Section 1: 10-K (FY 2020 10-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2020

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number	Name of Registrant, Address of Principal Executive Offices and Telephone Number	State of Incorporation	I.R.S. Employer Identification Number
1-16681	Spire Inc. 700 Market Street St. Louis, MO 63101 314-342-0500	Missouri	74-2976504
1-1822	Spire Missouri Inc. 700 Market Street St. Louis, MO 63101 314-342-0500	Missouri	43-0368139
2-38960	Spire Alabama Inc. 605 Richard Arrington Blvd N Birmingham, AL 35203 205-326-8100	Alabama	63-0022000

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (only applicable to Spire Inc.):

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $1.00 par value	SR	New York Stock Exchange LLC
Depositary Shares, each representing a 1/1,000th interest in a share of 5.90% Series A Cumulative Redeemable Perpetual Preferred Stock, par value $25.00 per share	SR.PRA	New York Stock Exchange LLC

Securities registered pursuant to Section 12(g) of the Exchange Act: None

Indicate by check mark whether each registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933, as amended.

Spire Inc.	Yes [X]	No [ ]
Spire Missouri Inc.	Yes [ ]	No [X]
Spire Alabama Inc.	Yes [ ]	No [X]

Indicate by check mark if each registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Spire Inc.	Yes [ ]	No [X]
Spire Missouri Inc.	Yes [ ]	No [X]
Spire Alabama Inc.	Yes [ ]	No [X]

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Spire Inc.	Yes [X]	No [ ]
Spire Missouri Inc.	Yes [X]	No [ ]

Spire Alabama Inc.	Yes [X]	No [ ]

Indicate by check mark whether each registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Spire Inc.	Yes [X]	No [ ]
Spire Missouri Inc.	Yes [X]	No [ ]
Spire Alabama Inc.	Yes [X]	No [ ]

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
Spire Inc.	X				
Spire Missouri Inc.			X		
Spire Alabama Inc.			X		

If an emerging growth company, indicate by check mark if each registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Spire Inc.	[ ]
Spire Missouri Inc.	[ ]
Spire Alabama Inc.	[ ]

Indicate by check mark whether each registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Spire Inc.	[X]
Spire Missouri Inc.	[ ]
Spire Alabama Inc.	[ ]

Indicate by check mark whether each registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Spire Inc.	Yes [ ]	No [X]
Spire Missouri Inc.	Yes [ ]	No [X]
Spire Alabama Inc.	Yes [ ]	No [X]

The aggregate market value of the common equity held by non-affiliates of Spire Inc. amounted to $3,703,018,742 as of March 31, 2020. All of Spire Missouri Inc.'s and Spire Alabama Inc.'s equity securities are owned by Spire Inc., their parent company and a reporting company under the Exchange Act.

The number of shares outstanding of each registrant's common stock as of November 13, 2020 was as follows:

Spire Inc.	Common Stock, par value $1.00 per share	51,618,125
Spire Missouri Inc.	Common Stock, par value $1.00 per share (all owned by Spire Inc.)	24,577
Spire Alabama Inc.	Common Stock, par value $0.01 per share (all owned by Spire Inc.)	1,972,052

This combined Form 10-K represents separate filings by Spire Inc., Spire Missouri Inc., and Spire Alabama Inc. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrants, except that information relating to Spire Missouri Inc. and Spire Alabama Inc. is also attributed to Spire Inc.

Spire Missouri Inc. and Spire Alabama Inc. meet the conditions set forth in General Instructions I(1)(a) and (b) of Form 10-K and are therefore filing this Form 10-K with the reduced disclosure format specified in General Instructions I(2) to Form 10-K.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of proxy statement for Spire Inc. to be filed on or about December 16, 2020 — Part III.

Certain exhibits as indicated in Part IV.

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GLOSSARY OF KEY TERMS AND ABBREVIATIONS

AOCI	Accumulated other comprehensive income or loss	NYMEX	New York Mercantile Exchange, Inc.
APSC	Alabama Public Service Commission	NYSE	New York Stock Exchange
ASC	Accounting Standards Codification	O&M	Operation and maintenance expense
ASU	Accounting Standards Update	OCI	Other comprehensive income or loss
CCM	Cost Control Measure	PGA	Purchased Gas Adjustment
Heating degree days	The average of a day's high and low temperature below 65, subtracted from 65, multiplied by the number of days impacted	RSE	Rate Stabilization and Equalization
EPS	Earnings per share	SEC	U.S. Securities and Exchange Commission
ESR	Enhanced Stability Reserve	Spire Alabama	Spire Alabama Inc.
FASB	Financial Accounting Standards Board	Spire EnergySouth	Spire EnergySouth Inc., parent of Spire Gulf and Spire Mississippi

FERC	Federal Energy Regulatory Commission	Spire Gulf	Spire Gulf Inc.
GAAP	Accounting principles generally accepted in the United States of America	Spire Marketing	Spire Marketing Inc.
Gas Marketing	Segment including Spire Marketing, which provides natural gas marketing services	Spire Mississippi	Spire Mississippi Inc.
Gas Utility	Segment including the operations of the Utilities	Spire Missouri	Spire Missouri Inc.
GSA	Gas Supply Adjustment	Spire Storage	The physical natural gas storage operations of Spire Storage West LLC
ICE	Intercontinental Exchange	TCJA	The Tax Cuts and Jobs Act of 2017
ISRS	Infrastructure System Replacement Surcharge	U.S.	United States
MMBtu	Million British thermal units	Utilities	Spire Missouri, Spire Alabama and the subsidiaries of Spire EnergySouth
MoPSC	Missouri Public Service Commission		
MSPSC	Mississippi Public Service Commission		

PART I

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report, excluding historical information, include forward-looking statements. Certain words, such as “may,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “seek,” “target,” and similar words and expressions identify forward-looking statements that involve uncertainties and risks. Future developments may not be in accordance with our current expectations or beliefs and the effect of future developments may not be those anticipated. Among the factors that may cause results or outcomes to differ materially from those contemplated in any forward-looking statement are:

- Weather conditions and catastrophic events, particularly severe weather in U.S. natural gas producing areas;
- Impacts related to the COVID-19 pandemic and uncertainties as to their continuing duration and severity;
- Volatility in gas prices, particularly sudden and sustained changes in natural gas prices, including the related impact on margin deposits associated with the use of natural gas derivative instruments, and the impact on our competitive position in relation to suppliers of alternative heating sources, such as electricity;
- Changes in gas supply and pipeline availability, including decisions by natural gas producers to reduce production or shut in producing natural gas wells, expiration of existing supply and transportation arrangements that are not replaced with contracts with similar terms and pricing, as well as other changes that impact supply for and access to the markets in which our subsidiaries transact business;
- Acquisitions may not achieve their intended results;
- Legislative, regulatory and judicial mandates and decisions, some of which may be retroactive, including those affecting:
    - allowed rates of return,
    - incentive regulation,
    - industry structure,
    - purchased gas adjustment provisions,
    - rate design structure and implementation,
    - capital structures established for rate-setting purposes,
    - regulatory assets,
    - non-regulated and affiliate transactions,
    - franchise renewals,
    - environmental or safety matters, including the potential impact of legislative and regulatory actions related to climate change and pipeline safety,
    - taxes,
    - pension and other postretirement benefit liabilities and funding obligations, or
    - accounting standards;
- The results of litigation;
- The availability of and access to, in general, funds to meet our debt obligations prior to or when they become due and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) operating cash flow, or (iii) access to the capital markets;
- Retention of, ability to attract, ability to collect from, and conservation efforts of, customers;
- Our ability to comply with all covenants in our indentures and credit facilities any violations of which, if not cured in a timely manner, could trigger a default of our obligation;

- Energy commodity market conditions;
- Discovery of material weakness in internal controls;
- The disruption, failure or malfunction of our operational and information technology systems, including due to cyberattacks; and
- Employee workforce issues, including but not limited to labor disputes, the inability to attract and retain key talent, and future wage and employee benefit costs, including costs resulting from changes in discount rates and returns on benefit plan assets.

Readers are urged to consider the risks, uncertainties, and other factors that could affect our business as described in this report. All forward-looking statements made in this report rely upon the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. We do not, by including this statement, assume any obligation to review or revise any particular forward-looking statement in light of future events.

Item 1. Business

OVERVIEW

Spire Inc. ("Spire" or the "Company") was formed in 2000 and is the holding company for Spire Missouri Inc. ("Spire Missouri"), Spire Alabama Inc. ("Spire Alabama"), other gas utilities, and gas-related businesses. Spire Missouri was formed in 1857 and Spire Alabama was formed in 1948 by the merger of two gas companies. Spire is committed to transforming its business and pursuing growth through growing organically, investing in infrastructure, and advancing through innovation. The Company has two key business segments: Gas Utility and Gas Marketing.

The Gas Utility segment includes the regulated operations of Spire Missouri, Spire Alabama, Spire Gulf Inc. ("Spire Gulf") and Spire Mississippi Inc. ("Spire Mississippi") (collectively, the "Utilities"). The business of the Utilities is subject to seasonal fluctuations with the peak period occurring in the winter heating season, typically November through April of each fiscal year. Spire Missouri is a public utility engaged in the purchase, retail distribution and sale of natural gas, with primary offices located in St. Louis, Missouri. Spire Missouri is the largest natural gas distribution utility system in Missouri, serving approximately 1.2 million residential, commercial and industrial customers in St. Louis, Kansas City, and other areas in Missouri. Spire Alabama is a public utility engaged in the purchase, retail distribution and sale of natural gas principally in central and northern Alabama, serving more than 0.4 million residential, commercial and industrial customers with primary offices located in Birmingham, Alabama. Spire Gulf and Spire Mississippi are utilities engaged in the purchase, retail distribution and sale of natural gas to 0.1 million customers in the Mobile, Alabama area and south-central Mississippi.

The Gas Marketing segment includes Spire Marketing Inc. ("Spire Marketing"), a wholly owned subsidiary providing natural gas marketing services.

As of September 30, 2020, Spire had 3,583 employees, including 2,424 for Spire Missouri and 947 for Spire Alabama. We believe that:

1. the safety and well-being of our employees is one of our most important responsibilities,
2. the development, education and advancement of employees is key to our sustainability, and
3. embracing an inclusive workforce full of diverse backgrounds and perspectives drives innovation.

We have implemented processes, procedures and programs that have helped us reduce our employee injury rate for the sixth fiscal year in a row, marking a 17% year-over-year improvement and an overall improvement of 57% since fiscal year 2015. We remain very focused on reducing at-fault motor vehicle accidents, thereby improving safety for our employees and our communities, and this past year, the American Gas Association recognized us for our commitment to safety with the Accident Prevention Certificate. Due to our swift and strategic response to COVID-19, we did not furlough or lay off any employees in fiscal year 2020. We offer incentives for weight management and gym membership, as well as employee assistance programs to provide counseling services and emotional support, and in 2020, we created a formalized comprehensive well-being program that focuses on the physical, emotional, social and financial health of every employee.

All employees have access to developmental assessments, customized training, specialized degree programs, and partnerships with best-in-class organizations related to industry courses, leadership and management workshops and computer application development seminars. In addition, all employees are eligible for up to $6,000 per year in tuition assistance and have access to the Spire Learning Center, our robust internal learning management system. In their first year, each construction and maintenance employee receives 80 hours of safety training, while each service and installation employee receives 200 hours. Field operations employees average 24 hours of technical and procedural training annually.

We regularly review and adjust our affirmative action plans based on placement and utilization rates, and we strive to create an even more diverse and inclusive work environment by committing to and achieving the goals of the CEO Action for Diversity & Inclusion Pledge. In addition, during fiscal year 2020, we adopted a Human Rights Policy, which is our first step in demonstrating that Spire understands its universal responsibility to respect human rights. This policy provides the basis for publicly affirming our values and embedding the responsibility into Spire's operations and the way we do business.

Spire uses its website, SpireEnergy.com, as a routine channel for distribution of important information including news releases, analyst presentations and financial information. The information Spire, Spire Missouri and Spire Alabama file or furnish to the United States (U.S.) Securities and Exchange Commission (SEC), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and their amendments, and proxy statements are available free of charge under "Filings & reports" in the Investors section of Spire's website, SpireEnergy.com, as soon as reasonably practical after the information is filed with or furnished to the SEC. Information contained on Spire's website is not incorporated by reference in this report. The SEC also maintains a website that contains Spire's SEC filings (sec.gov).

GAS UTILITY

Natural Gas Supply

The Utilities' fundamental gas supply strategy is to meet the two-fold objective of 1) ensuring a dependable gas supply is available for delivery when needed and 2) insofar as is compatible with that dependability, purchasing gas that is economically priced. In structuring their natural gas supply portfolio, the Utilities focus on natural gas assets that are strategically positioned to meet the Utilities' primary objectives.

Spire Missouri focuses its gas supply portfolio around a number of large natural gas suppliers with equity ownership or control of assets strategically situated to complement its regionally diverse firm transportation arrangements. Spire Missouri utilizes Midcontinent, Gulf Coast, Northeast, and Rocky Mountain gas sources to provide a level of supply diversity that facilitates the optimization of pricing differentials as well as protecting against the potential of regional supply disruptions. Further, Spire STL Pipeline, a wholly owned subsidiary of Spire, is capable of delivering up to 4 million therms per day of natural gas into eastern Missouri, of which Spire Missouri is the foundation shipper with a contractual commitment of 3.5 million therms per day.

In fiscal year 2020, Spire Missouri purchased natural gas from 27 different suppliers to meet its total service area current gas sales and storage injection requirements. Spire Missouri entered into firm agreements with suppliers including major producers and marketers providing flexibility to meet the temperature-sensitive needs of its customers. Natural gas purchased by Spire Missouri for delivery to its service areas included 50.5 billion cubic feet (Bcf) on the Southern Star Central Gas Pipeline, Inc. (Southern Star), 31.3 Bcf through the Enable Mississippi River Transmission LLC (MRT) system, and a combined 39.3 Bcf on the Tallgrass Interstate Gas Transmission, LLC (TIGT), Panhandle Eastern Pipe Line Company, LP (PEPL), Rockies Express Pipeline, LLC (REX), and Spire STL Pipeline systems. Spire Missouri also holds firm transportation arrangements on several other interstate pipeline systems that provide access to gas supplies upstream. Some of Spire Missouri's commercial and industrial customers purchased their own gas with Spire Missouri transporting 45.9 Bcf to them through its distribution system.

The fiscal year 2020 peak day send out of natural gas to Spire Missouri customers, including transportation customers, occurred on February 13, 2020. The average temperature was 11 degrees Fahrenheit in St. Louis and 13 degrees Fahrenheit in Kansas City. On that day, Spire Missouri's customers consumed 1.56 Bcf of natural gas. For eastern Missouri, this peak day demand was met with natural gas transported to St. Louis through the MRT, MoGas Pipeline LLC, Spire STL Pipeline, and Southern Star transportation systems, and from Spire Missouri's on-system storage. For western Missouri, this peak day demand was met with natural gas transported to Kansas City through the Southern Star, PEPL, TIGT, and REX transportation systems.

Spire Alabama's distribution system is connected to two major interstate natural gas pipeline systems, Southern Natural Gas Company, L.L.C. (Southern Natural Gas) and Transcontinental Gas Pipe Line Company, LLC (Transco). It is also connected to two intrastate natural gas pipeline systems.

Spire Alabama purchases natural gas from various natural gas producers and marketers. Certain volumes are purchased under firm contractual commitments with other volumes purchased on a spot market basis. The purchased volumes are delivered to Spire Alabama's system using a variety of firm transportation, interruptible transportation and storage capacity arrangements designed to meet the system's varying levels of demand.

In fiscal 2020, Spire Alabama purchased natural gas from 23 different suppliers to meet current gas sales, storage injection, and liquefied natural gas (LNG) liquefaction requirements, of which five are under long-term supply agreements. Approximately 64.0 Bcf was purchased for delivery by Southern Natural Gas, 5.2 Bcf by Transco, and 9.4 Bcf through intrastate pipelines to the Spire Alabama delivery points for its residential, commercial, and industrial customers.

The fiscal 2020 peak day send out for Spire Alabama was 0.5 Bcf on November 12, 2019, when the average temperature was 34 degrees Fahrenheit in Birmingham, of which 100% was met with supplies transported through Southern Natural Gas, Transco, intrastate facilities, and one of the four LNG peak shaving facilities.

Spire Gulf's distribution system is directly connected to interstate pipelines, natural gas processing plants and gas storage facilities. Spire Gulf buys from a variety of producers and marketers, with BP Energy Company being the primary supplier.

Natural Gas Storage

Spire Missouri believes that it has ample storage capacity to meet the demands of its distribution system, particularly to augment its supply during peak demand periods. Spire Missouri has a contractual right to store 21.5 Bcf of gas in MRT's storage facility located in Unionville, Louisiana, 16.3 Bcf of gas storage in Southern Star's system storage facilities located in Kansas and Oklahoma, and 1.4 Bcf of firm storage on PEPL's system storage. MRT's tariffs allow injections into storage from May 1 through November 1 and require the withdrawal from storage of all but 4.3 Bcf from November 1 through May 1. Southern Star tariffs allow both injections and withdrawals into storage year-round with ratchets that restrict the associated flows dependent upon the underlying inventory level per the contracts.

In addition, Spire Missouri supplements pipeline gas with natural gas withdrawn from its own underground storage field located in St. Louis and St. Charles Counties in Missouri. The field is designed to provide approximately 0.3 Bcf of natural gas withdrawals on a peak day and maximum annual net withdrawals of approximately 4.0 Bcf of natural gas based on the inventory level that Spire Missouri plans to maintain.

Spire Alabama has a contractual right to store 12.5 Bcf of gas with Southern Natural Gas, 0.2 Bcf of gas with Transco and 0.2 Bcf of gas with Tennessee Gas Pipeline. In addition, Spire Alabama has 1.8 Bcf of LNG storage that can provide the system with up to an additional 0.2 Bcf of natural gas daily to meet peak day demand.

Spire Gulf obtains adequate storage capacity through Gulf South Pipeline Company, LP, and Enstor Gas, LLC's Bay Gas Storage.

Union Agreements

The Company believes labor relations with its employees are good. Should that condition change, the Company could experience labor disputes, work stoppages or other disruptions that could negatively impact the Company's system operations, customer service, results of operations and cash flows.

The following table presents the Company's various labor agreements as of September 30, 2020:

Union	Local	Employees Covered	Contract Start Date	Contract End Date
Spire Missouri				
United Steel, Paper and Forestry, Rubber Manufacturing, Allied-Industrial and Service Workers International Union (USW)	884	67	August 1, 2018	July 31, 2021
USW	11-6	928	August 1, 2018	July 31, 2021
USW	11-194	82	August 1, 2018	July 31, 2021
USW	12561	140	October 9, 2019	July 31, 2022
USW	14228	44	October 9, 2019	July 31, 2022
USW	11-267	29	October 9, 2019	July 31, 2022
Gas Workers Metal Trades locals of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada	781-Kansas City	210	September 21, 2019	July 31, 2022
Gas Workers Metal Trades locals of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada	781-Monett	57	September 21, 2019	July 31, 2022
Total Spire Missouri		1,557		
Spire Alabama				
USW	12030	234	May 1, 2020	April 30, 2023
United Association of Gas Fitters	548	125	May 1, 2019	April 30, 2022
Total Spire Alabama		359		
Spire Gulf				
USW	541	63	August 1, 2020	July 31, 2023
Total Spire		1,979		

Operating Revenues and Customer Information

The following tables present information on Spire's revenues and therms sold and transported (before intersegment eliminations), and annual average numbers of customers for the three years ended September 30, 2020, 2019 and 2018.

Gas Utility Operating Revenues (% of Total)	2020	2019	2018
Residential	68%	68%	66%
Commercial & Industrial	22%	23%	24%
Transportation	6%	6%	6%
Other	4%	3%	4%
Total	100%	100%	100%

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Gas Utility Therms Sold and Transported (In millions)	2020	2019	2018
Residential	1,054.2	1,132.9	1,095.8
Commercial & Industrial	473.4	525.2	536.4
Transportation	1,670.5	1,673.2	1,615.1
Interruptible	14.8	16.2	14.5
Total System	3,212.9	3,347.5	3,261.8
Off-System	84.9	38.5	68.6
Total	3,297.8	3,386.0	3,330.4

Gas Utility Customers	2020	2019	2018
Residential	1,599,693	1,584,570	1,567,939
Commercial & Industrial	112,566	112,561	123,982
Transportation	847	842	835
Interruptible	67	69	70
Total	1,713,173	1,698,042	1,692,826

Total annual average number of customers for Spire Missouri and Spire Alabama for fiscal 2020 was 1,186,523 and 424,804, respectively.

Regulatory Matters

For details on regulatory matters, see Note 15, Regulatory Matters, of the Notes to Financial Statements in Item 8.

Other Pertinent Matters

Spire Missouri is the only distributor of natural gas within its franchised service areas, while Spire Alabama is the main distributor of natural gas in its service areas. Spire Missouri and Spire Alabama have franchises in nearly all the communities where they provide service with terms varying from five years to an indefinite duration. A franchise is essentially a municipal permit to install pipes and construct other facilities in the community. All of the franchises are free from unduly burdensome restrictions and are adequate for the conduct of Spire Missouri's and Spire Alabama's current public utility businesses in their respective states. In recent years, although certain franchise agreements have expired, the Utilities have continued to provide service in those communities without formal franchises.

The principal competition for the Utilities comes from the local electric companies. Other competitors in the service areas include suppliers of fuel oil, coal, and propane, as well as natural gas pipelines that can directly connect to large volume customers. Coal has been price competitive as a fuel source for very large boiler plant loads, but environmental requirements have shifted the economic advantage to natural gas. Oil and propane can be used to fuel boiler loads and certain direct-fired process applications, but these fuels require on-site storage, thus limiting their competitiveness. Competition also comes from district steam systems in the downtown areas of both St. Louis and Kansas City and from municipally or publicly owned natural gas distributors located adjacent to the Alabama service territories.

Residential, commercial, and industrial customers represent approximately 92% and 83% of fiscal 2020 operating revenues for Spire Missouri and Spire Alabama, respectively. Given the current level of natural gas supply and market conditions, the Utilities believe that the relative comparison of natural gas equipment and operating costs with those of competitive fuels will not change significantly in the foreseeable future, and that these markets will continue to be supplied by natural gas. In new multi-family and commercial rental markets, the Utilities' competitive exposures are presently limited to space and water heating applications.

Spire Missouri and Spire Alabama offer gas transportation service to its large commercial and industrial customers. Transportation customers represent approximately 3% and 16% of fiscal 2020 operating revenues for Spire Missouri and Spire Alabama, respectively. The Spire Missouri tariff approved for that type of service produces a margin similar to that which Spire Missouri would have received under their regular sales rates. Similarly, Spire Alabama's tariff is based on Spire Alabama's sales profit margin so that operating margins are unaffected.

The Utilities are subject to various environmental laws and regulations that, to date, have not materially affected the Utilities' or the Company's financial position and results of operations. For a detailed discussion of environmental matters, see Note 16, Commitment and Contingencies, of the Notes to Financial Statements in Item 8.

GAS MARKETING

Spire Marketing is engaged in the marketing of natural gas and providing energy services to both on-system utility transportation customers and customers outside of the Utilities' service areas. The majority of Spire Marketing's business is derived from the procurement and physical delivery of natural gas to a diverse customer base, primarily in the central and southern U.S. Through its retail operations, Spire Marketing offers natural gas marketing services to large commercial and industrial customers, while its wholesale business consists of producers, pipelines, power generators, municipalities, storage operators, and utility companies. Wholesale activities currently represent a majority of the total Gas Marketing business.

In the course of its business, Spire Marketing enters into agreements to purchase natural gas at a future date in order to lock up supply to cover future sales commitments to its customers. To secure access to the markets it serves, Spire Marketing contracts for transportation capacity on various pipelines from pipeline companies directly and from other parties through the secondary capacity market. Throughout fiscal 2020, Spire Marketing held approximately 1.1 Bcf per day of firm transportation capacity. In addition, to ensure reliability of service and to provide operational flexibility, Spire Marketing enters into firm storage contracts and interruptible park and loan transactions with various companies, where it is able to buy and retain gas to be delivered at a future date, at which time it sells the natural gas to third parties. As of September 30, 2020, Spire Marketing has contracted for approximately 26 Bcf of such storage and park and loan capacity for the 2020-2021 winter season.

The Gas Marketing strategy is to leverage its market expertise and risk management skills to manage and optimize the value of its portfolio of commodity, transportation, park and loan, and storage contracts while controlling costs and acting on new marketplace opportunities. Overall, Gas Marketing saw volume growth in fiscal 2020 primarily as a result of increased business with producers and integrated utilities, retail and wholesale customer growth, and increased optimization opportunities resulting from its overall portfolio of assets. For fiscal 2020, Spire Marketing volumes averaged 2.13 Bcf/day, an improvement from 1.9 Bcf/day in fiscal 2019.

OTHER

Other components of the Company's consolidated information include:

- unallocated corporate items, including certain debt and associated interest costs;
- Spire STL Pipeline LLC ("Spire STL Pipeline") and Spire Storage West LLC ("Spire Storage"), described below; and
- Spire's subsidiaries engaged in the operation of a propane pipeline, the compression of natural gas, and risk management, among other activities.

Spire STL Pipeline is a wholly owned subsidiary of Spire which owns and operates a 65-mile pipeline connecting the Rockies Express Pipeline in Scott County, Illinois, to delivery points in St. Louis County, Missouri, including Spire Missouri's storage facility. The pipeline is under the jurisdiction of the Federal Energy Regulatory Commission (FERC) and is capable of delivering up to 4 million therms per day of natural gas into eastern Missouri. Spire Missouri is the foundation shipper with a contractual commitment of 3.5 million therms per day. The pipeline was primarily constructed during fiscal 2019 and was placed into service in November 2019.

Spire Storage is engaged in the storage of natural gas in the western region of the United States. The facility consists of two storage fields operating under one FERC market-based rate tariff. On July 1, 2020, the Board of Directors of Spire, based upon the recommendation of senior management, revised the development plan for Spire Storage. As a result of the revised development plan, an asset impairment charge was recorded in the third quarter of fiscal 2020. The revision to the development plan for Spire Storage was driven by the realization that a longer time horizon will be required for optimization and positioning of the storage facility to serve energy markets in the western United States that continue to evolve. Spire remains committed to serving its customers through the ongoing development and operation of the facility. Such development is expected to include approximately $16 million in capital investment over the next year or so to enhance the capabilities of the facility. Consistent with the revised development plans, a FERC application to expand the working capacity of the facility, pursuant to Section 7(c) of the Natural Gas Act, was filed on October 9, 2020. The application process and receipt of an authorizing certificate does not commit Spire to incremental capital investment in Spire Storage.

Item 1A. Risk Factors

Spire's and the Utilities' business and financial results are subject to a number of risks and uncertainties, including those set forth below. The risks described below are those the Company and the Utilities consider to be material. When considering any investment in Spire or the Utilities' securities, investors should carefully consider the following information, as well as information contained in the caption "Forward-Looking Statements," Item 7A, and other documents Spire, Spire Missouri, and Spire Alabama file with the SEC. This list is not exhaustive, and Spire's and the Utilities' respective management places no priority or likelihood based on the risk descriptions, order of presentation or grouping by subsidiary. All references to dollar amounts are in millions.

RISKS AND UNCERTAINTIES THAT RELATE TO THE BUSINESS AND FINANCIAL RESULTS OF SPIRE AND ITS SUBSIDIARIES

We face risks related to widespread public health concerns, such as the recent coronavirus outbreak.

The actual or perceived effects of a disease outbreak, epidemic, pandemic or similar widespread public health concern, such as COVID-19, will likely negatively affect our operations, liquidity, financial condition, cash flows and results of operations. The outbreak of the novel coronavirus (COVID-19) has adversely impacted economic activity and conditions worldwide. In particular, efforts to control the spread of COVID-19 have led to shutdowns of customer operations, as well as disrupted financial markets and supply chains. The Company has implemented what we believe to be appropriate procedures and protocols to ensure the safety of our customers, suppliers and employees. These actions include activating incident management procedures, working-from-home for our office-based employees, limiting direct contact with our customers, and, from March through June, suspending disconnections and late payment charges for our utility customers. During fiscal 2020, we experienced impacts on our results of operations as a result of COVID-19 including, but not limited to:

- reduced collection of late payment charges, lower revenue on commercial and industrial volumes;
- increased bad debt expenses;
- increases in certain operational expenses such as enhanced cleaning and personal protection equipment;
- decreases in expense for travel and medical claims; and
- higher residential customer charges due to the moratorium on disconnections.

We are continuing to assess the developments involving our workforce, customers and suppliers, as well as the ongoing response of federal and state authorities, our regulators and other business and community leaders. An extended slowdown of the United States' economy or demand for commodities and/or material changes in government policy in response to COVID-19 could result in lower demand for natural gas, particularly among our commercial and industrial customers, as well as negatively impact the ability of our customers, contractors, suppliers and other business partners to remain in business or return to reasonable business activity in the near future. While the crisis has not had a material effect on the Company to date, the impacts continue to unfold and the full extent of future developments are not known at this time and may have a material impact on our results of operations, financial condition, liquidity and prospects. We have identified the following potential categories of risks for Spire, Spire Missouri and Spire Alabama outside of those already experienced through September 2020:

- The health, safety and productivity of our workforce, including in a physically dispersed environment;
- Decreases in non-essential operational functions and/or capital investment;
- Supply chain impacts due to decreased production and imports of materials and supplies;
- The impact on operating results due to increased costs, lower demand in Spire's service territories and/or lower fees associated with suspending service disconnections and other billing practices or other moratoriums;
- The impact of new regulatory actions that could increase costs or provide for future regulatory recovery of those costs;
- Spire's continued ability to access normal functioning capital markets in prolonged economic downturn;

- Adverse investment performance for postretirement benefit plan assets or the failure to maintain sustained growth in these investments over time could lead to an increase in our plan costs and funding requirements related to the plans; and
- Cybersecurity risks associated with a portion of our workforce working remotely.

To mitigate some of these risks, Spire has implemented additional health and safety precautions while continuing to service utility customers. Spire is an essential business and continues to operate, while adhering to precautionary safety measures, to ensure that critical infrastructure improvements continue and to maintain the safety of the gas distribution network. Further, we have modified certain business and workforce practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events, and conferences) to conform to government restrictions and best practices encouraged by government and regulatory authorities. We are monitoring impacts on our operations, costs and rate bases of our businesses, and continue to explore alternative approaches to ensure the viability of our businesses and continued service to our customers.

To the extent the COVID-19 health crisis adversely affects our business, it may also have the effect of heightening many of the other risks described in this item.

As a holding company, Spire depends on its operating subsidiaries to meet its financial obligations.

Spire is a holding company with no significant assets other than the stock of its operating subsidiaries and cash investments. Spire, and Spire Missouri prior to the holding company's formation in 2000, has paid common stock dividends continuously since 1946. Spire's ability to pay dividends to its shareholders is dependent on the ability of its subsidiaries to generate sufficient net income and cash flows to pay upstream dividends and make loans or loan repayments. In addition, because it is a holding company and the substantial portion of its assets are represented by its holdings in the Utilities, the risks faced by the Utilities as described below under RISKS THAT RELATE TO THE GAS UTILITY SEGMENT may also adversely affect Spire's cash flows, liquidity, financial condition and results of operations.

A downgrade in Spire's and/or its subsidiaries' credit ratings may negatively affect its ability to access capital and its cost of capital.

Currently, Spire, Spire Missouri, and Spire Alabama have investment grade credit ratings. There is no assurance that such credit ratings for any of the Spire companies will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. Spire has a working capital line of credit to meet its short-term liquidity needs. Spire's line of credit may be used to meet the liquidity needs of any of its subsidiaries, subject to sublimits. If the rating agencies lowered the credit rating at any of these entities, particularly below investment grade, it might significantly limit that entity's ability to secure new or additional credit facilities and would increase its costs of borrowing. Spire's or the Utilities' ability to borrow under current or new credit facilities and costs of that borrowing have a direct impact on their ability to execute their operating strategies.

Pipeline integrity programs and repairs may impose significant costs and liabilities on the Company.

The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) requires pipeline operators to develop integrity management programs to comprehensively evaluate certain areas along their pipelines and to take additional measures to protect pipeline segments located in "high consequence areas" where a leak or rupture could potentially do the most harm. As the operator of the STL Pipeline, the Company is required to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a "high consequence area";
- improve data collection, integration and analysis;
- repair and remediate the pipeline as necessary; and
- implement preventative and mitigating actions.

The Company is required to maintain pipeline integrity testing programs that are intended to assess pipeline integrity. Any repair, remediation, preventative or mitigating actions may require significant capital and operating expenditures. Should the Company fail to comply with applicable statutes and the PHMSA Office of Pipeline Safety's rules and related regulations and orders, it could be subject to significant penalties and fines.

Reductions in capacity of interconnecting, third-party pipelines could cause a reduction in volumes transported by Spire STL Pipeline, which could adversely affect the Company.

Spire STL Pipeline is dependent upon third-party pipelines and other facilities to provide delivery options to and from its pipeline. If any pipeline connection were to become unavailable for volumes of natural gas due to repairs, damage to the facility, lack of capacity or any other reason, Spire STL Pipeline's ability to continue shipping natural gas to end markets could be restricted, and to the extent not mitigated by contractual indemnification, insurance or tariffs, would thereby reduce its revenues. Any permanent interruption at any key pipeline interconnect that causes a material reduction in volumes transported on its pipeline could result in an impairment loss that could have a material adverse effect on the Company's financial condition and operating results.

The Company's natural gas storage business includes inherent geologic and operational risks, as well as risks from competition and changes in market fundamentals.

In 2017 and 2018, the Company acquired two neighboring storage facilities, one of which had been operating in bankruptcy for an extended period. The Company has restructured to integrate these facilities into one, now known as Spire Storage, to increase capacity, improve operating performance, and improve the integrity of its storage fields and associated above-ground facilities. Any damage to the storage facility or pipelines, or lack of integrity to its storage fields, to the extent not covered by insurance, could have a material adverse effect on the Company's financial condition, operating results and cash flows.

The Company's storage assets are connected to third-party-owned pipelines. The continuing operation of such third-party pipelines is not within its control. If any of these pipelines become unable to transport, treat or process natural gas or natural gas liquids, or if the volumes it gathers or transports do not meet the quality requirements of such pipelines, the Company's revenues and cash flows could be adversely affected.

The Company does not own all the land on which its storage facilities were constructed, and it is, therefore, subject to the possibility of more onerous terms or increased costs to retain necessary land use, if and when applicable property rights expire or are renewed. Changes in the terms of such land use could have an adverse impact on the financial condition, results of operations and cash flows for the Company's storage business.

Spire Storage is subject to competition from similar services provided by pipelines and from competing independent storage providers capable of serving its customers. Natural gas storage is a competitive business, with competitors having the ability to expand storage capacity. Increased competition in the natural gas storage business could reduce the demand and drive rates down for the Company's natural gas storage services.

Storage businesses are affected by various gas market fundamentals which impact the level of demand for storage services and the rates that can be charged for these services. These market fundamentals include: seasonal price spread; monthly, daily and hourly price volatility; locational basis for pricing points on pipelines connected to a storage facility; seasonal, daily and hourly weather; and operational impacts in supply and market areas served by a storage facility and its connected pipelines. These fundamentals have varying and potentially material adverse impacts on the various services offered by storage facilities and the rates that can be charged for these services in the market. These services include long-term firm storage, short-term park and loan, wheeling, and optimization. Rates below the variable costs to operate a storage facility could result in a decision to not operate all the capacity in the facility or to operate the facility at a loss if required to fulfill firm customer contract obligations. A sustained decline in these rates or a shut-in of all or a portion of one or more facilities' capacity could have an adverse impact on the Company's financial condition, results of operations and cash flows.

Transporting, distributing, and storing natural gas and propane involves numerous risks that may result in accidents and other operating risks and costs.

Natural gas transportation, distribution and storage activities inherently involve a variety of hazards and operations risks, such as leaks, accidental explosions, damage caused by third parties, and mechanical problems, which could cause substantial financial losses. In addition, these risks could result in serious injury to employees and non-employees, loss of human life, significant damage to property, environmental pollution, impairment of operations, and substantial losses to the Company and its subsidiaries. The location of pipelines and storage facilities near populated areas, including residential areas, commercial business centers, and industrial sites, could increase the level of damages resulting from these risks. Similar risks also exist for Spire Missouri's propane storage, transmission and minor distribution operations. These activities may subject the Company to litigation or administrative proceedings. Such litigation or proceedings could result in substantial monetary judgments, fines, or penalties against the Company and its subsidiaries or be resolved on unfavorable terms. The Utilities and other Spire businesses are subject to federal and state laws and regulations requiring them to maintain certain safety and system integrity measures by identifying and managing storage and pipeline risks. Compliance with these laws and regulations, or future changes in these laws and regulations, may result in increased capital, operating and other costs which may not be recoverable in a timely manner from customers in rates. In accordance with customary industry practices, the Utilities and other Spire businesses maintain insurance against a significant portion, but not all, of these risks and losses. To the extent that the occurrence of any of these events is not fully covered by insurance, it could adversely affect the financial condition and results of operations of the Company and its subsidiaries.

In connection with acquisitions, Spire and Spire Missouri recorded goodwill and long-lived assets that could become impaired and adversely affect its financial condition and results of operations.

Spire and Spire Missouri assess goodwill for impairment annually or more frequently if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company and Spire Missouri assess their long-lived assets for impairment whenever events or circumstances indicate that an asset's carrying amount may not be recoverable. To the extent the value of goodwill or long-lived assets becomes impaired, the Company and Spire Missouri may be required to incur impairment charges that could have a material impact on their results of operations.

Since interest rates are a key component, among other assumptions, in the models used to estimate the fair values of the Company's reporting units, rises in interest rates would generally decrease the calculated fair values and future impairments may occur. Due to the subjectivity of the assumptions and estimates underlying the impairment analysis, Spire and Spire Missouri cannot provide assurance that future analyses will not result in impairment. These assumptions and estimates include projected cash flows, current and future rates for contracted capacity, growth rates, weighted average cost of capital and market multiples.

Climate change and regulatory and legislative developments in the energy industry related to climate change may in the future adversely affect operations and financial results.

Climate change, and regulatory, public policy, or legislative changes to address the potential for climate change, could adversely affect operations and financial results of the Company. Management believes it is likely that any such resulting impacts would occur over a long period of time and thus would be difficult to quantify with any degree of specificity. To the extent climate change results in warmer temperatures, financial results could be adversely affected through lower gas volumes and revenues and lack of marketing opportunities. Another possible impact of climate change may be more frequent and more severe weather events, such as hurricanes and tornadoes, which could increase costs to repair damaged facilities and restore service to customers, or result in lost revenues if the Company were unable to deliver natural gas to customers. To the extent such impacts are not covered by insurance or recovered in rates, this could have a material adverse effect on the Company's financial condition, operating results and cash flows.

In addition, there have been a number of federal, state and local legislative and regulatory initiatives proposed in recent years in an attempt to control or limit the effects of global warming and overall climate change, including greenhouse gas emissions, such as methane and carbon dioxide. The adoption in the future of this type of legislation by Congress or similar legislation by states or localities, or the adoption of related regulations by federal, state or local governments mandating a substantial reduction in greenhouse gas emissions, restricting the use of fossil fuels, such as natural gas, or restricting the construction of infrastructure necessary to deliver natural gas to customers could have far-reaching and significant impacts on the energy industry. Such new legislation or regulations could result in increased compliance costs or additional operating restrictions, affect the demand for natural gas or impact the prices charged to customers. At this time, we cannot predict the potential impact of such laws or regulations that may be adopted on the Company's and the Utilities' future business, financial condition or financial results.

Changes to income tax policy, certain tax elections, tax regulations and future taxable income could adversely impact the Company's financial condition and results of operations.

The Company has significantly reduced its current federal and state income tax obligations over the past few years through tax planning strategies and the use of bonus depreciation deductions for certain expenditures for property. As a result, the Company has generated large annual taxable losses that have resulted in significant federal and state net operating losses in years prior to the Tax Cuts and Jobs Act. The Company plans to utilize these net operating losses in the future to reduce income tax obligations. The value of these net operating losses could be reduced if the Company cannot generate enough taxable income in the future to utilize all of the net operating losses before they expire due to lower than expected financial performance or regulatory actions.

Changes to income tax policy, laws and regulations, including but not limited to changes in tax rates, the deductibility of certain expenses including interest and state and local income taxes and/or changes in the deductibility of certain expenditures for property, could adversely impact the Company. Those impacts could include reducing the value of its net operating losses and could result in material charges to earnings. Further, the Company's financial condition and results of operations may be adversely impacted.

Spire's pension and other postretirement benefit plans are subject to investment and interest rate risk that could negatively impact its financial condition.

The Company and its subsidiaries have pension and other postretirement benefit plans that provide benefits to many of their employees and retirees. Costs of providing benefits and related funding requirements of these plans are subject to changes in the market value of the assets that fund the plans. The funded status of the plans and the related costs reflected in the Company's financial statements are affected by various factors, which are subject to an inherent degree of uncertainty, including economic conditions, financial market performance, interest rates, life expectancies and demographics. Recessions and volatility in the domestic and international financial markets have negatively affected the asset values of Spire's pension plans at various times in the past. Poor investment returns or lower interest rates may necessitate accelerated funding of the plans to meet minimum federal government requirements, which could have an adverse impact on the Company's and its subsidiaries' financial condition and results of operations. For more information, including regulatory provisions affecting the Utilities' plans, see Note 13, Pension Plans and Other Postretirement Benefits, of the Notes to Financial Statements in Item 8.

RISKS THAT RELATE TO THE GAS UTILITY SEGMENT

Regulation of the Utilities' businesses may impact rates they are able to charge, costs, and profitability.

The Utilities are subject to regulation by federal, state and local authorities. At the state level, the Utilities are regulated in Missouri by the Missouri Public Service Commission (MoPSC), in Alabama by the Alabama Public Service Commission (APSC), and in Mississippi by the Mississippi Public Service Commission (MSPSC). These state public service commissions regulate many aspects of the Utilities' distribution operations, including construction and maintenance of facilities, operations, safety, the rates the Utilities may charge customers, the terms of service to their customers, transactions with their affiliates, the rate of return they are allowed to realize, and the accounting treatment for certain aspects of their operations. For further discussion of these accounting matters, see Regulatory Accounting under Critical Accounting Estimates in Item 7.

Accounting for the economics of rate regulation affects multiple financial statement line items, including property, plant, and equipment; regulatory assets and liabilities; operating revenues; and depreciation expense, and affects multiple disclosures in the Company's financial statements. There is a risk that the state public service commissions will not approve full recovery of the costs of providing utility service or recovery of all amounts invested in the utility business and a reasonable return on that investment. A material disallowance of deferred costs could adversely affect the Utilities' results of operations.

The MoPSC also approves Spire Missouri's Infrastructure System Replacement Surcharge (ISRS). The ISRS allows Spire Missouri expedited recovery for its investment to upgrade its infrastructure and enhance its safety and reliability without the necessity of a formal rate case. Such investments are subject to review, and there is risk that any material disallowance of costs under ISRS could adversely affect the timing of revenues.

The Utilities' ability to obtain and timely implement rate increases and rate supplements to maintain the current rate of return is subject to regulatory review and approval. There can be no assurance that they will be able to obtain rate increases or rate supplements or continue earning the current authorized rates of return. Spire Alabama's and Spire Gulf's rate setting process, Rate Stabilization and Equalization (RSE), is subject to regulation by the APSC and is implemented pursuant to APSC orders expiring September 30, 2022 and 2021, respectively. RSE adjustments would continue after those dates unless the APSC enters an order to the contrary in a manner consistent with the law. Spire Mississippi is subject to regulation by the MSPSC and utilizes the Rate Stabilization Adjustment (RSA) Rider. For further details, see Note 15, Regulatory Matters, of the Notes to Financial Statements in Item 8.

The Utilities could incur additional costs if required to adjust to new laws or regulations, revisions to existing laws or regulations or changes in interpretations of existing laws or regulations. In addition, as the regulatory environment for the natural gas industry increases in complexity, the risk of inadvertent noncompliance could also increase. If the Utilities fail to comply with applicable laws and regulations, whether existing or new, they could be subject to fines, penalties or other enforcement action by the authorities that regulate the Utilities' operations.

The Utilities are involved in legal or administrative proceedings before various courts and governmental bodies that could adversely affect their results of operations, cash flows and financial condition.

The Utilities are involved in legal or administrative proceedings before various courts and governmental bodies with respect to general claims, rates, environmental issues, gas cost prudence reviews and other matters. For further details, see Contingencies in

Note 16 to the financial statements in Item 8. Adverse decisions regarding these matters, to the extent they require the Utilities to make payments in excess of amounts provided for in their financial statements, or to the extent they are not covered by insurance, could adversely affect the Utilities' results of operations, cash flows and financial condition.

The Utilities' liquidity may be adversely affected by delays in recovery of their costs, due to regulation.

In the normal course of business, there is a lag between when the Utilities incur increases in certain of their costs and the time in which those costs are considered for recovery in the ratemaking process. Cash requirements for increased operating costs, increased funding levels of defined benefit pension and postretirement costs, capital expenditures, and other increases in the costs of doing business can require outlays of cash prior to the authorization of increases in rates charged to customers, as approved by the MoPSC, APSC, and MSPSC. Accordingly, the Utilities' liquidity can be adversely impacted to the extent higher costs are not timely recovered from their customers.

The Utilities' ability to meet their customers' natural gas requirements may be impaired if contracted gas supplies, interstate pipeline and/or storage services are not available or delivered in a timely manner.

In order to meet their customers' annual and seasonal natural gas demands, the Utilities must obtain sufficient supplies, interstate pipeline capacity, and storage capacity. If they are unable to obtain these, either from their suppliers' inability to deliver the contracted commodity or the inability to secure replacement quantities, to the extent not mitigated by tariffs, contractual indemnification or insurance, the Utilities' financial condition and results of operations may be adversely impacted. If a substantial disruption in interstate natural gas pipelines' transmission and storage capacity were to occur during periods of heavy demand, the Utilities' financial results could be adversely impacted.

The Utilities' liquidity and, in certain circumstances, the Utilities' results of operations may be adversely affected by the cost of purchasing natural gas during periods in which natural gas prices are rising significantly.

The tariff rate schedules of Spire Missouri, Spire Gulf and Spire Mississippi contain Purchased Gas Adjustment (PGA) clauses and Spire Alabama's tariff rate schedule contains a Gas Supply Adjustment (GSA) rider that permit the Utilities to file for rate adjustments to recover the cost of purchased gas. Changes in the cost of purchased gas are flowed through to customers and may affect uncollectible amounts and cash flows and can therefore impact the amount of capital resources.

Currently, Spire Missouri is allowed to adjust the gas cost component of rates up to four times each year while Spire Alabama and Spire Gulf (collectively, the "Alabama Utilities") and Spire Mississippi may adjust the gas cost component of their rates on a monthly basis. Spire Missouri must make a mandatory gas cost adjustment at the beginning of the winter, in November, and during the next twelve months may make up to three additional discretionary gas cost adjustments, so long as each of these adjustments is separated by at least two months.

The MoPSC typically approves the Spire Missouri PGA changes on an interim basis, subject to refund and the outcome of a subsequent audit and prudence review. Due to such review process, there is a risk of a disallowance of full recovery of these costs. Any material disallowance of purchased gas costs would adversely affect results of operations. The Alabama Utilities' gas supply charges are submitted for APSC review on a monthly basis, regardless of whether there is a request for a change, so prudence review occurs on an ongoing basis. Spire Mississippi's PGA is adjusted on a monthly basis for the most recent charges and is filed at the MSPSC on a monthly basis.

Increases in the prices the Utilities charge for gas may also adversely affect revenues because they could lead customers to reduce usage and cause some customers to have trouble paying the resulting higher bills. These higher prices may increase bad debt expenses and ultimately reduce earnings. Rapid increases in the price of purchased gas may result in an increase in short-term debt.

To lower financial exposure to commodity price fluctuations, Spire Missouri enters into contracts to hedge the forward commodity price of its natural gas supplies. As part of this strategy, Spire Missouri may use fixed-price forward physical purchase contracts, swaps, futures, and option contracts. However, Spire Missouri does not hedge the entire exposure of energy assets or positions to market price volatility, and the coverage will vary over time. Any costs, gains, or losses experienced through hedging procedures, including carrying costs, generally flow through the PGA clause, thereby limiting Spire Missouri's exposure to earnings volatility. However, variations in the timing of collections of such gas costs under the PGA clause and the effect of cash payments for margin deposits associated with Spire Missouri's use of natural gas derivative instruments may cause short-term cash requirements to vary. These procedures remain subject to prudence review by the MoPSC.

Other than fixed-price forward physical purchase contracts, Spire Alabama currently does not utilize risk mitigation strategies that incorporate commodity hedge instruments but has the ability to do so through its GSA. Spire Gulf hedges gas supply for up to 30 months in advance, and Spire Mississippi utilizes hedging for the upcoming heating season.

The Utilities' business activities are concentrated in three states.

The Utilities provide natural gas distribution services to customers in Alabama, Mississippi, and Missouri. Changes in the regional economies, politics, regulations and weather patterns of these states could negatively impact the Utilities' growth opportunities and the usage patterns and financial condition of customers and could adversely affect the Utilities' earnings, cash flows, and financial position.

The Utilities may be adversely affected by economic conditions.

Periods of slowed economic activity generally result in decreased energy consumption, particularly by industrial and large commercial companies, a loss of existing customers, fewer new customers especially in newly constructed buildings. As a consequence, national or regional recessions or other downturns in economic activity could adversely affect the Utilities' revenues and cash flows or restrict their future growth. Economic conditions in the Utilities' service territories may also adversely impact the Utilities' ability to collect accounts receivable, resulting in an increase in bad debt expense.

Environmental laws and regulations may require significant expenditures or increase operating costs.

The Utilities are subject to federal, state and local environmental laws and regulations affecting many aspects of their present and future operations. These laws and regulations require the Utilities to obtain and comply with a wide variety of environmental licenses, permits, inspections, and approvals. Failure to comply with these laws and regulations and failure to obtain any required permits and licenses may result in costs to the Utilities in the form of fines, penalties or business interruptions, which may be material. In addition, existing environmental laws and regulations could be revised or reinterpreted and/or new laws and regulations could be adopted or become applicable to the Utilities or their facilities, thereby impacting the Utilities' cost of compliance. The discovery of presently unknown environmental conditions, including former manufactured gas plant sites, and claims against the Utilities under environmental laws and regulations may result in expenditures and liabilities, which could be material. To the extent environmental compliance costs are not fully covered by insurance or recovered in rates from customers, those costs may have an adverse effect on the Utilities' financial condition and results of operations.

Because of competition, the Utilities may not be able to retain existing customers or acquire new customers, which could have an adverse impact on their business, operating results and financial condition.

The Utilities face the risk that larger commercial or industrial customers may bypass gas distribution services by gaining distribution directly from interstate pipelines or, in the case of Spire Alabama and Spire Gulf, also from municipally or publicly owned gas distributors located adjacent to its service territory. The Utilities cannot provide any assurance that increased competition will not have a material adverse effect on their business, financial condition or results of operations.

