

Exhibit No. 45

Exhibit No:	
Issue:	Capital Structure and Return on Equity (ROE)
Witness:	Adam Woodard
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	Spire Missouri Inc.
Case No.:	GR-2021-0108
Date Testimony Prepared:	July 14, 2021

SPIRE MISSOURI INC.

CASE NO. GR-2021-0108

SURREBUTTAL TESTIMONY

OF

ADAM WOODARD

JULY 14, 2021

**** Denotes Confidential Information****

1 **SURREBUTTAL TESTIMONY OF ADAM WOODARD**

2 **I. INTRODUCTION**

3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Adam Woodard and my business address is 700 Market, St. Louis, MO 63101.

5 **Q. WHAT IS YOUR PRESENT POSITION?**

6 A. I am the Chief Financial Officer and Treasurer of Spire Missouri Inc. (“Spire” or the
7 “Company”) and Vice President and Treasurer of Spire Inc.

8 **Q. ARE YOU THE SAME ADAM WOODARD WHO FILED REBUTTAL**
9 **TESTIMONY IN THIS PROCEEDING?**

10 A. Yes.

11 **II. PURPOSE OF TESTIMONY**

12 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS**
13 **PROCEEDING?**

14 A. The purpose of my Surrebuttal Testimony is to respond to the recommendations regarding
15 capital structure, short-term debt and return on equity (“ROE”) made by witnesses for the
16 Office of the Public Counsel (“OPC”) and Staff of the Missouri Public Service Commission
17 (“Staff”) in their rebuttal testimony.

18 **Q. PLEASE LIST THE SCHEDULES YOU ARE SPONSORING.**

19 A. 1. ROE Survey (Schedule AWW-SR1) and 2. Short-Term Debt vs Short-Term Assets
20 Analysis (Schedule AWW-SR2).

21 **III. RETURN ON EQUITY**

22 **Q. STAFF WITNESS DR. WON CITED 9.44% AS THE AVERAGE FULLY**
23 **LITIGATED GAS UTILITY ROE FOR 2020 IN HIS REBUTTAL TESTIMONY.**

1 Commission a year ago on July 1, 2020 and is not representative of current ROEs for
2 natural gas utilities.¹

3 **Q. WHAT IS YOUR OBSERVATION OF RECENT AVERAGE AUTHORIZED ROEs**
4 **FOR NATURAL GAS DISTRIBUTION COMPANIES?**

5 A. I have included a current survey of authorized ROEs for natural gas utilities across the
6 country in Schedule AWW-SR1², which is a summary table I prepared based on RRA and
7 other publicly available data. The results of my survey are summarized in Table A and
8 Table B below. Authorized ROEs have steadily trended higher. The average authorized
9 ROE over the last twelve months (as of July 1, 2021) is **9.56%** on a simple basis and **9.74%**
10 weighted by rate base. The average authorized ROE in 2021 year-to-date is **9.62%** on a
11 simple basis and **9.77%** weighted by rate base. The average authorized ROE in fully
12 litigated cases in 2021 year-to-date is **9.61%** on a simple basis and **9.87%** weighted by
13 rate base. These levels are more indicative of current authorized ROEs and considerably
14 higher than Dr. Won's recommendation.

Table A

Simple gas averages	1H '21	Q1 '21	LTM ended 6/30/21
All Cases	9.62	9.71	9.56
Settled cases	9.63	9.69	9.57
Fully litigated cases	9.61	9.77	9.56

15

¹ (See GR-2019-0374.)

² Regulatory Research Associates (RRA), a group within S&P Global Market Intelligence,
RRA Regulatory Focus, Major Rate Case Decisions – January – March 2021, April 28, 2021.

1 average is a closer approximation to the trend applicable to a larger natural gas distribution
2 company like Spire Missouri.

