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Issue:	**Financial Overview**
Witness:	**Steven P. Rasche**
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Sponsoring Party:	**Laclede Gas Company (LAC)**
	Missouri Gas Energy (MGE)
Case Nos.:	**GR-2017-0215**
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LACLEDE GAS COMPANY
MISSOURI GAS ENERGY

GR-2017-0215
GR-2017-0216

SURREBUTTAL TESTIMONY

OF

STEVEN P. RASCHE

NOVEMBER 2017

TABLE OF CONTENTS

SURREBUTTAL TESTIMONY OF STEVEN P. RASCHE

Q. PLEASE STATE YOUR NAME, AND BUSINESS ADDRESS.

A. My name is Steven P. Rasche, and my business address is 700 Market Street, St. Louis, Missouri 63101.

Q. WHAT IS YOUR PRESENT POSITION?

A. I am Executive Vice President and Chief Financial Officer for Spire Inc.

Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.

A. I was elected to my current position effective October 2013. In this position, I am responsible for the Company's accounting, financial reporting, treasury and capital market activities, tax, investor relations, information technology and facilities services.

Q. WILL YOU PLEASE BRIEFLY DESCRIBE YOU EXPERIENCE WITH THE SPIRE PRIOR TO BECOMING CHIEF FINANCIAL OFFICER?

A. I joined The Laclede Group, Spire's predecessor, in November 2009 as Vice President – Finance and was elected Chief Financial Officer in May of 2012. Prior to that time, I held various executive positions in my 29-year career at companies in healthcare, public safety and transportation industries, most recently as the CFO of TLC Vision Corporation and Public Safety Equipment, Inc.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I graduated from the University of Missouri, Columbia with a Bachelor's of Science in Accountancy. I subsequently received a Master's of Business Administration, with concentrations in Finance and Marketing from the J. L. Kellogg Graduate School at Northwestern University.

Q. **HOW DO YOU INTEND TO REFER TO THE VARIOUS COMPANIES AND OPERATING UNITS IN THE SPIRE FAMILY?**

A. I will refer to Spire Missouri Inc., formerly known as Laclede Gas Company, as "Spire Missouri" or the "Company." I will refer to Spire Missouri's eastern Missouri service territory as "Spire Missouri East," and to its western service territory (formerly MGE) as "Spire Missouri West." Finally, I will refer to Spire Inc. (formerly the Laclede Group) as "Spire Inc."

I. PURPOSE OF SURREBUTTAL TESTIMONY

Q. **WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

A. The purpose of this testimony is to provide an overview of the Company's surrebuttal testimony related to capital structure. In doing so, I will respond to several issues raised in the rebuttal testimonies of Missouri Public Service Commission Staff Witness David Murray ("witness Murray"), as well as the rebuttal testimony of the Office of Public Counsel ("OPC") and Missouri Industrial Energy Consumers ("MIEC") Witness Michael P. Gorman ("witness Gorman").

II. OVERVIEW OF PARTIES POSITIONS

Q. COULD YOU BRIEFLY EXPLAIN THE POSITIONS TAKEN BY STAFF WITNESS MURRAY AND OPC/MIEC WITNESS GORMAN RELATED TO CAPITAL STRUCTURE.

A. Yes. For purposes of setting rates, Staff witness Murray has recommended the use of the capital structure of the parent, Spire Inc., instead of the capital structure of Spire Missouri as we have proposed. Staff has also recommended the inclusion of short term debt in Spire Inc.'s capital structure. OPC/MIEC witness Gorman states that Spire Missouri's capital structure contains an excessive amount of equity and should reflect a $210 million goodwill adjustment.

Q. DO OTHER COMPANY WITNESSES ADDRESS THE ISSUE RELATING TO WHETHER SHORT-TERM DEBT SHOULD BE INCLUDED IN THE CAPITAL STUCTURE AND MR. GORMAN'S PROPOSED GOODWILL ADJUSTMENT TO THE EQUITY COMPONENT OF THE CAPITAL STRUCTURE?

