



Spire Inc.
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Please see the attached ratings agency reports which were received in August 2019. These reports are being filed in compliance with condition 10 of the Commission's Report and Order in Case No. GF-2018-0249, Spire's most recent financing case.

Please let me know if there are any questions/concerns I can address. Thank you!

Sincerely,

/s/ Wesley Selinger

MOODY'S

INVESTORS SERVICE

CREDIT OPINION

6 June 2019

Update

 Rate this Research

RATINGS

Spire Inc.

Domicile	St. Louis, Missouri, United States
Long Term Rating	Baa2
Type	Senior Unsecured - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Spire Inc.

Update following \$250 million preferred stock issuance

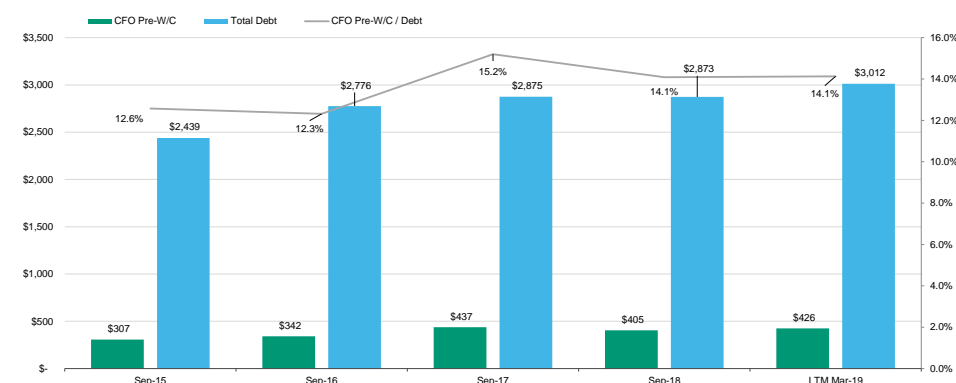
Summary

Spire Inc.'s (Spire) credit is supported by: 1) a portfolio of low-risk natural gas local distribution company (LDC) subsidiaries, 2) supportive regulatory relationships that offer a suite of timely cost recovery mechanisms and 3) stable cash flow production from utility operating companies.

Spire's credit is constrained by: 1) around \$1.0 billion of long-term holding company debt and preferred stock constituting about 40% of consolidated long-term reported debt, which results in a high degree of structural subordination between Spire and the debt existing at its operating companies, 2) high capital expenditures to enhance utility reliability and complete a new intrastate natural gas pipeline and 3) a growing unregulated gas segment, including marketing and natural gas storage services.

Exhibit 1

Historical CFO Pre-WC, Total Debt, and CFO Pre-WC to Debt (\$MM)



Source: Moody's Financial Metrics

Credit strengths

- » Low-risk business profile as a holding company of regulated natural gas local distribution companies (LDCs)
- » Credit supportive regulatory treatment in Missouri and Alabama
- » Steady cash flow produced from a suite of cost recovery mechanisms

Credit challenges

- » High parent leverage that keeps consolidated cash flow to debt ratios in the mid-teen's range
- » Increasing capex and dividends
- » Strategy to grow its higher-risk gas marketing business

Rating outlook

Spire's stable rating outlook reflects our expectation that its ratio of cash flow from operations before changes in working capital (CFO pre-WC) to debt will improve over the next two years - to the mid-teen's range - due to the permanent reduction of holding company leverage and cash flow contribution from STL pipeline.

The stable outlook also incorporates our assumptions of continued regulatory support of cost recovery and that management will not increase the financial or business risk of the company in any way.

Factors that could lead to an upgrade

- » Holding company debt is reduced to less than 25% of consolidated debt, and
- » CFO pre-WC to debt improves to 18% consistently

Factors that could lead to a downgrade

- » If the degree of regulatory support were to decline significantly
- » CFO pre-WC to debt around 13% on a sustained basis
- » Increased financial risk, such as: aggressive growth of unregulated businesses, additional leveraged M&A, higher parent-level debt or dividend growth outpacing earnings growth

Key indicators

Exhibit 2

Spire Inc. [1]

	Sep-15	Sep-16	Sep-17	Sep-18	LTM Mar-19
CFO Pre-W/C + Interest / Interest	4.7x	4.9x	5.3x	4.7x	4.8x
CFO Pre-W/C / Debt	12.6%	12.3%	15.2%	14.1%	14.1%
CFO Pre-W/C – Dividends / Debt	9.3%	9.2%	11.9%	10.3%	10.3%
Debt / Capitalization	53.9%	53.7%	51.7%	51.7%	51.1%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Source: Moody's Financial Metrics

Profile

Spire Inc. is a utility holding company based in St. Louis, Missouri. Spire's principal operating subsidiary is Spire Missouri Inc., a regulated natural gas local distribution company serving over 1.1 million customers, primarily residential, in the eastern and western part of Missouri, including the cities of St. Louis and Kansas City. Spire Missouri represents about 65% of Spire's consolidated rate base. Spire Missouri operates through two units or divisions, Spire Missouri East (fka Laclede Gas Company, serving around 630,000 customers) and Spire Missouri West (fka Missouri Gas Energy, serving about 500,000 customers), which are regulated by the Missouri Public Service Commission (MPSC).

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

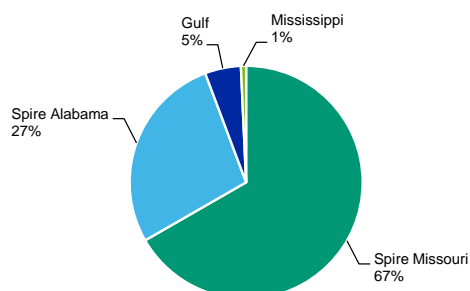
Spire's second largest operating subsidiary is Spire Alabama Inc. (A2 stable, fka Alabama Gas Corporation), the largest regulated natural gas local distribution company in Alabama serving over 420,500 customers.

Spire also owns Spire Gulf (unrated, fka Mobile Gas Service Corp.) and Spire Mississippi (unrated, fka Willmut Gas & Oil Co.), which are small LDCs in Alabama and Mississippi, respectively. The Alabama utilities are regulated by the Alabama Public Service Commission (APSC) and Spire Mississippi by the MPSC.

Exhibit 3 shows Spire's rate base breakdown by utility as of the latest respective rate case.

