
Summary of Experience (continued)

Pennsylvania Public Utility Commission

- FirstEnergy Corporation - Docket No. A-2010-2176520

City of Sherman, Texas

- General Telephone Company of the Southwest

Tennessee Public Service Commission

- United Inter-Mountain Telephone Company - Docket Nos. U-6640, U-6988 and U-7117
- Texas Attorney General
- Southwestern Bell Telephone Company

Texas, Public Utility Commission of

- Texas Power & Light Company - Docket Nos. 178 and 3006
- Southwestern Bell Telephone Company - Docket Nos. 2672, 3340, 4545 and 8585
- Houston Lighting & Power Company - Docket Nos. 2448, 5779 and 6668
- Lower Colorado River Authority - Docket No. 2503
- Gulf States Utilities Company - Docket No. 2677
- General Telephone Company of the Southwest - Docket Nos. 3094, 3690 and 5610
- Central Telephone Company - Docket No. 9981
- Southwestern Public Service Company and Public Service Company of Colorado Docket No. 14980

Summary of Experience (continued)

Texas, Public Utility Commission of (cont'd)

- AEP - Central and SouthWest - Docket No. 19265
- FPL Group, Inc. and Entergy Corporation - Docket No. 23335
- Reliant Energy HL&P - Docket No. 22355
- PNM Resources - Texas-New Mexico Power - Docket No. 30172
- Entergy Gulf States - Docket No. 30123, 34800 and Entergy Texas Inc. – Docket No. 37744
- AEP - Texas Central Company - Docket No. 33309
- AEP - Texas North Company - Docket No. 33310
- Oncor Electric Delivery – 35717
- Texas-New Mexico Power - Docket No. 36025 and 38480
- AEP - Southwestern Electric Power Company - Docket No. 37364 and 40443
- Lone Star Transmission - Docket No. 40020
- Wind Energy Transmission Texas - Docket No. 40606 and 44746

Utah Public Service Commission

- Utah Power and Light Company - Docket No. 76-035-06

Virginia State Corporation Commission

- FirstEnergy Corporation - Case No. PUE-2010-00056

Summary of Experience (continued)

Vermont Public Service Board

- New England Telephone and Telegraph Company - Docket Nos. 3806 and 4546

City of Waco, Texas

- Texas Power & Light Company

Washington Utilities and Transportation Commission

- The Washington Water Power Company and Sierra Pacific Power Company - Docket No. UE-94-1053 and UE-94-1054
- Puget Sound Power and Light Company and Washington Natural Gas Company - UE-960195

West Virginia Public Service Commission

- FirstEnergy Corporation - Case No. 10-0713-E-PC

Wisconsin Public Service Commission

- Northern States Power Company and Wisconsin Energy Corporation - 6630-UM-100 and 4220-UM-101
- WPL Holdings, IES Industries Inc., Interstate Power Company, Inc. - Docket No. 6680-UM-100

Wyoming Public Service Commission

- Cheyenne Light, Fuel and Power Company (Southwestern Public Service Company and Public Service Company of Colorado) - Docket Nos. 20003-EA-95- 40 and 30005-GA-95-39
- Mountain States Telephone and Telegraph Company - Docket No. 9343, Subs. 5 and 9
- Organization and Operations Review Pacific Power and Light Company - Docket No. 9454, Sub. 11

strategy&

April 2017

Affiliate Transaction Cost Study

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Schedule - TJF – D2

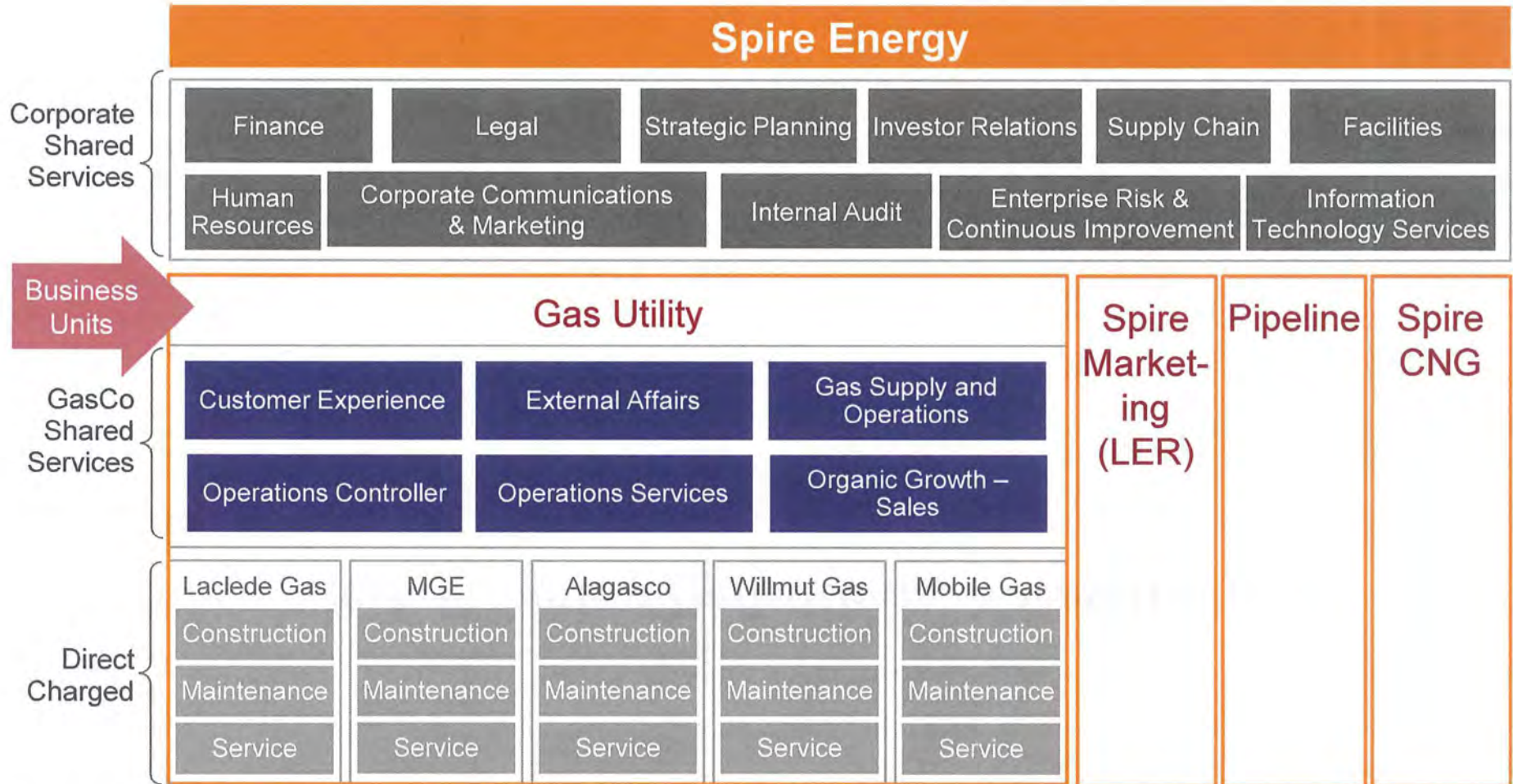
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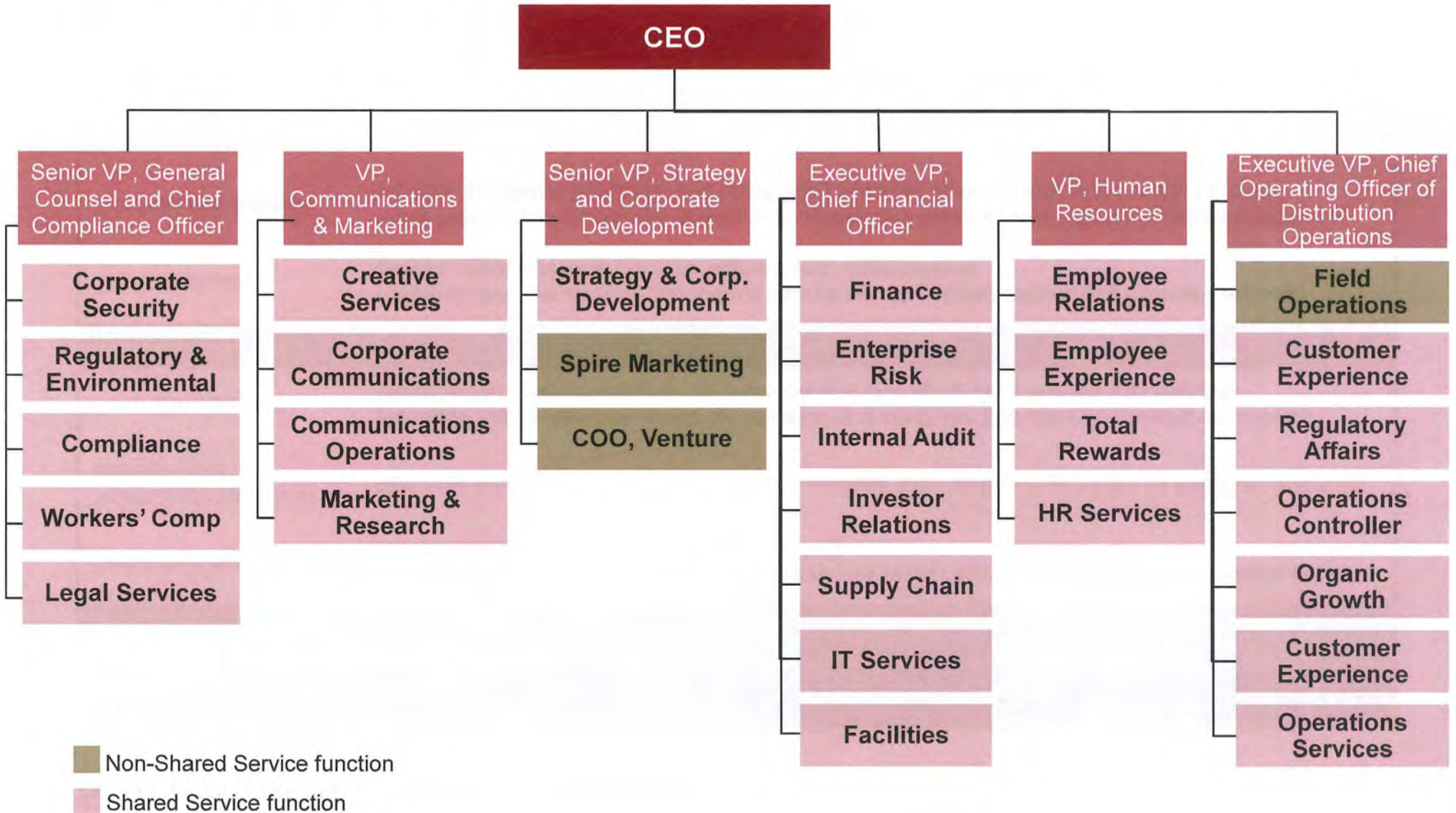
Schedule 2 – Sub-Function Definitions, Necessity, and Benefits

Spire Functions Overview



Source: Information shared by Spire

Spire Reporting Structure Overview



Spire Sub-Function Analysis

Sub-Function	Definition
Finance (Treasury)	
Credit Risk Management	Evaluates the initial and ongoing credit worthiness of counterparties and vendors in relation to fuel procurement, wholesale trading and marketing.
Trusts and Investment Management	Manages employee benefit trusts including pension fund, welfare trust fund and the 401K trust fund.
Cash Management	Manages day-to-day cash needs by maintaining a credit line that allows borrowing of funds as necessary to meet operational requirements and managing cash receipts and deposits .
Finance (Tax)	
Tax Compliance	Prepares and files all state and federal income tax returns and administers Internal Revenue Service, state and local protests, appeals and, examinations
Tax Planning Analysis	Plans federal and state taxes, forecasts payment, and works closely with the Legal Department to monitor tax related legislation and rulemaking activities at the federal, state and local levels
Property and Gross Receipts Tax	Processes gross receipt taxes and handles all property related taxes.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Finance (Controller)	
Regulatory / Case Filings	Supports rate case filings by consolidating relevant accounting information and works with the Vice President of Rates and Regulatory Affairs within Spire.
External Reporting Coordination	Provides specialized knowledge of SEC and FERC rules and filing requirements and files a combined SEC Form 10-K and Form 10-Q.
External Audit Coordination	Coordinates external financial audits as required by the Sarbanes-Oxley Act and other national accounting standards from PCAOB.
General Ledger	Maintains financial data and records for the enterprise centrally and records, maintains and reports information necessary for preparing financial statements.
Accounting	Manages commercial accounting as well as plant, property and equipment accounting centrally.
Finance (Financial Planning and Analysis)	
Long Range Financial Planning	Manages the development of the annual 5-year plan, collects input from key stakeholders to update and revises the plan based on current year performance to date.
Budget Development, Variance Reporting	Drafts budget for Corporate Shared Services in coordination with Functional heads within the Operating Companies and Corporate. In addition, manages the budgeting process for the entire organization and conducts periodic meetings with various functions to ensure the budget is on track and to discuss any variances
Internal Reporting	Provides standard and ad hoc internal reports necessary for enterprise leadership, as well as the tools and templates necessary to support the internal reporting needs of affiliates

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Investor Relations	
Investor Communications	Provides investor communications pertaining to Spire's market issuances and investor inquiries, and handles associated costs incurred (e.g., transfer agent fees, NYSE listing fees, annual meeting, mailing expenses etc.). Supported by External Communications (in Corporate Communications and Marketing) for certain content.
Rating Agency communications	Communicates with the rating agencies related to debt issuances and ongoing credit ratings
Strategic Planning	
Long Term Strategy	Formulates strategy to enhance customer and shareholder value and evaluates and leads strategic projects, acquisitions and divestitures, mid-stream and upstream opportunities and, business innovation.
Acquisitions (IOU and Municipal)	Determines strategic fit, value-creation and coordinates transaction processes, including interaction with investment banks and consultants. Responsible for origination, due diligence and negotiation.
Integration Support	Guides the vision and the steps required to integrate operations and leverage acquisition opportunities in close coordination with Enterprise Risk and Continuous Improvement, which is responsible for execution of the post-merger integration plan.
Supply Initiatives – Process Improvement	Evaluates various processes across the companies to identify areas of improvement, with a focus on supply initiatives and gas price hedging.
Non-Utility Growth	Leads opportunity development for enabling organic growth of the business by expansion into new products and services.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Information Technology Services	
Application Delivery	Leads application development, application management, software acquisition and maintenance, and supports/builds or customizes software applications as needed to effectively operate the business.
Data Warehouse	Manages data within the enterprise and helps provide managers information for decision-making (used in HRIS, Safety and Health Records, Finance, Supply Chain, Operations etc.)
Telecommunications	Manages equipment to support inter- and intra-company communication, including office and field telephone services, Remote Terminal Units (RTUs), cellular / wireless and video conferencing.
Enterprise Architecture and Strategy	Defines the technology strategy from platform selection to interfacing techniques to maintain value to and support of the business.
Infrastructure	Maintains the infrastructure environment to support the computing and storage needs of various information technology applications, including disaster recovery. Manages workstations across the enterprise and is responsible for Data Center Operations.
Business Support Services	Resolves all business issues including internal customer service to troubleshoot and resolve employee concerns.
Information Security & Compliance	Ensures assets are protected from information breach, which involves maintaining anti-virus, encryption and other protection software and managing information security through access control.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Facilities	
Real Estate Procurement and Disposition	Purchases, manages and disposes of land and buildings. Manages discrete real estate transactions, leasing of office space or property from others, and property inspections.
Maintenance & Custodial Services	Conducts regular maintenance for all Spire property – including buildings, storage locations, warehouses etc. Also conducts repairs, preventive maintenance and ground care
Work Space Management	Manages new workspace design, engineering, estimating, and contracting and also manages furniture, workspace layout planning etc.
Facilities Planning	Provides the long term facilities plan and manages the capital projects to successful completion
Construction Management	Manages all non-operations projects construction-type services including remodeling and building improvements, new building shifts as needed for operations as well as office relocation services
Other Support Services	Manages office services including mail, office supplies, event support and conference room support. Also manages information records by providing files needed and off-site storage coordination