3 **Q. IN REBUTTAL TESTIMONY BOTH MR. MURRAY AND DR. WON CRITICIZE**
4 **THE INCLUSION OF A FLOTATION COST ADJUSTMENT. PLEASE EXPLAIN**
5 **WHY THE COMPANY’S INCLUSION OF A FLOTATION COST ADJUSTMENT**
6 **IS APPROPRIATE? (Won Rebuttal, pgs. 36-37; Murray Rebuttal, pg. 28.)**

7 A. I agree with the Surrebuttal Testimony of Dylan D’Ascendis on this matter (pages 31 and
8 39) and would also add that the Missouri Public Service Commission (“Commission”)
9 found that the inclusion of flotation cost was appropriate in Spire Missouri’s last
10 proceeding.³ because equity (including preferred equity) is permanent capital. These costs
11 are not amortized and the capital raised benefits the entire consolidated company including
12 Spire Missouri.

13 **IV. CAPITAL STRUCTURE**

14 **Q. IN HIS REBUTTAL TESTIMONY MR. MURRAY ASSERTS THAT SPIRE**
15 **MISSOURI “MANAGES ITS CAPITAL STRUCTURE TO REPRESENT THE**
16 **CAPITAL STRUCTURE THAT WAS APPROVED BY THE COMMISSION IN**
17 **ITS RATE CASE (GR-2017-0215 AND GR-2017-0216)” AND ASSERTS THAT IS**
18 **NOT SUFFICIENT EVIDENCE TO SUPPORT SPIRE’S POSITION. HOW DO**
19 **YOU RESPOND? (Murray Rebuttal, pg. 3.)**

20 A. Spire Missouri is following the guidance and capital structure that the Commission
21 approved in its last rate cases (GR-2017-0215 and GR-2017-0216). The Commission
22 ordered a capital structure of 54.20% common equity and 45.80% long-term debt in those

³ GR-2017-0216, Amended Report and Order, effective March 17, 2018, page 32

1 A. Mr. Murray misstates the credit ratings of Spire Inc. and Spire Missouri on page 8 of his
2 Direct Testimony and Pages 4 and 32 of his Rebuttal Testimony. All of Spire Missouri's
3 long-term debt is subject to its first mortgage and is rated 'A1' by Moody's and 'A' by
4 Standard & Poor's. Spire Inc.'s long-term debt is unsecured and rated 'Baa2' by Moody's
5 and 'BBB+' by Standard & Poor's. Mr. Murray cites a hypothetical unsecured rating of
6 'A3' by Moody's and believes the S&P ratings of the debt of Spire Missouri and Spire Inc.
7 to both be 'A-'. Mr. Murray's lack of reference to the actual ratings on Spire's debt
8 undermines his "debt capacity" thesis.

9 **Q. HOW DOES MOODY'S VIEW SPIRE MISSOURI?**

10 A. Moody's recently provided an update on Spire Missouri's credit profile which:
11 "...reflects its low business risk as a regulated natural gas local distribution company (LDC)
12 and the credit supportive regulatory framework for gas utilities in Missouri, which includes
13 timely investment and cost recovery mechanisms. It also reflects the strong security
14 provided by a first mortgage lien on the utility's assets, which secure all of the company's
15 rated bonds. The credit profile incorporates Spire Missouri's predictable cash flow
16 generation and typically stable financial profile". Moody's, Spire Missouri Inc, Update to
17 Credit Analysis, April 1, 2021.

18 Moody's provides a ratings framework in its reports based on current factors and its
19 forward view. Spire Missouri's current scorecard indicated outcome is an "A3" and its
20 forward view indicated outcome is "A2". These are not credit ratings. Moody's actual
21 assigned rating is "A1". There is no structural subordination notching due to Spire Inc.
22 debt.

23 **Q. HOW DOES STANDARD & POOR'S VIEW SPIRE MISSOURI?**

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED] ** Unfortunately,

5 Mr. Murray dwells on only one of many factors (capital structure) which he fails to

6 accurately explain while ignoring the other factors involved in such an analysis by S&P.