Exhibit 3

Spire's rate base is concentrated in its largest subsidiary, Spire Missouri



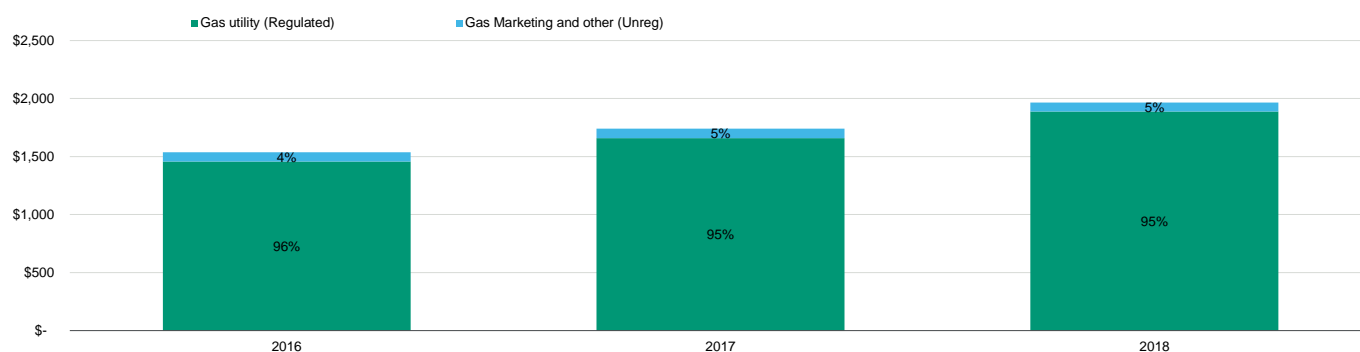
Source: Spire Inc., March 2019 earnings presentation and Moody's estimates for Alabama utility rate base

The company is also in the midst of constructing the STL Pipeline, a 65-mile natural gas pipeline to deliver natural gas into eastern Missouri. STL will primarily serve affiliate Spire Missouri East, will be regulated by the Federal Energy Regulatory Commission (FERC) and is expected to be in-service in 4Q19 (3Q calendar year-end).

Spire's non-regulated businesses account for the remainder of Spire's operations, which only contribute around 5% of consolidated earnings. The most material unregulated business is a gas marketing segment, Spire Marketing (unrated, fka Laclede Energy Resources), but also includes other smaller businesses, including a propane pipeline and natural gas compression.

Exhibit 4

Spire's regulated utilities account for approximately 95% of consolidated operating revenues.



Source: Spire Inc.

Detailed credit considerations

Low business risk profile with LDCs in supportive regulatory environments

As a holding company where regulated LDCs contribute around 95% of consolidated cash flow, we view Spire as having a lower business risk profile than many peer regulated utility holding companies. LDCs generally have a more stable residential customer base

and lower operating complexities when compared to vertically integrated electric utilities that have more exposure to price-sensitive industrial customers and operate various types and vintages of power generation assets.

Moreover, we view the Missouri and Alabama regulatory environments to be very supportive to the credit of LDCs through the suite of cost recovery mechanisms afforded by the MPSC and APSC. For example, higher than average fixed cost recovery and the timely incorporation of infrastructure capex into rates are allowed in Missouri, while Alabama offers a Rate Stabilization and Equalization (RSE) framework that provide formulaic regulatory outcomes. These mechanisms result in a high degree of predictability and stability in Spire's consolidated cash flow production, which helps to further reduce certain risks in Spire's operations. Some of the more influential cost recovery features are listed in Exhibit 5, for each utility, along with a description of how to view them from a credit perspective.

Exhibit 5

Several cost recovery mechanisms help provide more stability to Spire's cash flow

	Spire Missouri	Spire Alabama	Spire Gulf	Spire Mississippi	Comments
Weather Mitigation Rate Design	X				Recover fixed costs more evenly throughout the year
Temperature Adjustment Rider (TAR)		X	X		Moderates impact of deviations from normal weather patterns
Purchased Gas Adjustment (PGA)	X		X	X	Recovery of changes in natural gas commodity costs, carrying costs, hedging gains/losses
Gas Supply Adjustment (GSA)		X			Recovery of changes in cost of gas supply
Competitive Fuel Clause (CFC)		X			Prevents earnings loss by adjusting prices to compete with alternate fuel/gas supply source
Infrastructure System Replacement Surcharge (ISRS)	X				Mitigates impact of capital investment between rate cases
Rate Stabilization and Equalization (RSE)		X	X		Quicker cost recovery of capital investment between rate cases

Source: Spire Inc., Missouri Public Service Commission, Alabama Public Service Commission

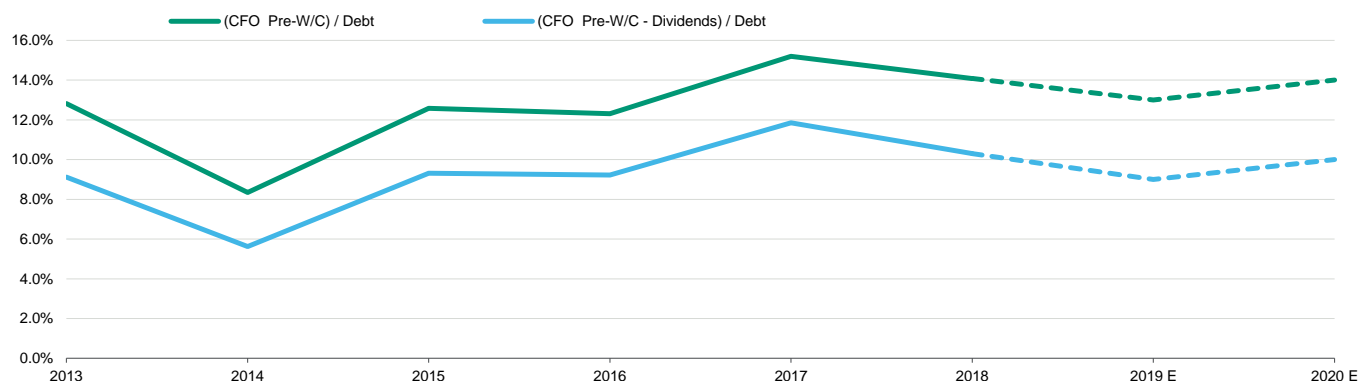
Financial metrics continue to be pressured by high holding company leverage

The regulatory support that Spire's utilities receive produce steady and stable cash flow that results in strong utility financial metrics, such as cash flow to debt metrics for Spire Missouri around 20% and Spire Alabama over 25%. Quick recovery of costs underpins these financials, as management estimates that roughly 80% of near-term capital spending will be recovered through Spire Missouri's Infrastructure System Replacement Surcharge (ISRS) filings (allowed twice a year) and the RSE framework in Alabama.

However, high levels of holding company debt result in lower consolidated metrics, such as the ratio of cash flow from operations prior to changes in working capital (CFO pre-WC) to debt around 14% and CFO pre-WC less dividends to debt just above 10% through LTM March 2019 (FY 2Q19).

Exhibit 6

Cash flow ratios will remain in the mid-teen's range over the next 12-18 months.



Source: Moody's Investors Service projections

As of 31 March 2019, Spire had parent company debt of \$815 long-term and around \$167 million of commercial paper (net of around \$345 million loaned to utilities), equating to roughly 35% of \$2.8 billion consolidated debt – an improvement from the 37% ratio in 2018. However, a 13 March 2019 preferred stock issuance increases this ratio to around 39% when counting half of the \$250 million as debt, as shown in Exhibit 5.

