

**SPIRE MISSOURI**  
**COST ALLOCATION MANUAL MARCH 2024**

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## **1. Purpose and Background**

The purpose of this Cost Allocation Manual (“CAM”) is to define Spire Missouri Inc.’s (“Spire MO”) compliance with the Missouri Public Service Commission (“Commission”) Affiliate Transactions Rules (“Rules”) as established in 20 CSR 4240-40.015 and 4240-40.016, which are intended to prevent regulated utilities from subsidizing their affiliated operations and provide the public assurances their rates are not adversely impacted by Spire Missouri’s affiliate activities. The Rules state the CAM should include the criteria, guidelines and procedures Spire MO will follow to be in compliance with the Rules, including cost allocation, market valuation and internal cost methods related to its transactions with affiliates (except with regard to HVAC services as defined in 20 CSR 4240-40.017). Such methods and requirements are designed to ensure no financial advantage or preferential treatment occurs between Spire MO and its affiliates, especially as it relates to its customers’ information. The CAM applies to those transactions between Spire MO and Spire Services Inc or between Spire MO and another affiliate but does not apply to transactions between affiliates that do not involve Spire MO.

The CAM should be viewed as an enduring document that establishes the broad allocation guidelines and costing principles to be used for the above-stated purposes. To that end, adjustments of the CAM should follow the procedures laid out in Section 11.C. Affiliate transactions that do not comply with the standards set forth in section 2(A) of the Rules may also be made if Spire MO determines to the best of its knowledge and belief that compliance with such standards would not be in the best interests of customers receiving regulated service, provided Spire MO complies with the notice, documentation, justification and other procedures set forth in Section (10) of 20 CSR 4240-40.015 and Section (11) of 20 CSR 4240-40.016.

As background for this CAM, in 2001 Spire Inc.’s predecessor, The Laclede Group, was formed as a parent company to facilitate the separation between the regulated utility, Laclede Gas Company, Spire MO’s predecessor, and its non-regulated operations. As part of the Stipulation and Agreement

approving the restructuring in Case No. GM-2001-0342, Spire MO agreed to conduct its affiliate transactions in accordance with a CAM submitted in that proceeding. Spire MO's affiliate transactions were ultimately made subject to the Commission's Affiliate Transactions Rules when those Rules were upheld upon judicial review.

Until more recently, Spire MO's most significant affiliate was Spire Marketing, previously Laclede Energy Resources. Because of various acquisitions made over the past five years; however, Spire Inc. is mostly composed today of regulated gas utilities, namely the western assets of Spire MO, previously Missouri Gas Energy, Spire Alabama Inc., previously Alabama Gas Corporation, and the two utilities under Spire EnergySouth Inc.: Spire Gulf Inc., previously Mobile Gas Service Corporation, and Spire Mississippi Inc., previously Willmut Gas & Oil Company. In addition to these regulated gas utilities, the Spire Inc. family also includes these subsidiaries: Laclede Development Company; Spire Resources LLC; Spire NGL Inc.; Spire Oil Services LLC; Spire Midstream LLC; Spire STL Pipeline LLC; Spire MoGas Pipeline LLC; Spire Properties Wentzville LLC; Omega Pipeline Company, LLC; Belle Butte LLC; Spire Storage West LLC; Spire Storage Salt Plains LLC; Laclede Insurance Risk Services Inc.; and Spire Services Inc.

In 2013, Spire MO became the first regulated utility in Missouri to have its CAM specifically approved by the Commission. Partly in response to the multiple acquisitions described above, Spire Inc. developed a shared services organization designed to provide common corporate services across the various subsidiaries in a competent and cost-effective manner. Spire Services Inc. ("Spire Services") was formed in 2017 to better facilitate this approach. Initially, Spire Services strictly acted as an accounting pass-through and transparent mechanism by which shared services costs could be appropriately allocated across operating units of the organization. Starting on January 1, 2023, shared services employees were transferred to Spire Services Inc., which now provides corporate support services to its regulated and unregulated affiliates. Such services include corporate shared services, shared support facilities, joint

purchasing, and central cash management similar to those described in the Rules.

In Spire MO's 2017-2018 rate case (Nos. GR-2017-0215 and GR-2017-0216) which concluded in early 2018, Spire MO and other parties to that case recognized that Spire MO's CAM should be revisited and updated in light of the multiple recent significant acquisitions. In response, the Commission determined that “. . .the best way to accomplish that rewrite is to authorize a working group, comprised of Spire Missouri, Staff, Public Counsel, and any other interested stakeholders, to draft a proposed CAM for the Commission's approval.” Amended Order, pp. 59-60. In its Amended Report and Order in Case No. GR-2021-0108, issued on November 12, 2021, the Commission ordered that the working group file a draft CAM for Commission approval no later than six months from the effective date of its order (May 23, 2022). The adoption of this updated CAM will satisfy the requirement of that Order.

## **2. Overview**

The criteria, guidelines, and procedures in Spire MO's CAM utilizes several related documents to provide additional details on how the CAM effectuates certain processes, activities and allocation factors to provide customers with the public assurances their rates are not adversely impacted by Spire Inc.'s non-regulated activities. One of those documents is the Services and Facilities Agreement (“SFA”), which defines the relationship between Spire MO and Spire Services Inc., as well as other affiliates that wish to participate in affiliate transactions, and the procedures, terms and conditions for the provision of corporate shared services. These include, among others, shared corporate support services, shared support facilities, joint purchasing, and central cash management. Another is the Gas Supply and Transportation Standards of Conduct, agreed to and approved by the Commission in 2013. They define how various gas supply transactions of varying duration are to be conducted in a manner that complies with the purposes of the Rules, including the processes and procedures to be followed to ensure that purchases and sales of natural gas under contracts of different durations and types are made on a competitive basis. Finally, the annual CAM Report provides detailed and specific information relevant to the prior fiscal year in terms

of the organizational structure, shared services functions, affiliate transactions, non-regulated activities of Spire MO, transfers of employees, and descriptions of any changes and adjustments to accommodate changes in business operations of Spire MO.

To ensure these goals are achieved, this CAM specifies in Section 5 the Costing Methodology that is used to price goods and services in accordance with the Rules. It addresses the Rules' standards relating to Fully Distributed Costs (FDC) and Fair Market Price (FMP) and their implementation under the variances proposed herein, including when and under what circumstances these asymmetrical pricing standards are applied. Similarly, in Section 6, the CAM describes the charging/allocation guidelines that are used to direct charge or allocate costs (including both direct and indirect costs) between operating units in a manner that properly reflects cost causation and the relationship between work being performed and the assignment of costs to operating units.

