

*Exhibit No.:*  
*Issue:* *Transportation Tariff  
Penalty Provisions*  
*Witness:* *Anne M. Crowe*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *GR-2022-0179*  
*Date Testimony Prepared:* *October 7, 2022*

**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL & BUSINESS ANALYSIS DIVISION**  
**PROCUREMENT ANALYSIS DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**ANNE M. CROWE**

**SPIRE MISSOURI, INC., d/b/a Spire**

**CASE NO. GR-2022-0179**

*Jefferson City, Missouri*  
*October 2022*



Rebuttal Testimony of  
Anne M. Crowe

1 Q. Please summarize your testimony.

2 A. Staff recommends the Commission reject Spire Missouri's, SES's, and  
3 Constellation's requested revisions to the OFO penalty provisions.

4 Q. What are the reasons Spire Missouri is requesting changes to its transportation  
5 tariffs?

6 A. Spire Missouri witness, Ms. Embry, states in her direct testimony, page 14,  
7 lines 19-22, that broadly speaking Winter Storm Uri and other experiences are the reasons for  
8 the proposed transportation tariff changes.

9 Q. Why is Staff recommending the Commission reject Spire Missouri's requested  
10 changes?

11 A. First, Staff is evaluating the impact of Winter Storm Uri in Actual Cost  
12 Adjustment ("ACA") Case Nos. GR-2022-0135 and GR-2022-0136. Staff cannot agree that  
13 the Spire Missouri OFO changes are appropriate when its review of the Company and  
14 transportation customer actions during Winter Storm Uri are not complete. Staff's  
15 recommendation in these ACA cases is due December 15, 2022.

16 Secondly, Spire Missouri's transportation classes recently changed in its prior general  
17 rate case, Case No. GR-2021-0108, effective December 23, 2021. In the prior rate case,  
18 the parties made movement towards a single transportation tariff. In Staff's opinion, it is  
19 too soon to make further changes to the transportation tariffs until Staff completes its ACA  
20 review. Staff's evaluation of the recent transportation tariff changes on the Purchased Gas  
21 Adjustment ("PGA")/ACA will occur when Staff completes its review of Spire Missouri's  
22 2021/2022 ACA period.

1 Q. Are Spire West's current OFO penalty provisions similar to Kansas Gas Service<sup>2</sup>  
2 ("KGS") and Southern Star Central Gas Pipeline, Inc.<sup>3</sup> ("SSC")?

3 A. Yes. Currently KGS, SSC, and Spire West's OFO penalty calculations are very  
4 similar in terms of using a "multiplier" to the Gas Daily SSC index price. Schedules AMC-r2,  
5 AMC-r3, and AMC-r4 are the currently effective tariff sheet(s) describing KGS's, SSC's, and  
6 Spire West's OFO penalty calculations.

7 Q. Please explain why Staff does not agree with an OFO fixed penalty structure that  
8 Mr. Gifford recommends in his direct testimony (page 10, lines 21-23 and page 11, lines 1-4)  
9 and that Mr. Purcell supports in his direct testimony (page 32, lines 14-15).

10 A. First, if a Regional Gas Marketer ("RGM") has insufficient gas supply to serve  
11 its customers' usage during an OFO, there is a potential incentive to redirect its gas supply to  
12 the Local Distribution Company ("LDC") with the highest OFO penalties to the detriment of  
13 the LDC with lower OFO penalties.

14 Q. How would the incentive to redirect gas supply work?

15 A. In order to minimize the OFO penalty exposure, a RGM would direct supply to  
16 the LDC with the highest penalty and away from the LDC with the lowest OFO penalty. Which  
17 means potentially exposing the LDC with the lower OFO penalty to less gas supply than  
18 necessary to meet usage.

19 Q. Please provide an example of how this situation could occur.

20 A. For example, take a situation where a RGM serves transportation customers on  
21 both KGS's and Spire West's distribution systems and the RGM does not have enough natural

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<sup>2</sup> Kansas Gas Service is the LDC that serves customers in Kansas City, KS among other communities in Kansas.

<sup>3</sup> Southern Star Central Gas Pipeline, Inc. is an upstream interstate pipeline which interconnects with and transports the majority of gas supply to Spire West's service area.

