

Exhibit No.: _____
Issues: Class Cost of Service and Rate Design;
Gas Transportation Service Proposed Tariff Changes;
Capital Structure and Rate of Return (ROR);
Overview of Rate Relief Sought.
Witness: Shon Purcell
Type of Exhibit: Direct Testimony
Sponsoring Party: Symmetry Energy Solutions LLC
File No.: GR-2022-0179

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
FILE NO. GR-2022-0179**

TESTIMONY

OF

SHON PURCELL

ON BEHALF OF

SYMMETRY ENERGY SOLUTIONS, LLC

September 9, 2022

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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 addressed 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. Yes, in Missouri Public Service Commission Case No. GC-2021-0316.

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 that the changes Spire
15 proposes to its transportation tariff will not, as claimed by Spire, prevent the types of
16 problems presented by Winter Storm Uri (should another such unprecedented event ever
17 occur), nor are Spire’s proposed tariff changes warranted by the events of Winter Storm
18 Uri. Instead, Spire’s proposed changes are more likely to increase natural gas costs to
19 Missouri customers because Spire’s proposed tariff changes will limit the ability of
20 marketers such as Symmetry to offer customers natural gas alternatives to Spire. I will
21 explain Symmetry’s actions affecting Missouri during Winter Storm Uri and the
22 surrounding circumstances, and the interactions Symmetry had with Spire Missouri Inc.
23 during that time. I will also address specific changes Spire proposes to its transportation

1 tariff. In this testimony, unless I indicate otherwise, I will use the term “Spire” to refer to
2 Spire Missouri Inc. and its operating unit Spire Missouri West.

3 **Q. Please summarize your testimony.**

4 A. I will give the Commission important background information regarding the
5 unprecedented challenges Winter Storm Uri posed to Symmetry’s operations as it relates
6 to Spire’s attempt to amend its tariff primarily to (1) require marketers such as Symmetry
7 (rather than Spire’s natural gas customers per the current tariff) to bear the financial
8 responsibility to Spire for imbalance charges and penalties (presumably leaving
9 Symmetry in the position of subsequently demanding reimbursement from the actual
10 natural gas customers), and to (2) calculate such charges and penalties on multiples of
11 market index prices, which practice proved during Winter Storm Uri to cause a rise in
12 actual market prices, and was ineffective as a disincentive because natural gas supplies
13 were truly unavailable to marketers such as Symmetry.

14 Spire’s witnesses Embry, Woodard and Weitzel have testified that the events of
15 Winter Storm Uri – including the actions of marketers such as Symmetry during the
16 storm and afterward in refusing to acquiesce to Spire’s demand for unlawful penalties –
17 necessitate Spire’s proposed changes to its transportation tariff. However, the facts do
18 not support Spire’s position.

19 When Spire issued a system-wide Operational Flow Order (“OFO”) on February
20 10, 2021, to be effective on February 12, (1) there was no indication that its system
21 integrity (particularly its ability to maintain its system pressures) was in jeopardy, and (2)
22 the OFO was issued by Spire before Southern Star, the relevant upstream pipeline, issued
23 its own system-wide OFO. Moreover, neither Spire’s conduct nor its communications

1 with Symmetry or other third parties during Winter Storm Uri indicated that Spire was
2 experiencing a threat to its system integrity. During Winter Storm Uri, despite various
3 opportunities to do so, Spire did not notify Symmetry that Spire’s system integrity was
4 supposedly at risk. To the contrary, Spire personnel represented on multiple occasions
5 going into and during the storm that Spire’s system looked good and that it had plenty of
6 gas on hand and in storage. Notably, during Winter Storm Uri on February 15, 2021,
7 Spire sold Symmetry, through Atmos Energy Corporation (“Atmos”), [REDACTED]
8 dekatherms of gas from its Southern Star in-ground storage inventory for \$ [REDACTED]
9 [REDACTED], and Spire released transportation capacity to Symmetry.

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

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

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

22 **A.** When properly imposed, an Operational Flow Order, or OFO, generally, is a mechanism
23 used by pipelines, LDCs, or storage operators for the purpose of protecting the integrity

1 of the system that issued the OFO.

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

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

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

12 A. When an OFO is properly issued, customers and aggregators must ensure that their
13 receipts and deliveries are balanced on a daily basis. It is intended to be harsh enough to
14 motivate shippers to comply with the flowing gas requirement. In the case of Spire, for
15 every day during a properly-issued OFO in which a shipper is not in balance with its
16 nominations (outside of a 5% tolerance), Spire may seek penalties equal to the volume of
17 the imbalance multiplied by the Southern Star Gas Daily Index price for that day
18 multiplied by a 2.5-times multiplier, or \$5, whichever is greater. This amount when
19 issued on the expected historical index price of \$2 to \$5 per MMBtu would lead to large
20 but not exorbitant penalties.

21 **Q. In your decades of experience, have you ever seen OFO penalties of the magnitude
22 sought by Spire subsequent to Winter Storm Uri?**

23 A. No. The penalties Spire sought were well beyond anything that the industry has ever

1 seen.

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

3 A. Yes. On February 10, 2021, Spire issued an OFO for its West system to be effective at
4 9:00 a.m. on February 12. (Schedule SP-1.) However, I did not receive this notification
5 on February 10. I was not aware of Spire’s OFO until a Spire employee, Justin Powers,
6 sent it to me on February 11.