7 **Q. DO THE RATING AGENCIES VIEWS ON SPIRE MISSOURI SUPPORT A**
8 **THEORY SUGGESTING THAT THE COMMISSION SHOULD USE A**
9 **CONSOLIDATED CAPITAL STRUCTURE OR SOME PROXY THEREOF?**

10 **A.** No. In his Rebuttal Testimony, Mr. Murray promotes a theory that Spire Missouri's ratings
11 are limited by Spire Inc. so Spire Missouri should reduce its financial flexibility and
12 increase leverage in order to benefit the ratepayer. (Murray Rebuttal, pg. 4). As mentioned
13 earlier, Mr. Murray's theory is a misstatement and oversimplification of rating agency
14 methodology. Spire Inc. is the holding company for not only Spire Missouri but several
15 other regulated and non-regulated businesses. The rating agencies take all of this into
16 consideration. If anything, Spire Missouri exerts an outsized influence on Spire Inc. given
17 its relative size within the consolidated entity. ** [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED] **

21 **Q. IN HIS REBUTTAL TESTIMONY, MR. MURRAY DISAGREES WITH**
22 **CERTAIN, BUT NOT ALL, FINDINGS OF FACTS BY THE COMMISSION**
23 **SURROUNDING CAPITAL STRUCTURE IN THE LAST RATE PROCEEDING.**

1 affiliates, is part of consolidated Spire Inc., its capital costs and credit quality are managed
2 independent of this affiliation. This is readily evident in Spire’s rating agency
3 presentations which were provided to OPC. Mr. Murray suggests that Spire Missouri is
4 not fully utilizing its “debt capacity” and should further leverage its capital structure for
5 the benefit of ratepayers. (Murray Rebuttal, pg.5.) This radical proposal underscores Mr.
6 Murray’s misunderstanding of rating agency methodology. As discussed earlier, additional
7 leverage does not necessarily lower the cost to the ratepayer. Mr. Murray cites Spire’s
8 stated objective of deleveraging the holding company (which has also been recognized by
9 the rating agencies) in an attempt to support leveraging up Spire Missouri.

10 Commission Staff Witness Dr. Won offered good perspective on this question (Won
11 Rebuttal, pg. 41) in his reference to the Society of Utility and Regulatory Financial
12 Analysts (“SURFA”) guide. Spire Missouri issues its own debt and is in fact an SEC
13 registered entity separate and distinct from Spire Inc. No obligation of Spire Missouri is
14 guaranteed by Spire Inc. (or vice versa). No double leverage exists. Each of these points
15 are important considerations in finding that Spire Missouri has an independently
16 determined capital structure.

17 **Q. IN HIS REBUTTAL TESTIMONY, MR. MURRAY DISAGREES WITH THE**
18 **COMMISSION’S FINDING OF FACT #8⁶ IN THE LAST REPORT AND ORDER**
19 **INDICATING THAT, “IN A VERY GENERAL SENSE, IT MAY BE ACCURATE**
20 **TO STATE THAT SPIRE MISSOURI’S CAPITAL STRUCTURE ‘SUPPORTS ITS**
21 **OWN BOND RATING,’ BUT THIS ISSUE IS MUCH MORE NUANCED THAN**

⁶ *Id.*

1 **COMMISSION IS SETTING RATES IN THIS PROCEEDING AS ARTICULATED**
2 **IN FACT #10 OF THE REPORT AND ORDER FROM THE LAST RATE CASE?**
3 **(Murray Rebuttal, pgs. 6-7.)**

4 A. Yes, and there is literally no nuance here, as Mr. Murray suggests. Mr. Murray reintroduces
5 his theories around the financing of goodwill from the Missouri Gas Energy acquisition,
6 which were correctly rejected by the Commission in the last rate proceeding and should
7 not be re-litigated in this proceeding.

8 The Commission in its finding of facts in the last proceeding found “No portion of the \$210
9 million goodwill asset is included in the company’s rate base”.⁸ That remains the case, and
10 the goodwill asset should be treated the same way in this proceeding.