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Enterprise Risk & Continuous Improvement	
Project Management	Provides project management support for significant internal initiatives, such as enterprise-wide new process initiatives, cross-functional collaborations etc.
Integration Execution	Executes the post-merger integration plan to enhance customer service, safety, and operational execution, while achieving synergies forecasted during acquisition. Works closely with the Strategic Planning team for overall integration plan and periodic performance checks and reviews.
Business Improvement	Launches enterprise-wide initiatives focused on improving performance standards and best practices that enable enhanced customer service and corporate performance, risk reduction, and overall cost reduction
Internal Audit	
Management Performance Evaluation	Coordinates inspection and evaluation of internal management's performance related to particular execution and control issues and follow-up to prior findings. Provides recommendations for failure control, including management response.
Environmental Assessment	Conducts internal audit to evaluate current engineering, construction, maintenance and storage processes to assess environmental effects against regulatory requirements and company standards
External (SOX) Audit Coordination	Coordinates financial and controls testing as required by the Sarbanes-Oxley Act, as well as with process owners and external auditor for independent external auditor testing and attestation.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Legal	
Financial Legal Services	Reviews SEC reports prepared by Finance as required by federal law (e.g., 10-K, 8-K), and ensures that financial activities are in compliance with governmental and regulatory requirements.
Workers' Compensation	Manages legal issues that arise related to processing of workers' compensation, union contracts, benefits, and employment related arbitrations.
Review and Execution of Contracts	Drafts, negotiates and interprets contracts of all different types in daily operations (e.g., vendor contracts, purchase and sale agreements, software licenses, etc.).
Claims and Insurance	Manages the investigations of third party injury and property loss claims. Responsible for procuring insurance policies and negotiating insurance claims on an enterprise-wide basis.
General Legal Advice	Provides legal advice on all matters to senior leadership on interactions with regulatory commissions, acquisitions, tax issues, budget allocations, capital projects, environmental, health and safety issues.
Ethics and Compliance Services	Designs, implements and administers Spire's ethics and compliance program.
Manage Litigation	Manages all phases of the litigation process including matter initiation and defense and handles actions ranging from contractor disputes to right of way issues.
Corporate Security	Manages physical security for all Spire buildings and storage locations.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Supply Chain	
Supplier Relationship Management	Facilitates negotiations between suppliers and Operating Companies to ensure that standards are applied and negotiates corporate / national discounts in order to leverage scale.
Sourcing and Procurement Services	Defines enterprise-wide purchasing program, and communicates with Inventory and Storeroom to ensure lead time expectations are managed.
Payment Services (Accounts Payable)	Processes invoices and issuance of payments to suppliers.
Employee Expense Management	Manages system deployed by the business to process, pay, and audit employee-initiated expenses, which include, but are not limited to, expenses incurred for travel and entertainment.
Inventory and Store Room Management	Manages safe storage of inventory and communicates with sourcing and procurement for inventory addition as required.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Human Resources	
Employee Relations	Provides support in areas of employee relations, including labor relations, employee counseling and conflict resolution, disciplinary actions, flexible work arrangements, diversity activities, communications, community service, outplacement and severance, compliance and reporting.
Employee Experience - Talent Acquisition	Leads recruiting, producing marketing material for talent acquisition, and developing the talent acquisition strategy overall.
Employee Experience - Organizational Development	Designs, develops and leads succession planning, individual and team development, organization effectiveness, organizational design, employee engagement
Employee Experience - Learning Management	Develops content for training, and schedules various safety and technical trainings for employees throughout the year.
Total Rewards - Compensation and Benefits	Manages design, development and administration of all benefits and compensation programs, including health and welfare benefits, work/life balance and wellness programs.
HR Services (Including HRIS, Payroll)	Manages records of data input, dashboards, metrics and, compliance of all employees readily accessible for management decisions and staffing purposes and also handles payroll administration.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Corporate Communications and Marketing	
Internal Communications	Manages all employee communications across the enterprise. Supports efforts to ensure employees are informed: Intranet, weekly e-newsletter to all employees, informational fliers, etc.
External Communications	Monitors the external media landscape to develop appropriate organizational and operational responses to any changes. Additionally, manages Spire's community relations and community outreach efforts as these issues are localized and unique to each operating company.
Creative Services	Manages the look and feel of any and all materials bearing a company logo. Also manages photography and videography and ensures established brand standards are upheld throughout organization.
Marketing and Research	Manages all customer communications across the enterprise, including bill content, messaging, and inserts, as well as traditional marketing and advertising efforts. Also serves as the hub for all company-related research.
Communications Operations	Manages the department's back office functions and various logistics tying the overall team together, ensuring they stay connected.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Customer Experience	
Credit and Collections	Provides financial information related to non-residential customer creditworthiness, prepares responses to credit-related customer complaints to regulatory agencies, provides statistical information and measurements related to credit and collection activity.
Customer Contact	Manages call centers handling customer complaints and response and works directly with dispatch services to respond to emergency requests.
Dispatch	Responds to emergency customer requests by assigning nearest field personnel to handle the request (work in coordination with field operations group).
Community & Agency Services	Provides customer information and other support to enable social service organizations to achieve positive local impact through coordinated efforts.
Accounts Receivables	Manages records of aged receivables, and works closely with credit and collections group to ensure that these are collected or written-off as bad debt.
Meter Reading and Billing Services	Executes customer meter reading and billings programs, and maintains records (e.g., customer information, usage history).

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Gas Supply and Operations	
Instrumentation and Control	Manages hardware and system development of measurement and control equipment, as well as overall improvements in instrumentation design .
Gas Supply Purchasing, Sales / Risk Management	Manages available and required gas supply resources in response to varying market needs.
System Control	Handles pressure and flow control in the pipelines and ensures safety of operations by monitoring system pressure and detecting failure modes.
Underground Storage / LNG	Manages underground storage facilities for LNG and ensures proper storage and access.
Plants and Stations	Manages Laclede Pipeline (liquids facilities) and propane vaporization facilities.
External Affairs	
State and Local Governmental Affairs	Develops, promotes and shapes public policy in jurisdictions of Spire operation. Provides tools such as talking points and visual aids, develops model bills or draft legislation for the operating companies.
Regulatory	Provides policy direction and coordination regarding overall regulatory policy, including managing issues and filings related to state jurisdictions, as well as support for FERC matters.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Operations Controller	
Planning and Budgeting, Variance Analysis	Manages the budget (and variance) of all GasCo Shared Services and represents the Operating Companies in variance meetings. Conducts monthly budget meetings to ensure operations is on track.
Business Analysis & Performance Measurement	Performs analysis to ascertain operational performance and efficiencies of various processes and identifies process standardization opportunities across different processes and groups.
Operational and Productivity Metrics	Develops standards for operational productivity, and reviews metrics that will enable informed decision making. Also develops financial models and business cases for evaluation of operational performance

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Organic Growth – Sales	
Customer Growth	Develops strategies to increase customer base profitably, and retain existing customer base by focusing on relationships and providing reliable access to gas service.
Customer Care	Performs specialized relationship management of large customers, ensuring tailored services and immediate attention to urgent needs.
Project Planning	Develops financial models for new projects involving the incorporation of a new industrial customer and from the laying out of the infrastructure through servicing and maintenance of the same.
Energy Efficiency	Drives energy efficiency efforts to improve customer relations by helping them save as well as retaining customer base and load
Economic Development	Engages in economic development projects in the regions in which Spire operates to ensure access to gas and identify and scope state and local projects.

Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Spire Sub-Function Analysis

Sub-Function	Definition
Operations Services	
Construction Engineering, System Planning, GIS and, Right-of-Way	Supports Operations with construction projects in construction engineering, right-of-way clearance, GIS support, and planning.
Pipeline Safety, Compliance and Integrity	Supports Operations with ensuring PHMSA compliance and integrity of pipeline by pressure monitoring, inspections, corrosion control and, monitoring external factors affecting in expectation of safety issues.
Employee Health and Safety, Environmental Compliance and Crisis Management	Maintains records of employee health and safety, and helps ensure environmental compliance and response to crisis like storms, earthquakes, etc.
Meter Integrity	Ensures proper working of customer meters and triggers replacement as necessary.
Fleet Management	Manages the entire fleet used for maintenance and operations from procurement through maintenance and retirement or disposal of fleet.


Source: Interviews with Shared Services and Operating Companies, Spire's function description document

Corporate Cost Justification – Necessity Attributes

Necessity Attributes	Definitions
Corporate Governance	Activities that are necessary to ensure that corporate and portfolio fiduciary responsibilities and enterprise-wide management and operation is effectively executed. Examples include performing shareholder activities, managing cross-business issues, performing risk management activities and evaluating internal controls.
Regulatory Mandate	Activities that are required to fulfill statutory, regulatory and other commitments or mandates. Examples include submitting SEC filings, filing IRS documents and complying with FERC requirements.
Legal Compliance	Costs incurred and activities performed as a direct result of legal proceedings, avoidance of legal proceedings, or compliance with legal requirements. Examples include performing litigation activities and responding to discovery requests.
Management Control	Activities performed specifically to provide analysis, decision support data and results to management personnel. Examples include managing projects and reporting results and developing management reports.
Operational Execution	Includes fundamental functions performed on a daily basis. Examples include performing maintenance activities, performing general accounting, and tracking employee information.
Strategic Planning	Activities that encompass business unit planning and activities directed at providing enterprise-wide direction. Examples include monitoring marketplace activities, performing strategic planning, and providing business planning assistance.

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Finance (Treasury)						
Credit Risk Management						
Trusts and Investment Management						
Cash Management						
Finance (Tax)						
Tax Compliance						
Tax Planning Analysis						
Property and Gross Receipts Tax						

 Indicates underlying activity causation


Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Finance (Controller)						
Regulatory / Case Filings						
External Reporting Coordination						
External Audit Coordination						
General Ledger						
Accounting						
Finance (Financial Planning and Analysis)						
Long Range Financial Planning						
Budget Development, Variance Reporting						
Internal Reporting						

 Indicates underlying activity causation


Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Investor Relations						
Investor Communications						
Rating Agency Communications						
Strategic Planning						
Long Term Strategy						
Acquisitions (IOU and Municipal)						
Integration Support						
Supply Initiatives – Process Improvement						
Non-Utility Growth						

 Indicates underlying activity causation


Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Information Technology Services						
Application Delivery						
Data Warehouse						
Telecommunications						
Enterprise Architecture and Strategy						
Infrastructure						
Business Support Services						
Information Security & Compliance						

 Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Facilities						
Real Estate Procurement and Disposition						
Maintenance & Custodial Services						
Work Space Management						
Facilities Planning						
Construction Management						
Other Support Services						

 Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Enterprise Risk & Continuous Improvement						
Project Management				■		
Integration Execution						
Business Improvement						
Internal Audit						
Management Performance Evaluation			■			
Environmental Assessment						
External (SOX) Audit Coordination		■				

■ Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Legal						
Financial Legal Services	■		■	■	■	■
Workers' Compensation			■	■	■	
Review and Execution of Contracts			■	■	■	
Claims and Insurance			■	■	■	
General Legal Advice	■		■	■	■	
Ethics and Compliance Services	■		■	■	■	
Manage Litigation			■	■	■	
Corporate Security			■	■	■	

■ Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

		Necessity Attributes					
Sub-Function		Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Supply Chain							
Supplier Relationship Management					■		
Sourcing and Procurement Services							
Payment Services (Accounts Payable)							
Employee Expense Management							
Inventory and Store-Room Management							

■ Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Human Resources						
Employee Relations				■		
Employee Experience - Talent Acquisition						
Employee Experience - Organizational Development						
Employee Experience - Learning Management						
Total Rewards - Compensation and Benefits						
HR Services (Including HRIS, Payroll)						

■ Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Corporate Communications and Marketing						
Internal Communications	■			■	■	
External Communications	■				■	
Creative Services					■	
Marketing and Research				■		■
Communications Operations				■		

■ Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Customer Experience						
Credit and Collections						
Customer Contact						
Dispatch						
Community & Agency Services						
Accounts Receivables						
Meter Reading and Billing Services						

 Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Gas Supply and Operations						
Instrumentation and Control				■	■	■
Gas Supply Purchasing, Sales / Risk Management						
System Control						
Underground Storage / LNG						
Plants and Stations						
External Affairs						
State and Local Governmental Affairs				■	■	■
Regulatory						

■ Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Operations Controller						
Planning and Budgeting, Variance Analysis				■		
Business Analysis & Performance Measurement						
Operational and Productivity Metrics						

■ Indicates underlying activity causation


Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Organic Growth - Sales						
Customer Growth				[Redacted]		
Customer Care						
Project Planning						
Energy Efficiency						
Economic Development						

 Indicates underlying activity causation

Spire Sub-Function Necessity Analysis

Sub-Function	Necessity Attributes					
	Corporate Governance	Regulatory Mandates	Legal Compliance	Management Control	Operational Execution	Strategic Planning
Operations Services						
Construction Engineering, System Planning and GIS						
Pipeline Safety Compliance and Integrity						
Employee Health and Safety, Environmental Compliance and Crisis Management						
Meter Integrity						
Fleet Management						

 Indicates underlying activity causation

Corporate Cost Justification – Benefit Attributes

Benefits Attributes	Definitions
Reduce Risk	Actions designed to reduce liability and mitigate exposure to financial, operational, fiduciary and other types of risk through activities such as implementing safety programs, performing internal audit, and developing policies, procedures and manuals.
Increase Employee Productivity	Programs that enhance employees' abilities to perform their jobs more productively. Examples include implementing certain automated systems, providing certain types of training, implementing and administering employee health awareness programs, developing procedures, policies and practice manuals, developing employee communications and implementing and administering quality programs.
Provide Management Information	Activities conducted primarily to provide decision support data and analysis to management personnel. Examples include developing budgets, monitoring operational and financial performance, performing corporate development, conducting strategic assessments and developing integrated information systems.
Enhance Corporate Performance	Activities performed to enhance the abilities and effectiveness of management with respect to the business, including developing strategic plans, managing the performance review process, maintaining the inter/intranet and conducting benchmarking studies.
Reduce or Avoid Costs	Activities performed to improve the cost effectiveness of operations. Activities include implementing certain automated systems, negotiating discounts with outside vendors and performing certain credit and collections activities.
Increase Reliability	Activities performed to increase the reliability of energy delivery/generation and to minimize the impact of disruptions.

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Finance (Treasury)						
Credit Risk Management	■		■	■	■	
Trusts and Investment Management	■		■	■	■	
Cash Management	■		■	■	■	
Finance (Tax)						
Tax Compliance	■		■	■	■	
Tax Planning Analysis	■		■	■	■	
Property and Gross Receipts Tax	■		■	■	■	

■ Indicates underlying activity causation

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Finance (Controller)						
Regulatory / Case Filings	■		■			
External Reporting Coordination	■		■	■		
External Audit Coordination	■		■	■	■	
General Ledger	■		■	■	■	
Accounting	■		■	■	■	
Finance (Financial Planning and Analysis)						
Long Range Financial Planning	■		■	■	■	
Budget Development, Variance Reporting	■		■	■	■	
Internal Reporting	■		■	■	■	

■ Indicates underlying activity causation

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Investor Relations						
Investor Communications	■		■	■		
Rating Agency communications	■		■	■		
Strategic Planning						
Long Term Strategy	■		■	■		
Acquisitions (IOU and Municipal)			■	■		
Integration Support	■		■	■	■	
Supply Initiatives – Process Improvement	■		■	■	■	
Non-Utility Growth	■		■	■		

■ Indicates underlying activity causation


Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Information Technology Services						
Application Delivery	■					
Data Warehouse	■					
Telecommunications	■					
Enterprise Architecture and Strategy	■					
Infrastructure	■					
Business Support Services	■					
Information Security & Compliance	■					

■ Indicates underlying activity causation

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Facilities						
Real Estate Procurement and Disposition						
Maintenance & Custodial Services						
Work Space Management						
Facilities Planning						
Construction Management						
Other Support Services						

 Indicates underlying activity causation


Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Enterprise Risk & Continuous Improvement						
Project Management	■			■		
Integration Execution	■			■		
Business Improvement	■	■		■		■
Internal Audit						
Management Performance Evaluation	■		■	■		
Environmental Assessment	■		■	■	■	
External (SOX) Audit Coordination	■		■	■	■	

■ Indicates underlying activity causation

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Legal						
Financial Legal Services						
Workers' Compensation						
Review and Execution of Contracts						
Claims and Insurance						
General Legal Advice						
Ethics and Compliance Services						
Manage Litigation						
Corporate Security						

 Indicates underlying activity causation

Spire Sub-Function Benefit Analysis

		Benefit Attributes					
Sub-Function		Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Supply Chain							
Supplier Relationship Management					■		
Sourcing and Procurement Services							
Payment Services (Accounts Payable)							
Employee Expense Management							
Inventory and Store Room Management							

■ Indicates underlying activity causation

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Human Resources						
Employee Relations	■			■		
Employee Experience - Talent Acquisition	■	■		■		
Employee Experience - Organizational Development	■			■	■	
Employee Experience - Learning Management	■			■		
Total Rewards - Compensation and Benefits	■	■		■		
HR Services (Including HRIS, Payroll)	■	■		■	■	

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Corporate Communications and Marketing						
Internal Communications						
External Communications						
Creative Services						
Marketing and Research						
Communications Operations						

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Customer Experience						
Credit and Collections	■		■	■	■	
Customer Contact	■		■	■	■	
Dispatch	■		■	■	■	
Community & Agency Services				■	■	
Accounts Receivables			■	■	■	
Meter Reading and Billing Services	■		■	■	■	

■ Indicates underlying activity causation

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Gas Supply and Operations						
Instrumentation and Control	■				■	
Gas Supply Purchasing, Sales / Risk Management	■				■	
System Control	■		■	■	■	■
Underground Storage / LNG	■		■	■	■	■
Plants and Stations		■	■	■	■	■
External Affairs						
State and Local Governmental Affairs	■				■	
Regulatory	■			■		

■ Indicates underlying activity causation

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Operations Controller						
Planning and Budgeting, Variance Analysis						
Business Analysis & Performance Measurement						
Operational and Productivity Metrics						

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Organic Growth - Sales						
Customer Growth						
Customer Care						
Project Planning						
Energy Efficiency						
Economic Development						

