BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Spire Missouri Inc.'s Compliance)		
With the Commission's Order and Stipulation and)	Case No. GO-2019	
Agreement in Case No. GM-2013-0254)		

MOTION TO ESTABLISH DOCKET TO ENFORCE SPIRE MISSOURI INC.'S COMPLIANCE WITH COMMISSION ORDER APPROVING UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW the Staff of the Missouri Public Service Commission through the undersigned counsel and submits this Motion to Establish Docket to Enforce Spire Missouri Inc.'s Compliance with Commission Order Approving Unanimous Stipulation and Agreement ("Motion") and in support states as follows:

- 1. On August 3, 2018, Spire Missouri Inc. ("Spire Missouri") made what is denominated as a "Non-Case Related Submission" via the Commission's EFIS system, which was assigned Tracking Number BORD-2019-0118 (a copy of which is attached hereto). As shown on the attached, the submission was titled "Spire Missouri Inc.'s Certificate of Compliance" and bore the caption and case number of the merger/acquisition case related to Laclede Gas Company's acquisition of Missouri Gas Energy, although the "certificate" was not filed in the acquisition case itself Case No. GM-2013-0254.
- 2. As shown on the attached, the certificate was submitted "pursuant to Paragraph 16 of the Stipulation and Agreement filed in this case [*i.e.*, GM-2013-0254] on July 2, 2013 and approved by the Commission on July 17, 2013."
- 3. Paragraph 16 of the Stipulation and Agreement, which was signed by Laclede Gas Company (now Spire Missouri Inc. or the Spire Missouri East division of Spire Missouri Inc.), The Laclede Group, Inc. (now Spire Inc.), and Southern Union

Company d/b/a Missouri Gas Energy (now the Spire Missouri West division of Spire Missouri Inc.), as well as numerous other parties, stated as follows:

16. <u>INSULATION OF MGE [now Spire Missouri West] FROM LG [i.e., The Laclede Group, now Spire Inc.] BUSINESS</u>

To insulate the MGE Division [Spire Missouri West] and Laclede Gas [Spire Missouri/Spire Missouri East] from the Transaction, LG [Spire Inc.] represents that:

- a. MGE will be owned and operated as a division of Laclede Gas, which shall remain a separate subsidiary of LG, unless otherwise approved by the Commission.
- b. Laclede Gas shall not transfer to LG or any subsidiary thereof, directly or indirectly, assets necessary and useful in providing service to MGE's Missouri customers without Commission approval.
- c. Laclede Gas will diligently exercise its best efforts to insulate the Laclede and MGE Divisions from any adverse consequences from its other operations or the activities of any of its affiliates.
- d. Laclede Gas shall submit reports certifying its compliance with this paragraph on a quarterly basis to the Staff electronically through EFIS and to OPC, and other interested parties that are permitted to receive proprietary or confidential information as contemplated by applicable Commission rules or orders until the Commission determines that the Laclede and MGE Divisions are insulated from LG's other operations and the activities of any of its affiliates or that the requirement is no longer needed. (Emphasis added)
- 4. The Commission's *Order Approving Unanimous Stipulation and Agreement* issued on July 17, 2013, ordered the "signatory parties" including Spire Inc. (formerly The Laclede Group, or LG), Spire Missouri Inc./Spire Missouri East (formerly Laclede Gas Company), and Spire Missouri West (formerly Missouri Gas Energy) "to comply with the terms of the stipulation and agreement."

- 5. As shown in Paragraph 3 of the attached, Spire Missouri's certificate submitted on August 3, 2018, as Non-Case Related Submission Number BORD-2019-0118 states that:
 - 3. Spire [i.e., Spire Missouri Inc.] would also note that since both Spire Missouri East and West have recently completed a rate proceeding before the Missouri Public Service Commission post acquisition, and have integrated capital structures under Spire Missouri, continued production of this report would appear unnecessary. In an effort to reduce administrative burdens, Spire Missouri intends to discontinue this report unless the Commission, its Staff or other parties to this matter can provide a reasonable benefit for its continuance. (Emphasis added)
- 6. With the submission of its certificate on August 3, 2018, Spire Missouri appears to have unilaterally determined that it no longer needs to comply with Paragraph 16 of the Stipulation and Agreement in Case No. GM-2013-0254 or the Commission's order directing the signatory parties to comply therewith. It does not appear that Spire Missouri intends to seek a Commission determination that the Spire Missouri East and Spire Missouri West Divisions are insulated from Spire Inc.'s other operations and the activities of any of its affiliates or that the requirement is no longer needed, as plainly required by the Stipulation and Agreement. Instead, Spire Missouri states its intention to discontinue the report "unless the Commission, its Staff or other parties to this matter [Case No. GM-2013-0254] can provide a reasonable benefit for its continuance."
- 7. The recent Spire Missouri East and Spire Missouri West general rate cases did nothing to change the relationships between those operating divisions and the ultimate parent company Spire Inc., or the need to insulate those operating divisions

