

**Exhibit No:**  
**Issue:** STL Pipeline Commitments  
Relating to Sale of 880 Line  
**Witness:** Scott E. Jaskowiak  
**Type of Exhibit:** Direct Testimony  
**Sponsoring Party:** Spire STL Pipeline  
**Case Nos.:** GM-2017-0018  
**Date Prepared:** October 31, 2016

**LACLEDE GAS COMPANY**

**GM-2017-0018**

**DIRECT TESTIMONY**

**OF**

**SCOTT E. JASKOWIAK**

**October 2016**

**DIRECT TESTIMONY OF SCOTT E. JASKOWIAK**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Scott E. Jaskowiak and my business address is 700 Market St., St. Louis, Missouri, 63101.

**Q. WHAT IS YOUR PRESENT POSITION?**

A. I am presently employed as Vice President, Strategy and Corporate Development for Spire Inc. I also serve as Vice President of Spire STL Pipeline, LLC (“STL Pipeline”), which will be the owner of the proposed interstate pipeline that would incorporate the segment of pipeline which Laclede Gas Company (“Laclede” or (“Company”) is proposing to transfer in the proceeding

**Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

A. I was appointed to my current positions in February of 2016. My primary responsibility today is to examine alternatives for enhancing gas supply assets in a way that best responds to recent significant changes in the gas supply and capacity markets and provide additional tools to meet future market challenges with greater diversity, reliability and pricing opportunities. In that capacity, one of my more significant efforts involves overseeing the design, construction and installation of a new interstate pipeline that will be owned by STL Pipeline and used to provide the St. Louis market with access to a more diverse portfolio of natural gas supplies while enhancing the reliability of the pipeline capacity serving that market.

**Q. PLEASE DESCRIBE YOUR WORK HISTORY PRIOR TO ASSUMING YOUR CURRENT POSITIONS.**

1 Beginning in 2011, I served as President of Laclede Energy Resources (“LER”), a non-  
2 regulated natural gas marketing subsidiary of Spire. In that position, I was responsible  
3 for overseeing all business operations, including managing a team of directors, managers,  
4 analysts and traders, and ensuring the overall financial stability and profitability of the  
5 organization. More specifically, I developed or approved long-term marketing, trading  
6 and contractual strategies, and ensured that LER had the appropriate resources necessary  
7 to manage, record and report its business activities in accordance with all applicable laws  
8 and regulations. Prior to being appointed President of LER, I served as its Vice President  
9 and General Manager beginning in 2005. In that capacity, I performed many of the same  
10 duties for LER. Prior to my employment with LER, I served as Laclede Gas Company’s  
11 Director of Gas Supply and also held numerous other positions in the company’s  
12 engineering and construction departments. Throughout this period I developed a  
13 specialized knowledge of the gas supply and transportation markets, not only in the areas  
14 directly relevant to Laclede but in other portions of the country as well.

15 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

16 A. I received a BS degree in chemical engineering from the University of Missouri-Rolla,  
17 now known as Missouri S&T, in 1985 and an MBA from St. Louis University in 2000.

18 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS COMMISSION?**

19 A. Yes, I have, on behalf of Laclede Gas Company in Case Nos. GT-99-303, GO-2000-395;  
20 GO-98-484.

21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

22 A. The purpose of my testimony is to testify in support of the proposed sale by Laclede Gas  
23 Company (“Laclede”) of a portion of its 880 line (the “880 Line Segment”) to STL Pipeline

1 so that this project can be completed and operated in a manner that will provide end use  
2 customers with an alternative source of new pipeline capacity upon the most efficient terms  
3 possible. To that end, I will describe the STL Pipeline project, the role played by the 880  
4 line in completing the project, and the commitments that STL Pipeline is willing to make  
5 to ensure that the STL Pipeline will achieve this goal for end users in Missouri, including  
6 the customers of Laclede.

7 Q. ARE ANY OTHER WITNESSES SUBMITTING TESTIMONY IN THIS  
8 PROCEEDING IN SUPPORT OF THE SALE OF THE 880 LINE SEGMENT?

9 A. Yes, Scott Woley and Craig Hoeferlin are also sponsoring testimony on behalf of Laclede.

10 Q. PLEASE DESCRIBE THE STL PIPELINE PROJECT.

11 A. The STL Pipeline is a proposed interstate pipeline that would consist of approximately 57  
12 miles of new, underground, steel pipeline and approximately 8 miles of upgraded steel  
13 pipeline currently owned and operated by Laclede, assuming the transfer of such facilities  
14 is approved. The Project is also comprised of associated facilities including 4  
15 receipt/delivery stations. The Project is currently designed to transport and deliver 400,000  
16 Dth/day of natural gas to the St. Louis market.