1 gas supply to serve the demand of all of its customers in KGS and Spire West. If both KGS  
2 and Spire West declare an OFO during the same time period and KGS penalties are the  
3 “greater of \$5 or 2½ times the daily midpoint stated on Gas Daily’s Index for SSC...” but  
4 Spire West’s penalties are a flat \$35 per MMBtu, a RGM may decide to direct its gas supplies  
5 to its KGS customers if 2½ times the Gas Daily index for SSC was greater than \$35. In this  
6 situation, Spire West’s transportation customers would be using more gas than was delivered.

7 Q. What is the purpose of an operational flow order (“OFO”)?

8 A. LDCs and pipelines issue OFO notices to maintain the system’s operational  
9 integrity. An OFO requires the RGM or shipper to match the amount of gas put into the system  
10 with the amount of gas used or taken out of the system, within a certain tolerance. Spire West’s  
11 tariff states the “Company may issue Operational Flow Orders (OFO’s) to Transportation  
12 Customers as necessary to protect the integrity of its system or any portion thereof and/or to  
13 insure compliance with the requirements of upstream pipeline companies.”<sup>4</sup>

14 Q. What is the purpose of Spire West’s OFO penalty multiplier?

15 A. It is my understanding that Spire West’s OFO penalties are designed to impose  
16 the same conditions on its RGM/transportation customers that SSC imposes on Spire West.

17 Q. Are RGMs automatically charged penalties during an OFO?

18 A. No. In the case of Winter Storm Uri, transportation customers and their agents  
19 (RGMs) had a choice to either increase the supply delivered to Spire West or curtail their usage  
20 to avoid OFO penalties.

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<sup>4</sup> Spire West’s tariff P.S.C. MO. No. 9, Sheet No. 16.8, section B.2.

1 Q. Were there Spire West transportation customers or RGMs that did not incur OFO  
2 penalties during Spire West's February 2021 OFO event?

3 A. Yes.

4 Q. Do non-transportation customers have a choice to acquire gas at market prices?

5 A. No. Spire West acquires gas for its sales customers and a portion of its supply  
6 portfolio based on daily gas prices. Therefore, when the SSC Gas Daily index price reached  
7 \$622 per MMBtu on February 17, 2021, Spire West sales customers were exposed to this high  
8 price. This supply cost became part of the PGA/ACA rate that sales customers pay, subject to  
9 the ACA review.

10 Q. During an OFO period that requires transportation customers to avoid  
11 under-deliveries,<sup>5</sup> does an under-delivery by RGMs to transportation customers put  
12 non-transportation customers at risk?

13 A. Yes. The sales customers are at risk of increased PGA/ACA rates and  
14 potentially an uncontrolled outage on the LDC.

15 Q. Please explain your additional concerns with a fixed penalty structure.

16 A. Secondly, given that SSC's penalty calculation during an OFO is 2 ½ times the  
17 Gas Daily SSC index, Spire West could potentially be charged SSC penalties due to the RGM's  
18 failure to deliver gas supply to match their transportation customers' usage.

19 Q. Would Spire West then be authorized to collect the OFO penalties it was  
20 exposed to from the RGM?

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<sup>5</sup> An under-delivery occurs when a transportation customer uses more gas than it delivers to the system and is avoided by either delivering more gas to the system or reducing usage.

1           A.     There is a potential that Spire West would be charged SSC penalties of 2 ½ times  
2 the Gas Daily SSC index, but Spire West would not be authorized to charge SSC penalties of  
3 2 ½ times the same Gas Daily SSC index.

4           Q.     In your opinion, would adding “plus incremental cost” to the fixed penalty as  
5 discussed on pages 11 and 12 of Mr. Gifford’s direct testimony alleviate your concern that  
6 Spire West could potentially be liable to SSC for OFO penalties due to the failure of a RGM to  
7 deliver supply for its customers?

8           A.     No. In my opinion, the fixed penalty structure plus incremental cost opens OFO  
9 penalties up for dispute by the RGM in terms of requiring Spire West’s specific identification  
10 of which transportation customer caused which incremental cost on a daily basis.