The Utilities compete with distributors offering a broad range of services and prices, from full-service distributors to those offering delivery only. The Utilities also compete for retail customers with suppliers of alternative energy products, principally propane and electricity. If they are unable to compete effectively, the Utilities may lose existing customers and/or fail to acquire new customers, which in the aggregate could have a material adverse effect on their business, operating results and financial condition.

Changes in the wholesale costs of purchased natural gas supplies may adversely impact the Utilities' competitive position compared with alternative energy sources.

Changes in wholesale natural gas prices compared with prices for electricity, fuel oil, coal, propane, or other energy sources may affect the Utilities' retention of natural gas customers and may adversely impact their financial condition and results of operations.

Significantly warmer-than-normal weather conditions, the effects of climate change, legislative and regulatory initiatives in response to climate change or in support of increased energy efficiency, and other factors that influence customer usage may affect the Utilities' sale of heating energy and adversely impact their financial position and results of operations.

The Utilities' earnings are primarily generated by the sale of heating energy. Spire Missouri and Spire Mississippi each have a Weather Normalization Adjustment rider, Spire Alabama has a Temperature Adjustment Rider, and Spire Gulf has a Weather Impact Normalization Factor. These mechanisms, approved by the respective state regulatory body, provide better assurance of the recovery of fixed costs and margins during winter months despite variations in sales volumes due to the impacts of weather, while the annual rate designs of Alabama and Mississippi help adjust for other factors that affect customer usage. However, significantly warmer-than-normal weather conditions in the Utilities' service areas and other factors, such as climate change, alternative energy sources and increased efficiency of gas furnaces and other appliances, may result in reduced profitability and decreased cash flows attributable to lower gas sales. Furthermore, continuation of these adjustment factors is subject to regulatory discretion.

In addition, legislative and regulatory initiatives by the federal, state and local governments addressing greenhouse gas emissions or restricting the use of natural gas could adversely affect customer demand. The promulgation of regulations of the emissions of greenhouse gases and efficiency for residential gas furnaces and other gas appliances or the potential enactment of congressional legislation addressing global warming and climate change may decrease customer usage, encourage fuel switching from gas to other energy forms, and may result in future additional compliance costs that could impact the Utilities' financial conditions and results of operations.

Regional supply/demand fluctuations and changes in national infrastructure, as well as regulatory discretion, may adversely affect the Utilities' ability to profit from off-system sales and capacity release.

Spire Missouri's and Spire Alabama's income from off-system sales and capacity release is subject to fluctuations in market conditions and changing supply and demand conditions in areas the Utilities hold pipeline capacity rights. Specific factors impacting the Utilities' income from off-system sales and capacity release include the availability of attractively priced natural gas supply, availability of pipeline capacity, and market demand. Income from off-system sales and capacity release is shared with customers. Spire Missouri and Spire Alabama are allowed to retain 25% of the net margins achieved as a result of such off-system sales and capacity releases. The Utilities' ability to retain such income in the future is subject to regulatory discretion.

RISKS THAT RELATE TO THE GAS MARKETING SEGMENT

Increased competition, fluctuations in natural gas commodity prices, expiration of supply and transportation arrangements, and infrastructure projects may adversely impact the future profitability of Gas Marketing.

Competition in the marketplace and fluctuations in natural gas commodity prices have a direct impact on the Gas Marketing business. Changing market conditions and prices, the narrowing of regional and seasonal price differentials and limited future price volatility may adversely impact its sales margins or affect its ability to procure gas supplies and/or to serve certain customers, which may reduce sales profitability and/or increase certain credit requirements caused by reductions in netting capability. Also, Gas Marketing profitability may be impacted by the effects of the expiration, in the normal course of business, of certain of its natural gas supply contracts if those contracts cannot be replaced and/or renewed with arrangements with similar terms and pricing. Although the FERC regulates the interstate transportation of natural gas and establishes the general terms and conditions under which Spire Marketing may use interstate gas pipeline capacity to purchase and transport natural gas, Spire Marketing must occasionally renegotiate its transportation agreements with a concentrated group of pipeline companies. Renegotiated terms of new agreements, or increases in FERC-authorized rates of existing agreements, may impact Gas Marketing's future profitability. Profitability may also be adversely impacted if pipeline capacity or future storage capacity secured is not fully utilized.

Reduced access to credit and/or capital markets may prevent the Gas Marketing business from executing operating strategies.

The Gas Marketing segment relies on its cash flows, ability to effect net settlements with counterparties, parental guaranties, and access to Spire's liquidity resources to satisfy its credit and working capital requirements. Spire Marketing's ability to rely on parental guaranties is dependent upon Spire's financial condition and credit ratings. If Spire's credit ratings were lowered, particularly below investment grade, counterparty acceptance of parental guaranties may diminish, resulting in decreased availability of credit. Additionally, under such circumstances, certain counterparties may require Spire Marketing to provide prepayments or cash deposits, amounts of which would be dependent upon natural gas market conditions. Reduced access to credit or increased credit requirements, which may also be caused by factors such as higher overall natural gas prices, may limit Spire Marketing's ability to enter into certain transactions. In addition, Spire Marketing has concentrations of counterparty credit risk in that a significant portion of its transactions are with (or are associated with) energy producers, utility companies, and pipelines. These concentrations of counterparties have the potential to affect the Company's overall exposure to credit risk, either positively or negatively, in that each of these three groups may be affected similarly by changes in economic, industry, or other conditions. Spire Marketing also has concentrations of credit risk in certain individually significant counterparties. Spire Marketing closely monitors its credit exposure and, although uncollectible amounts have not been significant, increased counterparty defaults are possible and may result in financial losses and/or capital limitations.

Risk management policies, including the use of derivative instruments, may not fully protect Spire Marketing's sales and results of operations from volatility and may result in financial losses.

In the course of its business, Spire Marketing enters into contracts to purchase and sell natural gas at fixed prices and index-based prices. Commodity price risk associated with these contracts has the potential to impact earnings and cash flows. To minimize this risk, Spire Marketing has a risk management policy that provides for daily monitoring of a number of business measures, including fixed price commitments.

Spire Marketing currently manages the commodity price risk associated with fixed-price commitments for the purchase or sale of natural gas by either closely matching the offsetting physical purchase or sale of natural gas at fixed prices or through the use of natural gas futures, options, and swap contracts traded on or cleared through the New York Mercantile Exchange, Inc. and/or the Intercontinental Exchange to lock in margins. These exchange-traded/cleared contracts may be designated as cash flow hedges of forecasted transactions. However, market conditions and regional price changes may cause ineffective portions of matched positions to result in financial losses. Additionally, to the extent that Spire Marketing's natural gas contracts are classified as trading activities or do not otherwise qualify for the normal purchases or normal sales designation (or the designation is not elected), the contracts are recorded as derivatives at fair value each period. Accordingly, the associated gains and losses are reported directly in earnings and may cause volatility in results of operations. Gains or losses (realized and unrealized) on certain wholesale purchase and sale contracts, consisting of those classified as trading activities, are required to be presented on a net basis (instead of a gross basis) in the statements of consolidated income. Such presentation could result in volatility in the Company's operating revenues.

As a natural gas market participant, Spire Marketing is subject to applicable FERC- and Commodity Futures Trading Commission-(CFTC) administered statutes, rules, regulations and orders, including those directed generally to prevent manipulation of or fraud involving natural gas physical transactions and financial instruments, such as futures, options and swaps. Spire Marketing could be subject to substantial penalties and fines by FERC or CFTC, or both, for failure to comply with such rules.

Spire Marketing's ability to meet its customers' natural gas requirements may be impaired if contracted gas supplies and interstate pipeline services are not available or delivered in a timely manner.

Spire Marketing's ability to deliver natural gas to its customers is contingent upon the ability of natural gas producers, other gas marketers, and interstate pipelines to fulfill delivery obligations to Spire Marketing under firm contracts. To the extent that it is unable to obtain the necessary supplies, Spire Marketing's financial position and results of operations may be adversely impacted.

Regulatory and legislative developments pertaining to the energy industry may adversely impact Gas Marketing's results of operations, financial condition and cash flows.

The Gas Marketing business is non-regulated, in that the rates it charges its customers are not currently established by or subject to approval by any regulatory body with jurisdiction over its business. However, it is subject to various laws and regulations affecting the energy industry. New regulatory and legislative actions may adversely impact Gas Marketing's results of operations, financial condition, and cash flows by potentially reducing customer growth opportunities and/or increasing the costs of doing business.

Gas Marketing uses bilateral contracts and derivative instruments such as futures contracts, options and swaps to hedge or mitigate ongoing commercial risks. Most standardized swaps, under the Dodd-Frank Act, are required to be cleared through a registered clearing facility and traded on a designated exchange or swap execution facility, subject to certain exceptions. In addition, the CFTC's rules require companies, including Spire Marketing, to maintain regulatory records of swap transactions, and to report swaps to centralized swap data repositories, among other compliance obligations. Although Spire Marketing may qualify for exceptions to certain of these CFTC rules, its derivatives counterparties are subject to capital, margin, documentation and business conduct requirements imposed as a result of the Dodd-Frank Act. These obligations may increase transaction costs and may make it more difficult for Spire Marketing to enter into hedging transactions on favorable terms or affect the number and/or creditworthiness of available swap counterparties. Spire Marketing's inability to enter into derivatives instruments or other commercial risk hedging transactions on favorable terms, or at all, could increase operating expenses and expose it to unhedged commercial risks, including potential adverse changes in commodity prices.

The CFTC has also recently finalized its position limits rules that modify and expand the applicability of position limits on the amounts of certain speculative futures contracts, as well as economically equivalent options, futures and swaps for or linked to certain physical commodities that market participants may hold. While Spire Marketing anticipates qualifying for a bona fide hedging exemption to certain requirements of the final rule, the CFTC's final rule and earlier adopted aggregation rules may cause Spire Marketing's hedging strategies described above to be limited if Spire Marketing is unable to qualify for an exemption.

GENERAL RISK FACTORS

Unexpected losses may adversely affect Spire's or its subsidiaries' financial condition and results of operations.

As with most businesses, there are operations and business risks inherent in the activities of Spire's subsidiaries. If, in the normal course of business, Spire or any of its subsidiaries becomes a party to litigation, such litigation could result in substantial monetary judgments, fines, or penalties or be resolved on unfavorable terms. In accordance with customary practice, Spire and its subsidiaries maintain insurance against a significant portion of, but not all, risks and losses. In addition, in the normal course of its operations, Spire and its subsidiaries may be exposed to loss from other sources, such as bad debt expense or the failure of a counterparty to meet its financial obligations. Spire and its operating companies employ many strategies to gain assurance that such risks are appropriately managed, mitigated, or insured, as appropriate. To the extent a loss is not fully covered by insurance or other risk mitigation strategies, that loss could adversely affect the Company's and/or its subsidiaries' financial condition and results of operations.

Increased dependence on technology may hinder Spire's and its subsidiaries' business operations and adversely affect their financial condition and results of operations if such technologies fail.

Spire and its subsidiaries have implemented or acquired a variety of technological tools including both Company-owned information technology and technological services provided by outside parties. These tools and systems support critical functions including Spire and its subsidiaries' integrated planning, scheduling and dispatching of field resources, its automated meter reading system, customer care and billing, procurement and accounts payable, operational plant logistics, management reporting, and external financial reporting. The failure of these or other similarly important technologies, or the Company's or its subsidiaries' inability to have these technologies supported, updated, expanded, or integrated into other technologies, could hinder their business operations and, to the extent not covered by insurance, could adversely impact their financial condition and results of operations.

Although the Company and its subsidiaries have, when possible, developed alternative sources of technology and built redundancy into their computer networks and tools, there can be no assurance that these efforts to date would protect against all potential issues related to the loss of any such technologies or the Utilities' use of such technologies.

A cyberattack may disrupt Spire's operations or lead to a loss or misuse of confidential and proprietary information or potential liability.

The Company and its subsidiaries are subject to cybersecurity risks primarily related to breaches of security pertaining to sensitive customer, employee, and vendor information maintained by the Company, its subsidiaries, or its third-party vendors in the normal course of business, as well as breaches in the technology that manages natural gas distribution operations and other business processes. A loss of confidential or proprietary data or security breaches of technology for operations or business processes could adversely affect the Company's and its subsidiaries' reputation, diminish customer confidence, disrupt operations, and subject the Company and its subsidiaries to possible financial liability, any of which could have a material effect on the Company's and its subsidiaries' financial condition and results of operations.

The Company acknowledges that increased dependence on technology increases the Company's exposure to cyberattack. The Company and its subsidiaries closely monitor both preventive and detective measures to manage these risks and maintain cyber risk insurance to mitigate a significant portion, but not all, of these risks and losses. To the extent that the occurrence of any of these cyber events is not fully covered by insurance, it could adversely affect the Company's and its subsidiaries' financial condition and results of operations.

Resources expended to pursue or integrate business acquisitions, investments or other business arrangements may adversely affect Spire's financial position and results of operations and return on investments made may not meet the Company's expectations.

From time to time, Spire may seek to grow through strategic acquisitions, investments or other business arrangements. Attractive acquisition and investment opportunities may be difficult to complete on economically acceptable terms. It is possible for Spire to expend considerable resources pursuing acquisitions and investments but, for a variety of reasons, decide not to move forward. Similarly, investment opportunities may be hindered or halted by regulatory or legal actions. To the extent that acquisitions or investments are made, such transactions involve a number of risks, including but not limited to, the assumption of material liabilities, the diversion of management's attention from daily operations, difficulties in assimilation and retention of employees, securing adequate capital to support the transaction, and regulatory approval. Uncertainties exist in assessing the value, risks, profitability, and liabilities associated with certain businesses or assets and there is a possibility that anticipated operating and financial efficiencies expected to result from an acquisition or investment do not develop. Additionally, there are no assurances that resources expended will achieve their intended result.

The failure to complete an acquisition successfully or to integrate acquisitions or investments it may undertake could have an adverse effect on the Spire's financial condition and results of operations and the market's perception of the Company's execution of its strategy. To the extent Spire engages in any of the above activities together with or through one or more of its subsidiaries, including the Utilities, such subsidiaries may face the same risks.

Workforce risks may affect the Company's financial results.

The Company and its subsidiaries are subject to various workforce risks, including, but not limited to, the risk that it will be unable to attract and retain qualified personnel; that it will be unable to effectively transfer to new personnel the knowledge and expertise of an aging workforce as those workers retire; and that it will be unable to reach collective bargaining arrangements with the unions that represent certain of its workers, which could result in work stoppages.

Changes in accounting standards may adversely impact the Company's financial condition and results of operations.

Spire and its subsidiaries are subject to changes in U.S. generally accepted accounting principles (GAAP), SEC regulations and other interpretations of financial reporting requirements for public utilities. Neither the Company nor any of its subsidiaries have any control over the impact these changes may have on their financial condition or results of operations nor the timing of such changes. The potential issues associated with rate-regulated accounting, along with other potential changes to GAAP that the U.S. Financial Accounting Standards Board (FASB) continues to consider may be significant.

Catastrophic events may adversely affect the Company's facilities and operations.

Catastrophic events such as fires, earthquakes, explosions, floods, tornadoes, hurricanes, tropical storms, terrorist acts, acts of civil unrest, pandemic illnesses or other similar occurrences could adversely affect the Utilities' facilities and operations, as well as those of Spire STL Pipeline and Spire Storage. The Utilities have emergency planning and training programs in place to respond to events that could cause business interruptions. However, unanticipated events or a combination of events, failure in resources needed to respond to events, or slow or inadequate response to events may have an adverse impact on the operations, financial condition, and results of operations of the Company and its subsidiaries. The availability of insurance covering catastrophic events may be limited or may result in higher deductibles, higher premiums, and more restrictive policy terms.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Spire

Refer to the information below about the principal properties of Spire Missouri and Spire Alabama. The Spire EnergySouth utilities own approximately 5,500 miles of pipelines. Other properties of Spire and its subsidiaries do not constitute a significant portion of its properties. The current leases for office space in downtown St. Louis commenced in early 2015, with terms ranging from 10 to 20 years, with multiple renewal options. For further information on leases see Note 17, Leases, of the Notes to Financial Statements in Item 8.

Spire Missouri

The principal properties of Spire Missouri consist of its gas distribution system, which includes more than 31,100 miles of main and related service lines, odorization and regulation facilities, and customer meters. The mains and service lines are located in municipal streets or alleys, public streets or highways, or on lands of others for which Spire Missouri has obtained the necessary legal rights to place and operate its facilities on such property. Spire Missouri has an underground natural gas storage facility, several operating centers, and other related properties. Substantially all of Spire Missouri's utility plant is subject to the liens of its mortgage. All the properties of Spire Missouri are held in fee, by easement, or under lease agreements.

Spire Alabama

The properties of Spire Alabama consist primarily of its gas distribution system, which includes approximately 24,300 miles of main and related service lines, odorization and regulation facilities, and customer meters. The mains and service lines are located in municipal streets or alleys, public streets or highways, or on lands of others for which Spire Alabama has obtained the necessary legal rights to place and operate its facilities on such property. Spire Alabama also has four LNG facilities, several operating centers, and other related properties. All of the properties of Spire Alabama are held in fee, by easement, or under lease agreements.

Item 3. Legal Proceedings

For a description of pending regulatory matters of Spire, see Note 15, Regulatory Matters, of the Notes to Financial Statements in Item 8. For a description of environmental and other legal matters, see Contingencies in Note 16 of the Notes to Financial Statements in Item 8.

Item 4. Mine Safety Disclosures

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS – Listed below are executive officers as defined by the SEC for Spire. Their ages, at September 30, 2020, and positions are listed below along with their business experience during the past five years.

Name	Age	Position with Company [1]	Appointed [2]
S. Sitherwood	60	President and Chief Executive Officer	February 2012
		Chairman of the Board, Spire Missouri	January 2015
		Chairman of the Board, Spire Alabama	September 2014
S. L. Lindsey	54	Executive Vice President, Chief Operating Officer	January 2020
		Executive Vice President, Chief Executive Officer of Gas Utilities and Distribution Operations	October 2012

		Chief Executive Officer, Spire Missouri	December 2018
		President and Chief Executive Officer, Spire Missouri	January 2015
		Chief Executive Officer, Spire Alabama	September 2014
S. P. Rasche	60	Executive Vice President and Chief Financial Officer	November 2013
		Chief Financial Officer, Spire Missouri (until January 2020)	May 2012
		Chief Financial Officer, Spire Alabama (until January 2020)	September 2014
M. C. Darrell	62	Senior Vice President, Chief Legal and Compliance Officer	May 2012
M. C. Geiselhart	61	Senior Vice President, Chief Strategy and Corporate Development Officer	January 2015
S. B. Carter [3]	48	Senior Vice President, Chief Operating Officer of Distribution Operations	January 2019
		Senior Vice President, Commercial Operations	January 2017
		President, Spire Missouri	December 2018

(1) The information provided relates to the Company and its principal subsidiaries. Many of the executive officers have served or currently serve as officers or directors for other subsidiaries of the Company.
(2) Officers of Spire are normally reappointed by its Board of Directors in November of each year. Officers of Spire Missouri and Spire Alabama are normally reappointed by their boards of directors in January of each year.
(3) Mr. Carter served as Senior Vice President Commercial Operations and Chief Regulatory Officer of AGL Resources, Inc. from September 2012 to August 2016.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

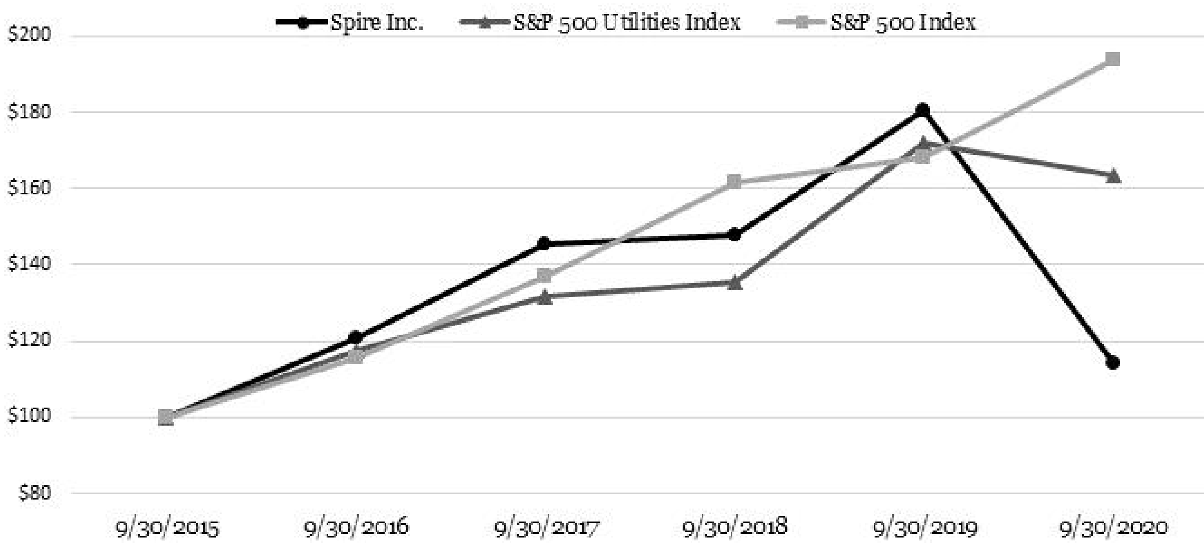
Spire

Spire's common stock trades on The New York Stock Exchange (NYSE) under the symbol "SR". The number of holders of record as of November 13, 2020 was 2,888.

Dividends are payable on the Company's common stock at the discretion of its Board of Directors (the "Board"). Spire, and Spire Missouri prior to the holding company's formation in 2000, has paid common stock dividends continuously since 1946, with 2020 marking the 17th consecutive year of increasing dividends on an annualized basis. Although the Board expects to continue paying dividends on the common stock for the foreseeable future, the declaration of dividends is not guaranteed. The amount of dividends on the common stock, if any, will depend upon the Company's financial condition, results of operations, capital requirements, and other factors.

Performance Graph

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN*



September 30	2015	2016	2017	2018	2019	2020
Spire Inc.	$ 100.00	$ 120.55	$ 145.53	$ 147.91	$ 180.60	$ 114.13
S&P 500 Utilities Index	100.00	117.37	131.49	135.34	172.02	163.47
S&P 500 Index	100.00	115.43	136.91	161.43	168.30	193.80

*Cumulative total return is based on a $100 investment on September 30, 2015, assuming reinvestment of dividends.

The S&P 500 Utilities Index is comprised of 28 utilities heavily weighted to large capitalization (median market cap of $22.5 billion) electric utilities. Stocks of small and mid cap utilities and gas utility companies in general (like Spire) were recently trading lower relative to the large cap electric sector.

For disclosures related to securities authorized for issuance under equity compensation plans, see Note 3, Stock-Based Compensation, of the Notes to Financial Statements in Item 8.

During the three months ended September 30, 2020, the only repurchases of the Company's common stock were pursuant to elections by employees to have shares of stock withheld to cover employee tax withholding obligations upon the vesting of performance-based and time-vested restricted stock and stock units. The following table provides information on those repurchases:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
July 1, 2020 - July 31, 2020	493	$ 62.80	—	—
August 1, 2020 - August 31, 2020	40	60.65	—	—
September 1, 2020 - September 30, 2020	532	53.20	—	—
Total	1,065	$ 57.92	—	—

Spire Missouri

Spire Missouri common stock is owned by its parent, Spire Inc., and is not traded on any stock exchange.

Spire Missouri's mortgage contains restrictions on its ability to pay cash dividends on its common stock, as described in further detail in Note 5, Shareholders' Equity, of the Notes to Financial Statements in Item 8. As of September 30, 2020 and 2019, the amount under the mortgage's formula that was available to pay dividends was $1,269.4 million and $1,182.4 million, respectively.

Spire Alabama

Spire Alabama common stock is owned by its parent, Spire Inc., and is not traded on any stock exchange.

Item 6. Selected Financial Data

Spire	Fiscal Years Ended September 30				
(In millions, except per share amounts)	2020	2019	2018	2017	2016[1]
Balance Sheet data at year end [2]					
Total Assets	$ 8,241.2	$ 7,619.2	$ 6,843.6	$ 6,546.7	$ 6,064.4
Preferred Stock	242.0	242.0	—	—	—
Long-Term Debt (less current portion)	2,423.7	2,082.6	1,900.1	1,995.0	1,820.7
Income data [3]					
Total Operating Revenues	$ 1,855.4	$ 1,952.4	$ 1,965.0	$ 1,740.7	$ 1,537.3
Net Income [GAAP]	$ 88.6	$ 184.6	$ 214.2	$ 161.6	$ 144.2
Impairments	148.6	—	—	—	—
Missouri regulatory adjustments	—	12.2	30.6	—	—
Fair value and timing adjustments	2.5	1.2	(4.3)	5.7	(1.5)
Acquisition, divestiture and restructuring activities	—	0.4	13.6	4.0	9.2
Income tax effect of adjustments	(31.9)	(3.3)	(10.3)	(3.7)	(2.8)
Effect of the Tax Cuts and Jobs Act	—	—	(60.1)	—	—
Net Economic Earnings [Non-GAAP]	$ 207.8	$ 195.1	$ 183.7	$ 167.6	$ 149.1
Net Income Available to Common Shareholders	$ 73.7	$ 178.9	$ 213.7	$ 161.2	$ 143.7
Diluted Earnings per Share of Common Stock:					
Net Income [GAAP]	$ 1.44	$ 3.52	$ 4.33	$ 3.43	$ 3.24
Impairments	2.89	—	—	—	—
Missouri regulatory adjustments	—	0.23	0.62	—	—
Fair value and timing adjustments	0.05	0.03	(0.09)	0.12	(0.03)
Acquisition, divestiture and restructuring activities	—	0.01	0.28	0.09	0.21
Income tax effect of adjustments	(0.62)	(0.06)	(0.21)	(0.08)	(0.06)
Effect of the Tax Cuts and Jobs Act	—	—	(1.21)	—	—
Weighted average shares adjustment	—	—	—	—	0.06
Net Economic Earnings [Non-GAAP]	$ 3.76	$ 3.73	$ 3.72	$ 3.56	$ 3.42
Other data					
Common Shares Outstanding at Year End	51.6	51.0	50.7	48.3	45.6
Common Stock Dividends Declared Per Share	$ 2.49	$ 2.37	$ 2.25	$ 2.10	$ 1.96
Preferred Stock Dividends Declared Per Depositary Share	$ 1.84375	$ 0.344	$ —	$ —	$ —
Capital Expenditures	$ 638.4	$ 823.3	$ 499.4	$ 438.1	$ 293.3

(1) Effective September 12, 2016, Spire completed the purchase of 100% of the outstanding common stock of Spire EnergySouth. Total cash consideration paid, net of cash acquired, debt assumed and a working capital settlement payment received, was $313.9, funded with a combination of the issuance of approximately 2.2 shares of common stock on May 17, 2016, the issuance of $165.0 aggregate principal amount of senior notes on September 9, 2016, and cash on hand.

(2) Balance Sheet data for the fiscal year 2016 has been restated to retrospectively reflect the impact of implementing Accounting Standards Update (ASU) No. 2015-03, Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs, during fiscal 2017.

(3) This section contains the non-GAAP financial measures of net economic earnings (NEE) and net economic earnings per share (NEEPS). NEEPS are calculated by replacing consolidated net income with consolidated NEE in the GAAP diluted earnings per share calculation. Each reconciling item between NEE and net income is shown pre-tax. The income tax effect is calculated by applying federal, state, and local income tax rates applicable to ordinary income to the amounts of the pre-tax reconciling items and then adding any estimated effects of enacted state or local income tax laws for periods before the related effective date. NEEPS for 2016 excludes the impact of the May 2016 equity offering to fund the acquisition of Spire EnergySouth. The weighted-average diluted shares used in the NEEPS calculation for fiscal year 2016 was 43.5, compared to 44.3 used in the GAAP earnings per share calculation. For more information about net economic earnings data, refer to the Non-GAAP Measures section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

(Dollars in millions, except per share and per unit amounts)

INTRODUCTION

This section analyzes the financial condition and results of operations of Spire Inc. (the "Company"), Spire Missouri Inc., and Spire Alabama Inc. Spire Missouri, Spire Alabama and Spire EnergySouth are wholly owned subsidiaries of the Company. Spire Missouri, Spire Alabama and the subsidiaries of Spire EnergySouth are collectively referred to as the "Utilities." The subsidiaries of Spire EnergySouth are Spire Gulf and Spire Mississippi. This section includes management's view of factors that affect the respective businesses of the Company, Spire Missouri and Spire Alabama, explanations of financial results including changes in earnings and costs from the prior periods, and the effects of such factors on the Company's, Spire Missouri's and Spire Alabama's overall financial condition and liquidity. Unless otherwise indicated, references to years herein are references to the fiscal years ending September 30 for the Company and its subsidiaries.

Reference is made to "Item 1A. Risk Factors" and "Forward-Looking Statements," which describe important factors that could cause actual results to differ from expectations and non-historical information contained herein. In addition, the following discussion should be read in conjunction with the audited financial statements and accompanying notes thereto of Spire, Spire Missouri and Spire Alabama included in "Item 8. Financial Statements and Supplementary Data."

OVERVIEW

The Company has two reportable segments: Gas Utility and Gas Marketing. Nearly all of Spire's earnings are derived from its Gas Utility segment, which reflects the regulated activities of the Utilities. Due to the seasonal nature of the Utilities' business and the Spire Missouri rate design, earnings of Spire and each of the Utilities are typically concentrated during the heating season of November through April each fiscal year.

Gas Utility - Spire Missouri

Spire Missouri is Missouri's largest natural gas distribution utility and is regulated by the MoPSC. Spire Missouri serves St. Louis, Kansas City, and other areas throughout the state. Spire Missouri purchases natural gas in the wholesale market from producers and marketers and ships the gas through interstate pipelines into its own distribution facilities for sale to residential, commercial and industrial customers. Spire Missouri also transports gas through its distribution system for certain larger customers who buy their own gas on the wholesale market. Spire Missouri delivers natural gas to customers at rates and in accordance with tariffs authorized by the MoPSC. The earnings of Spire Missouri are primarily generated by the sale of heating energy.

Gas Utility - Spire Alabama

Spire Alabama is the largest natural gas distribution utility in the state of Alabama and is regulated by the APSC. Spire Alabama's service territory is located in central and northern Alabama. Among the cities served by Spire Alabama are Birmingham, the center of the largest metropolitan area in the state, and Montgomery, the state capital. Spire Alabama purchases natural gas through interstate and intrastate suppliers and distributes the purchased gas through its distribution facilities for sale to residential, commercial, and industrial customers and other end-users of natural gas. Spire Alabama also transports gas through its distribution system for certain large commercial and industrial customers for a transportation fee. Effective December 1, 2020, for most of these transportation service customers, Spire Alabama will also purchase gas on the wholesale market for sale to the customer upon delivery to the Spire Alabama distribution system. All Spire Alabama services are provided to customers at rates and in accordance with tariffs authorized by the APSC.

Gas Utility - Spire EnergySouth

Spire Gulf and Spire Mississippi are utilities engaged in the purchase, retail distribution and sale of natural gas to approximately 100,000 customers in southern Alabama and south-central Mississippi. Spire Gulf is regulated by the APSC, and Spire Mississippi is regulated by the MSPSC.

Gas Marketing

Spire Marketing is engaged in the marketing of natural gas and related activities on a non-regulated basis and is reported in the Gas Marketing segment. Spire Marketing markets natural gas across the central and southern U.S. It holds firm transportation and storage contracts in order to effectively manage its transactions with counterparties, which primarily include producers, municipalities, electric and gas utility companies, and large commercial and industrial customers.

Other

Other components of the Company's consolidated information include:

- unallocated corporate items, including certain debt and associated interest costs;
- Spire STL Pipeline, a subsidiary of Spire which has constructed and, as of November 2019, operates a 65-mile FERC-regulated pipeline to deliver natural gas into eastern Missouri;
- Spire Storage, a subsidiary of Spire providing physical natural gas storage services; and
- Spire's subsidiaries engaged in the operation of a propane pipeline, the compression of natural gas, and risk management, among other activities.

Business Evaluation Factors

Based on the nature of the business of the Company and its subsidiaries, as well as current economic conditions, management focuses on several key variables in evaluating the financial condition and results of operations and managing the business.

For the Gas Utility segment, these include:

- the Utilities' ability to recover from their customers the costs of purchasing and distributing natural gas;
- the impact of weather and other factors, such as customer conservation, on revenues and expenses;
- changes in the regulatory environment at the federal, state, and local levels, as well as decisions by regulators, that impact the Utilities' ability to earn the authorized rate of return in each of the service territories they serve;
- the Utilities' ability to access credit markets and maintain working capital sufficient to meet operating requirements;
- the effect of natural gas price volatility on the business; and
- the ability to manage costs, integrate and standardize operations, and upgrade infrastructure.

In the Gas Marketing segment, these include:

- the risks of competition;
- fluctuations in natural gas prices;
- the changing flow and availability of natural gas;
- new national infrastructure projects;
- the ability to procure firm transportation and storage services at reasonable rates;
- credit and/or capital market access;
- counterparty risks; and
- the effect of natural gas price volatility on the business.

Further information regarding how management seeks to manage these key variables is discussed below.

Gas Utility

The Utilities seek to provide reliable natural gas services at a reasonable cost, while maintaining and building secure and dependable infrastructures. The Utilities' strategies focus on improving both performance and the ability to recover their authorized distribution costs and rates of return. The Utilities' distribution costs are the essential, primarily fixed, expenditures they must incur to operate and maintain more than 60,900 miles of mains and services comprising their natural gas distribution systems and related storage facilities.

The Utilities' distribution costs include wages and employee benefit costs, depreciation and maintenance expenses, and other regulated utility operating expenses, excluding natural and propane gas expense. Distribution costs are considered in the rate-making process, and recovery of these types of costs is included in revenues generated through the Utilities' tariff rates. Spire Missouri's tariff rates are approved by the MoPSC, whereas Spire Alabama's tariff rates are approved by the APSC. Spire Gulf and Spire Mississippi have tariff rates that are approved by the APSC and MSPSC, respectively.

Spire Missouri and Spire Alabama also have off-system sales and capacity release income streams that are regulated by tariff but remain subject to fluctuations in market conditions. Some of the factors impacting the level of off-system sales include the availability and cost of Spire's natural gas supply, the weather in its service areas and the weather in other markets. When Spire's service areas experience warmer-than-normal weather while other markets experience colder weather or supply constraints, some of Spire's natural gas supply is available for sale to third parties not on Spire's system.

The Utilities work actively to reduce the impact of wholesale natural gas price volatility on their costs by strategically structuring their natural gas supply portfolios to increase their gas supply availability and pricing alternatives. They may also use derivative instruments to hedge against significant changes in the commodity price of natural gas. Nevertheless, the overall cost of purchased gas remains subject to fluctuations in market conditions. The Purchased Gas Adjustment (PGA) clause of Spire Missouri, Spire Gulf and Spire Mississippi and the Gas Supply Adjustment (GSA) rider of Spire Alabama allow the Utilities to flow through to customers, subject to prudence review by the public service commissions, the cost of purchased gas supplies, including costs, cost reductions and related carrying costs associated with the use of derivative instruments to mitigate volatility in the cost of natural gas. As of September 30, 2020, Spire Missouri had active derivative positions, but Spire Alabama has had no gas supply derivative instrument activity since 2010. The Utilities believe they will continue to be able to obtain sufficient gas supply. The price of natural gas supplies and other economic conditions may affect sales volumes, due to the conservation efforts of customers, and cash flows associated with the timing of collection of gas costs and related accounts receivable from customers.

The Utilities rely on short-term credit and long-term capital markets, as well as cash flows from operations, to satisfy their seasonal cash requirements and fund their capital expenditures. The Utilities access the commercial paper market through a program administered by the holding company, which then loans borrowed funds to the Utilities. The Utilities directly access the long-term bond market. Access to debt markets is dependent on current conditions in the credit and capital markets. Management focuses on maintaining a strong balance sheet and believes the Utilities currently have adequate access to credit and capital markets and will have sufficient capital resources to meet their foreseeable obligations. See the "Capital Resources" section for additional information.

Gas Marketing

Spire Marketing is engaged in the marketing of natural gas and providing energy services to both on-system utility transportation customers and customers outside of the Utilities' traditional service areas. Spire Marketing utilizes its natural gas supply agreements, transportation agreements, park and loan agreements, storage agreements and other executory contracts to support a variety of services to its customers at competitive prices. It closely monitors and manages the natural gas commodity price and volatility risks associated with providing such services to its customers through the use of a variety of risk management activities, including the use of exchange-traded/cleared derivative instruments and other contractual arrangements. Spire Marketing is committed to managing commodity price risk while it seeks to expand the services that it now provides. Nevertheless, income from the Gas Marketing operations is subject to more fluctuations in market conditions than the Utilities' operations.

The Gas Marketing business is directly impacted by the effects of competition in the marketplace, the impacts of new infrastructure, surplus natural gas supplies, and the addition of new demand from exports, power generation and industrial load. Spire Marketing's management expects a growing need for marketing services across the country as customers manage seasonal variability and marketplace volatility.

In addition to its operating cash flows, Spire Marketing relies on Spire's parental guaranties to secure its purchase and sales obligations of natural gas, and it also has access to Spire's liquidity resources. A large portion of Spire Marketing's receivables are from customers in the energy industry. It also enters into netting arrangements with many of its energy counterparties to reduce overall credit and collateral exposure. On a net dollar exposure basis, the majority of Spire Marketing's customers are utilities or utility affiliates. Although Spire Marketing's uncollectible amounts are closely monitored and have not been significant, increases in uncollectible amounts from customers are possible and could adversely affect Spire Marketing's liquidity and results of operations.

Spire Marketing carefully monitors the creditworthiness of counterparties to its transactions. It performs in-house credit reviews of potential customers and may require credit assurances such as prepayments, letters of credit or parental guaranties when appropriate. Credit limits for customers are established and monitored.

As a result of infrastructure optimization activities and an abundance of natural gas supply, Spire Marketing cannot be certain that all of its wholesale purchase and sale transactions will settle physically. As such, certain transactions are designated as trading activities for financial reporting purposes, due to their settlement characteristics. Results of operations from trading activities are reported on a net basis in Spire Marketing operating revenues (or expenses, if negative), which may cause volatility in the Company's operating revenues, but have no effect on operating income or net income.

In the course of its business, Spire Marketing enters into commitments associated with the purchase or sale of natural gas. In accordance with U.S. GAAP, some of its purchase and sale transactions are not recognized in earnings until the natural gas is physically delivered, while other energy-related transactions, including those designated as trading activities, are required to be accounted for as derivatives with the changes in their fair value (representing unrealized gains or losses) recorded in earnings in periods prior to settlement. Because related transactions of a purchase and sale strategy may be accounted for differently, there may be timing differences in the recognition of earnings under GAAP and economic earnings realized upon settlement. The Company reports both GAAP and net economic earnings (non-GAAP), as discussed in the section "Non-GAAP Measures".

COVID-19

The outbreak of the novel coronavirus (COVID-19) has adversely impacted economic activity and conditions worldwide. We are continuing to assess the developments involving our workforce, customers and suppliers, as well as the response of federal and state authorities, our regulators and other business and community leaders. The Company has implemented what we believe to be appropriate procedures and protocols to ensure the safety of our customers, suppliers and employees. These actions include activating incident management procedures, work-from-home for our office-based employees, limiting direct contact with our customers, and, through June, suspending disconnections and late payment fees for our utility customers.

We have experienced impacts on our results of operations from COVID-19. Based upon our analysis, the effects through September 30, 2020, included:

- lost late payment fees of $2.3 due to a Missouri moratorium from late March through mid-June;
- minor net margin impact from lower commercial and industrial volumes offset by additional residential fixed charges;
- bad debt expense increases of $4.8 due to the aging of our accounts receivable balances; and
- net other direct cost reductions totaling less than $1.0 due to lower travel, meals and entertainment and training offset by increased costs for enhanced cleaning and personal protective equipment for our facilities and field personnel compared to normal and expected levels.

Spire Missouri received an Accounting Authority Order from the MoPSC to defer certain costs and has recorded a related regulatory asset of $3.8 as of September 30, 2020. Even with the cost increases and lost revenues, Spire Alabama exceeded the allowed return and recorded a Rate Stabilization and Equalization giveback in September 2020, so there was no bottom-line impact of these COVID-19 effects.

An extended slowdown of the United States' economy, changes in commodity costs and/or significant changes in policy and regulation could result in lower demand for natural gas as well as negatively impact the ability of our customers, contractors, suppliers and other business partners to remain in business or return to operating health. These could have a material adverse effect on our results of operations, financial condition, liquidity and prospects.

The Company is participating in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provisions allowing for a payroll tax deferral which will not have an impact on our results of operations but will defer the payment of the Company's portion of certain payroll taxes until fiscal 2021 and 2022. Although the Company does not currently expect to seek relief under any other CARES Act provisions, we will continue to monitor all pending and future federal, state and local efforts related to the COVID-19 health crisis and assess our need and, as applicable, eligibility for any such relief.

NON-GAAP MEASURES

Net income, earnings per share and operating income reported by Spire, Spire Missouri and Spire Alabama are determined in accordance with GAAP. Spire, Spire Missouri and Spire Alabama also provide the non-GAAP financial measures of net economic earnings, net economic earnings per share and contribution margin. Management and the Board of Directors use non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting, to determine incentive compensation and to evaluate financial performance. These non-GAAP operating metrics should not be considered as alternatives to, or more meaningful than, the related GAAP measures. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures are provided on the following pages.

Net Economic Earnings and Net Economic Earnings Per Share

Net economic earnings and net economic earnings per share are non-GAAP measures that exclude from net income the impacts of fair value accounting and timing adjustments associated with energy-related transactions, the impacts of acquisition, divestiture and restructuring activities, and the largely non-cash impacts of impairments and other non-recurring or unusual items such as certain regulatory, legislative or GAAP standard-setting actions. In fiscal 2018, these other items included the revaluation of deferred tax assets and liabilities due to the federal Tax Cuts and Jobs Act and the write-off of certain long-standing assets as a result of disallowances in Spire Missouri's rate proceedings. In fiscal 2019, other items included a provision for refunds to customers of amounts previously collected under MoPSC approved orders as a result of the November 2019 ISRS rulings against Spire Missouri. In fiscal 2020, adjustments for ISRS revenues reflect the regulatory settlement reached in the third quarter, such that the related GAAP provision for customer credit for fiscal 2020 is reflected in net economic earnings. In addition, net economic earnings per share excludes the impact, in the fiscal year of issuance, of shares issued to finance acquisitions that have yet to be included in net economic earnings.

The fair value and timing adjustments are made in instances where the accounting treatment differs from what management considers the economic substance of the underlying transaction, including the following:

- Net unrealized gains and losses on energy-related derivatives that are required by GAAP fair value accounting associated with current changes in the fair value of financial and physical transactions prior to their completion and settlement. These unrealized gains and losses result primarily from two sources:
  1) changes in the fair values of physical and/or financial derivatives prior to the period of settlement; and
  2) ineffective portions of accounting hedges, required to be recorded in earnings prior to settlement, due to differences in commodity price changes between the locations of the forecasted physical purchase or sale transactions and the locations of the underlying hedge instruments;
- Lower of cost or market adjustments to the carrying value of commodity inventories resulting when the net realizable value of the commodity falls below its original cost, to the extent that those commodities are economically hedged; and
- Realized gains and losses resulting from the settlement of economic hedges prior to the sale of the physical commodity.

These adjustments eliminate the impact of timing differences and the impact of current changes in the fair value of financial and physical transactions prior to their completion and settlement. Unrealized gains or losses are recorded in each period until being replaced with the actual gains or losses realized when the associated physical transactions occur. Management believes that excluding the earnings volatility caused by recognizing changes in fair value prior to settlement and other timing differences associated with related purchase and sale transactions provides a useful representation of the economic effects of only the actual settled transactions and their effects on results of operations. While management uses these non-GAAP measures to evaluate all of its businesses, the net effect of these fair value and timing adjustments on the Utilities' earnings is minimal because gains or losses on their natural gas derivative instruments are deferred pursuant to state regulation.

Contribution Margin

In addition to operating revenues and operating expenses, management also uses the non-GAAP measure of contribution margin when evaluating results of operations. Contribution margin is defined as operating revenues less natural and propane gas costs and gross receipts tax expense. The Utilities pass to their customers (subject to prudence review by, as applicable, the MoPSC, APSC or MSPSC) increases and decreases in the wholesale cost of natural gas in accordance with their PGA clauses or GSA riders. The volatility of the wholesale natural gas market results in fluctuations from period to period in the recorded levels of, among other items, revenues and natural gas cost expense. Nevertheless, increases and decreases in the cost of gas associated with system gas sales volumes and gross receipts tax expense (which are calculated as a percentage of revenues), with the same amount (excluding immaterial timing differences) included in revenues, have no direct effect on operating income. Therefore, management believes that contribution margin is a useful supplemental measure, along with the remaining operating expenses, for assessing the Company's and the Utilities' performance.

EARNINGS

This section contains discussion and analysis of the results for the year ended September 30, 2020 compared to the results for the year ended September 30, 2019 and discussion and analysis of the results for the year ended September 30, 2019 compared to the results for the year ended September 30, 2018.

Spire

Net Income (Loss) and Net Economic Earnings (Loss)

The following tables reconcile the Company's net economic earnings to the most comparable GAAP number, net income.

	Gas Utility	Gas Marketing	Other	Consol-idated	Per Diluted Share**
Year Ended September 30, 2020					
Net Income (Loss) [GAAP]	$ 213.6	$ 7.0	$ (132.0)	$ 88.6	$ 1.44
Adjustments, pre-tax:					
Impairments	—	—	148.6	148.6	2.89
Fair value and timing adjustments	(0.3)	2.8	—	2.5	0.05
Income tax effect of adjustments*	0.1	(0.7)	(31.3)	(31.9)	(0.62)
Net Economic Earnings (Loss) [Non-GAAP]	$ 213.4	$ 9.1	$ (14.7)	$ 207.8	$ 3.76
Year Ended September 30, 2019					
Net Income (Loss) [GAAP]	$ 190.5	$ 18.5	$ (24.4)	$ 184.6	$ 3.52
Adjustments, pre-tax:					
Provision for ISRS rulings	12.2	—	—	12.2	0.23
Fair value and timing adjustments	—	1.2	—	1.2	0.03
Acquisition, divestiture and restructuring activities	—	—	0.4	0.4	0.01
Income tax effect of adjustments*	(2.9)	(0.3)	(0.1)	(3.3)	(0.06)
Net Economic Earnings (Loss) [Non-GAAP]	$ 199.8	$ 19.4	$ (24.1)	$ 195.1	$ 3.73
Year Ended September 30, 2018					
Net Income [GAAP]	$ 144.4	$ 24.9	$ 44.9	$ 214.2	$ 4.33
Adjustments, pre-tax:					
Missouri regulatory adjustments	30.6	—	—	30.6	$ 0.62
Fair value and timing adjustments	—	(4.3)	—	(4.3)	(0.09)
Acquisition, divestiture and restructuring activities	0.2	—	13.4	13.6	0.28
Income tax effect of adjustments*	(9.1)	1.2	(2.4)	(10.3)	(0.21)
Effect of the Tax Cuts and Jobs Act	17.0	1.1	(78.2)	(60.1)	(1.21)
Net Economic Earnings (Loss) [Non-GAAP]	$ 183.1	$ 22.9	$ (22.3)	$ 183.7	$ 3.72

* Income tax effect is calculated by applying federal, state and local income tax rates applicable to ordinary income to the amounts of the pre-tax reconciling items and then adding any estimated effects of enacted state or local income tax laws for periods before the related effective date.

** Net economic earnings per share is calculated by replacing consolidated net income with consolidated net economic earnings in the GAAP diluted earnings per share calculation, which includes reductions for cumulative preferred dividends and participating shares.

2020 vs. 2019

Consolidated

Spire's net income was $88.6 in fiscal 2020, compared with $184.6 in fiscal 2019. Basic and diluted earnings per share were $1.44 for fiscal 2020 compared with basic and diluted earnings per share of $3.53 and $3.52, respectively, for fiscal 2019. The decrease in net income of $96.0 reflects a $148.6 pre-tax ($117.3 after-tax) reduction in the current year due to impairment charges recorded in the third quarter of this year. The impairment charges are further described under “Impairment of Long-lived Assets” in Note 1, Summary of Significant Accounting Policies. These impairment charges were only partly offset by the $12.2 pre-tax ($9.3 after-tax) reduction in the prior year results due to ISRS rulings against Spire Missouri.

Excluding these amounts, net income growth was $12.0, driven by higher operating results of the Gas Utility segment primarily attributable to Spire Missouri’s higher ISRS charges, and RSE adjustment impacts at Spire Alabama.

The Gas Marketing segment’s net income for fiscal 2020 was $7.0, an $11.5 reduction versus the comparable prior-year period, reflecting primarily the cost of storage positions as noted below.

Net economic earnings were $207.8 ($3.76 per diluted share) for the twelve months ended September 30, 2020, up from $195.1 ($3.73 per diluted share) for the same period last year. Earnings reflect a $13.6 increase for Gas Utility, and by a $9.4 lower net economic loss in Other, partly offset by a $10.3 net economic earnings decrease experienced by Gas Marketing. These fluctuations are described in more detail below. Earnings per share and net economic earnings per share reflect the impact of preferred and common stock issued over the last twelve months.

Gas Utility

Gas Utility net income increased by $23.1, while net economic earnings increased $13.6 in fiscal 2020 compared to fiscal 2019. Both measures benefited from a $20.2 increase in run rate ISRS revenues in the current year, combined with a $1.1 pre-tax increase in all other factors, including modest customer growth. These positive drivers of income growth were only partly offset by a $5.4 contribution margin reduction in the current year relating to lower volumes, and a COVID-19-related $2.3 reduction in late payment charges. Net income was also impacted by the $10.0 year-over-year favorable impact relating to the provision for and settlement of the ISRS Rulings that occurred in late fiscal 2019 and were resolved in fiscal 2020.

Gas Marketing

The Gas Marketing segment reported net income totaling $7.0 for the twelve months ended September 30, 2020, versus net income of $18.5 during the same period last year. Net economic earnings for the twelve months ended September 30, 2020, was $9.1, a decrease of $10.3 from the same period last year. Both net income and net economic earnings reflect the costs incurred in 2020 for incremental storage capacity (whose value will not be realized until 2021), as well as less favorable market conditions.

Other

The Company’s other non-utility activities generated a net loss of $132.0 for fiscal 2020, compared to a net loss of $24.4 for the same period last year. Fiscal 2020 reflects the $117.3 after-tax impairment charge previously mentioned. Net economic loss was $14.7 for fiscal 2020, a decrease of $9.4 compared to fiscal 2019. The improvement was driven by a smaller loss from Spire Storage and an increase in earnings from Spire STL Pipeline.

Operating Revenues and Operating Expenses

Reconciliations of contribution margin to the most directly comparable GAAP measure are shown below.