17 Q. WHAT FACILITIES WOULD THE PIPELINE INTERCONNECT WITH?

18 The St. Louis Pipeline would interconnect with Rockies Express Pipeline LLC ("REX") in  
19 Scott County, Illinois and transport natural gas south through Illinois before crossing the  
20 Mississippi and Missouri rivers and connecting to Laclede's system near the Laclede  
21 storage facility in North St. Louis County into the 880 line. In total, it would be  
22 approximately 65 miles long, including the 880 line. Since this is an interstate pipeline, it  
23 will be sited and permitted by the Federal Energy Regulatory Commission (FERC) and

1 other federal and state permitting agencies. The Project will be owned and operated by  
2 Spire STL Pipeline LLC.

3 **Q. WHY IS THE STL PIPELINE NEEDED?**

4 The STL Pipeline, if approved and constructed, will provide significant diversity,  
5 reliability and cost of supply benefits for residential, commercial and industrial customers  
6 in the St. Louis market. It will have the ability to take natural gas originating from the  
7 Marcellus and Utica shale from the Appalachian region in the east and various shale plays  
8 from the Rockies region in the west off the existing REX pipeline in Scott County, Illinois  
9 and bring it to eastern Missouri, the St. Louis metropolitan region and the distribution  
10 system of Laclede serving over 647,000 meters and roughly 2 million consumers. This  
11 additional pipeline capacity will give customers in the St. Louis market access to low cost  
12 natural gas supplies from gas production fields in the Rocky Mountain Basins and the  
13 prolific Appalachian Basins in the Northeast. The new pipeline will also provide improved  
14 diversity and reliability of supply, since it does not traverse the New Madrid Seismic Zone,  
15 like the region's principle pipeline supplier, Enable MRT, which was built in the late 20's  
16 and 50's. As a result, the new pipeline is less exposed to damage from potential  
17 earthquakes.

18 **Q. HOW WOULD THE 880 LINE SEGMENT, AS DESCRIBED AND DISCUSSED**  
19 **IN THE DIRECT TESTIMONY OF LACLEDE WITNESS SCOTT WOLEY,**  
20 **BE INCORPORATED INTO THE STL PIPELINE IF THE COMMISSION**  
21 **WERE TO APPROVE THE SALE OF THE PIPELINE AS REQUESTED BY**  
22 **LACLEDE?**

1 A. Sale of the 880 Line Segment would allow STL Pipeline to use that segment to complete  
2 the last 8 or so miles of the pipeline, thereby avoiding the need to construct a redundant,  
3 expensive equivalent length of new pipeline. Even with upgrades that would be made to  
4 880 Line Segment to enable it's use as part of the STL Pipeline, using it in lieu of  
5 constructing new pipeline facilities would significantly reduce the overall cost of the  
6 pipeline. These cost savings that would be passed along in their entirety to future customers  
7 of the pipeline, including Laclede. At the same time, incorporation of the 880 Line  
8 Segment would allow STL Pipeline to not only deliver gas to Laclede, but would also allow  
9 for a bi-directional interconnect between STL Pipeline and Laclede's largest existing  
10 pipeline supplier, Enable MRT. This would further enhance the pipeline grid reliability in  
11 and around the St. Louis area and allow for a southbound delivery path to Enable MRT's  
12 storage fields in northern Louisiana, which will permit additional economic supply to be  
13 transported and accessible throughout the year, especially in the heating season.

14 **Q. ONCE THE SALE IS COMPLETE WOULD STL PIPELINE ALSO ASSUME**  
15 **RESPONSIBILITY FOR ANY LIABILITIES, REPAIR COSTS OR THIRD**  
16 **PARTY DAMAGES ARISING OUT OF THE OPERATION OF THE 880 LINE**  
17 **SEGMENT?**

18 A. Yes. The transfer of ownership would shift these potential liabilities and future costs from  
19 Laclede to STL Pipeline, subject to any regulatory treatment afforded such liabilities and  
20 costs under FERC regulation.