Spire Sub-Function Benefit Analysis

Sub-Function	Benefit Attributes					
	Reduce Risk	Increase Employee Productivity	Provide Management Information	Enhance Corporate Performance	Reduce or Avoid Costs	Increase Reliability
Operations Services						
Construction Engineering, System Planning and GIS	■	■	■	■	■	■
Pipeline Safety Compliance and Integrity	■	■	■	■	■	■
Employee Health and Safety, Environmental Compliance and Crisis Management	■	■	■	■	■	■
Meter Integrity	■	■	■	■	■	■
Fleet Management	■	■	■	■	■	■

■ Indicates underlying activity causation

strategy&

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Affiliate Transaction Cost Study

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Schedule - TJF – D3



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Schedule 3 – Sub-Functions – Overlap Analysis

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Finance (Treasury)		
Credit Risk Management		
Trusts and Investment Management		
Cash Management		
Finance (Tax)		
Tax Compliance		
Tax Planning Analysis		<p>Finance (Tax): Plans federal and state tax, forecasts payment, and works closely with the Legal Department to monitor tax related legislation and rulemaking activities at the federal, state and local levels</p> <p>Legal: Manages litigation related to property tax and other tax issues, and advises Finance and senior leadership on tax related legislation updates in the various areas of Spire operation</p>
Property and Gross Receipts Tax		

Finance (Tax): Plans federal and state tax, forecasts payment, and works closely with the Legal Department to monitor tax related legislation and rulemaking activities at the federal, state and local levels


Legal: Manages litigation related to property tax and other tax issues, and advises Finance and senior leadership on tax related legislation updates in the various areas of Spire operation

Overlapping Complementary

Indicates underlying activity causation


Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Finance (Controller)		<p>Finance (Controller): Provides necessary data and rate case financial analysis, prepares and submits filing documents to the Rates and Regulatory Affairs team within External Relations.</p> <p>External Relations: In coordination with the various Operating Companies, consolidates information from the Finance group with all the other material required for rate case filings. Prepares for interface with commissions, and works with employees within Operating Companies and external participants to serve as expert witnesses.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Regulatory / Case Filings		
External Reporting Coordination		
External Audit Coordination		
General Ledger		
Accounting		<p>Financial Planning and Analysis: Develops the annual budget and subsequent variance analysis for Corporate Shared Service functions in coordination with functional heads (such as Investor Relations, Supply Chain, ITS, HR etc.) within Corporate and Operating Companies. In addition, manages the budgeting process for the entire organization.</p> <p>Operations Controller: Develops the annual budget and subsequent variance analysis for GasCo Shared Service functions in coordination with functional heads (such as External Affairs, Gas Supply and Operations, Customer Experience etc.) within Gas Co Shared Services and Operating Companies. Also support variance analysis for all remaining operational functions.</p> <p>Operations Functions: Develops the annual budget for the Operating Company functions outside of Corporate and GasCo Shared Service functions. In addition, provides insight and input for the budgeting process for Shared Services based on business need.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Finance (Financial Planning & Analysis)		
Long Range Financial Planning		
Budget Development, Variance Reporting		
Internal Reporting		

 Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Investor Relations		<p>Investor Relations: Manages the relationship with investor groups on an enterprise-wide basis. Delivers presentations and answers questions on Spire’s financial and operational results and projections.</p> <p>Corp. Communications & Marketing: Helps support content formatting and presentation visuals as well as developing material templates in support of Investor Communications.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Investor Communications		
Rating Agency communications		
Strategic Planning		<p>Strategic Planning: Guides the vision and the steps required to leverage the acquisition synergies in close coordination with the Strategy Execution group which is within the Operating Companies.</p> <p>Enterprise Risk & Continuous Improvement: Executes the post-merger integration plan to enhance customer service, safety, and operational execution, while achieving synergies forecasted during acquisition. Works closely with the Strategic Planning team for overall integration plan and periodic performance checks and reviews.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Long Term Strategy		
Acquisitions (IOU and Municipal)		
Integration Support		
Supply Initiatives – Process Improvement		
Non-Utility Growth		

 Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Information Technology Services		
Application Delivery		
Data Warehouse		<p>Information Technology Services: Provides the necessary tools required to manage and administer data sources and incorporates features as required by Human Resources</p> <p>Human Resources: Manages content (data entry and maintenance) of employee records and training.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Telecommunications		
Enterprise Architecture and Strategy		
Infrastructure		
Business Support Services		<p>Information Technology Services: Performs all system analyst and system administrator functions, field technical support, Help Desk functions and addresses all IT/hardware failures</p> <p>Operations Functions: Resolves business process issues faced by employees (such as how to access a particular feature, how to navigate tools etc.), Personnel are aware of how the IT systems work, but do not troubleshoot or fix it. Instead, they leverage the systems to tackle operational issues faced by employees. There is no overlap between the roles of IT and Operational Companies</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Information Security & Compliance		

Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Enterprise Risk & Continuous Improvement		<p>Enterprise Risk & Continuous Improvement: Executes the post-merger integration plan to enhance customer service, safety, and operational execution, while achieving synergies forecasted during acquisition. Works closely with the Strategic Planning team for overall integration plan and periodic performance checks and reviews.</p> <p>Strategic Planning: Guides the vision and the steps required to leverage the acquisition synergies in close coordination with the Strategy Execution group which is within the Operating Companies.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Project Management		
Integration Execution		
Business Improvement		<p>Internal Audit: Conducts periodic reviews to ensure compliance with environmental laws and requirements</p> <p>Operations Services: Performs real-time monitoring of pipelines to ensure Safety Compliance.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Internal Audit		
Management Performance Evaluation		
Environmental Assessment		
External (Sox) Audit Coordination		

Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Legal		<p>Legal: Manages litigation related to property tax and other tax issues, and advises Finance and senior leadership on tax related legislation updates in the various areas of Spire operation</p> <p>Finance (Tax): Plans federal and state tax, forecasts payment, and works closely with the Legal Department to monitor tax related legislation and rulemaking activities at the federal, state and local levels</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Financial Legal Services		
Workers' Compensation		
Review and Execution of Contracts		
Claims and Insurance		<p>Legal: Procures insurance policies and negotiates insurance claims on an enterprise-wide basis. Arrange and control insurance operations meetings to ensure all work is kept under privilege.</p> <p>Operations Functions: Provide detailed claim and insurance-related information by completing incident reports, facilitating insurance company inspections, segregating costs by work order for insurance claims, etc.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
General Legal Advice		
Ethics and Compliance Services		
Manage Litigation		
Corporate Security		

 Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Supply Chain		
Supplier Relationship Management		
Sourcing and Procurement Services		
Payment Services (Accounts Payable)		
Employee Expense Management		
Inventory and Storeroom Management		

Supply Chain: Operates the network of warehouses and distribution centers, and manages inventory levels of the various SKUs

Operations Functions: Resources report functionally through supply chain but perform inventory management tasks at warehouses to ensure coordination of efforts and ensure no overlap of responsibilities. Employees are embedded in and charge directly to the operating company.

Overlapping Complementary

Indicates underlying activity causation


Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Human Resources		<p>Human Resources: Operates the network of Human Resources specialists dealing with employee conflicts, disciplinary actions, flexible work arrangements, diversity activities, Human Resources communications, community service, outplacement and severance, compliance and reporting, and labor relations</p> <p>Operations Functions: Human Resources specialists functionally report to Human Resources but work with operating functions and are assigned new issues to resolve by the Employee Relations group, based on availability and scope of the issue and ensure coordination of efforts and no overlap of responsibilities. Employees are embedded in and charge directly to the operating company.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Employee Relations		
Employee Experience - Talent Acquisition		
Employee Experience - Organizational Development		
Employee Experience - Learning Management		
Total Rewards - Compensation and Benefits		
HR Services (Including HRIS, Payroll)		

Human Resources: Manages content (data entry and maintenance) of employee records and training


Information Technology Services: Provides the necessary tools required to manage and administer and incorporates features as required by Human Resources.

Overlapping Complementary

 Indicates underlying activity causation


Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Corporate Communications and Marketing		<p>Corp. Communications & Marketing : Helps support content formatting and presentation visuals as well as developing material templates in support of Investor Communications..</p> <p>Investor Relations: Manages the relationship with investor groups on an enterprise-wide basis. Delivers presentations and answers questions on Spire's financial and operational results and projections.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Internal Communications		
External Communications		
Creative Services		
Marketing and Research		
Communications Operations		<p>Corp. Communications & Marketing: Manages creative content and marketing for Spire. Responsible for providing the tools, standards and templates to enable operating companies to engage in local communication efforts in a consistent manner.</p> <p>Operations Functions: Incorporate consistent standards in all communication with customers, regulatory agencies and other entities, and loop back customer feedback as input for Marketing Research being done by Corp. Communications & Marketing.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>

 Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Customer Experience		<p>Customer Experience: Dispatch serves as the intermediary between Customer Contact and Field Operations – emergency calls are routed by customer contact personnel to Dispatch, who then coordinate with the nearest available field personnel to resolve the issue</p> <p>Operations Functions: Field Personnel within Operating Companies are dispatched by Dispatch Services to attend to urgent customer requests.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Credit and Collections		
Customer Contact		
Dispatch		
Community & Agency Services		
Accounts Receivables		
Meter Reading and Billing Services		
		<p>Customer Experience: Conducts meter-reading and generates bills based on usage, coordinates Special Billing, and ensures that all customers receive bills on time.</p> <p>Operations Functions: Performs installation and meter maintenance, including all meter shop functions. Procures meters and instrument transformers and provides regulatory-required tests; refurbishes devices where necessary. While the Customer Experience group is responsible for automated reading and interaction with customers, Operating Companies are responsible for the servicing and maintenance of the meters to ensure they are working properly.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>

 Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Gas Supply and Operations		
Instrumentation and Control		
Gas Supply Purchasing, Sales / Risk Management		
System Control		
Underground Storage / LNG		
Plants and Stations		
External Affairs		
State and Local Governmental Affairs		<div data-bbox="1100 537 1940 954" data-label="Text"> <p>External Affairs: Develops, promotes and shapes enabling public policy in jurisdictions of Spire operation. Closely monitors the federal legislative landscape to identify regulatory and legislative changes at the federal level that could impact Spire and its operating companies.</p> <p>Corporate Communications & Marketing: Closely monitors the external media landscape to develop appropriate organizational and operational responses to any changes. Additionally, manages Spire's community relations and community outreach efforts as these issues are localized and unique to each operating company.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p> </div>
Regulatory		

Indicates underlying activity causation

External Affairs: In coordination with the various Operating Companies, consolidates information from the Finance group with all the other material required for rate case filings. Prepares for interface with commissions, and works with employees within Operating Companies and external participants to serve as expert witnesses.

Finance (Controller): Coordinates rate case financial analysis, prepares and submits filing documents to the Rates and Regulatory Affairs team within External Relations.

Overlapping Complementary

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Operations Controller		<p>Operations Controller: Develops the annual budget for GasCo Shared Service functions (such as External Affairs, Gas Supply and Operations, Customer Experience etc.) in coordination with functional heads within Gas Co Shared Services and Operating Companies.</p> <p>Financial Planning and Analysis: Develops the annual budget for Corporate Shared Service functions (such as Investor Relations, Supply Chain, ITS, HR etc.) in coordination with functional heads within Corporate and Operating Companies. In addition, manages the budgeting process for the entire organization</p> <p>Operations Functions: Develops the annual budget for the Operating Companies outside of Corporate and GasCo Shared Service functions. In addition, provides insight and input for the budgeting process for Shared Services based on business need.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Planning and Budgeting, Variance Analysis		
Business Analysis & Performance Measurement		
Operational and Productivity Metrics		

Operations Controller: Develops the annual budget for GasCo Shared Service functions (such as External Affairs, Gas Supply and Operations, Customer Experience etc.) in coordination with functional heads within Gas Co Shared Services and Operating Companies.

Financial Planning and Analysis: Develops the annual budget for Corporate Shared Service functions (such as Investor Relations, Supply Chain, ITS, HR etc.) in coordination with functional heads within Corporate and Operating Companies. In addition, manages the budgeting process for the entire organization


Operations Functions: Develops the annual budget for the Operating Companies outside of Corporate and GasCo Shared Service functions. In addition, provides insight and input for the budgeting process for Shared Services based on business need.

Overlapping Complementary

Operations Controller: Serves to bring various groups in and across the Operating Companies together - enabling sharing of best practices and aligning of goals. It also shares performance insights to standardize processes and resolve differences to enhance corporate performance.


Operations Functions: Operating Companies are responsible for executing productivity enhancement initiatives highlighted in the meetings facilitated by Operations Controller, but do not do similar productivity analysis on their own.

Overlapping Complementary

 Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Organic Growth- Sales		<p>Organic Growth: Manages programs targeted at increasing gas customer base and develops strategies, and rolls out various drives and initiatives, develops relationships with large customers, engineers, builders and construction managers. Helps ensure reliable access to gas services by working closely with Operating Companies.</p> <p>Operations Functions: Executes the Organic Growth initiatives and strategies on the ground. For example, installs the facilities required by new customers.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p> <hr/> <p>Organic Growth: Develops project plans for projects initiated specifically to support new customer pipeline installation.</p> <p>Operations Services: Provide centralized engineering design and program management services for major projects such as construction of new facilities and environmental retrofits. Also provide program management services such as technology selection, vendor selection, and contract execution for large scale or complex engineering projects – with input from the operating companies. Manages large-scale projects, large-scale replace or repair decisions.</p> <p>Operations Functions: Perform routine maintenance support services and manages small scale projects (facilities installation) and replace or repair decisions where local knowledge is required. In addition, monitors equipment, ensures compliance with technical directives and Spire standards.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Customer Growth		
Customer Care		
Project Planning		
Energy Efficiency		
Economic Development		

 Indicates underlying activity causation

Spire Sub-Function Overlap Analysis

Sub-Function	Potential Overlap	Overlap / Complementary Sub-Function Analysis
Operations Services		
Construction Engineering, System Planning, GIS and, Right-of-Way		<p>Operations Services: Provide centralized engineering design and program management services for major projects such as construction of new facilities and environmental retrofits. Also provide program management services such as technology selection, vendor selection, and contract execution for large scale or complex engineering projects – with input from the operating companies. Manages large-scale projects, large-scale replace or repair decisions.</p> <p>Organic Growth: Develops project plans for projects initiated specifically to support new customer pipeline installation.</p> <p>Operations Functions: Perform routine maintenance support services and manages small scale projects (facilities installation) and replace or repair decisions where local knowledge is required. In addition, monitors equipment, ensures compliance with technical directives and Spire standards.</p> <p><input type="checkbox"/> Overlapping <input checked="" type="checkbox"/> Complementary</p>
Pipeline Safety Compliance and Integrity		
Employee Health and Safety, Environmental Compliance and Crisis Management		
Meter Integrity		
Fleet Management		

Operations Services: Provide centralized engineering design and program management services for major projects such as construction of new facilities and environmental retrofits. Also provide program management services such as technology selection, vendor selection, and contract execution for large scale or complex engineering projects – with input from the operating companies. Manages large-scale projects, large-scale replace or repair decisions.

Organic Growth: Develops project plans for projects initiated specifically to support new customer pipeline installation.

Operations Functions: Perform routine maintenance support services and manages small scale projects (facilities installation) and replace or repair decisions where local knowledge is required. In addition, monitors equipment, ensures compliance with technical directives and Spire standards.

Overlapping Complementary

Operations Services: Performs real-time monitoring of pipeline to ensure Safety Compliance.

Internal Audit: Conducts periodic reviews to ensure compliance with environmental laws and requirements.