This CAM is appropriately considered a living document designed to adapt with the Company as it pursues opportunities to provide benefits to customers through growth and the sharing of relatively fixed costs with the allocation of common goods and services. Any changes to the Commission-approved CAM or the SFA will follow the procedures outlined in Section 11.C., Spire MO's waiver request for adjustments to the allocation guidelines, and principles in this CAM. This CAM, including all Appendices, and associated CAM Reports, will be submitted through the Commission's EFIS filing system in accordance with the timelines outlined in the Rules, including any waivers or variances to the Rules approved for Spire MO by the Commission. Upon official Commission approval of the CAM, any changes to the CAM will be submitted to Staff and OPC, in accordance with the procedures outlined in Section 11.C., as noted above, with full explanation and any associated supporting documentation.

This CAM also provides for a variance from, or waiver of, the Rules' requirements as to the contents and timing of fiscal year reporting, the Gas Supply Transportation Standards of Conduct, and the evidentiary standards for corporate support services provided by Spire Services Inc. and allocated to

Spire MO. Spire MO will seek, through the process outlined in Section (10) of 20 CSR 4240-40.015 and Section (11) of 20 CSR 4240-40.016, any necessary variance in the event it determines, to the best of its knowledge and belief, that making such a non-complying affiliate transaction is in the best interests of its customers who receive regulated service.

### **3. Services and Facilities Agreement (SFA)**

Spire MO believes that the central management of certain services and the provision of certain services, facilities and other activities among Spire MO, Spire Services and other Spire MO affiliates is efficient and cost effective and therefore in the best interest of its customers. The purpose and intent of the SFA is to set forth procedures and policies to govern transactions involving corporate shared services, shared support facilities, joint purchasing and central cash management and other activities among Spire Services Company, other Spire affiliates, and Spire MO, whether such transactions occur directly or indirectly. The SFA establishes the procedures, terms and conditions regarding the provision of services, facilities and other activities. To the extent the SFA specifies terms and conditions for providing corporate shared services, facilities and other activities relating to Spire MO's regulated services, the SFA shall comply with the Commission's Rules, as implemented in accordance with the provisions of this CAM and shall not provide a preferential service (as defined by 20 CSR 4240-40.015(1)(H)). A copy of the SFA is attached hereto as **Attachment 1**.

The SFA will be reviewed by Spire MO on an annual basis to ensure that the policies and procedures in the SFA are designed and administered in a manner that, except as necessary or needed to provide corporate shared services as described in the SFA, ensures that no preferential service (as defined by 20 CSR 4240-40.015(1)(H)) is provided by Spire MO to any affiliate through its transactions under the SFA. In addition, the terms and conditions of the SFA will ensure that under no circumstances will the sharing of goods or services impair the reliability of the service provided by Spire MO. In the event that Spire MO desires to obtain any goods or services directly from an affiliate

Other than Spire Inc. or Spire Services, Spire MO will enter into an agreement with that affiliate through the SFA or via a discrete written agreement for the particular transaction.

Spire MO will determine annually the appropriate level of services, facilities or other activities it requires from Spire Services and will make such requests as it deems appropriate for corporate support for services, facilities or cash management. A Party to the SFA may evidence their agreement with respect to the availability, provision or use of the facilities, services and activities by entering into an agreement, lease, license or other written memorandum or evidence consistent with the terms of the specific SFA. By requesting the use of facilities, equipment, resources, capabilities and/or services, a party shall be deemed to have agreed to pay, and shall pay, to the provider or providers the charge determined therefore in accordance with Commission rules, the CAM and the SFA. Charges for the use of facilities, equipment, capabilities, services or other resources shall be determined in accordance with the section below regarding cost methodology and shall include an appropriate allowance for related depreciation or amortization and a cost of capital (capital-related costs). Payment for such shall be accounted for monthly and shall accrue interest at the monthly average cost of short-term debt borrowing for that particular month if the payment is not made by the last day of the month following the month in which the service was rendered. The same interest rate will be applied to both payments to and from Spire MO.

#### **4. No Preferential Treatment**

Spire MO will not provide preferential service to an affiliate. As used herein, preferential service means information or treatment or actions by the regulated gas corporation which places the affiliated entity at an unfair advantage over its competitors. Except as necessary to provide corporate support functions, Spire shall conduct its business in such a way as not to provide any preferential service, information, or treatment to an affiliated entity over another party at any time.

##### *A. Asset Sales and Leases*

Spire MO shall not sell, lease, assign or transfer to Spire Services or any affiliate or third party any of its utility assets that are useful and necessary in the performance of its public utility obligations without obtaining prior Commission approval.

B. *Access to Customer Information*

Spire MO shall prohibit and shall not permit access by affiliates, subsidiaries, and third parties to customer specific information (including but not limited to, customer names, addresses, telephone numbers, social security numbers, customer account numbers, customer banking or financial institution information or other personally identifiable information as well as customer usage, billing information, payment history, or other customer account information, etc.) possessed by the utility unless specifically authorized by the customers in writing, see 20 CSR 4240-40.015(2)(C). Spire MO shall maintain all documentation of such customer authorizations and be able to present those to the Staff of the Missouri Public Service Commission and to the Office of the Public Counsel upon their request. All breaches of such customer information to affiliates, subsidiaries and/or third parties, regardless of their magnitude, will be reported to the Missouri Public Service Commission Staff and to the Office of the Public Counsel as soon as they are discovered by Spire MO.

C. *Customer Requests About Goods and Services*

Where requirements relating to customer requests for information concerning the goods and services provided by an affiliated entity are applicable, Spire MO will provide customers receiving regulated services in Missouri with a written disclaimer indicating that regulated services are not tied to the use of the affiliated entity and that other service providers may be available.

D. *Gas Supply and Transportation Transactions*

Where Spire MO purchases or sells gas or contracts for pipeline capacity, it will ensure that all providers and/or buyers of such goods and services are treated in a fair and non-preferential manner by following the competitive bidding and other requirements set forth in the Gas Supply and Transportation



Standards of Conduct attached hereto and the applicable affiliated transaction rule.