Exhibit 7

Spire Inc. parent debt continues to be high at 35% or over

FYE September 2018					Pro Forma May 2019			
Spire Hold Co	Amount	Int. Rate	Maturity	% of Parent LTD	Amount	Int. Rate	Maturity	% of Parent LTD
Preferred Stock*					\$ 125	5.90%	NA	13%
Sr. Notes	\$ 125	2.55%	Aug-19	15%	\$ 125	2.55%	Aug-19	13%
Sr. Notes	\$ 35	2.52%	Sep-21	4%	\$ 35	2.52%	Sep-21	4%
Sr. Notes	\$ 25	3.31%	Dec-22	3%	\$ 25	3.31%	Dec-22	3%
Sr. Notes	\$ 150	3.54%	Feb-24	18%	\$ 150	3.54%	Feb-24	16%
Sr. Notes	\$ 130	3.13%	Sep-26	16%	\$ 130	3.13%	Sep-26	14%
Sr. Notes	\$ 100	3.93%	Mar-27	12%	\$ 100	3.93%	Mar-27	11%
Sr. Notes	\$ 250	4.70%	Aug-44	31%	\$ 250	4.70%	Aug-44	27%
Total Parent LTD	\$ 815	3.68%			\$ 940	3.97%		
Consol. LTD (Gross)	\$ 2,076				\$ 2,382			
Parent LTD as % of Consol.	39%				39%			
Parent STD**	\$ 120				\$ 167			
Consol. STD	\$ 554				\$ 512			
Total Consol. Debt	\$ 2,630				\$ 2,894			
Parent LTD + STD	\$ 935				\$ 1,107			
Total Parent as % of Tot. Consol.	36%				38%			

*Hybrid Basket C debt treatment, **Excludes amounts loaned to utility subsidiaries

Source: Spire Inc. SEC filings and Moody's Investors Service

Moreover the roughly \$15 million of annual preferred coupon payments increase the amount of interest-like payments that must be serviced from subsidiary dividends (see Exhibit 8).

However, we expect that the company will de-lever the parent over the near-term, consistent with management's public comments to do so. For example, if the proceeds from the preferred issuance are used to retire the August senior note maturity, the parent debt to consolidated debt percentage will reduce to around 34%.

We also note that Spire's unregulated operations produce some cash flow that can service the holding company debt and these operations could also be allocated some debt burden for analytical purposes. Once in-service, STL Pipeline will be the most logical source of stable and predictable cash flow to support some parent debt and reduce our estimation of holding company leverage.

Non-utility businesses are growing

Spire Marketing

Spire Marketing accounts for the majority of Spire's non-regulated activities through its involvement in the marketing of natural gas and gas services to more than 225 retail customers and 120 wholesale customers in the eastern US. We view these operations as having a much higher business risk due to the commodity price exposure and potential liquidity requirements.

To date, Spire Marketing has required a minimal amount of capital; however, Spire typically guarantees performance on a portion of Spire Marketing's gas supply contracts. Although the company's stated focus is on the physical delivery of gas which mitigates some risk, gas marketing margins have decreased over the last few years primarily due to the growing supply of shale gas in the US that is eroding regional price differentials, which is a key component of earnings for Spire Marketing.

STL Pipeline

STL pipeline is slated to be a 400,000 decatherm per day (Dth/d) natural gas pipeline between Rockies Express Pipeline LLC (Ba1 stable) and the St. Louis metropolitan area. The FERC regulated pipeline, once in-service, is viewed as generally low-risk due to the formulaic nature of its rate structure and contracted revenue stream from a credit worthy counterparty. While the pipe's capacity is not fully subscribed, the anchor shipper - affiliate Spire Missouri East - has a 20 year contract for 350,000 Dth/d (87.5%) of capacity in order to serve its own end-use residential customers.

Natural Gas Storage

Spire Storage consists of around 39 billion cubic feet of natural gas storage capacity in Wyoming. To-date, Spire has invested around \$130 million in the facilities in order to increase injection and withdrawal capabilities, expand working gas capacity and improve overall performance.

Low carbon transition risk profile

Spire has low carbon transition risk within the utility sector because it is a holding company with a preponderance of its operations consisting of local gas distribution utilities. The utility fuel costs are fully passed through to customers with an effective cost recovery mechanism and some organic growth opportunities are allowing for Spire to help agricultural producers the opportunity to convert to natural gas fuel from higher carbon fuels such as propane and diesel.

Spire's other gas services are also relatively low-risk, but contain more direct commercial relationships with exploration and production companies, which are generally ranked as having a higher carbon transition risk. Should these customers encounter credit deterioration or rising business and financial risk due to carbon issues, Spire's marketing business, in particular, could be negatively impacted.

Liquidity analysis

We estimate that Spire will generate roughly \$400 million of negative free cash flow over the next twelve months, with around \$650 million of expected capex, dividends growing from the LTM 1Q19 amount of \$115 million and cash flow from operations around \$450 million.

Despite negative free cash flow balances, Spire has an adequate liquidity profile when considering its access to a \$975 million senior unsecured revolving credit facility, expiring in October 2023, and manageable long-term debt maturities over the next 12 months. Spire's nearest long-term maturities are \$125 million of parent debt due in August 2019 and \$50 million of senior notes at Spire Alabama due in January 2020.

The revolver includes sublimits for Spire of \$300 million, Spire Missouri of \$475 million and Spire Alabama of \$200 million. At 31 March 2019, Spire, on a consolidated basis, had no borrowings and approximately \$512 million of commercial paper borrowings outstanding. The facility has same-day borrowing ability and no material adverse change representation for ongoing borrowings. It also

has one financial maintenance covenant which limits consolidated debt to capitalization at 70%. As of 31 March 2019, Spire reported that all of the borrowing entities were in compliance with this covenant with the consolidated company's ratio at 54%.

Structural considerations

Spire's Baa2 senior unsecured rating is four notches lower than Spire Missouri's A1 first mortgage bond rating and three notches lower than Spire Alabama's A2 senior unsecured rating, due to the structural subordination the parent obligations compared to the debt of its principal operating subsidiaries. Going forward, we expect a reduction to the parent-level debt in accordance with management's stated goals.

We note that Spire's holding company interest expense and corporate dividend are able to be supported by its utility dividends, as shown in Exhibit 9, but that the issuance of \$250 million of preferred securities will increase the amount of fixed charges at the holding company level - a credit negative.

Additional structural considerations could follow if Spire required a material amount of dividend support from its higher-risk and more volatile unregulated businesses; if utility payout ratios increased to levels that caused regulatory concern or further deterioration to utility retained cash flow ratios; or if parent interest expense and corporate dividends were consistently funded with external debt.