Overlapping Complementary

Indicates underlying activity causation

Affiliate Transaction Cost Study

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Schedule – TJF - D4

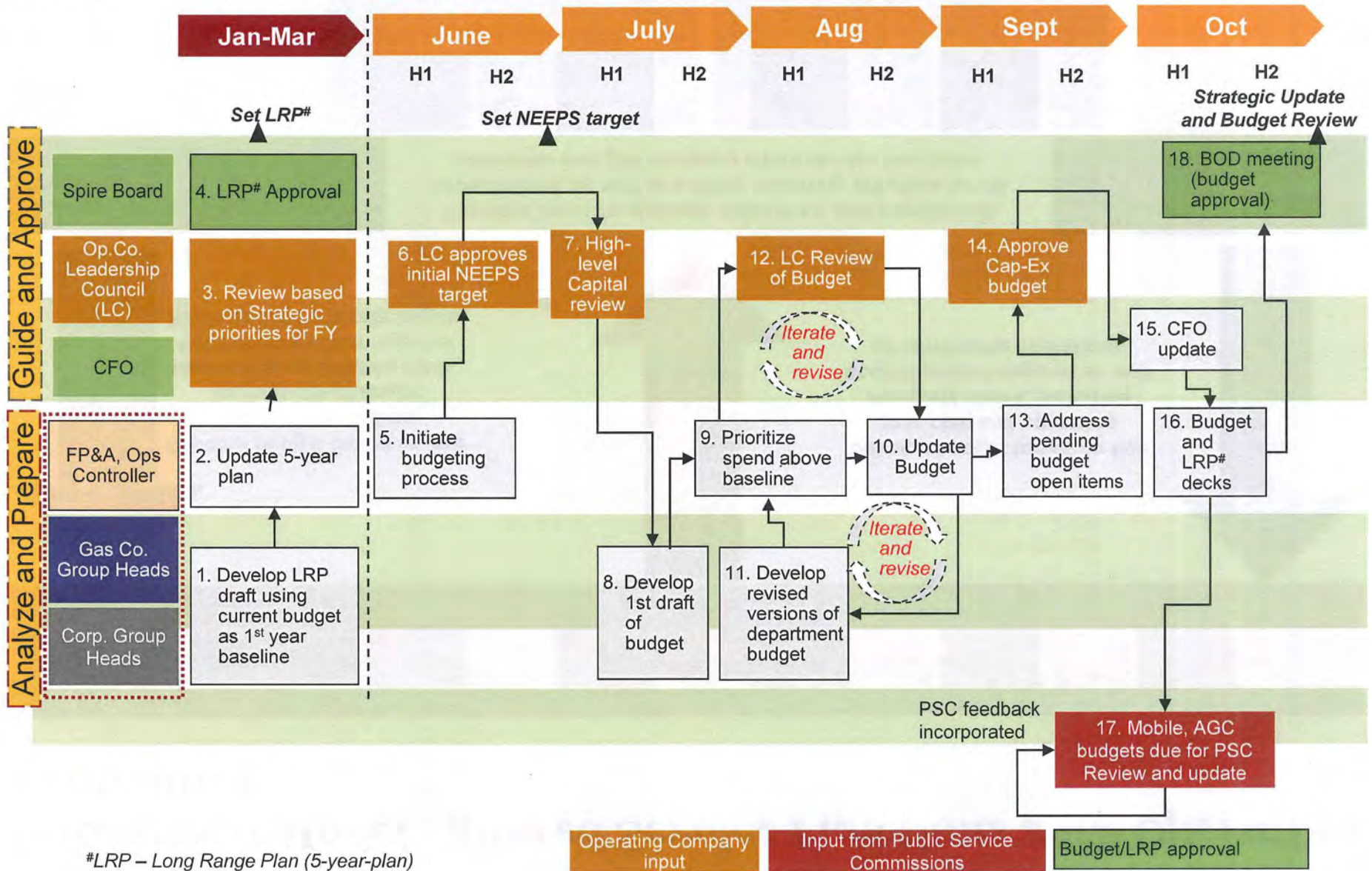


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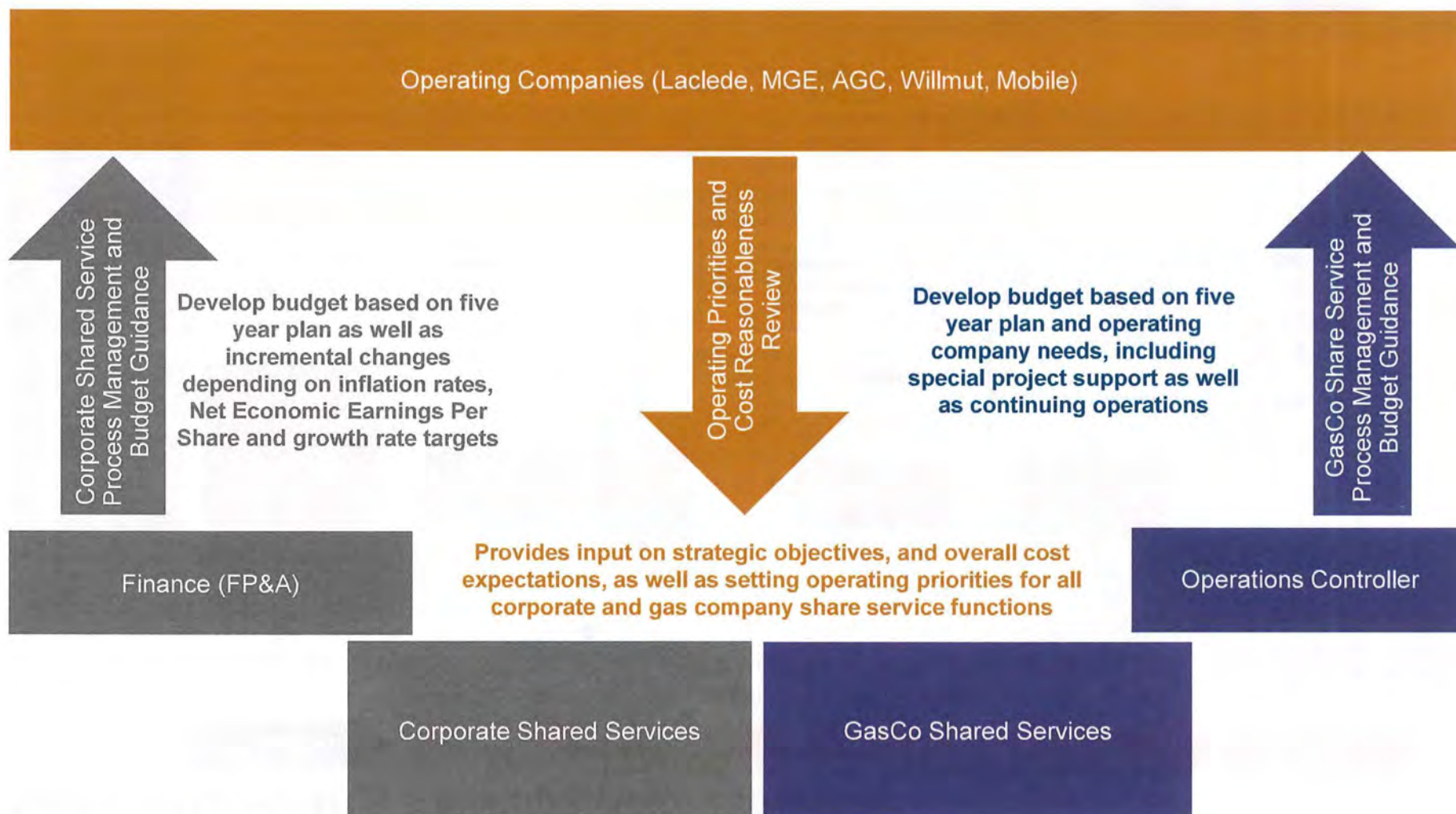


Schedule 4 – Cost Management Governance and Processes

Spire Budgeting Process and Timeline



Interaction Model - Shared Service Functions with Operating Companies



Source: Interviews with Shared Services and Operating companies, Spire's function description document

Spire Cost Management Governance Elements

Governance Forum	Participants	Frequency	Purpose
Quarterly Board of Directors Meetings	Spire BOD, Executive Team, Executive Council	Quarterly	<ul style="list-style-type: none"> Review CFO Report (all meetings) – variances to budget, year-over-year earnings results and year-end re-projections; Discuss strategic issues/review long-range plan (July); Discuss updates to strategy, review control budget, approve capital “total spending limit” (January)
Quarterly Leadership Council (LC) Earnings Meetings	Executive Team / Leadership Council (LC), OpCo Regulatory & Financial VP's, BU Budget Coordinators, CFO Sr. Leadership Team	Quarterly	<ul style="list-style-type: none"> Report variances to budget, year-over-year earnings results and year-end re-projections
COO quarterly meetings	COO, OpCo Presidents, Sr. BU Management, Shared Services team heads, Ops Controller	Quarterly	<ul style="list-style-type: none"> Discuss major points of deviations from budget and causes for the same Evaluate next-steps necessary for course correction and reevaluate forecasts
Monthly LC meetings	All MDs, Vice Presidents and above	Monthly	<ul style="list-style-type: none"> Focus on priorities emerging from Business Review Meetings – discuss plan of action and potential challenges
Monthly Business Review meetings	Finance, COO, CFO, Ops Controller of Gas utilities, Spire Marketing	Monthly	<ul style="list-style-type: none"> Review previous month financial and operational results – and identify opportunities for improvement and action-items for the future
COO monthly meetings (Operations Shared Services cost)	COO, Operating Company Presidents, Senior Business Unit Management, Shared Services team heads	Monthly	<ul style="list-style-type: none"> Focus on operational improvements and Shared Services support necessary to remain on budget
Monthly departmental meetings	FP&A - with Corp Shared Services, and OPS Controller - with Operating Company Shared Services	Monthly	<ul style="list-style-type: none"> Variance meetings scheduled with various department heads to go over budget deviations and action items for the future
SVP Weekly LC meetings	Executive Team / Executive Council	Weekly	<ul style="list-style-type: none"> Meet as needed to set/discuss earnings targets, results, projections; determine corrective action as required

Spire Cost Management Governance Roles

Governance Body	Members	Activities and Purpose
Leadership Council	CEO, COO, CFO, General Counsel, Senior VP of Strategic Planning, SVP Commercial Ops	<ul style="list-style-type: none"> To approve budget and Long Term Plan and to steer operations in alignment with the overall strategy, and in accordance with the budget
Audit Committee	Selected Board members	<ul style="list-style-type: none"> Audit committee, comprising of selected board review annual performance, and intervene as necessary when executive management is not performing according to expectation or targets previously set
Capital Review Committee	COO, CFO	<ul style="list-style-type: none"> Prioritize project spend Review project resources and timeline and approve project initiation
Program Management Office	Project Managers, Engineers, VP Operations Services, VP Gas Supply and Operations	<ul style="list-style-type: none"> Review performance of project against budget restrictions and completion rate Institute performance reviews and standards to accomplish project completion goals Consolidated progress reporting, project prioritization, invoicing and contract management
Operations Controller	Operations Controller, VP Field Operations, Operating Company Presidents	<ul style="list-style-type: none"> To better manage operating company and Gas Co Shared Services resources and optimize performance Ensure actual financial performance and benefits match annual plan and formulate course-correction steps for deviations
Finance Controller	Financial Planning and Analysis Group	<ul style="list-style-type: none"> To better manage corporate shared services resources and optimize performance Ensure actual financial performance and benefits match annual plan and formulate course-correction steps for deviations

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Schedule – TJF – D5



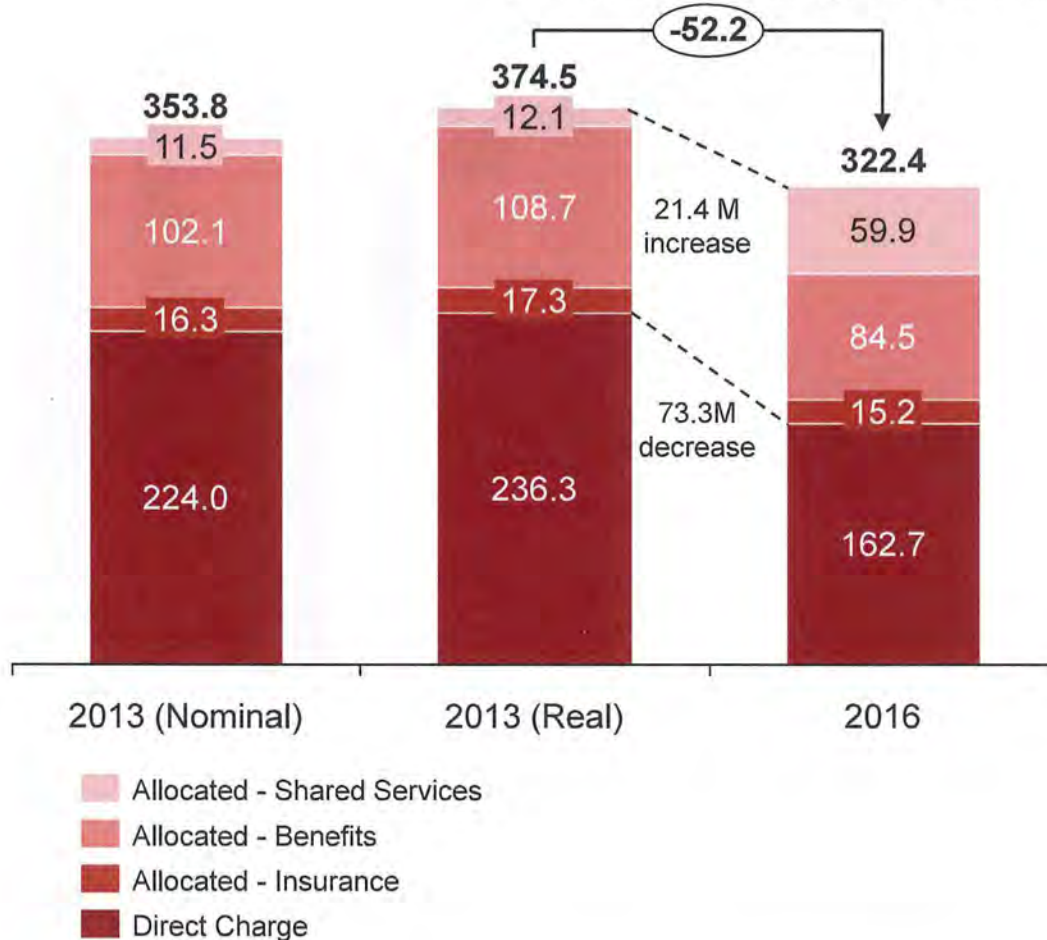
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Schedule 5 – Cost Trends 2013-2016

Spire A&G Trends – Real \$

Spire O&M Trends (Adjusted for Inflation \$M)
 Real \$M; Weighted average annual escalation rate = 1.91%



Main Cost Drivers

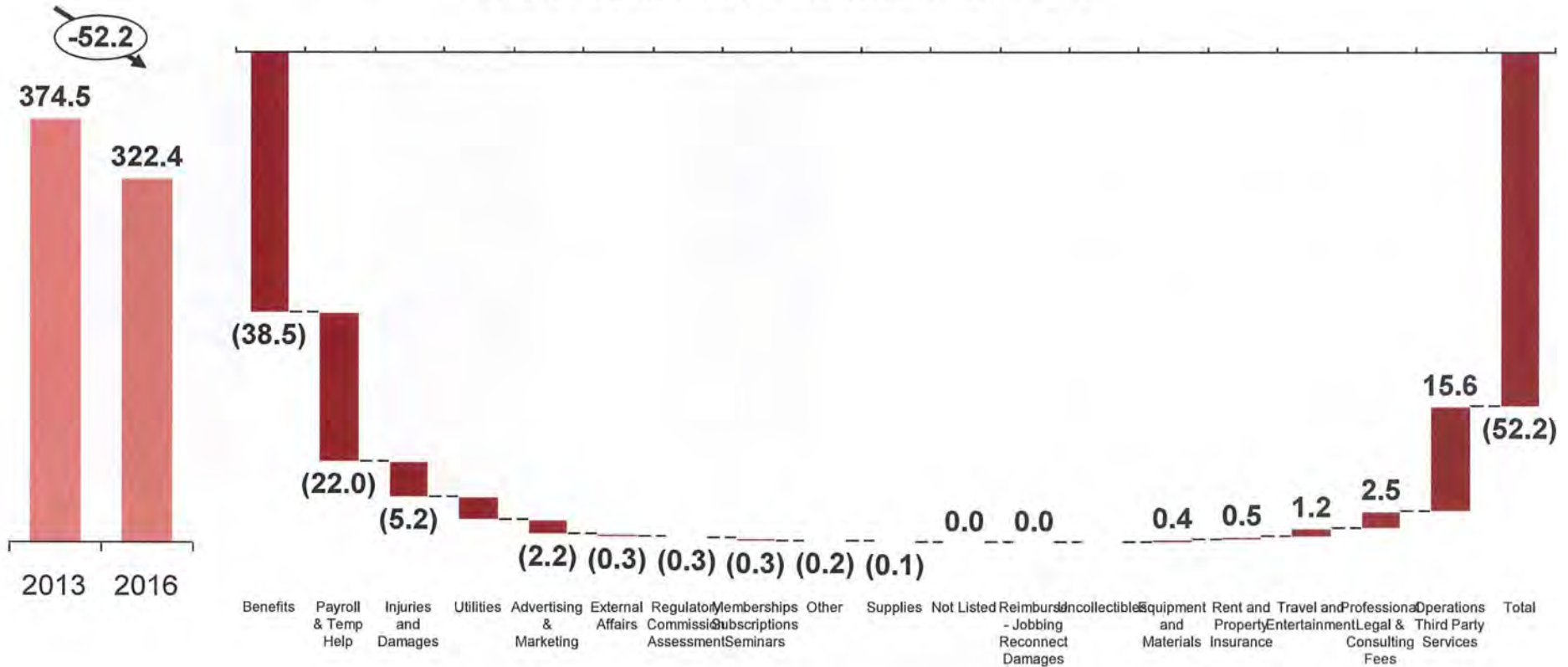
- **HR** - \$37 million decrease: Mainly due to headcount reduction, benefits plan design, decreased pension expense after previous rate case
- **Executive & Governance** - \$11.2 million decrease: Mainly driven by payroll acquisition synergies
- **Legal & Claims** – \$8 million dollar decrease: Due to reduced legal fees, insurance synergies, lower provision
- **IT** - \$4 million decrease: Due to outsourcing and synergies

Source: Spire Data, Strategy& analysis

Spire 2013-2016 Real \$ Change in O&M Billings to Affiliates by Cost Element – All Functions

