

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

In the Matter of Spire Missouri, Inc. d/b/a)
Spire’s Request for Authority to Implement a) Case No. GR-2022-0179
General Rate Increase for Natural Gas Service)
In the Company’s Missouri Service Areas)

FULL UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Spire Missouri, Inc. (“Spire Missouri” or the “Company”), Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“OPC”), Consumers Council of Missouri, Midwest Energy Consumers Group, Missouri Industrial Energy Consumers, Symmetry Energy Solutions, LLC, Constellation NewEnergy-Gas Division, LLC, and Clearwater Enterprises, L.L.C., and WoodRiver Energy, LLC¹ (collectively, the “Signatories”), by and through their respective counsel, and, for this *Full Unanimous Stipulation and Agreement* (this “Stipulation”), respectfully state as follows to the Missouri Public Service Commission (“Commission”):

1. Parties not signatories to this Stipulation are City of Kansas City, Missouri, Missouri School Boards’ Association, and Vicinity Energy Kansas City, Inc. However, no party has objected to this Stipulation.
2. This Stipulation is being entered into for the purpose of settling all contested issues in this case.
3. **Admission of Testimony:** The Signatories consent to the admission of, and request that the Commission admit into the record in this proceeding, without the need for witnesses to take the stand, all written testimony that has been filed herein.

¹ WoodRiver is a signatory for purposes of the transportation service tariffs only.

4. **Effective Date of Rates:** Spire Missouri requests that rates be implemented on December 26, 2022, which all other Signatories do not oppose. The Signatories agree that rates will be implemented no later than January 1, 2023. The foregoing rate effective dates are a material term of this Stipulation.

5. **Total Revenue Requirement:** The Signatories agree to an increase in Spire Missouri's total annual revenue requirement of \$78 million above the revenue requirement approved by the Commission in Spire Missouri's last general rate case. This amount resolves all issues impacting Spire Missouri's revenue requirement raised in this case, including all issues settled in this Stipulation. Consistent with the division in Staff's Rebuttal position, the increase for Spire Missouri East is \$32,424,600 and the increase for Spire Missouri West is \$45,575,400.

6. **Amortization of Overheads and Excess Accumulated Deferred Taxes (ADIT):** The Signatories agree that deferred overhead costs related to construction in the amount of \$17,302,405 will be amortized over 15 years and will receive rate base treatment, and that ineligible non-operational overheads in the amount of \$25,491,724 will be amortized over 15 years and will not receive rate base treatment. Spire Missouri will not seek recovery of any amounts of ineligible non-operational overheads deferred subsequent to September 30, 2022. The Amortization Schedule reflecting this agreement is attached hereto as **Exhibit A**. Excess ADIT balances in total are a liability of (\$97,251,389), with annual amortization of \$9,892,922. The Average Rate Assumption Method (ARAM) layer of amortization is considered final and will run off.

7. **Property Tax Tracker:** The Signatories agree that the base level for Missouri property taxes used to track property taxes incurred by Spire East and Spire West for the period of January 1, 2022 through the effective date of rates in this case shall be \$22,411,521 for Spire East

and \$18,873,482 for Spire West.² The parties also agree that for purposes of Section 393.400, RSMo (Supp. 2022), the base level of Missouri property taxes used to set rates beginning with the effective date of rates in this case is \$21,909,112 for Spire East and \$23,115,691 for Spire West.

8. The Signatories agree that the base level for Kansas property taxes used to track property taxes incurred by Spire West for the period of January 1, 2022 through the effective date of rates in this case shall be \$1,537,800. The parties also agree that for the purposes of Section 393.400, RSMo (Supp. 2022), the base level of Kansas property taxes used to set rates beginning with the effective date of rates in this case is \$1,389,470 for Spire West.