## **5. Costing Methodology**

As previously stated, the purpose of the Rules is to prevent regulated utilities from subsidizing their affiliates and provide the public assurances that rates are not adversely impacted by the affiliate activities. As such, transactions for services and facilities among affiliate companies are priced according to standards that do not result in preferential service or a financial advantage for an affiliated entity. As per the Rules, financial advantage occurs in instances where the utility compensates an affiliate for goods and services at a price that is above the lesser of a Fair Market Price (“FMP”) or the Fully Distributed Cost (“FDC”) of the affiliate providing the goods or services, or in the instance the Company provides goods or services to an affiliated entity at a level below the greater of the FMP or the FDC. Prior to allocating costs, and subject to other pricing provisions like those contained in the Gas Supply and Transportation Standards of Conduct, Spire MO and its affiliates will ensure FDC reflects costs that are contained within any clearing accounts, as well as all appropriate overheads, and where applicable, capital-related costs, creating an “all-in cost.”

For transactions involving utilities regulated by any state public service commission, it would not be reasonable nor appropriate to charge a price higher than cost to such regulated utility, as the other regulatory authorities, just like the Missouri Commission, would not allow profiteering at the expense of the utility they regulated. This also recognizes that such regulatory authorities, like the Missouri Commission, are assumed to be equally devoted to ensuring that such costs are prudent and are based on fully distributed costs. Under Spire MO’s current CAM this concept that shared services should be allocated and charged based on fully distributed costs is already recognized. The Commission’s affiliate transaction rules provide an additional safeguard, however, that is designed to ensure that costs and charges for transactions between affiliates are reflective of fair market prices as well. To ensure compliance with these rules, Spire MO shall engage in competitive bidding for any transactions (other

than those involving purchases and sales of natural gas supply or capacity release, which shall remain subject to the Gas Supply and Transportation Standards of Conduct) between it and an affiliate, including Spire Services that is over \$10,000 and take other steps to ensure that what is being charged or allocated between affiliates is reflective of both fully distributed costs and prevailing market prices. Where competitive bidding is not necessary or appropriate, the Company will demonstrate and document the Company's reasons why it did not engage in competitive bidding. Additionally, for affiliate transactions up to \$10,000 between Spire Services Inc. and Spire MO and for personnel costs allocated from Spire Services Inc. to Spire MO, Spire MO requests a waiver of 20 CSR 4240-40.015(3) as detailed in Section 11.D.

In order to continue ensuring compensation for goods and services does not result in any unfair financial advantage, Spire MO, Spire Services, and any of their affiliates will gather adequate and appropriate market survey information, perform relevant pricing research, and issue Requests for Proposal (RFPs) to ensure costs paid for goods and services and other activities between Spire MO and affiliates are no higher than those found in the relevant market.

- A. *Fully Distributed Costs ("FDC")* includes all direct, clearing, overhead, indirect, and capital-related cost. The FDC of facilities, goods or services means:
1. Spire MO's cost of labor (including all clearings and labor overheads, such as pensions and OPEBs), the rent or capital-related costs associated with the facilities used by such employees,(the depreciation or amortization expense on facilities and/or assets used by such employees, and debt and equity costs associated with any investments consumed in the process of providing the asset or service that would be directly attributed and charged to the asset or service); and
  2. A reasonable allocated share of Spire MO's indirect joint and common labor and administrative and general costs. The actual application of FDC cost allocations

occurs through what is commonly called the “three-step” allocation method. This method begins with the premise that to the maximum extent practical, all costs which can be specifically attributed to a business segment are directly charged to that business segment. Secondly, indirect costs which cannot be directly charged are allocated to business segments based on a causal relationship. In the third step, any remaining costs which cannot be reasonably associated with a specific, identifiable, causal relationship shall be allocated using a general allocator as described below.

3. The FDC cost for services is thereby assigned to affiliates based upon the combination of direct and indirect costs, including clearings, overheads, non-productive time and capital-related costs, as well as allocated costs, to create an “all in” cost.

B. *Fair Market Price (“FMP”).* The FMP of facilities, goods, or services means:

1. The price of an arms-length exchange for the same good or service for cash in the marketplace at or near to the date of the transaction. If there is evidence that the marketplace transaction was not conducted at arms-length (the amount at which facilities, goods or services would change hands between an unaffiliated willing buyer and seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts) or if there is evidence that the market price has changed materially between the date of the marketplace exchange and the date of the affiliate transaction, then the marketplace transaction cannot be used as the basis of determining the FMP in a transaction with an affiliate, unless appropriate adjustments are made to reflect such market changes.
2. In the absence of a cash transaction on which to base FMP, or in situations where

the cash transaction cannot be used as described in number one above, Spire MO will determine and document the FMP established by the transactions of other unaffiliated entities that have bought or sold the same or similar items in recent cash transactions under comparable terms and conditions.

a. Spire MO will ensure that the Human Resources or Procurement function of Spire Services Inc. will make reasonable efforts through market surveys or RFPs to ensure that the FDC allocated to affiliates for services provided by Spire MO falls within the range of prices charged for such services by outside companies or firms that engage in similar work. If the results of such surveys demonstrate that the costs charged by Spire MO for such services consistently fall below such range, then a prospective adjustment shall be made at the time of Spire MO's annual CAM Report filing to bring the amount allocated within the range. The results of the market surveys will be made available to the Staff and OPC as requested. The market survey performed by Spire MO will be updated at least once every two years.

3. In the absence of cash transactions made by Spire MO in the marketplace (number one above) and a lack of data about transactions by other entities (number two above), Spire MO can use benchmarking practices (20 CSR 4240-40.015 (3)(D) and 20 CSR 4240-40.016 (4)(D)), if approved by the Commission in a later CAM filing or other type of filing.

4. For costs and revenues generally subject to PGA/ACA recovery as gas supply and capacity release, refer to the requirements in **Attachment 2**, Gas Supply and Transportation Standards of Conduct.

C. *Evidentiary Standards*: In all transactions with affiliated entities involving the provision

or receipt of information, assets, goods or services, Spire MO must demonstrate, unless a Commission approved variance or waiver applies, that:

- It considered and included all operating, capital-related, and other costs incurred to complete the transaction in its FDC analysis;
- It calculated the costs at times relevant to the transaction in its FDC analysis;
- It allocated all joint and common costs appropriately in its FDC analysis;
- It adequately determined, documented, calculated and explained the FMP of the information, assets, goods or services, including a description of the methods and procedures used to determine the current prices of these or related services in the competitive market; and,
- The dollar amount of the FMP and FDC will be readily discernible upon a review or audit of the transaction.

D. *Transfer Pricing/Costing Methodology for Energy-Related Goods and Services.*

Transactions between Spire MO and its affiliates for energy-related goods and services for gas supply and capacity release will be priced and conducted in accordance with Attachment 2, Gas Supply and Transportation Standards of Conduct.

