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Sponsoring Party: Symmetry Energy
Solutions LLC
File No.: GC-2021-0316

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

FILE NO. GC-2021-0316

TESTIMONY

OF

SHON PURCELL

ON BEHALF OF

SYMMETRY ENERGY SOLUTIONS, LLC

DECEMBER 20, 2021

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1 **I. WITNESS BACKGROUND**

2 **Q. Please state your name and business address.**

3 A. My name is Shon Purcell. My business address is 6100 South Yale Avenue, Suite 200,
4 Tulsa, Oklahoma 74136.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Symmetry Energy Solutions, LLC (“Symmetry”), as Symmetry’s
7 Director of Trading for the West Region, which includes the State of Missouri.

8 **Q. Please describe your responsibilities as Director of Trading for the West Region.**

9 A. In my role, I currently supervise three traders who conduct daily, monthly and seasonal
10 trading on various pipelines including in the areas of Oklahoma, Kansas and Missouri,
11 the Rocky Mountains, Southwest and California. In February 2021, I also supervised a
12 fourth trader who was trading on the Southern Star Central Gas Pipeline (“Southern
13 Star”) system. These traders handle Symmetry’s obligations to retail customers on
14 contracts, including the daily physical clearing of trades. I currently personally handle
15 the trading on the Southern Star system, and have done so full-time since mid-February
16 2021 which was a transitional period with respect to those responsibilities. I am
17 responsible for the acquisition of first of the month (“FOM”) gas and term trading, i.e.
18 setting Symmetry up to go into the next month, depending on Symmetry’s obligations. I
19 was personally involved in many of the matters at issue in this case.

20 **Q. Where were you employed prior to joining Symmetry?**

21 A. I have been employed by Symmetry or its predecessor companies for approximately 20
22 years. In 2020, Symmetry changed its name from CenterPoint Energy Services, Inc.
23 (“CenterPoint”). At CenterPoint, I was employed as Director of Trading. In 2016,

1 CenterPoint acquired Continuum Energy Services, LLC (“Continuum”) by merger and at
2 Continuum, I held the same position as I did under CenterPoint. A number of years prior
3 to that, Continuum had changed its name from Seminole Energy Services, LLC
4 (“Seminole”).

5 **Q. What is your educational background?**

6 A. I hold a Bachelor’s degree in Finance from Northeastern State University located in
7 Tahlequah, Oklahoma.

8 **Q. Have you testified in other regulatory proceedings?**

9 A. No.

10 **Q. Was this testimony prepared by you or under your direction?**

11 A. Yes.

12 **II. SCOPE AND PURPOSE OF TESTIMONY**

13 **Q. What is the purpose of your testimony in this case?**

14 A. The purpose of my testimony is to explain to the Commission the actions Symmetry took
15 affecting Missouri during Winter Storm Uri and the surrounding circumstances, and also
16 the interactions Symmetry had with Spire Missouri Inc. during that time. In this
17 testimony, unless I indicate otherwise, I will use the term “Spire” to refer to Spire
18 Missouri Inc. and its operating unit Spire Missouri West.

19 **Q. Please summarize your testimony.**

20 A. I will give the Commission important background information regarding the
21 unprecedented challenges Winter Storm Uri posed to Symmetry’s operations as it relates
22 to Spire’s attempt to impose over \$150 million in Operational Flow Order (“OFO”)
23 penalties on Symmetry. When Spire issued a system-wide OFO on February 10, 2021, to

1 be effective on February 12, (1) there was no indication that its system integrity was in
2 jeopardy, and (2) the OFO was issued by Spire before Southern Star, the relevant
3 upstream pipeline, issued its own system-wide OFO.

4 Moreover, neither Spire's conduct nor its communications with Symmetry or
5 other third parties during Winter Storm Uri indicated that Spire was experiencing a threat
6 to its system integrity. During Winter Storm Uri, despite various opportunities to do so,
7 Spire did not notify Symmetry that Spire's system integrity was supposedly at risk. To
8 the contrary, Spire personnel represented on multiple occasions going into and during the
9 storm that Spire's system looked good and that it had plenty of gas on hand and in
10 storage. Notably, during Winter Storm Uri on February 15, 2021, Spire sold Symmetry,
11 through Atmos Energy Corporation ("Atmos"), **[REDACTED]** dekatherms of gas from its
12 Southern Star in-ground storage inventory for \$**[REDACTED]**, and Spire released
13 transportation capacity to Symmetry.