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%



Source: Spire Data, Strategy& analysis

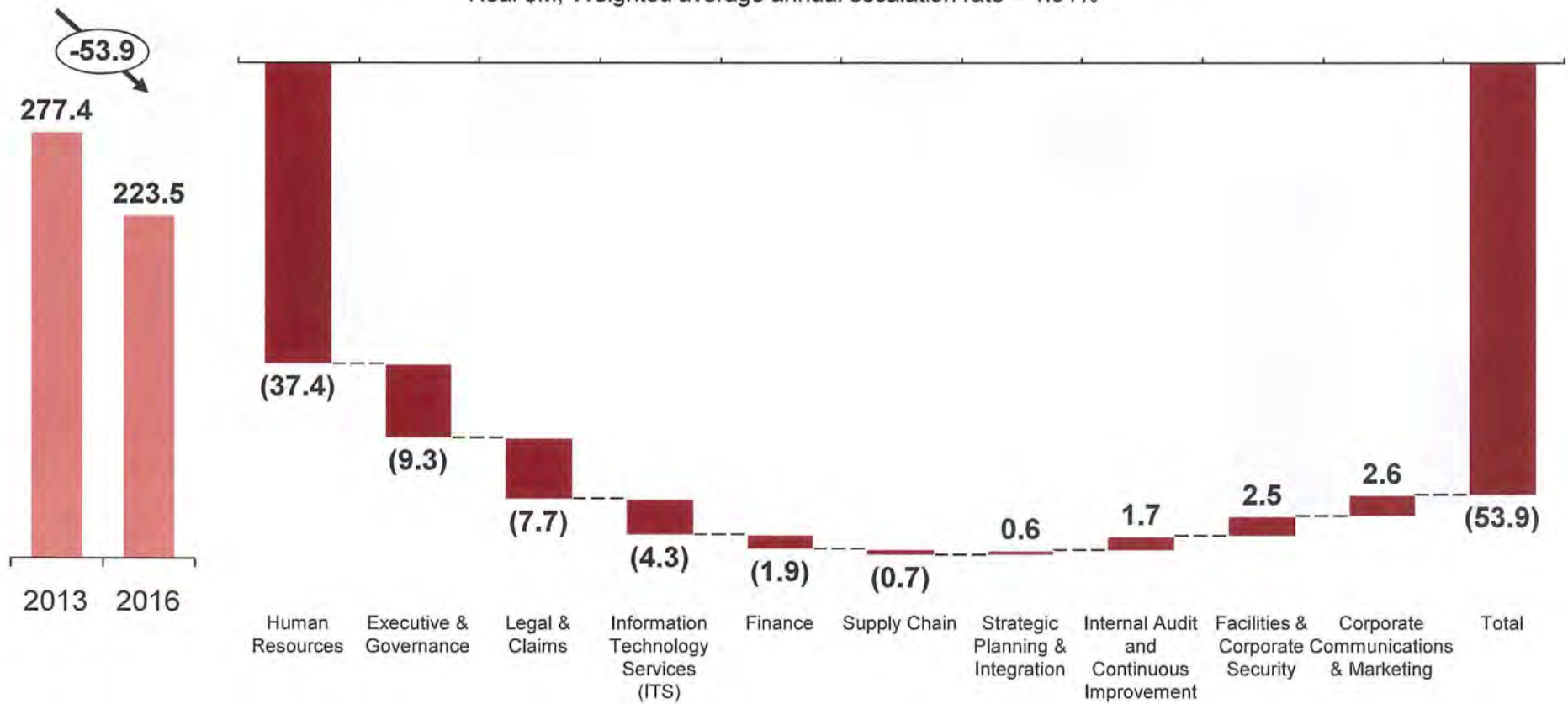
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Corporate Shared Service Function Billings to Affiliates by Function

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%



Source: Spire Data, Strategy& analysis

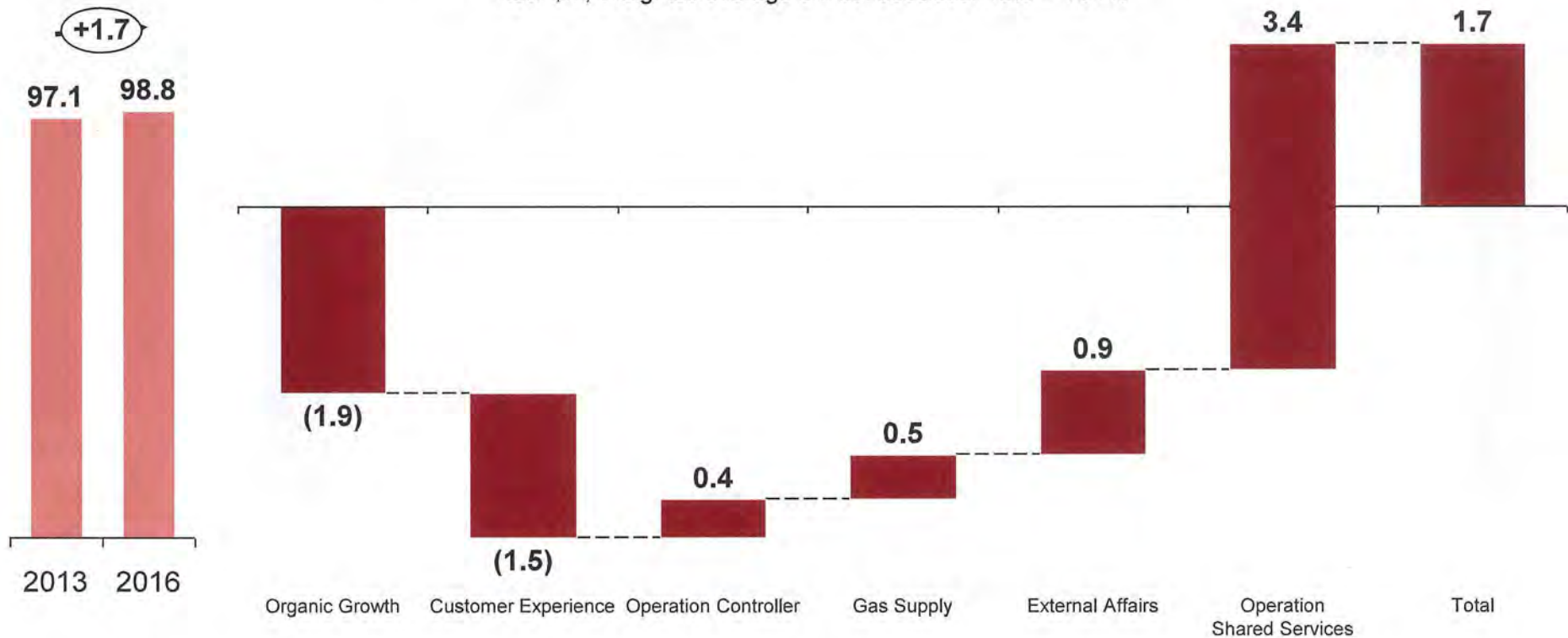
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Gas Co Shared Service Function Billings to Affiliates by Function

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%

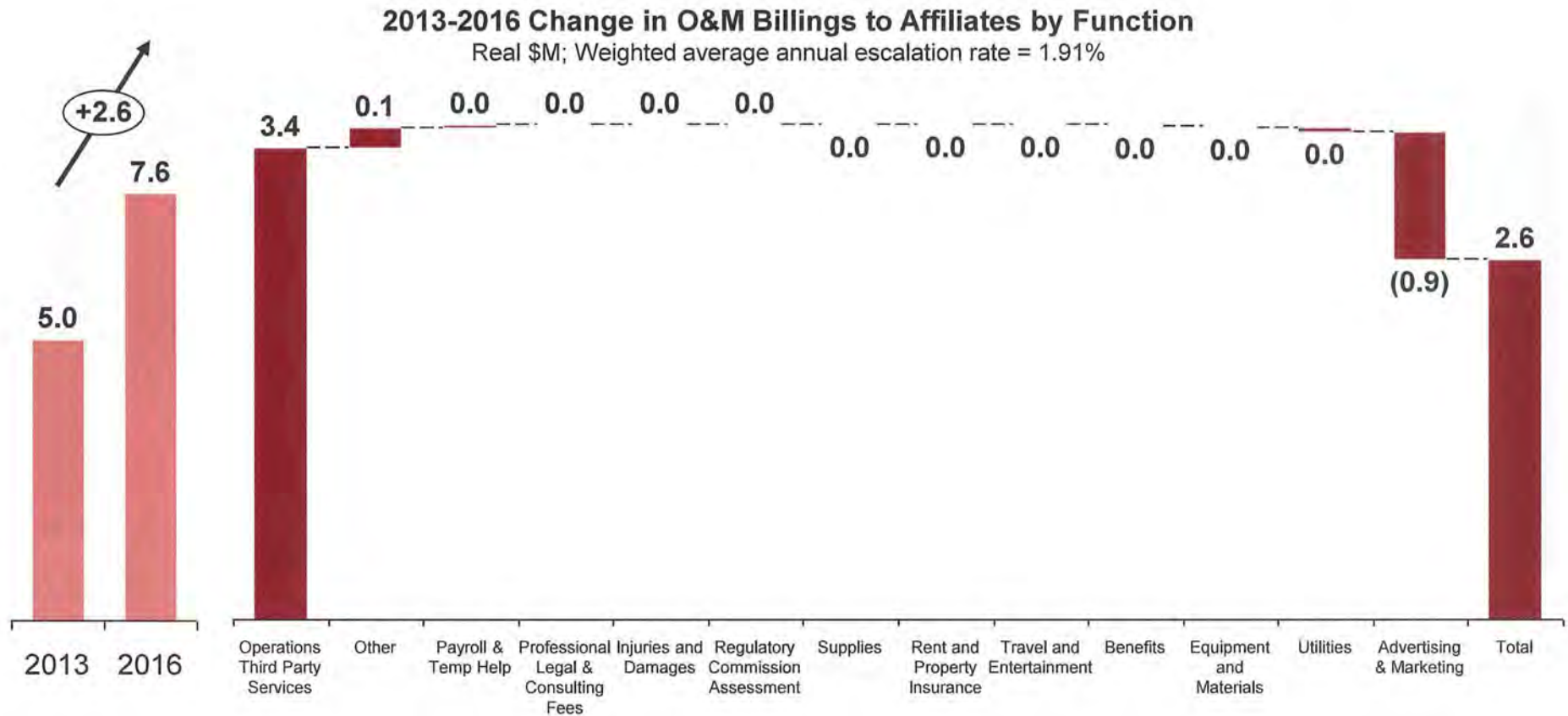


Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Corporate Communications & Marketing by Cost Element



Source: Spire Data, Strategy& analysis

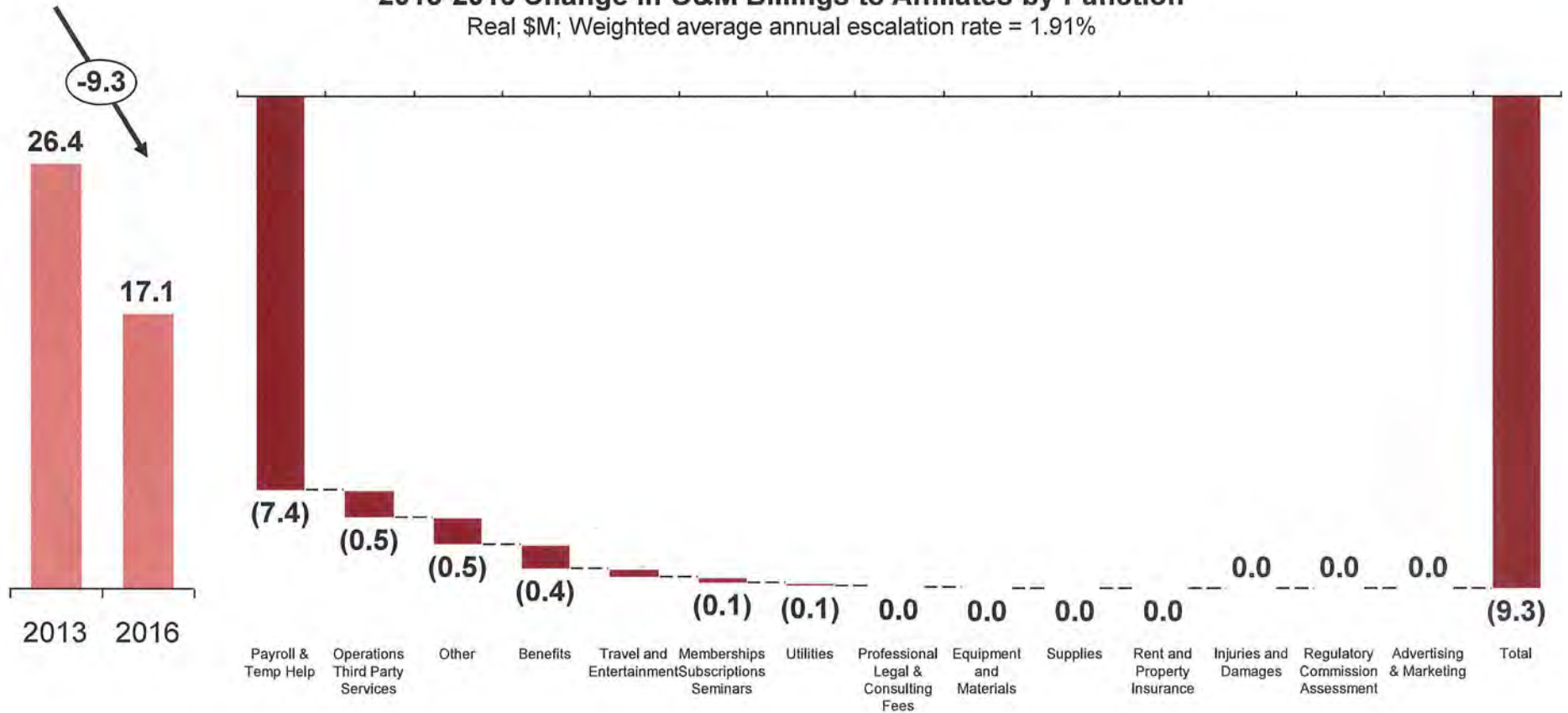
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Executive & Governance by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%

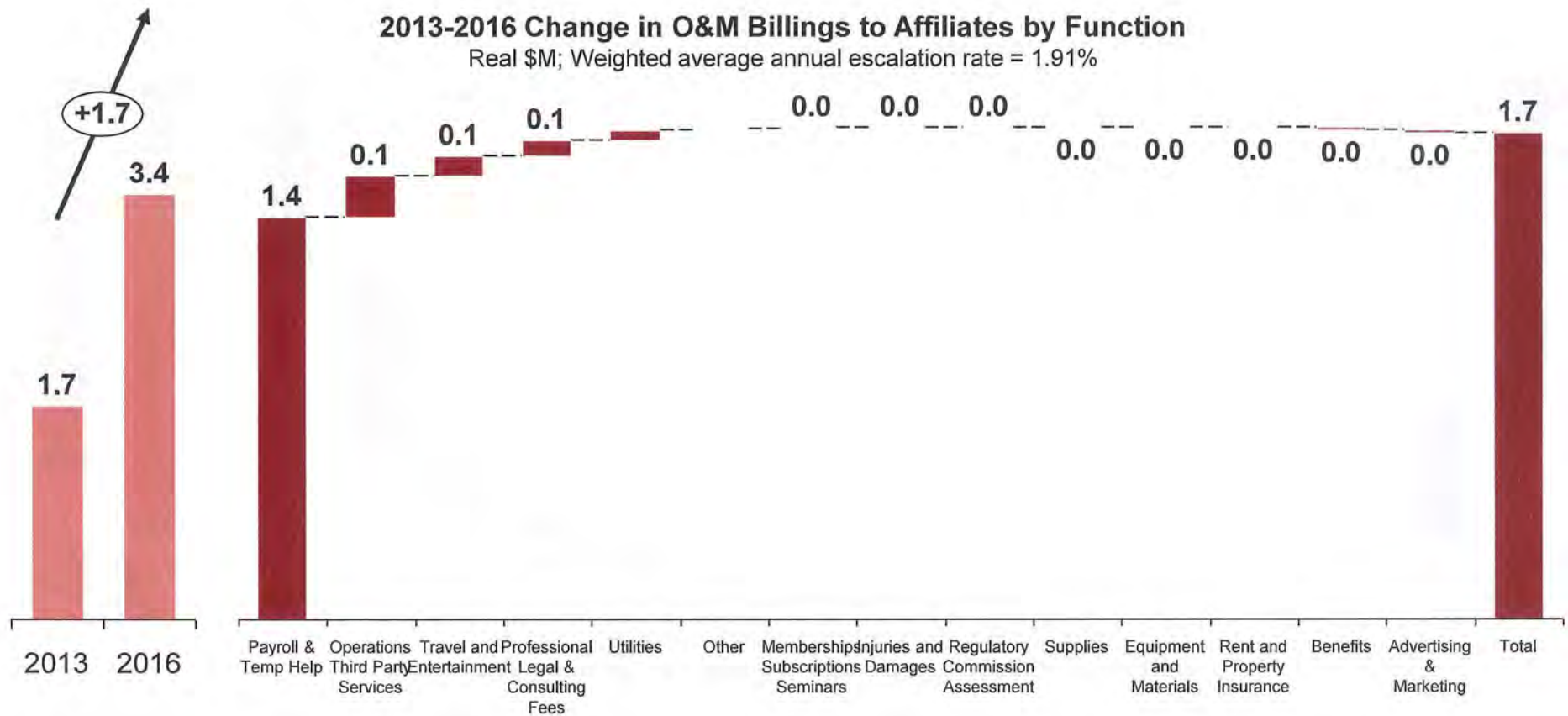


Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Internal Audit and Continuous Improvement by Cost Element