A. Yes. Company witness Glenn Buck discusses at length in both his rebuttal and surrebuttal testimony why it is inappropriate to include short term debt in the Company's capital structure in this proceeding. I want to simply reiterate that I do not agree with Staff's position since the Company has amply demonstrated that the amount of its short-term assets exceeds the amount of short term debt and it is therefore not appropriate to include short term debt as a component of capital structure in this case. I also agree with Mr. Buck that witness Murray's attempt to ignore this fact by using an unorthodox three-year average rather than the customary "point in time" analysis of short term debt is equally flawed – which conclusively demonstrates the impropriety of his approach – not to mention inappropriately selective.

Q. DO OTHER COMPANY WITNESSES ALSO ADDRESS THE IMPROPRIETY OF MR. GORMAN'S PROPOSAL TO REDUCE THE EQUITY COMPONENT OF THE COMPANY'S CAPITAL STRUCTURE TO REFLECT CURRENT GOODWILL BALANCES THAT ARE NOT REFLECTED IN RATES?

A. Yes. In addition to Mr. Buck, Company Witness Hevert explains in detail why it is fundamentally inappropriate to adjust the Company's capital structure to remove a portion of equity that he claims was solely used to support a goodwill asset that the Company has never included in its regulated cost of service. As Mr. Hevert notes in his surrebuttal testimony, the acquisition financing, which included both debt and equity, funded the MGE transaction in its entirety, including both tangible utility assets and goodwill. Any successful capital offering, whether it be debt or equity, depends on the profitability and cash flow generated by the entire enterprise. It is therefore incorrect to assert that the goodwill was financed only with equity. In my experience of well over thirty transactions in my career, I have never seen nor been aware of a deal where the capital raised to support a transaction was designated for specific assets (absent project financing). Additionally, Mr.

Gorman's approach penalizes the equity investors whose capital enabled the significant synergies that the customers of the operating companies will be enjoying for years to come. Finally, if Mr. Gorman's proposal prevails, both debt and equity investors would face heightened financial and regulatory risk, and would, as Mr. Hevert accurately notes, require higher returns as compensation for that increased risk.

III. INAPPROPRIATE USE OF PARENT COMPANY CAPITAL STRUCTURE

Q. PLEASE EXPLAIN THE FOCUS OF YOUR REMAINING SURREBUTTAL TESTIMONY.

A. The rest of my surrebuttal testimony will be devoted to explaining why Staff's use of our holding company capital structure for purposes of setting rates is both fundamentally inappropriate and conveys a confusing message to investors and rating agencies. I will then address Staff's argument that the Company has reversed its position from prior cases regarding the appropriate capital structure to use, utility vs. holding company, and describe the significant changes to the makeup of Spire Inc. that support the use of the utility capital structure and why we initiated the consolidated Commercial Paper program. Next, I will explain how the Spire Missouri utilities are managed at the utility level, consistent with the stipulation and agreement from the acquisition of the MGE assets, and finance their own long-term operations separate from the holding company. Then I will address how we manage the financing needs of the utility at the utility level, the current credit ratings of both Spire Missouri and Spire Inc., and results from our recent debt issuances at Spire Missouri and Spire Inc. I will discuss the regulatory financing authority process that we have to go through to continue to finance utility assets at the utility level to insulate the customers of the Spire Missouri operating companies from adverse impacts related to Spire Inc. Finally, I will demonstrate that the capital structure proposed by Spire Missouri, updated to September 30, 2017, is consistent with the ratios of its peers and represents the right balance of a secure, sustainable capital structure and reasonable cost to our customers.

Q. WHAT SHOULD THE CAPITAL STRUCTURE OF THE SPIRE MISSOURI UTILITIES ULTIMATELY APPROVED IN THESE PROCEEDINGS CONVEY TO STAKEHOLDERS?

A. Simply stated, the Spire Missouri utilities' capital structure should convey to the investment community consistent and balanced sources of capital utilized by the Company to continue the operations associated with providing Missouri customers safe, reliable, and adequate service and the significant investment that is required each year to ensure the long-term viability and effectiveness of the infrastructure used to deliver that service. It is also important that the capital structure utilized reflect the actual risk and operating conditions of a Missouri natural gas distribution company that finances its own long-term operations, and not that of a parent holding company with a more diverse portfolio of both regulated and non-regulated operations across multiple states, each with their own unique regulatory and operating environments.