	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Year Ended September 30, 2020					
Operating Income (Loss)	$ 334.3	$ 9.3	$ (137.2)	$ —	$ 206.4
Operation and maintenance expenses	421.3	11.8	38.2	(12.7)	458.6
Depreciation and amortization	189.7	0.6	7.0	—	197.3
Taxes, other than income taxes	146.5	1.1	0.8	—	148.4
Impairment loss	—	—	148.6	—	148.6
Less: Gross receipts tax expense	(91.1)	(0.4)	—	—	(91.5)
Contribution Margin [Non-GAAP]	1,000.7	22.4	57.4	(12.7)	1,067.8
Natural gas costs	660.2	65.1	0.4	(29.6)	696.1
Gross receipts tax expense	91.1	0.4	—	—	91.5
Operating Revenues	$ 1,752.0	$ 87.9	$ 57.8	$ (42.3)	$ 1,855.4

	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Year Ended September 30, 2019					
Operating Income (Loss)	$ 293.4	$ 23.2	$ (14.3)	$ —	$ 302.3
Operation and maintenance expenses	441.7	11.7	31.6	(10.9)	474.1
Depreciation and amortization	179.4	0.1	2.2	—	181.7
Taxes, other than income taxes	151.7	0.8	1.5	—	154.0

	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Less: Gross receipts tax expense	(99.1)	(0.2)	—	—	(99.3)
Contribution Margin [Non-GAAP]	967.1	35.6	21.0	(10.9)	1,012.8
Natural gas costs	794.6	47.9	0.5	(2.7)	840.3
Gross receipts tax expense	99.1	0.2	—	—	99.3
Operating Revenues	$ 1,860.8	$ 83.7	$ 21.5	$ (13.6)	$ 1,952.4

	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Year Ended September 30, 2018					
Operating Income (Loss)	$ 276.6	$ 33.8	$ (16.3)	$ —	$ 294.1
Operation and maintenance expenses	449.7	7.4	30.3	(10.1)	477.3
Depreciation and amortization	167.0	—	1.4	—	168.4
Taxes, other than income taxes	152.5	0.2	0.8	—	153.5
Less: Gross receipts tax expense	(98.3)	(0.1)	—	—	(98.4)
Contribution Margin [Non-GAAP]	947.5	41.3	16.2	(10.1)	994.9
Natural gas costs	842.6	30.2	0.3	(1.4)	871.7
Gross receipts tax expense	98.3	0.1	—	—	98.4
Operating Revenues	$ 1,888.4	$ 71.6	$ 16.5	$ (11.5)	$ 1,965.0

Consolidated

Spire's operating revenues for the twelve months ended September 30, 2020 were $97.0 lower than the same period in the prior year. Operating revenues decreased by $108.8 at the Gas Utility segment and were $4.2 and $36.3 higher in the Gas Marketing segment and Other, respectively. Intercompany eliminations increased $28.7 year-over-year, principally related to STL Pipeline. The Gas Utility decrease was due principally to lower gas cost recoveries, weather/volumetric impacts (net of weather mitigation), lower gross-receipts tax, and lower off-system sales that were only partly offset by higher ISRS, and Spire Alabama RSE adjustment impacts. The Gas Marketing increase was primarily due to higher volumes that offset the impact of slightly lower pricing. The increase in intercompany eliminations was driven by the STL Pipeline transportation services to Spire Missouri.

Spire's contribution margin increased $55.0 compared with the same twelve-month period last year. The growth in contribution margin was primarily attributable to the Gas Utility segment, up $33.6, with Spire Missouri up $23.4 and Spire Alabama up $6.5, with remaining growth from the utilities of Spire EnergySouth. Gas Marketing's contribution margin was down $13.2, reflecting the costs of incremental storage and transportation capacity that will benefit the upcoming winter heating season. Depreciation and amortization expenses were higher in the Gas Utility segment, driven principally by continued infrastructure investment in both Spire Missouri and Spire Alabama. Gas Utility operation and maintenance ("O&M") expenses were lower in the current year driven primarily by lower bad debt expense, operations and employee-related costs. These fluctuations are described in more detail below.

Gas Utility

Operating Revenues – Gas Utility operating revenues for fiscal 2020 decreased $108.8 compared to fiscal 2019, and was attributable to the following factors:

Spire Missouri and Spire Alabama – Lower PGA/GSA gas cost recoveries	$ (96.8)
Spire Missouri and Spire Alabama – Volumetric usage	(35.8)
Spire Missouri and Spire Alabama – Gross Receipt Taxes	(7.8)
Spire Missouri – Off-system sales and capacity release	(7.1)
Spire Missouri – Higher ISRS	20.2
Spire Missouri – Smaller ISRS Rulings Provision versus prior year	10.0
Spire Alabama – RSE: net adjustments	4.9
All other factors	3.6
Total Variation	$ (108.8)

As shown in the table above, the decrease in revenues was driven primarily by a $96.8 reduction in gas cost recoveries, $35.8 attributable to volumetric usage, lower gross receipt taxes of $7.8, and a $7.1 impact due to lower Spire Missouri off-system sales. These impacts were only partly offset by an increase of $30.2 in ISRS ($20.2 of the increase relating to run rate, with the remaining $10.0 increase attributable to the favorable year-over-year impact of the ISRS Rulings provision and subsequent settlement), a $4.9 increase relating to Spire Alabama's RSE adjustments, and $3.6 attributable to all other factors.

Contribution Margin – Gas Utility contribution margin was $1,000.7 for fiscal 2020, a $33.6 increase over the same period last year. The increase was attributable to the following factors:

Spire Missouri – Higher ISRS	$ 20.2

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Spire Missouri – Smaller ISRS Rulings Provision versus prior year		10.0
Spire Alabama – RSE: net adjustments		3.8
Spire Missouri and Spire Alabama – Volumetric usage		(5.4)
Spire Missouri – Late Payments		(2.3)
All other factors		7.3
Total Variation	$	33.6

The increase was primarily attributable to the $30.2 increase in Spire Missouri ISRS ($20.2 of the increase relating to run rate, with the remaining $10.0 increase attributable to the favorable year-over-year impact of the ISRS Rulings provision and subsequent settlement). Contribution margin also benefited from a $3.8 increase relating to Spire Alabama's RSE net adjustments, and $7.3 attributable to multiple smaller factors, including modest customer growth. These positive impacts were only partly offset by a $5.4 volumetric/weather reduction (net of weather mitigation) and a $2.3 COVID-19-related reduction in late payment fee revenue in Spire Missouri.

Operating Expenses – O&M expenses in fiscal 2020 decreased by $20.4 million compared to the prior-year period. Current year expenses reflect a $9.1 million year-over-year reclassification of certain postretirement benefit costs to other income and expense (no impact on net income). Excluding this adjustment, O&M expenses decreased by $11.3 million due to lower bad debt expense, operations and employee-related costs. Depreciation and amortization expenses for the twelve months ended September 30, 2020 increased $10.3 from the same period last year, principally the result of continued infrastructure capital spending, with $6.5 of the increase attributable to Spire Missouri and $3.1 attributable to Spire Alabama.

Gas Marketing

Operating Revenues – Gas Marketing operating revenue for the year ended September 30, 2020 increased $4.2 from the prior year. The variance in revenues reflects higher total volumes, partly offset by the impact of marginally lower general pricing levels and slightly unfavorable derivative mark-to-market activity.

Contribution Margin – Gas Marketing contribution margin was $22.4 for fiscal 2020, a $13.2 decrease compared to the same period last year. Excluding the net impact of fair value adjustments in both periods totaling $1.6, the net year-over-year decline was $11.6. This reflects the costs associated with storage positions entered into in the second half of 2020 whose value will not be realized until the upcoming winter heating season in fiscal 2021, as well as less favorable market conditions.

Other

Other operating revenue increased $36.3 for the year ended September 30, 2020 compared to 2019, driven principally by STL Pipeline that was placed in service in November of 2019. Other operating expenses were $6.6 higher than the prior year reflecting STL Pipeline, combined with higher activity levels at Spire Storage.

Interest Charges

Consolidated interest charges during the year ended September 30, 2020 increased $1.1 versus the prior year. The increase was primarily driven by net long-term debt issuances in the current year and the prior year benefiting from Allowance for Funds Used in Construction (AFUDC) non-cash income at STL Pipeline. The current year also benefited from lower interest rates and stable levels of average short-term borrowings. Short-term rates averaged 1.7% in the current year versus 2.7% for the prior year and, for the years ended September 30, 2020 and 2019, average short-term borrowings were $576.2 and $574.5, respectively.

Income Taxes

Consolidated income tax expense during the year ended September 30, 2020 was $12.4, compared to $34.5 for fiscal 2019. This decrease of $22.1 is primarily the result of the $31.3 tax benefit relating to the impairment loss recorded in the third quarter of fiscal 2020. This benefit was only partly offset by the effects of higher pre-tax book income (excluding the restructuring charge) in the current year.

Spire Missouri

Summary Operating Results

	Year ended September 30,			
	2020		2019	
Operating Income	$	205.6	$	174.8
Operation and maintenance expenses		251.0		268.1

Depreciation and amortization		118.0		111.5
Taxes, other than income taxes		103.2		107.6
Less: Gross receipts tax expense		(63.5)		(71.1)
Contribution Margin [Non-GAAP]		614.3		590.9
Natural gas costs		515.8		629.8
Gross receipts tax expense		63.5		71.1
Operating Revenues	$	1,193.6	$	1,291.8
Net Income	$	130.2	$	115.0

Operating revenues during the year ended September 30, 2020 decreased $98.2 from the same period last year. The decrease in revenues was driven primarily by a $92.6 reduction in gas cost recoveries, $22.0 attributable to lower volumetric usage, lower gross receipt taxes of $7.4, and a $7.1 impact due to lower off-system sales. These impacts were only partly offset by an increase of $30.2 in ISRS ($20.2 of the increase relating to run rate, with the remaining $10.0 increase attributable to the favorable year-over-year impact of the ISRS Rulings provision and subsequent settlement), and $2.9 attributable to customer growth primarily due to a lower level of disconnections related to COVID-19.

Contribution margin for the year ended September 30, 2020 increased $23.4 from the prior year. The increase was primarily attributable to the $32.2 increase in Spire Missouri ISRS, as previously identified above. These positive impacts were only partly offset by a $7.4 volumetric/weather reduction (net of weather mitigation) and a $2.3 COVID-19-related reduction in late payment fee revenue in Spire Missouri.

O&M expenses for the year ended September 30, 2020 were $17.1 lower than the prior year. Removing the $8.6 net year-over-year impact due to the transfer of mix of service and non-service postretirement benefits costs to other income and expense, O&M decreased $8.5 due to lower operations and employee-related costs. Depreciation and amortization increased $6.5, reflecting continued infrastructure investments throughout Missouri. Income taxes were $4.0 higher for the year ended September 30, 2020 versus the prior year. This increase is primarily the result of higher pre-tax book income, partly offset by a favorable return to provision in the current year.

Temperatures experienced in Spire Missouri's service area during fiscal 2020 were 9% warmer than the prior year and 2% warmer than normal. Total system therms sold and transported were 1,684.0 million for fiscal 2020 compared with 1,805.7 million for fiscal 2019, a decrease of 7%. Total off-system therms sold and transported outside of Spire Missouri's service area decreased 21% to 30.6 million for fiscal 2020 compared with 38.5 million for fiscal 2019.

Spire Alabama

Summary Operating Results

	Year ended September 30,			
	2020		2019	
Operating Income	$	102.9	$	95.5
Operation and maintenance expenses		139.1		142.6
Depreciation and amortization		59.3		56.2
Taxes, other than income taxes		34.8		35.7
Less: Gross receipts tax expense		(23.3)		(23.7)
Contribution Margin [Non-GAAP]		312.8		306.3
Natural gas costs		118.9		135.5
Gross receipts tax expense		23.3		23.7
Operating Revenues	$	455.0	$	465.5
Net Income	$	65.7	$	60.3

Operating revenues for the year ended September 30, 2020 decreased $10.5 versus the comparable period ended September 30, 2019. Of the decrease, $13.8 was the result of weather and usage impacts, and $4.2 related to lower gas cost recoveries. Partly offsetting these negative impacts was a $4.9 increase relating to the impacts of RSE adjustments, and $2.5 relating to off-system sales that commenced in fiscal 2020.

Contribution margin increased $6.5 versus the prior year, primarily the result of RSE adjustments of approximately $3.8, a $2.0 increase due to weather/volumetric impacts (net of weather mitigation), and $0.8 relating to off-system sales.

O&M expenses for the year ended September 30, 2020 decreased $3.5 versus the year ended September 30, 2019. Removing the $0.8 net year-over-year impact due to the transfer of mix of service and non-service postretirement benefits costs to other income and expense, O&M was down $2.7 from the prior year. The O&M decrease was due to due to lower operations and employee-related costs, and a benefit associated with a bad debt charge in fiscal 2019 that did not repeat and was partially recovered. Depreciation and amortization was $3.1 higher versus the same period last year, the result of continued infrastructure investment throughout Spire Alabama's service territory.

Interest expense decreased $1.1. The decrease was primarily driven by net long-term debt issuances with lower rates, and lower rates and levels of short-term borrowings. Income tax expense is $1.5 higher than the prior year, primarily the result of higher pre-tax book income.

Temperatures in Spire Alabama's service area during the year ended September 30, 2020 were 13% warmer than last year, and approximately 17% warmer than historical norms. Spire Alabama's total therms sold and transported were 1,034.8 million for the year ended September 30, 2020, compared with 1,083.1 million last year, a 4% decrease. In fiscal 2020 Spire Alabama commenced off-system sales and achieved total sales of 54.3 therms in the current year.

2019 vs. 2018

Consolidated

Spire's net income was $184.6 in fiscal 2019, compared with $214.2 in fiscal 2018. Basic and diluted earnings per share were $3.53 and $3.52, respectively, for fiscal 2019 compared with basic and diluted earnings per share of $4.35 and $4.33, respectively, for fiscal 2018. The decrease in net income of $29.6 reflects a $12.2 pre-tax ($9.3 after-tax) reduction in the current year due to ISRS rulings against Spire Missouri, and a $60.1 prior year income benefit relating to the implementation of the Tax Cuts and Jobs Act (TCJA), partly offset by $38.4 in pre-tax ($23.6 after-tax) expense for Missouri rate case write-offs recorded in the prior year.

Excluding these amounts, net income growth was $16.2, driven by higher operating results of the Gas Utility segment primarily attributable to Spire Missouri's new rate design, higher ISRS charges, higher volumes, and customer growth.

The Gas Marketing segment also experienced strong operating results, as the benefits of geographic expansion have mostly offset the return of more normal market conditions and higher operating expenses.

Net economic earnings were $195.1 ($3.73 per diluted share) for the twelve months ended September 30, 2019, up from $183.7 ($3.72 per diluted share) for the twelve months ended September 30, 2018. Earnings reflect a $16.7 increase for Gas Utility, partly offset by a $3.5 net economic earnings decrease experienced by Gas Marketing and by a $1.8 higher net economic loss in Other. These fluctuations are described in more detail below. Earnings per share and net economic earnings per share were further impacted by the issuance of 2.3 million common shares in May 2018, and the dividends earned from the $250.0 in preferred shares issued in May 2019. Dividends earned on cumulative preferred shares are deducted from net income in the calculation of earnings per share.

Gas Utility

Gas Utility net income increased by $46.1, while net economic earnings increased $16.7 in fiscal 2019 compared to fiscal 2018. Both measures benefited from the 2018 rate case redesign at Spire Missouri, and from weather patterns that were favorable compared to the prior year. Fiscal 2019 net income was negatively impacted by $9.3 in after-tax impacts relating to ISRS rulings against Spire Missouri. Fiscal 2018 net income was negatively impacted by the $23.6 after-tax expense related to Missouri rate case write-offs and by a $17.0 one-time tax expense related to the implementation of the TCJA.

Gas Marketing

The Gas Marketing segment reported net income totaling $18.5 for fiscal 2019, versus net income of $24.9 during fiscal 2018, with 2018 benefitting from favorable fair value mark-to-market valuations and unusually favorable market conditions. Net economic earnings for the twelve months ended September 30, 2019, was $19.4, a decrease of $3.5 from the twelve months ended September 30, 2018 as the benefits of geographic expansion were more than offset by a return of more normal market conditions and higher operating expenses.

Other

The Company's other non-utility activities generated a net loss of $24.4 for fiscal 2019, compared to net income of $44.9 for fiscal 2018. Fiscal 2018 reflects a $78.2 tax benefit resulting from the implementation of the TCJA, partly offset by higher acquisition and restructuring activities. Net economic loss was $24.1 for fiscal 2019, an increase of $1.8 compared to fiscal 2018. The increased loss reflects higher corporate interest costs and a $15.4 loss from Spire Storage, partially offset by increased allowance for funds used during construction (AFUDC) income for Spire STL Pipeline.

Operating Revenues and Operating Expenses

Consolidated

Spire's operating revenues for the twelve months ended September 30, 2019 were $12.6 lower than for the twelve months ending September 30, 2018. Operating revenues decreased by $27.6 at the Gas Utility segment and were $12.1 higher in the Gas Marketing segment. The Gas Utility decrease was due principally to lower gas cost recoveries, rate case TCJA customer givebacks, impacts at Spire Missouri relating to ISRS rulings, and weather/volumetric impacts (net of volume mitigation) that were only partly offset by

Missouri rate design changes, higher ISRS, and favorable Spire Alabama Rate Stabilization and Equalization (RSE) renewal and giveback. The Gas Marketing increase was primarily due to higher volumes that offset the impact of slightly lower pricing.

Spire's contribution margin increased $17.9 compared with the same twelve-month period last year. The growth in contribution margin was primarily attributable to the Gas Utility segment, up $19.6, with Spire Missouri up $11.0 and Spire Alabama up $7.0, with remaining growth from the utilities of Spire EnergySouth. Gas Marketing's contribution margin was down $5.7, reflecting a decline in basis differentials that was only partly offset by higher volumes combined with geographic expansion. Depreciation and amortization expenses were higher in the Gas Utility segment, driven principally by continued infrastructure investment in both Spire Missouri and Spire Alabama. Gas Utility operation and maintenance ("O&M") expenses were lower in the current year driven primarily by the Missouri rate case write-offs in the prior year. These fluctuations are described in more detail below.

Gas Utility

Operating Revenues – Gas Utility operating revenues for fiscal 2019 decreased $27.6 compared to fiscal 2018, and was attributable to the following factors:

Spire Missouri and Spire Alabama – Lower PGA/GSA gas cost recoveries	$	(30.2)
Spire Missouri and Spire Alabama – Rate case TCJA customer giveback		(24.3)
Spire Missouri and Spire Alabama – Volumetric usage		(12.4)
Spire Missouri – Provision for ISRS rulings		(12.2)
Spire Missouri – 2018 rate case resets		32.2
Spire Missouri – Higher ISRS		8.7
Spire Alabama – RSE: net renewal and giveback		4.6
Customer growth		2.7
All other factors		3.3
Total Variation	$	(27.6)

As shown in the table above, the decrease in revenues was driven primarily by a $30.2 reduction in gas cost recoveries, rate case TCJA customer givebacks totaling $24.3, $12.4 attributable to volumetric usage, and a $12.2 impact due to ISRS rulings. These impacts were only partly offset by an increase of $32.2 relating to the rate design changes at Spire Missouri, an increase in ISRS of $8.7, a $4.6 increase relating to Spire Alabama's RSE renewal and giveback, and $2.7 attributable to customer growth.

Contribution Margin –– Gas Utility contribution margin was $967.1 for fiscal 2019, a $19.6 increase over the same period last year. The increase was attributable to the following factors:

Spire Missouri – 2018 rate case resets	$	32.2
Spire Missouri – Higher ISRS		8.7
Spire Missouri and Spire Alabama – Volumetric usage		5.1
Spire Alabama – RSE: net renewal and giveback		4.6
Customer growth		2.7
Spire Missouri and Spire Alabama – Rate case TCJA customer giveback		(24.3)
Spire Missouri – Provision for ISRS rulings		(12.2)
All other factors		2.8
Total Variation	$	19.6

The increase was primarily attributable to the $32.2 increase resulting from the 2018 Missouri rate cases resets. Contribution margin also benefited from $8.7 higher ISRS charges, $5.1 due to volumes and colder weather in the current year (net of weather mitigation), a $4.6 increase relating to Spire Alabama's RSE renewal and giveback, and $2.7 attributable to customer growth. These positive impacts were only partly offset by rate case TCJA customer givebacks totaling $24.3 from both Spire Missouri and Spire Alabama, and $12.2 relating to ISRS rulings against Spire Missouri.

Operating Expenses – Gas Utility O&M expenses for the twelve months ended September 30, 2019 decreased $8.0 from last year. Removing last year's $38.4 of Missouri rate case write-offs, and the $19.6 net year-over-year increase due to the transfer of mix of service and non-service postretirement benefits costs to other income and expense, O&M increased $10.8. Of this increase, $9.0 relates to higher employee benefits and energy efficiency costs that resulted from the 2018 Missouri rate cases. Depreciation and amortization expenses for the twelve months ended September 30, 2019 increased $12.4 from the same period last year principally the result of continued infrastructure capital spending, with $8.7 of the increase attributable to Spire Missouri and $3.0 attributable to Spire Alabama.

Gas Marketing

Operating Revenues – Gas Marketing operating revenue for the year ended September 30, 2019 increased $12.1 from the prior year. The variance in revenues reflects the effect of a $9.3 favorable mark-to-market adjustment on derivatives combined with higher total volumes, partly offset by the impact of marginally lower general pricing levels. Average commodity pricing for the year ended September 30, 2019 was approximately $2.670/MMBtu versus approximately $2.681/MMBtu for fiscal 2018, a decrease of $0.011/MMBtu.

Contribution Margin – Gas Marketing contribution margin was $35.6 for fiscal 2019, a $5.7 decrease compared to the same period last year. This reflects geographic expansion that created additional opportunities to optimize the segment's supply, transportation and storage portfolio that was more than offset by a return to more normal market conditions, reflected in the narrowed basis differentials in the current year.

Other

Other operating revenue increased $5.0 for the year ended September 30, 2019 compared to 2018, driven principally by gas storage revenues and slightly higher reinsurance premiums. Other operating expenses were $1.3 higher than the prior year primarily due to gas storage operations.

Interest Charges

Consolidated interest charges during the year ended September 30, 2019 increased $6.0 versus the prior year. The increase was primarily driven by net long-term debt issuances and higher rates and levels of short-term borrowings. Short-term rates averaged 2.7% in the current year versus 2.0% for the prior year and, for the years ended September 30, 2019 and 2018, average short-term borrowings were $574.5 and $408.6, respectively. Partly offsetting these factors was an increase in the non-cash AFUDC income for Spire STL Pipeline compared to the prior year.

Income Taxes

Consolidated income tax expense during the year ended September 30, 2019 was $34.5, compared to a $26.5 tax benefit for fiscal 2018. This increase of $61.0 is primarily the result of the $60.1 fiscal 2018 revaluation benefit of deferred tax assets and liabilities on the balance sheet that were not reflected in net economic earnings. The remaining increase in income tax is primarily the result of the effects of higher pre-tax book income in the current year, partly offset by an increase in amortization of excess deferred income taxes.

Spire Missouri

Summary Operating Results

	Year ended September 30,	
	2019	2018
Operating Income	$ 174.8	$ 158.5
Operation and maintenance expenses	268.1	279.1
Depreciation and amortization	111.5	102.8
Taxes, other than income taxes	107.6	108.4
Less: Gross receipts tax expense	(71.1)	(68.9)
Contribution Margin [Non-GAAP]	590.9	579.9
Natural gas costs	629.8	636.8
Gross receipts tax expense	71.1	68.9
Operating Revenues	$ 1,291.8	$ 1,285.6
Net Income	$ 115.0	$ 129.3

Operating revenues during the year ended September 30, 2019 increased $6.2 from the same period last year. Revenues were impacted primarily by the $9.4 increase attributable to the new rate design (net of TCJA giveback), combined with higher ISRS charges of $8.7, and customer growth of $2.7. These positive impacts on the revenue growth were partly offset by $12.2 in impacts relating to ISRS rulings and volume impacts (net of weather mitigation) of $3.6.

Contribution margin for the year ended September 30, 2019 increased $11.0 from the prior year. Contribution margin benefited from the $9.4 increase attributable to the new rate design (net of TCJA giveback), combined with higher ISRS charges of $8.7, customer growth of $2.7, and the $2.8 increase due to the combined impacts of volumetric usage and higher off-system sales. These positive impacts were only partly offset by the $12.2 in adjustments relating to the ISRS rulings.

O&M expenses for the year ended September 30, 2019 were $11.0 lower than the prior year. Removing last year's $38.4 of Missouri rate case write-offs, and the $16.9 net year-over-year increase due to the transfer of mix of service and non-service postretirement benefits costs to other income and expense, O&M increased $10.5. Of this increase, $9.0 relates to higher employee benefits and energy efficiency costs that resulted from the 2018 Missouri rate cases. Depreciation and amortization increased $8.7, reflecting continued infrastructure investments throughout Missouri. Interest expense in the current year was $2.8 greater than prior year, the result of higher short-term borrowings and higher average effective interest rates. Income taxes were $45.9 higher for the year ended September 30, 2019 versus the prior year. This increase is primarily the result of the $45.2 fiscal 2018 revaluation benefit of deferred tax assets and liabilities on the balance sheet.

Temperatures experienced in Spire Missouri's service area during fiscal 2019 were 5% colder than the prior year and 8% colder than normal. Total system therms sold and transported were 1,805.7 million for fiscal 2019 compared with 1,759.8 million for fiscal 2018, an increase of 3%. Total off-system therms sold and transported outside of Spire Missouri's service area decreased 44% to 38.5 million for fiscal 2019 compared with 68.6 million for fiscal 2018. The decrease in off-system therms was the direct result of the increase in demand experienced for system therms.

Spire Alabama

Summary Operating Results

	Year ended September 30,	
	2019	2018
Operating Income	$ 95.5	$ 96.6
Operation and maintenance expenses	142.6	138.8
Depreciation and amortization	56.2	53.2
Taxes, other than income taxes	35.7	36.1
Less: Gross receipts tax expense	(23.7)	(25.4)
Contribution Margin [Non-GAAP]	306.3	299.3
Natural gas costs	135.5	176.0
Gross receipts tax expense	23.7	25.4
Operating Revenues	$ 465.5	$ 500.7
Net Income	$ 60.3	$ 1.3

Operating revenues for the year ended September 30, 2019 decreased $35.2 versus the comparable period ended September 30, 2018. Of the decrease, $27.8 related to lower gas cost recoveries, $8.8 was the result of weather and usage impacts, $1.7 was attributable to lower gross receipt taxes, along with approximately $1.5 associated with rate reductions to customers due to tax savings from the TCJA. Partly offsetting these negative impacts was a $4.6 increase relating to favorable RSE renewal and giveback.

Contribution margin increased $7.0 versus the prior year, as a favorable RSE adjustment of approximately $4.6 and a $3.9 increase due to weather/volumetric impacts (net of weather mitigation) were only slightly offset by the $1.5 impact of the customer rate reduction resulting from the TCJA.

O&M expenses for the year ended September 30, 2019 increased $3.8 versus the year ended September 30, 2018. Removing the $2.4 net year-over-year increase due to the transfer of mix of service and non-service postretirement benefits costs to other income and expense, O&M increased $1.4. Depreciation and amortization was $3.0 higher versus the same period last year, the result of continued infrastructure investment throughout Spire Alabama's service territory.

Interest expense increased $4.4. The increase was primarily driven by net long-term debt issuances and higher rates and levels of short-term borrowings. Income tax expense is $61.1 lower than the prior year, primarily the result of 2018 being burdened with the $60.7 deferred tax revaluation impact resulting from the implementation of the TCJA.

Temperatures in Spire Alabama's service area during the year ended September 30, 2019 were 6% warmer than last year, and approximately 6% warmer than historical norms. Spire Alabama's total therms sold and transported were 1,083.1 million for the year ended September 30, 2019, compared with 1,020.8 million last year, a 6% increase.

REGULATORY MATTERS

For discussions of regulatory matters for Spire, Spire Missouri, and Spire Alabama, see Note 15, Regulatory Matters, of the Notes to Financial Statements in Item 8.

ACCOUNTING PRONOUNCEMENTS

The Company, Spire Missouri and Spire Alabama have evaluated or are in the process of evaluating the impact that recently issued accounting standards will have on their financial position or results of operations upon adoption. For disclosures related to the adoption of new accounting standards, see the New Accounting Pronouncements section of Note 1 of the Notes to Financial Statements in Item 8.

INFLATION

The accompanying financial statements reflect the historical costs of events and transactions, regardless of the purchasing power of the dollar at the time. Due to the capital-intensive nature of the businesses of the Company, Spire Missouri and Spire Alabama, the most significant impact of inflation is on the depreciation of utility plant. Rate regulation, to which the Utilities are subject, allows recovery through its rates of only the historical cost of utility plant as depreciation. The Utilities expect to incur significant capital expenditures in future years, primarily related to the planned increased replacements of distribution plant. The Utilities believe any higher costs experienced upon replacement of existing facilities will be recovered through the normal regulatory process.

CRITICAL ACCOUNTING ESTIMATES

Our discussion and analysis of our financial condition, results of operations, liquidity and capital resources are based upon our financial statements, which have been prepared in accordance with GAAP, which requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. We believe the following represent the more significant items requiring the use of judgment and estimates in preparing our financial statements:

Regulatory Accounting – The Utilities account for their regulated operations in accordance with FASB Accounting Standards Codification Topic 980, *Regulated Operations*. The provisions of this accounting guidance require, among other things, that financial statements of a rate-regulated enterprise reflect the actions of regulators, where appropriate. These actions may result in the recognition of revenues and expenses in time periods that are different than non-rate-regulated enterprises. When this occurs, costs are deferred as assets in the balance sheet (regulatory assets) and recorded as expenses when those amounts are reflected in rates. Also, regulators can impose liabilities upon a regulated company for amounts previously collected from customers and for recovery of costs that are expected to be incurred in the future (regulatory liabilities). Management believes that the current regulatory environment supports the continued use of these regulatory accounting principles and that all regulatory assets and regulatory liabilities are recoverable or refundable through the regulatory process. For Spire Missouri and Spire Alabama, management believes the following represent the more significant items recorded through the application of this accounting guidance:

PGA Clause – Spire Missouri's PGA clauses allows it to flow through to customers, subject to a prudence review by the MoPSC, the cost of purchased gas supplies, including the costs, cost reductions and related carrying costs associated with the use of natural gas derivative instruments to hedge the purchase price of natural gas. The difference between actual costs incurred and costs recovered through the application of the PGA clauses are recorded as regulatory assets and regulatory liabilities that are recovered or refunded in a subsequent period. The PGA clauses also permit the application of carrying costs to all over- or under-recoveries of gas costs, including costs and cost reductions associated with the use of derivative instruments, and also provide for a portion of income from off-system sales and capacity release revenues to be flowed through to customers.

GSA Rider – Spire Alabama's rate schedules for natural gas distribution charges contain a GSA rider, established in 1993, which permits the pass-through to customers of changes in the cost of gas supply. Spire Alabama's tariff provides a temperature adjustment mechanism, also included in the GSA, that is designed to moderate the impact of departures from normal temperatures on Spire Alabama's earnings. The temperature adjustment applies primarily to residential, small commercial and small industrial customers. Other non-temperature weather related conditions that may affect customer usage are not included in the temperature adjustment. In prior years, Spire Alabama entered into cash flow derivative commodity instruments to hedge its exposure to price fluctuations on its gas supply. Spire Alabama recognizes all derivatives at fair value as either assets or liabilities on the balance sheet. Any realized gains or losses are passed through to customers using the mechanisms of the GSA rider in accordance with Spire Alabama's APSC approved tariff and are recognized as a

regulatory asset or regulatory liability. All derivative commodity instruments in a gain position are valued on a discounted basis incorporating an estimate of performance risk specific to each related counterparty. Derivative commodity instruments in a loss position are valued on a discounted basis incorporating an estimate of performance risk specific to Spire Alabama. Spire Alabama currently has no active gas supply derivative positions.

ISRS –The ISRS allows Spire Missouri expedited recovery for its investment to upgrade its infrastructure and enhance its safety and reliability without the necessity of a formal rate case. Spire Missouri records ISRS revenues as authorized by the MoPSC and estimates the probability and amount of any refunds based on commission precedent, current legal rulings, the opinion of legal counsel, and other considerations.

Employee Benefits and Postretirement Obligations – Pension and postretirement obligations are calculated by actuarial consultants that utilize several statistical factors and other assumptions provided by management related to future events, such as discount rates, returns on plan assets, compensation increases, and mortality rates. For the Utilities, the amount of expense recognized and the amounts reflected in other comprehensive income are dependent upon the regulatory treatment provided for such costs, as discussed further below. Certain liabilities related to group medical benefits and workers' compensation claims, portions of which are self-insured and/or contain "stop-loss" coverage with third-party insurers to limit exposure, are established based on historical trends.

The amount of net periodic pension and other postretirement benefit costs recognized in the financial statements related to the Utilities' qualified pension plans and other postretirement benefit plans is based upon allowances, as approved by the MoPSC (for Spire Missouri) and as approved by the APSC (for Spire Alabama). The allowances have been established in the rate-making process for the recovery of these costs from customers. The differences between these amounts and actual pension and other postretirement benefit costs incurred for financial reporting purposes are deferred as regulatory assets or regulatory liabilities. GAAP also requires that changes that affect the funded status of pension and other postretirement benefit plans, but that are not yet required to be recognized as components of pension and other postretirement benefit costs, be reflected in other comprehensive income. For the Utilities' qualified pension plans and other postretirement benefit plans, amounts that would otherwise be reflected in other comprehensive income are deferred with entries to regulatory assets or regulatory liabilities.

The tables below reflect the sensitivity of Spire's plans to potential changes in key assumptions:

Pension Plan Benefits: Actuarial Assumptions	Increase/ (Decrease)	Estimated Increase/ (Decrease) to Projected Benefit Obligation	Estimated Increase/ (Decrease) to Annual Net Pension Cost*
Discount Rate	0.25%	$ (21.7)	$ 0.4
	(0.25)%	23.0	(0.4)
Expected Return on Plan Assets	0.25%	—	(1.2)
	(0.25)%	—	1.2
Rate of Future Compensation Increase	0.25%	3.4	0.3
	(0.25)%	(3.3)	(0.3)

Postretirement Benefits: Actuarial Assumptions	Increase/ (Decrease)	Estimated Increase/ (Decrease) to Projected Postretirement Benefit Obligation	Estimated Increase/ (Decrease) to Annual Net Postretirement Benefit Cost*
Discount Rate	0.25%	$ (4.9)	$ 0.2
	(0.25)%	5.2	(0.1)
Expected Return on Plan Assets	0.25%	—	(0.7)
	(0.25)%	—	0.7
Annual Medical Cost Trend	1.00%	9.7	0.8
	(1.00)%	(8.7)	(0.7)

* Excludes the impact of regulatory deferral mechanism. See Note 13, Pension Plans and Other Postretirement Benefits, of the Notes to Financial Statements in Item 8 for information regarding the regulatory treatment of these costs.

Impairment of Long-lived Assets – Long-lived assets classified as held and used are evaluated for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Whether impairment has occurred is determined by comparing the estimated undiscounted cash flows attributable to the assets with the carrying value of the assets. If the carrying value exceeds the undiscounted cash flows, the Company recognizes an impairment charge equal to the amount of the carrying value that exceeds the estimated fair value of the assets. In the period in which the Company determines an asset meets held-for-sale criteria, an impairment charge is recorded to the extent the book value exceeds its fair value less cost to sell.

On July 1, 2020, Spire's Board of Directors, based upon the recommendation of senior management, revised the development plan for Spire Storage, resulting in an impairment charge of $140.8 related to Spire Storage assets in the quarter ended June 30, 2020. The revision was driven by the realization that a longer time horizon will be required for optimization and positioning of the storage facility to serve energy markets in the western United States. Among other factors, evaluations of the continuing evolution of market dynamics in the region led management to update models of various development alternatives. Separately in the quarter ended June 30, 2020, Spire recorded impairment charges totaling $7.8 related to two commercial compressed natural gas fueling stations as a result of revised projections reflecting lower diesel prices and slower conversions of Class 8 vehicles. The fair values used in measuring the impairment charges were determined with an expected present value technique using a discounted cash flow method under an income approach. Our impairment loss calculations required management to make assumptions and to apply judgment in order to estimate fair values of the assets. This involved estimating cash flows, useful lives, and current market value for similar assets and selecting a discount rate that reflects the risk inherent in future cash flows. Cash flow projections were based on assumptions about future market demand and achievement of certain operational capabilities. Assumptions were selected from a range of reasonably possible amounts and were supported by relevant and reliable data. However, if actual results are not consistent with our estimates and assumptions, we may be exposed to additional impairments that could be material. We do not believe there is a reasonable likelihood that there will be a material change in the estimates or assumptions we use to calculate asset impairment losses.

Income Taxes – Income tax calculations require estimates due to book-tax differences, estimates with respect to regulatory treatment of certain items, and uncertainty in the interpretation of tax laws and regulations. Critical assumptions and judgments also include projections of future taxable income to determine the ability to utilize net operating losses and credit carryforwards prior to their expiration. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Management regularly assesses financial statement tax provisions to identify any change in regulatory treatment or tax related estimates and assumptions that could have a material impact on cash flows, financial position and/or results of operations.

For further discussion of significant accounting policies, see Note 1, Summary of Significant Accounting Policies, of the Notes to Financial Statements in Item 8.

LIQUIDITY

The Company's short-term borrowing requirements typically peak during colder months when the Utilities borrow money to cover the lag between when they purchase natural gas and when their customers pay for that gas. Changes in the wholesale cost of natural gas (including cash payments for margin deposits associated with Spire Missouri's use of natural gas derivative instruments), variations in the timing of collections of gas cost under the Utilities' PGA clauses and GSA riders, the seasonality of accounts receivable balances, and the utilization of storage gas inventories cause short-term cash requirements to vary during the year and from year to year, and may cause significant variations in the Company's cash provided by or used in operating activities.

Cash Flow Summary	2020	2019	2018
Net cash provided by operating activities	$ 469.9	$ 450.9	$ 456.6
Net cash used in investing activities	(631.6)	(838.3)	(531.7)
Net cash provided by financing activities	160.0	371.8	89.1

Net cash provided by operating activities increased $19.0 from 2019 to 2020 and decreased $5.7 from 2018 to 2019, primarily as a result of fluctuations in working capital items.

In fiscal 2020, the Company used $206.7 less cash in investing activities than in fiscal 2019. The major driver of the reduction was lower capital expenditures, down $184.9 versus the prior year. Spire STL Pipeline, which was placed into service in the first fiscal quarter of 2020, accounted for $97.4 of the reduction, and expenditures at Spire Storage were $59.6 below prior year levels. Capital expenditures at the Utilities were down $29.1, while remaining focused on infrastructure upgrades and new business development. Utility capital expenditures resume growth in fiscal 2021 and beyond, while total Company capital expenditures are planned to be $590.o for fiscal 2021.

In fiscal 2019, the Company used $306.6 more cash in investing activities than in 2018. Capital expenditures increased $323.9 from fiscal 2018 to 2019, primarily as a result of $110.5 higher expenditures for the Spire STL Pipeline project and a $118.9 increase in infrastructure upgrades, new business development and investment to support customer growth across Missouri and Alabama. A further $89.9 in expenditures related to the development of Spire Storage.

Net cash provided by financing activities declined $211.8 in fiscal 2020 versus fiscal 2019, the major driver being the prior year issuance of preferred stock that generated $242.0 in proceeds. Year-over-year net debt issuance increased by $32.3, and the issuance of common stock generated $21.6 more cash in fiscal 2020 than in fiscal 2019. These increases in cash were only partly offset by a $20.4 increase in common and preferred stock dividends in fiscal 2020 versus fiscal 2019.

Net cash provided by financing activities increased $282.7 from 2018 to 2019. The increase in 2019 versus 2018 was primarily due to the issuance of preferred shares for $242.0 and an increase in net debt issuance of $189.2. These increases were only partly offset by the $135.2 reduction in funds received from common stock issuances in 2019 versus 2018.

CAPITAL RESOURCES

The Company's, Spire Missouri's and Spire Alabama's access to capital markets, including the commercial paper market, and their respective financing costs, may depend on the credit rating of the entity that is accessing the capital markets. Their debt is rated by two rating agencies: Standard & Poor's Corporation ("S&P") and Moody's Investors Service ("Moody's"). As of September 30, 2020, the debt ratings of the Company, Spire Missouri and Spire Alabama, shown in the following table, remain at investment grade with a stable outlook.

	S&P	Moody's
Spire Inc. senior unsecured long-term debt	BBB+	Baa2
Spire Inc. preferred stock	BBB	Ba1
Spire Inc. short-term debt	A-2	P-2
Spire Missouri senior secured long-term debt	A	A1
Spire Alabama senior unsecured long-term debt	A-	A2

It is management's view that the Company, Spire Missouri and Spire Alabama have adequate access to capital markets and will have sufficient capital resources, both internal and external, to meet anticipated capital requirements, which primarily include capital expenditures, interest payments on long-term debt, scheduled maturities of long-term debt, short-term seasonal needs and dividends.

The effects of COVID-19 on the U.S. capital markets may significantly impact Spire. We rely on access to the capital markets to fund our capital requirements. These uncertain economic conditions may also result in the inability of our customers to pay for services and could have an impact on our liquidity. Still, considering our financing as described in Note 7, Notes Payable and Credit Agreements, of the Notes to Financial Statements in Item 8, we believe we have sufficient access to cash to meet our needs.

Cash and Cash Equivalents

Bank deposits were used to support working capital needs of the business. Spire had no temporary cash investments as of September 30, 2020 or 2019. Due to lower yields available to Spire on short-term investments, the Company elected to provide all of Spire Missouri's and Spire Alabama's short-term funding through intercompany lending during the past fiscal year.

Short-term Debt

The Utilities' short-term borrowing requirements typically peak during the colder months, while most of the Company's other needs are less seasonal. These short-term cash requirements can be met through the sale of commercial paper or through the use of a revolving credit facility. For information about these resources, see Note 7, Notes Payable and Credit Agreements, of the Notes to Financial Statements in Item 8 and "Interest Rate Risk" under "Market Risk" below.

Long-term Debt and Equity

At September 30, 2020, including the current portion but excluding unamortized discounts and debt issuance costs, Spire had long-term debt totaling $2,500.0, of which $1,098.0 was issued by Spire Missouri, $475.0 was issued by Spire Alabama, and $237.0 was issued by other subsidiaries. For more information about long-term debt, see Note 6 of the Notes to Financial Statements in Item 8 and "Interest Rate Risk" under "Market Risk" below.

On November 12, 2019, Spire Missouri issued and sold to certain institutional purchasers in a private placement $275.0 of 2.84% first mortgage bonds due November 15, 2029. Interest is payable semi-annually. The bonds are secured by a mortgage and deed of trust and rank equal in right to payment with all Spire Missouri's other first mortgage bonds. Spire Missouri used the proceeds to repay its $100.0 floating-rate note and for other general corporate purposes.

On December 2, 2019, Spire Alabama issued and sold to certain institutional investors in a private placement $100.0 of 2.88% Series 2019B Senior Notes due December 1, 2029. Interest is payable semi-annually. The notes are senior unsecured obligations of Spire Alabama and rank equal in right to payment with all its other senior unsecured indebtedness. Spire Alabama used the proceeds to repay short-term debt and for general corporate purposes.

On December 23, 2019, Spire STL Pipeline issued and sold notes to certain institutional investors in a $135.0 private placement. Interest is payable semi-annually at 2.95%, and principal repayment is scheduled annually in accordance with a 15-year amortization schedule with an average life of 9.2 years. Proceeds were used to repay short-term debt.

On June 16, 2020, Spire Missouri purchased and cancelled a portion of its outstanding first mortgage bonds, including $5.7 of its 7% bonds due 2029, $0.8 of its 6% bonds due 2034, $0.5 of its 6.15% bonds due 2036, and $0.1 of its 4.625% bonds due 2043.

Spire Missouri was authorized by the MoPSC to issue registered securities (first mortgage bonds, unsecured debt and preferred stock), common stock, and private placement debt in an aggregate amount of up to $500.0 for financings placed any time before September 30, 2021. As of September 30, 2020, $125.0 remained available under this authorization. Spire Alabama has no standing authority to issue long-term debt and must petition the APSC for each planned issuance. On March 24, 2020, the APSC approved an application for up to $150.0 of additional long-term debt financing.

Spire has a shelf registration statement on Form S-3 on file with the U.S. Securities and Exchange Commission (SEC) for the issuance and sale of up to 250,000 shares of common stock under its Dividend Reinvestment and Direct Stock Purchase Plan. There were 207,254 and 201,148 shares at September 30, 2020 and November 16, 2020, respectively, remaining available for issuance under this Form S-3. Spire and Spire Missouri also have a universal shelf registration statement on Form S-3 on file with the SEC for the issuance of various equity and debt securities, which expires on May 14, 2022.

On February 6, 2019, Spire entered into an "at-the-market" equity distribution agreement, supplemented as of May 14, 2019, pursuant to which the Company may offer and sell, from time to time, shares of its common stock having an aggregate offering price of up to $150.0. Those shares are issued pursuant to Spire's universal shelf registration statement referenced above and a prospectus supplement dated May 14, 2019. Under this program, in the year ended September 30, 2020, Spire issued 446,619 shares, generating $32.0 of proceeds net of issuance costs, and in the year ended September 30, 2019, Spire issued 179,630 shares, generating $14.4 of proceeds net of issuance costs.

On May 21, 2019, Spire issued 5.90% Series A Cumulative Redeemable Perpetual Preferred Stock, resulting in $242.0 of proceeds net of issuance costs.

Including the current portion of long-term debt, the Company's long-term consolidated capitalization at September 30, 2020, consisted of 50% equity, compared to 55% equity at September 30, 2019. For more information about equity, see Note 5 of the Notes to Financial Statements in Item 8.

CONTRACTUAL OBLIGATIONS

As of September 30, 2020, Spire had contractual obligations with payments due as summarized below:

Contractual Obligations	Total	Payments due by period: Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Principal Payments on Long-term Debt	$ 2,500.0	$ 60.4	$ 391.9	$ 198.6	$ 1,849.1
Interest Payments on Long-term Debt (a)	1,390.2	99.3	180.5	150.0	960.4
Operating Leases (b)	90.3	6.6	14.4	10.9	58.4
Purchase Obligations – Natural Gas (c)	1,745.4	484.9	512.6	215.9	532.0
Purchase Obligations – Other (d)	53.2	40.6	7.9	3.3	1.4
Asset Retirement Obligations	540.1	29.8	30.7	31.3	448.3
Total (e)	$ 6,319.2	$ 721.6	$ 1,138.0	$ 610.0	$ 3,849.6

(a) Includes interest payments over the terms of the debt. Interest is calculated using the applicable interest rate and outstanding principal for each instrument with the terms ending at each instrument's stated maturity. See Note 6, Long-Term Debt, of the Notes to Financial Statements in Item 8.

(b) Lease obligations are primarily for office space and power operated equipment. Additional payments will be incurred if renewal options are exercised under the provisions of certain agreements.

(c) These purchase obligations represent the minimum payments required under existing natural gas transportation and storage contracts and natural gas supply agreements in the Gas Utility and Gas Marketing segments. These amounts reflect fixed obligations as well as obligations to purchase natural gas at future market prices, calculated using September 30, 2020 forward market prices. Each of the Utilities generally recovers costs related to its purchases, transportation and storage of natural gas through the operation of its PGA clause or GSA rider, subject to prudence review by the appropriate regional public service commission. Variations in the timing of collections of gas costs from customers may affect short-term cash requirements. Additional contractual commitments are generally entered into prior to or during the heating season.

(d) These purchase obligations primarily reflect miscellaneous agreements for the purchase of materials and the procurement of services necessary for normal operations.

(e) Long-term liabilities associated with unrecognized tax benefits, totaling $13.2, have been excluded from the table above because the timing of future cash outflows, if any, cannot be reasonably estimated. Also, commitments related to pension and postretirement benefit plans have been excluded from the table above. The Company expects to contribute $47.8 to its qualified, trusteed pension plans and $0.6 to its non-qualified pension plans during fiscal 2021. With regard to the postretirement benefits, the Company anticipates it will contribute $2.0 to the qualified trusts and $0.5 directly to participants from Spire Missouri funds during fiscal 2021. For further discussion of the Company's pension and postretirement benefit plans, refer to Note 13, Pension Plans and Other Postretirement Benefits, of the Notes to Financial Statements in Item 8.

ENVIRONMENTAL MATTERS

The Utilities and other Spire subsidiaries own and operate natural gas distribution, transmission and storage facilities, the operations of which are subject to various environmental laws, regulations and interpretations. While environmental issues resulting from such operations arise in the ordinary course of business, such issues have not materially affected the Company's, Spire Missouri's or Spire Alabama's financial position and results of operations. As environmental laws, regulations and their interpretations change, however, the Company and the Utilities may be required to incur additional costs. For information relative to environmental matters, see Contingencies in Note 16 of the Notes to Financial Statements in Item 8.

OFF-BALANCE SHEET ARRANGEMENTS

At September 30, 2020, the Company had no off-balance sheet financing arrangements, other than surety bonds, and letters of credit entered into in the ordinary course of business. The Company does not expect to engage in any significant off-balance sheet financing arrangements in the near future.

MARKET RISK

Commodity Price Risk

Gas Utility

The Utilities' commodity price risk, which arises from market fluctuations in the price of natural gas, is primarily managed through the operation of Spire Missouri's PGA clauses and Spire Alabama's GSA rider. The PGA clauses and GSA rider allows the Utilities to flow through to customers, subject to prudence review by the MoPSC and APSC, the cost of purchased gas supplies. Spire Missouri is allowed the flexibility to make up to three discretionary PGA changes during each year, in addition to its mandatory November

PGA change, so long as such changes are separated by at least two months. Spire Missouri is able to mitigate, to some extent, changes in commodity prices through the use of physical storage supplies and regional supply diversity. The Utilities also have risk management policies that allow for the purchase of natural gas derivative instruments with the goal of managing its price risk associated with purchasing natural gas on behalf of its customers. These policies prohibit speculation. As of September 30, 2020, Spire Missouri had active natural gas derivative positions, but Spire Alabama did not. Costs and cost reduction, including carrying costs, associated with the use of natural gas derivative instruments are allowed to be passed on to customers through the operation of the PGA clauses or GSA rider. Accordingly, the Utilities do not expect any adverse earnings impact as a result of the use of these derivative instruments. However, the timing of recovery for cash payments related to margin requirements may cause short-term cash requirements to vary. For more information about the Utilities' natural gas derivative instruments, see Note 10, Derivative Instruments and Hedging Activities, of the Notes to Financial Statements in Item 8.

Gas Marketing

In the course of its business, Spire's non-regulated gas marketing subsidiary, Spire Marketing, enters into contracts to purchase and sell natural gas at fixed prices and natural gas index-based prices. Commodity price risk associated with these contracts has the potential to impact earnings and cash flows. To minimize this risk, Spire Marketing has a risk management policy that provides for daily monitoring of a number of business measures, including fixed price commitments. In accordance with the risk management policy, Spire Marketing manages the price risk associated with its fixed price commitments. This risk is currently managed either by closely matching the offsetting physical purchase or sale of natural gas at fixed-prices or through the use of natural gas futures, options and swap contracts traded on or cleared through the New York Mercantile Exchange (NYMEX) and Intercontinental Exchange (ICE) to lock in margins. At September 30, 2020 and 2019, Spire Marketing's unmatched fixed-price positions were not material to Spire's financial position or results of operations.