Source: Spire Data, Strategy& analysis

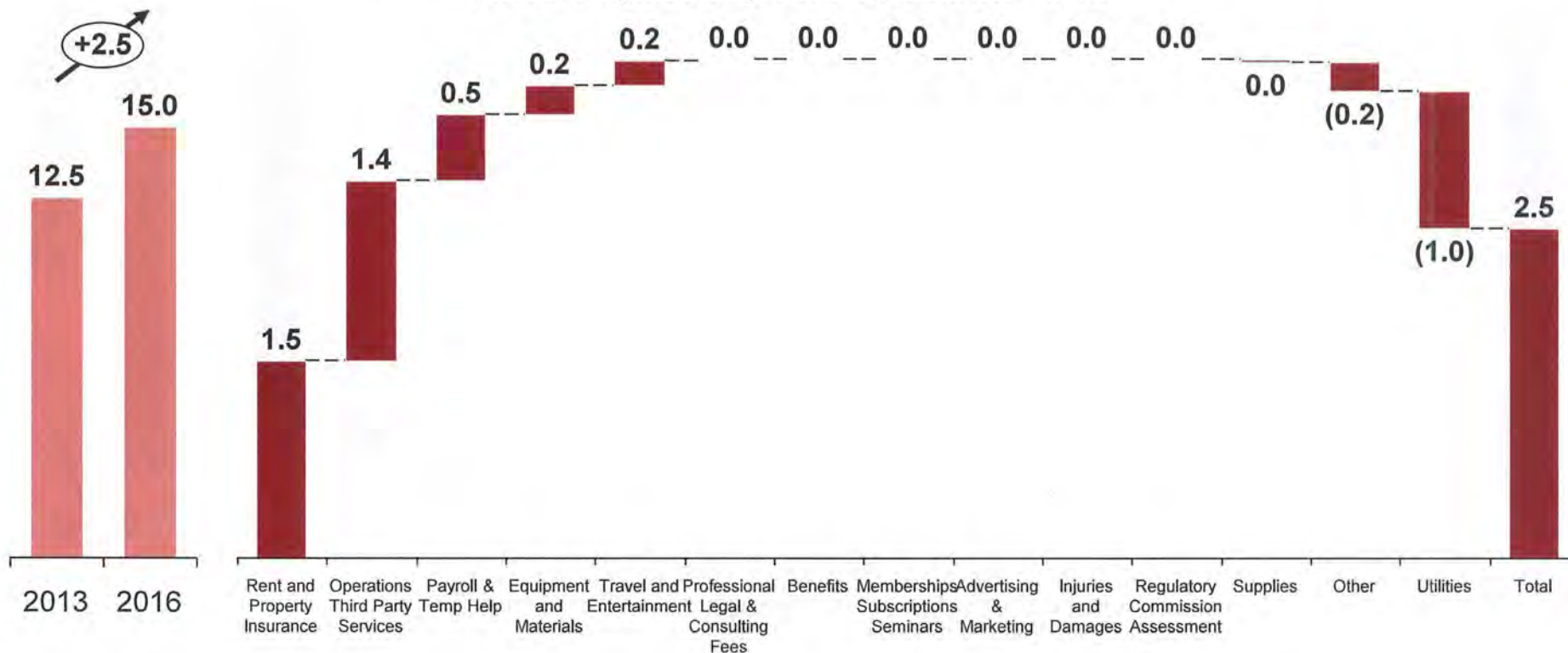
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Facilities & Corporate Securities by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%

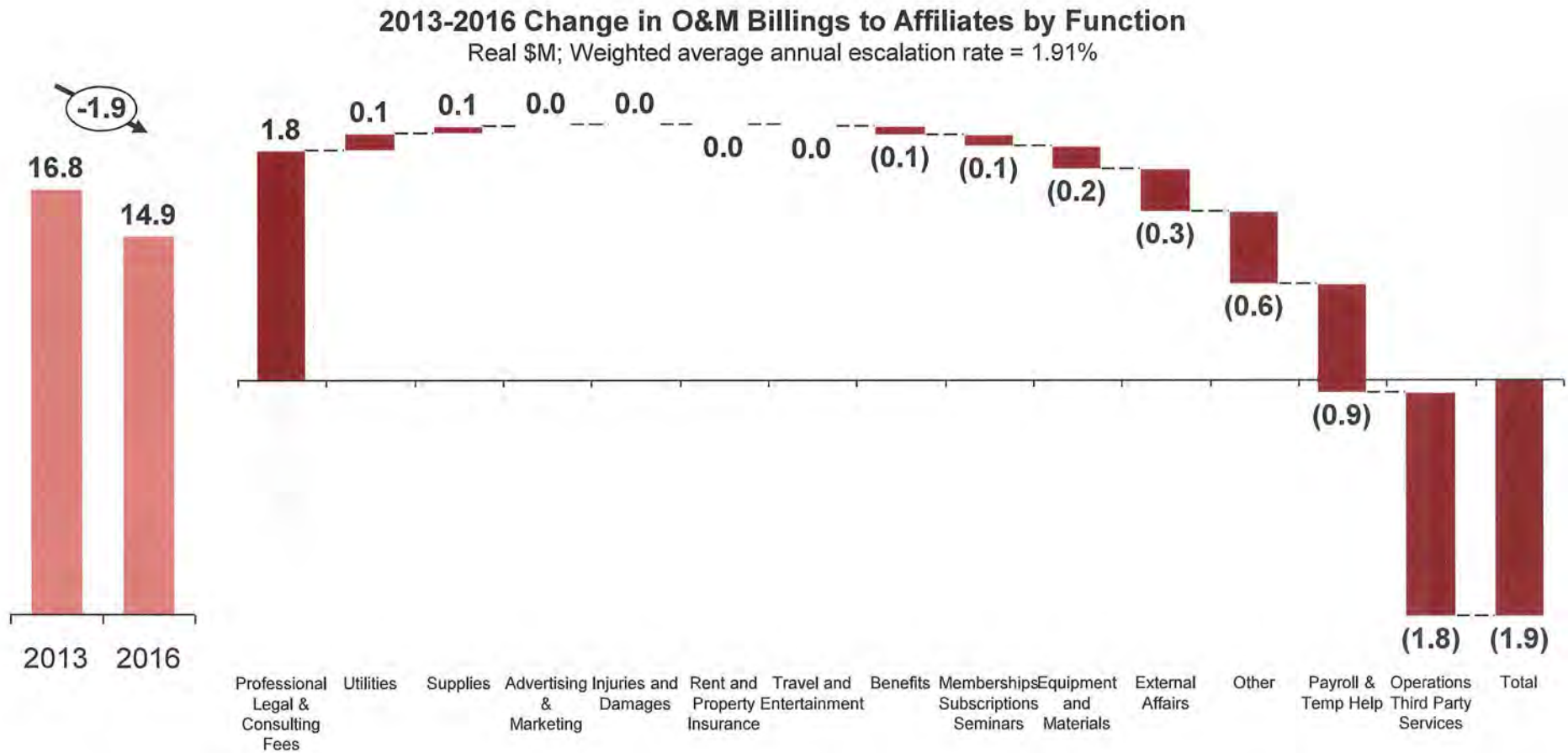


Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Finance by Cost Element



Source: Spire Data, Strategy& analysis

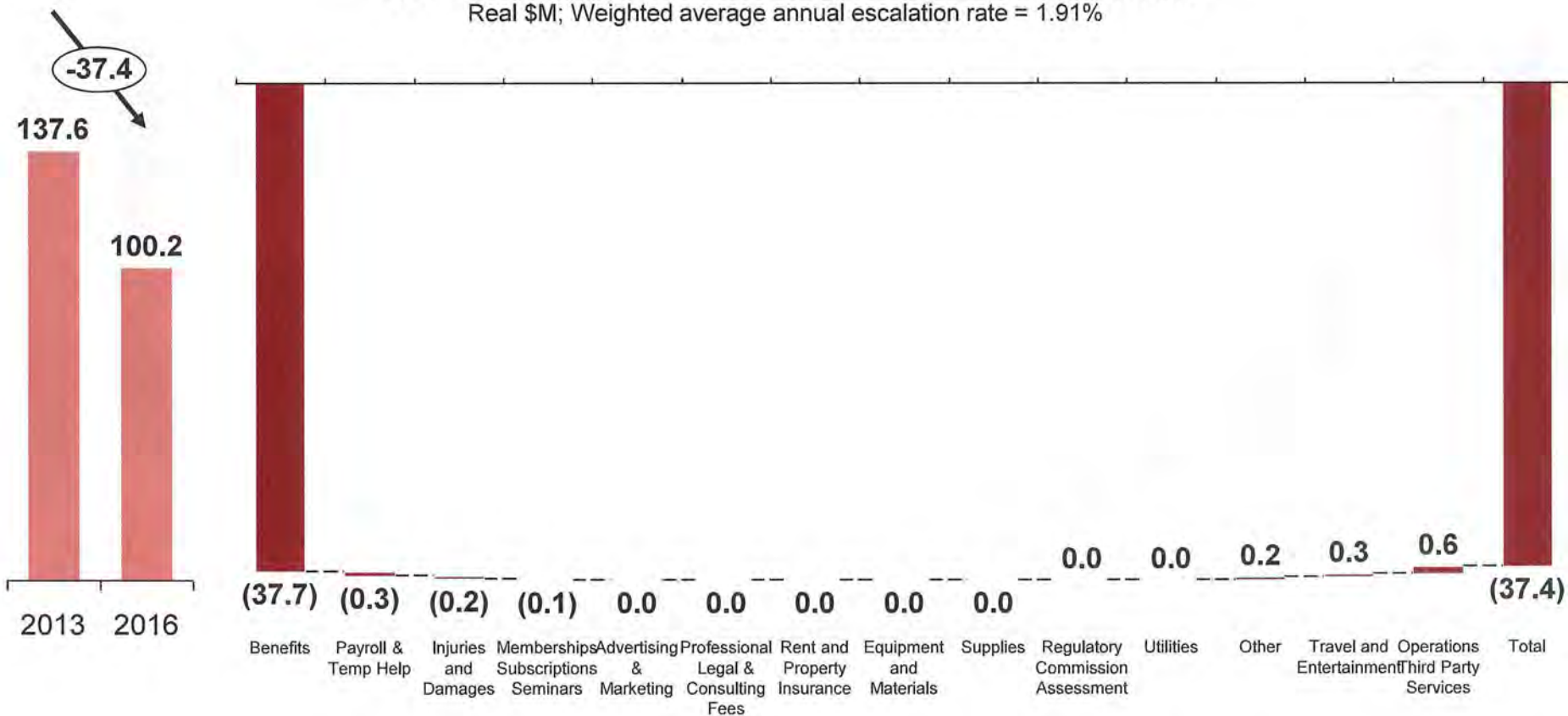
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Human Resources by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%



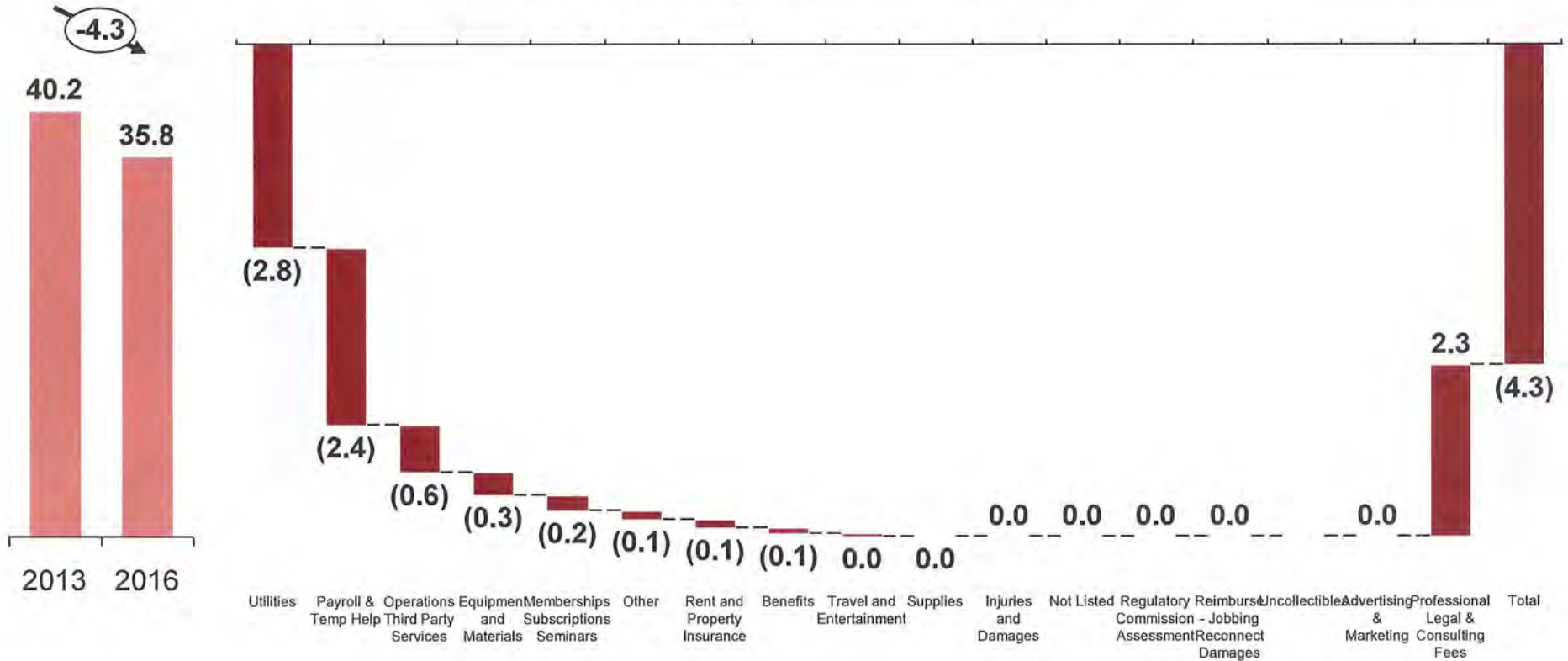
Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in IT by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function
 Real \$M; Weighted average annual escalation rate = 1.91%



Source: Spire Data, Strategy& analysis

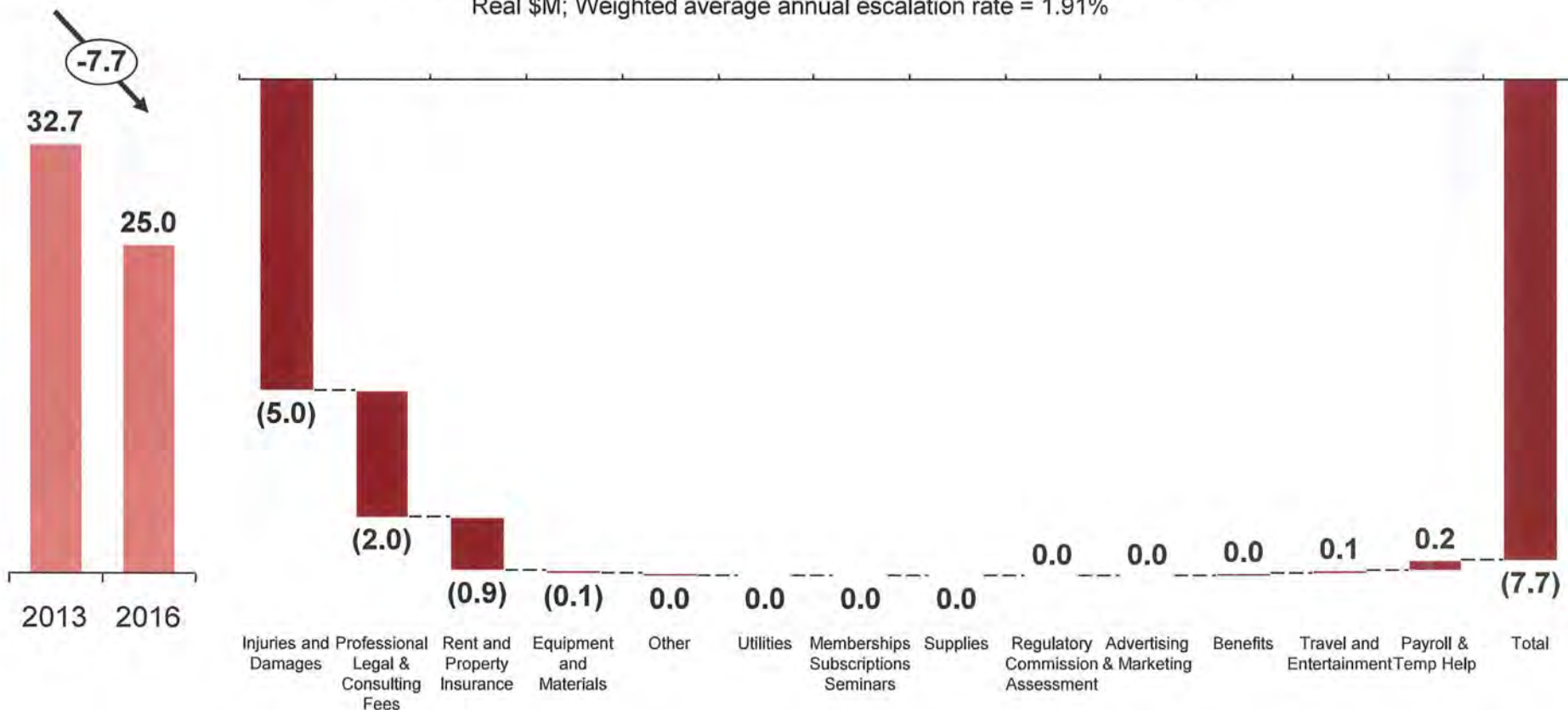
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Legal & Claims by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%