1. Gas Supply and Transportation Standards of Conduct. Consistent with the Unanimous Partial Stipulation and Agreement filed on July 16, 2013, in Case No. GC-2011-0098, Spire MO shall rely on its Gas Supply and Transportation Standards of Conduct for its affiliated gas supply and capacity release (Gas Transactions), including off-system sales.
2. Gas Supply and Transportation Standards of Conduct Documentation. Spire MO has included and shall continue to include its Gas Supply and Transportation Standards of Conduct as part of its CAM. For any updates to the Gas Supply and

Transportation Standards of Conduct, Spire MO shall request Commission approval and copies of any change shall be provided to Staff and OPC by submitting both a copy of the modified version, with changes accepted, and a draft version that shows the additions and deletions (track-changes).

## **6. Cost Charging/Allocation Guidelines**

As noted above, costs are charged to affiliate entities based upon (1) Direct Charge and Apportionment, as it relates to charges specifically attributable to a single facility, good or service that contain itemized amounts that can be assigned to a single entity, (2) Indirect Cost, which is an allocation of costs for the benefit of multiple entities and can be assigned through specific allocation factors based upon cost causation principles, and (3) General Allocator, which is used to ensure the remainder of costs are allocated to those entities for which shared services are provided.

1. *Direct Costs* are those charges specifically attributable to a particular facility, good or service and shall be charged directly to the books and records of the affiliate who employed said facility, good or service using standard voucher account distribution procedures. Such charges will be visible in the accounting records through cash vouchers, invoices, or other source documents.

Amounts for direct labor (and related overheads) used in providing a service to an affiliate shall be charged based on time-keeping records for labor hours at departmental or organizational rates, with overhead rates applied. All charges for direct labor charges shall reflect a cost for nonproductive time. The cost for nonproductive time shall be based either on actual non-productive time incurred, or as adjusted on a departmental or organizational basis, to reflect estimated nonproductive time derived from a periodic review. The cost for nonproductive time reflects time incurred for vacations, holidays, and other paid absences. Overtime costs shall be reflected in the direct labor rates charged to a service. Direct labor shall be charged based either

on the base and overtime pay amounts incurred or, as adjusted on a departmental or organizational basis, to reflect estimated overtime incurred based on an overtime review performed periodically. Many payroll-related costs are charged through separate journal entries via clearing account distributions that directly follow the payroll charged to the accounts of the affiliate and as described below.

For most employees, direct labor shall be charged under a positive time reporting methodology under which an employee shall enter hours each pay period for the amount of time incurred in performing the service. For any service where direct labor cannot be charged under a positive time reporting methodology, annual reviews shall be performed and documented to determine a normal distribution of time to said service. The distribution percentages derived from such reviews shall then be used to allocate time with respect to each pay period. For these departments or organizations, direct labor shall be charged to the service under an exception time reporting methodology. That is, significant deviations of actual activity from these predetermined percentages shall be reported and shall result in adjustments to the predetermined distribution of direct labor charges to the affiliate functions. Spire MO will document all such deviations and provide such documentation to Staff and OPC upon request. Based on the time reported each pay period, any regular, pre-determined account distribution for the employee shall be adjusted to reflect the distribution of direct labor charges to the service. The predetermined distribution of direct labor charges will only be adjusted in the event there are ongoing changes to employees' distribution of time among affiliates.

2. *Indirect Costs.* As part of its annual CAM report, Spire MO will provide its indirect cost allocation methodologies, the current version of which is attached to this CAM as **Attachment 3**. Spire MO will also provide with its annual CAM report, a list and description of the specific allocators to be used and will fully detail any instances in which an individual

allocator has been determined to no longer be appropriate for use when allocating an expense and has been modified, added or eliminated. The current version of this list is included as **Attachment 4**. When costs benefit more than one entity, or when costs cannot be specifically associated with a particular activity, the costs shall be allocated as set forth in the details provided in the annual CAM report.

3. *General Allocator*. Some expense items that cannot reasonably be directly assigned and cannot also be reasonably allocated using any cost-causation allocation factor, it is common to combine three financial components to determine an allocation factor referred to as a general allocator (also known as a Massachusetts Formula or Three-Factor Formula). This three-component allocation factor is derived by calculating the percent of each affiliate's share of the total of each financial component. The three components which are included in the allocation factor are to be selected as the most reasonable factors on which the specific costs should be allocated. Spire MO currently uses a general allocator based on 1) fixed assets and investments, 2) revenues, and 3) direct payroll. These factors should be continuously monitored for fairness, relevance, reasonableness and appropriateness and, if the business or operational considerations supporting the propriety of the general allocator computation change materially and continued use of the allocation method results in an inequitable allocation of costs, Spire MO shall change one or more of the component factors, or add a new factor or factors, as soon as practicable, to ensure that the costs are being allocated on the most equitable and appropriate basis. Spire MO shall document the reason for the change and the reasons for the selection of new factors and provide information for the updated general allocator in its annual CAM Report so Staff and OPC are afforded the opportunity to review the appropriateness of any such routine update.

A current list of services shall be included as an appendix to the SFA, and a list of current functions providing shared services and specific allocation factors for their services shall be



provided with each Annual CAM report. If the Company determines an allocation factor is no longer appropriate it will provide an explanation for its determination and detail how the allocator was modified or adjusted in its annual CAM Report so Staff and OPC are afforded the opportunity to review the appropriateness of any such a routine update. Each party shall be free at any time to propose changes to the calculation of the components used in Spire MO's FDC determination or the financial metrics to be included in the general allocator.

## **7. Annual Reporting**

On an annual basis, Spire MO will submit a CAM report demonstrating the Company's compliance with the Rules. Spire MO and its affiliates shall adhere to reporting requirements of the Rules and maintain records of all procedures, allocation methods, and transactional data relating to sales and purchases of goods and services between Spire MO and its affiliates. Spire MO will provide a detailed monthly transactional ledger spreadsheet to Staff and OPC on a quarterly basis. Spire MO shall maintain the following information in a mutually agreed-to electronic format regarding affiliate transactions on a fiscal year basis established by the waiver approved in Case No. GE-2011-0171.

Specifically, Spire MO shall submit in its Annual Report:

1. A full and complete organization chart depicting the total family of all affiliated entities as defined by the Commission's Affiliate Transactions Rules within the Spire Inc. structure. For each non-regulated activity engaged in by Spire MO:
  - A description of all Spire MO functions that provide support and directly or indirectly assign costs to non-regulated affiliated business units, including Spire Inc.
  - The positions and number of employees providing each function.
  - The total dollar amount of revenues, expenses and investment for each non-regulated activity.

