

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 23rd day of February, 2022.

In the Matter of Spire Missouri Inc.'s d/b/a)
Spire Verified Application for Approval of) **File No. GF-2022-0169**
Financing Authority)

ORDER APPROVING APPLICATION FOR FINANCE AUTHORITY

Issue Date: February 23, 2022

Effective Date: March 5, 2022

On December 22, 2021, Spire Missouri Inc. d/b/a Spire (Spire Missouri or the Company) submitted an application (Application) requesting financing authorization in the amount of \$800 million through December 2024, subject to all of the terms and conditions approved by the Commission in File No. GF-2020-0334.¹ The proceeds will be used for purposes authorized by Section 393.200, including: 1) to discharge previously issued bonds; 2) to finance additional properties and facilities, as well as improvements to existing plant; 3) to improve or maintain service; 4) to discharge short-term debt; 5) to reimburse moneys actually expended from income; and/or 6) to meet other public utility obligations. Additionally, Spire Missouri requested waiver of the Commission's sixty-day notice of case filing requirement.

On January 31, 2022, the Staff of the Commission (Staff) filed its recommendation that the Commission approve Spire Missouri's finance authority request, subject to eleven recommended conditions. On February 10, 2022, Spire Missouri filed its acceptance of Staff's recommended conditions. Also on February 10, 2022, the Office of the Public

¹ Spire Missouri's application was filed pursuant to Section 393.180, 393.190, and 393.200 RSMo (2016), and Commission Rules 20 CSR 4240-2.060, and 20 CSR 4240-10.125. Unless otherwise stated, all statutory citations are to the Revised Statutes of Missouri, as codified in the year 2016.

Counsel (OPC) filed its response to Staff's recommendation. The OPC recommended three additional conditions, which were one new proposed condition (condition 12 below), and modifications to two of Staff's proposed conditions (conditions 7 and 10).

Spire Missouri responded as directed on February 17, 2022, accepting proposed condition 12 of OPC's conditions and offering modifications to the two others as well as typographical modifications to Staff proposed condition 1. Spire Missouri's filing indicated the parties had been in discussion regarding these modifications. The Commission allowed for further responses to Spire Missouri's offered modifications. Staff and OPC responded with their respective acceptance of or non-objection to the modifications.

Section 393.200, RSMo, and Commission Rule 20 CSR 4240-10.125 require the Company to obtain the Commission's authority to issue debt securities. *In Re Laclede Gas Co. v. Public Serv. Comm'n.*,² states that Sections 393.180 and 393.200, RSMo, authorize public utilities to issue long-term financing when necessary for the purposes enumerated in the statute.³ If Spire Missouri's request falls within the enumerated purposes and is necessary or reasonably required, the Commission may grant the request.⁴

After review of Spire Missouri's application, Staff's recommendations, OPC's recommendations, and Spire Missouri's responsive modifications, the Commission concludes that granting the Company's request accords with its stated purposes, and that the financing authorization proposed in the application is or will be reasonably required

² 526 S.W.3d 245 (Mo. App. W.D. 2017).

³ "The power of gas corporations, electrical corporations, water corporation, or sewer corporations to issue stocks, bond, notes and other evidences of indebtedness and to create liens upon their property situated in this state is a special privilege, the right of supervision, regulation, restriction and control of which is and shall continue to be vested in the state, and such power shall be exercised as provided by law and under such rules and regulations as the commission may prescribe." Section 393.180 RSMo.

⁴ *In re: Laclede Gas Co. v. Mo. Pub. Serv. Com'n.* 526 S.W.3d 245 (Mo. App. 2017).

for those stated purposes, and that such purposes are not in whole, or in part reasonably chargeable to operating expenses or to income. The Commission, accordingly, finds that the request satisfies Section 393.200, RSMo. Spire Missouri's unopposed request for financing authorization will be granted subject to the unopposed recommended conditions of Staff and OPC as proposed to be modified by Spire Missouri.

The Commission will grant Spire Missouri's request for waiver of the sixty-day case filing notice requirement under 20 CSR 4240-4.017. The Commission finds good cause exists for waiver based on the Company's verified declaration that it had no communication with the Commission regarding substantive issues likely to arise in this file within 150 days before filing its application.

Lastly, due to Spire Missouri's stated need for expedited treatment to properly finance its operations and adjust to unexpected inputs, the Commission finds it reasonable to make this order effective in fewer than 30 days.