14 Winter Storm Uri brought historic supply cuts and instances of force majeure,
15 presenting Symmetry, and the industry in general, with unprecedented challenges.
16 Amidst an already chaotic time, Atmos, a utility for which Symmetry serves as the asset
17 manager, called on all rights to storage and transportation under the Asset Management
18 Agreement ("AMA") it maintains with Symmetry. Consequently, Symmetry was forced
19 to redirect to Atmos all of the Atmos capacity along with a majority of the gas it had
20 procured. Symmetry did not sell gas during this period to wholesale customers to take
21 advantage of market conditions, but rather Symmetry bought as much gas as possible in
22 an attempt to meet contractual commitments made before the event.
23

1 **III. OPERATIONAL FLOW ORDERS, GENERALLY**

2 **Q. Based on your training and experience, what is your understanding of what an**
3 **Operational Flow Order is?**

4 A. When properly imposed, an Operational Flow Order, or OFO, generally, is a mechanism
5 used by pipelines, LDCs, or storage operators for the purpose of protecting the integrity
6 of the system that issued the OFO.

7 **Q. What does an OFO require you to do?**

8 A. When used as intended— in situations where the natural gas system’s integrity is
9 threatened—an OFO will require shippers to balance their supply with their customers’
10 usage on a daily basis within a specified tolerance range. If there is a daily imbalance
11 with respect to deliveries and receipts, the pipeline or utility may then impose penalties
12 based on the volume of the over- or under-delivery. Importantly, this is different from
13 ordinary circumstances in which marketers, like Symmetry, are normally required to be
14 in balance on the Spire system at the end of the month rather than on each day of that
15 month.

16 **Q. What are OFO penalties?**

17 A. When an OFO is properly issued, customers and aggregators must ensure that their
18 receipts and deliveries are balanced on a daily basis. It is intended to be harsh enough to
19 motivate shippers to comply with the flowing gas requirement. In the case of Spire, for
20 every day during a properly-issued OFO in which a shipper is not in balance with its
21 nominations (outside of a 5% tolerance), Spire may seek penalties equal to the volume of
22 the imbalance multiplied by the Southern Star Gas Daily Index price for that day
23 multiplied by a 2.5-times multiplier, or \$5, whichever is greater. This amount when

1 issued on the expected historical index price of \$2 to \$5 per MMBtu would lead to large
2 but not exorbitant penalties.

3 **Q. In your decades of experience, have you ever seen OFO penalties of the magnitude**
4 **sought by Spire here?**

5 A. No. The penalties Spire seeks here are well beyond anything that the industry has ever
6 seen.

7 **Q. Did Spire issue an OFO during Winter Storm Uri?**

8 A. Yes. On February 10, 2021, Spire issued an OFO for its West system to be effective at
9 9:00 a.m. on February 12. (Schedule SP-1.) However, I did not receive this notification
10 on February 10. I was not aware of Spire's OFO until a Spire employee, Justin Powers,
11 forwarded the message to me on February 11.

12 **IV. SYMMETRY'S POSITION GOING INTO FEBRUARY**

13 **Q. Going into February, how did Symmetry plan to supply the gas needs of its**
14 **customers behind the Spire city gate?**

15 A. Generally, Symmetry plans its supply on a regional level. Planning, for example, is done
16 for the supply needed for all the pipelines and LDCs in a specific region. Symmetry does
17 not attempt to predict shifts in gas costs and purchase according to those expectations.
18 Rather, Symmetry plans its supply to meet its contractual obligations. This is typical of
19 how gas marketing companies operate. Going into the month of February, Symmetry had
20 purchased sufficient gas to fulfill all of its contractual first of month obligations. Just like
21 any other month, Symmetry would then also likely need to buy some gas on a daily basis.
22 We believed we were in a good position, with enough transport and purchases in place to
23 handle the anticipated loads based on our forecasting.