2. Where applicable, for each good and service provided to Spire MO by all affiliated entities or provided to all affiliated entities by Spire MO, Spire MO shall provide on a fiscal year basis:

- The procedures to be used to measure and assign costs to non-regulated units for each function provided by Spire MO.
- The transactional detail with monthly and annual dollar amount charged to each affiliate by Spire MO and the transactional detail with monthly and annual dollar amount of each service and good purchased by Spire MO from each affiliate.
- A list and description of each good and service and the dollar amount, including the FERC USoA account charged.
- A full and complete list of each contract entered by Spire MO with all affiliated entities, for which complete copies of contracts will be provided to Staff and OPC upon request.
- A full and complete list of each affiliate transaction undertaken by Spire MO with all affiliated entities without a written contract together with a brief explanation of why there was no contract.

3. The basis used (e.g., FMP, FDC, etc.) to record each type of affiliate transaction:

- For all FDC calculations, a description of the cost allocation process employed for each service and good and justification for the allocation method used unless otherwise addressed in this CAM.
- For all FDC calculations, how direct, indirect and common activities are assigned for each service and good unless otherwise addressed in this CAM.
- How the fair market price or value for each service and good is determined unless otherwise addressed in this CAM.

- A description of the criteria employed to determine whether volume discounts or other pricing considerations were provided by Spire MO to affiliates.

Recitation of the annual reporting requirements listed above is not intended to preclude the Staff or OPC from seeking additional information from Spire MO and its affiliates regarding any aspect of its compliance with the rules and the CAM at any time or to preclude Spire MO or its affiliates from objecting to the provision of such additional information. Staff, OPC, and Spire MO agree that the format and schedules of Spire MO's fiscal year 2023 CAM Report, filed with the Commission on December 15, 2023, complies with these reporting requirements and that future CAM Reports will utilize the same format and level of detail.

## **8. Record Keeping & Access Requirements**

Spire MO and its affiliates shall maintain adequate books and records with respect to the transactions addressed by this CAM and the SFA in order to record the costs, payments and receipts to be assigned to Spire MO Services and other affiliates and as otherwise required by 20 CSR 4240-40.015(5). Spire MO shall be responsible for ensuring that all costs, payments and receipts associated with transactions covered by this CAM are properly and consistently assigned in accordance with the terms and provisions of the CAM and SFA. All contracts and agreements between Spire MO, Spire Services, and all other affiliates will be maintained and made available to Staff and OPC on mutually agreeable terms, during their effectiveness and for at least six years afterwards. Spire MO will maintain records supporting its affiliated transactions for at least six years or such longer period as might otherwise be required by other rules or laws.

In addition, Spire MO shall maintain on a fiscal year basis books of accounts and supporting records in sufficient detail to permit verification of compliance with the Rules and to substantiate the Annual CAM Report, and shall provide access to all information and personnel that may be requested by Staff, OPC, or party granted intervention in Spire Missouri's most recent general rate proceeding to audit

individual transactions between it and its affiliates for purposes of ensuring Spire MO complies with the pricing and costing standards set forth in this CAM.

## **9. Training**

Spire shall conduct training with all Spire MO and Spire Services supervisors and employees that allocate time and resources to or from Spire MO on the applicable provisions of the CAM that relate to their activities, including the policies and procedures that ensure compliance with the provision of this CAM and the SFA. Spire will utilize its training resources to create online training with mandatory annual review for the above noted employees to help further ensure compliance with this CAM and the Rules. Such training shall describe the basic purpose and goals of the affiliate transactions rules, the role of the CAM in complying with the Rules, allocation and pricing principles applicable to such transactions under the CAM, and what specific measures the employee should take to ensure the Company is in compliance with the CAM and Rules.

## **10. Tests/Reviews, Updates and Audits**

Spire MO will ensure its Accounting function performs its requirements to make and review allocations, update organizational structure and allocation factors as necessary, and generate annual CAM Reports. As stated above, Spire MO will provide annual reporting containing the list of items more fully described above. Spire MO will update its allocation factors and the annual CAM Report as necessary for any material changes to Spire's businesses. All material contained within the report will be subject to review by all parties and will detail and explain all changes to organizational structure or adjustments to cost allocation policies and procedures. As appropriate, Spire MO will update its CAM to reflect changes to the criteria, guidelines and procedures it follows to be in compliance with the Rules and any changes will be filed with the Commission for approval.

Spire MO will ensure the Human Resources function of Spire Services Inc. performs its responsibilities, conducts market compensation surveys, provides a list of employees assigned or

transferred, and assesses and reviews time studies/recurring allocations. Spire MO will have its market survey research updated at least once every two years.

Spire MO will ensure the Internal Audit function of Spire Services Inc. conducts audits concerning its compliance with the Rules, CAM, SFA and Gas Supply and Transportation Standards of Conduct and the affiliate transactions done pursuant thereto. Such audits shall be done no less often than every other calendar year. Audit results shall be provided to Staff and OPC when issued. Spire MO shall also file with its annual CAM submission, the internal audit plan for affiliate transactions.

If there is a dispute between Spire MO and any affiliate regarding a billing, representatives of all involved parties will meet to resolve the issues. Managers and other executives of the affected parties may also be consulted. If a resolution cannot be reached, the issue will be referred to senior management for final resolution. Documentation of disputes and resolutions will be maintained by Spire MO and provided to Staff and OPC upon request, including recommendations for any changes to policies, procedures, and processes that may be necessary to assure adequate protections for Spire MO on a moving forward basis.

## **11. Variances**

### *A. Fiscal Year Reporting*

Spire MO shall maintain its information regarding affiliate transactions in a mutually agreed-to electronic format and on a fiscal year basis. Consistent with the waiver approved in Case No. GE-2011-0171, Spire MO shall provide such information, in addition to the information required by 20 CSR 4240-40.015(4) to the Chief Staff Counsel, the Manager of the Auditing Department and to OPC on or before December 15th of each year by submitting an annual report to the non-case related portion of EFIS devoted to affiliate transaction submissions.