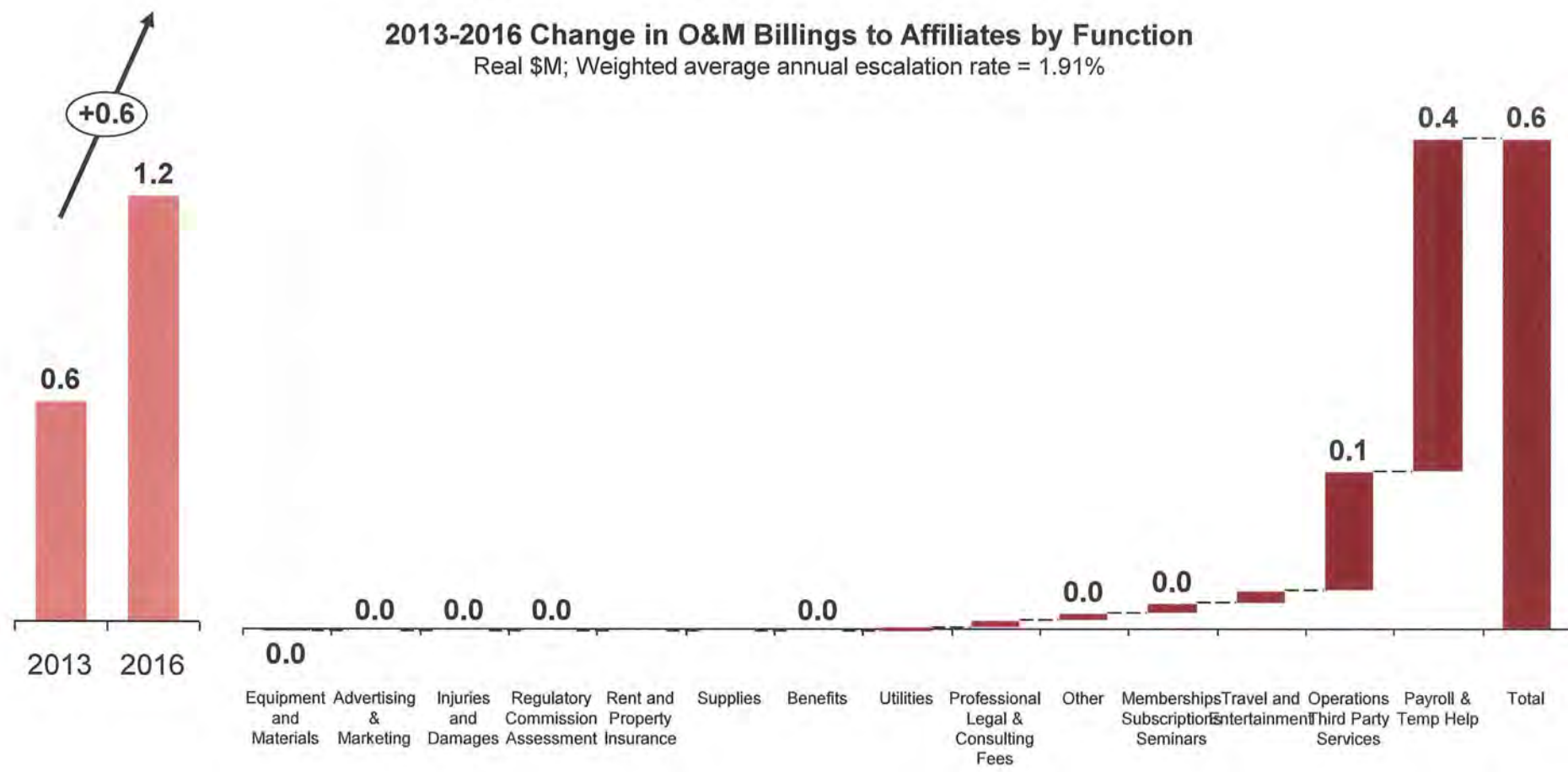


Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Strategic Planning & Integration by Cost Element



Source: Spire Data, Strategy& analysis

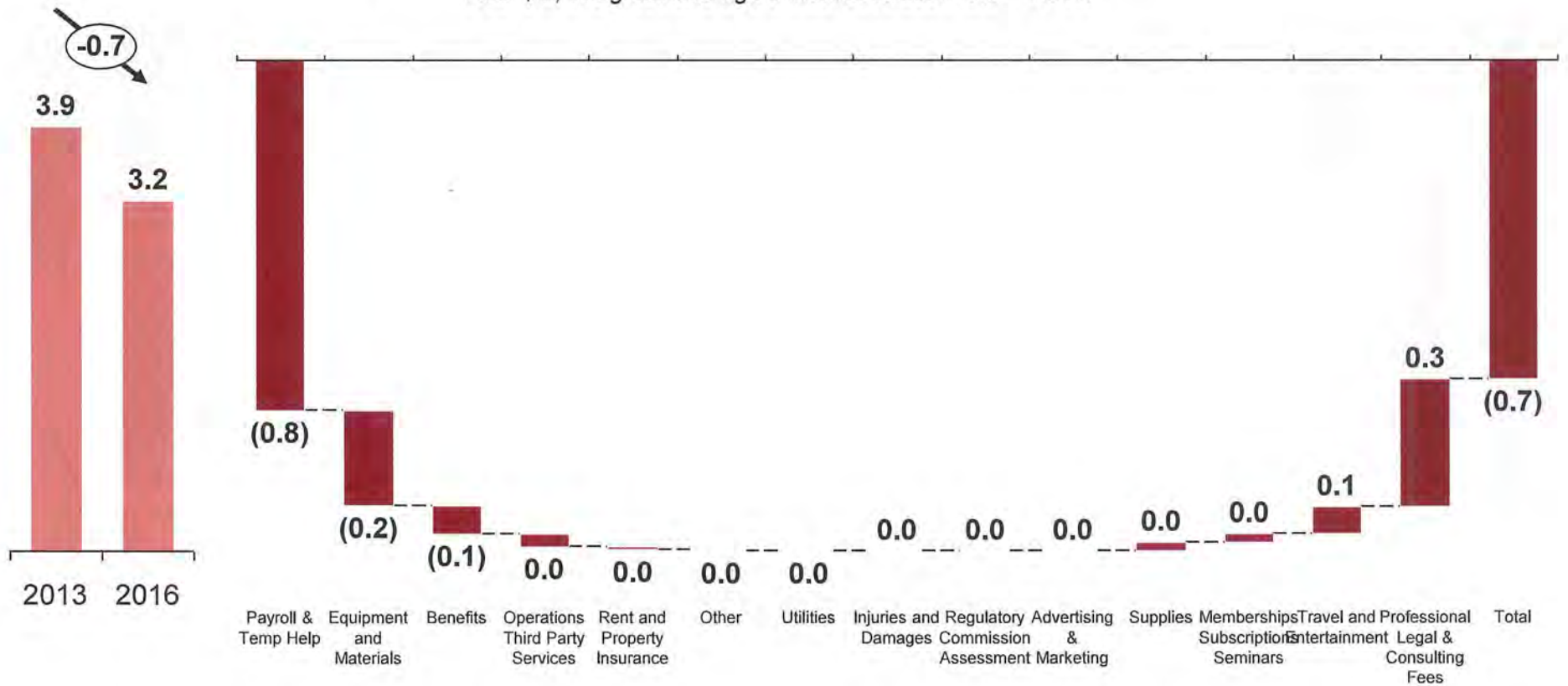
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Supply Chain by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%



Source: Spire Data, Strategy& analysis

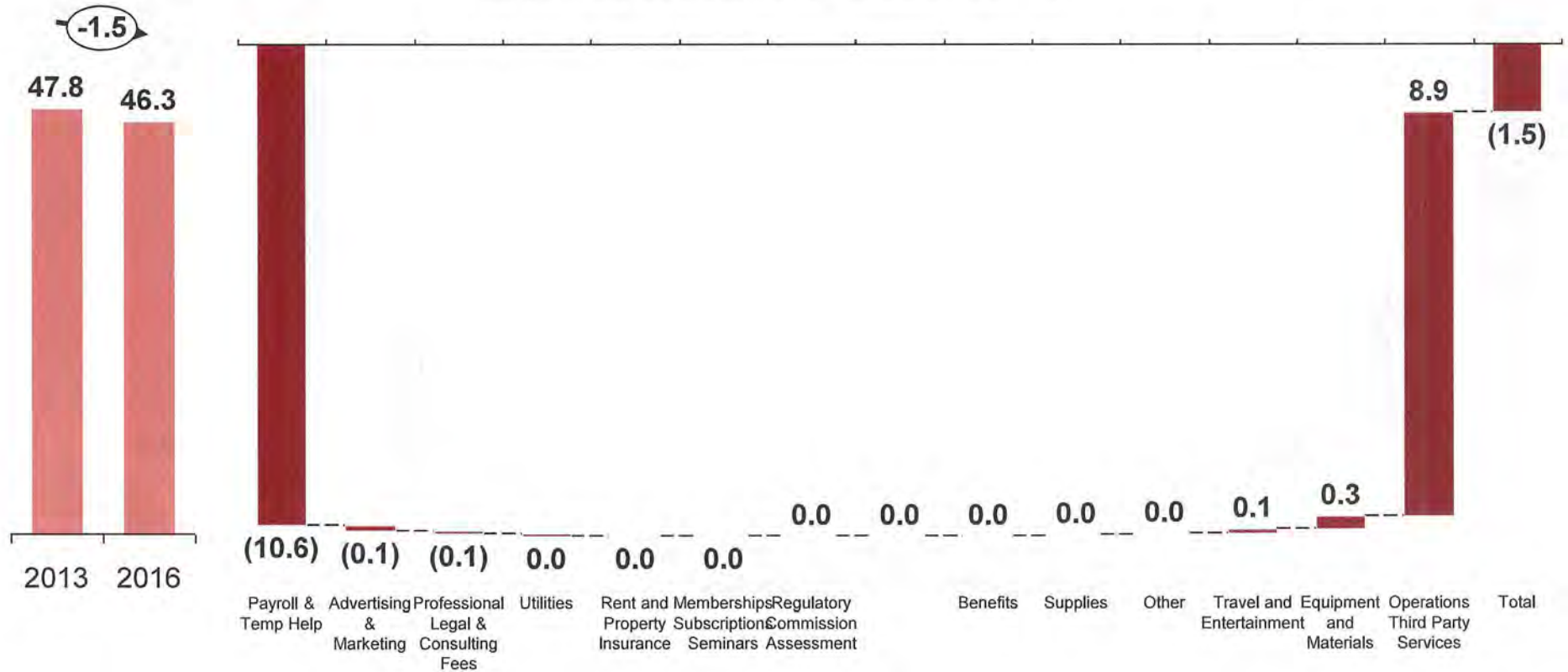
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Customer Experience by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%



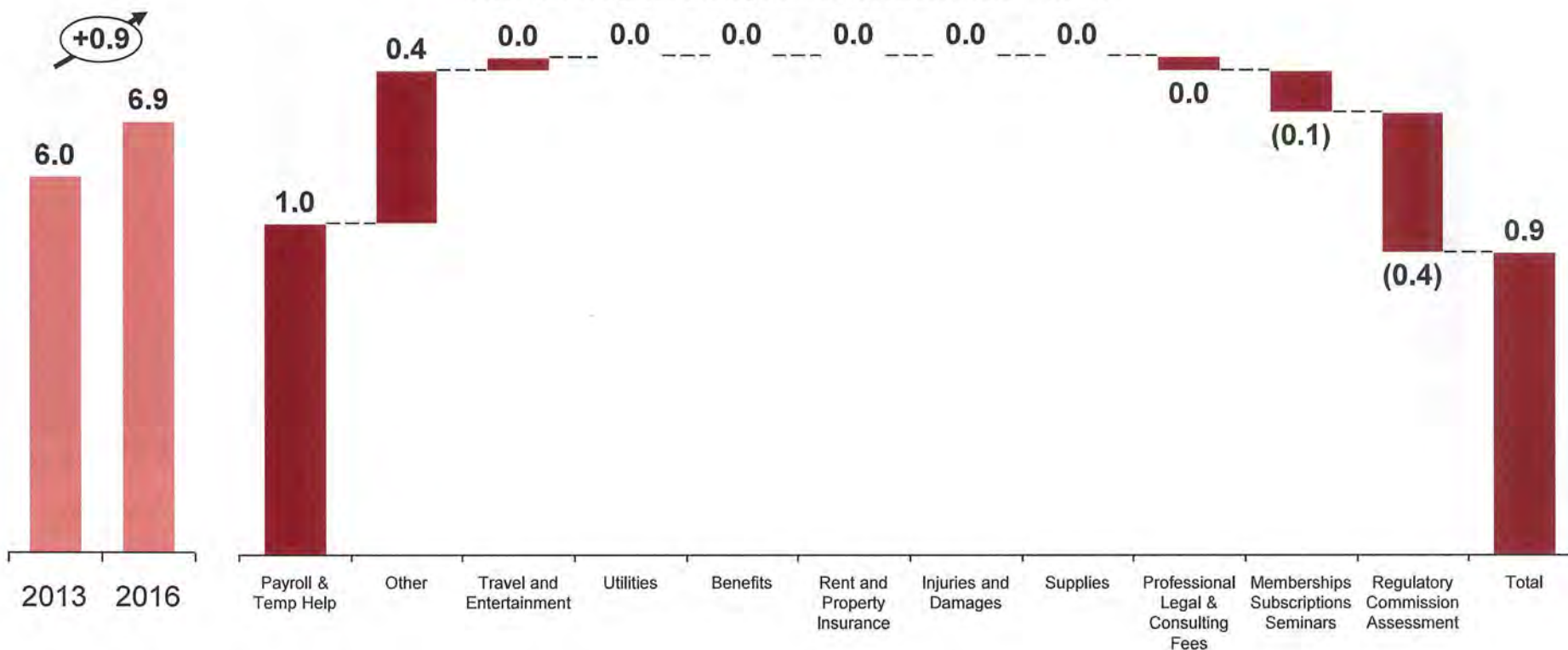
Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in External Affairs by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function
 Real \$M; Weighted average annual escalation rate = 1.91%



Source: Spire Data, Strategy& analysis

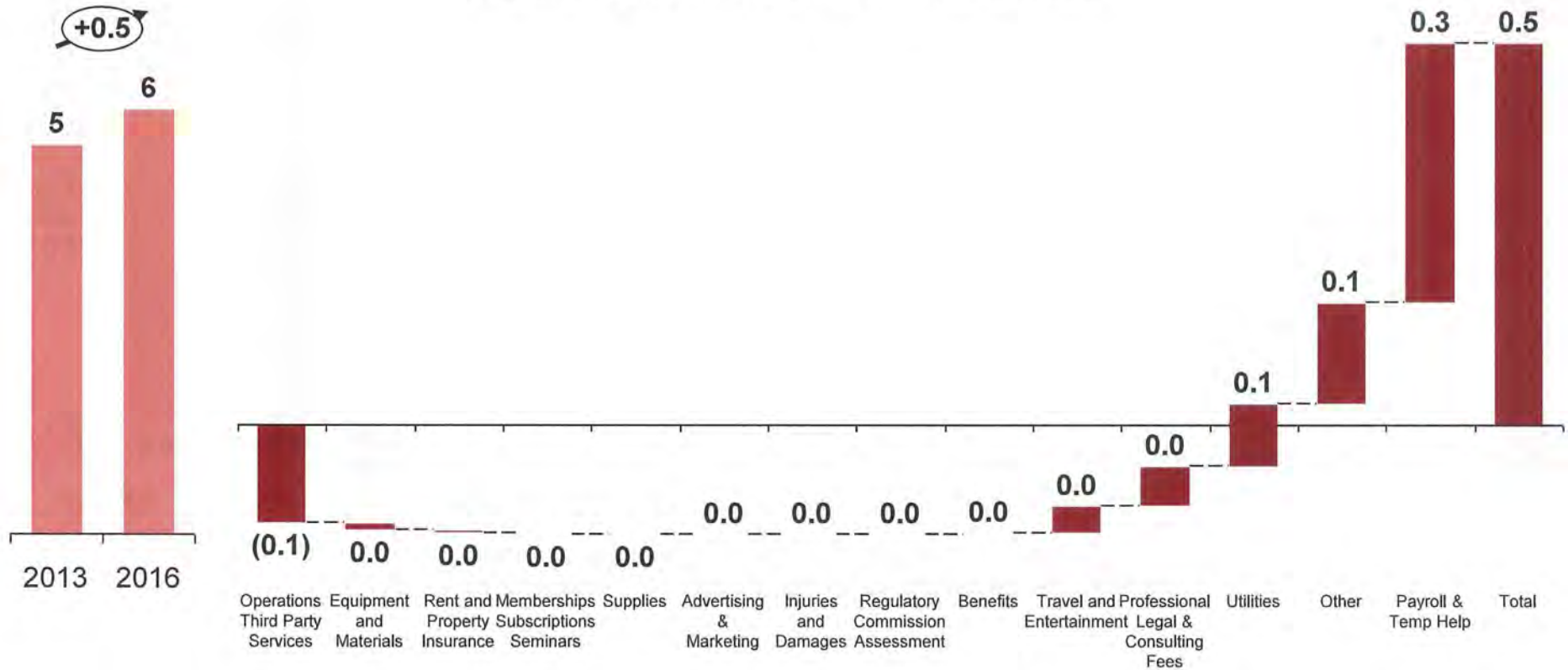
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Gas Supply by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%

