

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

In the Matter of Spire Missouri Inc.’s Compliance)
With the Commission’s Order and Stipulation and) Case No. GO-2019-0040
Agreement in Case No. GM-2013-0254)

**SPIRE MISSOURI INC.’S RESPONSE TO STAFF’S MOTION AND
REQUEST FOR COMMISSION ORDER THAT
QUARTERLY CERTIFICATION FILINGS ARE NO LONGER NEEDED**

COMES NOW Spire Missouri Inc. (“Spire Missouri” or “Company”) and files this response to Staff’s August 10, 2018 Motion to Establish Docket to Enforce Compliance with Commission Order Approving Unanimous Stipulation and Agreement (the “Staff Motion”), and in support thereof states as follows:

1. Spire Missouri requests that the Commission deny the Staff’s Motion, and afford the parties an opportunity to respond to Spire Missouri’s request herein that the Commission find that the quarterly certification filings Staff identified in paragraph 16d of the Stipulation and Agreement in Case No. GM-2013-0254 (the “Stipulation and Agreement”) no longer need to be filed. Spire Missouri believes this relief is appropriate because (i) five years have now elapsed since the merger of Spire Missouri East (fka Laclede Gas) and Spire Missouri West (fka MGE); (ii) both utilities have been through comprehensive rate case and other proceedings; and (iii) a certificate of compliance filed every three months is not a necessary or useful exercise.

2. In 2012, MGE’s Texas ownership announced that it was selling its two utilities, including MGE. In December 2012, Laclede Gas Company announced that it had acquired MGE, a fantastic outcome for the State of Missouri, since it took two standalone Missouri utilities that could have both been acquired and formed one stronger Missouri utility. It was a fantastic outcome for the utilities’ customers, who benefitted from significant cost savings driven

by the transaction. And it was also a fantastic outcome for Missouri regulators since Laclede Gas was already under the jurisdiction of the State of Missouri.

3. The merger was completed on September 1, 2013, at which time Laclede Gas assumed numerous obligations negotiated by Staff and others to monitor and prevent the merger from having unduly negative consequences on MGE. As noted in the Staff Motion and in Exhibit A attached hereto, one of those obligations, contained in Section 16, was to insulate MGE from adverse actions that may be taken by The Laclede Group (“LG,” now known as Spire Inc.) in light of the merger. Accordingly, the Company agreed that Laclede Gas and MGE would remain a legally separate subsidiary from LG, that it would not transfer assets MGE used to serve its utility customers, and that it would do its best to protect MGE from adverse consequences caused by other Laclede affiliates. The Company agreed to all these conditions.

4. But Section 16 also required that Laclede Gas submit a quarterly report certifying that it was complying with these conditions. In other words, in addition to being bound by these conditions, Laclede Gas was also required to tell the Commission, every three months, that it was complying with the required conditions.

5. In making its most recent quarterly filing, Spire Missouri did not suggest that it be allowed to transfer assets Spire Missouri West uses to serve its customers, or that Spire Missouri West be exposed to adverse consequences of its affiliates. Spire Missouri simply felt that, five years down the road, it could interpret the approval of allocations and costs in two general rate cases to mean that it could end the administrative duty of making a certified filing every three months just to state that it was honoring this particular obligation. Even in doing so, the Company merely suggested that the administrative burden appeared to be unnecessary, but that it was open to differing opinions from other parties.

6. In Staff's Motion, and in subsequent discussions with the Company, Staff has provided the feedback requested by Spire Missouri. Staff has made it very clear that it prefers the Company obtain specific permission to stop the quarterly filings rather than implied permission. Accordingly, the Company hereby requests an order from the Commission allowing it to cease filing the quarterly certifications set forth in Paragraph 16d of the Stipulation and Agreement, which is attached hereto as Exhibit A.

7. Staff has indicated that Spire's willingness to request this specific relief satisfies its Motion, although Staff has not yet taken a position on whether the Commission should grant the relief requested by the Company. In accordance with Staff's position, the Company further reserves the right to identify and request an end to other reporting obligations in the Stipulation and Agreement whose burdens outweigh their benefits. The Company believes that in the wake of the rate cases, it would be a useful exercise to streamline these reporting obligations and eliminate those that are no longer necessary or are repetitive of undertakings in other areas.

WHEREFORE, Spire Missouri respectfully requests that the Commission deny Staff's Motion and, after other parties have had an opportunity to respond, grant the Company's request by finding that the Company no longer needs to file the quarterly certificate of compliance required in Section 16d of the Stipulation and Agreement.

Respectfully submitted,

SPIRE MISSOURI INC.

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the General Counsel of the Staff of the Missouri Public Service Commission, and the Office of the Public Counsel, on this 20th day of August 2018 by hand-delivery, fax, electronic mail or by regular mail, postage prepaid.

/s/ Marcia Spangler _____

16. INSULATION OF MGE FROM LG BUSINESS

To insulate the MGE Division and Laclede Gas from the Transaction, LG represents that:

- a. MGE will be owned and operated as a division of Laclede Gas, which shall remain a separate subsidiary of LG, unless otherwise approved by the Commission.
- b. Laclede Gas shall not transfer to LG or any subsidiary thereof, directly or indirectly, assets necessary and useful in providing service to MGE's Missouri customers without Commission approval.
- c. Laclede Gas will diligently exercise its best efforts to insulate the Laclede and MGE Divisions from any adverse consequences from its other operations or the activities of any of its affiliates.
- d. Laclede Gas shall submit reports certifying its compliance with this paragraph on a quarterly basis to the Staff electronically through EFIS and to OPC, and other interested parties that are permitted to receive proprietary or confidential information as contemplated by applicable Commission rules or orders until the Commission determines that the Laclede and MGE Divisions are insulated from LG's other operations and the activities of any of its affiliates or that the requirement is no longer needed.