### *B. Gas Supply & Transportation Standards of Conduct*

To assist in ensuring that gas supply and capacity release transactions between Spire MO

and its affiliates are conducted in a manner fully consistent with the interests of the Company's utility customers, including their interest in having such transactions priced and accounted for in a reasonable and appropriate manner, Spire MO and other stakeholders have formalized standards of conduct and associated document requirements relating to such transactions. Such standards of conduct as previously approved by the Commission and modified herein, shall be used in the future, including the variance from the Affiliate Transaction Rule documentation requirements of FDC for such transactions.

C. *Adjustments to Allocation Guidelines & Principles in CAM*

Spire MO may make adjustments to the allocation or pricing guidelines and principles set forth in the CAM in the event it determines to its best knowledge and believes that application of the methodologies or costing principles described herein would not be in the best interests of its customers receiving regulated utility service. Such changes may include typical changes in ongoing business operations such as adding or subtracting affiliates (which could impact the need for a function to provide a certain service to an entity), or revising how a specific factor should be calculated, all of which will adjust how shared costs are allocated as a matter of "standard business." Such adjustments to the CAM should be accommodated provided they are identified in Spire MO's annual CAM report, together with an explanation of why such changes were made. Spire MO will submit its revised CAM for Commission review in the Company's next general rate case, at which time the routine adjustments may be challenged for appropriateness by Staff and OPC.

Other adjustments may be due to events beyond typical business matters, including major, fundamental shifts in the business, significant changes in market conditions or other factors affecting the continuing appropriateness or usefulness of a particular method or principle. If such events occur, and result in adjustments that comply with the standards set forth in the Rules, Spire

MO will make appropriate adjustments to the allocation guidelines and costing principles in its CAM and will provide, along with an explanation for any changes and supporting documentation, Staff and OPC timely notice to afford them the opportunity to review and challenge the appropriateness of any such change provided the change does not affect the rates currently being paid by Spire MO's customers between rate cases. If Staff or OPC do not object to any adjustments, the Company will note the adjustments in its CAM annual report, and will submit its revised CAM for Commission review in the Company's next general rate case. If Staff or OPC object to an adjustment, such party shall file a notice in a formal docket with the Commission advising of the challenge to the specific adjustment. Spire MO will file in such docket the proposed revised CAM. If the parties are unable to resolve their differences, the matter will be submitted to the Commission for its resolution. The failure by Staff or OPC to object to such an adjustment shall not preclude them from challenging the adjustment in a subsequent general rate case proceeding and proposing that the adjustment be modified or eliminated.

D. *Evidentiary Support for Corporate Support Services Provided by Spire Services Inc.*

Spire MO will be provided corporate support services, by Spire Services, Inc., as noted in the SFA. The shared services model employed by Spire and effectuated through Spire Services Inc. permits all operating units, including Spire MO, to save on joint and common administrative costs and to benefit from access to more robust technology and process platforms. It also provides a greater opportunity to attract a more diverse and talented workforce, thus enhancing service capabilities at a lower cost, through the sharing of those joint and common costs over multiple entities under a growing organization. As such, for transactions between Spire MO and Spire Services Inc. up to \$10,000, and for personnel costs allocated from Spire Services Inc. to Spire MO, Spire MO requests a waiver from the evidentiary standards for affiliated transactions of 20

CSR 4240-40.015(3), which would reduce administrative requirements that would simply add cost and provide little if no benefit. For such affiliate transactions and personnel costs, Spire MO will utilize the FDC methodology as described in this CAM, verifying the reasonableness of the FDC calculations with the FMP for such transactions and costs using available market related information to the extent possible. The market related information is to be obtained through use of competitive bidding, market survey information, or price research, as feasible, with benchmarks to be updated when the Company at least once every two years. Spire Services Inc. was developed to reduce redundancies that were previously in the separate business, while maintaining or enhancing service levels to those businesses. As such, costs are incurred solely to ensure those services are provided capably and cost-efficiently without any additional margin added on top of the costs, whether an operating or capital-related cost.

## **12. Challenges**

Nothing in Spire MO's CAM shall be construed as preventing the Staff, OPC or any other party from challenging whether the prices charged for specific transactions are consistent with the pricing methodology set forth in this CAM or the Commission's rules, or from suggesting changes in such methodology or in the allocation methodology used to assign costs between Spire MO and its affiliates during a case before the Commission. Staff and OPC may also challenge any non-complying affiliate transaction within the time set by the variance provisions of the Rules after the Company notifies the Commission, Staff, and OPC of such a transaction as required by the variance provisions of the Rules and any adjustment made by the Company to pricing, market value and allocation methodologies set forth in the CAM would be subject to review and challenge as set forth in Section 11.C.



**Reserved for Attachment 1- SFA**

**Gas Supply and Transportation Standards of Conduct**

To assist in ensuring that energy-related transactions between Laclede Gas Company (“Laclede” or “Company”) and its affiliates are conducted in a manner fully consistent with the interests of the Company’s utility customers, including their interest in having such transactions priced and accounted for in a reasonable and appropriate manner, Laclede agrees to formalize and comply with the following standards of conduct and associated document requirements relating to such transactions:

**A. Purchases of gas supplies for multi-month periods (purchases for longer than 1-month)**

1. Laclede will acquire multi-month gas supplies in accordance with a competitive bidding process in which requests for proposals (RFP’s) are submitted by Laclede to a list of eligible suppliers at the various supply locations connected to the pipelines on which Laclede holds firm transportation or through another competitive bidding process. For any exceptions to the competitive bid and award process, Laclede will have a documented process for the supply approval and award process, including (a) justification requirements, (b) authorization process, (c) contemporaneous documentation requirements (for internal Company information and external communications with suppliers), and (d) effective monitoring and controls.

2. Such RFP process shall be open to all gas suppliers who wish to bid. **The intent is to gain the broadest practical participation by eligible suppliers in submitting competitive supply bids for the supply location(s) where Laclede purchases gas.** Once such a process is reasonably developed and appropriately implemented and effectively monitored and controlled, the results of that process are intended to establish the fair market price for the purchase. Laclede shall provide with its annual CAM report submission an explanation of any credit, performance or other criteria that Laclede takes into consideration in determining which suppliers are sent RFPs as part of the RFP process.

3. In the event a gas supply contract for firm gas supply is awarded to an affiliate as a result of the RFP or other competitive bidding process, the affiliate shall be held to the same performance requirements as non-affiliated suppliers.