9. Spire Missouri will track changes to property tax expense as compared to the levels set forth above in accordance with Section 393.400, RSMo (Supp. 2022), for appropriate treatment in the Company’s next general rate case. Successful Missouri property tax appeals that are associated with property taxes paid during the period of which the legacy Missouri property tax tracker was in effect (April 2018-December 2021) and any future successful Missouri and Kansas property tax appeals will be recorded in the property tax regulatory asset.

10. **Infrastructure System Replacement Surcharge (“ISRS”) Rate of Return:** The Signatories agree to a pre-tax rate of return of 8.25% for capital improvements recovered through the Company’s ISRS tariffs. Revenue for purposes of the ISRS cap is \$726,584,242 for Spire Missouri. Customer counts for purposes of ISRS rate design are as follows:

Spire Missouri East

| | |
|------------------------------|----------------|
| Residential | 618,822 |
| Small General Service | 36,043 |
| Large General Service | 4,921 |

² Annualized level of property taxes in Case No. GR-2021-0108.

| | |
|--------------------------------|------------|
| Unmetered Gas Light | 66 |
| LP | 31 |
| Large Volume | 37 |
| Large General Transport | 152 |

Spire Missouri West

| | |
|--------------------------------|----------------|
| Residential | 496,132 |
| Small General Service | 30,149 |
| Large General Service | 3,513 |
| Large Volume | 28 |
| Large Volume Transport | 359 |
| Large General Transport | 220 |

11. **Rate Base Inclusions:** The revenue requirement reflects all capital additions through September 30, 2022, including ISRS rebasing. The Company’s next ISRS filing will reflect capital additions beginning from October 1, 2022.

12. **Depreciation Rates:** The Signatories agree to maintain the depreciation rates consistent with the depreciation rates set in GR-2021-0108. .

13. **Pension and Other Post Employment Benefits (OPEBs):** The Signatories agree to annual pension funding of \$29,900,000 for Spire Missouri East and \$4,400,000 for Spire Missouri West.

14. The Signatories agree that the appropriate amount of pension contributions to include in rates is an amount sufficient to achieve an 80% funded status and minimum required contribution amounts, as required by the federal ERISA legislation. The Signatories further agree that the amount of pension contributions will continue to be tracked by the Company. The purpose of this section of the document is to define the ratemaking treatment applicable to pension costs and Other Post-Employment Benefits (“OPEB”) for Spire Missouri East and Spire Missouri West in accordance with prior stipulations and agreements in Case Nos. GR-2013-0171 and GR-2014-0007.

15. The Signatories agree that, unless explicitly defined herein, this document does not prevent any Signatory from recommending alternative treatment of any aspect of pension and OPEB costs in any future rate case. The funds provided for pensions and OPEBs in the cost of service are designated specifically for reasonable and prudently incurred pension and OPEB costs and will be tracked and reconciled in future proceedings. The mechanism of recovery through rates for both pension and OPEB costs is a tracking mechanism of the cash collected and the cash utilized for pension and OPEB funding. The overall goal of this tracking mechanism is to ensure exact recovery of pension and OPEB costs. For the purposes of this Stipulation and Agreement, it is assumed that the amount established in rates is the exact amount collected by the Company, and the amounts of amortizations are also the exact amounts collected by the Company. Amounts recovered in rates that are more than actual cash payments create overfunding by customers and shall be returned to customers subsequently in the ratemaking process. Amounts recovered in rates that are less than actual cash payments create underfunding by customers and shall be recovered by the Company subsequently in the ratemaking process. To accomplish the objectives above, the Signatories agree to the following.