11           Mr. Purcell explains, on page 20, lines 10-18, that after Winter Storm Uri, SES was  
12 balanced by the end of the month. However, during Winter Storm Uri, Spire West was buying  
13 high priced daily supply at the same time SES suppliers failed to deliver supply<sup>6</sup>.

14 \*\*\* [REDACTED]  
15 [REDACTED]<sup>7</sup> \*\*\* With a penalty structure of fixed plus incremental cost,  
16 Spire Missouri would be required to identify the specific cost of each supply each  
17 transportation customer burned. In Staff’s opinion, this situation is not supportive of changing  
18 the penalty structure.

19           Q.     Do you have further comments about Mr. Purcell stating SES was balanced by  
20 the end of the month, February 2021?

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<sup>6</sup> Shon Purcell direct testimony page 8, lines 21-23 and page 9, lines 1-21.

<sup>7</sup> Case No. GC-2021-0316, George Godat Rebuttal HC Schedule GG-R3 HC page 2 of 17.

1           A.     Yes. \*\*\* [REDACTED]  
2           [REDACTED]<sup>9</sup> \*\*\* and  
3 in essence potentially using \$622 per MMBtu gas and then replaced that gas by the end of the  
4 month with daily priced gas of less than \$4.38<sup>10</sup> throughout the remaining month of February.  
5 Absent Spire West’s OFO, in this instance sales customers would potentially be subsidizing the  
6 transporters by paying for the expensive gas that transporters used during the OFO, while in  
7 return receiving inexpensive gas that transporters delivered after the OFO.

8           Q.     On page 4, lines 10-18, Mr. Purcell discusses an Asset Management Agreement  
9 between SES and Atmos Energy Corporation (“Atmos”). He states that Atmos “... called on  
10 all rights to storage and transportation under the Asset Management Agreement (“AMA”)  
11 it maintains with Symmetry. Consequently, Symmetry was forced to redirect to Atmos all of  
12 the Atmos capacity along with the majority of the gas it had procured.” On page 7, lines 10-12,  
13 Mr. Purcell states that “The overwhelming majority of the firm storage and transport capacity  
14 that was accessible to Symmetry on Southern Star was available pursuant to an Asset  
15 Management Agreement, or “AMA,” between Symmetry and Atmos Energy.” On page 12,  
16 lines 16-20, Mr. Purcell states “Symmetry had to remove all of its third-party delivery  
17 nominations (including those to customers behind Spire’s city gate) off of the Atmos capacity  
18 after Atmos gave notice of its call, meaning that all of Atmos’ assets could be used only to  
19 deliver gas to Atmos.” What does this mean?

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<sup>8</sup> Case No. GC-2021-0316, George Godat Rebuttal HC Schedule GG-R3 HC page 2 of 17.

<sup>9</sup> February 17, 2021.

<sup>10</sup> Beginning February 20, 2021 SSC Gas Daily prices were \$4.38 and decreased throughout the month of February 2021.



1           A.     Mr. Purcell appears to be saying SES was using Atmos' SSC transportation and  
2 storage capacity to serve its Missouri transportation customers. Atmos called on its assets,  
3 which left SES with diminished ability to deliver supply to its Spire West transportation  
4 customers.

5           Q.     Mr. Gifford states his objection that an OFO penalty multiplier structure is  
6 "not anchored to any proportion of actual harm" on page 6, lines 19-21. He goes on to state,  
7 on page 7, lines 5-6, "The mismatch between potential penalty and actual harm becomes acute  
8 when times are not normal (Emergency and POC)." What is Spire West's potential SSC penalty  
9 if a RGM or transportation customers do not match their gas deliveries with their gas usage  
10 during a SSC OFO?

11           A.     The SSC tariff states:

12           (i)    for standard OFO periods, the greater of \$5 or 2.5 times the  
13 average Gas Daily Index for Southern Star for each day the  
14 OFO is in effect for each Dth of Overdeliveries or Under  
15 Receipts;

16           (ii)   for emergency OFO periods, the greater of \$10 or 5 times  
17 the average Gas Daily Index for Southern Star for each day  
18 the OFO is in effect for each Dth of Overdeliveries or Under  
19 Receipts;<sup>11</sup>

20           Q.     Please explain how Spire West calculates OFO penalties for a RGM pool.

21           A.     RGMs aggregate gas supply nominations for groups or pools of its transportation  
22 customers. They do not make a specific individual supply nomination for each customer they  
23 serve. Spire West compares the sum of RGM's nominations to the sum of transportation  
24 customers' pool usage to calculate OFO penalties.