11 **Q. MR. MURRAY INSISTS IN REBUTTAL TESTIMONY THAT SPIRE INC.’S**
12 **MANDATORY UNIT OFFERING IN FEBRUARY OF 2021 PROVIDES INSIGHT**
13 **INTO SPIRE’S COST OF EQUITY. IS THIS TRUE? (Murray Rebuttal, pg. 9.)**

14 A. No. The offering is essentially a senior note coupled with a three-year forward equity
15 purchase contract. The unit yield includes both a payment on the forward equity purchase
16 contract and interest on the note. The 7.50% unit yield is not equivalent to Spire’s cost of
17 equity. It does not provide the basis for a “reasonableness” test. The investor is buying an
18 option to buy equity in the future. The Direct Testimony, Rebuttal Testimony and
19 Surrebuttal Testimony of Dylan D’Ascendis have provided a comprehensive range of
20 Spire’s cost of equity.

21 **Q. ** [REDACTED]**
22 **[REDACTED]**

⁸ *Id.* at 40.

1 (Murray Rebuttal, pg. 8). Spire Inc. actually incurred additional leverage with this equity
2 unit offering. It is recognized in Spire Inc.'s consolidated cost of long-term debt.

3 It is difficult to reconcile these facts into a narrative that the issuance was driven by the
4 consolidated capital structure.

5 **Q. ARE UNIT MANDATORY TRANSACTIONS TYPICALLY ISSUED BY**
6 **INVESTMENT GRADE COMPANIES?**

7 A. Mr. Murray suggests (Murray Rebuttal, page 12) that unit mandatory issuers are typically
8 issued by investment-grade companies because they are “mindful of the impact issuing
9 debt could have on their credit ratings”. However, the convertible market is used by
10 investment grade and non-investment grade companies. Companies utilize the unit
11 mandatory structure for a variety of reasons. As mentioned earlier, Spire considers the
12 issue debt from an accounting perspective and it is recognized as debt by Moody's.

13 **Q. IN HIS REBUTTAL TESTIMONY, MR. MURRAY PROVIDES THE EXAMPLE**
14 **OF GREAT PLAINS ENERGY AS ANOTHER UTILITY HOLDING COMPANY**
15 **THAT ISSUED EQUITY UNITS, AND SEEMS TO SUGGEST THE INCLUSION**
16 **OF IT IN THE CAPITAL STRUCTURE FOR KCP&L SUPPORTS INCLUSION**
17 **IN THIS CASE. IS THIS A USEFUL PRECEDENT? (Murray Rebuttal, pgs. 12-13)**

18 A. No. Great Plains issued equity units in 2009 yielding 12% (full cost was 13.59%). Of the
19 all-in yield of 12%, a vast majority was attributable to the subordinated note coupon (10%,
20 or 83% of the overall yield). While it was included in the capital structure by the
21 Commission it was not deemed to be equity, as Mr. Murray asserts. Another example of a
22 holding company that issued equity units that Mr. Murray does not cite is Spire (then
23 Laclede Group) which issued equity units in 2014. They were not included in the capital

1 A. None. Spire Missouri’s long-term capital structure is not supported by short-term debt. As
2 noted in the Commission’s order in Spire Missouri’s last rate proceeding “only rarely has
3 short-term debt been included in the capital structure of major public utilities”.⁹
4 The Commission cited its customary “point in time” analysis in the last rate proceeding in
5 its examination of short-term assets relative to short-term debt. See Schedule AWW-SR2
6 which provides a month-by-month analysis of this during the test year and true-up period.
7 Table C below summarizes the results. The average of all short-term assets exceeded short-
8 term debt after taking into consideration the funding of \$250 million of new long-term debt
9 during the test year. In the 20-month period ending May 31, 2021 (test year plus true-up
10 period) the average short-term debt exceeded short-term assets by approximately ** [REDACTED]
11 [REDACTED] **. However, this takes into account the unusually high short-term assets and
12 liabilities associated with Winter Storm Uri as evidenced by the end of May 2021 actual
13 balances (\$195 million deferred gas costs associated with OFO penalties). Pursuant to the
14 “point in time” analysis, short-term assets exceeded short-term debt in close to half the
15 months of this period (9 of 20 months).