16. **PENSIONS.** Spire Missouri shall continue to be authorized to record as a regulatory asset or liability, the difference between the pension expense used in setting rates for Spire Missouri East (\$29,900,000) and Spire Missouri West (\$4,400,000) (amounts stated before the application of transfer rates) and the pension expense as recorded for financial reporting purposes as determined in accordance with GAAP pursuant to Accounting Standards Codification (ASC) 715 (previously FAS 87 and FAS 88, or such standard as the FASB may issue to supersede, amend, or interpret the existing standards), and such difference shall be recovered from or returned to customers in future rates. The difference between the amount of pension expense included in Spire Missouri East's and Spire Missouri West's rates and the amount funded by each in accordance with ERISA minimums shall be included in their respective rate bases in future rate proceedings. The Company shall continue to be allowed rate recovery for contributions it has made and will make to its pension trust that exceed the ERISA minimum for any of the following reasons: (a) the minimum required contribution is insufficient to avoid the benefit restrictions specified for at-risk plans pursuant to the Pension Protection Act of 2006, thereby causing an inability by the Company to pay out pension benefits to recipients in its normal and customary manner, including lump sum payments; and (b) the minimum required contribution is not sufficient to avoid any Pension Benefit Guarantee Corporation ("PBGC") variable premiums. Additional contributions made pursuant to this Paragraph will increase Spire Missouri East and Spire Missouri West's rate base by increasing the prepaid pension asset and/or reducing the accrued liability, and will receive regulatory treatment as described in this section. The Company shall inform the Staff and OPC of contributions of additional amounts to its pension trust funds pursuant to this Paragraph in a timely manner. The revenue requirement recovered in rates includes an allowance to amortize the September 30, 2022 balance of Spire Missouri East's pre-GR-2021-0108 pension

asset of \$70,008,766 and Spire Missouri West's pre-GR-2021-0108 pension liability of (\$5,714,349) [negative] and Spire Missouri East's post-GR-2021-0108 pension liability of (\$5,520,000) [negative] and Spire Missouri West's post- GR-2021-0108 pension liability of (\$45,453) [negative], respectively (amounts stated before the application of transfer rates). Such an allowance is based on an 8-year amortization of the pre-GR-2021-0108 pension asset of \$8,751,096 for Spire Missouri East and liability of (\$714,294) [negative] for Spire Missouri West and a 3-year amortization of the post-GR-2021-0108 pension liabilities of (\$1,840,000) [negative] for Spire Missouri East and (\$15,151) [negative] for Spire Missouri West as of September 30, 2022. The prepaid pension or liability balances shall be included in the respective rate bases of Spire Missouri East and West. In the event the amortizations of the asset or liabilities become fully amortized between rate cases, the amount included in rates between the date it became fully amortized and the effective date of rates in the next rate case shall be returned to shareholders or ratepayers, as appropriate.

17. The provisions of ASC 715 (previously FAS 158) require certain adjustments to the pre-GR-2021-0108 and post-GR-2021-0108 pension asset/Other Post-Employment Benefits asset and/or accrued liability with a corresponding adjustment to equity (i.e., decreases/increases to Other Comprehensive Income). The Company will continue to be allowed to maintain a regulatory asset/liability to offset any adjustments that would otherwise be recorded to equity caused by applying the provisions of ASC 715 or any other FASB statement or procedure that requires accounting adjustments to equity due to the funded status or other attributes of the pension or OPEB plans. The adjustments described in this paragraph will not increase or decrease rate base.

18. The Company shall continue to be authorized to revert to the accounting policy it originally implemented upon adoption of FAS 87, for financial reporting purposes only, effective

October 1, 2002, including without limitation: (a) Market-Related Value implemented prospectively over a four-year period; (b) Amortization of unrecognized gains or losses only to the extent that they fall outside of a 10% corridor as described in FAS 87 and FAS 106; and (c) Amortization of unrecognized gains or losses falling outside of the 10% corridor over the average remaining service life of participants. Gains and losses for all pension lump-sum settlements shall continue to be calculated only to the minimum extent permitted by ASC 715 (previously FAS 88).