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<sup>11</sup> See Schedule AMC-r3.

1 Q. Would it be possible for Spire West to calculate an individual transportation  
2 customer's OFO penalty?

3 A. Not for a transportation customer using a RGM that pools its customers'  
4 nominations.

5 Q. Does Mr. Purcell resolve the issue of how OFO penalties would be calculated  
6 for transportation customers in pools?

7 A. No. Like Mr. Gifford, Mr. Purcell has no proposal how to calculate individual  
8 OFO penalties when OFO penalties are calculated on pool nominations and pool usage.

9 Q. Do you agree with Mr. Purcell's statement, on page 35, lines 5-10, that  
10 Spire Missouri's proposal would "indemnify" the transportation customer from responsibility?

11 A. No. RGM and transportation customers are free to negotiate contracts  
12 establishing liability for OFO penalties between themselves. Spire Missouri's tariff governs the  
13 relationship between, on the one hand Spire Missouri and its non-transportation customers, and  
14 on the other hand transportation customers and their RGM. RGM decisions and behavior affect  
15 Spire Missouri's system, and therefore it is appropriate for Spire Missouri's tariffs to impose  
16 some obligations on RGM, and not just transportation customers, to make decisions and act in  
17 a way that promotes Spire Missouri's system integrity.

18 Q. Do you know what documents Mr. Purcell reviewed in concluding that  
19 "all utilities hold the utility customer ultimately responsible" for financial responsibility to the  
20 utility for a natural gas customer's imbalances or penalties, at page 35 of his direct testimony?

21 A. No.

22 Q. Are you aware of any LDCs that billed RGM for OFO penalties in  
23 February 2021?

1           A.     Yes. SES agreed to pay to The Empire District Gas Company (“Empire”) a total  
2 of \$5 million, plus interest on a portion of this amount, in case no. GC-2022-0062. Empire’s  
3 tariff states:

4                   **E. Operational Flow Order Penalty:** Aggregators and Marketers who  
5 fail to deliver to Company for the account of Customer (s) specified  
6 operational flow ordered quantities of gas shall be billed appropriate  
7 “Unauthorized Delivery” charges. Aggregators or Marketers who  
8 repeatedly fail to deliver to Company specified operational flow order  
9 quantities of gas will not be permitted to continue transportation  
10 service.<sup>12</sup>

11           Also in the State of Kansas, in Kansas Corporation Commission (“KCC”) KGS docket  
12 21-KGSG-332-GIG, certain marketers—including Symmetry, the marketer for whom  
13 Mr. Purcell works and is testifying on behalf of—took responsibility for \$65 million in OFO  
14 penalties under KGS’s transportation tariffs that arose out of Winter Storm Uri. KGS’s tariff  
15 states:

16                   11.06.03       **Responsibility for Payment:** Unauthorized Over- or  
17 Under-Delivery Penalties for individually balanced customers shall be  
18 billed to and collected from the applicable customer. Unauthorized  
19 Over- or Under-Delivery Penalties for aggregation groups shall be billed  
20 to and collected from the agent representing the aggregation customers.<sup>13</sup>

21           Q.     Given the fact that Symmetry and other marketers agreed to pay OFO penalties  
22 in these cases, do you agree with Mr. Purcell’s statement that “all utilities hold the utility  
23 customer ultimately responsible” for financial responsibility for a natural gas customer’s  
24 imbalances or penalties?

25           A.     No. The cases that I cited above show SES’s agreement to pay OFO penalties.

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<sup>12</sup> The Empire District Gas Company tariff P.S.C. MO. No. 2 Sheet No. 44.

<sup>13</sup> Kansas Gas Service, a Division of ONE Gas, Inc. Schedule GTC11, Sheet 7 of 7.

Rebuttal Testimony of  
Anne M. Crowe

1 Q. Do you agree with Mr. Gifford's analogy of OFO penalties to "randomly  
2 institute the death penalty for jaywalking," made at page 9 of his direct testimony?