⁹ *Id* at 41.

1 debt authorization process and also outlined in the Notice and pricing information on non-
2 secured debt filed October 9, 2018. The language that Mr. Murray cites from ** [REDACTED]

3 [REDACTED]
4 [REDACTED] **

5 This flexible term loan was ultimately retired early due to an opportunistic movement in
6 loan rates. As noted above, Spire Missouri's intent to proactively manage its debt maturity
7 profile was well established among interested parties and is certainly prudent financial
8 management. Mr. Murray's assertion also ignores the fact that Spire hedged the longer-
9 term issuance in a notional amount matching the size of the term loan upon early retirement.
10 This hedge was settled upon the issuance of 30-year bonds by Spire Missouri in May of
11 2021 which materially reduced its cost of debt as outlined in this rate proceeding.

12 **VI. CONCLUSION**

13 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

14 **A.** Yes.

Natural Gas Rate Proceedings

Completed in the last twelve months

7/1/2021

Company	State	Ticker	Docket	Date	Decision Type	Rate Increase (\$/M)	Increase Authorized			Common Equity to Total Capital (%)	Rate Case Test Year End Date	Rate Base (\$M)
							Return on Original Cost Rate (%)	Return on Equity (%)	Weighting			
1 Puget Sound Energy Inc	Washington		D UG 190530	7/8/2020	Fully Litigated	42.9	7.39	9.40	19.637	48.50	12/2018	2,089.0
2 Texas Gas Service Co	Texas	OGS	D-GUD 10928	8/4/2020	Settled	10.3	7.46	9.50	4.498	59.00	06/2019	473.5
3 DTE Gas Co	Michigan	DTE	C U-20642	8/20/2020	Settled	110.0	NA	9.90	50,919	NA	09/2021	5,143.4
4 Questar Gas Co	Wyoming	D	D 30010-187 GR 19	8/21/2020	Settled	1.5	7.11	9.35	566	55.00	12/2019	60.5
5 Consumers Energy Co	Michigan	CMS	C U 20650	9/10/2020	Settled	144.0	NA	9.90	75.297	NA	09/2021	7,605.8
6 South Jersey Gas Co	New Jersey	SJI	D GR20090243	9/23/2020	Settled	39.5	6.90	9.60	20.483	54.00	06/2020	2,133.6
7 Southwest Gas Corp	Nevada	SWX	D-20-02023 (Southern)	9/25/2020	Fully Litigated	22.7	6.52	9.25	12,258	49.26	11/2019	1,325.2
8 Southwest Gas Corp	Nevada	SWX	D 20-02023 (Northern)	9/25/2020	Fully Litigated	0.6	6.75	9.25	1,433	49.26	11/2019	155.0
9 Eversource Gas Company of MA	Massachusetts	ES	DPV 20-59	10/7/2020	Settled	42.8	7.50	9.70	9.652	53.25	NA	995.0
10 Public Service Co of CO	Colorado	XEL	D 20AL 0049G	10/12/2020	Settled	94.2	6.84	9.20	18,555	55.62	09/2019	2,016.9
11 Northwest Natural Gas Co	Oregon	NWN	D UG 388	10/16/2020	Settled	45.8	6.97	9.40	13.636	50.00	10/2021	1,450.7
12 NSTAR Gas Co	Massachusetts	ES	DPV 19-120	10/30/2020	Fully Litigated	22.8	7.29	9.90	7.723	54.77	12/2018	780.1
13 Columbia Gas of Maryland Inc	Maryland	NI	C 9644	11/7/2020	Settled	3.3	7.16	9.60	1,498	52.63	05/2020	156.0
