

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

In the Matter of the Application of Spire Missouri)
Inc. to Change its Infrastructure System) **File No. GO-2019-0115**
Replacement Surcharge in its Spire Missouri)
East Service Territory)

In the Matter of the Application of Spire Missouri)
Inc. to Change its Infrastructure System) **File No. GO-2019-0116**
Replacement Surcharge in its Spire Missouri)
West Service Territory)

STIPULATION AND AGREEMENT REGARDING OVERHEADS

COME NOW the Office of the Public Counsel (“OPC”); Spire Missouri Inc., on behalf of itself and its two operating units, Spire East and Spire West (the “Company” or “Spire”); and the Staff of the Missouri Public Service Commission (“Staff”), and for their Stipulation and Agreement Regarding Overheads, respectfully state as follows:

1. On January 14, 2019, Spire filed applications to change its ISRS for both its Spire East and Spire West service territories, and updated the applications on February 25, 2019.
2. One of the issues identified by the Parties related to the overhead costs allocated or assigned by the Company to its ISRS projects. Since the close of the evidentiary hearing in these cases, the Parties have had additional communications regarding this matter and have reached a Stipulation and Agreement resolving this issue for purposes of this proceeding. Pursuant to their Agreement, the Parties recommend that the Commission approve the following terms.
3. The Parties agree that no adjustment shall be made in these ISRS cases relating to the overhead costs assigned to the Company’s ISRS projects. This agreement does not preclude

the Office of the Public Counsel or the Staff from challenging the prudence of the overhead costs assigned to these ISRS projects in a subsequent general rate proceeding, including without limitation, a challenge brought pursuant to Section 393.1015.8 RSMo.

4. Within 45 days of the Commission's order approving this Stipulation, the Parties agree to begin meeting to discuss how the Company determines the amount and nature of the overheads allocated to its ISRS projects. As part of those discussions, the Company agrees to provide a detailed presentation describing how overheads for ISRS projects are determined and to discuss with the Parties the contents of the presentation. During this period of review and discussion, and after the detailed presentation made by Company, the Company will provide data and respond to interrogatories requested by the Office of the Public Counsel or the Staff regarding overhead allocations to ISRS projects in the same manner provided under Commission rule 4 CSR 240-2.090.

5. If, at any time, any Party believes that a more formal process is needed to address this matter, such Party is free to request that such a proceeding be established and other Parties shall be free to either support or oppose such a request.

GENERAL PROVISIONS

6. This Stipulation is being entered into solely for the purpose of settling the issue explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, method of cost determination or cost allocation or revenue-related methodology.

7. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the

terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same. No Signatory shall assert the terms of this agreement as a precedent in any future proceeding.

8. This Stipulation has resulted from negotiations among the parties to this case, and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

9. This Stipulation embodies the entirety of the agreements between the Signatories in this case on the issue addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

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

11. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

12. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this

Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

13. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §386.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issue resolved herein. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

WHEREFORE, the Signatories respectfully request that the Commission issue an order in this case approving the Stipulation subject to the specific terms and conditions contained therein.

Respectfully submitted,

/s/ Michael C. Pendergast

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**ATTORNEY FOR THE MISSOURI
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 11th day of April, 2019.

/s/ John Clizer