Q. WHAT ARE THE IMPLICATIONS OF IMPLEMENTING AN INAPPROPRIATE CAPITAL STRUCTURE FOR RATEMAKING PURPOSES IN THESE PROCEEDINGS?

A. The implications of implementing an inappropriate capital structure not reflective of the way the utilities' operations are financed is two-fold. First, it will result in the establishment of rates that do not produce a revenue requirement with an appropriate overall rate of return on invested capital, essentially building in risk, rates and returns of other utilities not located in the state of Missouri as well as other regulated and non-regulated businesses. Second, it sends a distorted signal to the investment community regarding the risk associated with the Company's financing and the appropriate overall rate of return to be expected from an investment in that utility. Missouri is already rated "below average" by the RRA, a double downgrade it received earlier this year, so such a signal would be moving in the wrong direction.

Q. IN HIS REBUTTAL TESTIMONY, STAFF WITNESS MURRAY CITES PRIOR COMPANY TESTIMONY SUPPORTING THE USE OF THE PARENT COMPANY CAPITAL STRUCTURE.[1] PLEASE RESPOND.

[1] See Staff witness Murray rebuttal at p. 3

A. As explained in the rebuttal testimony of Company witness Buck, at the time of his prior testimony supporting the use of the parent company capital structure, 95% of the consolidated earnings potential of the Laclede Group was represented by regulated Missouri natural gas distribution company operations. Further, as also stated by witness Buck, the limited remaining earnings potential was comprised of unregulated operations that did not require capital financing in order to fund operations.

Q. PLEASE EXPLAIN THE DEVELOPMENTS THAT HAVE AFFECTED THE MAKEUP OF THE HOLDING COMPANY, SPIRE INC., COMPARED TO THE MAKEUP OF THE HOLDING COMPANY, THE LACLEDE GROUP, AT THE TIME OF WITNESS BUCK'S ABOVE-REFERENCED PRIOR TESTIMONY?

A. There are significant differences between the holding company in 2014, The Laclede Group, and the holding company today, Spire Inc. As stated above, at the time of the above cited company testimony, the earnings potential of the Laclede Group consisted overwhelmingly of Laclede Gas Company's two regulated Missouri gas distribution companies. Today, Spire Inc. is a holding company with five gas distribution companies across three states, each with their own unique regulatory and operating environments, and a FERC regulated natural gas transmission pipeline in the early stages of development, as well as a gas marketing entity, a propane pipeline, and other minor non-regulated operations.

Q. HOW DOES THIS INFLUENCE THE APPROPRIATE CAPITAL STRUCTURE TO BE USED IN THIS PROCEEDING?

A. Staff's proposal to utilize a capital structure that represents the financing of such a diverse set of operations and conditions rather than the capital structure in place to finance the actual operations of the Spire Missouri gas distribution utilities would be a true departure from the Company's prior position and the way in which the Company has managed financially since the last rate proceeding.

Q. PLEASE EXPLAIN.

A. Taking a step back, the Company was advocating in its prior testimony, and also in this proceeding, for a capital structure reflecting the financing of its natural gas distribution operations in Missouri. The Laclede Group's capital structure overwhelmingly did so in 2014, with virtually all earnings potential being represented by its Missouri gas distribution utility operations. Likewise, in this proceeding, the Company is advocating the actual capital structure of its Missouri gas distribution utility operations. Staff's position should be rejected as it would result in Missouri customer rates that are influenced by financings completely unrelated to their Missouri utility operations, such as the parent company non-regulated operations and the operations of utilities and pipelines in other states that are subject to multiple other jurisdictions, rather than the Missouri Public Service Commission. In addition, with now several utilities in other state jurisdictions, Spire Inc. has operated each utility in a ring-fenced manner, meaning that the long-term capital required by each utility for its ongoing operations is raised at the utility level. A good example of this approach is the Spire Missouri $170 million long-term debt offering that closed in September of 2017. Coincidently, Spire Alabama has a pending long-term debt offering of $75 million, and by adopting our utility specific approach, the cost of that debt, when issued, will be paid by our Alabama customers consistent with our approach that each utility should bear the cost of financing its own operations. Under the approach suggested by staff, the cost of this financing would influence the overall cost of debt and therefore influence the costs charged to our Missouri customers even though that debt was issued to finance investments in Alabama. And like Missouri, each of those capital raises is subject to approval or financing authority granted by their respective regulatory bodies.