19. **OTHER POST-EMPLOYMENT BENEFITS (OPEBs):** The rates resulting from this case also make provision for the recovery of OPEB costs on an ASC 715 (previously FAS 106) basis. The Company shall continue to be authorized to apply its accounting policy for OPEBs consistent with ASC 715 (previously FAS 87) for pensions, for financial reporting purposes, as was initially effective October 1, 2002. The rates established in this case for ASC 715 (previously FAS 106) expenses include an allowance of \$0 for Spire Missouri East and \$0 for Spire Missouri West (amounts stated prior to application of transfer rate). The Company will fund the trusts based on ASC 715 (previously FAS 106) as calculated for financial reporting purposes. The difference between the amount of OPEB expense included in the rates of Spire Missouri East and Spire Missouri West and the amount funded by them shall be recorded in a regulatory asset/liability, as appropriate, and such difference shall be recovered from or returned to customers in future rates and included in rate base in future rate proceedings. The Company may consider the funded status of the OPEB trusts in determining the allocation of contributions to the trusts. The rates recommended herein include an allowance to amortize the September 30, 2022 balance of Spire Missouri East and Spire Missouri West's OPEB liabilities of (\$7,111,585) and (\$1,005,031) [negative], respectively (amounts stated before the application of transfer rates). Such an allowance is based on an 8-year amortization of Spire Missouri East's OPEB liability of

(\$888,948) [negative] and Spire Missouri West's OPEB liability of (\$125,629) [negative] at September 30, 2022.

20. In the event that ASC 715 (previously FAS 106) OPEB expense becomes negative, the Company shall set up a regulatory liability to offset the negative expense. In future years, when such expense becomes positive again, the amount in rates will remain zero until the prepaid asset, if any, which was created by the negative expense, is reduced to zero. The regulatory liability will be reduced by the same rate as the prepaid asset. This regulatory liability is a noncash item and should be excluded from rate base in future years.

21. A portion of the annual pension expense established for setting rates of \$29,900,000 for Spire Missouri East and \$4,400,000 for Spire Missouri West will be allocated to affiliates consistent with the allocation methods in this case, and therefore Spire Missouri will receive reimbursement for these amounts monthly through the allocation process. If fiscal year cash contributions exceed the amount above, those amounts will be tracked for the purposes of calculating a rate of return due to Spire Missouri from other affiliates. This calculation should be performed quarterly and any amounts due to Spire Missouri reimbursed in the following month. See MS excel file "Pension Tracker Exhibits – GR-2022-0179", attached hereto as **Exhibit B**, for illustration of this calculation.

22. The Company shall, for book purposes, be authorized to continue to normalize the income tax timing differences inherent in the recognition of pension costs, OPEB costs, and as discussed above by recording and recognizing in any future rates deferred income tax expense for such differences.

23. Billing Determinants And Retail Rate Revenue: The Signatories agree that the retail revenues for each rate class are:

Spire Missouri East

| | |
|--------------------------------|----------------------|
| Residential | \$319,076,942 |
| Small General Service | \$36,002,731 |
| Large General Service | \$30,573,763 |
| Unmetered Gas Light | \$48,341 |
| LP | \$11,753 |
| Large Volume | \$1,311,325 |
| Large General Transport | \$15,225,786 |
| Total Revenue | \$402,250,641 |

Spire Missouri West

| | |
|--------------------------------|----------------------|
| Residential | \$258,173,012 |
| Small General Service | \$27,566,558 |
| Large General Service | \$19,144,211 |
| Large Volume | \$1,320,522 |
| Unmetered Gas Light | \$1,852 |
| Large Volume Transport | \$16,054,710 |
| Large General Transport | \$2,072,736 |
| Total Revenue | \$324,333,601 |

24. **Class Allocation and Rate Design:** The Signatories agree to implementation of the rates set out in the Schedule attached hereto as **Exhibit C**.

25. **Compressed Natural Gas (CNG):** Spire Missouri shall update its tariffs to reflect the following language:

Service provided under this rate schedule does not include the provision of compression services or facilities.

Service shall be through one or more meters at the option of the Company, provided they are located at the same premise. When more than one meter or metering facility is set at a single location for customer's convenience, a separate customer charge will be applicable for each meter or metering facility installed.

