audits

The Company's internal and outside auditors will conduct periodic audits to monitor compliance with the policies. You should cooperate fully with these audits and provide complete and accurate information. The Audit Committee of the Company's Board of Directors shall annually, with the assistance of the Internal Auditor, review this Code of Business Conduct, and report on such review to the Company's full Board of Directors.

Nonexclusivity/Waivers

The policies discussed in this Code address some of the most important and widely-applicable laws that affect the Company and its employees. They do not, however, represent a comprehensive or complete explanation of the laws and ethical principles or rules of conduct which are applicable to the Company and its employees. All Company employees have a continuing obligation to familiarize themselves with the law and Company policies applicable to their respective positions with the Company.

In rare instances, exceptions to the policies discussed in this Code may be necessary or appropriate. For example, a minor conflict of interest situation can sometimes be resolved simply by disclosing the possible conflict to all interested parties and obtaining their written consent to the activity involved. If you want to obtain an exception to any of these policies, you should contact your immediate supervisor. If your immediate supervisor agrees that an exception may be appropriate, the approval of the Chief Governance Officer and the head of the Company's Internal Audit Department shall then be obtained. A complete record of all requests for exceptions and how they were resolved will be maintained. Any waivers of this Code for officers or directors may be made only by the Board of Directors or a Board committee to which such responsibility has been delegated and must be publicly disclosed in a prompt manner.

CONCLUSION

We believe this Code will facilitate our ability to continue to achieve the high ethical, legal and business standards to which we have long been dedicated, and remain strongly committed.

This Code is one element in the Company's effort to ensure lawful and ethical conduct on the part of the Company and its employees. It is part of a larger process that includes compliance with the corporate policies themselves, an open relationship between employees and supervisors that is conducive to good business conduct and, above all, the integrity and good judgment of all of the Company's employees.