7 **IV. SYMMETRY’S POSITION GOING INTO FEBRUARY**

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

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

19 **Q. Was Symmetry’s position going into February typical as compared to historical**
20 **practice?**

21 A. Yes. Symmetry’s position going into February was typical of Symmetry’s plans to serve
22 its customers behind Spire West in a February of any given year. Weather forecasts
23 leading up to February indicated that the month was likely to include a period of colder

1 weather followed by warmer weather which would result in monthly total gas
2 requirements to be slightly higher than historical, but such forecasts betrayed no signs of
3 the extremity of Winter Storm Uri. Neither I nor anyone I spoke with in January and
4 early February, for that matter, at Symmetry or otherwise, predicted that February would
5 include a period of weather with anywhere near the severity of Winter Storm Uri. There
6 was no reason to believe that the gas markets in February would be saddled with the
7 kinds of supply disruptions that we saw later in the month.

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

10 A. Yes. The overwhelming majority of the firm storage and transport capacity that was
11 accessible to Symmetry on Southern Star was available pursuant to an Asset Management
12 Agreement, or “AMA,” between Symmetry and Atmos Energy. (See Schedule SP-2.)

13 **V. WINTER STORM URI, SUPPLY CUTS, AND ATTEMPTS TO PURCHASE**
14 **ADDITIONAL GAS**

15 **Q. When did you realize that Symmetry and other market participants were going to**
16 **face higher gas demand in February than you previously anticipated and on what**
17 **bases?**

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

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

3 A. Demand for natural gas typically increases when temperatures decline because heating
4 demand increases. Because natural gas is used both directly as a heating source and as a
5 fuel for electricity generating plants (which power electric heaters), demand for both
6 tends to increase when temperatures decrease. This was the case here and I recall the
7 start of an increase in prices when the colder weather moved in. My expectation at the
8 outset of Winter Storm Uri, which I believe—based on my experience and
9 communications with others—was consistent with the broader industry’s expectation,
10 was that elevated prices would last one to two days, which was typical of weather events
11 from years past. Furthermore, I did not anticipate widespread supply disruptions for an
12 extended period of time. While we assumed there might be some freezing resulting in
13 some supply issues, such freezing generally lasts one or two days before production
14 restarts as the industry assesses and determines how to respond to the temperature
15 changes. Therefore, it was anticipated that gas prices would experience an initial “run
16 up,” but then the prices would abate a significant amount within a few days into the
17 event. We initially had no reason to believe that Symmetry would not be able to cover
18 any increased demand considering the baseload gas we had already contracted to
19 purchase, swing gas that could be bought on the daily spot market, and, if necessary, gas
20 in storage.

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

23 A. Yes. Symmetry suppliers began cutting Symmetry’s baseload gas supply on Southern

1 Star the week of February 8, while Symmetry also started receiving force majeure notices
2 from various suppliers around February 11. We saw a significant increase in gas supply
3 cuts and corresponding increases in gas prices beginning around February 11. It was
4 around this time we began to buy as much gas as possible and, as of around February 12,
5 we began to realize that much of the spot gas we had purchased was not arriving as
6 scheduled.

7 **Q. Which suppliers on Southern Star cut or force majeure'd Symmetry's gas supply**
8 **during February?**

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

16 Moreover, on February 15, 2021, about [REDACTED] % of Symmetry's baseload gas
17 supply was subject to force majeure notices. The following day, on February 16, 2021,
18 about [REDACTED] % of Symmetry's baseload gas supply became subject to force majeure
19 notices. And, on February 17—the day in which Southern Star's gas supplies were
20 tightest and the day with the highest Gas Daily Index price—[REDACTED] % of Symmetry's
21 contracted gas supply was subject to force majeure. (See Schedule SP-5.)

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

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

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

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

13 With gas cuts starting, Symmetry attempted to buy enough gas to replace the
14 significant cuts, and also balanced those cuts against Symmetry’s storage. Suppliers did
15 not have enough gas to sell as the cold weather froze many wellheads and other gas
16 infrastructure, leading to a decrease in gas supply at the same time that demand was
17 increasing. To make matters worse, the situation was changing rapidly, and much of the
18 gas Symmetry bought on the spot market simply never arrived.

19 Specifically, starting on February 8-10 but certainly by the 11th, Symmetry started
20 trying to buy significant unplanned quantities of gas. Around approximately February
21 12, we began seeing cuts to those quantities of gas. As such, we continued to try to
22 purchase any gas that was available to us that was substantially near market/index prices.

23 **Q. What instructions did Symmetry issue to its traders with respect to purchases**

1 **during Uri and did Symmetry place any limitations or restrictions on the ability of**
2 **traders to purchase gas during February 2021?**

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

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

15 **Q. Prior to February 2021, had Symmetry ever experienced problems obtaining or**
16 **delivering gas for which it had contracted?**

17 A. In the past, if Symmetry experienced a supply cut or force majeure from an upstream
18 supplier, we would cover that amount with a purchase of spot gas or increased storage
19 withdrawals. Sufficient spot gas had always been available for purchase until February
20 2021. Winter Storm Uri was the first time we encountered a situation in which we were
21 totally unable to buy sufficient flowing gas on the open market and get it to the Spire city
22 gates. February 2021 presented completely unprecedented challenges to the entire
23 industry such that incremental flowing gas was simply unavailable.