26. The Signatories agree that Spire Missouri will not recover in this case any amounts related to Compressed Natural Gas investment, expense, or revenue. On or before the effective date of rates in this rate case, Spire Missouri shall record all investment, expense and revenue to "below the line" accounts. In a future rate case, Spire Missouri may seek rate treatment for all investment, revenue and expense for CNG activities pertaining exclusively to gas utility operations. Spire Missouri shall record all CNG investment, revenue and expense separately for regulated and non-regulated activities in separate, auditable FERC accounts by date and by month. In the event that Spire Missouri seeks rate treatment for non-gas utility CNG operations in a future rate case, the Company must begin recording purchasing entities, volumes sold each month, volume price, and date of sales. Nothing contained herein shall prevent any Signatory from seeking different ratemaking treatment of CNG assets pertaining to gas utility operations in its next general rate case.

27. **Payment Partner Program:** The Signatories agree that Spire Missouri will increase shareholder contributions to the Payment Partner Program ("PPP") by \$1 million in addition to existing contributions, bringing the total funding of the program to \$3.3 million. This

change will ensure that PPP funding is evenly supported by ratepayer and shareholder contributions (50/50). The Payment Partner Program eligibility shall be expanded to 300% of the federal poverty level through April 30, 2023. Beginning on May 1, 2023, absent an alternative agreement by the Spire Limited Income Collaborative, the eligibility for the program will change to 80% of the State of Missouri median income, which is consistent with the state's guidelines for Low Income Home energy Assistance Program ("LIHEAP") eligibility. The Spire Limited Income Collaborative may recommend extension of the PPP eligibility at 300% of the federal poverty level.

28. **Critical Needs Program Budget:** The Signatories agree that Spire Missouri will provide, independent of the contributions to the Payment Partner Program, \$500,000 to the creation of the Critical Needs Program. This amount will be funded evenly by ratepayer and shareholder contributions, and any excess funds shall be applied to bill and arrearage assistance programs. The parties shall continue to work together through the Critical Needs Partnership to develop the details of this program. If there is a dispute regarding the program, the Signatories shall first request mediation from the Commission pursuant to 20 CSR 4240-2.125(2) on all issues that remain in dispute and then, if an agreement still cannot be reached, shall present remaining disputed issues to the Commission for final determination.

29. **Cost Allocation Manual Docket:** Spire Missouri, Staff, and the OPC agree to include, in any resolution of the Company's Cost Allocation Manual ("CAM") docket, GO-2022-0327, the following: (1) periodic updates on the transfer of employees from Spire Missouri to Spire Services Inc.; (2) additional rules and parameters for contracts with Company affiliates; (3) updates as needed to changes to corporate structures and hierarchies, including those resulting

from acquisitions and mergers; and (4) quarterly CAM transaction data reporting in the format provided by Staff.

30. **Meters:** The Signatories agree that Spire Missouri shall

(a) Track customer savings separately for labor and non-labor directly related to its meter replacement program, at a frequency and format developed as described in part “(e)”,

(b) Spire Missouri shall continue to file its quarterly reports as ordered by the Commission in GR-2021-0108 with additional detail at a frequency and format developed as described in part “(e)” and described in this part “(b)”. Spire Missouri shall document and describe its existing meter replacement and telemetry strategy and any changes to the meter replacement and telemetry strategy for each Missouri service territory. Spire Missouri shall provide its justification for any changes to the replacement strategy to Staff and OPC. The justification should include, but not be limited to, cost benefit analyses for the change in replacement strategy, alternative approaches considered, and potential customer impacts of the changes. Information shall include meters replaced and reason for replacement by month separately for Spire East and Spire West. The quarterly reports justification will also describe how the deployment of meters will occur throughout its service territories (i.e. if geographically deployed, by year and target area and progress of its meter deployment).