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¹ Spire Missouri refers to no authority requiring the Commission to "provide a reasonable benefit" as a legal standard for Commission action, and Staff is aware of no such requirement.

from Spire Inc.'s other businesses or affiliate operations. However, even if there is no longer a need for such reports, Spire Missouri may not unilaterally determine that it no longer needs to comply with the Stipulation and Agreement; rather, it is incumbent upon Spire Missouri to make a proper filing with the Commission seeking a Commission determination that such certifications are no longer needed, and to prove to the Commission that it is no longer needed, rather than require the Commission to "provide a reasonable benefit for its continuance."

8. Since Spire Missouri's submission was not filed in the official case file for Case No. GM-2013-0254, other parties to that case may not have received notice of Spire Missouri's submission of August 3, 2018. Therefore, Staff is serving parties on the certified service list in that case with a copy of this motion.

WHEREFORE, Staff respectfully requests that the Commission issue an order requiring Spire Missouri Inc. to comply with the Stipulation and Agreement and the Commission's *Order Approving Unanimous Stipulation and Agreement* in Case No. GM-2013-0254 until the Commission determines that the Spire Missouri East and Spire Missouri West Divisions are insulated from Spire Inc.'s other operations and the activities of any of its affiliates or that the requirement is no longer needed, and to provide a copy of such order to all parties to Case No. GM-2013-0254.

Respectfully submitted,

/s/ Jeffrey A. Keevil

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel for Spire Missouri Inc., the Office of the Public Counsel, and counsel of record in Case No. GM-2013-0254, this 10th day of August, 2018.

/s/ Jeffrey A. Keevil

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Southern)	
Union Company d/b/a Missouri Gas Energy)	
The Laclede Group, Inc., and Laclede Gas)	
Company for an Order Authorizing the Sale,)	
Transfer, and Assignment of Certain Assets and)	Case No. GM-2013-0254
Liabilities from Southern Union Company to)	
Laclede Gas Company and, in Connection)	
Therewith, Certain other Related Transactions)	

SPIRE MISSOURI INC.'S CERTIFICATE OF COMPLIANCE

COMES NOW Spire Missouri Inc. ("Spire"), doing business as Spire Missouri East in its eastern Missouri territory and Spire Missouri West in its western Missouri territory and, pursuant to Paragraph 16 of the Stipulation and Agreement filed in this case on July 2, 2013 and approved by the Commission on July 17, 2013, submits this Certificate of Compliance, stating as follows:

- 1. Spire hereby certifies that it is in compliance with Paragraph 16 of the Stipulation and Agreement.
 - 2. Specifically, Spire states that:
 - A. Spire Missouri West is owned and operated by Spire, which is a separate subsidiary of Spire Inc.;
 - B. Spire has not transferred to Spire Inc. or any subsidiary thereof, directly or indirectly, assets necessary and useful in providing services to Spire Missouri West's Missouri customers;
 - C. Spire has diligently exercised its best efforts to insulate the utilities from any adverse consequences from its other operations or the activities of any of its affiliates.

3. Spire would also note that since both Spire Missouri East and West have recently completed a rate proceeding before the Missouri Public Service Commission post acquisition, and have integrated capital structures under Spire Missouri, continued production of this report would appear unnecessary. In an effort to reduce administrative burdens, Spire Missouri intends to discontinue this report unless the Commission, its Staff or other parties to this matter can provide a reasonable benefit for its continuance.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of Spire effective as of this 2nd day of August, 2018.

SPIRE MISSOURI INC.

Steven L. Lindsey

President