1 Symmetry's position going into February 2021 is described in more detail in the
2 direct testimony of Mr. William C. Lee filed in this matter.

3 **Q. Was Symmetry's position going into February typical as compared to historical**
4 **practice?**

5 A. Yes. Symmetry's position going into February was typical of Symmetry's plans to serve
6 its customers behind Spire West in a February of any given year. Weather forecasts
7 leading up to February indicated that the month was likely to include a period of colder
8 weather followed by warmer weather which would result in monthly total gas
9 requirements to be slightly higher than historical, but such forecasts betrayed no signs of
10 the extremity of Winter Storm Uri. Neither I nor anyone I spoke with in January and
11 early February, for that matter, at Symmetry or otherwise, predicted that February would
12 include a period of weather with anywhere near the severity of Winter Storm Uri. There
13 was no reason to believe that the gas markets in February would be saddled with the
14 kinds of supply disruptions that we saw later in the month.

15 **Q. Did Symmetry hold storage and transport capacity on Southern Star going into**
16 **February?**

17 A. Yes. The overwhelming majority of the firm storage and transport capacity that was
18 accessible to Symmetry on Southern Star was available pursuant to an Asset Management
19 Agreement, or "AMA," between Symmetry and Atmos Energy. (See Schedule SP-2.)
20 The AMA is described in more detail in Mr. Lee's direct testimony filed in this matter.

21 **V. WINTER STORM URI, SUPPLY CUTS, AND ATTEMPTS TO PURCHASE**

22 **ADDITIONAL GAS**

23 **Q. When did you realize that Symmetry and other market participants were going to**

1 **face higher gas demand in February than you previously anticipated and on what**
2 **bases?**

3 A. I realized early in February that the market in general, including Symmetry, began
4 planning for declining temperatures. By way of example, Southern Star issued a Winter
5 Weather Watch on February 2, 2021, effective as of February 6. (See Schedule SP-3.)
6 Despite this, Symmetry could not predict just how cold it would get or the cold's impact
7 on the expected baseload supply and reliability of spot purchases or to what extent
8 Symmetry's customers' gas usage would increase.

9 **Q. Based on your knowledge and experience, what did you expect would happen as the**
10 **temperatures declined?**

11 A. Demand for natural gas typically increases when temperatures decline because heating
12 demand increases. Because natural gas is used both directly as a heating source and as a
13 fuel for electricity generating plants (which power electric heaters), demand for both
14 tends to increase when temperatures decrease. This was the case here and I recall the
15 start of an increase in prices when the colder weather moved in. My expectation at the
16 outset of Winter Storm Uri, which I believe—based on my experience and
17 communications with others—was consistent with the broader industry's expectation,
18 was that elevated prices would last one to two days, which was typical of weather events
19 from years past. Furthermore, I did not anticipate widespread supply disruptions for an
20 extended period of time. While we assumed there might be some freezing resulting in
21 some supply issues, such freezing generally lasts one or two days before production
22 restarts as the industry assesses and determines how to respond to the temperature
23 changes. Therefore, it was anticipated that gas prices would experience an initial “run

1 up,” but then the prices would abate a significant amount within a few days into the
2 event. We initially had no reason to believe that Symmetry would not be able to cover
3 any increased demand considering the baseload gas we had already contracted to
4 purchase, swing gas that could be bought on the daily spot market, and, if necessary, gas
5 in storage.

6 **Q. At some point, did Symmetry’s suppliers fail to deliver baseload gas supply for**
7 **which Symmetry had contracted?**

8 A. Yes. Symmetry suppliers began cutting Symmetry’s baseload gas supply on Southern
9 Star the week of February 8, while Symmetry also started receiving force majeure notices
10 from various suppliers around February 11. We saw a significant increase in gas supply
11 cuts and corresponding increases in gas prices beginning around February 11. It was
12 around this time we began to buy as much gas as possible and, as of around February 12,
13 we began to realize that much of the spot gas we had purchased was not arriving as
14 scheduled.