(c) Continue discussion with Staff and the OPC on appropriate expense and/or capital recording for meters and meter installations, engage with Staff and the OPC

as described in part “(e)” and book meter installations in the appropriate account per the FERC USOA for gas utilities;

(d) Regarding meters installed after 1/1/2023 and meter installations occurring after 1/1/2023, Spire Missouri shall

i. Retain information that will facilitate identification and association of the meter with rate codes and customers within its billing system or some other system, so that aggregated data could be used to establish class level coincident or system level coincident demand measurement,

ii. Retain information within its billing system, continuing property record, or some other system, to enable potential future billing by meter type, meter size, or meter cost,

iii. Retain information within its billing system, continuing property record, or some other system, that will facilitate identification of the meter model, type, or cost, by rate code, so that costs can be assigned or more precisely allocated in future class cost of service studies, and

iv. Participate in and incorporate to the extent practicable feedback received from the technical discussions described in part “(e)” below.

(e) Spire Missouri, Staff, and the OPC technical experts shall meet with the goal of agreeing on the precise format of data, the frequency and manner of reporting, and related items. Spire Missouri shall provide a summary of its current IT capabilities related to all reporting described herein no later than two weeks after

the effective date of rates in this case, with a goal for the parties to convene regarding the precise format of data, the frequency and manner of reporting, and related items no later than February 15, 2022. Spire shall report quarterly to OPC and Staff on progress of all aspects of the development of the described data or process. OPC or Staff may request and Spire Missouri shall participate in in-person or teleconference meetings as needed. Staff will pose a continuing Data Request and Spire Missouri shall respond in this rate case for the Reports to be provided through EFIS, and follow-up questions from Staff and OPC are preferred to occur through EFIS. In the event that Spire Missouri, Staff, and the OPC cannot reach an agreement on the precise format of data, the frequency and manner of reporting, and related items; the Signatories shall first request mediation from the Commission pursuant to 20 CSR 4240-2.125(2) on all issues that remain in dispute and then, if an agreement still cannot be reached, shall present remaining disputed issues to the Commission for final determination.

31. **Data Collection and Retention:** The Signatories agree that Spire Missouri shall make the following changes in its data collection and retention processes to facilitate review in future rate cases, subject to refinement by technical experts from the Company, Staff, and the OPC and metering capabilities:

- (a) Spire Missouri shall improve accuracy of retention and form of provision of data for customer usage by rate code and by block;
- (b) The Company shall provide an auditable trail of changes to customer usage resulting from rebills, explain and address frequency of rebills, and provide documentation of rebill procedures, retain data to provide rebills monthly by rate

schedule in the test years of future rate cases, and provide reporting of rebills by month on a quarterly basis for a minimum of the next four (4) years, or through the effective date of rates in its next general rate case, whichever occurs later;

(c) The Company shall retain and develop customer-level demand determinants for each rate class for potential use in future rate structures for Spire Missouri East and West. For Transportation, LV, LGS and SGS rate classes the Company will work towards providing census level data, and for other rate classes, obtain sample data;

(d) Spire Missouri will monitor and retain daily demand information for each rate class for use in a future class cost of service study, specifically, daily demand data by rate schedule. The current goal is for the Company to provide, for both East and West, the top three usage days within each month and provide calculation, or best estimate, of the contribution of customers, by rate schedule, to usage on each of those days. As metering capabilities change, identifying the class non-coincident peaks by month should also be a goal;

(e) establish class level coincident or system level coincident demand measurement, identify class non-coincident peaks by month,

(f) coordinate with Staff and the OPC on the development of the data described in this paragraph 31 using the process described in Paragraph 30(e).