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

3 A. Yes. Symmetry followed its standard nomination practices until February 15. In other
4 words, for the first week to 10 days of the month, when Symmetry did not possess
5 updated customer usage data, Symmetry left its first-of-month nominations largely
6 unchanged based on standard practice. After receiving notification the week of February
7 8 that Spire required additional deliveries, Symmetry increased our nomination
8 accordingly. Later in the month, once Symmetry obtained sufficient data to more reliably
9 estimate customers’ usage, Symmetry began adjusting its nominations based on updated
10 gas usage projections. It is my understanding, however, that on February 15, Atmos
11 called its storage and transportation assets pursuant to the Asset Management Agreement
12 between Symmetry and Atmos (the “AMA” I described above). Following that, from
13 February 16 through February 18, the vast majority of Symmetry’s available supply on
14 Southern Star was directed to Atmos.

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

16 A. Symmetry had to remove all of its third-party delivery nominations (including those to
17 customers behind Spire’s city gate) off of the Atmos capacity after Atmos gave notice of
18 its call, meaning that all of Atmos’ assets could be used only to deliver gas to Atmos.
19 Symmetry was then required to re-nominate gas for all of its retail customers that were
20 located behind other LDCs to a non-Atmos capacity agreement/transport contract. This
21 is a manual and extremely time intensive process. It required significant time on
22 February 16 and February 17 for us to adjust nominations such that gas for non-Atmos
23 customers that had been nominated for delivery on Atmos contracts was redirected to

1 other contracts. Over that time we attempted to acquire additional sources of supply and
2 capacity to nominate gas for delivery on non-Atmos contracts, but the majority of that
3 gas did not arrive.

4 These challenges were compounded by the fact that Southern Star’s Electronic
5 Bulletin Board (“EBB”) appeared to suffer various technical difficulties during this time,
6 and many of Symmetry’s employees in charge of purchasing and nominating gas were
7 working without power or reliable Internet connections throughout this period due to the
8 impact of Winter Storm Uri on the cities where Symmetry’s employees worked.

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

10 A. Yes. On February 15, after the cut off for next day nominations, Symmetry experienced
11 substantial additional supply issues. Specifically, [REDACTED]—Symmetry’s most
12 significant supplier of gas on Southern Star for February—notified Symmetry that it was
13 cutting gas supply for the remainder of February. Simultaneously, force majeure notices
14 continued to arrive. Overall, Symmetry lost [REDACTED] % of its baseload gas for February
15 15.

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

18 A. On February 17, for gas to flow that day, Symmetry attempted to make nominations to
19 non-Atmos gates utilizing non-Atmos capacity, but very little of that gas flowed.
20 Symmetry continued on February 18 to nominate gas for delivery to non-Atmos gates
21 over non-Atmos capacity, with increased success. On February 18— when Symmetry
22 learned that Atmos’s system had stabilized and Symmetry could begin using its capacity
23 to direct gas to other utilities—Symmetry resumed supplying gas to other utilities using

1 Atmos capacity for gas to flow on February 19. Symmetry was in balance on Spire's
2 system by the end of February 2021, as required during non-OFO periods, which I will
3 explain in more detail below.

4 **VI. COMMUNICATIONS WITH SPIRE, AND PURCHASE OF STORAGE GAS**
5 **FROM SPIRE VIA ATMOS**

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

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

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

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

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

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

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

23 A. During Winter Storm Uri I communicated with Mr. Powers over the telephone, over ICE

1 Chat, and via email. In the beginning part of February after the weekend of February 6,
2 Mr. Powers called me to state that the weather was colder than expected, and to ask why
3 Symmetry had not increased its customers' nominations. But while Spire has real-time
4 access to information on customers' gas usage, Symmetry receives that information on a
5 multi-day delayed basis, and therefore Symmetry generally must wait to adjust its first-
6 of-month nominations until later in the month when it has accumulated sufficient data on
7 customers' usage to more reliably and intelligently change their nominations.

8 Later in the month, I explained to Mr. Powers, in separate conversations, that (1)
9 significant portions of Symmetry's gas had been cut or subject to force majeure, (2) spot
10 gas was not arriving as scheduled, (3) Atmos called its assets under the AMA, and (4)
11 Symmetry was taking all possible action to buy replacement gas but almost everything
12 purchased on the spot market was later cut. In addition, I asked Mr. Powers whether
13 Spire could sell Symmetry gas. Mr. Powers repeatedly assured me on various phone
14 calls—including during a call on or about February 11 or 12—that Spire was in a “great
15 position” or words to that effect, Spire had plenty of storage gas to cover any shortfalls,
16 and Spire's system was not in danger. Despite this claim that Spire was in a “great
17 position,” during the call on February 11 or 12, Mr. Powers also indicated that marketers
18 were not bringing on enough gas and that we, the marketers, would face penalties if we
19 did not bring on more gas.

20 I also spoke with Mr. Powers on or about February 17, 2021. During this call,
21 Mr. Powers informed me that on February 17, the day in which the Platts gas daily index
22 price was over \$600, Spire was able to purchase gas for under \$100. To the best of my
23 recollection, during the call on February 17, Mr. Powers again noted, in referring to

1 Spire's position, that "we're in really good shape" and "our storage is in good shape," or
2 words to that effect. I took this to mean that Spire was not concerned about its gas
3 position or system integrity or pressures as of this time.