Q. MR. MURRAY CITES THE FACT THAT SPIRE INC. FORMED A CONSOLIDATEED COMMERCIAL PAPER PROGRAM WITH ITS SUBSIDIARIES, INCLUDING SPIRE MISSOURI, AS A "SUPPORTING FACTOR" FOR USING THE SPIRE INC. CONSOLIDATED CAPTIAL STRUCTURE. HOW DO YOU RESPOND?

A. As addressed by Company witness Buck, one of the many benefits of our new, larger scale of operations is that we can use that scale to lower costs for all of our customers. The launching of our consolidated commercial paper program is just one of many examples of initiatives undertaken to generate the synergies addressed by Company witness Flaherty, which created significant benefit for our customers.

Forming our consolidated commercial paper program spread the fixed costs (including rating agency fees) across all of the Spire entities and increased the level of ongoing commercial paper issuance, both resulting in lower borrowing costs and savings for the customers in Missouri. It is important to note that the consolidated commercial paper program has the same issuer credit rating as the stand-alone Missouri utility had under its prior stand-alone program. It is also important to point out that each utility, including Spire Missouri, maintains a separate allocation level of the overall commercial paper program. The Company's level of $475 million is consistent with the prior limit of the old stand-alone Laclede Gas commercial paper program of $450 million, upsized slightly to recognize the increased scale of Spire Missouri. In addition, the use of funds by the Company and other subsidiaries is strictly accounted for and each subsidiary pays interest in exact proportion to what it uses to ensure there is no cross subsidy.

Q. ARE THE OPERATIONS OF SPIRE MISSOURI MANAGED AT THE UTILITY LEVEL OR AT THE PARENT LEVEL?

A. It is important to recognize that the two Spire Missouri utilities, Spire Missouri East and Spire Missouri West, are managed at the utility level and not at the parent holding company level.

Q. **DOES THIS INCLUDE MANAGING THE LONG-TERM FINANCING OF COMPANY OPERATIONS?**

A. Yes. Included in these management functions is the financing of operations. Spire Missouri is required to file for financing authority with the Commission and continues to provide the long-term funding required for the operations of both Spire Missouri East and Spire Missouri West. As the Company has repeated throughout this proceeding, Spire Missouri maintains its own credit rating and continues to make required filings with the Securities and Exchange Commission. In addition, the companies have stated and restated that Spire Missouri's long-term debt is secured by its assets alone and not the assets of Spire Inc. or any other Spire subsidiaries; nor do any Spire Missouri assets guarantee the long-term debt of any other Spire Inc. subsidiaries.

Q. **STAFF'S COST OF SERVICE REPORT STATES THAT "IF THE HOLDING COMPANY'S CAPITAL STRUCTURE HAD CONSISTENT FINANCIAL RISK WITH THAT OF THE SUBSIDIARY, THEN IT WOULD BE REASONABLE TO USE A SUBSIDIARY CAPITAL STRUCTURE. HOWEVER, WHEN THE SUBSIDIARY IS AFFILIATED WITH A HOLDING COMPANY WITH A MORE LEVERAGED CAPITAL STRUCTURE, THEN THE**

SUBSIDIARY'S LESS LEVERAGED CAPITAL STRUCTURE NO LONGER ATTRACTS DEBT AT COSTS CONSISTENT WITH ITS MORE CONSERVATIVE CAPITAL STRUCTURE"[2]. PLEASE RESPOND.

A. Staff's assertion is simply untrue. The markets view Spire Missouri on its own merits – evaluating its business, financial and regulatory risk separate and apart from its parent or sister companies. In fact, Moody's, in its most recent write-up from July 2017, noted "The existence of Spire's (Inc.'s) modest non-regulated operations has not impacted Laclede's ratings primarily due to the separation between Laclede and Spire's other operations. Laclede has its own management and local headquarters and maintains its own books and records."

Q. ARE THERE ANY FURTHER COMMENTS YOU'D LIKE TO MAKE ABOUT THE CREDIT RATINGS OF SPIRE MISSOURI AND HOW CREDIT ANALYSTS VIEW THE UTILITY RELATIVE TO THE HOLDING COMPANY?