As mentioned above, Spire Marketing uses natural gas futures, options and swap contracts traded on or cleared through the NYMEX and ICE to manage the commodity price risk associated with its fixed-price natural gas purchase and sale commitments. These derivative instruments may be designated as cash flow hedges of forecasted purchases or sales. Such accounting treatment, if elected, generally permits a substantial portion of the gain or loss to be deferred from recognition in earnings until the period that the associated forecasted purchase or sale is recognized in earnings. To the extent a hedge is effective, gains or losses on the derivatives will be offset by changes in the value of the hedged forecasted transactions. Information about the fair values of Spire Marketing's exchange-traded/cleared natural gas derivative instruments is presented below:

	Derivative Fair Values	Cash Margin	Derivatives and Cash Margin
Net balance of derivative assets at September 30, 2019	$ (1.4)	$ 4.8	$ 3.4
Changes in fair value	11.8	—	11.8
Settlements/purchases - net	(4.7)	—	(4.7)
Changes in cash margin	—	(5.2)	(5.2)
Net balance of derivative assets at September 30, 2020	$ 5.7	$ (0.4)	$ 5.3

	As of September 30, 2020				
Maturity by Fiscal Year	Total	2021	2022	2023	2024
Fair values of exchange-traded/cleared natural gas derivatives - net	$ 7.4	$ 1.0	$ 6.0	$ 0.4	$ —
Fair values of basis swaps - net	49.3	(9.2)	50.1	8.3	0.1
Fair values of puts and calls - net	(0.7)	(0.8)	0.1	—	—
Position volumes:					
MMBtu - net (short) long futures/swap/option positions	(12.4)	(11.2)	(1.1)	(0.1)	—
MMBtu - net (short) long basis swap positions	(1.0)	(1.0)	—	—	—
MMBtu - net (short) puts and calls positions	(0.8)	(0.8)	—	—	—

Certain of Spire Marketing's physical natural gas derivative contracts are designated as normal purchases or normal sales, as permitted by GAAP. This election permits the Company to account for the contract in the period the natural gas is delivered. Contracts not designated as normal purchases or normal sales, including those designated as trading activities, are accounted for as derivatives with changes in fair value recognized in earnings in the periods prior to settlement.

Below is a reconciliation of the beginning and ending balances for physical natural gas contracts accounted for as derivatives, none of which will settle beyond fiscal 2022:

Net balance of derivative liabilities at September 30, 2019	$ 3.0
Changes in fair value	(7.6)
Settlements	(2.8)
Net balance of derivative liabilities at September 30, 2020	$ (7.4)

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For further details related to Spire Marketing's derivatives and hedging activities, see Note 10, Derivative Instruments and Hedging Activities, of the Notes to Financial Statements in Item 8.

Counterparty Credit Risk

Spire Marketing has concentrations of counterparty credit risk in that a significant portion of its transactions are with energy producers, utility companies and pipelines. These concentrations of counterparties have the potential to affect the Company's overall exposure to credit risk, either positively or negatively, in that each of these three groups may be affected similarly by changes in economic, industry or other conditions. Spire Marketing also has concentrations of credit risk with certain individually significant counterparties. To the extent possible, Spire Marketing enters into netting arrangements with its counterparties to mitigate exposure to credit risk. It is also exposed to credit risk associated with its derivative contracts designated as normal purchases and normal sales. Spire Marketing closely monitors its credit exposure and, although uncollectible amounts have not been significant, increased counterparty defaults are possible and may result in financial losses and/or capital limitations. For more information on these and other concentrations of credit risk, including how Spire Marketing manages these risks, see Note 11, Concentrations of Credit Risk, of the Notes to Financial Statements in Item 8.

Interest Rate Risk

The Company is subject to interest rate risk associated with its short-term debt issuances. Based on average short-term borrowings during fiscal 2020, an increase of 100 basis points in the underlying average interest rate for short-term debt would have caused an increase in interest expense (and a decrease in pre-tax earnings and cash flows) of approximately $5.8 on an annual basis. Portions of such an increase may be offset through the Utilities' application of PGA and GSA carrying costs. At September 30, 2020, Spire had fixed-rate long-term debt totaling $2,500.0. Spire Missouri had fixed-rate long-term debt totaling $1,098 and Spire Alabama had fixed-rate long-term debt of $475.0, all included in Spire's total long-term debt. While the long-term debt issues are fixed-rate, they are subject to changes in fair value as market interest rates change. However, increases or decreases in fair value would impact earnings and cash flows only if the Company were to reacquire any of these issues in the open market prior to maturity. Under GAAP applicable to the Utilities' regulated operations, losses or gains on early redemptions of long-term debt would typically be deferred as regulatory assets or regulatory liabilities and amortized over a future period.

During the first quarter of fiscal 2019, the Company entered into a three-year interest rate swap with a fixed interest rate of 3.250% and a notional amount of $100.0 to protect itself against adverse movements in interest rates on future interest rate payments. The Company recorded a $53.7 mark-to-market loss to comprehensive income on this swap for twelve months ended September 30, 2020. In the second quarter of 2020, the Company entered into multiple interest rate swaps with fixed interest rates ranging from 0.921% to 1.3105% for a total notional amount of $150.0 to protect itself against adverse movements in interest rates on future interest rate payments. The Company recorded a $0.5 mark-to-market loss to comprehensive income for these swaps for the twelve months ended September 30, 2020.

Refer to Note 10, Derivative Instruments and Hedging Activities, of the Notes to Financial Statements in Item 8 for additional details on the Company's interest rate swap transactions.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

For this discussion, see "Market Risk" in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 8. Financial Statements and Supplementary Data

Management Reports on Internal Control over Financial Reporting

Spire Inc.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Spire Inc.'s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Spire Inc.'s management, including its Chief Executive Officer and Chief Financial Officer, conducted an assessment of the effectiveness of Spire Inc.'s internal control over financial reporting as of September 30, 2020. In making this assessment, management used the criteria in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management concluded that Spire Inc.'s internal control over financial reporting was effective as of September 30, 2020. Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report on Spire Inc.'s internal control over financial reporting, which is included herein.

Spire Missouri Inc.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Spire Missouri Inc.'s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Spire Missouri Inc.'s management, including its Chief Executive Officer and Chief Financial Officer, conducted an assessment of the effectiveness of Spire Missouri Inc.'s internal control over financial reporting as of September 30, 2020. In making this assessment, management used the criteria in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management concluded that Spire Missouri Inc.'s internal control over financial reporting was effective as of September 30, 2020.

Spire Alabama Inc.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Spire Alabama Inc.'s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Spire Alabama Inc.'s management, including its Chief Executive Officer and Chief Financial Officer, conducted an assessment of the effectiveness of Spire Alabama Inc.'s internal control over financial reporting as of September 30, 2020. In making this assessment, management used the criteria in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management concluded that Spire Alabama Inc.'s internal control over financial reporting was effective as of September 30, 2020.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Spire Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Spire Inc. and subsidiaries (the "Company") as of September 30, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended September 30, 2020, of the Company and our report dated November 18, 2020, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for their assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

St. Louis, Missouri
November 18, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Spire Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Spire Inc. and subsidiaries (the "Company") as of September 30, 2020 and 2019, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows, for each of the three years in the period ended September 30, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2020 and 2019, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2020, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 18, 2020, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Regulatory Matters – Impact of Rate Regulation on the Financial Statements – Refer to Note 15 to the financial statements

Critical Audit Matter Description

The Company accounts for their regulated operations in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 980, *Regulated Operations*. The provisions of this accounting guidance require, among other things, that financial statements of a rate-regulated enterprise reflect the actions of regulators, where appropriate. These actions may result in the recognition of revenues and expenses in time periods that are different than non-rate-regulated enterprises. When this occurs, costs are deferred as assets in the balance sheet (regulatory assets) and recorded as expenses when those amounts are reflected in rates. Also, regulators can impose liabilities upon a regulated company for amounts previously collected from customers and for recovery of costs that are expected to be incurred in the future (regulatory liabilities).

The Company is subject to rate regulation by the Missouri, Alabama, and Mississippi Public Service Commissions (the “Commissions”), which have jurisdiction with respect to the rates of natural gas companies within their respective geographies. The Company has stated that all regulatory assets and regulatory liabilities are recoverable or refundable through the regulatory process.

Accounting for the economics of rate regulation affects multiple financial statement line items, including property, plant, and equipment; regulatory assets and liabilities; operating revenues; and depreciation expense, and affects multiple disclosures in the Company’s financial statements. There is a risk that the Commissions will not approve full recovery of the costs of providing utility service or recovery of all amounts invested in the utility business and a reasonable return on that investment. As a result, we identified the impact of rate regulation as a critical audit matter due to the high degree of subjectivity involved in assessing the impact of current and future regulatory orders on events that have occurred as of September 30, 2020, and the judgments made by management to support their assertions about impacted account balances and disclosures. Management judgments included assessing the likelihood of (1) recovery in future rates of incurred costs or (2) refunds to customers or future reduction in rates. Given that management’s accounting judgments are based on assumptions about the outcome of future decisions by the Commissions, auditing these rate-impacted account balances and disclosures, and the related judgments, requires specialized knowledge of accounting for rate regulation due to the inherent complexities associated with the specialized rules related to accounting for the effects of cost-based regulation.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the uncertainty of future decisions by the Commissions included the following, among others:

- We tested the effectiveness of management’s controls over evaluating the likelihood of (1) the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets, and (2) a refund or a future reduction in rates that should be reported as regulatory liabilities. We tested the effectiveness of management’s controls over the initial recognition of amounts as property, plant, and equipment; regulatory assets or liabilities; and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.
- We evaluated the Company's disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments, in the financial statements.
- We read relevant regulatory orders issued by the Commissions for the Company in Missouri, Alabama, and Mississippi; regulatory statutes, interpretations, procedural memorandums, and filings made by interveners; and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the Commissions’ treatment of similar costs under similar circumstances.
- We obtained from management the regulatory orders that support the probability of recovery, refund, and/or future reduction in rates for regulatory assets and liabilities and assessed management’s assertion that amounts are probable of recovery, refund, or a future reduction in rates.

Evaluation of Spire Storage Asset Impairment – Refer to Note 1 to the financial statements

Critical Audit Matter Description

The Company evaluates for impairment long-lived assets classified as held and used when events or changes in circumstance indicate that the carrying value of the respective asset (asset group) may not be recoverable. The carrying value of the asset is not recoverable if it exceeds the sum of undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value of the asset is not recoverable, the Company recognizes an impairment charge equal to the amount of the carrying value of the asset that exceeds the fair value of the asset.

During the year ended September 30, 2020, the Company recorded an impairment loss of $140.8 million related to their Spire Storage West LLC (“Storage”) long-lived assets (the “asset group”) after it was determined that their carrying value was not recoverable due to a revision in future business development plans. The Company measured the impairment loss by estimating the fair value of the asset group using a discounted cash flow model (the “model”). The estimation of fair value required management to make assumptions and apply judgment regarding future cash flows expected to result from the use and eventual disposition of the asset group under various business development plans, future market demand, operational capabilities, and the selection of a discount rate. Significant and unanticipated changes to these assumptions could require a provision for impairment in a future period.

We identified the estimation of the fair value of the Storage asset group as a critical audit matter due to the high degree of auditor judgment and an increased level of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's assumptions in determining the fair value, including those related to revenue forecasts and the "terminal value" used to determine estimated future cash flows under various business development plans, and the selection of a discount rate.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the estimation of the fair value of the Storage asset group included the following, among others:

- We tested the effectiveness of management's controls over the Storage asset impairment evaluation, including those over the key assumptions used in the estimation of the fair value of the asset group, including revenue forecasts, terminal value, and selection of a discount rate.
- We evaluated the reasonableness of key assumptions used by management in the fair value determination by:
    - Comparing revenue and cash flow projections to current executed contracts, capital improvement plans, and third-party reports about future market demand,
    - Comparing assumed operational capabilities to internal development plans and third-party reports about asset viability,
    - Comparing the various development plans considered to internal communications to management and the Board of Directors,
    - Comparing estimated terminal value to comparable precedent transactions involving external parties, and
    - Performing sensitivity analyses of the key assumptions to evaluate the change in the fair value estimate that would result from changes in the assumptions.
- We evaluated the reasonableness of management's assumptions involving revenue forecasts by determining if the revenue forecasts were consistent with:
    - Executed storage contracts,
    - Third-party reports regarding future market demand, value of contracts, and operational capabilities of the Storage sites, and
    - Various business development plans communicated to management and the Board of Directors of Spire Inc.
- We evaluated the reasonableness of management's assumptions involving terminal value by determining whether the terminal value was consistent with comparable precedent transactions involving external parties.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discounted cash flow model by:
    - Testing the mathematical accuracy of the model, and
    - Evaluating the reasonableness of the discount rate used in the model by developing a range of independent estimates and comparing those to the discount rate selected by management.

/s/ Deloitte & Touche LLP

St. Louis, Missouri
November 18, 2020

We have served as the Company's auditor since 1953.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Spire Missouri Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Spire Missouri Inc. (a wholly owned subsidiary of Spire Inc.) (the "Company") as of September 30, 2020 and 2019, the related statements of comprehensive income, shareholder's equity, and cash flows, for each of the three years in the period ended September 30, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2020 and 2019, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

Regulatory Matters – Impact of Rate Regulation on the Financial Statements – Refer to Note 15 to the financial statements

Critical Audit Matter Description

The Company accounts for their regulated operations in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 980, *Regulated Operations*. The provisions of this accounting guidance require, among other things, that financial statements of a rate-regulated enterprise reflect the actions of regulators, where appropriate. These actions may result in the recognition of revenues and expenses in time periods that are different than non-rate-regulated enterprises. When this occurs, costs are deferred as assets in the balance sheet (regulatory assets) and recorded as expenses when those amounts are reflected in rates. Also, regulators can impose liabilities upon a regulated company for amounts previously collected from customers and for recovery of costs that are expected to be incurred in the future (regulatory liabilities).

The Company is subject to rate regulation by the Missouri Public Service Commission (the "Commission"), which has jurisdiction with respect to the rates of natural gas companies within their geography. The Company has stated that all regulatory assets and regulatory liabilities are recoverable or refundable through the regulatory process.

Accounting for the economics of rate regulation affects multiple financial statement line items, including property, plant, and equipment; regulatory assets and liabilities; operating revenues; and depreciation expense, and affects multiple disclosures in the Company's financial statements. There is a risk that the Commission will not approve full recovery of the costs of providing utility service or recovery of all amounts invested in the utility business and a reasonable return on that investment. As a result, we identified the impact of rate regulation as a critical audit matter due to the high degree of subjectivity involved in assessing the impact of current and future regulatory orders on events that have occurred as of September 30, 2020, and the judgments made by management to support their assertions about impacted account balances and disclosures. Management judgments included assessing the likelihood of (1) recovery in future rates of incurred costs or (2) refunds to customers or future reduction in rates. Given that management's accounting judgments are based on assumptions about the outcome of future decisions by the Commission, auditing these rate-impacted account balances and disclosures, and the related judgments, requires specialized knowledge of accounting for rate regulation due to the inherent complexities associated with the specialized rules related to accounting for the effects of cost-based regulation.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the uncertainty of future decisions by the Commission included the following, among others:

- We tested the effectiveness of management's controls over evaluating the likelihood of (1) the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets, and (2) a refund or a future reduction in rates that should be reported as regulatory liabilities. We tested the effectiveness of management's controls over the initial recognition of amounts as property, plant, and equipment; regulatory assets or liabilities; and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.
- We evaluated the Company's disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments, in the financial statements.
- We read relevant regulatory orders issued by the Commission for the Company in Missouri; regulatory statutes, interpretations, procedural memorandums, and filings made by interveners; and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the Commission's treatment of similar costs under similar circumstances.
- We obtained from management the regulatory orders that support the probability of recovery, refund, and/or future reduction in rates for regulatory assets and liabilities and assessed management's assertion that amounts are probable of recovery, refund, or a future reduction in rates.

/s/ Deloitte & Touche LLP

St. Louis, Missouri
November 18, 2020

We have served as the Company's auditor since 1953.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Spire Alabama Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Spire Alabama Inc. (a wholly owned subsidiary of Spire Inc.) (the "Company") as of September 30, 2020 and 2019, the related statements of income, shareholder's equity, and cash flows, for each of the three years in the period ended September 30, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2020 and 2019, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

Regulatory Matters – Impact of Rate Regulation on the Financial Statements – Refer to Note 15 to the financial statements

Critical Audit Matter Description

The Company accounts for their regulated operations in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 980, *Regulated Operations*. The provisions of this accounting guidance require, among other things, that financial statements of a rate-regulated enterprise reflect the actions of regulators, where appropriate. These actions may result in the recognition of revenues and expenses in time periods that are different than non-rate-regulated enterprises. When this occurs, costs are deferred as assets in the balance sheet (regulatory assets) and recorded as expenses when those amounts are reflected in rates. Also, regulators can impose liabilities upon a regulated company for amounts previously collected from customers and for recovery of costs that are expected to be incurred in the future (regulatory liabilities).

The Company is subject to rate regulation by the Alabama Public Service Commission (the "Commission"), which has jurisdiction with respect to the rates of natural gas companies within their geography. The Company has stated that all regulatory assets and regulatory liabilities are recoverable or refundable through the regulatory process.

Accounting for the economics of rate regulation affects multiple financial statement line items, including property, plant, and equipment; regulatory assets and liabilities; operating revenues; and depreciation expense, and affects multiple disclosures in the Company's financial statements. There is a risk that the Commission will not approve full recovery of the costs of providing utility service or recovery of all amounts invested in the utility business and a reasonable return on that investment. As a result, we identified the impact of rate regulation as a critical audit matter due to the high degree of subjectivity involved in assessing the impact of current and future regulatory orders on events that have occurred as of September 30, 2020, and the judgments made by management to support their assertions about impacted account balances and disclosures. Management judgments included assessing the likelihood of (1) recovery in future rates of incurred costs or (2) refunds to customers or future reduction in rates. Given that management's accounting judgments are based on assumptions about the outcome of future decisions by the Commission, auditing these rate-impacted account balances and disclosures, and the related judgments, requires specialized knowledge of accounting for rate regulation due to the inherent complexities associated with the specialized rules related to accounting for the effects of cost-based regulation.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the uncertainty of future decisions by the Commission included the following, among others:

- We tested the effectiveness of management's controls over evaluating the likelihood of (1) the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets, and (2) a refund or a future reduction in rates that should be reported as regulatory liabilities. We tested the effectiveness of management's controls over the initial recognition of amounts as property, plant, and equipment; regulatory assets or liabilities; and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.
- We evaluated the Company's disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments, in the financial statements.
- We read relevant regulatory orders issued by the Commission for the Company in Alabama; regulatory statutes, interpretations, procedural memorandums, and filings made by interveners; and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the Commission's treatment of similar costs under similar circumstances.
- We obtained from management the regulatory orders that support the probability of recovery, refund, and/or future reduction in rates for regulatory assets and liabilities and assessed management's assertion that amounts are probable of recovery, refund, or a future reduction in rates.

/s/ Deloitte & Touche LLP

St. Louis, Missouri
November 18, 2020

We have served as the Company's auditor since 2014.

SPIRE INC.
CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share amounts)	Years Ended September 30 2020	2019	2018
Operating Revenues	$ 1,855.4	$ 1,952.4	$ 1,965.0
Operating Expenses:			
Natural gas	696.1	840.3	871.7
Operation and maintenance	458.6	474.1	477.3
Depreciation and amortization	197.3	181.7	168.4
Taxes, other than income taxes	148.4	154.0	153.5
Impairments	148.6	—	—
Total Operating Expenses	1,649.0	1,650.1	1,670.9
Operating Income	206.4	302.3	294.1
Interest Expense, Net	105.5	104.4	98.4
Other Income (Expense), Net	0.1	21.2	(8.0)
Income Before Income Taxes	101.0	219.1	187.7
Income Tax Expense (Benefit)	12.4	34.5	(26.5)
Net Income	88.6	184.6	214.2
Provision for preferred dividends	14.8	5.3	-
Income allocated to participating securities	0.1	0.4	0.5
Net Income Available to Common Shareholders	$ 73.7	$ 178.9	$ 213.7
Weighted Average Number of Common Shares Outstanding:			
Basic	51.2	50.7	49.1
Diluted	51.3	50.8	49.3

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Basic Earnings Per Share of Common Stock	$ 1.44	$ 3.53	$ 4.35
Diluted Earnings Per Share of Common Stock	$ 1.44	$ 3.52	$ 4.33

See the accompanying Notes to Financial Statements.

SPIRE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)	Years Ended September 30 2020	2019	2018
Net Income	$ 88.6	$ 184.6	$ 214.2
Other Comprehensive (Loss) Income, Before Tax:			
Cash flow hedging derivative instruments:			
Net hedging (loss) gain arising during the period	(8.9)	(46.4)	3.9
Amounts reclassified into net income	(3.2)	(1.3)	(1.5)
Net (loss) gain on cash flow hedging derivative instruments	(12.1)	(47.7)	2.4
Defined benefit pension and other postretirement benefit plans:			
Amortization of actuarial (gain) loss included in net periodic pension and postretirement benefit cost	(0.5)	(0.9)	0.4
Net defined benefit pension and other postretirement benefit plans	(0.5)	(0.9)	0.4
Net unrealized gain on available-for-sale debt securities	—	0.1	0.3
Other Comprehensive (Loss) Income, Before Tax	(12.6)	(48.5)	3.1
Income Tax (Benefit) Expense Related to Items of Other Comprehensive (Loss) Income	(2.7)	(10.8)	0.6
Other Comprehensive (Loss) Income, Net of Tax	(9.9)	(37.7)	2.5
Comprehensive Income	$ 78.7	$ 146.9	$ 216.7

See the accompanying Notes to Financial Statements.

SPIRE INC.
CONSOLIDATED BALANCE SHEETS

(In millions)	September 30 2020	2019
ASSETS		
Utility Plant	$ 6,766.3	$ 6,146.5
Less: Accumulated depreciation and amortization	2,086.2	1,794.5
Net Utility Plant	4,680.1	4,352.0
Non-utility Property (net of accumulated depreciation and amortization of $19.0 and $12.7 at September 30, 2020 and 2019, respectively)	432.3	477.8
Other Investments	71.7	72.3
Total Other Property and Investments	504.0	550.1
Current Assets:		
Cash and cash equivalents	4.1	5.8
Accounts receivable:		
Utility	131.8	139.8
Other	146.4	172.8
Allowance for doubtful accounts	(24.9)	(23.0)
Delayed customer billings	10.0	4.3
Inventories:		
Natural gas	154.3	162.6
Propane gas	10.7	10.7
Materials and supplies	26.5	23.3
Regulatory assets	69.5	78.6
Prepayments	29.2	29.1
Other	33.0	10.5
Total Current Assets	590.6	614.5
Deferred Charges and Other Assets:		
Goodwill	1,171.6	1,171.6
Regulatory assets	1,069.4	767.6

Other	225.5	163.4
Total Deferred Charges and Other Assets	2,466.5	2,102.6
Total Assets	$ 8,241.2	$ 7,619.2

SPIRE INC.

CONSOLIDATED BALANCE SHEETS (Continued)

	September 30 2020	September 30 2019
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Preferred stock ($25.00 par value per share; 10.0 million depositary shares authorized, issued and outstanding at September 30, 2020 and 2019)	$ 242.0	$ 242.0
Common stock (par value $1.00 per share; 70.0 million shares authorized; 51.6 million issued and outstanding at September 30, 2020, and 51.0 million shares issued and outstanding September 30, 2019)	51.6	51.0
Paid-in capital	1,549.2	1,505.8
Retained earnings	720.7	775.5
Accumulated other comprehensive loss	(41.2)	(31.3)
Total Shareholders' Equity	2,522.3	2,543.0
Temporary equity	3.4	3.4
Long-term debt (less current portion)	2,423.7	2,082.6
Total Capitalization	4,949.4	4,629.0
Current Liabilities:		
Current portion of long-term debt	60.4	40.0
Notes payable	648.0	743.2
Accounts payable	243.3	301.5
Advance customer billings	45.3	32.6
Wages and compensation accrued	46.3	45.7
Customer deposits	30.6	35.6
Taxes accrued	71.4	68.5
Regulatory liabilities	113.0	60.8
Other	190.9	140.9
Total Current Liabilities	1,449.2	1,468.8
Deferred Credits and Other Liabilities:		
Deferred income taxes	511.4	451.4
Pension and postretirement benefit costs	309.0	264.8
Asset retirement obligations	540.1	337.6
Regulatory liabilities	343.7	399.0
Other	138.4	68.6
Total Deferred Credits and Other Liabilities	1,842.6	1,521.4
Commitments and Contingencies (Note 16)		
Total Capitalization and Liabilities	$ 8,241.2	$ 7,619.2

See the accompanying Notes to Financial Statements.

SPIRE INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Dollars in millions, except per share amounts)	Common Stock Shares	Common Stock Par	Preferred Stock	Paid-in Capital	Retained Earnings	AOCI*	Total
Balance at September 30, 2017	48,263,243	$ 48.3	$ —	$ 1,325.6	$ 614.2	$ 3.2	$ 1,991.3
Net income	—	—	—	—	214.2	—	214.2
Common stock issued	2,300,000	2.3	—	150.7	—	—	153.0
Dividend reinvestment plan	23,023	—	—	1.6	—	—	1.6
Stock-based compensation costs	—	—	—	7.7	—	—	7.7
Stock issued under stock-based compensation plans	119,592	0.1	—	(0.1)	—	—	—

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Employees' tax withholding for stock-based compensation	(33,955)	—	—	(2.8)	—	—	(2.8)
Dividends declared:							
Common stock ($2.25 per share)	—	—	—	—	(112.1)	—	(112.1)
Other comprehensive income, net of tax	—	—	—	—	—	2.5	2.5
Reclassification of certain income tax effects	—	—	—	—	(0.7)	0.7	—
Balance at September 30, 2018	50,671,903	$ 50.7	$ —	$ 1,482.7	$ 715.6	$ 6.4	$ 2,255.4
Net income	—	—	—	—	184.6	—	184.6
Common stock issued	179,630	0.2	—	14.2	—	—	14.4
Dividend reinvestment plan	62,735	—	—	5.1	—	—	5.1
Stock-based compensation costs	—	—	—	6.2	—	—	6.2
Stock issued under stock-based compensation plans	87,978	0.1	—	(0.1)	—	—	—
Employees' tax withholding for stock-based compensation	(28,731)	—	—	(2.3)	—	—	(2.3)
Temporary equity adjustment to redemption value	—	—	—	—	(0.8)	—	(0.8)
Preferred stock issued	—	—	242.0	—	—	—	242.0
Dividends declared:							
Common stock ($2.37 per share)	—	—	—	—	(120.5)	—	(120.5)
Preferred stock ($0.344 per depositary share)	—	—	—	—	(3.4)	—	(3.4)
Other comprehensive loss, net of tax	—	—	—	—	—	(37.7)	(37.7)
Balance at September 30, 2019	50,973,515	$ 51.0	$ 242.0	$ 1,505.8	$ 775.5	$ (31.3)	$ 2,543.0
Net income	—	—	—	—	88.6	—	88.6
Common stock issued	446,619	0.4	—	31.6	—	—	32.0
Dividend reinvestment plan	122,545	0.1	—	9.1	—	—	9.2
Stock-based compensation costs	—	—	—	6.0	—	—	6.0
Stock issued under stock-based compensation plans	110,463	0.1	—	(0.1)	—	—	—
Employees' tax withholding for stock-based compensation	(41,353)	—	—	(3.2)	—	—	(3.2)
Temporary equity adjustment to redemption value	—	—	—	—	3.4	—	3.4
Dividends declared:							
Common stock ($2.49 per share)	—	—	—	—	(128.4)	—	(128.4)
Preferred stock ($1.84375 per depositary share)	—	—	—	—	(18.4)	—	(18.4)
Other comprehensive loss, net of tax	—	—	—	—	—	(9.9)	(9.9)
Balance at September 30, 2020	51,611,789	$ 51.6	$ 242.0	$ 1,549.2	$ 720.7	$ (41.2)	$ 2,522.3

* Accumulated other comprehensive income (loss)

See the accompanying Notes to Financial Statements.

SPIRE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30		
(In millions)	2020	2019	2018
Operating Activities:			
Net Income	$ 88.6	$ 184.6	$ 214.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	197.3	181.7	168.4
Impairments	148.6	—	—
Deferred income taxes and investment tax credits	9.0	31.8	(28.7)
Changes in assets and liabilities:			
Accounts receivable	36.2	2.7	(32.7)
Inventories	2.6	13.6	15.5
Regulatory assets and liabilities	0.6	—	191.0
Accounts payable	(43.1)	(6.4)	12.6
Delayed/advance customer billings, net	7.0	12.4	(12.8)
Taxes accrued	2.9	3.5	6.4
Other assets and liabilities	12.0	31.0	(121.2)

Other	8.2	(4.0)	43.9
Net cash provided by operating activities	469.9	450.9	456.6
Investing Activities:			
Capital expenditures	(638.4)	(823.3)	(499.4)
Other business acquisitions	—	(7.9)	(28.1)
Other	6.8	(7.1)	(4.2)
Net cash used in investing activities	(631.6)	(838.3)	(531.7)
Financing Activities:			
Issuance of preferred stock	—	242.0	—
Issuance of long-term debt	510.0	230.0	75.0
Repayment of long-term debt	(147.0)	(184.1)	(105.0)
(Repayment) issuance of short-term debt, net	(95.2)	189.6	76.3
Issuance of common stock	41.1	19.5	154.7
Dividends paid on common stock	(128.0)	(119.0)	(108.7)
Dividends paid on preferred stock	(14.8)	(3.4)	—
Other	(6.1)	(2.8)	(3.2)
Net cash provided by financing activities	160.0	371.8	89.1
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(1.7)	(15.6)	14.0
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	5.8	21.4	7.4
Cash, Cash Equivalents, and Restricted Cash at End of Year	$ 4.1	$ 5.8	$ 21.4
Supplemental disclosure of cash paid for:			
Interest, net of amounts capitalized	$ (100.0)	$ (102.4)	$ (95.1)
Income taxes	(2.9)	(2.7)	(1.5)

See the accompanying Notes to Financial Statements.

SPIRE MISSOURI INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended September 30		
(In millions)	2020	2019	2018
Operating Revenues	$ 1,193.6	$ 1,291.8	$ 1,285.6
Operating Expenses:			
Natural gas	515.8	629.8	636.8
Operation and maintenance	251.0	268.1	279.1
Depreciation and amortization	118.0	111.5	102.8
Taxes, other than income taxes	103.2	107.6	108.4
Total Operating Expenses	988.0	1,117.0	1,127.1
Operating Income	205.6	174.8	158.5
Interest Expense, Net	49.4	49.2	46.4
Other (Expense) Income, Net	(8.7)	2.7	(15.4)
Income Before Income Taxes	147.5	128.3	96.7
Income Tax Expense (Benefit)	17.3	13.3	(32.6)
Net Income	130.2	115.0	129.3
Other Comprehensive (Loss) Income, Net of Tax	(0.5)	(0.8)	0.4
Comprehensive Income	$ 129.7	$ 114.2	$ 129.7

See the accompanying Notes to Financial Statements.

SPIRE MISSOURI INC.
BALANCE SHEETS

	September 30	
(In millions)	2020	2019
ASSETS		
Utility Plant	$ 3,931.2	$ 3,643.2

Less: Accumulated depreciation and amortization	825.7	764.1
Net Utility Plant	3,105.5	2,879.1
Other Property and Investments	56.7	53.3
Current Assets:		
Cash and cash equivalents	—	2.6
Accounts receivable:		
Utility	92.5	94.6
Associated companies	2.7	1.4
Other	34.1	26.5
Allowance for doubtful accounts	(18.1)	(14.9)
Delayed customer billings	2.4	4.3
Inventories:		
Natural gas	95.1	100.1
Propane gas	10.7	10.7
Materials and supplies	15.6	13.3
Regulatory assets	32.1	29.4
Prepayments	20.7	18.2
Total Current Assets	287.8	286.2
Deferred Charges and Other Assets:		
Goodwill	210.2	210.2
Regulatory assets	548.7	507.5
Other	96.0	85.6
Total Deferred Charges and Other Assets	854.9	803.3
Total Assets	$ 4,304.9	$ 4,021.9

SPIRE MISSOURI INC.

BALANCE SHEETS (continued)

	September 30	
	2020	2019
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock (par value $1.00 per share; 50.0 million shares authorized; 24,577 issued and outstanding at September 30, 2020 and 2019)	$ 0.1	$ 0.1
Paid-in capital	765.0	765.0
Retained earnings	672.9	576.6
Accumulated other comprehensive loss	(2.9)	(2.4)
Total Shareholders' Equity	1,435.1	1,339.3
Long-term debt	1,092.0	925.0
Total Capitalization	2,527.1	2,264.3
Current Liabilities:		
Notes payable – associated companies	301.2	386.4
Accounts payable	66.7	75.7
Accounts payable – associated companies	9.3	5.5
Advance customer billings	32.7	20.8
Wages and compensation accrued	33.3	34.5
Customer deposits	9.3	13.4
Taxes accrued	39.1	36.4
Regulatory liabilities	103.2	52.3
Other	39.9	26.4
Total Current Liabilities	634.7	651.4
Deferred Credits and Other Liabilities:		
Deferred income taxes	434.7	364.6
Pension and postretirement benefit costs	217.2	192.4
Asset retirement obligations	153.4	173.5
Regulatory liabilities	274.8	326.5
Other	63.0	49.2
Total Deferred Credits and Other Liabilities	1,143.1	1,106.2
Commitments and Contingencies (Note 16)		
Total Capitalization and Liabilities	$ 4,304.9	$ 4,021.9

See the accompanying [Notes to Financial Statements].

SPIRE MISSOURI INC.
STATEMENTS OF SHAREHOLDER'S EQUITY

	Common Stock		Paid-in	Retained		
(Dollars in millions)	Shares	Par	Capital	Earnings	AOCI*	Total
Balance at September 30, 2017	24,577	$ 0.1	$ 756.1	$ 416.5	$ (1.7)	$ 1,171.0
Net income	—	—	—	129.3	—	129.3
Stock-based compensation costs	—	—	4.2	—	—	4.2
Dividends declared	—	—	—	(45.0)	—	(45.0)
Other comprehensive income, net of tax	—	—	—	—	0.4	0.4
Reclassification of certain income tax effects	—	—	—	0.3	(0.3)	—
Balance at September 30, 2018	24,577	0.1	760.3	501.1	(1.6)	1,259.9
Net income	—	—	—	115.0	—	115.0
Stock-based compensation costs	—	—	4.7	—	—	4.7
Dividends declared	—	—	—	(39.5)	—	(39.5)
Other comprehensive loss, net of tax	—	—	—	—	(0.8)	(0.8)
Balance at September 30, 2019	24,577	0.1	765.0	576.6	(2.4)	1,339.3
Net income	—	—	—	130.2	—	130.2
Dividends declared	—	—	—	(33.9)	—	(33.9)
Other comprehensive loss, net of tax	—	—	—	—	(0.5)	(0.5)
Balance at September 30, 2020	24,577	$ 0.1	$ 765.0	$ 672.9	$ (2.9)	$ 1,435.1

* Accumulated other comprehensive income (loss)

See the accompanying [Notes to Financial Statements].

SPIRE MISSOURI INC.
STATEMENTS OF CASH FLOWS

	Years Ended September 30		
(In millions)	2020	2019	2018
Operating Activities:			
Net Income	$ 130.2	$ 115.0	$ 129.3
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	118.0	111.5	102.8
Deferred income taxes and investment tax credits	17.1	13.2	(32.6)
Changes in assets and liabilities:			
Accounts receivable	(3.7)	(0.3)	(2.0)
Inventories	2.7	29.0	8.4
Regulatory assets and liabilities	27.3	32.7	141.5
Accounts payable	2.3	(8.4)	(14.8)
Delayed/advance customer billings, net	13.7	13.9	(7.4)
Taxes accrued	2.7	4.4	(2.1)
Other assets and liabilities	(6.1)	(2.6)	(83.9)
Other	0.6	5.2	45.0
Net cash provided by operating activities	304.8	313.6	284.2
Investing Activities:			
Capital expenditures	(356.0)	(356.9)	(295.8)
Other	1.3	1.3	4.8
Net cash used in investing activities	(354.7)	(355.6)	(291.0)
Financing Activities:			
Issuance of first mortgage bonds / long-term debt	275.0	100.0	—
Redemption / maturity of first mortgage bonds / long-term debt	(107.0)	(50.0)	(100.0)
(Repayments of) borrowings from Spire, net	(85.2)	41.1	142.3
Dividends paid on common stock	(33.9)	(48.5)	(36.0)
Other	(1.6)	—	—

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Net cash provided by financing activities	47.3	42.6	6.3
Net (Decrease) Increase in Cash and Cash Equivalents	(2.6)	0.6	(0.5)
Cash and Cash Equivalents at Beginning of Year	2.6	2.0	2.5
Cash and Cash Equivalents at End of Year	$ —	$ 2.6	$ 2.0
Supplemental disclosure of cash paid for:			
Interest, net of amounts capitalized	$ (46.0)	$ (48.7)	$ (45.6)
Income taxes	—	—	—

See the accompanying Notes to Financial Statements.

SPIRE ALABAMA INC.
STATEMENTS OF INCOME

	Years Ended September 30		
(In millions)	2020	2019	2018
Operating Revenues	$ 455.0	$ 465.5	$ 500.7
Operating Expenses:			
Natural gas	118.9	135.5	176.0
Operation and maintenance	139.1	142.6	138.8
Depreciation and amortization	59.3	56.2	53.2
Taxes, other than income taxes	34.8	35.7	36.1
Total Operating Expenses	352.1	370.0	404.1
Operating Income	102.9	95.5	96.6
Interest Expense, Net	20.6	21.7	17.3
Other Income, Net	5.4	7.0	3.6
Income Before Income Taxes	87.7	80.8	82.9
Income Tax Expense	22.0	20.5	81.6
Net Income	$ 65.7	$ 60.3	$ 1.3

See the accompanying Notes to Financial Statements.

SPIRE ALABAMA INC.
BALANCE SHEETS

	September 30	
(In millions)	2020	2019
ASSETS		
Utility Plant	$ 2,469.9	$ 2,138.0
Less: Accumulated depreciation and amortization	1,117.0	882.1
Net Utility Plant	1,352.9	1,255.9
Current Assets:		
Accounts receivable:		
Utility	31.4	37.5
Associated companies	0.6	—
Other	5.8	8.5
Allowance for doubtful accounts	(5.5)	(6.3)
Delayed customer billings	7.5	—
Inventories:		
Natural gas	22.5	35.1
Materials and supplies	8.4	7.8
Regulatory assets	20.4	33.9
Prepayments	4.3	5.3
Other	0.2	0.4
Total Current Assets	95.6	122.2
Deferred Charges and Other Assets:		
Regulatory assets	489.9	231.2
Deferred income tax	59.3	81.3
Other	53.7	53.0

Total Deferred Charges and Other Assets	602.9	365.5
Total Assets	$ 2,051.4	$ 1,743.6

SPIRE ALABAMA INC.
BALANCE SHEETS (continued)

	September 30	
	2020	2019
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock and paid-in capital (par value $0.01 per share; 3,000,000 shares authorized; 1,972,052 issued and outstanding at September 30, 2020 and 2019)	$ 350.9	$ 370.9
Retained earnings	500.8	459.1
Total Shareholders' Equity	851.7	830.0
Long-term debt (less current portion)	471.8	372.2
Total Capitalization	1,323.5	1,202.2
Current Liabilities:		
Current portion of long-term debt	—	40.0
Notes payable – associated companies	121.3	128.7
Accounts payable	43.7	56.2
Accounts payable – associated companies	4.2	1.6
Advance customer billings	11.5	10.6
Wages and compensation accrued	8.0	8.0
Customer deposits	18.7	19.5
Taxes accrued	28.0	27.4
Regulatory liabilities	3.9	3.4
Other	11.8	9.2
Total Current Liabilities	251.1	304.6
Deferred Credits and Other Liabilities:		
Pension and postretirement benefit costs	74.9	59.2
Asset retirement obligations	374.3	148.7
Regulatory liabilities	18.5	23.0
Other	9.1	5.9
Total Deferred Credits and Other Liabilities	476.8	236.8
Commitments and Contingencies (Note 16)		
Total Capitalization and Liabilities	$ 2,051.4	$ 1,743.6

See the accompanying Notes to Financial Statements.

SPIRE ALABAMA INC.
STATEMENTS OF SHAREHOLDER’S EQUITY

	Common Stock		Paid-in	Retained	
(Dollars in millions)	Shares	Par	Capital	Earnings	Total
Balance at September 30, 2017	1,972,052	$ —	$ 420.9	$ 446.5	$ 867.4
Net income	—	—	—	1.3	1.3
Dividends declared	—	—	—	(30.0)	(30.0)
Return of capital to Spire	—	—	(30.0)	—	(30.0)
Balance at September 30, 2018	1,972,052	—	390.9	417.8	808.7
Net income	—	—	—	60.3	60.3
Dividends declared	—	—	—	(19.0)	(19.0)
Return of capital to Spire	—	—	(20.0)	—	(20.0)
Balance at September 30, 2019	1,972,052	—	370.9	459.1	830.0
Net income	—	—	—	65.7	65.7
Dividends declared	—	—	—	(24.0)	(24.0)
Return of capital to Spire	—	—	(20.0)	—	(20.0)
Balance at September 30, 2020	1,972,052	$ —	$ 350.9	$ 500.8	$ 851.7

See the accompanying Notes to Financial Statements.

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SPIRE ALABAMA INC.
STATEMENTS OF CASH FLOWS

(In millions)	Years Ended September 30 2020	2019	2018
Operating Activities:			
Net Income	$ 65.7	$ 60.3	$ 1.3
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	59.3	56.2	53.2
Deferred income taxes	22.0	20.5	81.6
Changes in assets and liabilities:			
Accounts receivable	7.3	0.8	(16.2)
Inventories	11.9	(1.2)	(1.2)
Regulatory assets and liabilities	(23.5)	(28.2)	40.7
Accounts payable	(15.1)	4.5	4.7
Delayed/advance customer billings	(6.6)	(2.5)	(5.5)
Taxes accrued	0.6	(0.9)	4.9
Other assets and liabilities	18.9	34.8	(16.7)
Other	0.2	(3.2)	(0.7)
Net cash provided by operating activities	140.7	141.1	146.1
Investing Activities:			
Capital expenditures	(150.4)	(174.5)	(131.7)
Other	1.6	(3.3)	(1.6)
Net cash used in investing activities	(148.8)	(177.8)	(133.3)
Financing Activities:			
Issuance of long-term debt	100.0	90.0	75.0
Repayment of long-term debt, net	(40.0)	—	—
(Repayments of) borrowings from Spire, net	(7.4)	(13.8)	(27.4)
Return of capital to Spire	(20.0)	(20.0)	(30.0)
Dividends paid	(24.0)	(19.0)	(30.0)
Other	(0.5)	(0.5)	(0.5)
Net cash provided by (used in) financing activities	8.1	36.7	(12.9)
Net Decrease in Cash and Cash Equivalents	—	—	(0.1)
Cash and Cash Equivalents at Beginning of Year	—	—	0.1
Cash and Cash Equivalents at End of Year	$ —	$ —	$ —
Supplemental disclosure of cash paid for:			
Interest, net of amounts capitalized	$ (19.0)	$ (19.2)	$ (15.1)
Income taxes	—	—	—

See the accompanying Notes to Financial Statements.

SPIRE INC., SPIRE MISSOURI INC., AND SPIRE ALABAMA INC.
NOTES TO FINANCIAL STATEMENTS
(Dollars in millions, except per share, per unit and per gallon amounts)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION – These notes are an integral part of the accompanying audited financial statements of Spire Inc. ("Spire" or the "Company") presented on a consolidated basis, Spire Missouri Inc. ("Spire Missouri") and Spire Alabama Inc. ("Spire Alabama"). Spire Missouri and Spire Alabama are wholly owned subsidiaries of Spire. Spire Missouri, Spire Alabama and the subsidiaries of Spire EnergySouth Inc. ("Spire EnergySouth") are collectively referred to as the "Utilities." The subsidiaries of Spire EnergySouth are Spire Gulf Inc. and Spire Mississippi Inc. Unless otherwise indicated, references to years herein are references to the fiscal years ending September 30 for the Company and its subsidiaries.

The accompanying audited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial position, results of operations and cash flows of Spire include the accounts of the Company and all its subsidiaries. Transactions and balances between consolidated entities have been eliminated from the consolidated financial statements of Spire. In compliance with GAAP, transactions between Spire Missouri and Spire Alabama and their affiliates, as well as intercompany balances on their balance sheets, have not been eliminated from their separate financial statements.

NATURE OF OPERATIONS – Spire has two reportable segments: Gas Utility and Gas Marketing. The Gas Utility segment consists of the regulated natural gas distribution operations of the Company and is the core business segment of Spire in terms of revenue and earnings. The Gas Utility segment is comprised of the operations of: Spire Missouri, serving St. Louis, Kansas City, and other areas in Missouri; Spire Alabama, serving central and northern Alabama; and the subsidiaries of Spire EnergySouth, serving the Mobile, Alabama area and south-central Mississippi. The Gas Marketing segment includes Spire's primary gas-related business, Spire Marketing Inc. ("Spire Marketing"), which provides non-regulated natural gas services, primarily in the central and southern United States (U.S.). The activities of other subsidiaries are reported as Other and are described in Note 14, Information by Operating Segment. Spire Missouri and Spire Alabama each have a single reportable segment.

USE OF ESTIMATES – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

SYSTEM OF ACCOUNTS – The accounts of the Utilities are maintained in accordance with the Uniform System of Accounts prescribed by the applicable state public service commissions, which systems substantially conform to that prescribed by the Federal Energy Regulatory Commission (FERC).

PROPERTY, PLANT, AND EQUIPMENT –

Utility Plant – Utility plant is stated at original cost. The cost of additions to utility plant includes contracted work, direct labor and materials, allocable overheads and an allowance for funds used during construction. The costs of units of property retired, replaced or renewed are removed from utility plant and are charged to accumulated depreciation. Maintenance and repairs of property and replacement and renewal of items determined to be less than units of property are charged to maintenance expenses.

For Spire Missouri, utility plant is depreciated on a straight-line basis at rates based on estimated service lives of the various classes of property. In fiscal year 2020, the average depreciation and amortization expense averaged 2.9%, while in fiscal years 2019 and 2018, annual depreciation and amortization expense averaged 3.0% of the original cost of depreciable and amortizable property.

For Spire Alabama, depreciation is provided using the composite method of depreciation on a straight-line basis over the estimated useful lives of utility property at rates approved by the Alabama Public Service Commission (APSC). The composite depreciation rate in fiscal years 2020, 2019 and 2018 was approximately 3.1%.

Non-utility Property – Non-utility property is recorded at the original cost of acquisition or construction, which includes material, labor, contractor services and, for FERC-regulated projects, an allowance for funds used during construction. Repairs, replacements and renewals of items of property determined to be less than a unit of property or that do not increase the property's life or functionality are charged to maintenance expense. Upon retirement or sale of non-utility property, the original cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in the income statements. Costs related to software developed or obtained for internal use are capitalized and amortized on a straight-line basis over the estimated useful life of the related software. If software is retired prior to being fully amortized, the difference is recorded as a loss in the income statements.

Accrued Capital Expenditures – Accrued capital expenditures, shown in the following table, are excluded from capital expenditures in the statements of cash flows until paid.

September 30	2020	2019	2018
Spire	$ 67.6	$ 80.6	$ 62.1
Spire Missouri	34.3	40.1	36.7
Spire Alabama	17.0	11.9	8.9

ASSET RETIREMENT OBLIGATIONS – Spire, Spire Missouri and Spire Alabama record legal obligations associated with the retirement of long-lived assets in the period in which the obligations are incurred, if sufficient information exists to reasonably estimate the fair value of the obligations. Obligations are recorded as both a cost of the related long-lived asset and as a corresponding liability. Subsequently, the asset retirement costs are depreciated over the life of the asset and the asset retirement obligations are accreted to the expected settlement amounts. The Company, Spire Missouri and Spire Alabama record asset retirement obligations associated with certain safety requirements to purge and seal gas distribution mains upon retirement, the plugging and abandonment of storage wells and other storage facilities, specific service line obligations, and certain removal and disposal obligations related to components of Spire Missouri's, Spire Alabama's and Spire Gulf's distribution systems and general plant. Asset retirement obligations recorded by Spire's other subsidiaries are not material. As authorized by the Missouri Public Service Commission (MoPSC) and APSC, Spire Missouri, Spire Alabama and Spire Gulf accrue future asset removal costs associated with their property, plant and equipment even if a legal obligation does not exist. Such accruals are provided for through depreciation expense and are recorded with corresponding credits to regulatory liabilities or regulatory assets. When those utilities retire depreciable utility plant and equipment, they charge the associated original costs to accumulated depreciation and amortization, and any related removal costs incurred are charged to regulatory liabilities or regulatory assets. The difference between removal costs recognized in depreciation rates and the accretion expense and depreciation expense recognized for financial reporting purposes is a timing difference between recovery of these costs in rates and their recognition for financial reporting purposes. Accordingly, these differences are deferred as regulatory liabilities or regulatory assets. In the rate setting process, the regulatory liabilities or regulatory assets are excluded from the rate base upon which those utilities have the opportunity to earn their allowed rates of return.

In fiscal 2020, Spire Alabama refined certain assumptions and estimates used in calculating its asset retirement obligations, resulting in both an increase in cost to retire gas distribution assets and a change in the timing of the related cash outflows. As a result of this change in estimate, which the Company believes is more precise, Spire Alabama recorded a $221.1 increase to its asset retirement obligations. Related adjustments were made to regulatory assets and utility plant, with no impact on earnings. The following table presents a reconciliation of the beginning and ending balances of asset retirement obligations at September 30, as reported in the balance sheets.

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Asset retirement obligations, beginning of year	$ 337.6	$ 321.1	$ 173.5	$ 174.1	$ 148.7	$ 135.7
Liabilities incurred during the period	3.0	10.8	2.6	1.6	—	8.8
Liabilities settled during the period	(6.9)	(8.3)	(4.0)	(6.8)	(1.6)	(0.8)
Accretion	14.0	13.0	7.2	7.4	6.1	5.0
Revisions in estimated cash flows	192.4	1.0	(25.9)	(2.8)	221.1	—
Asset retirement obligations, end of year	$ 540.1	$ 337.6	$ 153.4	$ 173.5	$ 374.3	$ 148.7

REGULATED OPERATIONS – The Utilities account for their regulated operations in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 980, *Regulated Operations*. This topic sets forth the application of GAAP for those companies whose rates are established by or are subject to approval by an independent third-party regulator. The provisions of this accounting guidance require, among other things, that financial statements of a regulated enterprise reflect the actions of regulators, where appropriate. These actions may result in the recognition of revenues and expenses in time periods that are different than non-regulated enterprises. When this occurs, costs are deferred as assets in the balance sheet (regulatory assets) and recorded as expenses when those amounts are reflected in rates. In addition, regulators can impose liabilities upon a regulated company for amounts previously collected from customers and for recovery of costs that are expected to be incurred in the future (regulatory liabilities). Management believes that the current regulatory environment supports the continued use of these regulatory accounting principles and that all regulatory assets and regulatory liabilities are recoverable or refundable through the regulatory process. See additional discussion on regulated operations in Note 15, Regulatory Matters.