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

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

8 **Q. With respect to Mr. Powers' question "would you like 50k of market zone for**
9 **Balmo," what was he referring to?**

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

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

13 A. February 17.

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

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

22 **Q. Why was that?**

23 A. Because purchasing 50,000 MMBtu of capacity would add the unnecessary financial

1 burden of acquiring capacity for the balance of the month when our supply cuts in the
2 market area of Southern Star were not due to a lack of capacity but rather a lack of
3 available gas supply. It would have cost Symmetry the same or less to buy 5,000
4 MMBtu of capacity and overrun it, meaning nominating more than the maximum volume
5 of the contract, than to accept 50,000 MMBtu of capacity when I did not think I had
6 enough flowing gas to need that much capacity in the first place. We also knew that
7 quickly after the storm subsided, Atmos would return the AMA assets back to our control
8 and we would not need the amount of capacity Spire wanted to sell to us.

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

11 A. Yes. It suggested to me that, contrary to the issuance of its OFO, Spire was not suffering
12 any threats to its system integrity. Spire would not have had that capacity available to
13 sell if they assessed that the system was at risk of failure. During an event like this, no
14 prudent operator would have released capacity to a third-party shipper if there was a
15 concern that there was a system integrity issue, because capacity would have been
16 necessary to meet the needs of the utility. If Spire was concerned about their system
17 integrity, it would have used this capacity itself.

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

20 A. Yes. He specifically asked “so Atmos recalled the AMA yesterday.” (Schedule SP-6.)
21 When Atmos called on its assets, Atmos instructed that we had to remove all third-party
22 nominations from their transportation and storage capacity. As you can see from our
23 exchange, I told Mr. Powers multiple times that we were buying all of the gas that we

1 could but it was being cut. Mr. Powers even remarked that one of his traders had
2 expressed similar frustrations about keeping up with cuts.

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

6 A. Here, Mr. Powers was referring to gas day 16 (i.e., February 16). It is important to note
7 that we had this discussion after gas day 16, when we no longer had any ability to make
8 changes to prior nominations. Importantly, gas day 16 was the first gas day after Atmos
9 called on all of its assets. As noted above and in Mr. Lee’s testimony, the Atmos call
10 threw operations into further chaos at a time when gas supply was also being cut and
11 subject to force majeure at unprecedented levels across the industry. My comment was
12 not meant to be cavalier but rather was a reflection of the dire circumstances in which
13 Symmetry, and the market as a whole, found itself on these particular days. This
14 comment, while it may have sounded flippant on paper, was simply an expression of
15 frustration during the most stressful days of my professional career where based on the
16 supply cuts, the force majeure notices, and the Atmos call, any flowing gas felt like a
17 small miracle.

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

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

23 **Q. At any time, did anyone from Spire communicate to you, or to anyone else at**

1 **Symmetry, that Spire believed the Spire West system was in jeopardy?**

2 A. No.

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

5 A. No.

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

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

12 **Q. Based on your knowledge and experience, what, if anything, did Spire’s sale of gas**
13 **out of its Southern Star storage on February 15 suggest to you about Spire’s overall**
14 **gas position as of that date?**

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

18 **Q. Why?**

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

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

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

9 **VII. AFTER THE STORM**

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

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

14 **Q. Under normal, non-OFO circumstances, would this have been sufficient to satisfy**
15 **Symmetry's obligations under the Agent Aggregation Service Agreements and**
16 **Spire's tariff?**

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

19 **VIII. OBJECTIONS TO SPIRE'S PROPOSED CHANGES TO ITS**

20 **TRANSPORTATION TARIFF**

21 **Q. Do you have concerns about any of the changes Spire proposes to its transportation**
22 **tariff?**

23 A. Yes. Several of the changes Spire has proposed in Witness Embry's testimony and

1 Schedules KME-D1, 2 and 3 would greatly increase costs to Missouri customers and
2 risks to marketers and so limit the ability of marketers such as Symmetry to offer
3 customers natural gas alternatives to Spire.

4 **Q. Do you have concerns about Spire’s proposal to increase the minimum threshold for**
5 **a Spire West customer’s eligibility for transportation service?**

6 A. Yes. In Sheet 9, Sec. A.3 Spire proposes to increase the minimum threshold for a Spire
7 West customer’s eligibility for transportation service from 30,000 Ccf annually to
8 150,000 Ccf – a five-fold increase. Spire Witness Embry’s testimony at page 16 is that
9 this increase in the minimum threshold “is to ensure that customers on the Transportation
10 Service tariff are sufficiently large and have the required specialization to understand the
11 contractual obligation under the tariff, and also have the ability to scale their usage based
12 on market conditions.” But, such an increased threshold will cause approximately 200 of
13 Symmetry’s current customers to become ineligible for transportation service and thus
14 limit the ability of Symmetry (and other marketers) to offer these and similarly-situated
15 customers natural gas alternatives to Spire, which will invariably and greatly increase
16 customers’ costs. Indeed, Witness Embry admits at pages 15, 17, 24 and 25 that
17 customers rendered ineligible for transportation service due to an increased threshold
18 would become Spire’s customers “placed on a general service rate, likely LGS.”

19 Significantly, to my knowledge, these approximately 200 customers understand
20 the operation of their facilities and their obligations as consumers of natural gas under
21 Spire’s tariff. Given that Spire did not curtail any customer during Winter Storm Uri,
22 there is no evidence that any of these approximately 200 customers’ operation of its
23 facilities during the storm (whether or not their natural gas usage was or could have been

1 decreased) caused the problems of which Spire now complains. Thus, the detrimental
2 effect of this proposed change to hundreds of Symmetry’s current customers, and other
3 similarly-situated customers, negates the concerns articulated by Spire.