14 Peoples Gas System	Florida	EMA	D 20200051	11/19/2020	Settled	58.0	5.93	9.90	15,214	54.70	12/2021	1,536.8
15 NY State Electric & Gas Corp	New York	IBE	C 19-G 0379	11/19/2020	Settled	(0.5)	6.10	8.80	5,827	48.00	03/2021	662.1
16 Rochester Gas & Electric Co	New York	IBE	C-19 G 0381	11/19/2020	Settled	(1.1)	6.62	8.80	4,483	48.00	03/2021	509.5
17 Madison Gas and Electric Co	Wisconsin	MGEE	D 3270 UR-123 (Gas)	11/24/2020	Settled	6.7	7.07	9.80	2.767	55.00	12/2021	282.4
18 Pacific Gas and Electric Co	California	PCG	A 18 12-009 (Gas)	12/3/2020	Settled	51.0	7.81	10.25	74,255	52.00	12/2020	7,244.4
19 Southwest Gas Corp	Arizona	SWX	D-G 01551A 19 0055	12/9/2020	Fully Litigated	36.8	7.02	9.10	17,569	51.10	01/2019	1,930.6
20 Avista Corp	Oregon	AVA	D UG 389	12/10/2020	Settled	4.4	7.24	9.40	2,867	50.00	12/2021	305.0
21 Baltimore Gas and Electric Co	Maryland	EXC	C 9645 (Gas)	12/16/2020	Fully Litigated	73.9	6.83	9.65	23,577	52.00	12/2023	2,443.2
22 New Mexico Gas Co	New Mexico	EMA	C 19-00317-UT	12/16/2020	Settled	4.5	6.65	9.38	6,955	52.00	12/2021	741.4
23 Wisconsin Power and Light Co	Wisconsin	LNT	D-6880 UR-122 (Gas)	12/23/2020	Fully Litigated	0.0	7.14	10.00	4,809	52.53	12/2021	480.9
24 Delmarva Power & Light Co	Delaware	EXC	D-20-0150	1/6/2021	Settled	6.7	6.80	9.60	3,837	50.37	03/2020	399.7
25 Cascade Natural Gas Corp	Oregon	MDU	D UG 390	1/6/2021	Settled	3.2	7.07	9.40	1,223	50.00	12/2020	130.1
26 Ameren Illinois	Illinois	AEE	D 20-0308	1/13/2021	Fully Litigated	76.1	7.14	9.67	20,269	52.00	12/2021	2,096.1
27 Black Hills/NE Gas Utility Co	Nebraska	BKH	D NG 109	1/26/2021	Settled	10.7	6.71	9.50	4,775	50.00	12/2019	502.7
28 Piedmont Natural Gas Co	Tennessee	DUK	D 20-00086	2/16/2021	Settled	16.3	6.85	9.80	8,793	50.50	12/2021	897.3
29 Columbia Gas of Pennsylvania	Pennsylvania	NI	D R 2020 3018835	2/19/2021	Fully Litigated	63.5	7.41	9.86	22,965	54.19	12/2021	2,329.1
30 Washington Gas Light Co	District of Columbia	ALA	FC 1162	2/24/2021	Settled	19.5	7.05	9.25	5,019	52.10	12/2019	542.6
31 Southwest Gas Corp	California	SWX	A 19-08-015 (SoCal)	3/25/2021	Settled	3.0	7.11	10.00	2,857	52.00	12/2021	285.7
32 Southwest Gas Corp	California	SWX	A 19 08-015 (NoCal)	3/25/2021	Settled	0.0	7.44	10.00	930	52.00	12/2021	93.0

Short Term Assets ⁽¹⁾	Sep-19	Oct-19
Propane	10,724,244.20	10,723,878.89
Unamortized PGA	(25,362,367.38)	(25,036,107.67)
Deferred Purchased Gas Costs	9,073,493.60	(6,084,210.24)
CWIP	96,011,894.09	71,042,126.61
Deferred Gas Costs - OFO cover charge & penalties ⁽²⁾	-	-
Assets Supported By STD	<u>90,447,264.51</u>	<u>50,645,687.59</u>
Average Notes Payable	386,415,000.00	411,915,000.00
Proforma Long Term Debt Issue	(250,000,000.00)	(250,000,000.00)
Short Term Asset In Excess of Debt⁽¹⁾	<u>(45,967,735.49)</u>	<u>(111,269,312.41)</u>