3 A. No. OFO's are issued to protect the integrity of the facilities. A jaywalker does  
4 not have the ability to potentially threaten an entire gas distribution system. Lastly, the OFO  
5 penalty is not "random." The calculation of OFO penalties are specified in Spire West's tariff  
6 and based on the Gas Daily Index for SSC; they are not drawn from a deck of cards or based  
7 on a roll of the dice.

8 Q. Please summarize your testimony.

9 A. I recommend the Commission reject Spire Missouri's, SES's, and Constellations  
10 requested changes to Spire West's OFO penalty provisions. Spire West's, KGS's, and SSC's  
11 penalty calculations are similar in that they all use a multiplier to the Gas Daily SSC index  
12 price. In addition, if a RGM or transporter fails to match supply deliveries with transportation  
13 customers' usage during an OFO, Spire West is potentially subject to the SSC penalty.

14 Q. Does this conclude your rebuttal testimony?

15 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

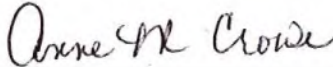
In the Matter of Spire Missouri, Inc. )  
d/b/a Spire's Request for Authority to ) Case No. GR-2022-0179  
Implement a General Rate Increase for )  
Natural Gas Service Provided in the )  
Company's Missouri Service Areas )

**AFFIDAVIT OF ANNE M. CROWE**

STATE OF MISSOURI )  
  )     ss.  
COUNTY OF COLE )

**COMES NOW ANNE M. CROWE** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Anne M. Crowe*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
ANNE M. CROWE

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 5<sup>th</sup> day of October 2022.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070
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\_\_\_\_\_  
Notary Public

## **Anne M. Crowe**

### **Educational and Employment Background**

My current position is a Lead Senior Utility Regulatory Auditor with the Missouri Public Service Commission. I graduated from the University of Missouri in Columbia with a Bachelor of Science degree in Accounting in 1989. I am currently a licensed Certified Public Accountant in the state of Missouri.

During college and after graduation, I worked for Capital Bank as a Teller, New Accounts Representative, and temporary Branch Manager. In 1990, I began PSC employment as a Regulatory Auditor in the Accounting Department (now known as the Auditing Department). My duties included assisting with audits and examinations of the books and records of utility companies operating within the state of Missouri.

In October 1993, I obtained my position as a Regulatory Auditor in the Procurement Analysis Department (PAD). My responsibilities include reviewing and analyzing amounts charged by natural gas local distribution companies (LDCs) through the Purchased Gas Adjustment (PGA)/Actual Cost Adjustment (ACA) mechanism. Since my time in the PAD, I have participated in general rate cases, complaint cases, merger and acquisition cases, formal tariff cases, and investigation cases. I have also sponsored in whole or part of staff Memorandum recommendations in numerous PGA/ACA cases. Please see the attached table for a list of cases and issues in which I have sponsored testimony.

**ANNE M. CROWE**  
**SUMMARY OF TESTIMONY**

<b>Company Name</b>	<b>Case Number</b>	<b>Issues</b>
Spire Missouri Inc.	GR-2021-0108	Gas Supply Incentive Plan
Union Electric Company	GR-2019-0077	Rolla Incremental PGA
Missouri Gas Energy	GR-2017-0216	School Transportation Program, Gas Supply Incentive Plan, Off-System Sales and Capacity Release Sharing Mechanism, Gas Supply and Transportation Standards of Conduct
Laclede Gas Company	GR-2017-0215	Gas Supply Incentive Plan, Off-System Sales and Capacity Release Sharing Mechanism, PGA/ACA Tariff, Gas Supply and Transportation Standards of Conduct
Missouri Gas Energy	GE-2011-0282	Waiver Request
Laclede Gas Company	GC-2011-0006	Stipulation and Agreement in Case No. GM-2001-342
Laclede Gas Company	GR-2010-0171	Natural Gas Underground Storage and Gas Supply Incentive Plan
Missouri Gas Energy	GR-2009-0355	Capacity Release and Off-System Sales
Missouri Gas Energy	GR-2007-0256	Billing Error
Union Electric Company	GR-2007-0003	Gas Inventory, ACA documentation
Missouri Gas Energy	GR-2006-0422	Gas Inventory, Uncollectible Expense, and ACA documentation
Missouri Gas Energy	GR-2004-0209	Gas Inventory, Capacity Release and Gas Purchasing Practices
Union Electric Company	GR-2003-0517	Gas Inventories
Missouri Gas Energy	GR-2001-382, GR-2000-425, GR-99-304 & GR-98-167 (Consolidated)	Purchasing Practices; Refunds