Exhibit 8

Dividends on preferred stock will require a greater amount of utility distributions to cover Spire Inc. fixed charges

Spire Holding Company Leverage		
HoldCo Unsecured Debt	\$	690
New Pfd Stock	\$	250
HoldCo W-A Int. Rate		3.97%
HoldCo Interest	\$	37
Corporate Dividend	\$	120
HoldCo Fixed Charges	\$	157
Regulatory Net Income		
Spire Missouri Net Income	\$	118
Spire Alabama Net Income	\$	53
Spire Gulf Net Income	\$	10
Spire Mississippi Net Income	\$	1
Total Utility Net Income	\$	182
50% Utility Payout as % HoldCo Fixed Charges		58%
70% Utility Payout as % of HoldCo Fixed Charges		81%
86% Utility Payout as % of HoldCo Fixed Charges		100%
100% Utility Payout as % of HoldCo Fixed Charges		116%

Regulatory Net Income is derived from the rate base, equity layer and allowed ROE figures provided by Spire as of March 2019

Source: Moody's Investors Service

Rating methodology and scorecard factors

Rating Factors

Spire Inc.

Regulated Electric and Gas Utilities Industry Grid [1][2]

	Current LTM 3/31/2019	
	Measure	Score
Factor 1 : Regulatory Framework (25%)		
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A
b) Consistency and Predictability of Regulation	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)		
a) Timeliness of Recovery of Operating and Capital Costs	A	A
b) Sufficiency of Rates and Returns	A	A
Factor 3 : Diversification (10%)		
a) Market Position	A	A
b) Generation and Fuel Diversity	N/A	N/A
Factor 4 : Financial Strength (40%)		
a) CFO pre-WC + Interest / Interest (3 Year Avg)	5.0x	A
b) CFO pre-WC / Debt (3 Year Avg)	14.4%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	10.9%	Baa
d) Debt / Capitalization (3 Year Avg)	51.8%	Baa
Rating:		
Scorecard-Indicated Outcome Before Notching Adjustment		A3
HoldCo Structural Subordination Notching	-2	-2
a) Scorecard-Indicated Outcome		Baa2
b) Actual Rating Assigned		Baa2

Moody's 12-18 Month Forward View

As of Date Published [3]	
Measure	Score
A	A
A	A
A	A
A	A
A	A
N/A	N/A
4x - 4.5x	Baa
12% - 18%	Baa
8% - 11%	Baa
50% - 55%	Baa
	A3
-2	-2
	Baa2
	Baa2

[1]All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2]As of 3/31/2019(L)

[3]This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics

Appendix

Exhibit 10

Cash Flow and Credit Metrics [1] (\$MM)

CF Metrics	Sep-15	Sep-16	Sep-17	Sep-18	LTM Mar-19
As Adjusted					
FFO	351	366	404	405	438
+/- Other	(45)	(24)	33	(1)	(13)
CFO Pre-WC	307	342	437	405	426
+/- ΔWC	50	8	(121)	98	65
CFO	357	350	316	503	490
- Div	80	86	96	109	115
- Capex	301	303	445	507	668
FCF	(24)	(39)	(225)	(113)	(292)
(CFO Pre-W/C) / Debt	12.6%	12.3%	15.2%	14.1%	14.1%
(CFO Pre-W/C - Dividends) / Debt	9.3%	9.2%	11.9%	10.3%	10.3%
FFO / Debt	14.4%	13.2%	14.1%	14.1%	14.5%
RCF / Debt	11.1%	10.1%	10.7%	10.3%	10.7%
Revenue	1,976	1,537	1,741	1,965	1,995
Cost of Good Sold	-	-	-	-	-
Interest Expense	84	87	101	109	112
Net Income	124	156	168	246	239
Total Assets	5,370	6,138	6,615	6,905	7,335
Total Liabilities	3,762	4,349	4,641	4,666	4,946
Total Equity	1,607	1,789	1,974	2,239	2,390

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months
Source: Moody's Financial Metrics

Exhibit 11

Peer Comparison Table [1]

	Spire Inc. Baa2 Stable			Eversource Energy Baa1 Stable			Southern Company Gas Capital Baa1 Stable			NiSource Inc. Baa2 Stable		
	FYE Sep-17	FYE Sep-18	LTM Mar-19	FYE Dec-17	FYE Dec-18	LTM Mar-19	FYE Dec-17	FYE Dec-18	LTM Mar-19	FYE Dec-17	FYE Dec-18	LTM Mar-19
(in US millions)												
Revenue	1,741	1,965	1,995	7,752	8,448	8,576	3,920	3,909	3,744	4,875	5,115	5,234
CFO Pre-W/C	437	405	426	2,091	2,043	2,172	917	590	610	1,088	469	315
Total Debt	2,875	2,873	3,012	14,803	15,787	16,325	7,350	6,334	6,014	9,314	9,951	9,917
CFO Pre-W/C / Debt	15.2%	14.1%	14.1%	14.1%	12.9%	13.3%	12.5%	9.3%	10.1%	11.7%	4.7%	3.2%
CFO Pre-W/C - Dividends / Debt	11.9%	10.3%	10.3%	10.0%	8.9%	9.3%	6.4%	1.9%	2.4%	9.2%	1.9%	0.3%
Debt / Capitalization	51.7%	51.7%	51.1%	50.7%	51.3%	51.8%	38.6%	36.6%	35.0%	62.7%	60.2%	59.8%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade
Source: Moody's Financial Metrics

Ratings

Exhibit 12

Category	Moody's Rating
SPIRE INC.	
Outlook	Stable
Senior Unsecured	Baa2
Pref. Stock	Ba1
Commercial Paper	P-2
SPIRE MISSOURI INC.	
Outlook	Stable
First Mortgage Bonds	A1
SPIRE ALABAMA INC.	
Outlook	Stable
Senior Unsecured	A2

Source: Moody's Investors Service

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REPORT NUMBER

1174791


MOODY'S

INVESTORS SERVICE

CREDIT OPINION

14 August 2019

Update

 Rate this Research

RATINGS

Spire Missouri Inc.

Domicile	St. Louis, Missouri, United States
Long Term Rating	A1
Type	First Mortgage Bonds - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Spire Missouri Inc.