15 **Q. Which suppliers on Southern Star cut or force majeure’d Symmetry’s gas supply**
16 **during February?**

17 A. In my experience, the cuts that Symmetry suffered during Winter Storm Uri were
18 unprecedented in various ways. During the storm, the majority of Symmetry’s baseload
19 gas supply was either cut or force majeure’d on certain days. For example, in the time
20 period ranging from February 16 through 18, Symmetry had contracted to purchase
21 ** [REDACTED] ** MMBtu of gas per day from one particular supplier, but Symmetry received
22 only approximately ** [REDACTED] ** to ** [REDACTED] ** MMBtu per day of that gas. (See Schedule
23 SP-4.)

1 Moreover, on February 15, 2021, about **█**% of Symmetry’s baseload gas
2 supply was subject to force majeure notices. The following day, on February 16, 2021,
3 about **█**% of Symmetry’s baseload gas supply became subject to force majeure
4 notices. And, on February 17—the day in which Southern Star’s gas supplies were
5 tightest and the day with the highest Gas Daily Index price—**█**% of Symmetry’s
6 contracted gas supply was subject to force majeure. (See Schedule SP-5.)

7 **Q. Over the course of your career had you ever seen cuts or events of force majeure of**
8 **this magnitude?**

9 A. Never. I have worked in the natural gas industry for decades, and I have never once
10 witnessed or heard of widespread loss of supply like the market experienced during
11 Winter Storm Uri.

12 **Q. What did Symmetry do in response to those supply cuts?**

13 A. At first, particularly the first weekend of Winter Storm Uri, Symmetry used storage gas to
14 cover “shorts.” Once Southern Star issued an OFO, prices continued to increase, and
15 Symmetry started to see significant cuts in flowing gas. In light of the force majeure
16 notices and supply cuts from Symmetry’s first-of-month suppliers, Symmetry then
17 attempted to purchase as much gas as possible on the spot market to cover its customers’
18 usage, especially projected usage over the long Presidents Day weekend. While we were
19 scrambling to purchase as much spot gas as was available, there was simply not enough
20 gas available and flowing on the spot market to cover the demand.

21 With gas cuts starting, Symmetry attempted to buy enough gas to replace the
22 significant cuts, and also balanced those cuts against Symmetry’s storage. Suppliers did
23 not have enough gas to sell as the cold weather froze many wellheads and other gas

1 infrastructure, leading to a decrease in gas supply at the same time that demand was
2 increasing. To make matters worse, the situation was changing rapidly, and much of the
3 gas Symmetry bought on the spot market simply never arrived.

4 Specifically, starting on February 8-10 but certainly by the 11th, Symmetry started
5 trying to buy significant unplanned quantities of gas. Around approximately February
6 12, we began seeing cuts to those quantities of gas. As such, we continued to try to
7 purchase any gas that was available to us that was substantially near market/index prices.

8 **Q. What instructions did Symmetry issue to its traders with respect to purchases**
9 **during Uri and did Symmetry place any limitations or restrictions on the ability of**
10 **traders to purchase gas during February 2021?**

11 A. The instructions to me, and my instructions to my team, were to buy as much gas as we
12 needed to meet our obligations. Symmetry did not place any restrictions on our ability to
13 buy needed supply. We only encountered financial limitation when counter-parties
14 became increasingly unwilling to sell to us as the prices substantially exceeded usual
15 market levels. As the storm continued and prices increased, multiple suppliers were not
16 willing to increase our existing credit lines to allow us to purchase additional supply at
17 the prevailing high prices.

18 Symmetry however was willing to purchase spot gas, and never stopped
19 attempting to do so. But the spot market simply did not have enough gas available to
20 Symmetry to replace the baseload gas supplies that Symmetry's suppliers had cut. Even
21 when we could successfully purchase additional gas on the spot market, such gas often
22 was not delivered.