**cont'd Anne M. Crowe  
Summary of Testimony**

<b>Company Name</b>	<b>Case Number</b>	<b>Issues</b>
Atmos Energy Corporation and United Cities Gas Company	GR-2001-396 & GR-2001-397 (Consolidated)	Purchasing Practices – Neelyville; Purchasing Practices-Consolidated District; Deferred Carrying Cost Balance; Propane
UtiliCorp United Inc. and St. Joseph Light and Power Company	EM-2000-292	Conditions to be Made Part of Approved Merger
St. Joseph Light and Power Company	GR-99-246	Natural Gas Inventory Prices
Ozark Natural Gas Company	GA-98-227	Cost of Gas per Dth; Reliability of Supply and Transportation
Missouri Gas Energy	GR-98-140	Natural Gas Storage Inventory Prices
Missouri Public Service	GR-96-192	Winter Storage Allocation; Overrun Penalties
Union Electric Company	GR-97-393	Natural Gas Storage Inventory Prices
St. Joseph Light and Power Company	GR-96-47	Gas Purchasing Practices
Missouri Gas Energy	GR-96-285	Natural Gas Storage Inventory Prices
Ozark Natural Gas Company	GA-96-264	Cost of Gas per Dth; Reliability of Transportation
St. Louis County Water Company	WR-93-204	Rate Base; CWC; Dues & Donations; Misc. Expenses
United Cities Gas Company	GR-93-47	Rate Base; CWC; Dues & Donations; Misc. Expenses
Laclede Gas Company	GR-92-165	Payroll; Payroll Taxes; Employee Pensions and Benefits
Choctaw Telephone Company	TR-91-336	Payroll; Payroll Taxes; Employee Pensions/Benefits; Voucher Analysis; Other Misc. Expenses



**General Terms and Conditions for Gas Service**

option and at the customer’s request, extend the temporary RDQ for an additional period(s).

11.05.04 **Meter Reading:** Actual usage during an OFO shall normally be provided by electronic flow measurement (EFM) equipment. If Company is unable to obtain data from a customer’s EFM device, the customer’s usage shall be determined by actual meter reads.

11.05.05 **Previous Imbalances:** Gas imbalances from previous months shall not be allowed to offset any Unauthorized Over- or Under-Delivery.

11.05.06 **Refusal to Comply:** Company may disconnect from its system or refuse to accept the nomination of a customer which endangers system stability and/or safety by continuing to incur Unauthorized Deliveries.

11.06 **Penalties for Unauthorized Usage:** A customer’s unauthorized usage under an OFO or POC may cause the incurrence of penalties.

11.06.01 **Tolerance Levels:** Penalties may be assessed:

- (1) During an OFO or POC, when Unauthorized Deliveries to EFM meters exceed + or - 5% of authorized daily delivery levels.
- (2) During an OFO or POC, when Unauthorized Over-Deliveries to RDQ meters are less than daily delivery levels or when Unauthorized Under-Deliveries exceed authorized daily delivery levels.

11.06.02 **Penalties during OFOs and POCs:** Penalties for Unauthorized Over-Deliveries or Under-Deliveries shall be calculated as follows.

- (1) **Standard OFO Penalties:** For each day of the Standard OFO, the greater of \$5 or 2½ times the daily midpoint stated on Gas Daily’s Index for Southern Star Central Gas Pipelines (Oklahoma) times the MMBtu of Unauthorized Over- or Under-Deliveries that exceed the tolerance level applicable under Section 11.06.01.
- (2) **Emergency OFO Penalties:** For each day of the Emergency OFO, the greater of \$10 or 5 times the daily midpoint stated on Gas Daily’s Index for Southern Star Central Gas Pipelines (Oklahoma) times the MMBtu of Unauthorized Over- or Under-Deliveries that exceed the tolerance level applicable under Section 11.06.01.
- (3) **POC Penalties:** For each day of the POC, the greater of \$20 or 10 times the daily midpoint stated on Gas Daily’s Index for Southern Star Central Gas Pipelines (Oklahoma) times the MMBtu of Unauthorized

Issued:	November 29, 2016	16-KGSG-491-RTS Approved Kansas Corporation Commission December 28, 2016 /S/ Amy L. Green
Effective:	January 1, 2017	
By:	/S/ David N. Dittimore, Director – Regulatory Affairs	

**General Terms and Conditions for Gas Service**

Over- or Under-Deliveries that exceed the tolerance level applicable under Section 11.06.01.