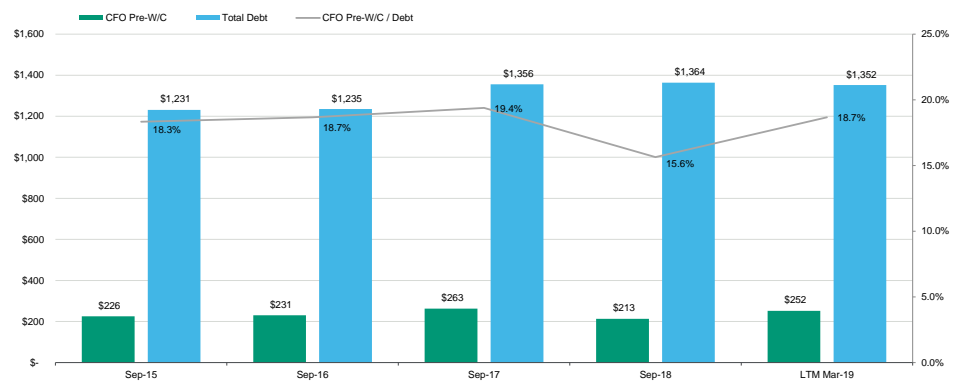
Update to credit analysis

Summary

Spire Missouri's credit profile reflects its low business risk profile as a regulated natural gas local distribution company (LDC) and the credit supportive regulatory framework for gas utilities in Missouri, which includes several timely investment and cost recovery mechanisms. It also reflects the strong security provided by a first mortgage lien on the utility's assets, which secure all of the company's rated bonds. The credit profile incorporates Spire Missouri's predictable cash flow generation and stable financial profile including a ratio of cash flow from operations pre-working capital (CFO pre-W/C) to debt of about 20%. The credit is constrained by ongoing financing demands of an elevated capital investment program to upgrade pipeline infrastructure and the significant leverage (about 35% of consolidated long-term debt) at its parent company, Spire Inc. (Baa2 stable), which requires dividend support from Spire Missouri.

Exhibit 1

Historical CFO Pre-W/C, Total Debt, and ratio of CFO Pre-W/C to Debt (\$ MM)



Source: Moody's Financial Metrics

Credit strengths

- » Low business risk profile as a regulated natural gas distribution utility
- » Credit supportive Missouri regulatory environment
- » Several investment and cost recovery mechanisms that allow for stable and predictable cash flow generation

Credit challenges

- » Elevated capital investment program that will continue to require debt financing
- » Constrained by significant leverage at the parent

Rating outlook

The stable outlook reflects our expectation that the utility's financial profile will remain steady, including a ratio of cash flow pre-W/C to debt of about 20%, and that the credit supportive regulatory framework in Missouri will continue.

The stable outlook also incorporates our view that parent, Spire Inc., will not undertake significant debt-financed acquisitions, increase unregulated investments beyond current expectations (i.e., maintaining unregulated activities at around 5% of operating income) or execute any shareholder friendly activities that will be a detriment to the credit quality of the utility.

Factors that could lead to an upgrade

Spire Missouri could be upgraded if the Missouri regulatory environment becomes more credit supportive through additional recovery mechanisms such as full revenue decoupling, or financial metrics improve such that its ratio of CFO pre-W/C to debt approaches the mid-20% range on a sustained basis.

A rating upgrade of the utility is predicated on the parent not significantly increasing either its non-regulated businesses or parent level debt as a proportion of consolidated debt that would result in contagion risk at its LDCs.

Factors that could lead to a downgrade

Spire Missouri could be downgraded if the regulatory environment in Missouri becomes less credit supportive or contentious through a reduction in the timeliness of cost recovery or if the utility's financial metrics deteriorate such that its ratio of CFO pre-W/C to debt falls below 19% on a sustained basis.

The credit could also be pressured if contagion risk to the parent or affiliate businesses increases due to incremental leverage resulting from additional acquisitions; from increased unregulated business investments; or if the parent undertakes aggressive debt-financed shareholder friendly activities such that the risk profile of the utilities deteriorates.

Key indicators

Exhibit 2

Spire Missouri Inc. [1]

	Sep-15	Sep-16	Sep-17	Sep-18	LTM Mar-19
CFO Pre-W/C + Interest / Interest	6.3x	6.4x	6.8x	5.1x	5.7x
CFO Pre-W/C / Debt	18.3%	18.7%	19.4%	15.6%	18.7%
CFO Pre-W/C – Dividends / Debt	11.9%	11.8%	17.3%	13.0%	14.9%
Debt / Capitalization	44.7%	43.3%	43.1%	45.8%	43.5%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Source: Moody's Financial Metrics

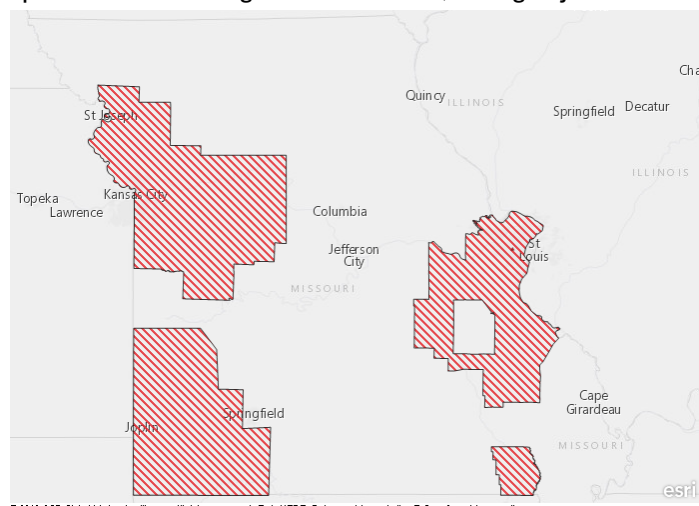
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Profile

Spire Missouri is a regulated natural gas local distribution company serving over 1.1 million customers, primarily residential, in Missouri, including the cities of St. Louis and Kansas City. The company is composed of two utility segments, Spire Missouri East (fka Laclede Gas Company), which is Missouri's largest gas distributor, and Spire Missouri West (fka Missouri Gas Energy, or MGE). Spire Missouri is the largest utility subsidiary of Spire Inc. (Baa2 stable), a public utility holding company based in St. Louis, Missouri, and represents over 50% of Spire Inc.'s consolidated operating income. Spire Missouri is regulated by the Missouri Public Service Commission.

Exhibit 3

Spire Missouri is the largest LDC in Missouri, serving major cities like St. Louis and Kansas City.



Source: S&P Global Market Intelligence

Detailed credit considerations

LOW-RISK BUSINESS PROFILE AS A REGULATED NATURAL GAS DISTRIBUTION UTILITY

As a regulated LDC, Spire Missouri has a business profile that is lower risk compared to vertically integrated regulated electric utilities since LDCs typically have moderate risk exposure to volume and/or price volatility of natural gas distributed to customers. In addition, LDCs do not encounter the operating risks related to power generation and the higher capital expenditures that such generation usually entails.

Spire Missouri's location in the Midwest presents some distinct operational opportunities that differentiates it from other LDCs. Numerous interstate pipelines cross its service territory transporting gas to and from the Gulf coast and the Mid-Continent supply regions. Consequently, Spire Missouri holds transportation and storage capacity on a number of pipelines, which the company can temporarily lend (capacity release) or use to sell excess gas (off-system sales) when it does not need it. These capacity release and off-system sales have been a modest addition to Spire Missouri's revenues, accounting for about 2% of FY 2018 total revenues. Spire Missouri is allowed to retain up to 25% of the net margins achieved as a result of such off-system sales and capacity releases, while customers receive 75%.