32. **Continuing Commitments from Prior Rate Cases:** The Signatories agree that continuing the following commitments from recent Spire Missouri rate cases, Spire shall:

(a) continue providing Surveillance report spreadsheets and annual general ledgers;

- (b) provide number and type of lighting customers to facilitate calculation of the appropriate rates for the unmetered gas light class;
- (c) continue to not include plant held for future use in rate base;
- (d) treat propane related items according to Section 14 of the Stipulation and Agreement in GR-2013-0171, specifically that the propane cavern associated equipment and inventory, and any associated revenues, expenses, and investment shall be accounted for “above the line” for ratemaking purposes, and Spire Missouri will provide a study and all financial and operational justification for the determination and proposed change to the regulatory treatment compared to other alternatives it considered (e.g., reduction of other capacity and peaking supply contracts); in addition, Spire shall avoid selling propane inventory at a loss;
- (e) complete and file a class cost of service study in its next general rate case, with revised allocator workpapers for meter and main costs for each class as restructured by the tariffs in GR-2021-0108, and daily demand data calculated in a manner consistent with the sampling and method employed by Ameren Missouri Gas; and
- (f) file annual reporting to Staff and OPC on moving customers to the correct classes including, specifically, properly placing non-residential non-transport customers with usage between 10,000 Ccf and 30,000 Ccf in the LGS class. Spire shall ensure clear and consistent policies to effectuate tariff eligibility enforcement.
- (g) coordinate with Staff and the OPC on progress and actions taken to comply with the provisions described in this paragraph 32 using the process described in Paragraph 30(e).

33. **Direct Assignment of Costs:** The Signatories agree that Spire Missouri will work towards increasing the Company's direct assignment of shared services costs and will provide the level of direct assignment versus indirect allocation for each cost category identified in its annual CAM report as part of its annual CAM reports. Also, in the next rate case, any indirectly or generally allocated Spire Services Inc. salaries and wages costs assigned to Spire Missouri in excess of 50% of total Spire Services Inc. salaries and wages costs assigned to Spire Missouri in the next general rate case test year will be disallowed. The Signatories do not agree upon a set direct assignment threshold. For the purposes of this paragraph, costs may be directly charged to a Spire Missouri cost code which sub-allocates such costs solely between Spire Missouri East and Spire Missouri West based on a relevant cost driver such as customer count, and use of such cost code shall constitute a direct charge for purposes of the 50% threshold set forth above.

34. **Revisions to Transportation Tariffs:** The Signatories agree to resolve all issues relating to the Company's transportation customer class tariffs by replacing Tariff Sheets 9 through 9.27 filed by the Company with the substitute Tariff Sheets 9 through 9.27 attached hereto as **Exhibit D**. Spire Missouri withdraws the proposed Tariff Sheet 16, the Human Needs Transportation Tariff program, and associated proposed changes to Rules and Regulations Sheet 17.

35. **Continuing Plant Records ("CPR") Audit:** The Signatories agree that Spire Missouri shall conduct independent third-party audit and internal review of its continuing plant records and improve the accuracy of its continuing property records as described below. Resulting modifications shall be reflected in the General Ledger including plant and reserve accounts. In the event a rate case occurs prior to completion of the CPR audit and any corresponding plant account corrections, the Signatories may recommend adjustments to plant accounts or revenue requirement

in the Company's next general rate case, to compensate ratepayers for value of improperly recorded assets.

36. Spire Missouri shall report quarterly to Staff and the OPC on progress of all aspects of the audits, and Staff and the OPC may request a meeting as needed. Staff will pose a Data Request in this rate case for the quarterly reports to be provided through the Commission's Electronic Filing Information System, and with follow-up questions preferred through that system. Either Staff or the OPC may issue additional data requests as necessary.

37. Spire Missouri will engage an independent third-party auditor to produce a report regarding the Company's meters accounts, meter installation accounts, and mains and services accounts for Spire Missouri East and Spire Missouri West. A committee, which shall be comprised of an equal number of Staff, OPC and Company representatives, shall develop a Request for Proposal ("RFP") for the audit with input from all committee members on the scope of work. The RFP shall be circulated internally within the committee within 120 days. The selection of a successful bidder, if any, shall be conducted by the same committee and shall be made by majority vote. In the event the committee cannot agree to the scope of the audit or the identity of the auditor, the committee shall submit such questions to the Commission for decision. The independent third-party auditor's contract shall preserve the auditor's independence by precluding Staff, OPC or Spire Missouri representatives from directing or influencing the report's conclusions. Upon completion, the audit report shall be filed with the Commission in EFIS. For all other accounts, at this time, Spire Missouri shall perform a similar internal assessment conducted by its engineers.