23 **Q. Prior to February 2021, had Symmetry ever experienced problems obtaining or**

1 **delivering gas for which it had contracted?**

2 A. In the past, if Symmetry experienced a supply cut or force majeure from an upstream
3 supplier, we would cover that amount with a purchase of spot gas or increased storage
4 withdrawals. Sufficient spot gas had always been available for purchase until February
5 2021. Winter Storm Uri was the first time we encountered a situation in which we were
6 totally unable to buy sufficient flowing gas on the open market and get it to the Spire city
7 gates. February 2021 presented completely unprecedented challenges to the entire
8 industry such that incremental flowing gas was simply unavailable.

9 **Q. At some point during Uri, was Symmetry required to reduce nominations for its
10 customers behind Spire West's city gate in order to supply gas to Atmos?**

11 A. Yes. Symmetry followed its standard nomination practices until February 15. In other
12 words, for the first week to 10 days of the month, when Symmetry did not possess
13 updated customer usage data, Symmetry left its first-of-month nominations largely
14 unchanged based on standard practice. After receiving notification the week of February
15 8 that Spire required additional deliveries, Symmetry increased our nomination
16 accordingly. Later in the month, once Symmetry obtained sufficient data to more reliably
17 estimate customers' usage, Symmetry began adjusting its nominations based on updated
18 gas usage projections. It is my understanding, however, that on February 15, Atmos
19 called its storage and transportation assets pursuant to the Asset Management Agreement
20 between Symmetry and Atmos (the "AMA" I described above). Following that, from
21 February 16 through February 18, the vast majority of Symmetry's available supply on
22 Southern Star was directed to Atmos.

23 **Q. Were you involved in any communications with Atmos regarding this issue?**

1 A. No. I was not involved in those discussions with Atmos regarding the call on capacity.

2 **Q. What effect did the Atmos call have on your actions beginning on February 15?**

3 A. Symmetry had to remove all of its third-party delivery nominations (including those to
4 customers behind Spire's city gate) off of the Atmos capacity after Atmos gave notice of
5 its call, meaning that all of Atmos' assets could be used only to deliver gas to Atmos.
6 Symmetry was then required to re-nominate gas for all of its retail customers that were
7 located behind other LDCs to a non-Atmos capacity agreement/transport contract. This
8 is a manual and extremely time intensive process. It required significant time on
9 February 16 and February 17 for us to adjust nominations such that gas for non-Atmos
10 customers that had been nominated for delivery on Atmos contracts was redirected to
11 other contracts. Over that time we attempted to acquire additional sources of supply and
12 capacity to nominate gas for delivery on non-Atmos contracts, but the majority of that
13 gas did not arrive.

14 These challenges were compounded by the fact that Southern Star's EBB
15 appeared to suffer various technical difficulties during this time, and many of
16 Symmetry's employees in charge of purchasing and nominating gas were working
17 without power or reliable Internet connections throughout this period due to the impact of
18 Winter Storm Uri on the cities where Symmetry's employees worked.

19 **Q. Was the timing of the Atmos call compounded by contemporaneous supply issues?**

20 A. Yes. On February 15, after the cut off for next day nominations, Symmetry experienced
21 substantial additional supply issues. Specifically, ****[REDACTED]****—Symmetry's most
22 significant supplier of gas on Southern Star for February—notified Symmetry that it was
23 cutting gas supply for the remainder of February. Simultaneously, force majeure notices

1 continued to arrive. Overall, Symmetry lost **█**% of its baseload gas for February
2 15.

3 **Q. When did Symmetry resume supplying gas to utilities on Southern Star other than**
4 **Atmos?**

5 A. On February 17, for gas to flow that day, Symmetry attempted to make nominations to
6 non-Atmos gates utilizing non-Atmos capacity, but very little of that gas flowed.
7 Symmetry continued on February 18 to nominate gas for delivery to non-Atmos gates
8 over non-Atmos capacity, with increased success. On February 18— when Symmetry
9 learned that Atmos’s system had stabilized and Symmetry could begin using its capacity
10 to direct gas to other utilities—Symmetry resumed supplying gas to other utilities using
11 Atmos capacity for gas to flow on February 19. Symmetry was in balance on Spire’s
12 system by the end of February 2021, as required during non-OFO periods, which I will
13 explain in more detail below.