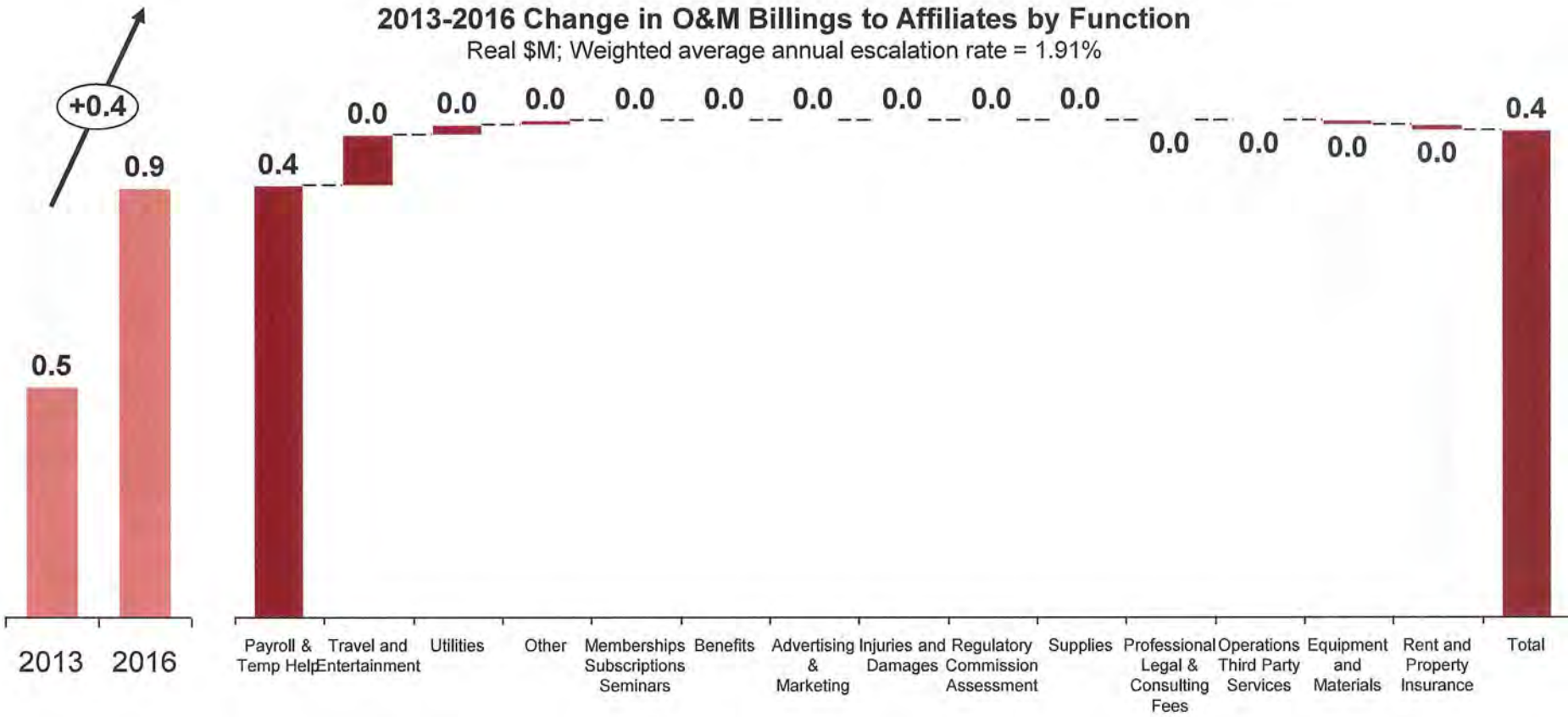


Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Operations Controller by Cost Element



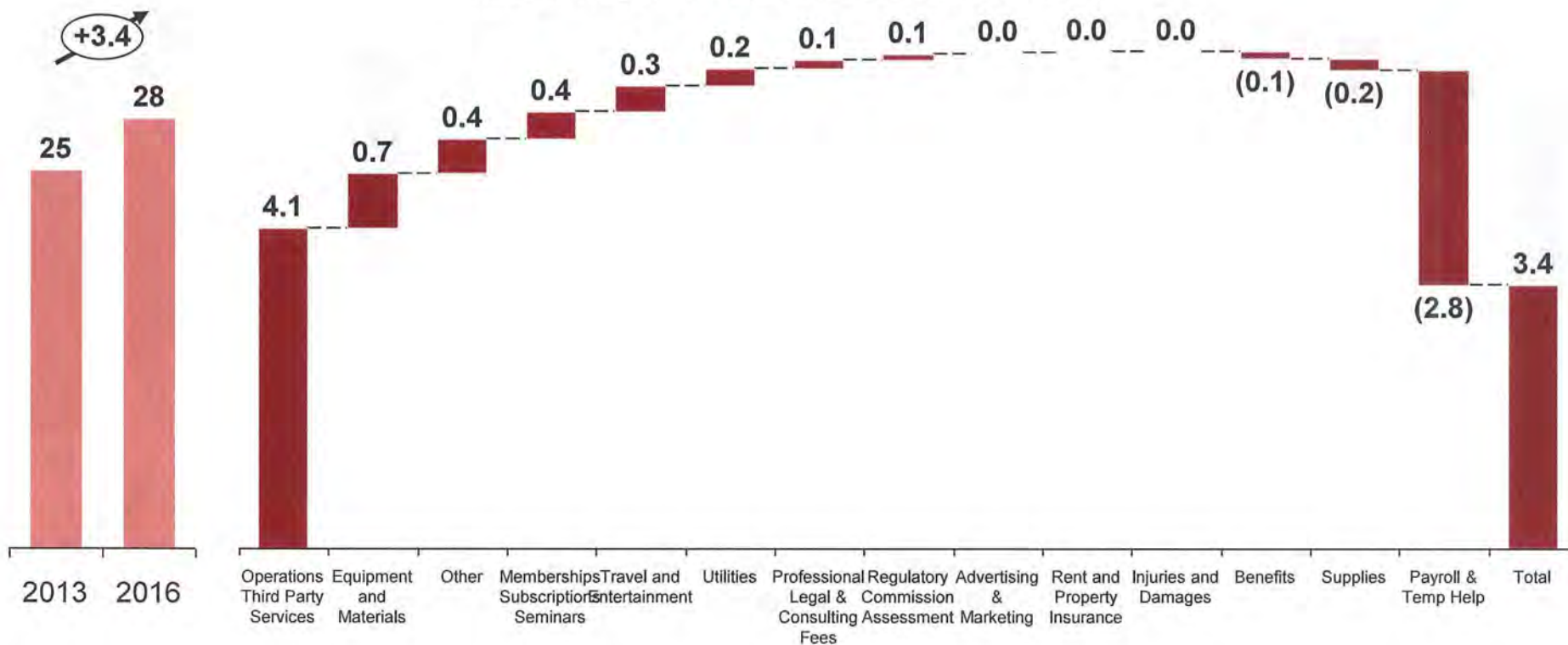
Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Operations Shared Services by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function
 Real \$M; Weighted average annual escalation rate = 1.91%



Source: Spire Data, Strategy& analysis

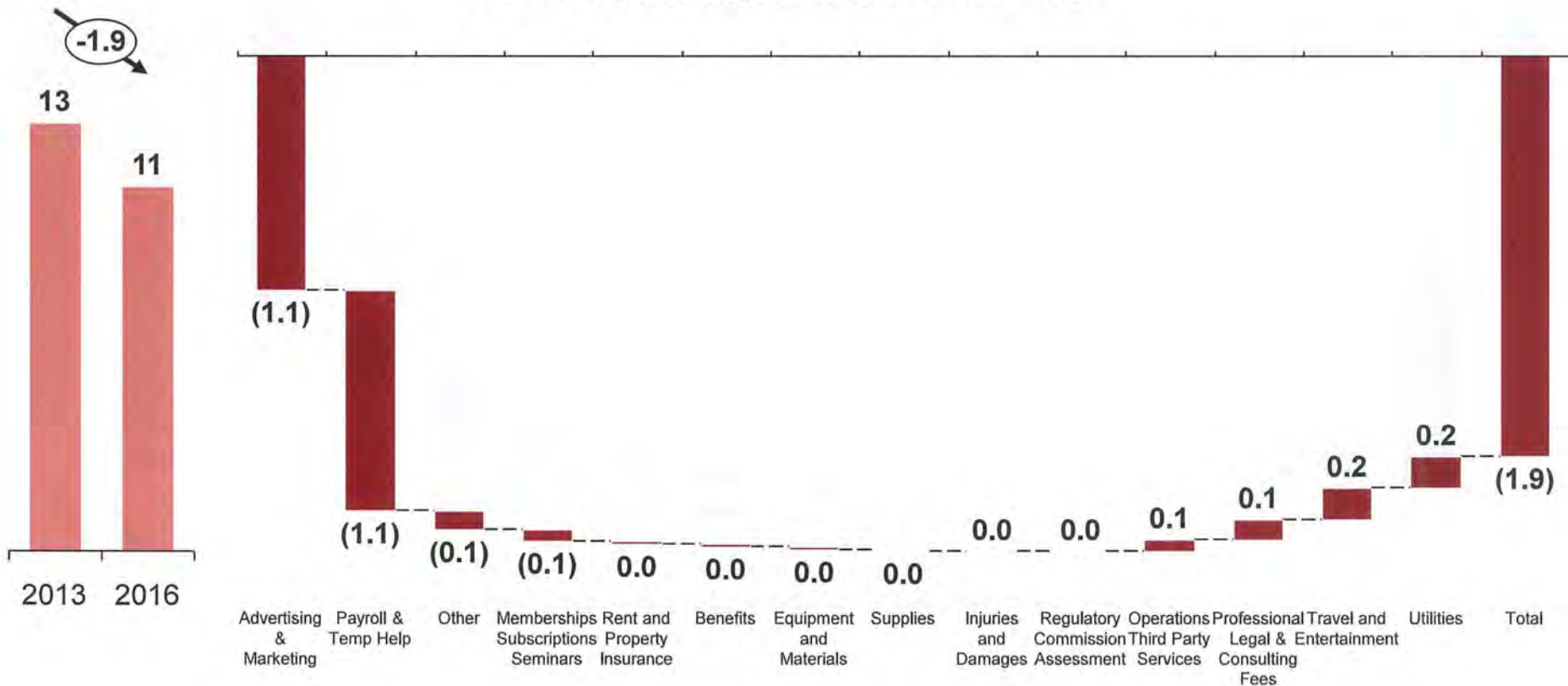
Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

Spire 2013-2016 Real \$ Change in Organic Growth by Cost Element

2013-2016 Change in O&M Billings to Affiliates by Function

Real \$M; Weighted average annual escalation rate = 1.91%

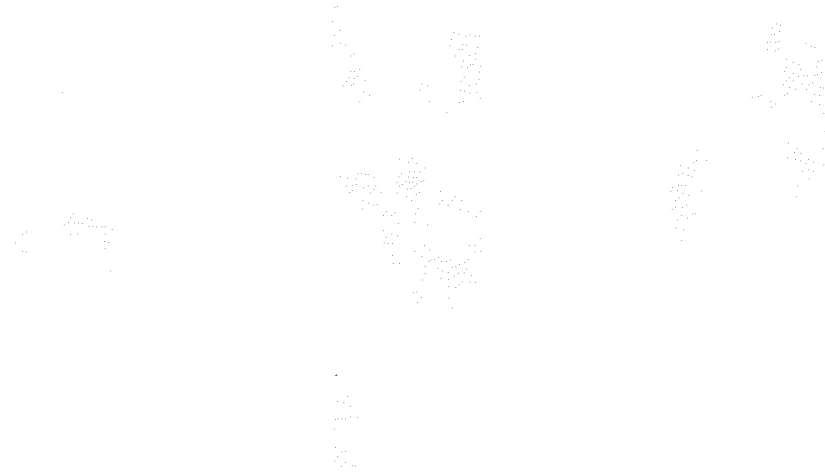


Source: Spire Data, Strategy& analysis

Note all data excludes Mobile Gas Company and Willmut Gas Company – Data not included into Spire before Mid December 2016

Note: Payroll benefits are rolled up into HR and are not reflected in functional roll-ups

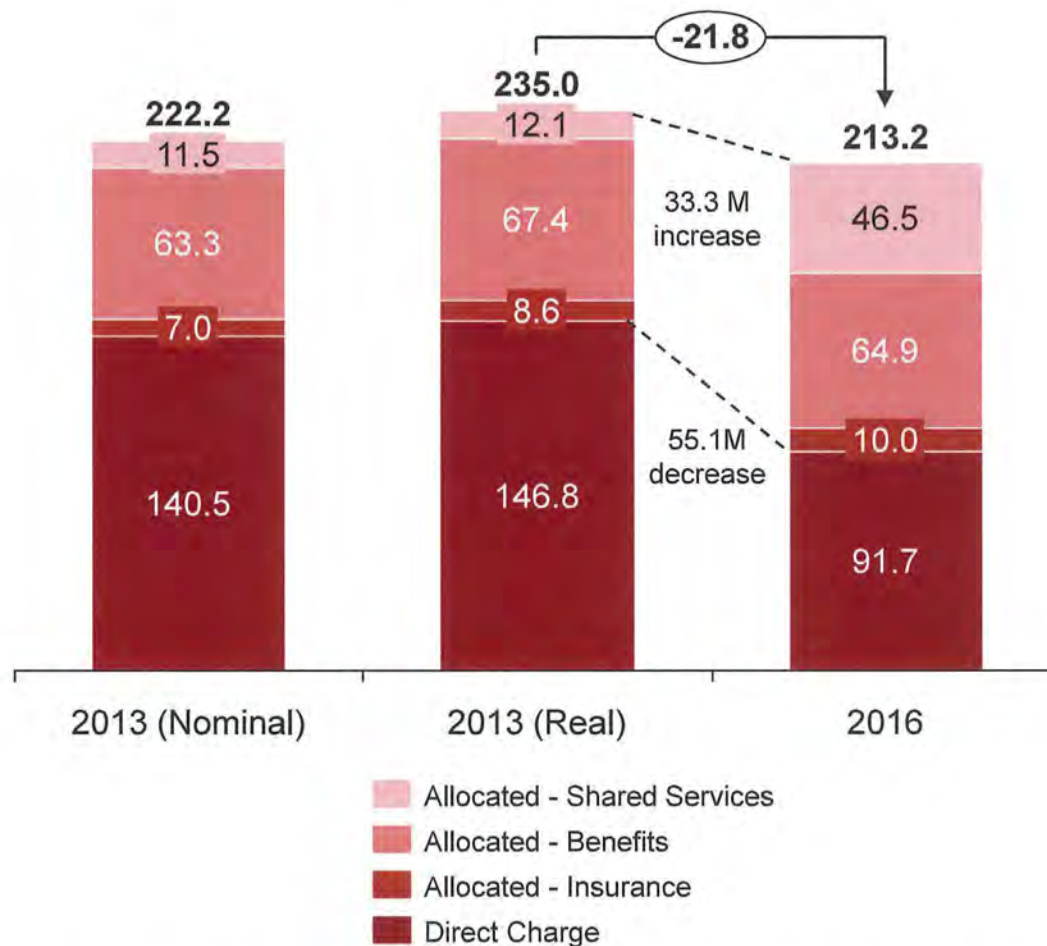
Laclede Cost Trends 2013-2016



Laclede A&G Trends – Real \$

Laclede O&M Trends (Adjusted for Inflation \$M)

Real \$M; Weighted average annual escalation rate = 1.91%



Source: Spire Data, Strategy& analysis, Laclede refers to the Operating Company comprising of both Laclede Gas and Missouri Gas Energy Business Units