38. The audits will examine Spire Missouri's legacy assets and its continuing property record to ensure that the existing assets are operational and properly accounted for. The audits shall be designed to assess alignment with the Company's cost of service. Spire Missouri and, to

the extent necessary, Spire Services Inc., agree to cooperate fully with the auditor by timely providing all information requested to complete the audit including, but not limited to, informal and interactive interviews followed up with formal discovery.

39. The audit reports shall express an independent opinion on the degree and accurate accountability of Spire Missouri's legacy assets and continuing property record as well as provide recommendations, if appropriate, regarding unverifiable assets.

40. It is expressly acknowledged that Spire Missouri shall collectively provide \$500,000, funded below the line (and not recovered in rates), for purposes of funding the independent third-party management audit. Any additional expense beyond \$500,000, required by the Commission, will be split evenly between ratepayers and shareholders.

41. Any cost in excess of \$500,000 shall be deferred to account 182.3 (other regulatory assets) and recovered through amortization, subject to the 50/50 split provided immediately above, in retail rates and cost of service in the first Spire general rate cases subsequent to the completion of the audit.

42. Starting immediately, with compatibility between the CPR and the billing system, Spire Missouri will develop a system to keep track of the location, amount, and type of meters installed (1) where there is a current customer, (2) where there is not currently a customer taking service, but that service was turned off in the last thirteen (13) months, and (3) where there is no longer a meter but there is still a service line or other infrastructure.

43. Utilizing the asset audit discussed above, Spire Missouri shall reevaluate its meter testing policies and procedures to ensure that accurate records of its entire meter population are being maintained. These records should be used to determine which meters fall into its statistical meter sample plan or in the 120-month periodic sampling required by Commission rules. These

records should also be used to develop its sampling groups per Spire Missouri's approved variances.

44. Spire Missouri shall improve the accuracy of plant and accounting records concerning meters and meter installations, specifically Spire Missouri shall: (1) separate the meter and meter installation costs for Spire Missouri East currently recorded in account 382; (2) identify meter installation costs by meter type for Spire Missouri West and continue to identify meter installation costs by meter type for Spire Missouri East; (3) ensure that retirements, including retirements in place, are accurately reflected in the CPRs; (4) ensure consistency going forward on how installations such as fixtures or vaults are recorded; and (5) ensure consistency going forward on how the capitalized cost associated with the act of meter placement is recorded.

General Terms

45. Unless otherwise explicitly provided herein, none of the Signatories shall be deemed to have approved or acquiesced in any ratemaking, tariff, or procedural principle, including, without limitation, any method of cost of service or valuation determination or cost allocation, rate design, revenue recovery, or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding. This Stipulation has resulted from extensive negotiations among the parties, and the terms hereof are interdependent and non-severable. If the Commission does not approve this Stipulation unconditionally and without modification, or if the Commission approves the Stipulation with modifications or conditions to which a party objects, then this Stipulation shall be void and none of the Signatories shall be bound by any of the agreements or provisions hereof.

46. In the event the Commission accepts the specific terms of this Stipulation without condition or modification, the Signatories waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §386.500, and their respective rights to judicial review pursuant to §386.510. These waivers apply only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. These waivers do not apply to any issues explicitly not addressed by this Stipulation. The Signatories agree that any and all discussions, suggestions, or memoranda reviewed or discussed, related to this Stipulation shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.

47. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein. The intent of the signatories has been fully and exclusively expressed in this document and the attachments appended hereto.

48. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigatory powers or other statutory powers which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information.

WHEREFORE, the Signatories respectfully request the Commission to issues an Order approving this Stipulation and Agreement and authorizing the Company to file tariffs to implement the terms hereof.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 4th day of November to all parties of record.

/s/ Lew Keathley
Lew Keathley