4. In the event a gas supply contract is awarded, Laclede shall maintain the following contemporaneous documentation: (a) any diversity, credit, or reliability-related volume limitations placed on the maximum volumes Laclede will purchase from an individual supplier or from any one supplier on a specific pipeline (broken down by baseload, combo, and swing); (b) an explanation of the diversity, credit and/or reliability-related reasons for imposing such limitations; (c) a description of the process used to transmit the supply request to all eligible suppliers, evaluate bids, and negotiate final prices and terms;

(d) a list of all suppliers that were sent each RFP;(e) a complete summary of all bids received and all prices accepted, together with copies of all underlying documents, contracts and communications; (f) a summary and explanation of suppliers disqualified for credit, performance or other criteria, and (g) a copy of the policy or procedure employed by Laclede for awarding contracts in instances where an affiliate and an unaffiliated supplier have offered identical pricing terms. For phone calls or texts, Laclede shall maintain contemporaneous logs documenting the discussions and decisions.

**5.** In the event a gas supply contract is awarded to an affiliate at a location in which no other contracts were awarded, the Company shall maintain contemporaneous documentation showing that the affiliate's bid price was equal to or lower than the bids received from non-affiliated suppliers, and that any upward or downward adjustment in the final contract price was justified by changes in the market.

**6.** In the event a gas supply contract is awarded to an affiliate at a location at which Laclede also awarded gas supply contracts to non-affiliated suppliers, the Company shall maintain contemporaneous documentation showing that the price established under the contract awarded the affiliate was within or lower than the range of prices established under contracts awarded to entities other than the affiliate.

**7.** If the affiliate's bid price or contract price does not meet the criteria in paragraphs 5 or 6, Laclede may not award the gas supply contract to the affiliate, unless the Company can demonstrate and contemporaneously document that a more favorable bid was rejected for legitimate reasons relating to the rejected bidder or bidders' creditworthiness, performance history (or lack thereof), or other consideration bearing on the fitness and reliability of the bidder to provide the requested service.

**8.** In the interests of optimizing the competitive benefits of the RFP process, the RFP will permit suppliers to propose alternative ways of satisfying the basic quantity, reliability, delivery and pricing terms of the RFP in addition to those specifically contemplated by the RFP, provided that the RFP shall explicitly advise suppliers that proposing such alternatives is permissible. The RFP may also utilize ranges for such quantity, reliability, delivery and pricing terms. In the event any such alternative produces a supply arrangement that is at least as favorable in its basic terms as other initial bids received by the Company during the RFP process then there shall be no need to rebid the proposed supply arrangement. In the event the Company itself makes a material change in the basic quantity, reliability, delivery or pricing terms of the RFP, or changes the range applicable to such terms, after initial bids have been received then the proposed supply arrangement shall be rebid.

## **B. Short term purchases of gas supply (one month or less)**

1. The Company shall maintain contemporaneous documentation sufficient to establish that its short-term purchases of gas supply are acquired in accordance with a competitive bidding process, taking into account the terms and conditions, location and time at which the purchase was made.

2. The Company shall, within the next six months, develop a documented information exchange process where eligible suppliers will be notified of gas supplies that the Company may wish to purchase on a given day(s), and/or suppliers notify Laclede of supply and prices each is willing to offer. Such process may rely on instant messaging, emails, telephone calls, postings on a Company-developed website, awards made on an electronic trading platform (not just price discovery), or some other mechanism to notify bidders and/or Laclede. The intent is **to gain the broadest practical participation by eligible suppliers in submitting competitive supply bids for the supply location(s) where Laclede purchases gas**. Once such a process is reasonably developed and appropriately implemented and effectively monitored and controlled, the results of that process are intended to establish the fair market price for the purchase.

3. Emergency short term purchases of gas supply may also be made without following the competitive bidding procedure if necessitated by supply reliability considerations, provided that such purchases and the emergency circumstances are documented. Emergency conditions will include, but not be limited to, natural disasters, extreme weather events, well freeze-offs, curtailment of pipeline transportation or storage services, failure of supply, damage to or breakdown of Company facilities, changes in deliveries to the Company's take points that are beyond the Company's control, and other similar or unforeseen events affecting the availability of gas supplies. In the event short term purchases of gas supply are made on an emergency basis, nothing shall be construed as precluding Staff or OPC from raising an issue regarding the reasonableness of the emergency circumstances claimed by the Company and their effect on the propriety of the transaction.

4. For each and every gas supply inquiry and/or award, Laclede shall maintain the following contemporaneous documentation: (a) any diversity, credit, or reliability related volume limitations placed on the maximum volumes Laclede will purchase from an individual supplier or from any one supplier on a specific pipeline; (b) an explanation of the diversity, credit, and/or reliability-related reasons for imposing such limitations; (c) a description of the process used to transmit and/or receive supply notifications to eligible suppliers, evaluate bids/responses, and negotiate final prices and terms; (d) copies of all written communications and descriptions of all unwritten communications that solicit bids from suppliers; (e) a list of all suppliers that were notified of Laclede's gas supply needs; (f) copies of all bids/responses/ inquiries received and all prices accepted, together with copies of all underlying documents, contracts and communications; (g) a list of all suppliers disqualified for

credit, performance or other criteria along with an explanation of the basis for each disqualification; and (h) a copy of the policy or procedure employed by Laclede for awarding contracts in instances where an affiliate and an unaffiliated supplier have offered identical pricing terms. For phone calls or texts, Laclede shall maintain contemporaneous logs documenting the inquiries, discussions and decisions.

### **C. Sales of gas supply also referred to as Off-System-Sales (OSS)**

1. The Company shall maintain contemporaneous documentation sufficient to establish that its sales of gas were made at the fair market price for comparable sales, taking into account the terms and conditions, location and time at which the sale was made. The fair market price shall be determined pursuant to the process described below and any amount received for gas must be sufficient to cover: (i) the highest Cost of Gas Supply (CGS) on the pipeline on which the sale is made, as determined by the CGS schedule referenced in Laclede Gas Company's OSS tariff and as adjusted for any documented exceptions as permitted by such tariff; plus (ii) make some positive contribution to Laclede Gas Company's fixed gas supply costs.

2. The Company shall, within the next six months, develop a documented information exchange process where eligible bidders/buyers will be notified of gas supplies that the Company may have for sale on a given day(s). Such process may rely on instant messaging, emails, telephone calls, postings on a Company-developed website, awards made on an electronic trading platform (not just price discovery) or some other mechanism to notify bidders/potential gas buyers. The intent is **to gain the greatest reduction in gas costs for Laclede's customers consistent with maintaining a reliable supply of gas**. Once such a process is reasonably developed and appropriately implemented and effectively monitored and controlled, the results of that process are intended to establish the fair market price for the sale. For phone calls or texts, Laclede shall maintain contemporaneous logs documenting the inquiries, discussions and decisions.

