

Missouri Public Service Commission

Respond Data Request

Data Request No.	0011
Company Name	Spire, Inc.-Investor(Gas)
Case/Tracking No.	GM-2016-0342
Date Requested	7/29/2016
Issue	General Information & Miscellaneous - Other General Info & Misc.
Requested From	Rick Zucker
Requested By	Jeff Keevil
Brief Description	GM-2001-342
Description	Please demonstrate how Spire Inc./The Laclede Group, Inc. and Laclede Gas Company are in compliance with each condition outlined in Case No. GM-2001-342. DR requested by David Murray (david.murray@psc.mo.gov).
Response	Please see attached.
Objections	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **GM-2016-0342** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Spire, Inc.-Investor(Gas)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Spire, Inc.-Investor(Gas)** and its employees, contractors, agents or others employed by or acting in its behalf.

Security :	Public
Rationale :	NA

**Laclede Gas Company
GM-2016-0342**

Response to Staff Data Request No. 11

Please demonstrate how Spire Inc./The Laclede Group, Inc. and Laclede Gas Company are in compliance with each condition outlined in Case No. GM-2001-342.

Response:

- **Neither Spire/LG nor Laclede Gas have pledged Laclede Gas' common stock as collateral or security for the debt of LG or a subsidiary of LG without Commission approval;**
- **Laclede Gas has not guaranteed the notes, debentures, debt obligations or other securities of LG or any of its subsidiaries, or enter into any "make-well" agreements without prior Commission approval.**
- **Spire has maintained a consolidated equity well in excess of 30 percent of its total permanent consolidated capitalization and Laclede Gas Company has maintained its equity at a level well in excess of 35% of its total capitalization.**
- **LG and Laclede Gas Company remain prepared to notify the Staff and Public Counsel in the event they become aware of any material possibility that either or both companies would be unable to maintain their respective equity ratios. No such circumstances have arisen in the 15 years since this commitment.**
- **Laclede Gas Company remains prepared to file a plan with the Commission within 90 days if either Spire's or Laclede Gas' equity ratio falls below these specified levels wherein it would propose alternatives for raising the ratios to or above the levels specified herein. No such circumstances have arisen in the 15 years since this commitment was made.**
- **Laclede Gas Company has kept its commitment to submit quarterly reports to the Staff's Financial Analysis Department and Public Counsel certain showing key financial ratios, including:**
 - (a) **Pre-tax interest coverage;**
 - (b) **After-tax coverage of interest and preferred dividends;**
 - (c) **Funds flow interest coverage;**
 - (d) **Funds from operations to total debt;**
 - (e) **Total debt to total capital (including preferred); and total common equity to total capital.**
- **Laclede Gas Company has kept its commitment that its total long-term instruments payable at periods of more than twelve months not exceed Laclede Gas Company's regulated rate base.**
- **Laclede Gas Company has kept its commitment to maintain its debt and, if outstanding, its preferred stock rating at an investment grade credit rating, unless it was unable to do so due to certain events or circumstances beyond**

its control. Currently, Laclede has a credit rating of A- applicable to these instruments.

- Laclede Gas Company is prepared to keep its commitment to notify the Staff and Public Counsel in the event it becomes aware of any material possibility that it will not be able to maintain such a credit rating with any established agency that typically rates Laclede's debt. No such circumstance has arisen in the 15 years since this commitment was made.
- Should its credit rating fall below investment grade, Laclede Gas Company remains prepared to file a plan with the Commission within 90 days of such an occurrence proposing alternatives for raising its credit rating above investment grade.
- Spire and Laclede Gas Company continue to agree that the Commission has, and will continue to have, the authority after the Proposed Restructuring to regulate, through the lawful exercise of its current statutory powers, any direct or indirect transfer or disbursement of earnings from Laclede Gas Company to an affiliate that would jeopardize the Company's ability to meet its utility obligations.
- Spire and Laclede Gas Company continue to agree that the Commission has the authority, through the lawful exercise of its ratemaking powers, to ensure that the rates charged by Laclede Gas Company for regulated utility service are not increased as a result of the unregulated activities of Laclede's affiliates and Laclede continues to agree, consistent with such standard, that rates should not be increased due to such activities.

Given the existence and continuing effectiveness of these protective measures, Laclede Gas believes that the existing regulatory framework not only contemplates acquisitions like the ones under investigation in this proceeding but has provided generic safeguards to ensure that Missouri ratepayers will not be harmed by such acquisitions.

Signed by: Glenn Buck