14 **VI. COMMUNICATIONS WITH SPIRE, AND PURCHASE OF STORAGE GAS**
15 **FROM SPIRE VIA ATMOS**

16 **Q. During Uri, did you or anyone else at Symmetry have any communications with**
17 **representatives of Spire concerning the Spire West system?**

18 A. Yes. Throughout February, and in the lead-up to and during Winter Storm Uri, I had
19 multiple calls with Spire representative Justin Powers, who I understand is responsible
20 for gas supply at Spire Missouri. By no later than February 11, I had spoken at least once
21 with Mr. Powers. I also spoke to him again sometime on or around February 17. In
22 addition to those phone calls, we also communicated over the ICE Chat platform.

23 **Q. Please describe the nature of your relationship with Mr. Powers.**

1 Prior to February 2021, Mr. Powers and I had what I would describe as a friendly
2 professional relationship, though I had not spoken with Mr. Powers for at least two years
3 as of February 2021 because for the two years prior to February, I was not responsible for
4 day-to-day trading on Southern Star. Following a redistribution of responsibilities, I
5 resumed day to day management of supply on Southern Star in mid-February 2021.

6 **Q. What was your understanding of Mr. Powers's role at Spire?**

7 A. My understanding is that Mr. Powers is responsible for managing gas supply and capacity
8 for Spire.

9 **Q. Please describe communications between Symmetry personnel and Mr. Powers.**

10 A. During Winter Storm Uri I communicated with Mr. Powers over the telephone, over ICE
11 Chat, and via email. In the beginning part of February after the weekend of February 6,
12 Mr. Powers called me to state that the weather was colder than expected, and to ask why
13 Symmetry had not increased its customers' nominations. But while Spire has real-time
14 access to information on customers' gas usage, Symmetry receives that information on a
15 multi-day delayed basis, and therefore Symmetry generally must wait to adjust its first-
16 of-month nominations until later in the month when it has accumulated sufficient data on
17 customers' usage to more reliably and intelligently change their nominations.

18 Later in the month, I explained to Mr. Powers, in separate conversations, that (1)
19 significant portions of Symmetry's gas had been cut or subject to force majeure, (2) spot
20 gas was not arriving as scheduled, (3) Atmos called its assets under the AMA, and (4)
21 Symmetry was taking all possible action to buy replacement gas but almost everything
22 purchased on the spot market was later cut. In addition, I asked Mr. Powers whether
23 Spire could sell Symmetry gas. Mr. Powers repeatedly assured me on various phone

1 calls—including during a call on or about February 11 or 12—that Spire was in a “great
2 position” or words to that effect, Spire had plenty of storage gas to cover any shortfalls,
3 and Spire’s system was not in danger. Despite this claim that Spire was in a “great
4 position,” during the call on February 11 or 12, Mr. Powers also indicated that marketers
5 were not bringing on enough gas and that we, the marketers, would face penalties if we
6 did not bring on more gas.

7 Mr. Lee and I also spoke with Mr. Powers on or about February 17, 2021. During
8 this call, Mr. Powers informed us that on February 17, the day in which the Platts gas
9 daily index price was over \$600, Spire was able to purchase gas for under \$100. To the
10 best of my recollection, during the call on February 17, Mr. Powers again noted, in
11 referring to Spire’s position, that “we’re in really good shape” and “our storage is in good
12 shape,” or words to that effect. I took this to mean that Spire was not concerned about its
13 gas position or system integrity as of this time.

14 **Q. In addition to phone calls, you indicated that you communicated with Mr. Powers
15 over ICE Chat. During what period did those communications take place?**

16 A. Those communications took place between approximately February 12 and February 19.
17 Schedule SP-6 contains my communications with Mr. Powers during the storm.

18 **Q. With respect to Mr. Powers’ question “would you like 50k of market zone for
19 Balmo,” what was he referring to?**

20 A. He was asking if Symmetry wanted to purchase 50,000 MMBtu per day of transportation
21 capacity for the balance of the month of February.