**3. Unsolicited OSS Requests**— Laclede shall only accommodate unsolicited OSS requests where the Company can operationally provide such supplies without incurring any known penalty or detriment. Laclede shall maintain contemporaneous logs of all instances identifying where it has accommodated and/or refused such requests, including: the identity of the requesting counter-party; the date the request was made; the pricing and quantity of the gas supply requested; the awarded pricing, quantity, receipt/deliver point(s); and any other terms.

#### **D. Releases of transportation or storage capacity by Laclede**

1. All Laclede releases of pipeline transportation or storage capacity to an affiliate, including prearranged releases, must be effectuated by posting the release as biddable on the applicable pipeline's Electronic Bulletin Board ("EBB"). The Company shall maintain contemporaneous documentation sufficient to show that such release was made to an affiliate at the highest bid price (the posted release price is considered a bid price), on the pipeline's EBB for that release and that the amount received by the Company was at least sufficient to make a contribution to the Company's fixed pipeline reservation costs.

2. For pre-arranged releases to an affiliate of greater than a month and less than a year, the pre-arranged transaction shall be posted for two consecutive daily posting periods.

**E. Purchases of transportation and storage capacity from the capacity release market by Laclede** – All Laclede purchases of pipeline transportation or storage capacity from an affiliate must be effectuated by releasing and bidding for the capacity on the applicable pipeline's EBB. Laclede shall maintain contemporaneous documentation sufficient to show that the purchase price paid for such capacity was equal to or lower than the price of other comparable transportation alternatives available to the Company to meet the same resource needs. Laclede shall maintain contemporaneous documentation sufficient to show that the affiliate was given no preferential treatment over nonaffiliates. Resource needs will be fully documented by the Company and subject to review.

**F. Purchase of unsolicited gas supply** — Laclede shall only consider accommodating unsolicited requests for short-term purchase of gas supply where the Company can operationally take such supplies without incurring any known penalty or detriment. Laclede shall maintain a contemporaneous log of all instances identifying where it has accommodated and/or refused such requests, including: the identity of the requesting supplier; the date the request was made; the pricing and quantity of the gas supply offered; the awarded pricing, quantity, receipt/delivery point(s); and any other terms.

**G. Negotiations with suppliers** – Laclede shall conduct all negotiations with its gas commodity and pipeline suppliers independently and shall at no time seek to tie the terms of any arrangement to any action on the part of the other party that would favor a Laclede affiliate. Nothing herein shall prevent either Laclede or an affiliate from jointly attending customer meetings, events or other functions where multiple customers or suppliers are also present.

#### **H. Off-System Sales (OSS) and Capacity Release Protocols**

In recognition that markets for OSS and capacity releases can vary depending on weather and availability of supply and capacity options, and in recognition that Laclede holds firm capacity in areas not used to serve its native load and the reservation costs of that firm capacity is charged to Laclede's customers, Laclede will routinely evaluate its processes for soliciting potential buyers to maximize net revenues for OSS and capacity releases. Laclede will take necessary actions to assure reasonable participation by buyers of its OSS and capacity releases. Laclede will take necessary actions to assure documentation is developed and maintained to show compliance with its processes and procedures.

**I. Document Retention** – All documentation and records that must be maintained in accordance with the provisions of these Standards of Conduct shall be maintained for a minimum of six years.

**J. Future Revisions** – It is expressly understood that Laclede, the Staff, and the Office of the Public Counsel reserve the right to propose at any time prospective changes to these Standards of Conduct to reflect changing market conditions, the potential implementation of new regulatory or operational models for managing gas supply assets, or other developments that cannot be fully anticipated at this time. Any such change must be approved by the Commission before being implemented. See also Sections I. and V.C. of CAM.

**K. Asset Management Arrangements/Agreements** – The CAM and referenced Standards of Conduct do not pertain to Asset Management Arrangements/Agreements (AMAs). Accordingly, if Laclede Gas chooses to use one or more AMAs, Laclede Gas shall document fair market price and fully distributed cost as set forth in 4 CSR 240-40.015 and 40.016, unless and until changes to the CAM and these Standards of Conduct addressing AMAs are approved by the Commission.

## PROCEDURES USED TO MEASURE AND ASSIGN COSTS TO NONREGULATED AFFILIATES AND THE HOLDING COMPANY FOR EACH FUNCTION

<u>Function</u>	<u>Procedure</u>
Non-capital Shared Services Allocations	Non-capital and SaaS development costs are collected at Spire Services using specific projects which dictate cost distribution and factor used for subsequent allocation to affiliated entities. See the "Non-Capital Costs* Allocated FROM Spire Services to Affiliates by Allocation Type" schedule for detail of distribution and factors used to allocate costs. Additionally, see Appendix A for factor and rate information.
Capital Shared Services Allocations	Capital shared services costs are collected using specific projects which dictate cost distribution and subsequent allocated through the Spire Services entity.
SaaS Development Shared Services Allocations	Software as a Service (SaaS) development shared services costs are collected using specific projects which dictate cost distribution and subsequent allocated through the Spire Services entity.
CAM Depr and ROI - EDP & Furniture & Fixtures	Depreciation costs for EDP system and furniture and fixtures are collected at Spire Missouri and allocated as a % of payroll to affiliates.
Insurance Premiums (Property, Liability, D&O)	Property and liability insurance premiums are allocated based on percentage of net plant and equipment, while D&O and others are allocated based on a 3-factor formula.
Missouri Employee Direct Charge Personnel Costs	Actual tracked time and related benefits and taxes charged as a % of payroll dollars based on a ratio developed from actual expenses on a monthly basis.



# Attachment 4

Distribution	Factor
Company Wide	3 Factor
	Payroll*
	Square Footage - Combined
	Square Footage - 700 Mkt
	Square Footage - 800 Mkt
	Square Footage - Bhm
	IT Driver
	AP/Supply Chain Activity
	Stock Compensation
	Gas Utility
Payroll*	
IT Driver	
Customers	
System Miles	
Transmission	
Vehicle Count	

Distribution	Factor
MO Utility/No n-Utility (excl SE Utilities)	3 Factor
	Payroll*
	IT Driver
MO Utility Only	3 Factor
	Payroll
	IT Driver
	Customers
	System Miles
	Transmission
	Vehicle Count

\*Formerly used headcount which was estimated applying a 3 Factor rate w/different distributions based on the department; change occurring in FY24.