Spire Missouri serves over 1.1 million residential customers, which account for about 90% of their total customers and about 70% of total revenues. We view the company's combined high residential customer base as a credit positive given the usual stability of such revenues.

CREDIT SUPPORTIVE MISSOURI REGULATORY ENVIRONMENT ALLOWS TIMELY COST RECOVERY MECHANISMS

The company's credit supportive risk profile is further enhanced by several timely cost recovery mechanisms afforded by the MPSC. The most influential of these are the purchased gas adjustment (PGA), a weather normalization adjustment rider (WNAR) and the Infrastructure System Replacement Surcharge (ISRS), as illustrated in the table below. Under the ISRS rider, Spire Missouri is required to maintain a 3 year filing cycle, in which the company can make revenue adjustment filings every six months. In addition to this rider, Spire Missouri has also been granted mechanisms for addressing pensions, energy efficiency and conservation expenses. We

do note that in its most recent rate case completed in March 2018, the MPSC rejected the company's request to establish a revenue stabilization mechanism (RSM) and a tracker for environmental related costs; however, the commission authorized the WNAR which is a more limited form of revenue decoupling.

Exhibit 4

Important tracking mechanisms help to recover operating and capital costs on a more timely basis

Cost Recovery Mechanism	Comments
Weather Normalization Adjustment Rider (WNAR)	Recover fixed costs more evenly throughout the year
Purchased Gas Adjustment (PGA)	Recovery of changes in natural gas commodity costs, carrying costs, hedging gains/losses
Infrastructure System Replacement Surcharge (ISRS)	Mitigates impact of capital investment between rate cases

Source: MPSC, Spire, Inc.

The PGA and WNAR help to address two of the more important LDC operating risks, which are fuel costs (which have been historically volatile) and demand fluctuations. The PGA is allowed to be adjusted four times per year to more accurately track actual commodity costs and the WNAR allows for two annual adjustments to align rates with actual customer usage. These mechanisms help to stabilize margins and enhance variable and fixed cost recovery.

The ISRS allows Spire Missouri to file two rate increases during a twelve month period to incorporate costs associated with the pipeline replacement and safety program. This allows for the recovery of costs and a return on investment until these capital projects are fully incorporated into rate base as part of the company's next general rate filing. Spire Missouri has about 2,500 miles of pipeline replacement remaining of its total 30,000 pipeline miles within its system.

Collectively, these mechanisms offer good visibility and predictability into cost recovery - an important credit factor since Missouri's cost recovery framework is predominantly based on a general rate case format that uses a historic test year (albeit with true-up periods for the inclusion of known and measurable costs). These proceedings are more open to negotiation and can lead to unpredictable outcomes at times.

Spire Missouri's last general rate case order in March 2019 was evidence of the credit support provided by the MPSC, as it aligned the rate construct between Spire West and East through items such as a 9.8% allowed ROE, 54% equity ratio and customer demand charges, which ensure a certain portion of fixed costs are recovered, regardless of volume consumed (both about \$20 per customer per month). We expect the rate case outcome should help the company to maintain a strong and stable financial profile going forward.

FINANCIAL METRICS EXPECTED TO REMAIN STABLE AND SUPPORT CREDIT QUALITY

Spire Missouri's financial metrics currently support its credit profile. Although the company's FY 2018 financial metrics, including a ratio of CFO pre-W/C to debt of 15.6%, were somewhat weak primarily due to the reduction of deferred taxes following the 2017 passage of the federal Tax Cuts and Jobs Act, Spire Missouri's financial metrics have since rebounded and we expect will remain stable going forward. Going forward we expect cash flow interest coverage to be above 5.5x and its ratio of CFO pre-W/C to debt to remain around 20%, which would be supportive of its credit quality as low-risk US regulated gas utility.

CREDIT CONSTRAINED BY PARENT LEVERAGE AND MINIMAL RING-FENCING TYPE PROVISIONS

Spire Inc.'s growth by acquisition strategy over the past several years has resulted in a high amount of holding company debt (i.e., roughly \$815 million of long-term debt at June 2019), which is serviced by dividend distributions from operating companies. The roughly \$30 million of annual parent-level interest expense is essentially a fixed obligation that must be supported by the utilities, since the unregulated net income and distributable cash of some of Spire Inc.'s other non-regulated businesses, such as Spire Marketing, can be more volatile, less certain and insufficient to service the debt.

We also consider the corporate dividend to be akin to a fixed obligation, since utility management teams are unlikely to reduce this cash burden unless under significant financial duress. Through LTM 2Q19, Spire Inc.'s dividend was about \$118 million. We expect that the majority of parent-level cash requirements are likely to come from Spire Missouri, the largest utility in the Spire Inc. family.

At about 35% of consolidated long-term debt, Spire Inc.'s holding company leverage is significant and increases the financial risk of the entire family. As such, the holding company debt constrains the credit profiles of Spire Missouri and Spire Alabama. Besides dividend restrictions at Spire Missouri, there are no significant legal ring-fencing provisions (e.g. independent directors, minimum equity

requirements) that provide additional utility credit protection in the unlikely scenario of a Spire Inc. bankruptcy. However, both utilities are required to get pre-approval from their respective regulators before they issue debt.

However, we expect that the company will reduce debt at the parent over time, consistent with management's public comments that it intends to do so. For example, Spire Inc. has \$125 million of senior notes due in August 2019 that it plans to repay. At the same time, the company has the potential to allocate debt to other businesses, most notably the STL Pipeline, when it goes into service. Refer to Spire Inc.'s credit opinion for further details.

Liquidity analysis

Spire Missouri has an adequate liquidity profile driven by its stable cash flow generation and good access to external liquidity sources. As of 31 March 2019, Spire Missouri had a cash balance of about \$7 million, which is included in Spire's total cash balance of about \$11 million.

Historically, Spire Missouri's cash flow from operations had been able to largely cover its capex and dividends to the parent. Over the last couple of years, Spire Missouri's capital expenditures have increased, primarily due to an acceleration in pipeline infrastructure replacements under the ISRS program. We estimate that over 50% of capex investments are recoverable through the ISRS mechanism, including Spire Missouri West's capital expenditures, which account for about 40% of total Spire Missouri's annual capex.

We expect capital spending levels to remain elevated for the next few years as Spire Missouri continues with substantial infrastructure replacement investments. Spire Missouri's capital expenditures are expected to be around \$350 million in FY 2019, up from \$296 million in FY 2018. Going forward, we anticipate cash flow from operations should cover the majority of Spire Missouri's capex levels. Shortfalls in funding capital expenditures and dividends to its parent will likely be supplemented with short and long-term debt issuances that are funded in a balanced manner that maintains Spire Missouri's targeted capital structure.