22 **Q. Approximately when did he ask if you wanted to purchase capacity?**

23 A. February 17.

1 **Q. How did you respond and why?**

2 A. I told him I did not need that much capacity because we had doubts that we could buy
3 enough gas to fill it. I also indicated that purchasing that quantity of capacity was
4 unnecessary as we could instead overrun (meaning nominate gas in excess of capacity)
5 any capacity that we did have and still be able to make deliveries on an interruptible
6 basis. Symmetry's most serious problem during this time was that we could not
7 purchase enough gas that flowed and without flowing gas, there is little need for such a
8 quantity of capacity. But ultimately, I agreed to take 5,000 MMBtu of capacity.

9 **Q. Why was that?**

10 A. Because purchasing 50,000 MMBtu of capacity would add the unnecessary financial
11 burden of acquiring capacity for the balance of the month when our supply cuts in the
12 market area of Southern Star were not due to a lack of capacity but rather a lack of
13 available gas supply. It would have cost Symmetry the same or less to buy 5,000
14 MMBtu of capacity and overrun it, meaning nominating more than the maximum volume
15 of the contract, than to accept 50,000 MMBtu of capacity when I did not think I had
16 enough flowing gas to need that much capacity in the first place. We also knew that
17 quickly after the storm subsided, Atmos would return the AMA assets back to our control
18 and we would not need the amount of capacity Spire wanted to sell to us.

19 **Q. Was Mr. Powers's offer to sell 50,000 MMBtu of capacity significant to you in any
20 way with respect to Spire's gas position during the storm?**

21 A. Yes. It suggested to me that, contrary to the issuance of its OFO, Spire was not suffering
22 any threats to its system integrity. Spire would not have had that capacity available to
23 sell if they assessed that the system was at risk of failure. During an event like this, no

1 prudent operator would have released capacity to a third-party shipper if there was a
2 concern that there was a system integrity issue, because capacity would have been
3 necessary to meet the needs of the utility. If Spire was concerned about their system
4 integrity, it would have used this capacity itself.

5 **Q. Did your communications with Mr. Powers also indicate that he was independently**
6 **aware of the Atmos call on assets?**

7 A. Yes. He specifically asked “so Atmos recalled the AMA yesterday.” (Schedule SP-6.)
8 When Atmos called on its assets, Atmos instructed that we had to remove all third-party
9 nominations from their transportation and storage capacity. As you can see from our
10 exchange, I told Mr. Powers multiple times that we were buying all of the gas that we
11 could but it was being cut. Mr. Powers even remarked that one of his traders had
12 expressed similar frustrations about keeping up with cuts.

13 **Q. During this exchange, in response to Mr. Powers’s observation that he was**
14 **“showing Symmetry was short just under 50k on us for GD 16,” you responded**
15 **“could be worse.” Please explain what you meant by that.**

16 A. Here, Mr. Powers was referring to gas day 16 (i.e., February 16). It is important to note
17 that we had this discussion after gas day 16, when we no longer had any ability to make
18 changes to prior nominations. Importantly, gas day 16 was the first gas day after Atmos
19 called on all of its assets. As noted above and in Mr. Lee’s testimony, the Atmos call
20 threw operations into further chaos at a time when gas supply was also being cut and
21 subject to force majeure at unprecedented levels across the industry. My comment was
22 not meant to be cavalier but rather was a reflection of the dire circumstances in which
23 Symmetry, and the market as a whole, found itself on these particular days. This

1 comment, while it may have sounded flippant on paper, was simply an expression of
2 frustration during the most stressful days of my professional career where based on the
3 supply cuts, the force majeure notices, and the Atmos call, any flowing gas felt like a
4 small miracle.

5 **Q. At any time during any of your communications with Mr. Powers did he indicate to**
6 **you that Spire's system integrity was in jeopardy?**

7 A. No. He indicated only that Symmetry would be exposed to penalties. He never told me
8 that Spire was concerned about its system integrity or that Symmetry's or the other
9 marketers' conduct was putting Spire's system at any risk.