4 **Q. Do you have concerns about Spire’s proposal to lower the maximum annual number**
5 **of new transportation customers Spire will permit across the state?**

6 A. Yes. In Sheet 9, Sec. A.4 Spire proposes to limit the number of new transportation
7 customers across its East and West territories to 100 per year. But, per the current Spire
8 West tariff Sheet No. 9, Spire is already obligated to provide transportation service to “up
9 to a maximum of one hundred (100) customers per year.” Thus, in addition to proposing
10 a higher threshold of usage for acceptance as a transportation customer in Sec. A.3 above,
11 Spire proposes to also limit the number of otherwise-qualifying customers that will be
12 accepted for transportation service across Missouri. This proposed change, like that
13 proposed at Sec. A.3 above, will limit the ability of Symmetry and other marketers to
14 offer customers natural gas alternatives to Spire, which will likely increase natural gas
15 costs to many Missouri customers. The detrimental effect of this proposed change to
16 Missouri customers outweighs the concerns articulated by Spire.

17 **Q. Do you have concerns about Spire’s proposal regarding telemetry?**

18 A. I believe that enhanced telemetry is a good idea so that everyone has real-time access to
19 data about natural gas usage. Many of the concerns Spire has articulated regarding the
20 events of Winter Storm Uri could have been largely alleviated if customers and marketers
21 (not just Spire) had access to real-time data of customers’ natural gas usage. Thus, in
22 Sheet 9, Sec. A.5, Spire should be required to provide enhanced telemetry for all
23 transportation customers, not just the option for said enhanced telemetry, at a cost to the

1 customer of no more than \$1,500 per transportation meter.

2 **Q. Do you have concerns about Spire’s proposal regarding the Citygate locations for**
3 **delivery of natural gas?**

4 A. Yes. In Sheet 9.1, Section B.2.d Spire proposes that its tariff require that a transportation
5 customer’s gas delivered to Spire “must be delivered at a Citygate location acceptable to
6 the Company for each customer.” Spire Witness Embry testified at page 19 that,
7 “[d]uring Winter Storm Uri, gas was being delivered at many different locations that
8 were not necessarily proximate to the customer that nominated the gas, and problems
9 arose” and that Spire proposes this change to its tariff “to avoid future scenarios where
10 one or a few interconnection points become the area where too much gas is delivered for
11 customers who are not located nearby.” However, to my knowledge and as was
12 discovered in Case No. GC-2021-0316, the problems associated with Winter Storm Uri
13 were not due to the delivery of gas to any Citygate. Thus, these facts do not support
14 Spire’s proposed tariff change which would only increase costs to customers while
15 decreasing flexibility.

16 Moreover, it is unclear how Spire’s proposed change to the tariff language makes
17 a real change in the current tariff. Spire West tariff Sheet No. 9.3(1) requires the
18 customer to “...cause gas to be delivered to a delivery location (an interconnection point
19 between the delivering upstream pipeline system and the Company’s local distribution
20 system over which the gas is being delivered to the customer’s facilities where it is to be
21 ultimately consumed) which is acceptable to the Company,” specifically that the gas
22 “must be delivered to the delivery location from which the Company is physically able to
23 receive the gas and ultimately redeliver such volume to the customer’s facilities.”

1 **Q. Do you have concerns about Spire’s proposal to require marketers to employ a**
2 **certain type of technical staff?**

3 A. Yes. In Sheet 9.3, Sec. C.1.b Spire proposes to change its tariff so that each marketer
4 would be required to maintain “technical staff on duty or on call 24 hours each day,” and
5 said technical staff are defined vaguely as experts in “gas supply, nomination changes,
6 advisory or curtailment orders, and interruption plan implementation.” Spire Witness
7 Embry testified at page 19 that “during the emergency caused by Winter Storm Uri”
8 some marketers “did not have appropriate technical staff available.” However, as these
9 parties discovered in Case No. GC-2021-0316, the problems associated with Winter
10 Storm Uri were not due to any lack of expertise, training or skill among the marketers,
11 and although Spire possessed contact information for the marketers’ employees, it was
12 the weather-related failures in telephone and internet services that stymied some
13 communications.

14 **Q. Do you have concerns about Spire’s proposal to shift financial liability to Spire**
15 **away from Spire’s natural gas customers and on to marketers?**

16 A. Yes. Given my personal knowledge that Spire’s position during Winter Storm Uri was so
17 comfortable that it offered to sell Symmetry capacity and chose to sell gas to Atmos who
18 then sold it to Symmetry, I question Spire’s claim that it now needs its tariff to require
19 marketers to pay Spire up front for charges due from Spire’s customers. I question the
20 testimony of Spire Witness Woodard (at pages 10 and 36) and Spire Witness Weitzel (at
21 page 18) that the marketers’ lack of gas deliveries during Winter Storm Uri caused Spire
22 to have to procure additional gas at “unprecedented costs.”