NATURAL GAS AND PROPANE GAS – For Spire Missouri's eastern region, inventory of natural gas in storage is priced on a last in, first out (LIFO) basis and inventory of propane gas in storage is priced on a first in, first out (FIFO) basis. For the rest of the Gas Utility segment, inventory of natural gas in storage is priced on the weighted average cost basis. The replacement cost of Spire Missouri's natural gas for current use in eastern Missouri at September 30, 2020, and September 30, 2019, was less than the LIFO cost by $12.5 and $17.0, respectively. The carrying value of the Utilities' inventory is never adjusted to a lower net realizable value or market value because, pursuant to Purchased Gas Adjustment (PGA) clauses or a Gas Supply Adjustment (GSA) rider, actual gas costs are recovered in customer rates. Natural gas and propane gas storage inventory in Spire's other operating segments is recorded at the lower of average cost or net realizable value.

BUSINESS COMBINATIONS – Spire's acquisitions were accounted for using business combination accounting. Under this method, the purchase price paid by the acquirer is allocated to the assets acquired and liabilities assumed as of the acquisition date based on their fair value.

In December 2017, the Company acquired an 80% voting interest in a natural gas storage facility in Wyoming. The transaction was valued at $24.8, consisting of $16.0 in cash and a $10.0 non-interest-bearing note valued at $8.8. In October 2018, the Company completed the exercise of its right to call the remaining 20% voting interest in that facility and settled the related note for a combined total of $17.0. In May 2018, the Company expanded its operations by acquiring 100% of a neighboring natural gas storage facility for $12.2 in cash. Together, these storage operations are referred to herein as "Spire Storage."

GOODWILL – Goodwill is measured as the excess of the acquisition-date fair value of the consideration transferred over the amount of acquisition-date identifiable assets acquired net of assumed liabilities. At September 30, 2020, goodwill included in Spire's Gas Utility and Gas Marketing segments was $210.2 and zero, respectively, with the remainder held at the corporate level. Goodwill amounts have not changed since fiscal 2017, and there are no accumulated impairment losses. Spire and Spire Missouri evaluate goodwill for impairment as of July 1 of each year, or more frequently if events and circumstances indicate that goodwill might be impaired. At July 1, 2020 and 2019, Spire and Spire Missouri conducted qualitative assessments and determined goodwill was not impaired. The Company updated the assessments as of September 30, 2020, determining that it remained more likely than not that the fair value of each reporting unit exceeded its carrying value.

IMPAIRMENT OF LONG-LIVED ASSETS – Long-lived assets classified as held and used are evaluated for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Whether impairment has occurred is determined by comparing the estimated undiscounted cash flows attributable to the assets with the carrying value of the assets. If the carrying value exceeds the undiscounted cash flows, the Company recognizes an impairment charge equal to the amount of the carrying value that exceeds the estimated fair value of the assets. In the period in which the Company determines an asset meets held-for-sale criteria, an impairment charge is recorded to the extent the book value exceeds its fair value less cost to sell.

On July 1, 2020, Spire's Board of Directors, based upon the recommendation of senior management, revised the development plan for Spire Storage, resulting in an impairment charge of $140.8 related to Spire Storage assets (non-utility property on the balance sheet) in the quarter ended June 30, 2020. The revision was driven by the realization that a longer time horizon will be required for optimization and positioning of the storage facility to serve energy markets in the western United States. Among other factors, evaluations of the continuing evolution of market dynamics in the region led management to update models of various development alternatives. Separately in the quarter ended June 30, 2020, Spire recorded impairment charges totaling $7.8 related to two commercial compressed natural gas fueling stations (also non-utility property) as a result of revised projections reflecting lower diesel prices and slower conversions of Class 8 vehicles. The fair values used in measuring the impairment charges were determined with an expected present value technique using a discounted cash flow method under an income approach.

DERIVATIVES – In the course of their business, certain subsidiaries of Spire enter into commitments associated with the purchase or sale of natural gas. Certain of their derivative natural gas contracts are designated as normal purchases or normal sales and, as such, are excluded from the scope of FASB ASC Topic 815, *Derivatives and Hedging*. Those contracts are accounted for as executory contracts and recorded on an accrual basis. Revenues and expenses from such contracts are recorded gross. Contracts not designated as normal purchases or normal sales are recorded as derivatives with changes in fair value recognized in earnings in the periods prior to physical delivery. Certain of Spire Marketing's wholesale purchase and sale transactions are classified as trading activities for financial reporting purposes. Under GAAP, revenues and expenses associated with trading activities are presented on a net basis in Gas Marketing operating revenues (or expenses, if negative) in the Condensed Consolidated Statements of Income. This net presentation has no effect on operating income or net income. Refer to Note 10, Derivative Instruments and Hedging Activities, for more information about derivatives.

INCOME TAXES – Spire and its subsidiaries account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and the respective tax basis and for tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled. The effects on deferred tax assets and liabilities of a change in enacted tax rates is recognized in income or loss for non-regulated operations, and in a regulatory asset or regulatory liability for regulated operations. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions in accordance with authoritative guidance. The authoritative guidance addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Spire may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the position will be sustained upon examination by the taxing authority, based on the technical merits of the position. Tax-related interest and penalties, if any, are classified as a liability on the balance sheets. For additional information on the accounting for income taxes, refer to Note 12, Income Taxes.

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH – All highly liquid debt instruments purchased with original maturities of three months or less are considered to be cash equivalents. Such instruments are carried at cost, which approximates market value. Outstanding checks on the Company's and Utilities' bank accounts in excess of funds on deposit create book overdrafts (which are funded at the time checks are presented for payment) and are classified as Other in the Current Liabilities section of the balance sheets. Changes in book overdrafts are reflected as Operating Activities in the statements of cash flows. In Spire's statements of cash flows, total cash, cash equivalents, and restricted cash included $17.0 of restricted cash reported in "Other" current assets on Spire's balance sheet as of September 30, 2018 (in addition to amounts shown as "Cash and cash equivalents"). This restricted cash was an escrow deposit for the purchase of the remaining 20% interest in a natural gas storage business and the settlement of the related note payable, and the transaction was completed on October 25, 2018.

NATURAL GAS RECEIVABLE – Spire Marketing enters into natural gas transactions with natural gas pipeline and storage companies known as park and loan arrangements. Under the terms of the arrangements, Spire Marketing purchases natural gas from a third party and delivers that natural gas to the pipeline or storage company for the right to receive the same quantity of natural gas from that company at the same location in a future period. These arrangements are accounted for as non-monetary transactions under GAAP and are recorded at the carrying amount. As such, natural gas receivables are reflected on the Consolidated Balance Sheets at cost, which includes related fees associated with the transactions. In the period that the natural gas is returned to Spire Marketing, concurrent with the sale of the natural gas to a third party, the related natural gas receivable is expensed in the Consolidated Statements of Income. In conjunction with these transactions, Spire Marketing usually enters into New York Mercantile Exchange (NYMEX) and Intercontinental Exchange (ICE) natural gas futures, options, and swap contracts or fixed price sales agreements to protect against market changes in future sales prices.

EARNINGS PER COMMON SHARE – GAAP requires dual presentation of basic and diluted earnings per share (EPS). EPS is computed using the two-class method, which is an earnings allocation method for computing EPS that treats a participating security as having rights to earnings that would otherwise have been available to common shareholders. Certain of the Company's stock-based compensation awards pay non-forfeitable dividends to the participants during the vesting period and, as such, are deemed participating securities. Basic EPS is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding that are increased for additional shares that would be outstanding if potentially dilutive non-participating securities were converted to common shares, pursuant to the treasury stock method. Shares attributable to equity units, non-participating stock options and time-vested restricted stock/units are excluded from the calculation of diluted earnings per share if the effect would be antidilutive. Shares attributable to non-participating performance-contingent restricted stock awards are only included in the calculation of diluted earnings per share to the extent the underlying performance and/or market conditions are satisfied (a) prior to the end of the reporting period or (b) would be satisfied if the end of the reporting period were the end of the related contingency period and the result would be dilutive. The Company's EPS computations are presented in Note 4, Earnings Per Common Share.

TRANSACTIONS WITH AFFILIATES – Transactions between affiliates of the Company have been eliminated from the consolidated financial statements of Spire. Spire Missouri and Spire Alabama borrowed funds from the Company and incurred related interest, as reflected in their separate financial statements, and they participated in normal intercompany shared services transactions. In addition, Spire Missouri's other transactions with affiliates included:

	2020	2019	2018
Purchases of natural gas from Spire Marketing	$ 56.9	$ 95.3	$ 71.5
Sales of natural gas to Spire Marketing	0.1	1.7	0.3
Transportation services received from STL Pipeline LLC	27.9	—	—
Transportation services received from Spire NGL Inc.	1.0	1.0	1.0

In the twelve months ended September 30, 2020, Spire Alabama had natural gas purchases from and sales to Spire Marketing totaling $6.3 and $0.3, respectively.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS – Trade accounts receivable are recorded at the amounts due from customers, including unbilled amounts. Estimates of the collectability of trade accounts receivable are based on historical trends, age of receivables, economic conditions, credit risk of specific customers, and other factors. Accounts receivable are written off against the allowance for doubtful accounts when they are deemed to be uncollectible.

	Spire			Spire Missouri			Spire Alabama		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Allowance at beginning of year	$ 23.0	$ 22.4	$ 18.3	$ 14.9	$ 16.0	$ 14.1	$ 6.3	$ 3.9	$ 2.6
Additions charged to expense	14.0	16.9	14.6	12.7	12.3	11.9	0.9	4.7	2.1
Net deductions	(12.1)	(16.3)	(10.5)	(9.5)	(13.4)	(10.0)	(1.7)	(2.3)	(0.8)
Allowance at end of year	$ 24.9	$ 23.0	$ 22.4	$ 18.1	$ 14.9	$ 16.0	$ 5.5	$ 6.3	$ 3.9

FINANCE RECEIVABLES – Spire Alabama finances third party contractor sales of merchandise including gas furnaces and appliances. At September 30, 2020 and September 30, 2019, Spire Alabama's finance receivable totaled approximately $9.4 and $11.7, respectively. Financing is available only to qualified customers who meet creditworthiness thresholds for customer payment history and external agency credit reports. Spire Alabama relies upon ongoing payments as the primary indicator of credit quality during the term of each contract. The allowance for credit losses is recognized using an estimate of write-off percentages based on historical experience. Delinquent accounts are evaluated on a case-by-case basis and, absent evidence of debt repayment, after 90 days are due in full and assigned to a third-party collection agency. The remaining finance receivable is written off approximately 12 months after being assigned to the third-party collection agency. Spire Alabama had finance receivables past due 90 days or more of $0.3 at September 30, 2020 and $0.4 at September 30, 2019.

GROUP MEDICAL AND WORKERS' COMPENSATION RESERVES – The Company self-insures its group medical and workers' compensation costs and carries stop-loss coverage in relation to medical claims and workers' compensation claims. Reserves for amounts incurred but not reported are established based on historical cost levels and lags between occurrences and reporting.

FAIR VALUE MEASUREMENTS – Certain assets and liabilities are recognized or disclosed at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs used to measure fair value.

The levels of the hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Pricing inputs other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date. These inputs are derived principally from, or corroborated by, observable market data.

- Level 3 – Pricing that is based upon inputs that are generally unobservable that are based on the best information available and reflect management's assumptions about how market participants would price the asset or liability.

Assessment of the significance of a particular input to the fair value measurements may require judgment and may affect the valuation of the asset or liability and its placement within the fair value hierarchy. Additional information about fair value measurements is provided in Note 8, Fair Value of Financial Instruments, Note 9, Fair Value Measurements, and Note 13, Pension Plans and Other Postretirement Benefits.

STOCK-BASED COMPENSATION – The Company accounts for share-based compensation arrangements in accordance with ASC Topic 718, *Compensation - Stock Compensation*. The Company measures stock-based compensation awards at fair value at the date of grant and recognizes the compensation cost of the awards over the requisite service period. Forfeitures are recognized in the period they occur. Refer to Note 3, Stock-Based Compensation, for further discussion of the accounting for the Company's stock-based compensation plans.

NEW ACCOUNTING PRONOUNCEMENTS – Spire, Spire Missouri and Spire Alabama adopted the guidance in ASU No. 2014-09, *Revenue from Contracts with Customers*, and related amendments (collectively, "ASC 606"), in the first quarter of fiscal year 2019 using the modified retrospective method applied to all contracts at October 1, 2018. The core principle of ASC 606 is that revenue should be recognized to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under the new standard, an entity must identify the performance obligations in a contract, determine the transaction price and allocate the price to specific performance obligations to recognize revenue when the obligation is completed. In addition, ASC 606 requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of ASC 606 resulted in no change to how Spire, Spire Missouri and Spire Alabama recognize revenue, and therefore, no cumulative effect adjustment to the opening balance of retained earnings was required, and there was no significant impact to financial results after adoption. The adoption did result in changes to the disclosures about revenue, which are included in Note 2, Revenue. Some revenue arrangements, such as alternative revenue programs and certain derivative contracts, are excluded from the scope of ASC 606 and, therefore, are presented separately in disclosures.

Also effective October 1, 2018, Spire, Spire Missouri and Spire Alabama adopted ASU No. 2017-07, *Compensation – Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, with no material impact on interim or annual financial statements. The amended guidance requires that the service cost component of net periodic pension and postretirement benefit costs be presented within the same line item in the income statement as other compensation costs (except for the amount being capitalized), while other components are to be presented outside the subtotal of operating income and are no longer eligible for capitalization (e.g., as part of utility plant). The amended guidance is applied retrospectively for income statement presentation and prospectively for capitalization. The Company, Spire Missouri and Spire Alabama elected the practical expedient permitting the use of the amounts disclosed in its pension and other postretirement benefit plan note for the prior comparative periods as the estimation basis for applying the retrospective presentation requirements. Accordingly, for the year ended September 30, 2018, the Company, Spire Missouri and Spire Alabama reclassified net benefit costs (income) of $14.4, $17.2 and $(2.0), respectively, from "operation and maintenance" to "other income (expense), net." For Spire Missouri, Spire Alabama, and the Company's other rate-regulated entities, all components of net benefit cost have historically been recovered from customers as a component of utility plant and will continue to be recovered in the same manner over the depreciable lives of the related plant assets; therefore, for those entities, the components that are no longer eligible to be capitalized as a component of plant under GAAP are reported as regulatory assets.

In February 2018, the FASB issued ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This guidance permits companies to make an election to reclassify stranded income tax effects from the enactment of the Tax Cuts and Jobs Act of 2017, included in accumulated other comprehensive income or loss (AOCI), to retained earnings. The Company, Spire Missouri and Spire Alabama adopted this guidance in the quarter ended September 30, 2018, and the related reclassifications are shown on the statements of shareholders' equity of the Company and Spire Missouri. There was no effect for Spire Alabama.

The Company, Spire Missouri and Spire Alabama adopted ASU No. 2016-02, *Leases*, along with related ASU Nos. 2018-01, 2018-10, 2018-11, 2018-20 and 2019-01 (collectively, "ASC 842"), using a modified retrospective transition method for leases existing at, or entered into after, October 1, 2019. Under the selected transition method, comparative periods in the financial statements are presented under ASC 840 (previous lease accounting guidance). ASC 842 requires lessees to recognize a right-of-use asset and lease liability for almost all lease contracts based on the present value of lease payments. It provides new guidelines for identifying and classifying a lease, and classification affects the pattern and income statement line item for the related expense. The Company and its subsidiaries elected a package of three practical expedients permitted by the standard, allowing them not to reassess existing contracts for (1) whether it is or contains a lease, (2) lease classification and (3) initial direct costs. They also elected to use the benefit of hindsight in determining both the lease term and impairments associated with any existing leases, which resulted in lease terms that best represent management's expectations with respect to use of the underlying asset but did not result in recognition of any impairment. Finally, they elected not to assess whether existing land easements are leases under ASC 842. The adoption of ASC 842 impacted the balance sheets through recognition of right-of-use assets and lease liabilities for operating leases but did not result in a cumulative effect adjustment or significant impacts to income or cash flows. For other lease policy elections and disclosures about leases, see Note 17, Leases.

Spire, Spire Missouri and Spire Alabama adopted the guidance in ASU No. 2017-12, *Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities*, and related ASU Nos. 2018-16, 2019-04, and 2019-10 in the first quarter of fiscal year 2020. The amendments in these ASUs more closely align the results of hedge accounting with risk management activities through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results in the financial statements. They did not have a significant impact on the financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments*, which was later supplemented by ASU Nos. 2018-19, 2019-04, 2019-05 and 2019-11. The standard replaces the current "incurred loss" model with an "expected loss" model for certain instruments, including trade receivables, requiring measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. It also requires entities to record credit loss allowances for available-for-sale securities rather than impair the carrying amount of the securities. Spire, Spire Missouri and Spire Alabama will initially apply the new standard for the quarter ending December 31, 2020, using a modified retrospective method of adoption. Based on the credit quality of the existing available-for sale securities portfolio, no allowance for credit losses will be recognized at adoption for those investments. The ASU did not result in any significant modifications to the Company's policies related to recognizing an allowance on trade receivables, and the adoption of the new standard is not expected to have a material impact on Spire's, Spire Missouri's and Spire Alabama's financial statements.

RECLASSIFICATIONS – Spire's consolidated statements of income historically showed Gas Utility operating revenues and expense line items separately from Gas Marketing and other operations. The current presentation shows operating revenues and expense line items on a consolidated basis. Disaggregated data is presented in Note 14, Information by Operating Segment. Prior period amounts have been reclassified to conform with the current period presentation.

2. REVENUE

The following tables show revenue disaggregated by source and customer type.

	2020	2019
Spire		
Gas Utility:		
Residential	$ 1,184.3	$ 1,267.3
Commercial & industrial	383.0	433.9
Transportation	115.8	112.1
Off-system & other incentive	38.4	41.9
Other customer revenue	26.2	22.5
Total revenue from contracts with customers	1,747.7	1,877.7
Changes in accrued revenue under alternative revenue programs	4.3	(16.9)
Total Gas Utility operating revenues	1,752.0	1,860.8
Gas Marketing:		
Revenue from contracts with retail customers	87.9	83.7
Revenue from wholesale derivative contracts	—	—
Total Gas Marketing operating revenues	87.9	83.7
Other	57.8	21.5
Total before eliminations	1,897.7	1,966.0
Intersegment eliminations (see Note 14, Information by Operating Segment)	(42.3)	(13.6)
Total Operating Revenues	$ 1,855.4	$ 1,952.4
Spire Missouri		
Residential	$ 859.6	$ 945.9
Commercial & industrial	241.4	283.8
Transportation	32.9	33.1
Off-system & other incentive	35.1	41.9
Other customer revenue	22.3	—
Total revenue from contracts with customers	1,191.3	1,304.7

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Changes in accrued revenue under alternative revenue programs	2.3	(12.9)
Total Operating Revenues	$ 1,193.6	$ 1,291.8
Spire Alabama		
Residential	$ 267.8	$ 265.3
Commercial & industrial	109.4	113.5
Transportation	72.9	69.5
Off-system & other incentive	3.2	—
Other customer revenue	1.9	20.7
Total revenue from contracts with customers	455.2	469.0
Changes in accrued revenue under alternative revenue programs	(0.2)	(3.5)
Total Operating Revenues	$ 455.0	$ 465.5

The Utilities sell natural gas to residential and other customers. The sale of natural gas is governed by the various state utility commissions, which set rates, charges, and terms and conditions of service, collectively included in a "tariff." The performance obligation, which relates to the promise to provide natural gas, is satisfied over time as the customer simultaneously receives and consumes the natural gas, and revenue is recognized accordingly.

The Utilities' transportation revenue relates to the promise to transport the specified quantities of natural gas at tariff rates. This performance obligation is satisfied over time as the gas is transported, and revenue is recognized as invoiced monthly.

The Utilities have alternative revenue programs (ARPs), which represent an agreement between the utility and its regulator, currently consisting of decoupling mechanisms (also known as weather normalization adjustments) and incentive programs (primarily Alabama's Cost Control Measure). When the criteria to recognize additional (or reduced) revenue from ARPs have been met, the Utilities establish a regulatory asset (or liability). When amounts previously recognized for ARPs are billed, the Utilities reduce the regulatory asset (or liability) and increase (or decrease) accounts receivable. Billed amounts, which are part of the overall tariff paid by customers, are included in revenue from contracts with customers, while the change in the related regulatory asset or liability is presented as revenue from ARPs. Depending on whether the beginning accrued ARP balance was a regulatory asset or liability and depending on the size and direction of the current period accrual, the amount presented as revenue from ARPs could be negative.

The Utilities read meters and bill customers on monthly cycles. Spire Missouri, Spire Gulf and Spire Mississippi record their gas utility revenues from gas sales and transportation services on an accrual basis that includes estimated amounts for gas delivered but not yet billed. The accruals for unbilled revenues are reversed in the subsequent accounting period when meters are actually read and customers are billed. Spire Alabama records natural gas distribution revenues in accordance with the tariff established by the APSC. Unbilled revenue is accrued in an amount equal to the related gas cost, as profit margin is not considered earned until billed. Spire's other subsidiaries, including Spire Marketing, record revenues when earned, as the product is delivered or as services are performed.

Gas Marketing's contracts are derivatives. The wholesale contracts (with producers, municipalities, and utility companies) are subject to derivative accounting. The retail contracts (with large commercial and industrial customers) are designated as "normal purchase, normal sale" arrangements and are therefore accounted for as revenue from contracts with customers. The performance obligation is satisfied over time by the transfer of control of natural gas to the customer, and revenue is recognized as invoiced monthly.

Payments are generally required within 30 days of billing, and contracts generally do not have a significant financing component. Spire's revenues are not subject to significant returns, refunds, or warranty obligations.

Spire, Spire Missouri, and Spire Alabama have elected to apply a "right to invoice" practical expedient, recognizing revenue for volumes delivered for which they have a right to invoice, as long as that amount corresponds with the value to the customer. Disclosures about remaining performance obligations are not required because either contracts have an original expected duration of one year or less, or revenue is recognized under the right to invoice practical expedient, or both.

Sales taxes imposed on applicable Spire Alabama and Spire Missouri sales are billed to customers. These amounts are not recorded in the statements of income but are recorded as tax collections payable and included in the "Other" line of the Current Liabilities section of the balance sheets.

Gross receipts taxes associated with the Company's natural gas utility services are imposed on the Company, Spire Missouri, and Spire Alabama and billed to its customers. The expense amounts (shown in the table below) are reported gross in the "Taxes, other than income taxes" line in the statements of income, and corresponding revenues are reported in "Operating Revenues."

	2020	2019	2018
Spire	$ 91.5	$ 99.3	$ 98.4
Spire Missouri	63.5	71.1	68.9
Spire Alabama	23.3	23.7	25.4

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3. STOCK-BASED COMPENSATION

The Spire 2015 Equity Incentive Plan (EIP) was approved by shareholders of Spire on January 29, 2015 and amended on November 9, 2018. The purpose of the EIP is to encourage directors, officers, and key employees of the Company and its subsidiaries to contribute to the Company's success and align their interests with that of shareholders. To accomplish this purpose, the Compensation Committee ("Committee") of Spire's Board of Directors (the "Board") may grant awards under the EIP that may be earned by achieving performance objectives and/or other criteria as determined by the Committee. Under the terms of the EIP, officers and employees of the Company and its subsidiaries, as determined by the Committee, are eligible to be selected for awards. The EIP provides for restricted stock, restricted stock units, qualified and non-qualified stock options, stock appreciation rights, and performance shares payable in stock, cash, or a combination of both. The EIP generally provides a minimum vesting period of at least three years for each type of award, with pro rata vesting permitted during the minimum three-year vesting period. The maximum number of shares reserved for issuance under the EIP is 1,000,000.

The Company issues new shares to satisfy employee restricted stock awards.

Restricted Stock Awards

During fiscal 2020, the Company granted 91,662 performance-contingent restricted share units to executive officers and key employees at a weighted average grant date fair value of $76.19 per share. This number represents the target shares that can be earned pursuant to the terms of the awards. The share units have a performance period ending September 30, 2023. While the participants have no interim voting rights on these share units, dividends accrue during the performance period and are paid to the participants upon vesting but are subject to forfeiture if the underlying share units do not vest.

The number of share units that will ultimately vest is dependent upon the attainment of certain levels of earnings and other strategic goals, as well as the Company's level of total shareholder return (TSR) during the performance period relative to a comparator group of peer companies. This TSR provision is considered a market condition under GAAP and is discussed further below. The maximum amount of shares that can be earned pursuant to the terms of the awards is 200% of the target units granted.

The weighted average grant date fair value of performance-contingent restricted share units granted during fiscal years 2019 and 2018 was $80.72 and $79.88 per share, respectively.

Fiscal 2020 activity of restricted stock units subject to performance and/or market conditions is presented below:

	Units	Weighted Average Grant Date Fair Value Per Unit
Nonvested at September 30, 2019	263,910	$ 73.20
Granted	91,662	$ 76.19
Vested	(86,287)	$ 58.68
Forfeited	(9,341)	$ 79.34
Nonvested at September 30, 2020	259,944	$ 78.92

For the year ended September 30, 2020, the total number of shares that could be issued if all outstanding award grants attain maximum performance payout is 519,888.

During fiscal 2020, the Company granted 33,350 shares of time-vested restricted stock to executive officers and key employees at a weighted average grant date fair value of $76.13 per share. Unless forfeited based on terms of the agreements, these shares will vest in fiscal 2021. In the interim, participants receive full voting rights and dividends, which are not subject to forfeiture. The weighted average grant date fair value of time-vested restricted stock and restricted stock units awarded to employees during fiscal years 2019 and 2018 was $76.66 and $76.60 per share, respectively.

During fiscal 2020, the Company granted 10,560 shares of time-vested restricted stock to non-employee directors at a weighted average grant date fair value of $84.58 per share. These shares vested in fiscal 2020, six months after the grant date. The weighted average grant date fair value of restricted stock awarded to non-employee directors during fiscal years 2019 and 2018 was $78.69 and $63.20 per share, respectively.

Time-vested restricted stock and stock unit activity for fiscal 2020 is presented below:

	Shares/	Weighted Average Grant Date Fair Value

	Units		Per Share
Nonvested at September 30, 2019	96,277	$	72.83
Granted	33,350	$	76.13
Vested	(32,326)	$	65.28
Forfeited	(3,628)	$	76.94
Nonvested at September 30, 2020	93,673	$	76.45

For restricted stock and stock units (performance-contingent and time-vested) that vested during fiscal years 2020, 2019, and 2018, the Company withheld 41,353 shares, 28,731 shares and 34,922 shares, respectively, at weighted average prices of $77.07, $79.23 and $81.65 per share, respectively, pursuant to elections by employees to satisfy tax withholding obligations. The total fair value of restricted stock (performance-contingent and time-vested) that vested during fiscal years 2020, 2019, and 2018 was $9.8, $7.6, and $10.5, respectively, and the related tax benefit was $3.7, $2.9, and $4.0, respectively. None of the tax benefits have been realized.

In fiscal 2019, the Company gave participants in the EIP the ability to defer a portion or all of their award. Participants have elected to defer 59,408 shares and 80,760 shares (at target payout) in fiscal years 2020 and 2019, respectively. Based on actual performance, these awards will be issued in cash, not shares, once the performance requirements have been achieved, so related amounts are reflected as temporary equity on the consolidated balance sheet.

Equity Compensation Costs

Compensation cost for performance-contingent restricted stock and stock unit awards is based upon the probable outcome of the performance conditions. For shares or units that do not vest or that are not expected to vest due to the outcome of the performance conditions (excluding market conditions), no compensation cost is recognized and any previously recognized compensation cost is reversed.

The fair value of awards of performance-contingent and time-vested restricted stock and restricted stock units, not subject to the TSR provision, are estimated using the closing price of the Company's stock on the grant date. For those awards that do not pay dividends during the vesting period, the estimate of fair value is reduced by the present value of the dividends expected to be paid on the Company's common stock during the performance period, discounted using an appropriate U.S. Treasury yield. For shares subject to the TSR provision, the estimated impact of this market condition is reflected in the grant date fair value per share of the awards. Accordingly, compensation cost is not reversed to reflect any actual reductions in the awards that may result from the TSR provision. However, if the Company's TSR during the performance period ranks below the level specified in the award agreements, relative to a comparator group of companies, and the Committee elects not to reduce the award (or reduce by a lesser amount), this election would be accounted for as a modification of the original award and additional compensation cost would be recognized at that time. The grant date fair value of the awards subject to the TSR provision awarded during fiscal years 2020, 2019 and 2018 was valued by a Monte Carlo simulation model that assessed the probabilities of various TSR outcomes. The significant assumptions used in the Monte Carlo simulations are as follows:

	2020	2019	2018
Risk-free interest rate	1.57%	2.88%	1.76%
Expected dividend yield of stock	—	—	—
Expected volatility of stock	16.8%	17.0%	16.0%
Vesting period	3.0 years	3.0 years	2.9 years

The risk-free interest rate was based on the yield on U.S. Treasury securities matching the vesting period. A zero percent dividend yield was used, which is mathematically equivalent to the assumption that dividends are reinvested as they are paid. The expected volatility is based on the historical volatility of the Company's stock. Volatility assumptions were also made for each of the companies included in the comparator group. The vesting period is equal to the performance period set forth in the terms of the award.

The amounts of compensation cost recognized for share-based compensation arrangements are presented below:

		2020		2019		2018
Total compensation cost	$	9.4	$	8.6	$	6.9
Compensation cost capitalized		(0.6)		(1.4)		(1.3)
Prior period disallowed stock compensation capitalization		—		—		6.9
Compensation cost recognized in net income		8.8		7.2		12.5
Income tax benefit recognized in net income		(2.1)		(1.7)		(4.0)
Compensation cost recognized in net income, net of income tax	$	6.7	$	5.5	$	8.5

As of September 30, 2020, there was $10.8 of total unrecognized compensation cost related to non-vested share-based compensation arrangements, which is expected to be recognized over a weighted average period of 1.75 years.

4. EARNINGS PER COMMON SHARE

	2020	2019	2018
Basic Earnings Per Common Share:			
Net Income	$ 88.6	$ 184.6	$ 214.2
Less: Provision for preferred dividends	14.8	5.3	—
Income allocated to participating securities	0.1	0.4	0.5
Net Income Available to Common Shareholders	$ 73.7	$ 178.9	$ 213.7
Weighted Average Common Shares Outstanding (in millions)	51.2	50.7	49.1
Basic Earnings Per Share of Common Stock	$ 1.44	$ 3.53	$ 4.35
Diluted Earnings per Common Share:			
Net Income	$ 88.6	$ 184.6	$ 214.2
Less: Provision for preferred dividends	14.8	5.3	—
Income allocated to participating securities	0.1	0.4	0.5
Net Income Available to Common Shareholders	$ 73.7	$ 178.9	$ 213.7
Weighted Average Common Shares Outstanding (in millions)	51.2	50.7	49.1
Dilutive Effect of Restricted Stock and Restricted Stock Units (in millions)*	0.1	0.1	0.2
Weighted Average Diluted Common Shares (in millions)	51.3	50.8	49.3
Diluted Earnings Per Share of Common Stock	$ 1.44	$ 3.52	$ 4.33
* Calculation excludes certain outstanding common shares (shown in millions by period at the right) attributable to stock units subject to performance or market conditions and restricted stock, which could have a dilutive effect in the future	0.1	0.1	0.4

5. SHAREHOLDERS' EQUITY

Spire

Preferred Stock

At September 30, 2020 and 2019, Spire had authorized 5,000,000 shares of preferred stock.

On May 21, 2019, Spire completed the public offering of 10,000,000 depositary shares (the "Depositary Shares"), each representing a 1/1,000th interest in a share of the Company's 5.90% Series A Cumulative Redeemable Perpetual Preferred Stock, par value $25.00 per share, with a liquidation preference of $25,000 per share (the "Preferred Stock"). The transaction resulted in $242.0 of net proceeds, after deducting commissions and sale expenses, which proceeds were used to (i) refinance long-term and short-term Spire debt and (ii) fund capital expenditures at both the Utilities and Spire's gas-related businesses.

Dividends on the Preferred Stock, when declared by the Board, will be payable on the liquidation preference amount, on a cumulative basis, quarterly in arrears on the 15th day of February, May, August and November of each year, beginning on August 15, 2019. Dividends will be payable out of amounts legally available for the payment of dividends at an annual rate equal to 5.90% of the liquidation preference per share of Preferred Stock (equivalent to $25.00 per Depositary Share). Dividends will accumulate daily and be cumulative from May 21, 2019.

Under the terms of the Preferred Stock, the Company's ability to declare or pay dividends on, or purchase or redeem, shares of its common stock or any class or series of capital stock of the Company that rank junior to the Preferred Stock will be subject to certain restrictions in the event that the Company does not declare and pay the full cumulative dividends on the Preferred Stock through the most recently completed quarterly dividend period.

Spire may, at its option, redeem the Preferred Stock (i) in whole, but not in part, at any time prior to August 15, 2024, within 120 days after a ratings event where a rating agency amends, clarifies or changes the criteria it uses to assign equity credit for securities such as the Preferred Stock, at a redemption price in cash equal to $25,500 per share, or (ii) in whole or in part, from time to time, on or after August 15, 2024, at a redemption price in cash equal to $25,000 per share, plus, in each case, all accumulated and unpaid dividends (whether declared or not) up to such redemption date.

Shareholders of the Preferred Stock generally have no voting rights with respect to matters that generally require the approval of voting stockholders. The limited voting rights of holders of the Preferred Stock include the right to vote on certain matters that may affect the preference or special rights of the Preferred Stock. In addition, if and whenever dividends on any shares of Preferred Stock have not been declared and paid for at least six dividend periods, whether or not consecutive, the number of directors then constituting the Board shall automatically be increased by two (to be elected by the holders of the Preferred Stock) until all accumulated and unpaid dividends on the Preferred Stock have been paid in full.

ATM Program

On February 6, 2019, Spire entered into an at-the-market (ATM) equity distribution agreement, supplemented as of May 14, 2019, pursuant to which the Company may offer and sell, from time to time, shares of its common stock having an aggregate offering price of up to $150.0. Proceeds from this program are intended to be used (i) to fund, in part, investments related to the construction of infrastructure and infrastructure improvements in the Utilities, as well as pipelines and storage, and (ii) for general corporate purposes, including repayment of short-term debt and the adjustment from time to time of the Company's capital structure. Under this program, for the year ended September 30, 2020, Spire issued 446,619 shares, generating $32.0 of proceeds net of issuance costs, and for the year ended September 30, 2019, Spire issued 179,630 shares, generating $14.4 of proceeds net of issuance costs.

Other Equity Information

Spire has a shelf registration statement on Form S-3 on file with the U.S. Securities and Exchange Commission (SEC) for the issuance and sale of up to 250,000 shares of common stock under its Dividend Reinvestment and Direct Stock Purchase Plan. There were 207,254 and 201,148 shares at September 30, 2020 and November 13, 2020, respectively, remaining available for issuance under this Form S-3. Spire also has a universal shelf registration statement on Form S-3 on file with the SEC for the issuance of various equity and debt securities, which expires on May 14, 2022.

Spire Missouri

Substantially all of Spire Missouri's plant is subject to the liens of its first mortgage bonds. The mortgage contains several restrictions on Spire Missouri's ability to pay cash dividends on its common stock or to make loans to its parent company. These mortgage restrictions are applicable regardless of whether the stock is publicly held or held solely by Spire Missouri's parent company. Under the most restrictive of these provisions, no cash dividend may be declared or paid if, after the dividend, the aggregate net amount spent for all dividends after September 30, 1953 would exceed a maximum amount determined by a formula set out in the mortgage. Under that formula, the maximum amount is the sum of $8.0 plus earnings applicable to common stock (adjusted for stock repurchases and issuances) for the period from September 30, 1953 to the last day of the quarter before the declaration or payment date for the dividends. As of September 30, 2020 and 2019, the amount under the mortgage's formula that was available to pay dividends was $1,269.4 and $1,182.4, respectively. Thus, all of Spire Missouri's retained earnings were free from such dividend restrictions as of those dates.

Spire Missouri has a universal shelf registration statement on Form S-3 on file with the SEC for the issuance of various equity and debt securities, which expires on May 14, 2022. Spire Missouri was authorized by the MoPSC to issue registered securities (first mortgage bonds, unsecured debt and preferred stock), common stock, and private placement debt in an aggregate amount of up to $500.0 for financings placed any time before September 30, 2021. As of September 30, 2020, $125.0 remained available under this authorization.

At September 30, 2020 and 2019, Spire Missouri had authorized 1,480,000 shares of preferred stock, but none were issued and outstanding.

Spire Alabama

At September 30, 2020 and 2019, Spire Alabama had authorized 120,000 shares of preferred stock, but none were issued and outstanding.

Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income (AOCI), net of income taxes, recognized in the balance sheets at September 30 were as follows:

	Net Unrealized Gains (Losses) on Cash Flow Hedges	Defined Benefit Pension and Other Postretirement Benefit Plans	Net Unrealized Losses on Available-for-Sale Debt Securities	Total
Spire				
Balance at September 30, 2018	$ 7.9	$ (1.5)	$ —	$ 6.4
Other comprehensive (loss) income	(36.9)	(0.9)	0.1	(37.7)
Balance at September 30, 2019	(29.0)	(2.4)	0.1	(31.3)
Other comprehensive loss	(9.4)	(0.5)	—	(9.9)
Balance at September 30, 2020	$ (38.4)	$ (2.9)	$ 0.1	$ (41.2)

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Spire Missouri				
Balance at September 30, 2018	$ —	$ (1.6)	$ —	$ (1.6)
Other comprehensive loss	—	(0.8)	—	(0.8)
Balance at September 30, 2019	—	(2.4)	—	(2.4)
Other comprehensive loss	—	(0.5)	—	(0.5)
Balance at September 30, 2020	$ —	$ (2.9)	$ —	$ (2.9)

Income tax expense (benefit) recorded for items of other comprehensive income (loss) reported in the statements of comprehensive income is calculated by applying statutory federal, state, and local income tax rates applicable to ordinary income. The tax rates applied to individual items of other comprehensive income (loss) are similar within each reporting period. For the periods presented, Spire Alabama had no AOCI balances.

6. LONG-TERM DEBT

The composition of long-term debt as of September 30 is shown in the following tables.

	2020	2019
Spire		
2.52% Senior Notes, due September 1, 2021	$ 35.0	$ 35.0
3.31% Notes Payable, due December 15, 2022	25.0	25.0
3.54% Senior Notes, due February 27, 2024	150.0	150.0
3.13% Senior Notes, due September 1, 2026	130.0	130.0
3.93% Senior Notes, due March 15, 2027	100.0	100.0
4.70% Senior Notes, due August 15, 2044	250.0	250.0
Total principal of Spire Missouri long-term debt (see below)	1,098.0	930.0
Total principal of Spire Alabama long-term debt (see below)	475.0	415.0
Other subsidiaries' long-term debt:		
4.14% First Mortgage Bonds, due September 30, 2021	20.0	20.0
5.00% First Mortgage Bonds, due September 30, 2031	42.0	42.0
2.95% Notes, with annual principal payments through December 2034	135.0	—
3.52% First Mortgage Bonds, due September 30, 2049	40.0	40.0
Total principal of long-term debt	2,500.0	2,137.0
Less: Unamortized discounts and debt issuance costs	(15.9)	(14.4)
Less: Current portion	(60.4)	(40.0)
Long-term debt, excluding current portion	$ 2,423.7	$ 2,082.6
Spire Missouri		
Floating-rate note due December 1, 2021	$ —	$ 100.0
First Mortgage Bonds:		
3.00% Series, due March 15, 2023	55.0	55.0
3.40% Series, due August 15, 2023	250.0	250.0
3.40% Series, due March 15, 2028	45.0	45.0
7.00% Series, due June 1, 2029	19.3	25.0
2.84% Series, due November 15, 2029	275.0	—
7.90% Series, due September 15, 2030	30.0	30.0
3.68% Series, due September 15, 2032	50.0	50.0
6.00% Series, due May 1, 2034	99.3	100.0
6.15% Series, due June 1, 2036	54.5	55.0
4.63% Series, due August 15, 2043	99.9	100.0
4.23% Series, due September 15, 2047	70.0	70.0
4.38% Series, due September 15, 2057	50.0	50.0
Total principal of Spire Missouri long-term debt	1,098.0	930.0
Less: Unamortized discounts and debt issuance costs	(6.0)	(5.0)
Less: Current portion	—	—
Spire Missouri long-term debt, excluding current portion	$ 1,092.0	$ 925.0
Spire Alabama		
5.20% Notes, due January 15, 2020	$ —	$ 40.0
3.86% Notes, due December 22, 2021	50.0	50.0
3.21% Notes, due September 15, 2025	35.0	35.0
2.88% Notes, due December 1, 2029	100.0	—
5.90% Notes, due January 15, 2037	45.0	45.0
4.31% Notes, due December 1, 2045	80.0	80.0
3.92% Notes, due January 15, 2048	45.0	45.0

4.64% Notes, due January 15, 2049	90.0	90.0
4.02% Notes, due January 15, 2058	30.0	30.0
Total principal of Spire Alabama long-term debt	475.0	415.0
Less: Unamortized discounts and debt issuance costs	(3.2)	(2.8)
Less: Current portion	—	(40.0)
Spire Alabama long-term debt, excluding current portion	$ 471.8	$ 372.2

Maturities of long-term debt for Spire on a consolidated basis, Spire Missouri and Spire Alabama for the five fiscal years after September 30, 2020 are as follows:

	2021	2022	2023	2024	2025
Spire	$ 60.4	$ 55.8	$ 336.2	$ 156.6	$ 42.0
Spire Missouri	—	—	305.0	—	—
Spire Alabama	—	50.0	—	—	35.0

The long-term debt agreements of Spire, Spire Missouri and Spire Alabama contain customary financial covenants and default provisions. As of September 30, 2020, there were no events of default under these financial covenants.

Spire

At September 30, 2020, including the current portion but excluding unamortized discounts and debt issuance costs, Spire had long-term debt totaling $2,500.0, of which $1,098.0 was issued by Spire Missouri, $475.0 was issued by Spire Alabama and $237.0 was issued by other subsidiaries. All long-term debt bears fixed rates and is subject to changes in fair value as market interest rates change. However, increases and decreases in fair value would impact earnings and cash flows only if the Company were to reacquire any of these issues in the open market prior to maturity. Under GAAP applicable to the Utilities' regulated operations, losses or gains on early redemption of long-term debt would typically be deferred as regulatory assets or regulatory liabilities and amortized over a future period. Interest expense shown on Spire's consolidated statement of income is net of capitalized interest totaling $5.8, $6.8 and $2.6 for the years ended September 30, 2020, 2019 and 2018, respectively.

As indicated in Note 5, Shareholders' Equity, Spire has a shelf registration statement on Form S-3 on file with the SEC for the issuance of equity and debt securities.

Spire Missouri

At September 30, 2020, including the current portion (none) but excluding unamortized discounts and debt issuance costs, Spire Missouri had long-term debt totaling $1,098.0. All long-term debt bears fixed rates and is subject to changes in fair value as market interest rates change. Interest expense shown on Spire Missouri's statement of comprehensive income is net of capitalized interest totaling $0.8, $1.9 and $0.9 for the years ended September 30, 2020, 2019 and 2018, respectively.

As indicated in Note 5, Shareholders' Equity, Spire Missouri has a shelf registration on Form S-3 on file with the SEC for issuance of first mortgage bonds, unsecured debt and preferred stock, which expires on May 14, 2022. Spire Missouri was authorized by the MoPSC to issue registered securities (first mortgage bonds, unsecured debt and preferred stock), common stock, and private placement debt in an aggregate amount of up to $500.0 for financings placed any time before September 30, 2021. As of September 30, 2020, $125.0 remained available under this authorization.

Substantially all of Spire Missouri's plant is subject to the liens of its first mortgage bonds. The mortgage contains several restrictions on Spire Missouri's ability to pay cash dividends on its common stock, which are described in Note 5, Shareholders' Equity.

Spire Alabama

At September 30, 2020, including the current portion but excluding unamortized debt issuance costs, Spire Alabama had fixed-rate long-term debt totaling $475.0. While these long-term debt issues are fixed-rate, they are subject to changes in fair value as market interest rates change. Interest expense shown on Spire Alabama's statement of income is net of capitalized interest totaling $1.9 for the year ended September 30, 2020.

Because Spire Alabama has no standing authority to issue long-term debt, it must petition the APSC for each planned issuance. On March 24, 2020, the APSC approved an application for up to $150.0 of additional long-term debt financing.

7. NOTES PAYABLE AND CREDIT AGREEMENTS

Spire, Spire Missouri and Spire Alabama have a syndicated revolving credit facility pursuant to a loan agreement with 11 banks, expiring October 31, 2023. The loan agreement has an aggregate credit commitment of $975.0, including sublimits of $300.0 for Spire, $475.0 for Spire Missouri and $200.0 for Spire Alabama. These sublimits may be reallocated from time to time among the three borrowers within the $975.0 aggregate commitment, with commitment fees applied for each borrower relative to its credit rating. Spire may use its line to provide for the funding needs of various subsidiaries. The agreement also contains financial covenants limiting each borrower's consolidated total debt, including short-term debt, to no more than 70% of its total capitalization. As defined in the line of credit, on September 30, 2020, total debt was less than 60% of total capitalization for each borrower.

Spire has a commercial paper program ("CP Program") pursuant to which it may issue short-term, unsecured commercial paper notes. Amounts available under the CP Program may be borrowed, repaid and re-borrowed from time to time, with the aggregate face or principal amount of the notes outstanding under the CP Program at any time not to exceed $975.0. The notes may have maturities of up to 365 days from date of issue.

On March 26, 2020, Spire entered into a new loan agreement with two banks providing for a term loan of $150.0, which was immediately fully funded and matures on March 25, 2021, subject to optional prepayment by Spire. The term loan bears interest at the LIBOR Rate (as defined in the loan agreement) plus 0.85% per annum. Proceeds were used for working capital and general corporate purposes.

Information about Spire's consolidated short-term borrowings and about Spire Missouri's and Spire Alabama's borrowings from Spire is presented in the following table. As of September 30, 2020, $449.8 of Spire's short-term borrowings were used to support lending to the Utilities.

	Spire (Parent Only)			Spire Missouri		Spire Alabama		Spire
	Credit Facility	Term Loan	CP Program	Credit Facility	Spire Note	Credit Facility	Spire Note	Consol-idated
Year Ended September 30, 2020								
Weighted average borrowings	$ 0.1	$ 77.5	$ 476.1	$ 17.9	$ 242.0	$ 4.6	$ 89.0	$ 576.2
Lowest borrowings outstanding	—	—	73.5	—	16.0	—	18.5	432.6
Highest borrowings outstanding	23.1	150.0	856.6	185.1	429.5	50.0	161.3	856.6
Weighted average interest rate	1.9%	1.6%	1.7%	1.9%	1.5%	1.9%	1.4%	1.7%
As of September 30, 2020								
Borrowings outstanding	$ —	$ 150.0	$ 498.0	$ —	$ 301.2	$ —	$ 121.3	$ 648.0
Weighted average interest rate	n/a	1.1%	0.2%	n/a	0.2%	n/a	0.2%	0.6%
As of September 30, 2019								
Borrowings outstanding	$ —	$ —	$ 743.2	$ —	$ 386.4	$ —	$ 128.7	$ 743.2
Weighted average interest rate	n/a	n/a	2.3%	n/a	2.3%	n/a	2.3%	2.3%

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of financial instruments not measured at fair value on a recurring basis were as follows:

			Classification of Estimated Fair Value	
	Carrying Amount	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)
<u>Spire</u>				
As of September 30, 2020				
Cash and cash equivalents	$ 4.1	$ 4.1	$ 4.1	$ —
Notes payable	648.0	648.0	—	648.0
Long-term debt, including current portion	2,484.1	2,908.6	—	2,908.6
As of September 30, 2019				
Cash and cash equivalents	$ 5.8	$ 5.8	$ 5.8	$ —
Notes payable	743.2	743.2	—	743.2
Long-term debt, including current portion	2,122.6	2,373.4	—	2,373.4
<u>Spire Missouri</u>				
As of September 30, 2020				
Notes payable - associated companies	$ 301.2	$ 301.2	$ —	$ 301.2
Long-term debt	1,092.0	1,313.5	—	1,313.5
As of September 30, 2019				
Cash and cash equivalents	$ 2.6	$ 2.6	$ 2.6	$ —

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Notes payable - associated companies		386.4		386.4		—		386.4
Long-term debt		925.0		1,065.2		—		1,065.2
Spire Alabama								
As of September 30, 2020								
Notes payable - associated companies	$	121.3	$	121.3	$	—	$	121.3
Long-term debt, including current portion		471.8		576.9		—		576.9
As of September 30, 2019								
Notes payable - associated companies	$	128.7	$	128.7	$	—	$	128.7
Long-term debt, including current portion		412.2		474.8		—		474.8

9. FAIR VALUE MEASUREMENTS

The information presented below categorizes the assets and liabilities in the balance sheets that are accounted for at fair value on a recurring basis in periods subsequent to initial recognition.

The mutual funds included in Level 1 are valued based on exchange-quoted market prices of individual securities. The mutual funds included in Level 2 are valued based on the closing net asset value per unit.

Derivative instruments included in Level 1 are valued using quoted market prices on the NYMEX or the Intercontinental Exchange (ICE). Derivative instruments classified in Level 2 include physical commodity derivatives that are valued using broker or dealer quotation services whose prices are derived principally from, or are corroborated by, observable market inputs. Also included in Level 2 are certain derivative instruments that have values that are similar to, and correlate with, quoted prices for exchange-traded instruments in active markets. Derivative instruments included in Level 3 are valued using generally unobservable inputs that are based upon the best information available and reflect management's assumptions about how market participants would price the asset or liability. There were no material Level 3 balances as of September 30, 2020 or 2019. The Company's and the Utilities' policy is to recognize transfers between the levels of the fair value hierarchy, if any, as of the beginning of the interim reporting period in which circumstances change or events occur to cause the transfer.

The mutual funds are included in "Other investments" on the Company's balance sheets and in "Other Property and Investments" on Spire Missouri's balance sheets. Derivative assets and liabilities, including receivables and payables associated with cash margin requirements, are presented net on the balance sheets when a legally enforceable netting agreement exist between the Company, Spire Missouri or Spire Alabama and the counterparty to the derivative contract. For additional information on derivative instruments, see Note 10, Derivative Instruments and Hedging Activities.