Short Term Assets Versus Short Term Debt

Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
10,726,793.73	10,726,617.00	10,726,617.00	10,726,617.00	10,712,017.84	10,712,017.84
(5,507,078.99)	(4,356,880.18)	(19,872,555.77)	(19,409,630.64)	(2,852,908.35)	(72,259,842.38)
(94,868,560.75)	(89,873,601.89)	(79,888,463.09)	(71,243,814.39)	(75,661,517.35)	7,659,553.48
89,159,235.99	94,180,321.89	94,985,165.73	80,316,119.97	81,297,316.69	97,721,052.90
-	-	-	-	-	-
(489,610.02)	10,676,456.82	5,950,763.87	389,291.94	13,494,908.83	43,832,781.84
218,415,000.00	189,325,000.00	218,325,000.00	240,775,000.00	257,225,000.00	301,225,000.00
(250,000,000.00)	(250,000,000.00)	(250,000,000.00)	(250,000,000.00)	(250,000,000.00)	(250,000,000.00)
31,095,389.98	71,351,456.82	37,625,763.87	9,614,291.94	6,269,908.83	(7,392,218.16)

		Assets in Excess Of STD		Average	
				13 Months Ended September 2020	13 Months Ended December 2020
Apr-21	May-21				
8,725,847.92	8,725,847.92	Propane		10,724,086.48	10,721,071.60
(12,903,684.13)	(10,451,285.54)	Unamortized PGA		(19,063,595.70)	(28,127,779.16)
973,560.49	9,486,136.90	Deferred Purchased Gas Costs		(48,097,451.51)	(48,347,488.00)
92,798,237.55	49,714,019.84	CWIP		84,263,617.16	87,849,779.32
195,800,000.00	195,800,000.00			-	-
<u>285,393,961.83</u>	<u>253,274,719.12</u>			<u>27,826,656.43</u>	<u>22,095,583.77</u>
632,725,000.00	433,525,000.00			277,319,291.56	277,121,599.25
(250,000,000.00)	(250,000,000.00)			(250,000,000.00)	(250,000,000.00)
<u>(97,331,038.17)</u>	<u>69,749,719.12</u>	<u>(17,842,952.28)</u>		<u>507,364.88</u>	<u>(5,026,015.48)</u>

Table C

	Average			Actual May 2021
	13 Months Ended September 2020	13 Months Ended December 2020	20 Months Ended May 2021 ⁽³⁾	
Short Term Assets⁽¹⁾				
Propane Inventory	10,724,086.48	10,721,071.60	10,341,170.83	8,725,847.92
Unamortized PGA	(19,063,595.70)	(28,127,779.16)	(25,889,619.97)	(10,451,285.54)
Deferred Purchased Gas Costs	(48,097,451.51)	(48,347,488.00)	(31,765,734.15)	9,486,136.90
CWIP	84,263,617.16	87,849,779.32	87,684,374.20	49,714,019.84
Deferred Gas Costs - OFO cover charge & penalties ⁽²⁾	-	-	27,971,428.57	195,800,000.00
	<u>27,826,656.43</u>	<u>22,095,583.77</u>	<u>68,341,619.48</u>	<u>253,274,719.12</u>
Average Notes Payable	277,319,291.56	277,121,599.25	337,523,847.15	433,525,000.00
Proforma Long Term Debt Issue	(250,000,000.00)	(250,000,000.00)	(250,000,000.00)	(250,000,000.00)
Short Term Asset In Excess of Debt ⁽¹⁾	<u>507,364.88</u>	<u>(5,026,015.48)</u>	<u>(19,182,227.67)</u>	<u>69,749,719.12</u>
Underground Gas in Storage	80,269,458.42	78,286,725.54	92,863,367.66	123,131,644.22

⁽¹⁾ Please note that this excludes Natural Gas Stored Underground

⁽²⁾ Please note that the OFO charge & penalties is included in Deferred Gas Costs but has been added to the schedule to reflect current carry cost to Spire Missouri

⁽³⁾ Test year through true-up period (October 1, 2019 - May 31, 2021)