1 Upon that questionable position, Spire makes several proposed changes to its
2 current tariff which would make marketers responsible to pay Spire, and then seek
3 reimbursement from Spire’s customers who actually consumed the natural gas and
4 incurred the charges. In Sheet 9.4, Sec. C.1.e Spire proposes to change its tariff so that
5 marketers, rather than Spire’s customers, bear the primary financial responsibility for
6 payment to Spire of Cash Out balances and Penalties for Unauthorized Usage. Spire
7 Witness Embry testifies at page 20 that “[t]raditionally, the [marketer] pays for
8 imbalances and Penalties and bills the transportation customer per the terms of their
9 contract” but that Winter Storm Uri caused “confusion” about whether marketers or
10 Spire’s natural gas customers “were responsible for the payment” of the imbalances and
11 penalties Spire demanded. However, in Case No. GC-2021-0316 these parties discovered
12 that it is not “traditional” for marketers to pay Spire for a natural gas customer’s
13 imbalances and penalties because the current tariff holds the customer responsible for
14 such charges. The marketer is simply an agent for the transportation customer who has
15 the direct contractual relationship with Spire.

16 I have the same concerns about Spire’s effort to make the marketer (instead of the
17 natural gas customer) financially responsible to Spire regarding Sheet 9.7, Sec. C.7.a.3
18 where Spire proposes that marketers that aggregate a pool of customers “shall be
19 responsible for clearing the monthly imbalance” as set forth in the “Cash Out” section of
20 the tariff; and in Sheet 9.15, Sec. E.4 and Sheet 9.16, Sec. E where Spire proposes a
21 change to its tariff that would render the marketer, along with the natural gas customer,
22 jointly and severally liable for payment of the Monthly Cash Out. In Sheet 9.23, Sec. 5.e
23 Spire similarly proposes tariff changes that would permit it to “bill” and “collect”

1 unauthorized over or under delivery penalties for pools from marketers, rather than from
2 Spire’s natural gas customers. But, these parties discovered in Case No. GC-2021-0316
3 that no marketers working through Winter Storm Uri engaged in “arbitraging price
4 disparities among pipelines serving a market using Spire as a captive buyer,” so there are
5 no facts supporting that allegation by Spire Witness Embry at pages 22-23.

6 Sheet 9.17, Sec. E.5 includes edited language that Spire has not identified as
7 having been edited, and it once again attempts to hold the marketer financially
8 responsible to Spire for charges owed by the natural gas customer. This section, titled
9 “Limitation of Transportation Service and Other Charges” is currently found at Spire
10 West tariff Sheet No. 16.6.A.11, and the last sentence currently reads as follows: “In the
11 event that this transportation service cause the incurrence of demand charges, standby
12 charges, reservation charges, penalties or like charges from the Company’s gas suppliers
13 or transporters, such charges are in addition to charges for gas actually received by the
14 Company, such charges shall be billed to the customer in addition to amounts for service
15 rendered hereunder.” However, the last sentence in Spire’s proposed tariff Sheet
16 9.17.E.5 reads as follows (edited language shown here in italics): “In the event that this
17 transportation service causes the incurrence of demand charges, standby charges,
18 reservation charges, penalties or like charges from the Company’s gas *RGMs* [Retail Gas
19 Marketer] or transporters, which charges are in addition to charges for gas actually
20 received by the Company, such charges shall be *paid by the transportation customer*
21 *causing such charges, or the customer’s RGM.*”

22 **Q. Do you have concerns about Spire’s proposal to require marketers to provide**
23 **certain documentation of creditworthiness?**

1 A. Yes. In Sheet 9.4, Sec. C.1.f Spire proposes changes to its tariff to require marketers to
2 incur unnecessarily onerous and expensive credit documents, and Spire Witness Embry
3 testifies at page 20 that change will enable Spire to evaluate the creditworthiness of
4 marketers and their ability to pay imbalances and penalties. But, as I testified above, the
5 natural gas customer is responsible for such charges. The marketer is simply an agent for
6 the transportation customer who has the direct contractual relationship with Spire.

7 **Q. Do you have concerns about Spire’s proposal that this Commission exercise**
8 **“oversight” over marketers?**

9 A. Yes. Regarding the changes Spire proposes to Sheet 9.4, Section C.1.g, Spire Witness
10 Embry declares at pages 20-21 that this “Commission was unable to provide oversight”
11 over marketers during Winter Storm Uri and that a tariff change to authorize such
12 oversight “would have led to better customer protection and prevented certain detrimental
13 actions” by some marketers. But, given that it was the extreme weather conditions of
14 Winter Storm Uri that caused problems for marketers, Spire and their mutual customers,
15 it is unclear to me how those weather-related problems could have been prevented by this
16 Commission’s “oversight,” if this Commission even had such authority.

17 **Q. Do you have concerns about Spire’s proposed changes to its tariff regarding the**
18 **suspension or revocation of a marketer?**

19 A. Yes. Regarding Sheet 9.5, Sec. C.2 and C.3, Spire Witness Embry testifies at page 21 that
20 Spire proposes these new tariff sections to “formalize” Spire’s “implicit” authority to
21 suspend or revoke a marketer’s right to operate or provide service under this tariff. But,
22 the events of Winter Storm Uri indicate to me that Spire does not believe it has such

1 “implicit” authority because it did not to my knowledge suspend or revoke any
2 marketer’s rights. At any rate, Spire now asks for the “sole” authority to unilaterally
3 decide that a marketer has committed any “breach of its agreement with the Company,”
4 and then suspend that marketer’s right to operate with only 10 days’ notice. Spire also
5 asks for the “sole” authority to unilaterally decide that a marketer has taken an “action or
6 inaction [that] affects safety,” and then “immediately” revoke that marketer’s right to
7 provide service. In my experience, utilities do not have this unchecked power to harm a
8 marketer’s and its customer’s rights.

