

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

In the Matter of Laclede Gas Company’s) **File No. GR-2017-0215**
Request to Increase Its Revenues for Gas) Tariff No. YG-2017-0195
Service)

In the Matter of Laclede Gas Company d/b/a) **File No. GR-2017-0216**
Missouri Gas Energy’s Request to Increase) Tariff No. YG-2017-0196
Its Revenues for Gas Service)

PARTIAL NONUNANIMOUS STIPULATION AND AGREEMENT

COME NOW, Laclede Gas Company (“Laclede”), now known as Spire Missouri Inc. d/b/a Spire (referred to herein as “LAC”), Laclede Gas Company d/b/a Missouri Gas Energy (now known as Spire Missouri West but referred to herein as “MGE”), the Staff of the Missouri Public Service Commission (“Staff”), and the Office of the Public Counsel (“OPC”), (collectively “Signatories”), state the following for this Partial Stipulation and Agreement (“Stipulation”) to resolve certain issues in this case.

1. The Signatories agree to settle the following issues:
 - Transition Costs relating to the acquisition of MGE
 - Capitalization of Hydrostatic Testing
 - Cash Working Capital
 - newBlue Software Allocations
 - Rebranding Costs

Transition Costs Relating to the Acquisition of MGE¹

2. The Signatories agree that LAC and MGE may recover a total of \$9,500,000 of MGE acquisition transition costs, to be amortized in rates over four (4) years. This amount shall be shared between LAC and MGE based on a 56.00% and 44.00% division, resulting in an allocation of \$5,320,000 and \$4,180,000, respectively. The unamortized balance of these amounts shall be included in the calculation of the rate bases for MGE's and LAC's revenue requirements. Staff's accounting schedules shall reflect an amortization of \$1,330,000 for LAC and \$1,045,000 for MGE in FERC account 923.

3. LAC shall continue to amortize the regulatory asset described as "720 Olive Leasehold Improvements" recorded in FERC Account 182363 pursuant to the current amortization schedule.

4. MGE shall continue to amortize the regulatory assets described as "MGE Software" recorded in FERC Account 182021 pursuant to the current amortization schedule.

5. No additional MGE acquisition transition costs shall be included in rates in any future LAC or MGE rate cases, however, \$63,134 per year will be amortized over a period of twelve (12) years beginning with the effective date of rates in Case Nos. GR-2017-0215 and GR-2017-0216, with no rate base treatment.

6. If the effective date of new rates in the next LAC and/or MGE general rate case is less than five (5) years after the effective date of rates in GR-2017-0215

¹ Recovery of one-half of certain one-time non-capital transition costs was authorized by the *Unanimous Stipulation and Agreement* approved by the Commission in Case No. GM-2013-0254

and GR-2017-0216, no over-collection of these amortizations shall be recognized in the rate levels authorized in those general rate cases.

Capitalization of Hydrostatic Testing

7. The Signatories agree that effective on the date of this agreement, LAC and MGE will expense all future hydrostatic testing costs. For the purposes of this rate case, MGE's rates will include an annual amount of hydrostatic testing expense of \$413,177. No further action will be taken with respect to hydrostatic testing performed.

Cash Working Capital

8. The Signatories agree to the following adjustments relating to Cash Working Capital: an increase to MGE's revenue requirement of \$3,469, and a decrease to LAC's revenue requirement of \$42,168. These adjustments have been incorporated into Staff's EMS Runs.

newBlue Software Allocations

9. The Office of the Public Counsel withdraws its request that such costs related to the enterprise management information software, known as newBlue, be allocated among all Spire entities at this time. Further, OPC supports the recommendation of Staff's allocation of such costs between LAC and MGE proposed in this case.

Rebranding Costs

10. The Signatories agree to the following adjustments to remove the costs of rebranding from the test year: a decrease to MGE's revenue requirement of \$215,732, and a decrease to LAC's revenue requirement of \$563,067. These adjustments have been incorporated into Staff's EMS Runs.

General Provisions

11. Except as otherwise expressly specified herein, none of the signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation, depreciation or revenue-related method, or any service or payment standard; and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other Commission or judicial review or other proceeding, except as otherwise expressly specified herein. Nothing in this Stipulation and Agreement shall preclude the Staff in future proceedings from providing recommendations as requested by the Commission nor limit Staff's access to information in any other proceedings. Nothing in this Stipulation and Agreement shall be deemed a waiver of any statute or Commission regulation.

12. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event that the Commission does not approve this Stipulation and Agreement, or approves this Stipulation and Agreement with modifications or conditions to which a Party to this proceeding objects, this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

13. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.080.1 (RSMo. 2000) to present testimony, to cross-examine witnesses, and to present oral argument and written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.070.

(RSMo. 2000); and their respective rights to judicial review of the Commission's Report and Order in this case pursuant to Section 386.510 (RSMo. 2000). These waivers apply only to a Commission order regarding the issues addressed in this Stipulation in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

14. The Parties agree that all of the prefiled testimony submitted in this case, as well as affidavits prepared and filed by any of the Parties in lieu of a Memoranda in Support, that relates to any issue resolved by this Stipulation and Agreement shall be received into evidence without the necessity of the respective witnesses taking the stand.

15. The Staff shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests. Staff shall, to the extent reasonably practicable, provide the other Parties with advanced notice of the agenda in which Staff will respond to the Commission's request for information. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged, highly confidential, or proprietary.

16. If the Commission so requests, the Staff shall file suggestions or a memorandum in support of this Stipulation. Each of the other Parties shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's suggestions or memorandum, responsive suggestions or a responsive memorandum which shall also be served on all parties to the case. The contents of any memorandum provided by any party are its own

and are not acquiesced in or otherwise adopted by the other Parties in this case, whether or not the Commission issues an Order approving this Stipulation.

17. To assist the Commission in its review of this Stipulation, the Parties also request that the Commission advise them of any additional information the Commission may desire from the Parties relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

18. The non-signatory parties to this case have had an opportunity to review this Partial Stipulation and Agreement and have indicated they will not object to it or request a hearing on the issues resolved.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement.

Respectfully submitted,

/s/ Rick E. Zucker
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been served through electronic mail this 20th day of December, 2017, to all parties on the Commission's service list in this case.

/s/ Whitney Payne