THE COMMISSION ORDERS THAT:

1. The sixty-day notice of case filing requirement is waived for good cause found pursuant to 20 CSR 4240-4.017(1)(D).

2. Spire Missouri's request for financing authorization is granted subject to Staff's and OPC's recommended conditions, as modified by Spire's responsive filing, set out as follows:

(1.) The Company is authorized to issue conventional term loans, first mortgage bonds, unsecured debt, preferred stock and common stock in an aggregate amount not to exceed \$800 million at any time, or from time to time, through December 31, 2024, provided that the Company shall not be authorized to use any portion of the \$800 million for any purpose other than for the exclusive benefit of Spire Missouri's regulated operations, as such purposes are specified in Section 393.200. However, if the Company plans to issue anything other than senior secured debt (registered or privately-placed), it shall file notification with the Commission thirty (30) days in advance of doing so.

(2.) Spire Missouri is authorized to accommodate any change in the amount of capital leases it carries resulting from the accounting standards update adopted by the Financial Accounting Standards Board (FASB) on February 16, 2016. Any such amount shall not count against the amount of the financing authority granted herein by the Commission.

(3.) The total amount of the long-term debt, capital leases, and preferred stock issued and outstanding under such authorization shall not, at any time during the period covered by this authorization, exceed the lesser of the value of Spire Missouri's rate base or 65 percent of its total capitalization. Adopting such conditions as are defined in the Stipulations in Case Nos. GM-2001-342 and GF-2007-0220, total capitalization means "common equity, preferred stock, long-term debt, and short-term debt, excluding short-term debt supporting natural gas and propane inventories, purchased gas costs and cash working capital. Common equity is defined as par value of common stock, plus additional paid in capital, plus retained earnings, minus treasury stock."

(4.) The current authority under Case No. GF-2020-0334 shall expire and shall be superseded by the authority granted in Case No. GF-2022-0169.

(5.) The interest rate for any debt issuance covered by the Application shall not be greater than a rate that is consistent with similar securities of comparable credit quality and maturities issued by other issuers.

(6.) If and when individual debt securities are issued under this Application, the Company shall submit a verified report to the Commission's Budget & Fiscal Services Department documenting such issuance, the use of any associated proceeds and the applicability and measure of fees under Section 386.300.2.

(7.) The Company shall file with the Commission within ten (10) days of the issuance of any financing authorized pursuant to a Commission order in this proceeding a report including the amount issued, date of issuance, interest rate (initial rate if variable), maturity date, redemption schedules or special terms, if any, use of proceeds, estimated expenses, and loan or indenture agreement concerning each issuance. In addition, the Company shall also provide the analysis (to include but not be limited to indicative pricing information developed) and refinancing assessment, if applicable, performed to determine that the terms for the securities issued were appropriate and consistent with market requirements at the time.

(8.) The Company shall submit to Staff and OPC any information concerning communications with credit rating agencies concerning individual debt securities issued under this Application.

(9.) The Company shall file with the Commission any credit rating agency reports issued on the Company, the Company's debt issuances, or on Spire Inc.

(10.) Nothing in the Commission's order shall be considered a finding by the Commission for any rate making purpose, and that the Commission reserves the right to consider the rate making treatment to be afforded these financing transactions and their results in cost of capital (inclusive of capital structure), in any later proceeding.

(11.) In seeking a renewal of the authority granted in this case, Spire Missouri and Staff shall operate under the general time frames set forth for financing cases in the 2004 case management roundtable project.

(12.) The Company shall provide Staff and OPC with the following information within ten days of the issuance of the new long-term debt replacing the tendered debt: (1) the final net present value calculations comparing interest payment savings to upfront transactional costs incurred to complete the tender offers; and (2) a quantification of the reduction to Spire Missouri's embedded cost of long-term debt attributable to the completion of the tender offers.

3. Spire Missouri is authorized to execute all documents and take all actions necessary for the above-described transactions.

4. This order shall become effective on March 5, 2022.

5. This file may be closed on March 6, 2022.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and
Kolkmeier CC., concur and certify compliance
with the provisions of Section 536.080, RSMo (2016).

Hatcher, Regulatory Law Judge


STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 23rd day of February, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

February 23, 2022

File/Case No. GF-2022-0169

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Commission**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.