9 **Q. Do you have concerns about Spire’s proposal to nominate itself to serve as a**
10 **transportation customer’s marketer?**

11 A. Yes. In the two new sections Sheet 9.6, Sec. C.4 and C.5, Spire proposes to serve as the
12 marketer for any transportation customer that “has not currently appointed” a marketer,
13 and if that customer does not identify a marketer “within two Billing Periods,” that
14 transportation customer is kicked out of the transportation class of service and into
15 Spire’s General Service Rate. These two new sections will inevitably lead to fewer
16 choices and higher costs to customers because Spire’s proposed changes to Sheets 9.3,
17 9.4 and 9.5 will greatly reduce the number of marketers available to serve customers, and
18 Spire’s unilateral approval authority will greatly slow the process of Spire “authorizing”
19 marketers to serve transportation customers. The better practice is for the tariff to set the
20 parameters for Spire’s authorization of marketers to be included on a list that Spire would
21 be obligated to provide to any customer desiring to become a transportation customer,
22 and to any existing transportation customer who found itself without a marketer.

1 **Q. Do you have concerns about Spire’s proposal to change the deadlines for**
2 **nominations of natural gas?**

3 A. Yes. In Sheet 9.8, Sec. C.7 Spire proposes to change its tariff to accelerate the deadlines
4 for nominations so that “a change of Nomination for transportation of Customer-owned
5 gas shall notify Company by three hours prior to” FERC’s Timely Cycle, Evening Cycle
6 or Intra-Day Cycle. But, marketers do not provide their nominations to Spire; rather,
7 nominations are provided to the upstream pipeline in compliance with the deadline set by
8 that pipeline. Thus, Spire’s proposed tariff change would illogically require marketers to
9 report nominations to Spire prior to the time required by the upstream supplying pipeline.
10 This would remove Spire from the nationally recognized and accepted FERC nomination
11 deadlines. Furthermore, all the information necessary to make the earlier nominations on
12 Spire would not be available.

13 **Q. Do you have concerns about Spire’s proposal regarding a Late Payment Charge?**

14 A. Yes. In Sheet 9.12, Sec. D Spire proposes to add a Late Payment Charge of 1.5% “to the
15 outstanding balance of all bills not paid by the delinquent date stated on the bill.” But,
16 sometimes Spire’s invoice is simply inaccurate and must be disputed. Upon the
17 resolution of a timely-initiated dispute, if a balance is owed to Spire, a Late Payment
18 Charge could be fairly applied if the balance is not paid by the deadline set in the
19 resolution of the dispute. Spire also proposes to add language giving it the unilateral
20 right to “suspend further receipt and/or delivery of gas” to a customer with an allegedly
21 delinquent bill. But, every customer should be provided a fair process to dispute a bill
22 before Spire terminates that customer’s right to receive or deliver gas.

1 **Q. Do you have concerns about Spire’s proposal to change its tariff requirements**
2 **regarding its authority to call OFOs?**

3 A. Yes. Winter Storm Uri and the litigation that followed leads to the logical conclusion
4 that more, rather than less, refinement of Spire’s authority to call an OFO will better
5 serve all concerned. However, in four proposed changes to Sheet 9.17, Sec. F.1 Spire
6 seeks to have its authority to call an OFO described more vaguely and more expansively.
7 First, under the current tariff, Spire has the authority to call an OFO “as necessary, to
8 protect the integrity of its system...” In other words, if the system’s integrity is not
9 threatened, Spire has no authority to call an OFO. Now, Spire proposes tariff changes
10 that would permit it to call an OFO in its “sole discretion reasonably exercised.” Second,
11 under the current tariff, Spire may call an OFO when conditions exist which exceed the
12 maximum allowable operating pressure or cause loss of sufficient line pressure. Now,
13 Spire wants the authority to call an OFO when it determines that there is only the “risk
14 of” exceeding maximum allowable operating pressure or loss of sufficient line pressure.
15 Third, under the current tariff, Spire’s “actions with respect to its OFOs shall be
16 reasonable, objective, non-discriminatory and consistent” with applicable law. Now,
17 Spire proposes to delete the language requiring its actions to be “objective” and “non-
18 discriminatory.” Fourth, under the current tariff, “[b]efore issuing an OFO, Spire...will
19 attempt to identify specific customers causing the conditions that give rise to the need for
20 the OFO.” In other words, Spire is mandated to identify the customers causing the
21 conditions at issue before it has authority to issue an OFO. Now, Spire proposes to
22 change this mandatory requirement to a discretionary one such that “[w]here
23 applicable...[Spire] may attempt to identify specific customers causing the conditions

1 that give rise to the need for the OFO.”

2 **Q. Do you have concerns about Spire’s proposal to release it from the current tariff**
3 **obligation to specify the duration of any OFO it calls?**

4 A. Yes. Sheet 9.18, Sec. F.1 currently requires Spire to specify the duration of any Standard
5 OFO it calls so that the customer knows how long it must employ the “preemptive or
6 preventive actions and/or measures” Spire has required of the customer in response to the
7 conditions which gave rise to the OFO called by Spire. Spire Witness Embry testifies at
8 pages 22-23 that Winter Storm Uri was an instance “in which the duration is unknown
9 due to the nature of the event causing the OFO,” and so Spire proposes that it now be
10 required to specify the duration of its OFO only “if known.” The better practice that
11 provides customers with the greatest ability to plan and comply is for Spire to issue
12 successive OFOs of specified duration until the event causing the OFO resolves.