Spire Inc.'s liquidity is supported by a commercial paper program, backstopped by a \$975 million senior unsecured revolving credit facility expiring October 2023. The facility includes sublimits for Spire, Inc. of \$300 million, Spire Missouri of \$475 million and Spire Alabama of \$200 million. At 31 March 2019, Spire Missouri had approximately \$233 million of commercial paper borrowings outstanding, included in the approximately \$512 million outstanding on the total Spire Inc. family's program. The facility has same-day borrowing ability and no material adverse change representation for ongoing borrowings. It also has one financial maintenance covenant which limits consolidated debt to capitalization at 70%. As of 31 March 2019, Spire reported that all of the borrowing entities were in compliance with this covenant with Spire Missouri's ratio at 47%.

Spire Missouri's next significant debt maturities include a \$100 million bank loan due December 2021 and \$55 million of notes due in March 2023.

Rating methodology and scorecard factors

Exhibit 5

Rating Factors

Spire Missouri Inc.

Regulated Electric and Gas Utilities Industry Scorecard [1][2]

Current
LTM 3/31/2019

Moody's 12-18 Month Forward
View
As of Date Published [3]

Factor 1 : Regulatory Framework (25%)	Measure	Score	Measure	Score
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.6x	Aa	5.5x - 6x	A
b) CFO pre-WC / Debt (3 Year Avg)	20.9%	A	18% - 21%	A
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	17.4%	A	14% - 18%	A
d) Debt / Capitalization (3 Year Avg)	43.3%	A	43% - 47%	A
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A2		A2
HoldCo Structural Subordination Notching		0	0	0
a) Scorecard-Indicated Outcome		A2		A2
b) Actual Rating Assigned		A1		A1

[1]All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2]As of 3/31/2019(L)

[3]This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics

Appendix

Exhibit 6

Cash Flow and Credit Metrics [1]

CF Metrics	Sep-15	Sep-16	Sep-17	Sep-18	LTM Mar-19
As Adjusted					
FFO	240	244	258	203	254
+/- Other	(14)	(13)	5	11	(1)
CFO Pre-WC	226	231	263	213	252
+/- ΔWC	77	61	(59)	98	93
CFO	303	292	204	311	345
- Div	79	85	29	36	51
- Capex	205	202	286	299	336
FCF	19	5	(112)	(23)	(42)
(CFO Pre-W/C) / Debt	18.3%	18.7%	19.4%	15.6%	18.7%
(CFO Pre-W/C - Dividends) / Debt	11.9%	11.8%	17.3%	13.0%	14.9%
FFO / Debt	19.5%	19.7%	19.0%	14.8%	18.8%
RCF / Debt	13.1%	12.9%	16.9%	12.2%	15.0%
Revenue	1,417	1,088	1,172	1,286	1,330
Cost of Good Sold	-	-	-	-	-
Interest Expense	42	42	45	52	54
Net Income	97	114	118	159	150
Total Assets	3,198	3,314	3,651	3,716	3,888
Total Liabilities	2,162	2,251	2,486	2,461	2,520
Total Equity	1,036	1,063	1,165	1,254	1,368

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months

Source: Moody's Financial Metrics

Exhibit 7

Peer Comparison Table [1]

	Spire Missouri Inc.			Washington Gas Light Company			Piedmont Natural Gas Company, Inc.			Public Service Co. of North Carolina, Inc.		
	A1 Stable			A2 Negative			A3 Stable			A3 Negative		
	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM
(in CAD millions)	Sep-17	Sep-18	Mar-19	Sep-17	Sep-18	Mar-19	Dec-17	Dec-18	Mar-19	Dec-17	Dec-18	Mar-19
Revenue	1,172	1,286	1,330	1,167	1,248	1,334	1,328	1,375	1,401	470	500	526
CFO Pre-W/C	263	213	252	329	120	108	469	285	303	157	113	146
Total Debt	1,356	1,364	1,352	1,603	1,554	1,539	2,456	2,395	2,384	747	853	755
CFO Pre-W/C / Debt	19.4%	15.6%	18.7%	20.6%	7.7%	7.0%	19.1%	11.9%	12.7%	21.0%	13.3%	19.4%
CFO Pre-W/C – Dividends / Debt	17.3%	13.0%	14.9%	15.2%	2.1%	1.1%	19.1%	11.9%	12.7%	16.2%	8.1%	13.5%
Debt / Capitalization	43.1%	45.8%	43.5%	44.0%	45.8%	41.7%	52.7%	47.8%	46.4%	43.3%	44.9%	40.8%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade

Source: Moody's Financial Metrics

Ratings

Exhibit 8

Category	Moody's Rating
SPIRE MISSOURI INC.	
Outlook	Stable
First Mortgage Bonds	A1
PARENT: SPIRE INC.	
Outlook	Stable
Senior Unsecured	Baa2
Pref. Stock	Ba1
Commercial Paper	P-2

Source: Moody's Investors Service

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REPORT NUMBER

1186774

Research Update:

Spire Inc. Ratings Affirmed; Subsidiaries No Longer Under Criteria Observation; Outlook Stable

August 16, 2019

Rating Action Overview

- We have concluded our review of Spire Alabama Inc. and Spire Missouri Inc., which we placed Under Criteria Observation (UCO) on July 1, 2019. Both companies are subsidiaries Spire Inc.
- We have affirmed the 'A-' issuer credit ratings on all three entities, reflecting our view that the insulation measures do not warrant a notch of separation between the subsidiaries and the parent.
- We have also affirmed the issue-level ratings at all three companies.
- The stable outlooks on Spire Inc. and its subsidiaries reflects our expectation that they will continue to effectively manage regulatory risk, and that their financial measures will remain supportive of their respective stand-alone credit profiles.

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Rating Action Rationale

The ratings affirmation on parent Spire Inc. reflects our view that the company can increase its non-utility businesses without adversely affecting the predictability of its cash flow. Our assessment of Spire's business risk incorporates the company's mostly lower-risk regulated natural gas utility operations and its exposure to higher-risk non-utility businesses. Spire's regulated utility operations benefit from generally constructive regulatory frameworks in Missouri, Alabama, and Mississippi. Over 90% of the company's customer base is residential, providing cash flow stability. The company's older vintage and cast iron pipelines (about 8%) modestly elevates its operating risk, but Spire expects to fully replace this infrastructure within the next two decades.

Spire's non-utility operations historically accounted for about 5%-10% of the consolidated company. We ascribe significantly higher business risk to Spire's unregulated gas marketing operations, as it increases the company's exposure to counterparty credit, volumetric, commodity, and operational risks. Furthermore, we expect that the non-utility businesses will grow at a somewhat higher rate than the utility businesses and we expect that the non-utility businesses will consistently represent greater than 10% of the consolidated company. This primarily reflects growth at the company's gas storage operations and Spire's STL pipeline beginning operations

later this year. Overall, the non-utility businesses representing more than 10% of the company and the utilities remaining higher risk vintage and cast iron pipelines increases Spire's business risk. We incorporate this higher risk by assessing Spire's financial measures using more stringent benchmarks to assess its financial risk profile. As a result, we have revised Spire's financial risk profile downward to significant from intermediate.

