

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Spire Missouri Inc. d/b/a)	
Spire's Verified Application to Renew its)	<u>Case No. GF-2018-0249</u>
Financing Authority)	

STAFF REPLY TO SPIRE RESPONSE

COMES NOW Staff of the Missouri Public Service Commission and for this Reply to the Response to Staff Recommendation filed by Spire Missouri Inc. respectfully states:

1. On June 20, 2018, Spire Missouri Inc. ("Spire" or "Company") filed the Verified Application of Spire Missouri Inc. for Approval of Financing Authority and Motion to Schedule an Early Procedural Conference ("Application") seeking financing authorization through September 30, 2021, in the amount of \$500,000,000.

2. On August 8, 2018, Staff filed its recommendation in which Staff recommended approval of the Company's application for financing authority through September 30, 2021, subject to certain terms and conditions.

3. Thereafter, Spire filed its response to Staff's recommendation, in which Spire objected to portions of two of Staff's recommended conditions. Staff replies to these objections as follows:

(i) Spire objects to part of Staff's recommended condition number 1 that the Company provide the Commission 90 days' notice if it intends to issue financing that is not consistent with the types of securities/financings it typically has issued in the past. Staff's suggested condition would simply require a notice to the Commission of such intent, not a requirement for the Company to receive supplemental authority from the Commission prior to issuing such

financings. 4 CSR 240-3.220(1)(C) requires Applications for financing authority to include the terms of the proposed securities or at least a statement of the general terms and conditions to be contained in the instruments. Because Spire is requesting a broad financing authority for the next three years (which Staff considers an accommodation rather than a legal requirement), the Application does not provide details as to the anticipated terms of the debt Spire plans to issue over the period of the authority. Staff is simply requesting the Company provide the Commission notice of its intent to issue long-term financing different from its past practice, as well as an explanation of why it is deviating from past practice. Staff would not be opposed to the Commission shortening the time for the advance notice to 30-45 days.

(ii) Spire also questions the necessity of Staff's proposed additional documentation requests added to condition 7. Spire emphasizes that should the Commission grant it the requested financing authority, "the Commission will not be making any determinations regarding the prudence or value of such issuances at the time they occur..." Therefore, the filing of such information with the Commission would "impose an extra filing requirement that has no apparent purpose..." Staff's understanding of the purpose of the routine language in the first part of condition 7 is to complete the requirement in 4 CSR 240-3.220(1)(C). Staff's purpose for the additional language is to be able to review the specifics of the transaction shortly after completion of the financing because documentation and those involved with completing that documentation are more likely to be readily available. Furthermore, Spire should already have such documentation

on hand. However, as Spire correctly notes, the execution of financings pursuant to the financing authority are not to be considered a determination as to fairness and reasonableness for ratemaking, which would be addressed during a general rate case.

4. Staff does not believe that either of the contested conditions imposes an undue burden on Spire. Staff does agree with Spire, however, when Spire states that “the Company does not believe that an evidentiary hearing is necessary to resolve these relatively modest differences and would urge the Commission to address them based on the pleadings and recommendations submitted.”

WHEREFORE Staff respectfully requests the Commission accept this Reply and issue an order consistent with Staff’s recommendation.

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil

Missouri Bar No. 33825

P. O. Box 360

Jefferson City, MO 65102

(573) 526-4887 (Telephone)

(573) 751-9285 (Fax)

Email: jeff.keevil@psc.mo.gov

Attorney for the Staff of the
Missouri Public Service Commission

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 parties of record this 17th day of September, 2018.

/s/ Jeffrey A. Keevil