13 **Q. Do you have concerns about Spire’s proposal regarding physical disconnection or**
14 **interruption of gas to a transportation customer?**

15 A. Yes. I do not generally oppose the concept of physical curtailment so long as customers
16 are on notice of the circumstances in which curtailment could occur and the process is
17 fair. However, in new Sheet 9.19, Sec. F.2.c, Spire seeks the unilateral “right to
18 disconnect or otherwise physically interrupt the flow of gas to any transportation
19 customer to effectuate a POC [Period of Curtailment].”

20 **Q. Do you have concerns about Spire’s proposal to shorten the time it must provide for**
21 **notice of an OFO or POC?**

1 A. Yes. The current Spire West tariff Sheet 16.7.B.1 reads as follows: “Where practicable,
2 OFO’s will be issued by 12 noon Central time and will be effective the second day after
3 issuance, thereby providing time for Transportation Customers to adjust their
4 nominations in accordance with the OFO.” But, in Sheet 9.20, Sec. F.3 Spire proposes
5 changes that would require it to only provide “at least 24 hours notification” or even “a
6 shorter notice” of an OFO or POC if Spire determines it necessary to protect system
7 integrity. Again, Spire proposes to be released from specifying the duration of the OFO
8 or POC by requiring it to declare the duration only “if known.”

9 **Q. Do you have concerns about Spire’s proposal regarding OFO and POC penalties?**

10 A. Yes. Regarding Sheets 9.22 and 9.23, I generally oppose penalty provisions tied to a
11 multiple of a market index price because (as evidenced during Winter Storm Uri) such
12 provisions may cause a rise in actual market prices, may result in windfalls for some
13 customers at the expense of other customers and are generally ineffective as disincentives
14 when natural gas supplies are truly unavailable. I support a fixed penalty structure plus
15 incremental costs, as explained more fully in the testimony of Ray Gifford.

16 **Q. Do you have concerns about Spire’s proposal to require marketers or customers to**
17 **make full payment to Spire of all demanded penalties as a prerequisite to pursuing**
18 **any dispute process?**

19 A. Yes. Spire proposes to change Sheet 9.24, Sec. F.5.f so that any marketer or customer
20 wanting to dispute Spire’s “imposition or calculation” of OFO or POC penalties “shall be
21 required to pay to the Company the full billed amount of such penalties as a condition
22 precedent to initiating any associated regulatory or legal action.” As I already testified,

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

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

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

8 A. Absolutely not. Symmetry did its best to serve customers by purchasing all the gas it
9 could and doing everything it could to protect the integrity of the Southern Star system.
10 All of our decisions during Uri were made based on our contractual obligations and with
11 the intent to protect the integrity of the Southern Star system, without regard to
12 Symmetry's bottom line.

13 **Q. Do you believe that Symmetry's actions during Winter Storm Uri justify any of the**
14 **changes Spire proposes to be made to its tariff?**

15 A. No.

16 **Q. Why not?**

17 A. Symmetry's actions during Winter Storm Uri were in response to the extreme conditions
18 and environment of that storm. So, the changes Spire now proposes to its transportation
19 tariff would not and could not have had any impact on Symmetry's actions, as none of
20 Spire's proposed tariff changes can prevent the type of extreme weather conditions of a
21 Winter Storm Uri.

22 **Q. Do you believe that Symmetry's actions during Winter Storm Uri justify changes**
23 **in Spire's tariff that would require Symmetry (and other marketers) to bear**

1 **financial responsibility to Spire for any natural gas customer’s imbalance charges**
2 **or penalties?**

3 A. No.

4 **Q. Why not?**

5 A. The natural gas customer is financially responsible for imbalance charges, cash-outs and
6 penalties. Removing this financial responsibility from the ultimate customer (and
7 shifting that responsibility to marketers as Spire proposes) would indemnify the ultimate
8 customer from responsibility for how it chooses to perform during OFO events. And,
9 only Spire – not the marketer – has the ability to curtail or stop deliveries to any customer
10 that chooses not to comply with an OFO.

11 **Q. Are you aware of any example in the natural gas industry where marketers bear the**
12 **financial responsibility to the utility for a natural gas customer’s imbalances or**
13 **penalties?**

14 A. No. To my knowledge, all utilities hold the utility customer ultimately responsible.

15 **Q. During Winter Storm Uri, what did you observe to be the effect on flowing gas**
16 **supplies of tariff provisions calculating OFO and POC penalties on multiples of**
17 **market index prices?**

18 A. Those penalty provisions did nothing to help the situation, and even made it worse.
19 Neither Symmetry nor any other marketer I was aware of tried to profit from that extreme
20 weather which simply caused flowing gas supplies to become unavailable. So, there was
21 no bad behavior to be deterred by the threat of those penalties. In fact, those penalty
22 provisions caused a rise in actual market prices which made the situation worse for
23 everyone.

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

2 **A.** Yes.

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.

DocuSigned by:
Shon Purcell
2FAD35E02386476
Shon Purcell

Subscribed and sworn to before me this 8 day of September 2022.

Courtney Ann Carter
Notary Public

My commission expires: 6/14/2026