21 **Q. WHAT COMMITMENTS IS STL PIPELINE WILLING TO MAKE TO ENSURE**  
22 **THAT END USERS ACTUALLY RECEIVE THE FULL BENEFIT OF THE**  
23 **SALE OF THE 880 LINE AS PROPOSED BY LACLEDE?**

1 A. Should the Commission approve the sale of the 880 Line Segment on the terms  
2 proposed by Laclede, STL Pipeline has committed to preserve for Laclede and its  
3 customers all of the financial and operational benefits that they enjoy today under  
4 Laclede's ownership of the structure, subject to FERC rules and regulations.

5 **Q. WHAT SPECIFICALLY DO THESE COMMITMENTS PROVIDE FOR?**

6 A. In terms of preserving the financial benefits of the transfer, one provision, as reflected in  
7 the Letter of Intent attached to Laclede witness Woley's testimony, explicitly  
8 requires STL Pipeline to only reflect in its rates for transportation service the price at  
9 which the pipeline facilities were sold to STL Pipeline – in this case the current net book  
10 value of approximately \$50,000, plus or minus any changes in the value as  
11 measured at the time of transfer. After the sale, incremental expenditures made by STL  
12 Pipeline to upgrade the 880 Line Segment to meet all applicable safety and operational  
13 requirements would, of course, also be reflected in rates, but, as previously noted, even  
14 with this incremental expenditures, the use of the 880 Line Segment will still be  
15 substantially less expensive than any other alternative.

16 **Q. DOES THIS COMMITMENT MEAN THAT CUSTOMERS OF LACLEDE WILL**  
17 **EFFECTIVELY CONTINUE TO PAY IN THEIR RATES FOR**  
18 **TRANSPORTATION SERVICES FROM STL PIPELINE NO MORE FOR**  
19 **THESE FACILITIES THAN THEY WOULD IF THE 880 LINE SEGMENT**  
20 **WERE STILL OWNED BY LACLEDE?**

21 A. Yes. In fact, residential and small commercial customers will pay somewhat less than they  
22 otherwise would. The costs for the 880 Line Segment, once reflected in the rates of STL  
23 Pipeline, would now be spread over a greater base of customers who use the STL Pipeline

1 to transport their own gas supplies. That means, Laclede would pay only 87.5% of the  
2 costs of this line as part of its contract with STL Pipeline.

3 **Q. WHAT COMMITMENT IS STL PIPELINE WILLING TO MAKE TO ENSURE**  
4 **THAT THERE IS NO DIMINISHMENT IN THE RELIABILITY OR QUALITY**  
5 **OF SERVICE RECEIVED BY LACEDE AND ITS CUSTOMERS AS A RESULT**  
6 **OF THE TRANSFER?**

7 **A.** STL Pipeline will provide Laclede firm transportation rights on line 880 up to Laclede's  
8 maximum daily contract quantity on STL Pipeline. Furthermore, STL Pipeline will  
9 provide Laclede the ability to flow gas both ways which, as previously discussed, will  
10 further enhance both the quality and reliability of the pipeline capacity currently available  
11 to Laclede.

12 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

13 Yes.



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

In the Matter of the Application of Laclede       )  
Gas Company to Transfer an Asset to Spire       ) Case No. GM-2017-0018  
Pipeline, Inc.   )

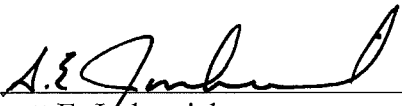
A F F I D A V I T

STATE OF MISSOURI                               )  
  )  
COUNTY OF ST. Louis                        )

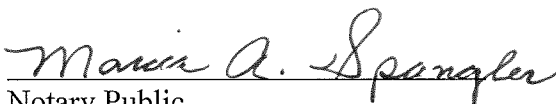
SS.

Scott E. Jaskowiak, of lawful age, being first duly sworn, deposes and states:

1. My name is Scott E. Jaskowiak. My business address is 700 Market Street, St. Louis MO. 63101. I am Vice President - Strategy and Corporate Development for Spire Inc. I am also Vice President of Spire STL Pipeline, LLC.
2. Attached hereto and made a part hereof for all purposes is my direct testimony on behalf of Spire Inc. and Spire STL Pipeline LLC in the above captioned case.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Scott E. Jaskowiak

Subscribed and sworn to before me this 31<sup>ST</sup> day of October, 2016.

  
\_\_\_\_\_  
Notary Public