A. The holding company's capital structure does not appear to be a material factor in determining Spire Missouri's ratings for the other two rating agencies based on our review. There is no discussion of the holding company capital structure at all by Fitch Ratings in its last report covering Laclede Gas Company, issued December 15, 2016. While Standard & Poor's

[2] See Staff Cost of Service Report at pp. 25-26

uses a "group" rating approach which does look at Spire's consolidated capital structure, this does not appear to be a material factor, as it is not mentioned in the summary rationale for the rating. It is important to point out that in scoring its ratings, both Standard & Poor's and Moody's are more focused on cash flow metrics than capital structure. S&P does not publish any metric on debt/capitalization, and Moody's assigns a 10% weight to this metric in its determination of a company's rating.

Q. **BOTH SPIRE INC. AND SPIRE MISSOURI RECENTLY ISSUED LONG-TERM DEBT. DID THE UTILITY RECEIVE FAVORABLE PRICING AS COMPARED TO THE PARENT?**

A. Yes. Spire Missouri was able to issue $170 million in debt in three tranches - $50 million of 15-year debt, $70 million of 30-year debt and $50 million of debt that matures in 40 years. Not only was there significant investor interest in these offerings, the Company was able to secure much more favorable rates than similar offerings at the Spire Inc. level. For example, the coupon rate for the recently completed 15-year debt offering at Spire Missouri was 3.68%. This compares to 10-year debt issued by Spire Inc. on the same day at a higher interest rate of 3.93% despite the shorter term. This is yet another example of how the utility company maintains and manages its own financing to the benefit of its customers.

Q. **DOES SPIRE MISSOURI NEED COMMISSION AUTHORITY TO ISSUE PERMANENT FINANCING?**

A. Yes. Unlike Spire Inc., Spire Missouri must receive Commission approval to issue permanent financing. As demonstrated by the recent Financing Authority case that was decided by the Commission, Spire Missouri's access to the capital markets are closely monitored. The Commission's order in that proceeding also noted Spire Missouri's history of good stewardship of its financing activities. I would add that we have similar requirements and oversight in our other utility jurisdictions, again reinforcing how we ring-fence the financing decisions of each utility.

Q. ARE THERE PREVIOUSLY ESTABLISHED PROVISIONS THAT ASSURE A SEPARATION BETWEEN SPIRE INC. AND THE UTILITY SUBSIDIARY COMPANIES?

A. Yes. While I will not restate in detail each of these provisions, they can be found in the Rebuttal testimony of Company witness Ahern.[3] These provisions effectively insulate the utility operating companies from the holding company and can be found in the Unanimous Stipulation and Agreements in Case No. GM-2001-342 (the "Holding Company Stipulation") and Case No. GM-2013-0254 (the "MGE Acquisition Stipulation"). These commitments and financial conditions not only protect the operating companies from detrimental effects related to the parent company, but they also allow the Commission to intervene on behalf of customers to ensure they are protected from any adverse effects related to the parent company.

[3] See Company witness Ahern rebuttal testimony at pp. 15-18

Q. **HAS STAFF ACKNOWLEDGED THESE COMMITMENTS IN ITS TESTIMONY IN THIS CASE?**

A. No, unfortunately not. Staff witness Murray failed to acknowledge these prior commitments. Even worse, the Staff has proposed an approach that moves in the exact opposite direction of insulating the Missouri utility from the activities of its parent company and affiliates. As Mr. Buck explains in his surrebuttal testimony, the end result of witness Murray's approach is to make rates in Missouri subject to the decisions and practices of regulatory bodies and entities that are beyond this Commission's jurisdiction. For all of these reasons, Staff's position and analysis is both flawed and inaccurate and should be dismissed.