10 **Q. At any time, did anyone from Spire communicate to you, or to anyone else at**
11 **Symmetry, that Spire believed the Spire West system was in jeopardy?**

12 A. No.

13 **Q. Did you believe, and did any of Spire's actions or communications suggest to you,**
14 **that the Spire West system was in jeopardy?**

15 A. No.

16 **Q. What else suggested to you that this was not the case?**

17 A. Based on Spire's actions, it did not appear to me that Spire West's system integrity was at
18 risk. It was my understanding that sometime around February 15, Spire attempted to sell
19 approximately **** [REDACTED] **** dekatherms of gas from its storage on Southern Star and
20 ultimately agreed to a sale of **** [REDACTED] **** dekatherms to Atmos, which Atmos
21 immediately resold to Symmetry.

22 **Q. Based on your knowledge and experience, what, if anything, did Spire's sale of gas**
23 **out of its Southern Star storage on February 15 suggest to you about Spire's overall**

1 **gas position as of that date?**

2 A. To me, Spire's sale of gas out of its Southern Star storage on February 15 signified that
3 Spire believed its system was not in danger and that Spire had more than sufficient gas on
4 hand to protect the integrity of its system.

5 **Q. Why?**

6 A. In order to maintain system pressures and ensure the ability to make deliveries, pipelines
7 and LDCs require a constant supply of gas into their systems. The fact that Spire
8 comfortably sold such a large amount of gas out of its storage indicated to me that Spire
9 felt that it continued to have more than enough gas in storage to support its system
10 pressures.

11 **Q. What did Symmetry do with the **[REDACTED]** dekatherms of gas that it purchased
12 from Spire?**

13 A. Because on February 15 Symmetry was still subject to the Atmos asset call, Symmetry
14 could not use this storage gas to serve other utilities at that point. Once Atmos lifted the
15 call, this gas could be directed to other utilities and customers. Within days of this
16 purchase, however, the gas markets stabilized, leading prices to return to normal. As a
17 result, Symmetry suffered an enormous loss when it ultimately sold much of this gas that
18 it had purchased for **[REDACTED]** per dekatherm at closer to \$2 per dekatherm.

19 **VII. AFTER THE STORM**

20 **Q. By the end of the month, had Symmetry ultimately supplied Spire with gas
21 sufficient to cover its customers' total demand for the month of February?**

22 A. Yes. Symmetry, by the end of February, supplied more gas to Spire than Symmetry's
23 customers had used during the month.

1 **Q. Under normal, non-OFO circumstances, would this have been sufficient to satisfy**
2 **Symmetry’s obligations under the Agent Aggregation Service Agreements and**
3 **Spire’s tariff?**

4 A. Yes. Symmetry fulfilled its obligations under Spire’s tariff and the parties’ agreements,
5 apart from the OFO, because the Spire system is monthly balanced.

6 **VIII. CONCLUSION**

7 **Q. Do you believe Symmetry acted diligently and in good faith during Winter Storm**
8 **Uri?**

9 A. Yes. Symmetry, during and following Winter Storm Uri, acted diligently and in good
10 faith to procure and supply natural gas to its customers. Considering the extremely
11 challenging market and personal conditions, Symmetry and its employees did our best.

12 **Q. To your knowledge, did Symmetry seek to profit from the extreme circumstances**
13 **facing the State of Missouri during Winter Storm Uri?**

14 A. Absolutely not. Symmetry did its best to serve customers by purchasing all the gas it
15 could, and doing everything it could to protect the integrity of the Southern Star system.
16 All of our decisions during Uri were made based on our contractual obligations and with
17 the intent to protect the integrity of the Southern Star system, without regard to
18 Symmetry’s bottom line.

19 **Q. Does this conclude your testimony?**

20 A. Yes.

21

22

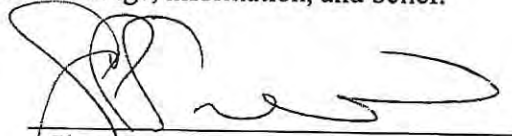
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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

STATE OF Texas)
)
COUNTY OF Harris) SS

AFFIDAVIT OF SHON PURCELL

Shon Purcell, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying direct testimony and schedules; that said testimony was prepared by him or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.



Shon Purcell

Subscribed and sworn to before me this 20th day of December, 2021.

Desiree Bailey
Notary Public

My commission expires: August 29, 2022