We evaluate Spire's financial measures using our medial-volatility benchmarks, which primarily reflect the company's mostly low-risk utility operations and its effective management of regulatory risk.

We are revising our view of the company's financial policy modifier to neutral from negative. This reflects our expectation that the company's financial policy will not cause leverage to deviate materially from our base-case and that a debt-financed transaction will not materially alter leverage. The revised assessment is supported by the company's historical financial measures that have not generally shown any prolonged weakness over the past five years despite several acquisitions.

Outlook

The stable outlook reflects our expectation that Spire Inc. will continue to generate the vast majority of its cash flow from its regulated utility operations, with its unregulated operations growing to greater than 10% of overall operations, while maintaining funds from operations (FFO) to debt consistently greater than 15%. While we expect that FFO to debt will be somewhat below 15% in 2019, we expect that the financial measures will consistently improve to above our downgrade threshold beginning in 2020. We also expect that the company will continue to effectively manage regulatory risk and that future sizable acquisitions are funded in a balanced manner.

Downside scenario

We could lower the ratings on Spire and its subsidiaries over the next two years if core credit ratios weaken such that FFO to debt is consistently less than 15%, which could happen if the company is not able to recover its investment in a timely manner while capital spending remains high. We could also lower the ratings if the contribution of non-utility operations materially increase such that they represent about 30% of consolidated company revenues.

Upside scenario

Given our assessment of Spire Inc.'s business risk and our base-case scenario for consolidated financial performance, we do not anticipate higher ratings during the outlook period. In our view, an upgrade would largely depend on Spire Inc. achieving FFO to debt of more than 20% on a consistent basis, or a shrinking of the non-utility business to consistently less than 10% of consolidated Spire.

Company Description

Spire is a midsized regulated utility serving about 1.7 million natural gas customers in Missouri, Mississippi, and Alabama. The company's non-regulated businesses include gas marketing, storage, and pipelines.

Our Base-Case Scenario

- Consistent base rate increases and the use of constructive regulatory mechanisms;
- Modest customer growth;
- Moderately negative cash flow impacts from the revised U.S. corporate tax code;
- Robust annual capital spending averaging about \$650 million over the next three years; and
- Annual dividends of about \$100 million.

Based on these assumptions we expect consolidated FFO to debt of about 14%-17%. While we expect that the financial measures will be somewhat below the downgrade threshold of FFO to debt of 15% for 2019, we expect that the financial measures will improve in 2020 and will be consistently above the downgrade threshold. The improved financial measures reflect regulatory rider increases, a base rate case in Missouri, and increased contributions from the nonutility businesses as the storage and pipeline assets begin operations.

Liquidity

We assess Spire's liquidity as adequate (as of the end of the 2019 second quarter), and can more than cover its needs for the next 12 months even if EBITDA declines by 10%. We expect the company's liquidity sources will exceed uses by more than 1.1x over the next 12 months, which is the minimum threshold for this liquidity assessment under our criteria. Under our stress scenario, we do not expect the company would require access to the capital markets to meet liquidity needs. Our assessment also reflects the companies' bank relationships and a generally satisfactory standing in the credit markets.

Principal Liquidity Sources

- Credit facility availability of about \$975 million;
- Cash FFO estimated to be about \$300 million; and
- Minimal cash in hand.

Principal Liquidity Uses

- 2020 long-term debt maturities of \$43 million;
- Annual maintenance capital spending of about \$500 million; and
- Annual dividends of about \$100 million.

Environmental, Social, And Governance

Spire's environmental risks are generally in line with its peers. The company engages in the purchase, transmission and distribution of natural gas. Marginally affecting our assessment is the company's remaining vintage gas assets, which are more susceptible to natural gas leaks, potentially emitting methane and possibly affecting biodiversity.

Social and governance risk factors are also in line with the company's peers. We view Spire's ability to deliver safe and reliable services to customers as a positive social factor. Spire has an independent board of directors, which we see as capably engaged in risk oversight on behalf of all stakeholders.

Group Influence

Under our group rating methodology, we assess Spire Inc. as the parent of the group that includes Spire Alabama Inc. and Spire Missouri Inc. We assess the group credit profile as 'a-' which leads to a long-term issuer credit rating of 'A-'. Our view is that the current insulation measures are not sufficient to warrant separation between the parent and its subsidiaries.

Issue Ratings - Subordination Risk Analysis

Capital structure

Spire Inc.'s current capital structure consists of about \$2.5 billion of total debt, incorporating a recent reduction of \$125 million of unsecured debt at the holding company. About \$1.7 billion of the total debt is outstanding at subsidiaries.

Analytical conclusions

We rate the unsecured debt issues at Spire Inc. one-notch below the issuer credit rating because it ranks behind a significant amount of debt issued by the company's subsidiaries in the capital structure.

We rate Spire Inc.'s preferred stock two notches below our 'A-' long-term issuer credit rating on Spire to reflect subordination and the company's ability to defer interest payments on the preferred stock.

Spire's commercial paper program is rated 'A-2', consistent with the issuer credit rating.

We rate the unsecured debt at Spire Alabama as 'A-' since it is the debt of a qualified utility.

Issue Ratings - Recovery Analysis

Spire Missouri Inc.'s FMBs benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of over 1.5x supports a recovery rating of '1+' and an issue rating one notch above the issuer credit rating.

Ratings Score Snapshot– Spire Inc.

Issuer Credit Rating: A-/Stable/A-2

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low

Research Update: Spire Inc. Ratings Affirmed; Subsidiaries No Longer Under Criteria Observation; Outlook Stable

- Competitive position: Strong

Financial risk: Significant

- Cash flow/Leverage: Significant

Anchor: a-

Modifiers

- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: a-

Group credit profile: a-

Ratings Score Snapshot- Spire Missouri Inc.

Issuer Credit Rating: A-/Stable/--

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low
- Competitive position: Strong

Financial risk: Intermediate

- Cash flow/Leverage: Intermediate

Anchor: a+

Modifiers

- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: a+

Group credit profile: a-

Entity status within group: Core (-2 notch from SACP)

Ratings Score Snapshot Spire Alabama Inc.

Issuer Credit Rating: A-/Stable/--

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low
- Competitive position: Strong

Financial risk: Intermediate

- Cash flow/Leverage: Intermediate

Anchor: a+

Modifiers

- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: a+

Group credit profile: a-

Entity status within group: Core (-2 notches from SACP)

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013

- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Ratings List

Ratings Affirmed

Spire Inc.

Issuer Credit Rating	A-/Stable/A-2
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Spire Alabama Inc.

Spire Missouri Inc.

Issuer Credit Rating	A-/Stable/--
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Spire Inc.

Senior Unsecured	BBB+
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Preferred Stock	BBB
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Commercial Paper	A-2
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Spire Alabama Inc.

Senior Unsecured	A-
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Spire Missouri Inc.

Senior Secured	A
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Recovery Rating	1+
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