Spire

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Effects of Netting and Cash Margin Receivables /Payables	Total
As of September 30, 2020					
ASSETS					
Gas Utility:					
U.S. stock/bond mutual funds	$ 21.9	$ —	$ —	$ —	$ 21.9
Gasoline and heating oil contracts	0.3	—	—	(0.3)	—
NYMEX/ICE natural gas contracts	6.3	—	—	(6.3)	—
Gas Marketing:					
NYMEX/ICE natural gas contracts	—	27.7	—	(25.4)	2.3
Natural gas commodity contracts	—	14.5	0.4	—	14.9
Other:					
U.S. stock/bond mutual funds	18.6	—	—	—	18.6
Total	$ 47.1	$ 42.2	$ 0.4	$ (32.0)	$ 57.7
LIABILITIES					
Gas Utility:					
NYMEX/ICE natural gas contracts	$ 0.9	$ —	$ —	$ (0.9)	$ —
Gas Marketing:					
NYMEX/ICE natural gas contracts	0.7	21.4	—	(22.1)	—
Natural gas commodity contracts	—	22.3	—	—	22.3
Other:					
Interest rate swaps	—	54.2	—	—	54.2
Total	$ 1.6	$ 97.9	$ —	$ (23.0)	$ 76.5

As of September 30, 2019					
ASSETS					
Gas Utility:					
U.S. stock/bond mutual funds	$ 20.5	$ —	$ —	$ —	$ 20.5
Gas Marketing:					
NYMEX/ICE natural gas contracts	0.9	6.5	—	(6.9)	0.5
Natural gas commodity contracts	—	16.8	—	(2.5)	14.3
Other:					
U.S. stock/bond mutual funds	15.5	—	—	—	15.5
Total	$ 36.9	$ 23.3	$ —	$ (9.4)	$ 50.8
LIABILITIES					
Gas Utility:					
NYMEX/ICE natural gas contracts	$ 12.3	$ —	$ —	$ (12.3)	$ —
Gas Marketing:					
NYMEX/ICE natural gas contracts	0.4	8.5	—	(8.9)	—
Natural gas commodity contracts	—	13.8	0.1	(2.5)	11.4
Other:					
Interest rate swaps	—	43.4	—	—	43.4
Total	$ 12.7	$ 65.7	$ 0.1	$ (23.7)	$ 54.8

Spire Missouri

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Effects of Netting and Cash Margin Receivables /Payables	Total
As of September 30, 2020					
ASSETS					
U.S. stock/bond mutual funds	$ 21.9	$ —	$ —	$ —	$ 21.9
Gasoline and heating oil contracts	0.3	—	—	(0.3)	—
NYMEX/ICE natural gas contracts	6.3	—	—	(6.3)	—
Total	$ 28.5	$ —	$ —	$ (6.6)	$ 21.9
LIABILITIES					
NYMEX/ICE natural gas contracts	$ 0.9	$ —	$ —	$ (0.9)	$ —
As of September 30, 2019					
ASSETS					
U.S. stock/bond mutual funds	$ 20.5	$ —	$ —	$ —	$ 20.5
LIABILITIES					
NYMEX/ICE natural gas contracts	$ 12.3	$ —	$ —	$ (12.3)	$ —

Spire Alabama

Spire Alabama occasionally utilizes a gasoline derivative program to stabilize the cost of fuel used in operations. As of September 30, 2020, and September 30, 2019, there were no gasoline derivatives outstanding.

10. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Spire

Spire Missouri has a risk management policy to utilize various derivatives, including futures contracts, exchange-traded options and swaps for the explicit purpose of managing price risk associated with purchasing and delivering natural gas on a regular basis to customers in accordance with its tariffs. The objective of this policy is to limit Spire Missouri's exposure to natural gas price volatility and to manage, hedge and mitigate substantial price risk. Further discussion of this policy can be found in the Spire Missouri section.

From time to time Spire Missouri and Spire Alabama purchase NYMEX futures and options contracts to help stabilize operating costs associated with forecasted purchases of gasoline and diesel fuels used to power vehicles and equipment. Further information on these derivatives can be found in the Spire Missouri and Spire Alabama sections, respectively.

In the course of its business, Spire's gas marketing subsidiary, Spire Marketing (including a wholly owned subsidiary), enters into commitments associated with the purchase or sale of natural gas. Certain of Spire Marketing's derivative natural gas contracts are designated as normal purchases or normal sales and, as such, are excluded from the scope of ASC Topic 815 and are accounted for as executory contracts on an accrual basis. Any of Spire Marketing's derivative natural gas contracts that are not designated as normal purchases or normal sales are accounted for at fair value. At September 30, 2020, the fair values of 278.3 million MMBtu of non-exchange-traded natural gas commodity contracts were reflected in the Consolidated Balance Sheet. Of these contracts, 233.1 million MMBtu will settle during fiscal 2021, and 35.7 million MMBtu, 5.8 million MMBtu, 1.3 million MMBtu, 1.6 million MMBtu, and 0.8 million MMBtu will settle during fiscal years 2022, 2023, 2024, 2025, and 2026, respectively. These contracts have not been designated as hedges; therefore, changes in the fair value of these contracts are reported in earnings each period.

Furthermore, Spire Marketing manages the price risk associated with its fixed-priced commitments by either closely matching the offsetting physical purchase or sale of natural gas at fixed prices or through the use of NYMEX or ICE futures, swap, and option contracts to lock in margins.

At September 30, 2020, Spire Marketing's unmatched fixed-price positions were not material to Spire's financial position or results of operations. Spire Marketing's NYMEX and ICE natural gas futures, swap and option contracts used to lock in margins may be designated as cash flow hedges of forecasted transactions for financial reporting purposes.

In August 2018, Spire entered into a three- year interest rate swap with a fixed interest rate of 2.7675% and a notional amount of $100.0 to protect itself against adverse movements in interest rates. In the first quarter of 2020, the Company settled this position, resulting in a loss of $2.5 which will be amortized to interest expense over the hedged periods. During the first quarter of fiscal 2019, the Company entered into a three-year interest rate swap with a fixed interest rate of 3.250% and a notional amount of $100.0 to protect itself against adverse movements in interest rates on future interest rate payments. The Company recorded a cumulative $53.7 mark-to-market loss in accumulated other comprehensive loss on this swap at September 30, 2020. In the second quarter of 2020, the Company entered into multiple interest rate swaps with fixed interest rates ranging from 0.921% to 1.3105% for a total notional amount of $150.0 to protect itself against adverse movements in interest rates on future interest rate payments. The Company recorded a $0.5 mark-to-market loss to comprehensive income for these swaps for the twelve months ended September 30, 2020. In the third quarter of fiscal 2020, the Company entered into a ten-year interest rate swap with a fixed interest rate of 0.761% and a notional amount of $40.0 to protect itself against adverse movements in interest rates on future interest rate payments. In the fourth quarter of 2020 the Company settled this hedged position, resulting in a loss of $0.3 which will be amortized to interest expense over the hedged periods.

The Company's and Spire Missouri's exchange-traded/cleared derivative instruments consist primarily of NYMEX and ICE positions. The NYMEX is the primary national commodities exchange on which natural gas derivatives are traded. Open NYMEX and ICE natural gas futures and swap positions at September 30, 2020 and 2019 were as follows:

	September 30, 2020		September 30, 2019	
Gas Marketing	Notional (MMBtu millions)	Maximum Term (Months)	Notional (MMBtu millions)	Maximum Term (Months)
Natural gas futures purchased	22.9	41	29.1	36
Natural gas options purchased, net	4.8	6	6.9	12
Natural gas basis swaps purchased	6.2	24	90.1	36
Gas Utility				
Natural gas futures purchased	25.9	12	69.0	12

At September 30, 2020, neither Spire Missouri nor Spire Marketing had any further price mitigation in place.

Derivative instruments designated as cash flow hedges of forecasted transactions are recognized on the balance sheets of the Company at fair value, and the change in fair value of the effective portion of these hedge instruments is recorded, net of income tax, in other comprehensive income or loss (OCI). Accumulated other comprehensive income or loss (AOCI) is a component of Total Common Stock Equity. Amounts are reclassified from AOCI into earnings when the hedged items affect net income, using the same revenue or expense category that the hedged item impacts. Based on market prices at September 30, 2020, it is expected that an immaterial amount of unrealized gains will be reclassified into the Consolidated Statements of Income of the Company during the next twelve months. Cash flows from hedging transactions are classified in the same category as the cash flows from the items that are being hedged in the Consolidated Statements of Cash Flows.

Effect of Derivative Instruments on the Consolidated Statements of Income and Comprehensive Income

	Location of Gain (Loss) Recorded in Income	2020	2019	2018

Derivatives in Cash Flow Hedging Relationships				
Effective portion of gain (loss) recognized in OCI on derivatives:				
Interest rate swaps		(8.9)	(46.4)	3.9
Total		$ (8.9)	$ (46.4)	$ 3.9
Effective portion of gain (loss) reclassified from AOCI to income:				
Gasoline and heating oil contracts	Gas Utility Other Operating Expenses	—	—	0.1
Interest rate swaps	Interest Expense	(3.2)	1.3	1.4
Total		$ (3.2)	$ 1.3	$ 1.5
Derivatives Not Designated as Hedging Instruments*				
Gain (loss) recognized in income on derivatives:				
Natural gas commodity contracts	Gas Marketing Operating Revenues	$ 9.2	$ 2.5	$ 10.2
	Gas Marketing Operating Expenses	—	(8.4)	(8.1)
NYMEX / ICE natural gas contracts	Gas Marketing Operating Revenues	(11.8)	—	—
Total		$ (2.6)	$ (5.9)	$ 2.1

* Gains and losses on Spire Missouri's natural gas derivative instruments, which are not designated as hedging instruments for financial reporting purposes, are deferred pursuant to the Missouri Utilities' PGA clauses and initially recorded as regulatory assets or regulatory liabilities. These gains and losses are excluded from the table above because they have no direct impact on the statements of income. Such amounts are recognized in the statements of income as a component of Regulated Gas Distribution Natural and Propane Gas operating expenses when they are recovered through the PGA clause and reflected in customer billings.

Fair Value of Derivative Instruments in the Consolidated Balance Sheets

	Derivative Assets*		Derivative Liabilities*	
September 30, 2020	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments				
Other: Interest rate swaps	Derivative Instrument Liability	$ —	Derivative Instrument Liability	$ 54.2
Subtotal		—		54.2
Derivatives not designated as hedging instruments				
Gas Utility:				
Natural gas contracts	Accounts Receivable – Other	6.3	Accounts Receivable – Other	0.9
Gasoline and heating oil contracts	Derivative Instrument Assets	0.3		—
Gas Marketing:				
NYMEX / ICE natural gas contracts	Derivative Instrument Assets	20.5	Derivative Instrument Assets	21.3
	Deferred Charges – Other	7.2	Deferred Charges – Other	0.8
Natural gas commodity	Derivative Instrument Assets	13.5	Derivative Instrument Assets	—
	Deferred Charges – Other	1.4	Deferred Charges – Other	—
	Current Liabilities – Other	—	Current Liabilities – Other	16.8
	Deferred Credits – Other	—	Deferred Credits – Other	5.5
Subtotal		49.2		45.3
Total derivatives		$ 49.2		$ 99.5
September 30, 2019				
Derivatives designated as hedging instruments				
Other: Interest rate swaps	Derivative Instrument Liability	$ —	Derivative Instrument Liability	$ 43.4
Subtotal		—		43.4
Derivatives not designated as hedging instruments				
Gas Utility:				
Natural gas contracts	Accounts Receivable – Other	—	Accounts Receivable – Other	12.3
Gas Marketing:				
NYMEX / ICE natural gas contracts	Derivative Instrument Assets	7.0	Derivative Instrument Assets	7.3
	Deferred Charges – Other	0.5	Deferred Charges – Other	1.6
Natural gas commodity	Derivative Instrument Assets	10.4	Derivative Instrument Assets	0.9
	Deferred Charges – Other	4.8	Deferred Charges – Other	—
	Current Liabilities – Other	1.4	Current Liabilities – Other	11.5
	Deferred Credits – Other	0.1	Deferred Credits – Other	1.5
Subtotal		24.2		35.1
Total derivatives		$ 24.2		$ 78.5

* The fair values of Derivative Assets and Derivative Liabilities exclude the fair value of cash margin receivables or payables with counterparties subject to netting arrangements. Fair value amounts of derivative contracts (including the fair value amounts of cash margin receivables and payables) for which there is a legal right to set off are presented net on the balance sheets. As such, the gross balances presented in the table above are not indicative of the Company's net economic exposure. Refer to Note 9, Fair Value Measurements, for information on the valuation of derivative instruments.

Following is a reconciliation of the amounts in the tables above to the amounts presented in the Consolidated Balance Sheets:

	2020	2019
Fair value of derivative assets presented above	$ 49.2	$ 24.2
Fair value of cash margin receivable offset with derivatives	(9.0)	14.3
Netting of assets and liabilities with the same counterparty	(23.0)	(23.7)
Total	$ 17.2	$ 14.8
Derivative Instrument Assets, per Consolidated Balance Sheets:		
Current Assets – Other	$ 15.8	$ 4.2
Deferred Charges and Other Assets – Other	1.4	10.6
Total	$ 17.2	$ 14.8
Fair value of derivative liabilities presented above	$ 99.5	$ 78.5
Netting of assets and liabilities with the same counterparty	(23.0)	(23.7)
Total	$ 76.5	$ 54.8
Derivative Instrument Liabilities, per Consolidated Balance Sheets:		
Current Liabilities – Other	$ 71.0	$ 50.0
Deferred Credits and Other Liabilities – Other	5.5	4.8
Total	$ 76.5	$ 54.8

Additionally, at September 30, 2020 and 2019, the Company had $7.6 and $8.1, respectively, in cash margin receivables not offset with derivatives, which are presented in Accounts Receivable – Other.

Spire Missouri

Spire Missouri has a risk management policy to utilize various derivatives, including futures contracts, exchange-traded options, swaps and over-the-counter instruments for the explicit purpose of managing price risk associated with purchasing and delivering natural gas on a regular basis to customers in accordance with its tariffs. The objective of this policy is to limit Spire Missouri's exposure to natural gas price volatility and to manage, hedge and mitigate substantial price risk. This policy strictly prohibits speculation and permits Spire Missouri to hedge current physical natural gas purchase commitments or forecasted or anticipated future peak (maximum) physical need for natural gas delivered. Costs and cost reductions, including carrying costs, associated with Spire Missouri's use of natural gas derivative instruments are allowed to be passed on to Spire Missouri customers through the operation of its PGA clause, through which the MoPSC allows Spire Missouri to recover gas supply costs, subject to prudence review by the MoPSC. Accordingly, Spire Missouri does not expect any adverse earnings impact as a result of the use of these derivative instruments.

Spire Missouri does not designate these instruments as hedging instruments for financial reporting purposes because gains or losses associated with the use of these derivative instruments are deferred and recorded as regulatory assets or regulatory liabilities pursuant to ASC Topic 980, *Regulated Operations*, and, as a result, have no direct impact on the statements of income.

The timing of the operation of the PGA clause may cause interim variations in short-term cash flows, because Spire Missouri is subject to cash margin requirements associated with changes in the values of these instruments. Nevertheless, carrying costs associated with such requirements are recovered through the PGA clause.

From time to time, Spire Missouri purchases NYMEX futures and options contracts to help stabilize operating costs associated with forecasted purchases of gasoline and diesel fuels used to power vehicles and equipment used in the course of its business. These contracts are designated as cash flow hedges of forecasted transactions pursuant to ASC Topic 815, *Derivatives and Hedging*. The gains or losses on these derivative instruments are not subject to Spire Missouri's PGA clause. At September 30, 2020, Spire Missouri had an immaterial amount of gasoline futures contracts outstanding.

Derivative instruments designated as cash flow hedges of forecasted transactions are recognized on the balance sheets at fair value and the change in the fair value of the effective portion of these hedge instruments is recorded, net of income tax, in OCI. AOCI is a component of Total Common Stock Equity. Amounts are reclassified from AOCI into earnings when the hedged items affect net income, using the same revenue or expense category that the hedged item impacts. Based on market prices at September 30, 2020, it is expected that an immaterial amount of pre-tax gains will be reclassified into the statements of income during fiscal 2021. Cash flows from hedging transactions are classified in the same category as the cash flows from the items that are being hedged in the statements of cash flows.

Spire Missouri's derivative instruments consist primarily of NYMEX positions. The NYMEX is the primary national commodities exchange on which natural gas derivatives are traded. Open NYMEX natural gas futures positions at September 30, 2020 were as follows:

	September 30, 2020	
	Notional (MMBtu millions)	Maximum Term (Months)
Natural gas futures purchased	25.9	12

At September 30, 2020, Spire Missouri had no other price mitigation derivatives in place.

Effect of Derivative Instruments on the Statements of Comprehensive Income

	Location of Gain (Loss) Recorded in Income	2020	2019	2018
Derivatives in Cash Flow Hedging Relationships				
Effective portion of gain (loss) recognized in OCI on derivatives:				
Gasoline and heating oil contracts		$ —	$ —	$ —
Effective portion of gain (loss) reclassified from AOCI to income:				
Gasoline and heating oil contracts	Gas Utility Other Operating Expenses	$ —	$ —	$ 0.1

* Gains and losses on Spire Missouri's natural gas derivative instruments, which are not designated as hedging instruments for financial reporting purposes, are deferred pursuant to the Spire Missouri's PGA clauses and initially recorded as regulatory assets or regulatory liabilities. These gains and losses are excluded from the table above because they have no direct impact on the Statements of Income. Such amounts are recognized in the Statements of Income as a component of Regulated Gas Distribution Natural and Propane Gas operating expenses when they are recovered through the PGA clause and reflected in customer billings.

Fair Value of Derivative Instruments in the Balance Sheets

	Derivative Assets*		Derivative Liabilities*	
September 30, 2020	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments				
Natural gas contracts	Accounts Receivable – Other	$ 6.3	Accounts Receivable – Other	$ 0.9
Gasoline and heating oil contracts	Derivative Instrument Assets	0.3		—
Total derivatives		$ 6.6		$ 0.9
September 30, 2019				
Derivatives not designated as hedging instruments				
Natural gas contracts	Accounts Receivable – Other	$ —	Accounts Receivable – Other	$ 12.3

* The fair values of Derivative Assets and Derivative Liabilities exclude the fair value of cash margin receivables or payables with counterparties subject to netting arrangements. Fair value amounts of derivative contracts (including the fair value amounts of cash margin receivables and payables) for which there is a legal right to set off are presented net on the Balance Sheets. As such, the gross balances presented in the table above are not indicative of Spire Missouri's net economic exposure. Refer to Note 9, Fair Value Measurements, for information on the valuation of derivative instruments.

Following is a reconciliation of the amounts in the tables above to the amounts presented in Spire Missouri's Balance Sheets:

	2020	2019
Fair value of derivative assets presented above	$ 6.6	$ —
Fair value of cash margin (payable) receivable offset with derivatives	(5.7)	12.3
Netting of assets and liabilities with the same counterparty	(0.9)	(12.3)
Total	$ —	$ —
Fair value of derivative liabilities presented above	$ 0.9	$ 12.3
Netting of assets and liabilities with the same counterparty	(0.9)	(12.3)
Total	$ —	$ —

Additionally, at September 30, 2019 and 2018, Spire Missouri had $7.2 and $7.8, respectively, in cash margin receivables not offset with derivatives, which are presented in Accounts Receivable – Other.

Spire Alabama

Spire Alabama periodically employs a gasoline derivative program to help stabilize operating costs associated with forecasted purchases of gasoline and diesel fuels used to power vehicles and equipment used in the course of its business. The gains or losses on these derivative instruments are not subject to Spire Alabama's GSA rider. The level of contracts outstanding as of September 30, 2020 and 2019 were not material.

11. CONCENTRATIONS OF CREDIT RISK

Spire's Gas Utility segment serves 1.7 million customers in three states across multiple rate classes resulting in a significant amount of revenue diversity. Credit risk is mitigated by the high percentage of residential customers as well as the geographic diversity of the Utilities, though customers for each of the Utilities are concentrated in a single state.

Spire Marketing's accounts receivable attributable to utility companies and their marketing affiliates totaled $73.0 at September 30, 2020. The concentration of transactions with these counterparties has the potential to affect the Company's overall exposure to credit risk, either positively or negatively, in that customers in this group may be affected similarly by changes in economic, industry, or other conditions. Spire Marketing also has concentrations of credit risk with certain individually significant counterparties. At September 30, 2020, the amounts included in accounts receivable from its five largest counterparties (in terms of net accounts receivable exposure) totaled $35.7. Four of these five counterparties are investment-grade rated integrated utilities, while the fifth is not rated but is a subsidiary of an investment-grade rated company.

To manage these risks, Spire Marketing has established procedures to determine the creditworthiness of its counterparties. These procedures include obtaining credit ratings and credit reports, analyzing counterparty financial statements to assess financial condition, and considering the industry environment in which the counterparty operates. This information is monitored on an ongoing basis. In some instances, Spire Marketing may require credit assurances such as prepayments, letters of credit, or parental guaranties. In addition, Spire Marketing may enter into netting arrangements to mitigate credit risk with counterparties in the energy industry with whom it conducts both sales and purchases of natural gas. Where there is no netting arrangement, Spire Marketing records accounts receivable, accounts payable, and prepayments for physical sales and purchases of natural gas on a gross basis. Sales are typically made on an unsecured credit basis with payment due the month following delivery. Accounts receivable amounts are closely monitored and provisions for uncollectible amounts are accrued when losses are probable.

12. INCOME TAXES

The Company, Spire Missouri, and Spire Alabama are subject to federal income tax as well as income tax in various state and local jurisdictions. Spire files a consolidated federal income tax return and various state income tax returns and allocates income taxes to Spire Missouri, Spire Alabama and its other subsidiaries as if each entity were a separate taxpayer.

The provision (benefit) for income taxes during the fiscal years ended September 30, 2020, 2019, and 2018 was as follows:

	Spire			Spire Missouri			Spire Alabama		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Federal:									
Current	$ 0.4	$ 0.6	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Deferred	5.8	27.4	(22.7)	14.9	11.5	(26.1)	17.4	16.3	81.5
Investment tax credits	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	—	—	—
State and local:									
Current	3.0	2.1	2.2	0.1	—	—	—	—	—
Deferred	3.4	4.6	(5.8)	2.5	2.0	(6.3)	4.6	4.2	0.1
Total income tax expense (benefit)	$ 12.4	$ 34.5	$ (26.5)	$ 17.3	$ 13.3	$ (32.6)	$ 22.0	$ 20.5	$ 81.6

The effective income tax rate varied from the federal statutory income tax rate for each year due to the following:

	Spire			Spire Missouri			Spire Alabama		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Federal income tax statutory rate	21.0%	21.0%	24.5%	21.0%	21.0%	24.5%	21.0%	21.0%	24.5%
State and local income taxes, net of federal income tax benefits	9.0	3.6	3.4	2.6	2.6	3.4	4.1	4.1	3.8
Certain expenses capitalized on books and deducted on tax return	(6.6)	(3.8)	(2.3)	(4.6)	(6.5)	(4.6)	—	—	—
Taxes related to prior years	(1.8)	0.2	(0.4)	(1.4)	0.1	(0.7)	0.1	—	—
Tax law changes	—	—	(35.9)	—	—	(50.3)	—	—	70.0
Amortization of excess deferred taxes	(8.3)	(3.8)	(1.8)	(5.7)	(6.6)	(3.6)	—	—	—
Other items – net *	(1.0)	(1.4)	(1.6)	(0.2)	(0.3)	(2.5)	(0.1)	0.2	0.1

Effective income tax rate	12.3%	15.8%	(14.1)%	11.7%	10.3%	(33.8)%	25.1%	25.3%	98.4%

* Other consists primarily of property adjustments.

The significant items comprising the net deferred tax liability or asset as of September 30 were as follows:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Deferred tax assets:						
Reserves not currently deductible	$ 24.8	$ 31.4	$ 16.7	$ 21.2	$ 5.9	$ 6.2
Pension and other postretirement benefits	108.3	102.7	78.5	78.7	—	—
Goodwill	—	—	—	—	101.3	116.8
Operating losses	170.4	162.2	36.0	51.1	111.3	94.2
Regulatory amount due to customers, net	36.1	46.5	32.3	42.7	—	—
Other	44.7	20.0	—	1.2	—	—
Deferred tax assets	384.3	362.8	163.5	194.9	218.5	217.2
Less: Valuation allowance	(0.9)	(1.8)	(0.9)	(1.8)	—	—
Total deferred tax assets	383.4	361.0	162.6	193.1	218.5	217.2
Deferred tax liabilities:						
Relating to property	(614.0)	(562.9)	(427.1)	(395.1)	(151.4)	(129.3)
Regulatory pension and other postretirement benefits	(138.4)	(135.9)	(107.4)	(111.7)	(3.4)	(2.0)
Other**	(142.4)	(113.6)	(62.8)	(50.9)	(4.4)	(4.6)
Total deferred tax liabilities	(894.8)	(812.4)	(597.3)	(557.7)	(159.2)	(135.9)
Net deferred tax (liability) asset	$ (511.4)	$ (451.4)	$ (434.7)	$ (364.6)	$ 59.3	$ 81.3

** For Spire, Other consists primarily of goodwill-related liabilities.

The Tax Cuts and Jobs Act (TCJA) was signed into law on December 22, 2017, with an effective date of January 1, 2018, for substantially all of the provisions. This comprehensive act includes significant reform of the current income tax code including changes in the calculation for business entities and a reduction in the corporate federal income tax rate from 35% to 21%. The specific provisions related to regulated public utilities in the TCJA generally allow for the continued deductibility of interest expense, the elimination of full expensing for tax purposes of certain property acquired after September 27, 2017 and the continuation of certain rate normalization requirements for accelerated depreciation benefits.

ASC Topic 740, *Income Taxes*, requires that the effects of changes in tax laws be recognized in the period in which the new law is enacted. It also requires deferred tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. For the Company's regulated entities, the changes in deferred taxes related to the regulated operations are recorded as either an offset to or creation of a regulatory asset or liability and may be subject to refund to customers in future periods. The changes in deferred taxes that are not associated with rate making (including all changes for the Company's non-regulated operations) are recorded as adjustments to deferred tax expense or benefit.

As indicated in Note 1, Summary of Significant Accounting Policies, the Company's regulated operations accounting for income taxes is impacted by ASC Topic 980, *Regulated Operations*. Reductions in deferred income tax balances due to the reduction in the corporate income tax rate resulted in amounts previously collected from utility customers for these deferred taxes becoming refundable to such customers, generally through reductions in future rates. The TCJA includes provisions that stipulate how these excess deferred taxes are to be passed back to customers for certain accelerated tax depreciation benefits. In fiscal 2018, the MoPSC Amended Report and Order took effect and the estimated excess accumulated deferred income tax began to be returned to Spire Missouri customers in rates. The amount being returned is estimated with a tracker established to defer the difference from the estimated amounts to the actual amounts once the actual amounts have been calculated. Excess accumulated deferred taxes of $8.4 were returned by Spire Missouri during both fiscal 2020 and 2019. The treatment for accumulated deferred income tax balances for Spire Alabama, Spire Gulf and Spire Mississippi is yet to be determined by state regulators.

The Company recorded the TCJA impacts in fiscal 2018, including the impact of the federal income tax rate reduction and the revaluation of the deferred tax assets and liabilities. The total adjustments recorded, before reduction for amounts returned to customers, for the year ended September 30, 2018, were as follows:

	Spire	Spire Missouri	Spire Alabama
Adjustment to deferred tax liabilities	$ (318.3)	$ (285.3)	$ (61.0)

Adjustment to deferred income tax expense	(75.0)	(57.0)	58.8
Adjustment to regulatory assets	(75.9)	(78.1)	2.2
Adjustment to regulatory liabilities	167.4	150.2	—

In assessing whether deferred tax assets are realizable, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers all significant available positive and negative evidence, including the existence of losses in recent years, the timing of deferred tax liability reversals, projected future taxable income, taxable income in carryback years, and tax planning strategies to assess the need for a valuation allowance. Based upon this evidence, management believes it is more likely than not the Company, Spire Missouri and Spire Alabama will realize the benefits of these deferred tax assets, except for the contribution carryforward valuation allowances noted below.

The Company had federal and state loss carryforwards of approximately $726.8 at September 30, 2020. The loss carryforwards begin to expire in fiscal 2030 for certain state purposes and fiscal 2035 for federal and other states purposes. The Company also had contribution carryforwards of approximately $9.3 at September 30, 2020, which began to expire this year. The Company has a valuation allowance of $3.6, as a portion of the contribution carryforward will not be realized prior to its expiration. The Company also has various tax credit carryforwards of approximately $2.9 along with a valuation allowance of $0.1 as a portion of these tax credits began to expire in 2020.

Spire Missouri had federal and state loss carryforwards of approximately $207.8 at September 30, 2020 on a separate company basis, which begin to expire in fiscal 2035. For federal tax purposes, these loss carryforwards may be utilized against income from another member of the consolidated group. Spire Missouri also has contribution carryforwards of approximately $5.4 at September 30, 2020 that began to expire this year. Spire Missouri has a valuation allowance of $3.0, as a portion of the contribution carryforward will not be realized prior to its expiration. Spire Missouri also has approximately $2.0 of various tax credit carryforwards, and a valuation allowance of $0.1 as a portion of these tax credits began to expire in 2020.

On a separate company basis, Spire Alabama had federal and state loss carryforwards of approximately $443.5 at September 30, 2020. The loss carryforwards begin to expire in fiscal 2030 for state purposes and fiscal 2035 for federal purposes. For federal tax purposes, these loss carryforwards may be utilized against income from another member of the consolidated group.

The Company, Spire Missouri and Spire Alabama recognize the tax benefit from a tax position only if it is at least more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Unrecognized tax benefits are reported as a reduction of a deferred tax asset for an operating loss carryforward to the extent the recognition of the benefit would impact the operating loss carryforward, pursuant to ASU 2013-11. In addition, pursuant to the TCJA, the deferred tax asset for a net operating loss carryforward was revalued in fiscal 2018 based on the federal tax law change. The following table presents a reconciliation of the beginning and ending balances of unrecognized tax benefits:

	Spire			Spire Missouri		
	2020	2019	2018	2020	2019	2018
Unrecognized tax benefits, beginning of year	$ 10.7	$ 8.1	$ 11.0	$ 10.4	$ 7.8	$ 10.7
Decrease related to tax law changes	—	—	(4.0)	—	—	(4.0)
Increases related to tax positions taken in current year	2.6	4.5	1.2	2.6	4.5	1.1
Reductions related to tax positions taken in prior year	—	(1.9)	—	—	(1.9)	—
Reductions due to lapse of applicable statute of limitations	(0.1)	—	(0.1)	—	—	—
Unrecognized tax benefits, end of year	$ 13.2	$ 10.7	$ 8.1	$ 13.0	$ 10.4	$ 7.8

As of September 30, 2020 and 2019, the amounts of unrecognized tax benefits which, if recognized, would affect the effective tax rate were $2.9 and $2.5 , respectively, for the Company and $2.7 and $2.2, respectively, for Spire Missouri. It is reasonably possible that events will occur in the next 12 months that could increase or decrease the amount of the unrecognized tax benefits. The Company and Spire Missouri do not expect that any such change will be significant to the balance sheets. Spire Alabama reported no unrecognized tax benefits for fiscal years 2020, 2019, and 2018.

The Company, Spire Missouri, and Spire Alabama record potential interest and penalties related to uncertain tax positions as interest expense and other income deductions, respectively. As of September 30, 2020 and 2019, interest accrued associated with uncertain tax positions was de minimis, and no penalties were accrued.

The Company, Spire Missouri, and Spire Alabama are no longer subject to examination for fiscal years prior to 2017, except to the extent the net operating losses from prior years are reviewed.

13. PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

Pension Plans

The pension plans of Spire consist of plans for employees at Spire Missouri, the employees of Spire Alabama and employees of the subsidiaries of Spire EnergySouth.

Spire Missouri has non-contributory, defined benefit, trusteed forms of pension plans covering the majority of their employees. Plan assets consist primarily of corporate and U.S. government obligations and a growth segment consisting of exposure to equity markets, commodities, real estate and inflation-indexed securities, achieved through derivative instruments.

Spire Alabama has non-contributory, defined benefit, trusteed forms of pension plans covering the majority of its employees. Qualified plan assets are comprised of mutual and commingled funds consisting of U.S. equities with varying strategies, global equities, alternative investments, and fixed income investments.

The net periodic pension costs include the following components:

	Spire			Spire Missouri			Spire Alabama		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Service cost – benefits earned during the period	$ 22.5	$ 19.3	$ 20.2	$ 15.7	$ 12.4	$ 12.7	$ 6.1	$ 6.2	$ 6.4
Interest cost on projected benefit obligation	22.6	28.2	27.4	15.8	19.8	19.5	4.9	6.0	5.5
Expected return on plan assets	(35.0)	(36.3)	(37.0)	(24.6)	(25.5)	(27.2)	(6.9)	(7.3)	(6.5)
Amortization of prior service (credit) cost	(2.5)	(1.1)	(0.9)	0.1	0.9	0.9	(2.4)	(1.8)	(1.8)
Amortization of actuarial loss	14.4	9.3	10.9	11.3	8.7	9.4	3.1	0.8	1.5
Loss on lump-sum settlements and curtailments	31.6	—	18.6	26.6	—	16.1	5.0	—	2.4
Subtotal	53.6	19.4	39.2	44.9	16.3	31.4	9.8	3.9	7.5
Regulatory adjustment	6.6	39.6	37.4	3.9	31.8	32.1	1.8	6.9	4.5
Net pension cost	$ 60.2	$ 59.0	$ 76.6	$ 48.8	$ 48.1	$ 63.5	$ 11.6	$ 10.8	$ 12.0

Other changes in plan assets and pension benefit obligations recognized in other comprehensive income or loss include the following:

	Spire			Spire Missouri			Spire Alabama		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Current year actuarial loss (gain)	$ 68.0	$ 90.9	$ (1.4)	$ 37.8	$ 59.0	$ 2.2	$ 24.4	$ 26.3	$ (0.6)
Amortization of actuarial loss	(14.4)	(9.3)	(10.9)	(11.3)	(8.7)	(9.4)	(3.1)	(0.8)	(1.5)
Acceleration of loss recognized due to settlement	(31.7)	—	(18.5)	(26.6)	—	(16.1)	(5.1)	—	(2.4)
Current year service credit	(4.4)	(10.2)	(0.1)	(4.4)	(3.7)	—	—	(6.5)	—
Transfer due to merger	—	—	0.1	—	—	0.1	—	—	—
Amortization of prior service credit (cost)	2.5	1.1	(2.9)	(0.1)	(0.9)	(0.9)	2.4	1.8	—
Amortization of transition asset	—	—	1.8	—	—	—	—	—	1.8
Subtotal	20.0	72.5	(31.9)	(4.6)	45.7	(24.1)	18.6	20.8	(2.7)
Regulatory adjustment	(19.5)	(71.7)	31.6	5.1	(44.9)	23.8	(18.6)	(20.8)	2.7
Total recognized in OCI	$ 0.5	$ 0.8	$ (0.3)	$ 0.5	$ 0.8	$ (0.3)	$ —	$ —	$ —

Spire pension obligations are driven by separate plan and regulatory provisions governing Spire Missouri, Spire Alabama and Spire EnergySouth pension plans.

Pursuant to the provisions of Spire Missouri's and Spire Alabama's pension plans, pension obligations may be satisfied by monthly annuities, lump-sum cash payments, or special termination benefits. Lump-sum payments are recognized as settlements (which can result in gains or losses) only if the total of such payments exceeds the sum of service and interest costs in a specific year. Special termination benefits, when offered, are also recognized as settlements which can result in gains or losses. In the fiscal year ended September 30, 2020, two Spire Missouri plans and one Spire Alabama plan met the criteria for settlement recognition, requiring re-measurement of the obligation under those plans using updated census data and assumptions for discount rate and mortality. For the remeasurements, the discount rates for the Missouri plans were updated to 2.85% at September 30, 2020 (from 3.2% at September 30, 2019), and the discount rate for the Alabama plan was updated to 2.95% (from 3.20%). Lump-sum payments recognized as settlements during fiscal year 2020 was $89.3 ($74.5 attributable to Spire Missouri and $14.8 to Spire Alabama).

No Spire plans met the criteria for settlement recognition for the fiscal year ended September 30, 2019.

Pursuant to a MoPSC Order, the return on plan assets is based on the market-related value of plan assets implemented prospectively over a four-year period. Gains or losses not yet includible in pension cost are amortized only to the extent that such gain or loss exceeds 10% of the greater of the projected benefit obligation or the market-related value of plan assets. Such excess is amortized over the average remaining service life of active participants.

Effective April 19, 2018, the pension cost for Spire Missouri's western territory (Missouri West) included in customer rates was reduced from $9.9 to $5.5 per year, the pension cost included in Spire Missouri's eastern territory (Missouri East) customer rates was increased from $15.5 to $29.0 per year. Over an amortization period of eight years, Missouri East rates also include the amortization of $173.0 of assets for pension and other postretirement benefits, and Missouri West rates will be reduced by the amortization of a $26.2 net liability for pension and other postretirement benefits.

The difference between these amounts and pension expense as calculated pursuant to the above and that otherwise would be included in the statements of income and statements of comprehensive income is deferred as a regulatory asset or regulatory liability.

The following table shows the reconciliation of the beginning and ending balances of the pension benefit obligation at September 30:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Benefit obligation, beginning of year	$ 751.4	$ 664.6	$ 538.4	$ 473.3	$ 152.5	$ 136.3
Service cost	22.5	19.3	15.7	12.4	6.1	6.2
Interest cost	22.6	28.2	15.8	19.8	4.9	6.0
Actuarial loss (gain)	37.5	104.8	15.6	76.0	18.4	23.7
Plan amendments	(4.4)	(10.2)	(4.4)	(3.7)	—	(6.5)
Settlement loss	16.5	—	16.5	—	—	—
Settlement benefits paid	(89.3)	—	(74.5)	—	(14.8)	—
Regular benefits paid	(24.2)	(55.3)	(17.9)	(39.4)	(3.6)	(13.2)
Benefit obligation, end of year	$ 732.6	$ 751.4	$ 505.2	$ 538.4	$ 163.5	$ 152.5
Accumulated benefit obligation, end of year	$ 699.3	$ 712.9	$ 473.7	$ 500.2	$ 161.8	$ 152.3

The following table sets forth the reconciliation of the beginning and ending balances of the fair value of plan assets at September 30:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Fair value of plan assets, beginning of year	$ 521.8	$ 499.2	$ 379.2	$ 349.1	$ 93.3	$ 101.3
Actual return on plan assets	21.1	50.1	19.1	42.4	1.0	4.7
Employer contributions	43.7	27.8	30.3	27.1	12.7	0.5
Settlement benefits paid	(89.3)	—	(74.5)	—	(14.8)	—
Regular benefits paid	(24.2)	(55.3)	(17.9)	(39.4)	(3.6)	(13.2)
Fair value of plan assets, end of year	$ 473.1	$ 521.8	$ 336.2	$ 379.2	$ 88.6	$ 93.3
Funded status of plans, end of year	$ (259.5)	$ (229.6)	$ (169.0)	$ (159.2)	$ (74.9)	$ (59.2)

The following table sets forth the amounts recognized in the balance sheets at September 30:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Current liabilities	$ (0.6)	$ (0.5)	$ (0.6)	$ (0.5)	$ —	$ —
Noncurrent liabilities	(258.9)	(229.1)	(168.4)	(158.7)	(74.9)	(59.2)
Total	$ (259.5)	$ (229.6)	$ (169.0)	$ (159.2)	$ (74.9)	$ (59.2)

Pre-tax amounts recognized in accumulated other comprehensive loss not yet recognized as components of net periodic pension cost consist of:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Net actuarial loss	$ 235.6	$ 213.7	$ 152.9	$ 153.1	$ 78.1	$ 61.9
Prior service (credit) cost	(25.6)	(23.7)	(2.8)	1.7	(21.1)	(23.5)
Subtotal	210.0	190.0	150.1	154.8	57.0	38.4
Adjustments for amounts included in regulatory assets	(206.7)	(187.1)	(146.8)	(151.9)	(57.0)	(38.4)
Total	$ 3.3	$ 2.9	$ 3.3	$ 2.9	$ —	$ —

At September 30, 2020, the following pre-tax amounts are expected to be amortized from accumulated other comprehensive loss into net periodic pension cost during fiscal 2020:

	Spire	Spire Missouri	Spire Alabama
Amortization of net actuarial loss	$ 16.0	$ 11.4	$ 4.6
Amortization of prior service (credit) cost	(3.2)	(0.6)	(2.4)

Subtotal	12.8	10.8	2.2
Regulatory adjustment	(12.5)	(10.5)	(2.2)
Total	$ 0.3	$ 0.3	$ —

The assumptions used to calculate net periodic pension costs for Spire Missouri are as follows:

	2020	2019	2018
Weighted average discount rate - Spire Missouri East plan	3.20%	4.30%	3.75%
Weighted average discount rate - Spire Missouri West plan	3.15%	4.35%	3.70%
Weighted average rate of future compensation increase	3.00%	3.00%	3.00%
Expected long-term rate of return on plan assets	7.25%	7.50%	7.75%

The assumptions used to calculate net periodic pension costs for Spire Alabama are as follows:

	2020	2019	2018
Weighted average discount rate	3.25%/3.20%	4.35%	3.65%/3.70%
Weighted average rate of future compensation increase	3.00%	3.00%	3.00%
Expected long-term rate of return on plan assets	7.25%	7.25%	7.25%

The discount rate is based on long-term, high quality bond indices at the measurement date. The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset classes in the investment portfolio. Assumed projected rates of return for each asset class were selected after analyzing historical experience and future expectations of the returns. The overall expected rate of return for the portfolio was developed based on the target allocation for each class.

The assumptions used to calculate the benefit obligations are as follows:

	2020	2019
Weighted average discount rate - Spire Missouri East plan	2.85%	3.20%
Weighted average discount rate - Spire Missouri West plan	2.75%	3.15%
Weighted average discount rate - Spire Alabama plans	2.95%/2.80%	3.20%/3.25%
Weighted average rate of future compensation increase	3.00%	3.00%

Following are the year-end projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for plans that have a projected benefit obligation and an accumulated benefit obligation in excess of plan assets:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Projected benefit obligation	$ 732.6	$ 751.4	$ 505.2	$ 538.4	$ 163.5	$ 152.5
Accumulated benefit obligation	699.3	712.9	473.7	500.2	161.8	152.3
Fair value of plan assets	473.1	521.8	336.2	379.2	88.6	93.3

Following are the targeted and actual plan assets by category as of September 30 of each year for Spire Missouri and Spire Alabama:

Spire Missouri	2020 Target	2020 Actual	2019 Target	2019 Actual
Return seeking assets	70.0%	70.0%	56.5%	57.0%
Liability hedging assets	30.0%	27.0%	43.5%	39.8%
Other	—%	3.0%	—%	3.2%
Total	100.0%	100.0%	100.0%	100.0%

Spire Alabama	2020 Target	2020 Actual	2019 Target	2019 Actual
Return seeking assets	70.0%	71.0%	60.0%	58.5%
Liability hedging assets	30.0%	27.0%	29.0%	29.8%
Other*	—	2.0%	11.0%	11.7%
Total	100.0%	100.0%	100.0%	100.0%

* Includes cash for 2020. For 2019, includes cash and funds invested in real estate, commodities, natural resources and inflation-protected securities.

Spire Missouri's investment policies are designed to maximize, to the extent possible, the funded status of the plans over time, and minimize volatility of funding and costs. The policy seeks to maximize investment returns consistent with these objectives and Spire Missouri's tolerance for risk. The duration of plan liabilities and the impact of potential changes in asset values on the funded status are fundamental considerations in the selection of plan assets. Outside investment management specialists are utilized in each asset class. Such specialists are provided with guidelines, where appropriate, designed to ensure that the investment portfolio is managed in accordance with the policy. The policy seeks to avoid significant concentrations of risk by investing in a diversified portfolio of assets, currently including a growth (equity) component and a liability-driven (debt) component. Investments in corporate, U.S. government and agencies, and, to a lesser extent, international debt securities seek to provide duration matching with plan liabilities, and typically have investment grade ratings and reflect allocations across various entities and industries. There are also exposures to additional asset types in the target portfolio: commodities, real estate and inflation-indexed securities. For the Missouri East plan, the investment policy permits the use of derivative instruments, which may be used to achieve the desired market exposure of an index, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. The growth strategy utilizes a combination of derivative instruments and debt securities to achieve diversified exposure to equity and other markets while generating returns from the fixed-income investments and providing further duration matching with the liabilities. Performance and compliance with the guidelines are regularly monitored. The policy calls for increased allocations to debt securities as the funded status improves.

Spire Alabama employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets with a prudent level of risk. Risk tolerance is established through consideration of plan liabilities, plan funded status, corporate financial condition and market conditions. Spire Alabama has developed an investment strategy that focuses on asset allocation, diversification and quality guidelines. The investment goals are to obtain an adequate level of return to meet future obligations of the plans by providing above average risk-adjusted returns with a risk exposure in the mid-range of comparable funds. Investment managers are retained by Spire Alabama to manage separate pools of assets. Funds are allocated to such managers in order to achieve an appropriate, diversified, and balanced asset mix. Comparative market and peer group benchmarks are utilized to ensure that investment managers are performing satisfactorily. Spire Alabama seeks to maintain an appropriate level of diversification to minimize the risk of large losses in a single asset class. Accordingly, plan assets for the pension plans do not have a concentration of assets in a single entity, industry, country, commodity or class of investment fund.

Following are expected pension benefit payments for the succeeding five fiscal years, and in aggregate for the five fiscal years thereafter, for Spire, Spire Missouri, and Spire Alabama:

	2021	2022	2023	2024	2025	2026-2030
Spire	$ 65.6	$ 64.1	$ 60.8	$ 58.6	$ 54.4	$ 246.0
Spire Missouri	49.1	45.6	43.3	41.9	37.7	168.7
Spire Alabama	13.5	15.4	14.3	13.5	13.3	59.0

The funding policy of Spire Missouri and Spire Alabama is to contribute an amount not less than the minimum required by government funding standards nor more than the maximum deductible amount for federal income tax purposes. Spire Missouri's contributions to the pension plans in fiscal 2021 are anticipated to be $36.4 into the qualified trusts, and $0.6 into the non-qualified plans. Spire Alabama's contributions to the pension plans in fiscal 2021 are anticipated to be $11.3 into the qualified trusts.

Other Postretirement Benefits

Spire and the Utilities provide certain life insurance benefits at retirement. Spire Missouri plans provide for medical insurance after early retirement until age 65. For retirements prior to January 1, 2015, the Missouri West plans provided medical insurance after retirement until death. The Spire Alabama plans provide medical insurance upon retirement until death for certain retirees depending on the type of employee and the date the employee was originally hired.

Net periodic postretirement benefit costs consist of the following components:

	Spire			Spire Missouri			Spire Alabama		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Service cost – benefits earned during the period	$ 5.9	$ 7.4	$ 9.4	$ 5.3	$ 6.8	$ 9.0	$ 0.4	$ 0.4	$ 0.2
Interest cost on accumulated postretirement benefit obligation	6.3	9.0	8.6	4.7	6.9	6.9	1.4	1.8	1.5
Expected return on plan assets	(16.7)	(16.2)	(13.9)	(11.4)	(11.1)	(9.6)	(5.0)	(4.8)	(4.1)
Amortization of prior service (credit) cost	(0.5)	(0.1)	(0.1)	(0.2)	0.3	0.3	(0.3)	(0.4)	(0.4)
Amortization of actuarial (gain) loss	(2.0)	(0.5)	0.8	(2.0)	(0.5)	0.9	—	—	(0.1)
Subtotal	(7.0)	(0.4)	4.8	(3.6)	2.4	7.5	(3.5)	(3.0)	(2.9)
Regulatory adjustment	16.0	10.0	2.2	17.7	11.7	3.9	(1.8)	(1.8)	(1.8)
Net postretirement benefit cost	$ 9.0	$ 9.6	$ 7.0	$ 14.1	$ 14.1	$ 11.4	$ (5.3)	$ (4.8)	$ (4.7)

Other changes in plan assets and postretirement benefit obligations recognized in OCI include the following:

	Spire			Spire Missouri			Spire Alabama		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Current year actuarial (gain) loss	$ (7.3)	$ (12.2)	$ (45.1)	$ (7.6)	$ (17.3)	$ (47.1)	$ 1.1	$ 5.5	$ 1.6
Amortization of actuarial gain (loss)	2.0	0.5	(0.8)	2.0	0.5	(0.9)	—	—	0.1
Current year prior service credit (cost)	15.8	5.5	—	9.5	4.9	—	6.3	0.6	—
Amortization of current year service cost	—	0.4	—	—	—	—	—	0.4	—
Amortization of prior service (cost) credit	0.5	(0.3)	0.1	0.2	(0.3)	(0.3)	0.3	—	0.4
Subtotal	11.0	(6.1)	(45.8)	4.1	(12.2)	(48.3)	7.7	6.5	2.1
Regulatory adjustment	(11.0)	6.1	45.8	(4.1)	12.2	48.3	(7.7)	(6.5)	(2.1)
Total recognized in OCI	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Pursuant to a MoPSC Order, the return on plan assets is based on the market-related value of plan assets implemented prospectively over a four-year period. Gains and losses not yet includible in postretirement benefit cost are amortized only to the extent that such gain or loss exceeds 10% of the greater of the accumulated postretirement benefit obligation or the market-related value of plan assets. Such excess is amortized over the average remaining service life of active participants. Effective April 18, 2018, the recovery in rates for Spire Missouri's postretirement benefit plans is based on an annual allowance of $8.6. The difference between these amounts and postretirement benefit cost based on the above and that otherwise would be included in the statements of income and statements of comprehensive income is deferred as a regulatory asset or regulatory liability.