Q. **STAFF STATES THAT USE OF THE SPIRE MISSOURI CAPITAL STRUCTURE INCENTIVIZES SPIRE MISSOURI TO MANAGE ITS CAPITAL STRUCTURE TO PRODUCE A HIGHER REVENUE REQUIREMENT IN ORDER TO GENERATE ADDITIONAL CASH FLOWS TO SUPPORT THE DEBT ISSUED BY SPIRE INC.[4] DO YOU AGREE?**

A. No, I do not agree. The suggested approach is an indictment of many utilities and nearly every Commission in the country, given that the proper, and frequently used, approach is to use the utility capital structure for setting the utility revenue requirement to meet the needs of the utility's distribution

[4] See Staff Cost of Service Report at p. 27

operations and financing of the utility's investments in regulated assets. In fact, this is the approach used by Ameren Missouri in its rate filings. It is the utility's job to manage its financing in a reasonable and economic manner, and the Commission's job to assess whether that has resulted in a capital structure and cost of capital that is prudent and reasonably designed to attract on favorable terms the capital needed to provide utility service. This means, as Mr. Hevert explains in his surrebuttal testimony, that utility capital structure should be designed to meet the financing needs of the utility, with a mix of debt and equity and maturities that reflect the investments in long-term assets.

Q. **DOES THE CAPITAL STRUCTURE REFLECT A REDUCTION IN THE EQUITY COMPONENT AS COMPARED TO THE TEST YEAR CAPITAL STRUCTURE AT DECEMBER 31, 2016?**

A. Yes, the Company's capital structure at December 31, 2016 was 57% equity. As noted at the time of the filing, the Company had executed a bond purchase agreement on March 20, 2017 (prior to April 11, 2017 filing) and noted its intent to issue long-term debt during the true-up period to reduce this equity layer to one more appropriate given current market conditions and the needs of the utility. As such, the Company issued $170 million in bonds on September 15, 2017, and the September 30, 2017 true-up reflects that offering, as planned.

Q. WHAT IS THE COMPANY'S PROPOSED CAPITAL STRUCTURE AS OF THE SEPTEMBER 30, 2017 TRUE-UP DATE?

A. The Spire Missouri resulting capital structure at September 30, 2017 is comprised of 45.8% long-term debt and 54.2% equity.

Q. IS THAT A REASONABLE CAPITAL STRUCTURE?

A. Yes. It is based on the actual capital structure that finances the assets and operations of the utility that is the subject of this rate proceeding, so developing a revenue requirement based on the independently-financed capital of Spire Missouri makes all the sense in the world. As discussed in more detail by Company witnesses Buck and Hevert, the capital structure is at a reasonable level and is aligned with peers. It is also very consistent with the capital structure in place since the Company's 2013 rate case at 53.0%.

Q. IS THIS CAPITAL STRUCTURE CONSISTENT WITH THOSE IN PLACE FOR THE COMPANIES' PEER NATURAL GAS "PURE PLAY" HOLDING COMPANIES?

A. Yes, as shown in Appendix A, Schedule MPG-3 attached to the testimony of witness Gorman, the average equity ratio of his proxy group is 55.3%. Further, as stated by Company witness Ahern in her direct testimony, the 2015 average debt ratio among her proxy group of utilities, largely the same group as that provided by witness Gorman, was 44.98%.

IV. <u>CONCLUSION</u>

Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING CAPITAL STRUCTURE IN THESE PROCEEDINGS?

A. I recommend the Commission reject Staff's proposal to implement Spire Inc.'s consolidated capital structure for ratemaking purposes and approve the use of Spire Missouri's capital structure, updated to September 30, 2017 for ratemaking purposes in this proceeding. I also recommend, for the reasons discussed by other Company witnesses, that the Commission reject witness Murray's recommendation to include short-term debt in the capital structure and Mr. Gorman's ill-advised attempt to reduce the equity component of that capital structure well below the Commission's historical norms through his unorthodox and flawed goodwill proposal.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Request to Increase its Revenues for Gas Service	)))	File No. GR-2017-0215
In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase its Revenues for Gas Service	)))	File No. GR-2017-0216

AFFIDAVIT

STATE OF MISSOURI	)	
	)	SS.
CITY OF ST. LOUIS	)	

Steven P. Rasche, of lawful age, being first duly sworn, deposes and states:

1. My name is Steven P. Rasche. I am Chief Financial Officer for Laclede Gas Company. My business address is 700 Market St., St Louis, Missouri, 63101.

2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony on behalf of Laclede Gas Company and MGE.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Steven P. Rasche

Subscribed and sworn to before me this 20 day of NOVEMBER 2017.

Marcia A. Spangler
Notary Public

MARCIA A. SPANGLER
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Sept. 24, 2018
Commission # 14630361