11.06.03 **Responsibility for Payment:** Unauthorized Over- or Under-Delivery Penalties for individually balanced customers shall be billed to and collected from the applicable customer. Unauthorized Over- or Under-Delivery Penalties for aggregation groups shall be billed to and collected from the agent representing the aggregated customers.

Issued:	November 29, 2016	16-KGSG-491-RTS Approved Kansas Corporation Commission December 28, 2016 /S/ Amy L. Green
Effective:	January 1, 2017	
By:	/S/ David N. Dittimore, Director – Regulatory Affairs	

GENERAL TERMS AND CONDITIONS

10. OPERATIONAL FLOW ORDERS (Cont'd)

10.4 Unauthorized Overdeliveries, Under Receipts, and Penalties (Cont'd)

- (d) For deliveries taken by any Receiving Party that are greater than 103% of the sum of confirmed delivery nominations plus the TSS/STS MDQ (Overdeliveries), or for receipts delivered by any Delivering Party that are less than 95% of confirmed receipt nominations (Under Receipts), on any day during an OFO period, said Receiving or Delivering Party shall pay to Southern Star a penalty for each Dth of Overdeliveries or Under Receipts as follows:
  - (i) for standard OFO periods, the greater of \$5 or 2.5 times the average Gas Daily Index for Southern Star for each day the OFO is in effect for each Dth of Overdeliveries or Under Receipts;
  - (ii) for emergency OFO periods, the greater of \$10 or 5 times the average Gas Daily Index for Southern Star for each day the OFO is in effect for each Dth of Overdeliveries or Under Receipts;
- (e) For each receipt or delivery point operator, Southern Star will aggregate receipts and deliveries which are on the same line segment and which are otherwise subject to this Section 10.4 for purposes of determining OFO penalties. Each receipt or delivery point is associated with a particular line segment on Southern Star's Master Receipt and Delivery Point Lists.
- (f) Southern Star shall have the right on a non-discriminatory basis to restrict the hourly takes of gas by Receiving Parties during system-wide OFO periods to 1/16 times the sum of confirmed delivery nominations plus the TSS/STS MDQ at any delivery point.

Spire Missouri Inc. d/b/a/ Spire

For: Spire Missouri West

**TRANSPORTATION PROVISIONS**  
**TRPR**

B. PRIORITY OF SERVICE (continued)

5 Penalties for Unauthorized Usage: (continued)

(c) Penalties during OFOs: Penalties for Unauthorized Over-deliveries or Under-deliveries shall be calculated as follows:

(i) Standard OFO Penalties: For each day of the Standard OFO, the greater of five dollars (\$5) or two and one-half (2½) times the daily midpoint stated on Gas Daily's Index for Southern Star Central Gas Pipeline (Oklahoma) times the MMBtu of Unauthorized Over- or Under-deliveries that exceed the tolerance level applicable under Section B-5-a Tolerance Levels.

(ii) POC and Emergency OFO Penalties: For each day of the POC or Emergency OFO, the greater of ten dollars (\$10) or five (5) times the daily midpoint stated on Gas Daily's Index for Southern Star Central Gas Pipeline (Oklahoma) times the MMBtu of Unauthorized Over-or Under-deliveries that exceed the tolerance level applicable under Section B-5-a Tolerance Levels.

(d) Responsibility for Payment: Unauthorized Over- or Under-Delivery Penalties for individually balanced customers shall be billed to and collected from the applicable customer. Unauthorized Over- or Under- Delivery Penalties for pools shall be billed to and collected from the agent representing the aggregated customers. Customers will continue to have ultimate responsibility for all charges on the account.

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