The following table sets forth the reconciliation of the beginning and ending balances of the postretirement benefit obligation at September 30:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Benefit obligation, beginning of year	$ 197.3	$ 208.1	$ 147.9	$ 158.8	$ 43.4	$ 43.1
Service cost	5.9	7.4	5.3	6.8	0.4	0.4
Interest cost	6.3	9.0	4.7	6.9	1.4	1.8
Actuarial (gain) loss	0.2	(18.9)	1.7	(19.5)	(0.7)	1.2
Plan amendments	15.8	5.5	9.5	4.9	6.3	0.6
Retiree drug subsidy program	—	0.2	—	0.2	—	—
Benefits paid	(13.2)	(14.0)	(10.7)	(10.2)	(2.5)	(3.7)
Benefit obligation, end of year	$ 212.3	$ 197.3	$ 158.4	$ 147.9	$ 48.3	$ 43.4

The following table sets forth the reconciliation of the beginning and ending balances of the fair value of plan assets at September 30:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Fair value of plan assets at beginning of year	$ 279.8	$ 283.5	$ 188.9	$ 189.5	$ 86.4	$ 89.6
Actual return on plan assets	24.2	9.7	20.8	9.0	3.1	0.5
Employer contributions	0.2	0.6	0.2	0.6	—	—
Benefits paid	(13.2)	(14.0)	(10.7)	(10.2)	(2.5)	(3.7)
Fair value of plan assets, end of year	$ 291.0	$ 279.8	$ 199.2	$ 188.9	$ 87.0	$ 86.4
Funded status of plans, end of year	$ 78.7	$ 82.5	$ 40.8	$ 41.0	$ 38.7	$ 43.0

The following table sets forth the amounts recognized in the balance sheets at September 30:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Noncurrent assets	$ 129.0	$ 118.3	$ 90.3	$ 75.3	$ 38.7	$ 43.0
Current liabilities	(0.5)	(0.5)	(0.5)	(0.5)	—	—
Noncurrent liabilities	(49.8)	(35.3)	(49.0)	(33.8)	—	—
Total	$ 78.7	$ 82.5	$ 40.8	$ 41.0	$ 38.7	$ 43.0

Pre-tax amounts recognized in accumulated other comprehensive loss not yet recognized as components of net periodic postretirement benefit cost consist of:

	Spire		Spire Missouri		Spire Alabama	
	2020	2019	2020	2019	2020	2019
Net actuarial gain	$ (61.7)	$ (56.3)	$ (58.3)	$ (52.6)	$ (1.5)	$ (2.6)

Prior service (credit) cost	15.5	(1.0)	10.4	0.6	5.1	(1.6)
Subtotal	(46.2)	(57.3)	(47.9)	(52.0)	3.6	(4.2)
Adjustments for amounts included in regulatory assets	46.2	57.3	47.9	52.0	(3.6)	4.2
Total	$ —	$ —	$ —	$ —	$ —	$ —

At September 30, 2020, the following pre-tax amounts are expected to be amortized from accumulated other comprehensive loss into net periodic postretirement benefit cost during fiscal 2020:

	Spire	Spire Missouri	Spire Alabama
Amortization of net actuarial gain	$ (1.6)	$ (1.5)	$ —
Amortization of prior service credit	1.0	0.7	0.3
Subtotal	(0.6)	(0.8)	0.3
Regulatory adjustment	0.6	0.8	(0.3)
Total	$ —	$ —	$ —

The assumptions used to calculate net periodic postretirement benefit costs for Spire Missouri are as follows:

	2020	2019	2018
Weighted average discount rate - Spire Missouri plans	3.15%	4.30%	3.60%
Weighted average rate of future compensation increase	3.00%	3.00%	3.00%
Expected long-term rate of return on plan assets - Spire Missouri plans	6.25%	6.25%	5.75%/7.75%

The assumptions used to calculate net periodic postretirement benefit costs for Spire Alabama are as follows:

	2020	2019	2018
Weighted average discount rate	3.15%	4.30%	3.80%
Expected long-term rate of return on plan assets	5.00%/6.25%	5.00%/6.25%	3.75%/6.00%

The discount rate is based on long-term, high quality bond indices at the measurement date. The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset classes in the investment portfolio. Assumed projected rates of return for each asset class were selected after analyzing historical experience and future expectations of the returns. The overall expected rate of return for the portfolio was developed based on the target allocation for each class.

The assumptions used to calculate the accumulated postretirement benefit obligations are as follows:

	2020	2019
Weighted average discount rate - Spire Alabama plans	2.75%	3.15%
Weighted average discount rate - Spire Missouri plans	2.75%	3.15%
Weighted average rate of future compensation increase - Spire Missouri East plans	3.00%	3.00%

The assumed medical cost trend rates at September 30 are as follows:

	2020	2019
Medical cost trend assumed for next year - Spire Missouri	6.50%	6.75%
Medical cost trend assumed for next year - Spire Alabama	6.50%	6.75%
Rate to which the medical cost trend rate is assumed to decline (the ultimate medical cost trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend	2025	2025

The following table presents the effects of an assumed 1% change in the assumed medical cost trend rate:

	Spire		Spire Missouri		Spire Alabama	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Net periodic postretirement benefit cost	$ 0.8	$ (0.7)	$ 0.6	$ (0.6)	$ 0.2	$ (0.1)
Accumulated postretirement benefit obligation	9.7	(8.7)	6.5	(5.9)	2.6	(2.3)

Following are the targeted and actual plan assets by category as of September 30 of each year for Spire Missouri and Spire Alabama:

Spire Missouri	Target	2020 Actual	2019 Actual
Equity securities	60.0%	57.4%	58.4%
Debt securities	40.0%	37.8%	38.8%
Other (cash and cash equivalents held to make benefit payments)	—%	4.8%	2.8%

Total	100.0%	100.0%	100.0%

Spire Alabama	Target	2020 Actual	2019 Actual
Equity securities	60.0%	61.8%	60.3%
Debt securities	40.0%	38.2%	39.7%
Total	100.0%	100.0%	100.0%

Missouri and Alabama state laws provide for the recovery in rates of costs accrued pursuant to GAAP provided that such costs are funded through an independent, external funding mechanism. The Utilities have established Voluntary Employees' Beneficiary Association and Rabbi Trusts as external funding mechanisms. Their investment policies seek to maximize investment returns consistent with their tolerance for risk. Outside investment management specialists are utilized in each asset class. Such specialists are provided with guidelines, where appropriate, designed to ensure that the investment portfolio is managed in accordance with policy. Performance and compliance with the guidelines is regularly monitored. Spire Missouri and Spire Alabama currently invest in mutual funds which are rebalanced periodically to the target allocation. The mutual funds are diversified across U.S. stock and bond markets, and for Spire Alabama, international stock markets.

Following are expected postretirement benefit payments for the succeeding five fiscal years, and in aggregate for the five fiscal years thereafter for Spire, Spire Missouri, and Spire Alabama:

	2021	2022	2023	2024	2025	2026-2030
Spire	$ 14.7	$ 15.4	$ 16.1	$ 16.5	$ 16.6	$ 78.2
Spire Missouri	11.7	12.3	12.9	13.2	13.3	61.7
Spire Alabama	2.7	2.8	2.9	3.0	3.0	14.2

The Utilities' funding policy is to contribute amounts to the trusts equal to the periodic benefit cost calculated pursuant to GAAP as recovered in rates. For Spire Missouri, contributions to the postretirement plans in fiscal 2021 are anticipated to be $4.8 to the qualified trusts and $0.6 paid directly to participants from Spire Missouri funds. It is not anticipated that contributions will be made to the Spire Alabama postretirement plans in fiscal 2021.

Other Plans

Spire Services Inc. sponsors a 401(k) plan that cover substantially all employees of Spire Inc. and its subsidiaries. The plan allows employees to contribute a portion of their base pay in accordance with specific guidelines. The cost of the defined contribution plan for Spire Inc. totaled $13.6, $13.8, and $12.5 for fiscal years 2020, 2019, and 2018, respectively. Spire Missouri provides a match of such contributions within specific limits. The cost of the defined contribution plan for Spire Missouri amounted to $9.5, $10.0, and $9.0 for fiscal years 2020, 2019, and 2018, respectively. Spire Alabama also provides a match of employee contributions within specific limits. The cost of the defined contribution plan for Spire Alabama amounted to $3.4 , $3.1, and $3.0 for fiscal years 2020, 2019, and 2018, respectively.

Fair Value Measurements of Pension and Other Postretirement Plan Assets

Spire

The table below categorizes the fair value measurements of the Spire pension plan assets:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of September 30, 2020				
Cash and cash equivalents	$ 11.5	$ —	$ —	$ 11.5
Equity funds - global (including U.S.)	31.4	195.6	—	227.0
Equity index funds - global (including U.S.)	32.6	—	—	32.6
Debt securities:				
U.S. bond funds	48.9	—	—	48.9
U.S. government index funds	78.3	—	—	78.3
Global funds (including U.S.)	—	74.8	—	74.8
Total	$ 202.7	$ 270.4	$ —	$ 473.1
As of September 30, 2019				
Cash and cash equivalents	$ 42.5	$ —	$ —	$ 42.5
Equity mutual funds - U.S.	40.5	17.0	—	57.5
Equity mutual funds - international	30.1	8.6	—	38.7

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Debt securities:				
U.S. bond mutual funds	34.8	73.9	—	108.7
U.S. government	52.9	9.5	—	62.4
U.S. corporate	143.7	—	—	143.7
U.S. municipal	4.0	—	—	4.0
International	44.1	7.5	—	51.6
Derivatives and margin receivable	0.2	—	—	0.2
103-12 Direct Filing Entities	—	12.5	—	12.5
Total	$ 392.8	$ 129.0	$ —	$ 521.8

The table below categorizes the fair value measurements of Spire's postretirement plan assets:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of September 30, 2020				
Cash and cash equivalents	$ 3.6	$ —	$ —	$ 3.6
U.S. stock/bond mutual funds	199.4	72.2	—	271.6
International fund	1.0	14.8	—	15.8
Total	$ 204.0	$ 87.0	$ —	$ 291.0
As of September 30, 2019				
Cash and cash equivalents	$ 5.3	$ —	$ —	$ 5.3
U.S. stock/bond mutual funds	187.1	71.8	—	258.9
International fund	1.0	14.6	—	15.6
Total	$ 193.4	$ 86.4	$ —	$ 279.8

Cash and cash equivalents include money market mutual funds valued based on quoted market prices. Fair values of derivative instruments are calculated by investment managers who use valuation models that incorporate observable market inputs. Debt securities are valued based on broker/dealer quotations or by using observable market inputs. The stock and bond mutual funds are valued at the quoted market price of the identical securities.

Spire Missouri

The table below categorizes the fair value measurements of Spire Missouri's pension plan assets:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of September 30, 2020				
Cash and cash equivalents	$ 9.5	$ —	$ —	$ 9.5
Equity funds - global (including U.S.)	22.1	137.8	—	159.9
Equity index funds - global (including U.S.)	22.8	—	—	22.8
Debt securities:				
U.S. bond funds	31.0	—	—	31.0
U.S. government index funds	59.6	—	—	59.6
Global funds (including U.S.)	—	53.4	—	53.4
Total	$ 145.0	$ 191.2	$ —	$ 336.2
As of September 30, 2019				
Cash and cash equivalents	$ 41.2	$ —	$ —	$ 41.2
Equity mutual funds - U.S.	—	9.1	—	9.1
Equity mutual funds - international	—	3.3	—	3.3
Debt securities:				
U.S. bond mutual funds	—	73.9	—	73.9
U.S. government	52.9	6.8	—	59.7
U.S. corporate	143.7	—	—	143.7
U.S. municipal	4.0	—	—	4.0
International	44.1	—	—	44.1
Derivatives and margin receivable	0.2	—	—	0.2
Total	$ 286.1	$ 93.1	$ —	$ 379.2

The table below categorizes the fair value measurements of Spire Missouri's postretirement plan assets:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of September 30, 2020				
Cash and cash equivalents	$ 3.0	$ —	$ —	$ 3.0
U.S. stock/bond mutual funds	196.2	—	—	196.2
Total	$ 199.2	$ —	$ —	$ 199.2
As of September 30, 2019				
Cash and cash equivalents	$ 5.2	$ —	$ —	$ 5.2
U.S. stock/bond mutual funds	183.7	—	—	183.7
Total	$ 188.9	$ —	$ —	$ 188.9

Cash and cash equivalents include money market mutual funds valued based on quoted market prices. Fair values of derivative instruments are calculated by investment managers who use valuation models that incorporate observable market inputs. Debt securities are valued based on broker/dealer quotations or by using observable market inputs. The stock and bond mutual funds are valued at the quoted market price of the identical securities.

Spire Alabama

The table below categorizes the fair value measurements of Spire Alabama's pension plan assets:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of September 30, 2020				
Cash and cash equivalents	$ 0.9	$ —	$ —	$ 0.9
Equity funds - global (including U.S.)	6.1	37.5	—	43.6
Equity index funds - global (including U.S.)	6.4	-	—	6.4
Debt securities:				
U.S. bond funds	11.7	—	—	11.7
U.S. government index funds	12.1	—	—	12.1
Global funds (including U.S.)	—	13.9	—	13.9
Total	$ 37.2	$ 51.4	$ —	$ 88.6
As of September 30, 2019				
Cash and cash equivalents	$ 0.8	$ —	$ —	$ 0.8
Equity mutual funds - U.S.	26.5	5.2	—	31.7
Equity mutual funds - international	19.7	3.5	—	23.2
Debt securities:				
U.S. bond mutual funds	22.8	—	—	22.8
U.S. government	—	1.7	—	1.7
International	—	4.9	—	4.9
103-12 Direct Filing Entities	—	8.2	—	8.2
Total	$ 69.8	$ 23.5	$ —	$ 93.3

The table below categorizes the fair value measurements of Spire Alabama's postretirement plan assets:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of September 30, 2020				
U.S. stock/bond mutual funds	$ —	$ 72.2	$ —	$ 72.2
International fund	—	14.8	—	14.8

Total	$ —	$ 87.0	$ —	$ 87.0
As of September 30, 2019				
U.S. stock/bond mutual funds	$ —	$ 71.8	$ —	$ 71.8
International fund	—	14.6	—	14.6
Total	$ —	$ 86.4	$ —	$ 86.4

Cash and cash equivalents include money market mutual funds valued based on quoted market prices. Fair values of derivative instruments are calculated by investment managers who use valuation models that incorporate observable market inputs. Debt securities are valued based on broker/dealer quotations or by using observable market inputs. The stock and bond mutual funds are valued at the quoted market price of the identical securities.

14. INFORMATION BY OPERATING SEGMENT

The Company has two reportable segments: Gas Utility and Gas Marketing. The Gas Utility segment is the aggregation of the operations of the Utilities. The Gas Marketing segment includes the results of Spire Marketing, a subsidiary engaged in the non-regulated marketing of natural gas and related activities, including utilizing natural gas storage contracts for providing natural gas sales. Other components of the Company's consolidated information include:

- unallocated corporate items, including certain debt and associated interest costs;
- Spire STL Pipeline, a subsidiary of Spire which has constructed and, as of November 2019, operates a 65-mile FERC-regulated pipeline to deliver natural gas into eastern Missouri;
- Spire Storage, a subsidiary of Spire providing physical natural gas storage services; and
- Spire's subsidiaries engaged in the operation of a propane pipeline, the compression of natural gas, and risk management, among other activities.

Accounting policies are described in Note 1, Summary of Significant Accounting Policies. Intersegment transactions include sales of natural gas from Spire Marketing to Spire Missouri and Spire Alabama, sales of natural gas from Spire Missouri to Spire Marketing, sales of natural gas from Spire Alabama to Spire Marketing, propane transportation services provided by Spire NGL Inc. to Spire Missouri, and propane storage services provided by Spire Missouri to Spire NGL Inc.

Management evaluates the performance of the operating segments based on the computation of net economic earnings. Net economic earnings exclude from reported net income the after-tax impacts of fair value accounting and timing adjustments associated with energy-related transactions, the impacts of acquisition, divestiture and restructuring activities, and the largely non-cash impacts of other non-recurring or unusual items such as certain regulatory, legislative or GAAP standard-setting actions. In fiscal 2019, this included impacts from ISRS rulings against Spire Missouri. In fiscal 2018, these items included the revaluation of deferred tax assets and liabilities due to the Tax Cuts and Jobs Act and the write-off of certain long-standing assets as a result of disallowances in Spire Missouri's rate proceedings.

2020	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Revenues from external customers	$ 1,751.8	$ 87.9	$ 15.7	$ —	$ 1,855.4
Intersegment revenues	0.2	—	42.1	(42.3)	—
Total Operating Revenues	1,752.0	87.9	57.8	(42.3)	1,855.4
Operating Expenses					
Natural gas	660.2	65.1	0.4	(29.6)	696.1
Other operation and maintenance	421.3	11.8	38.2	(12.7)	458.6
Depreciation and amortization	189.7	0.6	7.0	—	197.3
Taxes, other than income taxes	146.5	1.1	0.8	—	148.4
Impairments	—	—	148.6	—	148.6
Total Operating Expenses	1,417.7	78.6	195.0	(42.3)	1,649.0
Operating Income (Loss)	$ 334.3	$ 9.3	$ (137.2)	$ —	$ 206.4
Net Economic Earnings (Loss)	$ 213.4	$ 9.1	$ (14.7)	$ —	$ 207.8
Capital Expenditures	$ 547.8	$ 3.6	$ 87.0	$ —	$ 638.4

2019	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Revenues from external customers	$ 1,859.2	$ 83.7	$ 9.5	$ —	$ 1,952.4
Intersegment revenues	1.6	—	12.0	(13.6)	—
Total Operating Revenues	1,860.8	83.7	21.5	(13.6)	1,952.4
Operating Expenses					
Natural gas	794.6	47.9	0.5	(2.7)	840.3
Other operation and maintenance	441.7	11.7	31.6	(10.9)	474.1

Depreciation and amortization	179.4	0.1	2.2	—	181.7
Taxes, other than income taxes	151.7	0.8	1.5	—	154.0
Total Operating Expenses	1,567.4	60.5	35.8	(13.6)	1,650.1
Operating Income (Loss)	$ 293.4	$ 23.2	$ (14.3)	$ —	$ 302.3
Net Economic Earnings (Loss)	$ 199.8	$ 19.4	$ (24.1)	$ —	$ 195.1
Capital Expenditures	$ 565.4	$ 3.1	$ 254.8	$ —	$ 823.3

2018	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Revenues from external customers	$ 1,888.0	$ 71.6	$ 5.4	$ —	$ 1,965.0
Intersegment revenues	0.4	—	11.1	(11.5)	—
Total Operating Revenues	1,888.4	71.6	16.5	(11.5)	1,965.0
Operating Expenses					
Natural gas	842.6	30.2	0.3	(1.4)	871.7
Other operation and maintenance	449.7	7.4	30.3	(10.1)	477.3
Depreciation and amortization	167.0	—	1.4	—	168.4
Taxes, other than income taxes	152.5	0.2	0.8	—	153.5
Total Operating Expenses	1,611.8	37.8	32.8	(11.5)	1,670.9
Operating Income (Loss)	$ 276.6	$ 33.8	$ (16.3)	$ —	$ 294.1
Net Economic Earnings (Loss)	$ 183.1	$ 22.9	$ (22.3)	$ —	$ 183.7
Capital Expenditures	$ 457.7	$ —	$ 41.7	$ —	$ 499.4

Total Assets at End of Year	2020	2019	2018
Gas Utility	$ 6,716.2	$ 6,094.6	$ 5,606.7
Gas Marketing	182.7	212.3	295.3
Other	2,443.5	2,692.7	2,508.0
Eliminations	(1,101.2)	(1,380.4)	(1,566.4)
Total Assets	$ 8,241.2	$ 7,619.2	$ 6,843.6

Reconciliation of Consolidated Net Income to Consolidated Net Economic Earnings	2020	2019	2018
Net Income	$ 88.6	$ 184.6	$ 214.2
Adjustments, pre-tax:			
Impairments	148.6	—	—
Provision for ISRS rulings	—	12.2	—
Missouri regulatory adjustments	—	—	30.6
Fair value and timing adjustments	2.5	1.2	(4.3)
Acquisition, divestiture and restructuring activities	—	0.4	13.6
Income tax effect of adjustments	(31.9)	(3.3)	(10.3)
Effect of the Tax Cuts and Jobs Act	—	—	(60.1)
Net Economic Earnings	$ 207.8	$ 195.1	$ 183.7

15. REGULATORY MATTERS

As discussed below for Spire Missouri and Spire Alabama, the Purchased Gas Adjustment (PGA) clauses and Gas Supply Adjustment (GSA) riders allow the Utilities to pass through to customers the cost of purchased gas supplies. Regulatory assets and regulatory liabilities related to the PGA clauses and the GSA rider are both labeled Unamortized Purchased Gas Adjustments herein.

The following regulatory assets and regulatory liabilities were reflected in the Balance Sheets as of September 30, 2020 and 2019.

	Spire		Spire Missouri		Spire Alabama	
September 30	2020	2019	2020	2019	2020	2019
Regulatory Assets:						
Current:						
Pension and postretirement benefit costs	$ 30.6	$ 30.1	$ 21.9	$ 21.9	$ 7.7	$ 7.3
Unamortized purchased gas adjustments	5.5	18.2	—	—	5.5	17.7

Other	33.4	30.3	10.2	7.5	7.2	8.9
Total Current Regulatory Assets	69.5	78.6	32.1	29.4	20.4	33.9
Noncurrent:						
Future income taxes due from customers	123.5	111.0	114.6	102.9	2.2	2.2
Pension and postretirement benefit costs	439.3	416.6	332.6	333.3	98.2	77.2
Cost of removal	395.6	150.9	7.1	—	388.6	150.9
Unamortized purchased gas adjustments	12.1	9.1	12.1	9.1	—	—
Energy efficiency	39.6	35.0	39.6	35.0	—	—
Other	59.3	45.0	42.7	27.2	0.9	0.9
Total Noncurrent Regulatory Assets	1,069.4	767.6	548.7	507.5	489.9	231.2
Total Regulatory Assets	$ 1,138.9	$ 846.2	$ 580.8	$ 536.9	$ 510.3	$ 265.1
Regulatory Liabilities:						
Current:						
Pension and postretirement benefit costs	$ 5.8	$ 5.8	$ 3.6	$ 3.6	$ 2.2	$ 2.2
Unamortized purchased gas adjustments	73.1	26.2	72.3	25.4	—	—
Other	34.1	28.8	27.3	23.3	1.7	1.2
Total Current Regulatory Liabilities	113.0	60.8	103.2	52.3	3.9	3.4
Noncurrent:						
Deferred taxes due to customers	138.8	179.8	121.4	162.5	—	—
Pension and postretirement benefit costs	157.6	142.3	140.4	119.1	14.8	19.1
Accrued cost of removal	28.6	41.6	—	15.7	—	—
Unamortized purchased gas adjustments	4.4	—	4.4	—	—	—
Other	14.3	35.3	8.6	29.2	3.7	3.9
Total Noncurrent Regulatory Liabilities	343.7	399.0	274.8	326.5	18.5	23.0
Total Regulatory Liabilities	$ 456.7	$ 459.8	$ 378.0	$ 378.8	$ 22.4	$ 26.4

A portion of the Company's regulatory assets are not earning a return and are shown in the schedule below:

	Spire		Spire Missouri	
September 30	2020	2019	2020	2019
Pension and postretirement benefit costs	$ 232.3	$ 211.1	$ 232.3	$ 211.1
Future income taxes due from customers	121.3	108.8	114.6	102.9
Other	12.9	14.3	12.9	14.3
Total Regulatory Assets Not Earning a Return	$ 366.5	$ 334.2	$ 359.8	$ 328.3

Like all the Company's regulatory assets, these regulatory assets are expected to be recovered from customers in future rates. The recovery period for the future income taxes due from customers and pension and other postretirement benefit costs could be 20 years or longer, based on current Internal Revenue Service guidelines and average remaining service life of active participants, respectively. The other items not earning a return are expected to be recovered over a period not to exceed 15 years, consistent with precedent set by the MoPSC. Spire Alabama does not have any regulatory assets that are not earning a return.

Spire Missouri

As authorized by the MoPSC, the PGA clause allows Spire Missouri to flow through to customers, subject to prudence review by the MoPSC, the cost of purchased gas supplies. To better match customer billings with market natural gas prices, Spire Missouri is allowed to file to modify, on a periodic basis, the level of gas costs in its PGA. Certain provisions of the PGA clause are included below:

- Spire Missouri has a risk management policy that allows for the purchase of natural gas derivative instruments with the goal of managing price risk associated with purchasing natural gas on behalf of its customers. The MoPSC clarified that costs, cost reductions, and carrying costs associated with the Utility's use of natural gas derivative instruments are gas costs recoverable through the PGA mechanism.
- The tariffs allow Spire Missouri flexibility to make up to three discretionary PGA changes during each year, in addition to its mandatory November PGA change, so long as such changes are separated by at least two months.
- Spire Missouri is authorized to apply carrying costs to all over- or under-recoveries of gas costs, including costs and cost reductions associated with the use of derivative instruments, including cash payments for margin deposits.
- The MoPSC approved a plan applicable to Spire Missouri's gas supply commodity costs under which it retains a portion of cost savings associated with the acquisition of natural gas below an established benchmark level. This gas supply cost management program allows Spire Missouri to retain 10% of cost savings, up to a maximum of $3.0 annually. Spire Missouri did not record any such incentive compensation under the plan during the three fiscal years reported. Incentives recorded under the plan, if any, are included in Gas Utility Operating Revenues on the Consolidated Statements of Income and under Operating Revenues on Spire Missouri's Statements of Comprehensive Income.

Pursuant to the provisions of the PGA clause, the difference between actual costs incurred and costs recovered through the application of the PGA clause are reflected as a deferred charge or credit at the end of the fiscal year. At that time, the balance is classified as a current asset or current liability and recovered from, or credited to, customers over an annual period commencing in November. The balance in the current account is amortized as amounts are reflected in customer billings.

The PGA clause also provides for the treatment of income from off-system sales and capacity release revenues. Pre-tax income from off-system sales and capacity release revenues is shared with customers, with an estimated amount assumed in PGA rates. The difference between the actual amount allocated to customers for each fiscal year and the estimated amount assumed in PGA rates is recovered from, or credited to, customers over an annual period commencing in the subsequent November. Before April 19, 2018, the customer share of such income ranged from 70% to 85%. In the latest rate cases (discussed in the following paragraphs), the multiple sharing tiers and percentages were eliminated in favor of a single sharing percentage under which customers receive 75% (and Spire Missouri receives 25%) of the net margins achieved as a result of such off-system sales and capacity releases.

On March 7, 2018, the MoPSC issued its order in two general rate cases (docketed as GR-2017-0215 and GR-2017-0216), approving new tariffs that became effective on April 19, 2018. Certain provisions of the order allow less future recovery of certain deferred or capitalized costs than estimated based upon previous rate proceedings, and management determined that the related regulatory assets should be written down or off in connection with the preparation of the financial statements for the second quarter of 2018. The charges totaled $38.4 for the year ended September 30, 2018, and are included primarily in operation and maintenance expense on the statements of income and in other cash flows from operating activities on the statements of cash flows. The after-tax reduction to net income and earnings per share was $23.6 and $0.49, respectively. The charges related to the long-standing pension and real estate assets, totaling $30.6, were excluded in the determination of 2018 net economic earnings, as shown in Note 14, Information by Operating Segment. On April 25, 2018, Spire Missouri filed an appeal of the MoPSC's order related to the disallowance of certain pension costs incurred prior to 1997 ($28.8), real estate sold in 2014 ($1.8), and rate case expenses ($0.9) to Missouri's Southern District Court of Appeals. On March 15, 2019, the appeal was denied by the Southern District Court of Appeals, and Spire Missouri requested review by the Missouri Supreme Court, which agreed to take the case. Oral arguments were made before the Missouri Supreme Court on January 29, 2020. The case is awaiting a decision.

Spire Missouri filed Infrastructure System Replacement Surcharge (ISRS) applications which were approved by the MoPSC and the costs associated therewith were included in new tariffs that went into effect from its last general rate cases on April 19, 2018. Since then, ISRS filings became effective on October 8, 2018, May 25, 2019, November 16, 2019, and May 25, 2020, bringing total authorized future annualized ISRS revenues for Spire Missouri to $40.3 as of September 30, 2020. An incremental $7.0 annualized ISRS rate increase was approved by the MoPSC on November 12, 2020, this increase is expected to be effective in late November or early December 2020.

On November 19, 2019, the Missouri Western District Court of Appeals issued rulings ("ISRS rulings") that determined certain capital investments in 2016 through 2018 were not eligible for recovery under the ISRS. The ISRS rulings upheld appeals by the OPC that contested recovery of portions of Spire Missouri's ISRS and overturned the three prior MoPSC decisions. As a result of the rulings, Spire Missouri recorded a $12.2 provision for fiscal year 2019 and an additional $4.8 in the first half of fiscal year 2020. In the third quarter of fiscal 2020, Spire Missouri reached a settlement with the MoPSC staff and the OPC to resolve these cases, which was subsequently approved by the MoPSC. Pursuant to the settlement, Spire Missouri has made a customer refund in the total amount of $15.0 as a one-time bill credit issued in August 2020. The favorable difference between the total provision and the actual settlement was recorded to earnings in the third quarter.

Additional ISRS appeals were taken by Spire Missouri and the OPC relating to the January 2019 ISRS filings with annual authorized revenue of $12.4, as approved by the MoPSC effective May 25, 2019, and the July 2019 ISRS filings with annual authorized revenue totaling $8.8, which was approved by the MoPSC effective November 16, 2019. The January 2019 ISRS decision has been upheld by the Western District, resulting in no revenue change or customer refund. On October 20, 2020, the Western District issued its opinion in the July 2019 case upholding the MoPSC's decision, resulting in no revenue change or customer refund.

House Bill 2120 was passed by the General Assembly on May 15, 2020, and signed into law by Missouri Governor Parson on July 2, 2020, clarifying which infrastructure investments qualify for ISRS recovery under the statute governing the ISRS mechanism. The provisions of the bill became effective August 28, 2020, and apply to new ISRS applications made on or after that date.

In September 2020, Spire Missouri, the MoPSC staff and the OPC reached a Unanimous Stipulation and Agreement regarding Spire Missouri's request for an Accounting Authority Order (AAO) pertaining to certain costs and lost customer fee revenue related to the COVID-19 pandemic. In October 2020, the MoPSC issued an order approving that agreement and granting an AAO. Accordingly, Spire Missouri recorded a regulatory asset of $3.8 as of September 30, 2020, related to the deferral of applicable costs and is tracking lost customer fee revenue. All ratemaking treatment of the deferrals and any revenue recoveries is reserved for consideration in Spire Missouri's next general rate case.

On October 8, 2020, Spire Missouri filed a Notice of Intended Rate Case Filing with the MoPSC, indicating its intention to initiate a general base rate case more than 60 days following the filing of the notice. The notice indicates Spire Missouri's intention to seek rate recovery for investments made since its last general rate case, as well as a need to reset the ISRS cap which has been reached for its western operating unit. The notice further indicates Spire Missouri's intention to further unify its operating units through the anticipated tariff filings.

Spire Alabama

Effective January 1, 2014, Spire Alabama's allowed range of return on average common equity (ROE) was 10.5% to 10.95% with an adjusting point of 10.8%. Spire Alabama was eligible to receive a performance-based adjustment of 5 basis points to the ROE adjusting point, based on meeting certain customer satisfaction criteria. Under its Rate Stabilization and Equalization (RSE) rate-setting process, the APSC conducts quarterly reviews to determine whether Spire Alabama's ROE at the end of the rate year will be within the allowed range of return. Reductions in rates can be made quarterly to bring the projected ROE within the allowed range; increases, however, are allowed only once each rate year, effective December 1, and cannot exceed 4% of prior-year revenues. In October 2018, the APSC approved the renewal of RSE through September 30, 2022, with several modifications. Effective October 1, 2018, Spire Alabama's allowed range of ROE is 10.15% to 10.65% with an adjusting point of 10.4%. Spire Alabama is eligible to receive a performance-based adjustment of +/- 10 basis point to the ROE adjusting point, based upon the terms of the newly approved Accelerated Infrastructure Modernization (AIM) Program tariff. The 5-basis point adjustment for certain customer satisfaction criteria has been removed. Other modifications include an equity limitation as a percent of total capitalization from 56.5% to 55.5% and adjustments to the Cost Control Measure (CCM) as noted below.

On November 25, 2019, Spire Alabama filed an increase for rate year 2020 of $5.9, which became effective December 1, 2019. On October 26, 2020, Spire Alabama made its annual RSE rate filing with the APSC, presenting the utility's budget for the fiscal year ending September 30, 2021, including net income and a calculation of allowed ROE. The AIM mechanism provides for a 10 basis-point increase in the allowed ROE each year if a prescribed number of pipeline miles are replaced. Spire Alabama exceeded the threshold for 2020 and accordingly filed for a 10.5% ROE for fiscal 2021.

Spire Alabama's rate schedules for natural gas distribution charges contain a GSA rider which permits the pass-through to customers of changes in the cost of gas supply. Spire Alabama's tariff provides a temperature adjustment mechanism, also included in the GSA rider, which is designed to moderate the impact of departures from normal temperatures on Spire Alabama's earnings. The temperature adjustment applies primarily to residential, small commercial and small industrial customers. Other non-temperature weather-related conditions that may affect customer usage are not included in the temperature adjustment. In November 2019, the APSC approved Spire Alabama's proposal to establish a mechanism under its GSA rider allowing the utility to create value through off-system sales of excess natural gas supply and capacity and to retain 25% of the value created while giving 75% of the value to customers. The mechanism was effective with the establishment of new rates on December 1, 2019. Spire Alabama filed a GSA rate decrease effective February 1, 2020, of approximately $13.9 (on an annual basis) primarily attributable to lower natural gas prices and results of the off-system sale and capacity release share program.

The inflation-based CCM, established by the APSC, allows for annual increases to operation and maintenance ("O&M") expense. If rate year O&M expense falls within the index range, no adjustment is required. If rate year O&M expense exceeds the index range, three-quarters of the difference is returned to customers through future rate adjustments. To the extent rate year O&M is less than the index range, Spire Alabama benefits by one-half of the difference through future rate adjustments. Certain items that fluctuate based on situations demonstrated to be beyond Spire Alabama's control may be excluded from the CCM calculation. Before fiscal 2019, the CCM index range was Spire Alabama's 2007 actual rate year O&M expense inflation-adjusted based on the June Consumer Price Index For All Urban Consumers (CPI-U) each rate year, plus or minus 1.75%. Effective October 1, 2018, the CCM is calculated based upon O&M expense per customer and the index range is Spire Alabama's actual 2018 O&M expense adjusted for inflation and adjusted by 2/3 and 1/3 of the 2018 CCM differential (amount below the CCM range in 2018) in 2019 and 2020, respectively, plus or minus 1.50%. As of September 30, 2020, Spire Alabama recorded an RSE point of test giveback of $3.0 and a CCM benefit of $5.2 for rate year 2020, which will both be reflected in rates effective December 1, 2020. The CCM benefit was $5.9 for rate year 2019 and $9.7 for rate year 2018.

On June 28, 2010, the APSC approved a reduction in depreciation rates, effective June 1, 2010, and a regulatory liability to be recorded for Spire Alabama. Refunds from such negative salvage liability were passed back to eligible customers on a declining basis through lower tariff rates through rate year 2019 pursuant to the terms of the Negative Salvage Rebalancing (NSR) rider. The total amount refundable to customers was subject to adjustments for charges made to the Enhanced Stability Reserve (ESR) and other APSC-approved charges. The refunds were due to a re-estimation of future removal costs provided for through the prior depreciation rates. For fiscal 2019 and 2018, NSR amounts returned to customers were approximately $4.2 and $7.2, respectively.

The APSC approved an ESR in 1998, which was subsequently modified and expanded in 2010. As currently approved, the ESR provides deferred treatment and recovery for the following: (1) extraordinary O&M expenses related to environmental response costs; (2) extraordinary O&M expenses related to self-insurance costs that exceed $1.0 per occurrence; (3) extraordinary O&M expenses, other than environmental response costs and self-insurance costs, resulting from a single force majeure event or multiple force majeure events greater than $0.3 and $0.4, respectively, during a rate year; and (4) negative individual large commercial and industrial customer budget revenue variances that exceed $0.4 during a rate year. Spire Alabama is tracking costs and other impacts of COVID-19 in anticipation that some of these items could be recoverable under its ESR, but no related changes to regulatory assets or liabilities have been recorded to date. Charges to the ESR are subject to certain limitations which may disallow deferred treatment and which prescribe the timing of recovery. Funding to the ESR is provided as a reduction to the refundable negative salvage balance over its nine-year term beginning December 1, 2010. Subsequent to the nine-year period and subject to APSC authorization, Spire Alabama expects to be able to recover underfunded ESR balances over a five-year amortization period with an annual limitation of $0.7. Amounts in excess of this limitation are deferred for recovery in future years.

Spire Alabama has APSC approval for an intercompany revolving credit agreement allowing Spire Alabama to borrow from Spire in a principal amount not to exceed $200.0 at any time outstanding in combination with its bank line of credit, and to loan to Spire in a principal amount not to exceed $25.0 at any time outstanding. Borrowings may be used for the following purposes: (a) meeting increased working capital requirements; (b) financing construction requirements related to additions, extensions, and replacements of the distribution systems; and (c) financing other expenditures that may arise from time to time in the normal course of business. In fiscal 2019, the APSC approved Spire Alabama's applications for $90.0 and $100.0 of long-term debt financing (issued January 15, 2019, and December 2, 2019, respectively). On March 24, 2020, the APSC approved an application for up to $150.0 of additional long-term debt financing for Spire Alabama.

Spire

In addition to those discussed above for Spire Missouri and Spire Alabama, Spire is affected by the following regulatory matters.

Spire Gulf has similar rate regulation to Spire Alabama. The RSE allowed range of ROE is 10.45% to 10.95% with an adjusting point of 10.7%. The CCM has the same return and similar recovery provisions when expenses exceed or are under a band of +/-1.50% around the CPI-U inflated O&M per customer expense level from 2017, excluding expenses for pensions and gas bad debt. Additionally, it has a Cast Iron Main Replacement factor that provides an enhanced return on the pro-rata costs associated with cast iron main replacement exceeding 10 miles per year based on a 75% weighting for the equity content. Spire Gulf also has an ESR for negative revenue variances over $0.1 or a force majeure event expense of $0.1 (or two events that exceed $0.15), a Self Insurance Reserve for general liability coverage, and an Environmental Cost Recovery Factor that recovers 90% of prudently incurred costs for compliance with environmental laws, rules and regulations. It also has an APSC-approved intercompany revolving credit agreement with Spire to borrow in a principal amount not to exceed $50.0, and to loan up to $25.0. Spire Gulf recorded a July 31, 2020, point of test refund under the RSE rate mechanism for approximately $1.4 and also recorded a CCM benefit for rate year 2020 of $1.8. On October 23, 2020, Spire Gulf made its annual RSE rate filing with the APSC based on its budget for fiscal 2021 and an allowed ROE of 10.7%, reflecting an increase in annual revenue of $1.1, pending APSC review.

Spire Gulf's rates were reduced $1.9 effective February 1, 2018, to reflect lower income taxes resulting from the TCJA.

Spire Mississippi utilizes a formula rate-making process under the Rate Stabilization Adjustment (RSA) Rider. It is based on a formulaically derived return on equity (currently 9.79%), and is updated on an annual basis if the equity return on an end of period rate base is beyond the allowed return on equity by 1.0%, with 75% of any shortfall recovered through a rate increase and 50% of any excess resulting in a rate decrease. Updates may include known and measurable adjustments to historic costs from the 12 months ended June 30, submitted September 15 for an effective date of November 1, unless disputed by the Mississippi Public Utilities Staff (MPUS), with any disputes to be resolved by the MSPSC by January 15 of the following year. In December 2015, a Supplemental Growth Rider (SGR) was approved for a 3-year period to provide recovery of certain system expansion projects. On September 4, 2018, the SGR was extended to October 15, 2021. On February 5, 2019, the MSPSC approved an agreement between Spire Mississippi and the MPUS settling its Rates Stabilization and Adjustments filing that was made on September 14, 2018, resulting in a $0.7 increase in the annualized revenue requirement. New rates became effective March 1, 2019. On December 11, 2019, the MSPSC approved an agreement between Spire Mississippi and the MPUS settling its RSA filing that was made on August 30, 2019, resulting in a $0.3 increase in annual revenue. New rates became effective December 11, 2019. On August 28, 2020, Spire Mississippi filed its RSA for the rate year ended June 30, 2020, that reflected an increase to annual revenue totaling $0.6. This RSA filing is being reviewed by the MPUS.

In August 2018, the Federal Energy Regulatory Commission (FERC) approved an order issuing a Certificate of Public Convenience and Necessity for the Spire STL Pipeline ("August 2018 Order"), and in November 2018, the FERC issued a Notice to Proceed, allowing construction to begin. In November 2019, Spire STL Pipeline received FERC authorization to place the STL Pipeline into service. Also, in November 2019, the FERC issued an Order on Rehearing of the August 2018 Order dismissing or denying the outstanding requests for rehearing filed by several parties, dismissing the request for stay filed by one party, and noting the withdrawal of the request for rehearing by another party. On January 21, 2020, two of the rehearing parties filed petitions for review of the FERC's orders with the U.S. Court of Appeals for the District of Columbia Circuit. Spire STL Pipeline and Spire Missouri have intervened and filed responsive briefs in this proceeding, which remains pending.

In August 2019, Spire Storage filed with the FERC two Prior Notice Applications of its intent to convert a total of six existing observation wells into injection/withdrawal wells and to install related gas flowlines, fuel gas lines and fiber optic communication. The applications cleared FERC authorization in October and November 2019, and both projects remain under development. On October 9, 2020, Spire Storage filed with the FERC an Abbreviated Application for an Amendment of Certificate of Public Convenience and Necessity, Reaffirmation of Market-Based Rate Authority, and Related Authorizations pursuant to Section 7(c) of the Natural Gas Act. The application requests authorization to expand capacity and increase pipeline connectivity at certain of Spire Storage's natural gas storage facilities in Wyoming.

16. COMMITMENTS AND CONTINGENCIES

Commitments

The Company and the Utilities have entered into contracts with various counterparties, expiring on dates through 2032, for the storage, transportation, and supply of natural gas. Minimum payments required under the contracts in place at September 30, 2020, are estimated at $1,745.4, $1,410.3 and $229.7 for the Company, Spire Missouri and Spire Alabama, respectively. Additional contracts are generally entered into prior to or during the heating season of November through April. The Utilities recover their costs from customers in accordance with their PGA clauses or GSA riders.

Spire NGL Inc. is providing liquid propane transportation service to Spire Missouri pursuant to an approved FERC tariff and a contractual arrangement with Spire Missouri. In accordance with the terms of that agreement, Spire Missouri is obligated to pay Spire NGL Inc. approximately $1.0 annually, at current rates. The agreement will terminate March 31, 2021.

A consolidated subsidiary is a general partner in an unconsolidated partnership that invests in real estate partnerships. The subsidiary and third parties are jointly and severally liable for the payment of mortgage loans in the aggregate outstanding amount of approximately $1.2 incurred in connection with various real estate ventures. Spire has no reason to believe that the other principal liable parties will not be able to meet their proportionate share of these obligations. Spire further believes that the asset values of the real estate properties are sufficient to support these mortgage loans.

Contingencies

The Company and the Utilities account for contingencies, including environmental liabilities, in accordance with accounting standards under the loss contingency guidance of ASC Topic 450, *Contingencies*, when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

In addition to matters noted below, the Company and the Utilities are involved in other litigation, claims, and investigations arising in the normal course of business. Management, after discussion with counsel, believes the final outcome will not have a material effect on the statements of income, balance sheets, and statements of cash flows of the Company, Spire Missouri, or Spire Alabama. However, there is uncertainty in the valuation of pending claims and prediction of litigation results.

The Company and the Utilities own and operate natural gas distribution, transmission, and storage facilities, the operations of which are subject to various environmental laws, regulations, and interpretations. While environmental issues resulting from such operations arise in the ordinary course of business, such issues have not materially affected the Company's or Utilities' financial position and results of operations. As environmental laws, regulations, and their interpretations change, the Company or the Utilities may incur additional environmental liabilities that may result in additional costs, which may be material.

In the natural gas industry, many gas distribution companies have incurred environmental liabilities associated with sites they or their predecessor companies formerly owned or operated where manufactured gas operations took place. The Utilities each have former manufactured gas plant (MGP) operations in their respective service territories. To the extent costs are incurred associated with environmental remediation activities, the Utilities would request authority from their respective regulators to defer such costs (less any amounts received from insurance proceeds or as contributions from other potentially responsible parties (PRPs)) and collect them through future rates.

Spire Missouri

Spire Missouri has identified three former MGP sites in the city of St. Louis, Missouri (the "City") where costs have been incurred and claims have been asserted. Spire Missouri has enrolled two of the sites in the Missouri Department of Natural Resources (MDNR) Brownfields/Voluntary Cleanup Program (BVCP). The third site is the result of a relatively new claim assertion by the United States Environmental Protection Agency (EPA).

In conjunction with redevelopment of one of the sites, Spire Missouri and another former owner of the site entered into an agreement (the "Remediation Agreement") with the City development agencies, the developer, and an environmental consultant that obligates one of the City agencies and the environmental consultant to remediate the site and obtain a No Further Action letter from the MDNR. The Remediation Agreement also provides for a release of Spire Missouri and the other former site owner from certain liabilities related to the past and current environmental condition of the site and requires the developer and the environmental consultant to maintain certain insurance coverage, including remediation cost containment, premises pollution liability, and professional liability. The operative provisions of the Remediation Agreement were triggered on December 20, 2010, on which date Spire Missouri and the other former site owner, as full consideration under the Remediation Agreement, paid a small percentage of the cost of remediation of the site.

Spire Missouri has not owned the second site for many years. In a letter dated June 29, 2011, the Attorney General for the State of Missouri informed Spire Missouri that the MDNR had completed an investigation of the site. The Attorney General requested that

Spire Missouri participate in the follow up investigations of the site. In a letter dated January 10, 2012, Spire Missouri stated that it would participate in future environmental response activities at the site in conjunction with other PRPs that are willing to contribute to such efforts in a meaningful and equitable fashion. Accordingly, Spire Missouri entered into a cost sharing agreement for remedial investigation with other PRPs. To date, MDNR has not approved the agreement, so remedial investigation has not yet occurred.

Additionally, in correspondence dated November 30, 2016, Region 7 of the EPA has asserted that Spire Missouri is liable under Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) for alleged coal gas waste contamination at a third site in the northern portion of the City on which Spire Missouri operated a MGP. Spire Missouri has not owned or operated the site (also known as Station "B") for over 70 years. Spire Missouri and the site owner have met with the EPA and reviewed its assertions. Both Spire Missouri and the site owner have notified the EPA that information and data provided by the EPA to date does not rise to the level of documenting a threat to the public health or environment. As such, Spire Missouri requested more information from the EPA, some of which would also be utilized to identify other former owners and operators of the site that could be added as PRPs. To date, Spire Missouri has not received a response from the EPA.

Spire Missouri has notified its insurers that it seeks reimbursement for costs incurred in the past and future potential liabilities associated with these MGP sites. While some of the insurers have denied coverage and reserved their rights, Spire Missouri retains the right to seek potential reimbursements from them.

On March 10, 2015, Spire Missouri received a Section 104(e) information request under CERCLA from EPA Region 7 regarding the former Thompson Chemical/Superior Solvents site in the City. In turn, Spire Missouri issued a Freedom of Information Act (FOIA) request to the EPA on April 3, 2015, in an effort to identify the basis of the inquiry. The FOIA response from the EPA was received on July 15, 2015, and a response was provided to the EPA on August 15, 2015. Spire Missouri has received no further inquiry from the EPA regarding this matter.

In its western service area, Spire Missouri has seven owned MGP sites enrolled in the BVCP, including Joplin MGP #1, St. Joseph MGP #1, Kansas City Coal Gas Station B, Kansas City Station A Railroad area, Kansas City Coal Gas Station A North, Kansas City Coal Gas Station A South, and Independence MGP #2. Source removal has been conducted at all of the owned sites since 2003 with the exception of Joplin. On September 15, 2016, a request was made with the MDNR for a restrictive covenant use limitation with respect to Joplin. Remediation efforts at the seven sites are at various stages of completion, ranging from groundwater monitoring and sampling following source removal activities to the aforementioned request in respect to Joplin. As part of its participation in the BVCP, Spire Missouri communicates regularly with the MDNR with respect to its remediation efforts and monitoring activities at these sites. On May 11, 2015, MDNR approved the next phase of investigation at the Kansas City Station A North and Railroad areas.

To date, costs incurred for all Spire Missouri's MGP sites for investigation, remediation and monitoring these sites have not been material. However, the amount of costs relative to future remedial actions at these and other sites is unknown and may be material. The actual future costs that Spire Missouri may incur could be materially higher or lower depending upon several factors, including whether remediation will be required, final selection and regulatory approval of any remedial actions, changing technologies and government regulations, the ultimate ability of other PRPs to pay, and any insurance recoveries.

In 2013, Spire Missouri retained an outside consultant to conduct probabilistic cost modeling of 19 former MGP sites owned or operated by Spire Missouri. The purpose of this analysis was to develop an estimated range of probabilistic future liability for each site. That analysis, completed in August 2014, provided a range of demonstrated possible future expenditures to investigate, monitor and remediate all 19 MGP sites. Spire Missouri has recorded its best estimate of the probable expenditures that relate to these matters. The amount is not material.

Spire Missouri and the Company do not expect potential liabilities that may arise from remediating these sites to have a material impact on their future financial condition or results of operations.

Spire Alabama

Spire Alabama is in the chain of title of nine former MGP sites, four of which it still owns, and five former manufactured gas distribution sites, one of which it still owns. Spire Alabama does not foresee a probable or reasonably estimable loss associated with these sites. Spire Alabama and the Company do not expect potential liabilities that may arise from remediating these sites to have a material impact on their future financial condition or results of operations.

In 2012, Spire Alabama responded to an EPA Request for Information Pursuant to Section 104 of CERCLA relating to the 35th Avenue Superfund Site located in North Birmingham, Jefferson County, Alabama. Spire Alabama was identified as a PRP under CERCLA for the cleanup of the site or costs the EPA incurs in cleaning up the site. At this point, Spire Alabama has not been provided information that would allow it to determine the extent, if any, of its potential liability with respect to the 35th Avenue Superfund Site and vigorously denies its inclusion as a PRP.

Spire

In addition to those discussed above for Spire Missouri and Spire Alabama, Spire is aware of the following contingent matter.

In February 2018, the Company was made aware of a complaint filed with the U.S. Department of Housing and Urban Development

(HUD) by the South Alabama Center for Fair Housing and the National Community Reinvestment Coalition. The complaint alleges that Spire Gulf discriminated against unspecified residents of Eight Mile, Alabama, on the basis of race in violation of the Fair Housing Act by failing to adequately address the odorant release that occurred in 2008. The Company believes there is no basis for the complaint, HUD has no jurisdiction in the matter, and there will be no material impact on its future financial condition or results of operations.

17. LEASES

The lease agreement covering the Company's primary office space in St. Louis extends through February 2035, with an option to renew for an additional five years. Spire Alabama's lease agreement for office space in Birmingham extends through January 2024. The lease agreement covering Spire Marketing and Spire Storage office space in Houston extends through December 2028, with options to terminate three years earlier or to renew for an additional five years. The renewal options in the St. Louis and Houston leases are reasonably certain to be exercised and are included in the lease term used to determine the right-of use assets and lease liabilities. The Company and its subsidiaries have other relatively minor rental arrangements for real estate and equipment with remaining terms of up to ten years.

Operating lease cost, cash flow and noncash information for the year ended September 30, 2020, are shown in the following table.

	Spire	Spire Missouri	Spire Alabama
Operating lease cost, including amounts capitalized	$ 8.7	$ 0.5	$ 3.5
Cash flow and noncash information about operating leases:			
Operating cash flows representing cash paid for amounts included in the measurement of lease liabilities	8.5	0.5	3.3
Right-of-use assets obtained in exchange for lease liabilities	71.1	2.1	10.0

The following table shows balance sheet and weighted-average information about operating leases as of September 30, 2020.

	Balance sheet classification	Spire	Spire Missouri	Spire Alabama
Right-of-use assets	Deferred Charges and Other Assets: Other	$ 65.1	$ 1.7	$ 6.7
Lease liabilities, current	Current Liabilities, Other	6.5	0.3	1.9
Lease liabilities, noncurrent	Deferred Credits and Other Liabilities: Other	58.4	1.4	4.7
Weighted-average remaining lease term		15.9 years	5.3 years	3.3 years
Weighted-average discount rate		4.2%	2.5%	2.2%

Following is a maturity analysis by fiscal year for operating lease liabilities as of September 30, 2020.

	Spire	Spire Missouri	Spire Alabama
2021	$ 6.6	$ 0.3	$ 1.9
2022	7.2	0.4	2.1
2023	7.2	0.3	2.1
2024	5.8	0.3	0.7
2025	5.1	0.3	—
Thereafter	58.4	0.2	—
Total undiscounted lease payments	90.3	1.8	6.8
Less present value discount	(25.4)	(0.1)	(0.2)
Total current and noncurrent lease liabilities	$ 64.9	$ 1.7	$ 6.6

The aggregate rental expense for fiscal years 2018 and 2019 and the annual minimum rental commitments for all leases having an initial or remaining non-cancelable term of more than one year as of September 30, 2019, were as follows (under ASC 840).

	Aggregate Rental Expense		Minimum Rental Commitments as of September 30, 2019						
	2018	2019	2020	2021	2022	2023	2024	Later	Total
Spire	$ 10.0	$ 10.9	$ 8.2	$ 7.0	$ 6.8	$ 6.1	$ 4.8	$ 36.5	$ 69.4
Spire Missouri	3.6	3.7	0.5	0.2	—	—	—	—	0.7
Spire Alabama	4.7	5.2	2.9	2.1	2.1	2.1	0.7	—	9.9

There are no significant finance leases, short-term leases, subleases, variable lease payments, residual value guarantees, restrictions or covenants pertaining to leases.

The Company elected, for all asset classes, not to recognize right-of-use assets and lease liabilities for short-term leases. Instead, the lease payments are recognized in profit or loss on a straight-line basis over the lease term and variable lease payments are recognized in the period in which the obligation for those payments is incurred. The Company elected, for all asset classes, not to separate nonlease components from lease components and instead to account for each separate lease component and the nonlease components associated with that lease component as a single lease component.

The discount rate used for all the leases is the applicable incremental borrowing rate, which is the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. For a subsidiary lessee, the rate applicable to the subsidiary is used unless the lease terms are influenced by parent credit.

18. INTERIM FINANCIAL INFORMATION (UNAUDITED)

Spire

In the opinion of Spire, the quarterly information presented below for fiscal years 2020 and 2019 includes all adjustments necessary for a fair statement of the results of operations for such periods. Variations in consolidated operations reported on a quarterly basis primarily reflect the seasonal nature of the business of the Utilities.

Three Months Ended	Dec. 31	March 31	June 30	Sept. 30
Fiscal Year 2020				
Total Operating Revenues	$ 566.9	$ 715.5	$ 321.1	$ 251.9
Operating Income (Loss)	102.3	210.5	(106.5)	0.1
Net Income (Loss)	67.0	133.6	(92.3)	(19.7)
Basic Earnings (Loss) Per Share of Common Stock	$ 1.24	$ 2.55	$ (1.87)	$ (0.45)
Diluted Earnings (Loss) Per Share of Common Stock	$ 1.24	$ 2.54	$ (1.87)	$ (0.45)
Fiscal Year 2019				
Total Operating Revenues	$ 602.0	$ 803.5	$ 321.3	$ 225.6
Operating Income (Loss)	105.1	209.5	13.3	(25.6)
Net Income (Loss)	67.3	154.6	(3.0)	(34.3)
Basic Earnings (Loss) Per Share of Common Stock	$ 1.33	$ 3.05	$ (0.09)	$ (0.75)
Diluted Earnings (Loss) Per Share of Common Stock	$ 1.32	$ 3.04	$ (0.09)	$ (0.74)

Spire Missouri

In the opinion of Spire Missouri, the quarterly information presented below for fiscal years 2020 and 2019 includes all adjustments necessary for a fair statement of the results of operations for such periods. Variations in operations reported on a quarterly basis primarily reflect their seasonal nature.

Three Months Ended	Dec. 31	March 31	June 30	Sept. 30
Fiscal Year 2020				
Total Operating Revenues	$ 374.0	$ 457.5	$ 203.9	$ 158.2
Operating Income	67.0	117.7	7.0	13.9
Net Income	48.0	74.5	6.5	1.2
Fiscal Year 2019				
Total Operating Revenues	$ 413.2	$ 556.6	$ 191.4	$ 130.6
Operating Income (Loss)	71.4	102.4	12.2	(11.2)
Net Income (Loss)	51.2	80.0	1.1	(17.3)

Spire Alabama

In the opinion of Spire Alabama, the quarterly information presented below for fiscal years 2020 and 2019 includes all adjustments necessary for a fair statement of the results of operations for such periods. Variations in operations reported on a quarterly basis primarily reflect their seasonal nature.

Three Months Ended	Dec. 31	March 31	June 30	Sept. 30
Fiscal Year 2020				
Total Operating Revenues	$ 126.2	$ 185.5	$ 81.2	$ 62.1
Operating Income (Loss)	20.9	81.2	9.3	(8.5)
Net Income (Loss)	13.2	57.8	3.6	(8.9)
Fiscal Year 2019				
Total Operating Revenues	$ 133.5	$ 180.4	$ 90.8	$ 60.8
Operating Income (Loss)	17.1	79.6	11.1	(12.3)
Net Income (Loss)	10.3	56.7	5.6	(12.3)

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no changes in or disagreements on accounting and financial disclosure with Spire's, Spire Missouri's, or Spire Alabama's outside auditors that are required to be disclosed.

Item 9A. Controls and Procedures

Spire

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based upon such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Change in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Spire Missouri

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Spire Alabama

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures pursuant to Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The Management Reports on Internal Control Over Financial Reporting and the Reports of Independent Registered Public Accounting Firm are included in Item 8, Financial Statements and Supplementary Data.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about:

- our directors is incorporated by reference from the discussion under Proposal 1 of our proxy statement to be filed on or about December 16, 2020 (“2020 proxy statement”);
- our executive officers is reported in Part I of this Form 10-K;
- our Financial Code of Ethics is posted on our website, www.SpireEnergy.com, under Investors/Governance/Governance documents (http://investors.spireenergy.com/governance/governance-documents); and
- our Audit Committee, our Audit Committee financial experts, and submitting nominations to the Corporate Governance Committee

is incorporated by reference from the discussion in our 2020 proxy statement under the heading “Governance.”

In addition, our Code of Business Conduct, Corporate Governance Guidelines, and charters for our Audit, Compensation and Corporate Governance Committees are available under “Governance documents” on our website, as indicated above, and a copy will be sent to any shareholder upon written request.

Item 11. Executive Compensation

Information about director and executive compensation is incorporated by reference from the discussion in our 2020 proxy statement under the headings “Directors’ compensation” and “Executive compensation.”

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information about:

- security ownership of certain beneficial owners and management and
- aggregate information regarding the Company’s equity compensation plan

is incorporated by reference from the discussion in our 2020 proxy statement under “Beneficial ownership of Spire stock.”

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information about:

- our policy and procedures for related party transactions and
- the independence of our directors

is included in our 2020 proxy statement under “Governance” and is incorporated by reference. There were no related party transactions in fiscal 2020.

Item 14. Principal Accounting Fees and Services

Information about fees paid to our independent registered public accountant and our policy for pre-approval of services provided by our independent registered public accountant is incorporated by reference from our 2020 proxy statement under “Fees of independent registered public accountant” and “Governance,” respectively.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) (1) Financial Statements

See Item 8, Financial Statements and Supplementary Data, filed herewith, for a list of financial statements.

(2) Financial Statement Schedules

Schedules have been omitted because they are not applicable, related significance tests were not met, or the required data has been included in the financial statements or notes to financial statements.

(3) Exhibits

Exhibit Number	Description
2.01*	Agreement and Plan of Merger and Reorganization; filed as Appendix A to proxy statement/prospectus contained in the Company’s Registration Statement on Form S-4 filed October 27, 2000, No. 333-48794.
3.01*	Articles of Incorporation of Spire Inc., as amended, effective as of April 28, 2016; filed as Exhibit

	3.1 to the Company's Current Report on Form 8-K on May 3, 2016.
3.02*	Amended Bylaws of Spire Inc., effective as of October 21, 2020; filed as Exhibit 3.2 to the Company's Current Report on Form 8-K on October 22, 2020.
3.03*	Spire Missouri Inc.'s Amended Articles of Incorporation, as amended, effective August 30, 2017; filed as Exhibit 3.1 to Spire Missouri's Current Report on Form 8-K on September 1, 2017.
3.04*	Amended Bylaws of Spire Missouri Inc., effective as of March 26, 2020; filed as Exhibit 3.1 to Spire Missouri's Current Report on Form 8-K on March 27, 2020.
3.05*	Articles of Amendment of the Articles of Incorporation of Spire Alabama Inc., dated September 1, 2017; filed as Exhibit 3.3 to Spire Alabama's Current Report on Form 8-K filed September 1, 2017.
3.06*	Amended Bylaws of Spire Alabama Inc. effective March 26, 2020; filed as Exhibit 3.2 to Spire Alabama's Current Report on Form 8-K on March 27, 2020.
3.07*	Certificate of Designations with respect to the Series A Preferred Stock, dated May 16, 2019; filed as Exhibit 3.1 to the Company's Current Report on Form 8-K on May 21, 2019.
4.01*†[3]	Mortgage and Deed of Trust, dated as of February 1, 1945, between Laclede Gas Company and Mississippi Valley Trust Company; filed as Exhibit 7-A to Laclede Gas' registration statement No. 2-5586.
4.02*†[3]	Fourteenth Supplemental Indenture, dated as of October 26, 1976, between Laclede Gas and Mercantile Trust Company National Association; filed as Exhibit b-4 to Laclede Gas' registration statement No. 2-64857 on June 26, 1979.
4.03*†[3]	Laclede Gas Board of Directors' Resolution dated August 28, 1986 which generally provides that the Board may delegate its authority in the adoption of certain employee benefit plan amendments to certain designated Executive Officers; filed as Exhibit 4.12 to Laclede Gas' Annual Report on Form 10-K for the fiscal year ended September 30, 1991.
4.04*†[2]	Indenture dated as of November 1, 1993, between Alagasco and NationsBank of Georgia, National Association, Trustee, ("Alagasco 1993 Indenture"); filed as Exhibit 4(k) to Alagasco's Registration Statement on Form S-3 (Registration No. 33-70466).

Exhibit Number	Description
4.05*[3]	Twenty-Fifth Supplemental Indenture dated as of September 15, 2000, between Laclede Gas and State Street Bank and Trust Company of Missouri, as trustee; filed as Exhibit 4.01 to Laclede Gas' Current Report on Form 8-K on September 29, 2000.
4.06*[3]	Laclede Gas' Board of Directors' Resolutions dated March 27, 2003, updating authority delegated pursuant to August 28, 1986 Laclede Gas resolutions; filed as Exhibit 4.19(a) to Laclede Gas' Annual Report on Form 10-K for the fiscal year ended September 30, 2003.
4.07*[3]	Twenty-Eighth Supplemental Indenture dated as of April 15, 2004, between Laclede Gas and UMB Bank & Trust, N.A., as trustee; filed as Exhibit 4.02 to Laclede Gas' Current Report on Form 8-K on April 28, 2004.
4.08*[2]	Officers' Certificate, dated January 14, 2005, pursuant to Section 301 of the Alagasco 1993 Indenture setting forth the terms of the 5.20 percent Notes due January 15, 2020; filed as Exhibit 4.4 to Alagasco's Current Report on Form 8-K on January 14, 2005.
4.09*[3]	Twenty-Ninth Supplemental Indenture dated as of June 1, 2006, between Laclede Gas and UMB Bank and Trust, N.A., as trustee; filed as Exhibit 4.1 to Laclede Gas' Current Report on Form 8-K on June 9, 2006.
4.10*[2]	Officers' Certificate, dated January 16, 2007, pursuant to Section 301 of the Alagasco 1993 Indenture setting forth the terms of the 5.90 percent Notes due January 15, 2037; filed as Exhibit 4.2 to Alagasco's Current Report on Form 8-K on January 16, 2007.
4.11*[2]	Note Purchase Agreement, dated December 22, 2011, among Alagasco and the Purchasers thereto (the AIG purchasers) with respect to $25 million 3.86 percent Senior Notes due December 22, 2021; filed as Exhibit 10.1 to Alagasco's Current Report on Form 8-K on December 22, 2011.
4.12*[2]	Note Purchase Agreement, dated December 22, 2011, among Alagasco and the Purchasers thereto (the Prudential purchasers) with respect to $25 million 3.86 percent Senior Notes due December 22, 2021; filed as Exhibit 10.2 to Alagasco's Current Report on Form 8-K on December 22, 2011.
4.13*	Note Purchase Agreement, dated August 3, 2012, by and among the Company and the Purchasers listed in Schedule A thereto; filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K

	for the fiscal year ended September 30, 2012.
4.14*[3]	Thirty-First Supplemental Indenture, dated as of March 15, 2013, between Laclede Gas and UMB Bank & Trust, N.A., as trustee; filed as Exhibit 4.1 to Laclede Gas' Form 10-Q for the quarter ended March 31, 2013.
4.15*[3]	Thirty-Second Supplemental Indenture, dated as of August 13, 2013, between Laclede Gas and UMB Bank & Trust, N.A., as trustee; filed as Exhibit 4.1 to Laclede Gas' Current Report on Form 8-K on August 13, 2013.
4.16*	Indenture, dated as of August 19, 2014, between the Company and UMB Bank & Trust, N.A., as trustee; filed as Exhibit 4.1 to the Company's Current Report on Form 8-K on August 19, 2014.
4.17*	First Supplemental Indenture, dated as of August 19, 2014, between the Company and UMB Bank & Trust, N.A., as trustee (including Form of Floating Rate Senior Notes due 2017, Form of 2.55% Senior Notes due 2019 and Form of 4.70% Senior Notes due 2044); filed as Exhibit 4.2 to the Company's Current Report on Form 8-K on August 19, 2014.
4.18*[2]	Master Note Purchase Agreement, dated as of June 5, 2015, among Alagasco and certain institutional purchasers; filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.
4.19*	Second Supplemental Indenture, dated as of February 27, 2017, between Spire Inc. and UMB Bank & Trust, N.A., as Trustee (including Form of 3.543% Senior Notes due 2024); filed as Exhibit 4.2 to the Company's Current Report on Form 8-K on February 27, 2017.

Exhibit Number	Description
4.20*	Master Note Purchase Agreement dated June 20, 2016, among Spire Inc. and certain institutional purchasers party thereto; filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.
4.21*	First Supplement to Master Note Purchase Agreement dated as of March 15, 2017, among Spire Inc. and certain institutional purchasers party thereto; filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.
4.22*[3]	Bond Purchase Agreement dated March 20, 2017, among Laclede Gas Company and certain institutional purchasers party thereto; filed as Exhibit 4.4 to the Laclede Gas' Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.
4.23*	First Supplement to Master Note Purchase Agreement, dated as of December 1, 2017, between Spire Alabama Inc. and certain institutional investors; filed as Exhibit 4.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017.
4.24*	Second Supplement to Master Note Purchase Agreement, dated as of January 15, 2019, between Spire Alabama Inc. and certain institutional investors; filed as Exhibit 4.1 to Spire Alabama's Current Report on Form 8-K on January 22, 2019.
4.25*	Deposit Agreement, dated as of May 21, 2019, among the Company, Computershare Inc. and Computershare Trust Company, N.A., acting jointly as depositary, and the holders from time to time of the depositary receipts described therein; filed as Exhibit 4.1 to the Company's Current Report on Form 8-K on May 21, 2019.
4.26*	Form of depositary receipt representing the Depositary Shares; filed as Exhibit A to Exhibit 4.1 to the Company's Current Report on Form 8-K on May 21, 2019.
4.27*	Form of Certificate representing the Series A Preferred Stock; filed as Exhibit A to Exhibit 3.1 to the Company's Current Report on Form 8-K on May 21, 2019.
4.28*	Thirty-Third Supplemental Indenture, dated as of September 15, 2017, between Spire Missouri Inc. and UMB Bank & Trust, N.A., as trustee, filed as Exhibit 4.28 to Spire Missouri's Annual Report on Form 10-K for the fiscal year ended September 30, 2019.
4.29*	Thirty-Fourth Supplemental Indenture, dated as of November 12, 2019, between Spire Missouri Inc. and UMB Bank & Trust, N.A., as trustee; filed as Exhibit 4.1 to Spire Missouri's Quarterly Report on Form 10-Q for the quarter ended December 31, 2019.
4.30*	Third Supplement to Master Note Purchase Agreement, dated as of December 2, 2019, between Spire Alabama Inc. and certain institutional investors; filed as Exhibit 4.1 to Spire Alabama's Current Report on Form 8-K on December 4, 2019.
4.31*	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934;

	filed as Exhibit 4.29 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2019.
10.01*†[3]	Form of Indemnification Agreement between Laclede Gas and its Directors and Officers; filed as Exhibit 10.13 to Laclede Gas' Annual Report on Form 10-K for the fiscal year ended September 30, 1990.
10.02*†[3]	Salient Features of Laclede Gas' Deferred Income Plan for Directors and Selected Executives, including amendments adopted by the Board of Directors on July 26, 1990; filed as Exhibit 10.12 to Laclede Gas' Annual Report on Form 10-K for the fiscal year ended September 30, 1991.

Exhibit Number	Description
10.03*†[3]	Amendment to Laclede Gas' Deferred Income Plan for Directors and Selected Executives, adopted by the Board of Directors on August 27, 1992; filed as Exhibit 10.12a to Laclede Gas' Annual Report on Form 10-K for the fiscal year ended September 30, 1992.
10.04*[3]	Amendment and Restatement of Retirement Plan for Non-Employee Directors of Laclede Gas as of November 1, 2002; filed as Exhibit 10.08c to Laclede Gas' Annual Report on Form 10-K for the fiscal year ended September 30, 2002.
10.05*[3]	Amendment to Terms of Retirement Plan for Non-Employee Directors of Laclede Gas as of October 1, 2004; filed as Exhibit 10.2 to Laclede Gas' Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.
10.06*	Form of Non-Qualified Stock Option Award Agreement with Mandatory Retirement Provisions; filed as Exhibit 10.1 to the Company's Current Report on Form 8-K on November 5, 2004.
10.07*	Form of Non-Qualified Stock Option Award Agreement without Mandatory Retirement Provisions; filed as Exhibit 10.2 to the Company's Current Report on Form 8-K on November 5, 2004.
10.08[3]	Automated Meter Reading Services Agreement with Amendment dated as of July 1, 2017, between Landis+Gyr Technology, Inc., formerly known as Cellnet Technology, Inc., and Laclede Gas Company.
10.09*[3]	Restated Laclede Gas Supplemental Retirement Benefit Plan, as amended and restated as of January 1, 2005; filed as Exhibit 10.06 to Laclede Gas' Quarterly Report on Form 10-Q for the quarter ended December 31, 2008.
10.10*[3]	Laclede Gas Supplemental Retirement Benefit Plan II, effective as of January 1, 2005; filed as Exhibit 10.7 to Laclede Gas' Quarterly Report on Form 10-Q for the quarter ended December 31, 2008.
10.11*[3]	Salient Features of Laclede Gas' Deferred Income Plan II for Directors and Selected Executives (as amended and restated effective as of January 1, 2005); filed as Exhibit 10.1 to Laclede Gas' Quarterly Report on Form 10-Q for the quarter ended December 31, 2008.
10.12*	Salient Features of the Company's Deferred Income Plan for Directors and Selected Executives (effective as of January 1, 2005); filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2008.
10.13*	The Company's Form of Restricted Stock Award Agreement; filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2008.
10.14*[3]	The Laclede Group Management Continuity Protection Plan, effective as of January 1, 2005; filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2008.
10.15*	Form of Management Continuity Protection Agreement; filed as Exhibit 10.5a to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2008.
10.16*[3]	The Laclede Group 2011 Management Continuity Protection Plan; filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2010.

10.17*	Form of Agreement under the Company's 2011 Management Continuity Protection Plan; filed as Exhibit 10.25a to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2010.

Exhibit Number	Description
10.18*	The Company's Form of Performance Contingent Restricted Stock Unit Award Agreement; filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2012.
10.19*[3]	Laclede Gas Cash Balance Supplemental Retirement Benefit Plan, effective as of January 1, 2009; filed as Exhibit 10.19 to Laclede Gas' Annual Report on Form 10-K for the fiscal year ended September 30, 2012.
10.20*	Lease Agreement, dated January 21, 2014, between the Company, as Tenant, and Market 700, LLC, as Landlord; filed as Exhibit 10.1 to the Company's Current Report on Form 8-K on January 27, 2014.
10.21*	The Company's Deferred Income Plan for Directors and Selected Executives, as Amended and Restated as of January 1, 2015; filed as Exhibit 10.1 to the Company's Current Report on Form 8-K on November 4, 2014.
10.22*[1]	The Laclede Group 2015 Equity Incentive Plan; filed as the Appendix to the Company's Definitive Proxy Statement on Form DEF 14A on December 19, 2014.
10.23*[1]	The Laclede Group, Inc. Annual Incentive Plan, as Amended; filed as Appendix to the Company's Definitive Proxy Statement on Schedule 14A on December 18, 2015.
10.24*[2 3]	Loan Agreement, dated December 14, 2016, by and among Spire Inc., Alabama Gas Corporation, Laclede Gas Company, and the several banks party thereto, including Wells Fargo Bank, National Association, as Administrative Agent; JPMorgan Chase Bank, N.A. and U.S. Bank National Association, as Co-Syndication Agents; Wells Fargo Securities, LLC, JPMorgan Chase Bank, N.A., and U.S. Bank National Association, as Joint Lead Arrangers and Joint Bookrunners; and Bank of America, N.A., Credit Suisse AG, Cayman Islands Branch, Morgan Stanley Bank, N.A., Regions Bank, Royal Bank of Canada, and TD Bank, N.A., as Documentation Agents; filed as Exhibit 99.1 to the Company's Current Report on Form 8-K on December 16, 2016.
10.25*	Commercial Paper Dealer Agreement, dated December 21, 2016, between Spire Inc. and Wells Fargo Securities, LLC; filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016.
10.26*	Commercial Paper Dealer Agreement, dated December 21, 2016, between Spire Inc. and Credit Suisse Securities (USA) LLC; filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016.
10.27*	Spire Inc. Executive Severance Plan; filed as Exhibit 10.1 to the Company's Current Report on Form 8-K on May 2, 2017.
10.28*[1]	Amendment 1 to The Laclede Group Annual Incentive Plan effective January 1, 2018; filed as Exhibit 10.53 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2017.
10.29*[1]	Amendment 1 to The Laclede Group 2015 Equity Incentive Plan effective January 1, 2018; filed as Exhibit 10.54 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2017.
10.30*	Amendment 1 to Spire Inc. Executive Severance Plan effective January 1, 2018; filed as Exhibit 10.55 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2017.
10.31*[1]	Amendment 1 to The Laclede Group 2011 Management Continuity Protection Plan effective January 18, 2018; filed as Exhibit 10.56 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2017.

Exhibit Number	Description

10.32*	First Amendment to Loan Agreement, dated as of October 31, 2018, by and among Spire Inc., a Missouri corporation, Spire Alabama Inc. (formerly Alabama Gas Corporation), an Alabama corporation, and Spire Missouri Inc. (formerly Laclede Gas Company), a Missouri corporation, the Banks from time to time party thereto, and Wells Fargo Bank, National Association, as Administrative Agent for the Banks; filed as Exhibit 10.1 to the Company's Current Report on Form 8-K on November 6, 2018.
10.33*	Spire Deferred Income Plan, Amended and Restated Effective January 1, 2019; filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.
10.34*	The Company's Form of Restricted Stock Award Agreement; filed as Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2019.
10.35*	The Company's Form of Restricted Stock Unit Award Agreement; filed as Exhibit 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2019.
10.36*	The Company's Form of Performance Contingent Stock Unit Award Agreement; filed as Exhibit 10.40 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2019.
10.37*	Loan Agreement, dated March 26, 2020, by and among Spire Inc., as the Borrower, the lenders from time to time party thereto, as Banks, including U.S. Bank National Association, as the Administrative Agent, and TD Bank, N.A., as Documentation Agent; filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 27, 2020.
21	Subsidiaries of the Company.
23.1	Consent of Independent Registered Public Accounting Firm of the Company.
23.2	Consent of Independent Registered Public Accounting Firm of Spire Missouri Inc.
23.3	Consent of Independent Registered Public Accounting Firm of Spire Alabama Inc.
31.1	Certifications under Rule 13a-14(a) of the CEO and CFO of the Company.
31.2	Certifications under Rule 13a-14(a) of the CEO and CFO of Spire Missouri Inc.
31.3	Certifications under Rule 13a-14(a) of the CEO and CFO of Spire Alabama Inc.
32.1	Section 1350 Certifications under Rule 13a-14(b) of the CEO and CFO of the Company.
32.2	Section 1350 Certifications under Rule 13a-14(b) of the CEO and CFO of Spire Missouri Inc.
32.3	Section 1350 Certifications under Rule 13a-14(b) of the CEO and CFO of Spire Alabama Inc.
101	Interactive Data Files including the following information from the Annual Report on Form 10-K for the fiscal year ended September 30, 2020, formatted in inline extensible business reporting language ("Inline XBRL"): (i) Cover Page Interactive Data and (ii) the Financial Statements listed on the first page of Item 8.
104	Cover Page Interactive Data File (formatted in Inline XBRL and included in the Interactive Data Files submitted under Exhibit 101).

* Incorporated herein by reference and made a part hereof. Spire Inc. File No. 1-16681. Spire Missouri Inc. File No. 1-1822. Spire Alabama Inc. File No. 2-38960.

† Paper exhibit.

[1] The Laclede Group, Inc. changed its name to Spire Inc. effective April 28, 2016.

[2] Alabama Gas Corporation ("Alagasco") changed its name to Spire Alabama Inc. effective September 1, 2018.

[3] Laclede Gas Company changed its name to Spire Missouri Inc. effective August 30, 2018.

Bold items reflect management contracts or compensatory plans or arrangements.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Spire Inc.

Date November 18, 2020

By /s/ Steven P. Rasche
Steven P. Rasche
Executive Vice President
and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date	Signature	Title
November 18, 2020	/s/ Suzanne Sitherwood Suzanne Sitherwood	Director, President and Chief Executive Officer (Principal Executive Officer)
November 18, 2020	/s/ Steven P. Rasche Steven P. Rasche	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
November 18, 2020	/s/ Edward L. Glotzbach Edward L. Glotzbach	Chairman of the Board
November 18, 2020	/s/ Mark A. Borer Mark A. Borer	Director
November 18, 2020	/s/ Maria V. Fogarty Maria V. Fogarty	Director
November 18, 2020	/s/ Rob L. Jones Rob L. Jones	Director
November 18, 2020	/s/ Brenda D. Newberry Brenda D. Newberry	Director
November 18, 2020	/s/ Stephen S. Schwartz Stephen S. Schwartz	Director
November 18, 2020	/s/ John P. Stupp Jr. John P. Stupp Jr.	Director
November 18, 2020	/s/ Mary Ann Van Lokeren Mary Ann Van Lokeren	Director

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Spire Missouri Inc.

Date November 18, 2020

By /s/ Timothy W. Krick
Timothy W. Krick
Controller and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date	Signature	Title
November 18, 2020	/s/ Suzanne Sitherwood Suzanne Sitherwood	Chairman of the Board
November 18, 2020	/s/ Steven L. Lindsey Steven L. Lindsey	Director and Chief Executive Officer (Principal Executive Officer)
November 18, 2020	/s/ Adam W. Woodard Adam W. Woodard	Chief Financial Officer and Treasurer (Principal Financial Officer)
November 18, 2020	/s/ Timothy W. Krick Timothy W. Krick	Controller and Chief Accounting Officer (Principal Accounting Officer)
November 18, 2020	/s/ Scott B. Carter Scott B. Carter	Director and President
November 18, 2020	/s/ Mark C. Darrell Mark C. Darrell	Director
November 18, 2020	/s/ Steven P. Rasche Steven P. Rasche	Director

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Spire Alabama Inc.

Date November 18, 2020

By /s/ Timothy W. Krick
Timothy W. Krick
Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date	Signature	Title
November 18, 2020	/s/ Suzanne Sitherwood Suzanne Sitherwood	Chairman of the Board
November 18, 2020	/s/ Steven L. Lindsey Steven L. Lindsey	Director and Chief Executive Officer (Principal Executive Officer)
November 18, 2020	/s/ Adam W. Woodard Adam W. Woodard	Chief Financial Officer and Treasurer (Principal Financial Officer)
November 18, 2020	/s/ Timothy W. Krick Timothy W. Krick	Chief Accounting Officer (Principal Accounting Officer)
November 18, 2020	/s/ Scott B. Carter Scott B. Carter	Director
November 18, 2020	/s/ Mark C. Darrell Mark C. Darrell	Director
November 18, 2020	/s/ Joseph B. Hampton Joseph B. Hampton	Director and President
November 18, 2020	/s/ Steven P. Rasche Steven P. Rasche	Director

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Section 2: EX-10.08 (EX-10.08)

Exhibit 10.08

AUTOMATED METER READING SERVICES AGREEMENT

This Automated Meter Reading Services Agreement ("Agreement") is entered into this 11th day of March, 2005, and is by and between Cellnet Technology, Inc., a Delaware corporation ("Cellnet"), and Laclede Gas Company, a Missouri corporation ("Laclede"). All capitalized terms not otherwise defined herein have the respective meaning set forth in Appendix A hereto.

Recitals

WHEREAS, Laclede desires to introduce new automated gas meter reading, data acquisition and data management services to its service area that efficiently provide accurate information for billing, distribution, operations, customer care and customer marketing purposes;

WHEREAS, Laclede has selected a radio frequency fixed network application as the system that can best provide basic services while permitting maximum flexibility of information for expansion into other functional uses;

WHEREAS, Laclede desires Cellnet to establish, where it has not already been established, and maintain a Fixed Network consisting of Mills installed on Laclede Gas Meters, MCC sites on towers and/or other appropriate structures, the network operations center ("NOC"), the communication link between the MCCs and the NOC, all other equipment necessary for Cellnet to provide automated gas meter reading, data acquisition and data management services to Laclede and the operation, care and maintenance of all installed equipment;

WHEREAS, Laclede desires for Cellnet to provide all of the equipment and labor and take all of the actions necessary to perform automated reads of Laclede Gas Meters within St. Louis City, St. Louis County and St. Charles County and selected portions of other counties in Laclede's service area as set forth on Exhibit 1 (collectively, "Fixed Network Area") and to make available such readings to Laclede *(i.e.,* Laclede desires to acquire from Cellnet turnkey meter readings) and for Cellnet to provide data acquisition and management services; and

WHEREAS, Cellnet has the expertise, experience and skill to provide such turnkey automated meter reading, data acquisition and data management services and desires to provide the same to Laclede on the terms and conditions set forth herein.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1

INITIAL FIXED NETWORK DEPLOYMENT PHASE

1.1 Overview. Immediately upon the execution of this Agreement, the Parties shall commence to integrate their respective systems in accordance with this Article (the "Initial Fixed Network Deployment Phase") and shall test their respective systems' ability to access, exchange and deliver MU installation data and Laclede Gas Data. The Initial Fixed Network Deployment Phase will be conducted in accordance with the

project timeline attached to this Agreement as Exhibit 2. The Parties shall complete the Initial Fixed Network Deployment Phase within six (6) months of the Effective Date; provided, however, that without limiting a Party's other remedies hereunder, if a Party suffers a delay in meeting any of its objectives on the project timeline, the deadlines thereon for the other Party shall be moved back by an equivalent number of days. To the extent that any of the obligations or rights of either Party set forth in Article 1 do not specifically pertain to only the Initial Fixed Network Deployment Phase but are necessary for the performance of the rest of this Agreement, then such obligations and rights shall continue throughout the Term.

1.2 Laclede's Responsibilities.

(a) Sample Meter Population. Laclede has previously provided to Cellnet an initial data file that details all Laclede Gas Data, including addresses, Laclede's projected monthly meter reading schedule and all other pertinent Laclede customer information for approximately 500 meters ("Test Meters") on which Cellnet has installed MIUs.

(b) Interface Implementation.Attached hereto as Exhibit 3 are Cellnet's specifications for its standard interface (the "Standard Interface Specifications"). Laclede shall, in accordance with the time period set forth in Exhibit 2, develop, at its own expense, a complete, integration tested and fully operational interface for the Laclede systems impacted by this Agreement (the "Laclede Interface"). The Laclede Interface must have the capacity to (i) collect the MIU installation database and the Laclede Gas Data from Cellnet, (ii) transmit the post MIU installation and any ongoing Laclede database maintenance files to Cellnet, and (iii) collect the Fixed Network Data posted by Cellnet on the FTP Server.

(c) Internal Computer Hardware and Software. Laclede is responsible for, and shall establish and maintain at Laclede's expense, all of its internal computer software, hardware, systems, and any and all telecommunication connections and charges (including hardware fees, set-up, and on-going fees) required to collect the Fixed Network Data from the FTP Server and then store, query and manipulate such data.

(d) Additional Services. In addition to the services described in Section 1.3(b) below, which shall be provided at Cellnet's expense, Laclede may request, and Cellnet, in its discretion, may provide, services to assist Laclede with system integration and other programming issues from time to time during the Term. Such services shall be provided to Laclede at rates to be agreed upon by the Parties.

1.3 Cellnet's Obligations.

(a) Fixed Network and Data Management Network. During the Initial Fixed Network Deployment Phase, Cellnet will conduct a propagation study of the portion of Laclede's service area to be covered by the Fixed Network Area.

Based on the results of the study, Cellnet will provide, install and maintain all equipment, supplies and services necessary to establish and operate the Fixed Network that collects automated daily meter reads and provides meter readings in accordance with this Agreement. Cellnet shall provide, and install new, or enable existing, Fixed Network infrastructure required to support the Fixed Network Area, including, without limitation, software, hardware and peripherals for the NOC. Additionally, Cellnet shall establish Laclede as a customer in Cellnet's data management network.

(b) Interface Implementation Support. During the Initial Fixed Network Deployment Phase, Cellnet, at no additional charge to Laclede, shall consult with and advise Laclede in its development and testing of the Laclede Interface. Cellnet shall have no obligation to write software code in connection with such consulting and advice; provided, however, that additional services shall be provided in accordance with Section 1.2(d) above.

(c) Provision of MIUs and Installation Resources. Cellnet shall provide the resources necessary for installation of the MIUs, including the required MIUs and the employees or subcontractors necessary to install the MIUs (each a "MIU Installer"), as well as a competent project manager for the Initial Fixed Network Deployment Phase. All of the MIU Installers shall be qualified and trained as described in Section 2.1(d)(ii).

(d) Configure the NOC. Cellnet shall establish and configure the necessary hardware, NOC Software and Meter Database to provide the AMR Services.

(e) Automated Meter Readings. Upon completion of the installation of the MIUs on the Laclede Gas Meters and Laclede's performance of its responsibilities under Section 1.2, Cellnet shall perform and transmit to Laclede daily automated meter reads in hundreds of cubic feet in accordance with Article 2.

(f) Handheld Devices. During the Initial Fixed Network Deployment Phase, Cellnet shall provide Laclede two (2) handheld units for reading and programming MIUs and train Laclede personnel on the proper use of these units.

(g) Plant Tour. During the Initial Fixed Network Deployment Phase, at Laclede's request, Cellnet shall schedule a trip for Laclede to visit Cellnet's manufacturing facilities, Cellnet's corporate headquarters and/or Cellnet's NOC facilities, at Laclede's expense. Within fifteen (15) days after completion of any of the above trips, Laclede may notify Cellnet in writing that Laclede has concerns regarding any of the following characteristics of any of such Cellnet facilities:

(i) Work environment;
(ii) Safety;
(iii) Degree and sophistication of automation; and
(iv) Quality control.

Cellnet shall investigate any such concerns, and (1) explain why the issue is not reasonably likely, in Cellnet's reasonable discretion, to have a material adverse impact on the AMR Services, or (2) provide a reasonable plan and timeline to address these concerns or issues in a manner reasonably acceptable to Parties.

1.4 Initial Fixed Network Deployment Phase Testing.

(a) Comparison of Reads. During the Initial Fixed Network Deployment Phase, Laclede will obtain and compare the manual reads from the Test Meters to the automated meter reads provided by Cellnet pursuant to Section 1.3(e) above. Any deviations between the manual and automated readings will be investigated by both Parties in good faith and resolved within two (2) Business Days.

(b) Substitute Meters. Any residence with access issues, meter problems or other circumstances that interfere with the Initial Fixed Network Deployment Phase will be dealt with on a case-by-case basis. An alternate address within the coverage area described in Section 1.2(a) may be substituted for the remainder of the Initial Fixed Network Deployment Phase, or, in the alternative, the MIU will be subtracted from the sample population, at Laclede's discretion.

(c) Network Coverage. Cellnet will be responsible for Fixed Network infrastructure coverage issues and will use commercially reasonable efforts to resolve any Fixed Network infrastructure coverage issues promptly, as necessary, to perform the AMR Services.

1.5 Initial Fixed Network Deployment Phase Performance Standards.

(a) Summary of Readings. During the Initial Fixed Network Deployment Phase, Cellnet shall provide Laclede: (i) daily automated meter reads in hundreds of cubic feet; and (ii) a monthly summary of MIU performance, by address. The individual meter readings will be maintained by Cellnet daily and delivered to Laclede on the next Business Day. Daily and monthly overall performance indicators should be included in the summary.

(b) Areas of Emphasis. Close scrutiny will be given to Cellnet's performance in the following areas:

(i) Project Management;
(ii) Integration Support Services;
(iii) Data Acquisition and Delivery;
(iv) Operations and Maintenance;
(v) Customer Service;
(vi) Technology; and
(vii) Data Center Operations.

At any time during the Initial Fixed Network Deployment Phase, Laclede may notify Cellnet in writing that Laclede has concerns regarding any of the foregoing areas, and

Cellnet shall investigate any such concerns, and (1) explain why the concerns are not reasonably likely, in Cellnet's reasonable discretion, to have a material adverse impact on the AMR Services, or (2) provide a reasonable plan and timeline to address these concerns in a manner reasonably acceptable to the Parties.

(c) MIU Validation. During the Initial Fixed Network Deployment Phase, the Test Meters will be automatically read every day to determine accuracy, network deliverability, and ability to transfer data between the Parties' systems based on the Standard Interface Specifications. During the Initial Fixed Network Deployment Phase, the Parties will work together to validate and correct promptly any errors in the following areas:

(i) Fixed Network reading does not correlate with visual index reading. This deviation will take into account rounding errors and time differences. Cellnet must correct programming errors on a MIU.

(ii) Fixed Network reading was not available through the network during the scheduled reading period. This failure takes into account MIUs that fail to communicate to the Fixed Network due to device problems.

(iii) MIU is found to be in an alarm state and the appropriate flag was not returned.

(iv) MIU is found to be sending inconsistent readings when other MIUs in the area are responding correctly.

(v) The meter installation data and the Laclede Gas Data transferred between Laclede and Cellnet shall be validated and consistent with the Standard Interface Specifications for use within the respective Parties' systems. In the event that the data is not in the correct format, the non-complying Party shall make the correction at its own expense.

ARTICLE 2
OBLIGATIONS OF THE PARTIES

2.1 Establishment and Installation of the AMR Services. The AMR Services to be provided to Laclede by Cellnet shall include data acquisition, data management, data presentation and access, implementation, implementation expertise, provision and installation of MIUs and operation of the Fixed Network and the NOC. Cellnet shall read Activated Meters in the Fixed Network Area during the Term of this Agreement in accordance with this Article 2.

(a) Establishment of the Fixed Network. Cellnet shall establish a Fixed Network that will:

(i) collect automated meter readings from Activated Meters within the Fixed Network Area; and

(ii) make available to Laclede, via the Cellnet Standard Interface, meter readings.

(b) Components of AMR Services System. The Fixed Network shall include the following components, together with any and all other components and equipment necessary for Cellnet to perform its obligations under this Agreement:

(i) MIUs installed on each Accessible Meter within the Fixed Network Area;

(ii) MCCs to be installed on structures, poles and/or towers;

(iii) The NOC to collect Fixed Network Data;

(iv) The disaster recovery NOC, which is described in Section 2.2(g), shall be located in a separate facility from the NOC as specified in Section 2.2(g); and

(v) The software to manage the Fixed Network Data.

(c) Installation of the AMR Services System and Components.

(i) AMR Services System. During the Deployment Period, Cellnet shall install, and/or contract with subcontractors for the installation of, the Fixed Network and the various components thereof. Cellnet shall, or cause its subcontractors to, deploy an adequate number of field supervisors at all times to ensure that installers have ready access to supervisors as and when needed to address issues and receive information in a timely manner. The Cellnet program manager and the Laclede AMR program manager will establish introduction meetings and regularly scheduled project review meetings. A pre-installation meeting will be held among Cellnet, the MIU Installer, and Laclede for the purpose of reviewing all matters of mutual concern to ensure that the installation plan will be met.

(ii) MIUs. Cellnet and Laclede will develop and agree upon the various Routes and schedules for installation of the MIUs on existing Laclede Gas Meters at residences and businesses within the Fixed Network Area. Installers shall work during normal working hours of 8:00 a.m. to 5:30 p.m. Monday through Saturday, which hours shall be adjusted to accommodate extended daylight hours. Additionally, it shall be acceptable for installers to install MIUs outside these hours pursuant to previously made appointments with customers. Cellnet shall not be required to install a MIU on a meter unless the meter can be retrofitted to accept the MIU. The Parties agree that all of the meters listed on Exhibit 5-A can be retrofitted to accept a MIU; provided that access to the meter is not obstructed or the physical condition of the meter is such that it does not prevent such retrofitting without requiring major repair. The

Parties shall cooperate in good faith to determine whether the meters listed on Exhibit 5-B can be retrofitted to accept a MIU. Cellnet will manage all installation functions necessary to establish and maintain a fully functional Fixed Network, which shall include, without limitation, installing the MIUs and successful transmission of automated meter readings or alarms to the NOC indicating that the MIU has been successfully installed on a Laclede Gas Meter. Cellnet shall transfer such data regularly to Laclede. During the Deployment Period, Laclede shall provide to Cellnet Laclede's projected monthly meter reading schedule at least ninety (90) days in advance of each respective Billing Window. The following steps and procedures will be followed for installation of the MIUs:

(A) Cellnet Appointments. Prior to installation of MIUs on a Route, Laclede will promptly notify the customers on the Route (by flyers, radio or TV announcements or other reasonable means) of the planned installation of MIUs on meters servicing their residence or business. Cellnet or the MIU Installer shall contact the occupants of each affected property to make the necessary appointments and arrangements to install the MIUs. For meters that require entry into the property, the MIU Installer shall attempt to contact the occupant of the property by telephone, letter or door hanger and in person, on six (6) separate occasions (at least two (2) of which occasions must be personal visits to the property) and shall offer the occupant a choice of reasonable appointment times *(i. e.,* specific appointment times or small time windows). The MIU Installer shall time its various attempts to contact an occupant via telephone, letter and in person so as to have the greatest probability of successfully contacting the occupant and installing the MIU. For purposes of clarity, an unanswered telephone call constitutes an attempt.

(B) Laclede Appointments. If the MIU Installer is unable to gain the necessary access to a meter after the six (6) occasions specified in Section 2.1(c)(ii)(A), Cellnet will so advise Laclede in writing as soon as reasonably practicable. After receiving such written advisement, Laclede will attempt to contact the occupant and/or owner of the property and work with Cellnet to arrange an appointment for Cellnet to install a MIU. If the occupant and/or owner miss a scheduled appointment or the meter is not an Accessible Meter for any other reason, Laclede will attempt to once again make contact with the occupant and/or owner and work with Cellnet to reschedule the appointment. If the MIU Installer is not able to install a MIU on the second or subsequent appointment made by Laclede, then Laclede shall reimburse Cellnet for its actual direct expenses without mark-up for the visit, not to exceed Twenty-Five Dollars ($25.00).

(iii) Additional MIUs.

(A) Cellnet shall from time to time during the Term, at no additional cost to Laclede (including, but not limited to, shipping fees and the manufacturers' cost to handle and install a MIU on a meter, which costs will be paid by Cellnet; provided, however, that all such shipping costs and manufacturers' costs shall be actual direct costs without mark-up by Laclede), make MIUs available to the manufacturers supplying meters to Laclede at a time and in a volume and manner that will allow the manufacturers to install the Mills on the meters during assembly at the manufacturers' facilities. Laclede shall provide Cellnet at least 120 days' prior written notice with regard to what number of, to what manufacturers and when MIUs are to be provided. Cellnet shall throughout the Term provide to the respective manufacturers Mills for the types of meters listed on Exhibit 5-C. Additionally, Laclede and Cellnet will cooperate with regard to the coordination of meter model changes in an effort to ensure availability of MIUs for various meter models.

(B) During the Deployment Period, Cellnet shall, at no additional charge to Laclede, make MIUs available to Laclede's meter manufacturers in the manner described above in this Section for installation on new meters that Laclede will use to replace certain of the meters within its system that cannot be retrofitted with a MIU.

(C) In addition to the foregoing Mills, Cellnet shall from time to time, upon the request of Laclede, make available to Laclede MIUs for installation by Laclede on meters that Laclede has removed from customers' premises and is reconditioning in preparation for re-installation at customers' premises. The MIUs described in Subsection (B) above and this Subsection (C) are included in the approximately 650,000 MIUs to be provided by Cellnet during the Deployment Period.

(D) Notwithstanding the foregoing, Cellnet is not required to provide a MIU to a manufacturer or to Laclede directly unless Cellnet has an integrated MIU available for the meter on which the MIU is to be installed. At no additional cost to Laclede, Cellnet and Laclede shall work together in good faith to develop a MIU for the National meters of the types listed on Exhibit 5-B in Laclede's meter population that Cellnet cannot currently retrofit with a MIU.

(E) Cellnet shall provide additional Miffs and reading services to replace units retired and to serve additional customers subject to the terms and provisions of Exhibit 6, which is attached hereto and incorporated herein by reference.

(iv) Existing Remote Device Removal. Many of Laclede's existing meters currently have a remote-type device installed. Prior to any such device

removal, Laclede shall provide any necessary training to Cellnet regarding device removal, including, without limitation, training regarding handling of wires and cables. After device removal, any attached wires and/or cables shall not be removed, but trimmed back to be unobtrusive. Any existing component on the exterior of the premise shall be left in place. One particular device, the American Meter TRACE unit, is both salvageable and redeployable. The MIU Installer will take reasonable care to return each TRACE device to Laclede in the same state it was in immediately prior to its removal. At Laclede's expense, Laclede will provide the proper containers and their transportation to and from the MIU Installer for packaging the returned devices. Any hazardous material component of the meter or module removed from the field by Cellnet or the MIU Installer during the installation of MIUs shall be deposited in a container provided by Laclede located at such MIU Installer's dock for proper disposal by Laclede.

(v) MCCs. Cellnet shall install any additional MCCs in the Fixed Network Area and any communications links necessary to obtain automated meter readings from Activated Meters.

(d) Subcontracting, Training and Safety.

(i) Subcontractor's Hiring Processes. Cellnet intends to contract with MIU Installers to install the MIUs. Only qualified personnel, who have received proper training as described below, shall perform the MIU installations/replacements. Cellnet shall develop a Quality Assurance Plan that is reasonably acceptable to Laclede and shall perform, or require subcontractors to perform, all MIU installation activities in accordance with such plan. The Quality Assurance Plan shall be provided by Cellnet to Laclede within thirty (30) calendar days after the Effective Date and shall include an audit feature that will track the performance of individual installers. Laclede shall have the right to approve the MIU Installer, which approval shall not be unreasonably withheld or delayed. Additionally, subject to applicable law, Laclede shall have the right to disqualify individuals employed or used by an MIU Installer based on observations by Laclede and/or reported customer complaints, interaction with customers or the public in general and/or security or safety violations. If Laclede wishes to disqualify an individual employed or used by such MIU Installer, it shall notify Cellnet and provide reasonable details regarding the grounds for such request. Cellnet shall investigate the request and notify Laclede of its determination promptly, but in all events within five (5) Business Days, during which such individual shall not work on the project.

(ii) Training. Prior to installation of any Mills, Cellnet shall submit to Laclede for approval a training and certification program for all individuals, including Laclede employees, installing, repairing, maintaining or otherwise working with the MIUs. The training program shall consist of both classroom and field training on the procedures and documentation for the MIU installation. During the Term, Cellnet shall train, or cause the MIU Installer to be trained in all of the technical and procedural aspects of the installation of the Mills, including the professional and courteous manner in which they shall conduct themselves with regard to Laclede's customers. Only individuals (including Laclede employees) who successfully complete the training program shall install, replace, repair, maintain or otherwise work with the Mills. An audit program shall be implemented by Cellnet to evaluate fieldwork performed. At a minimum, the training program must address:

(A) Meter safety and personal protective equipment issued to field personnel;
(B) Proper procedures for dealing with Laclede' s customers in the field;
(C) Meter configurations present in the service territory;
(D) Meter reading;
(E) Use of handheld work order routing devices;
(F) Data to be recorded from each installation;
(G) How to handle dog encounters and attacks;
(H) Emergency procedures (gas leaks, medical, *etc.);* and
(I) Recognizing and reporting obvious "theft of service" cases.

(iii) Safety. Cellnet shall submit a Project Health & Safety Plan to Laclede for review and comment to help ensure compliance with all federal and state Occupational Safety and Health Administration (OSHA) requirements. Cellnet shall conduct and/or arrange for the safety training of all MIU Installer's personnel and other subcontractors (if any) utilized by Cellnet under this Agreement. The safety-training courses conducted by Cellnet or any of its subcontractors' safety professionals shall also be made available to Laclede personnel at Cellnet's or Laclede's premises in the Fixed Network Area. All required safety equipment and personal protective equipment (PPE) shall be provided by Cellnet or its subcontractors and maintained in proper working order by the party providing the same. Cellnet shall ensure that all of its employees and subcontractors installing, repairing, maintaining or otherwise working with the Fixed Network, including the MIUs, receive the six (6) hour National Safety Council's Defensive Driving Course (DDC6) or equivalent. Cellnet shall ensure that each of its employees and subcontractors is subject to drug and alcohol testing pursuant to Department of Transportation (DOT) Title 49 CFR Part 40 — Procedures for Transportation Workplace Drug and Alcohol Testing Programs.

(e) Uniforms and Logos. All individuals actually installing MIUs on behalf of the MIU Installer shall wear official company uniforms of the MIU Installer and display identification badges that identify the individual as an employee of the

MIU Installer. Additionally, the vehicles used by such individuals shall display the MIU Installer's name and logo. If Laclede elects to have its name or logo displayed on the MIUs Installer's uniforms, identification badges and/or vehicles, and Cellnet consents to such proposal, such consent not to be unreasonably withheld or delayed, Laclede and Cellnet shall, at Laclede's sole cost and expense, work together to coordinate the same. In all events, the MIU Installer's uniforms, identification badges and vehicles shall not display Laclede's name or logo without Laclede's written consent.

(f) Programming Software. Within thirty (30) days after the Effective Date, Cellnet shall provide to Laclede, at no additional charge, Programming Software for reading and programming MIUs and train Laclede personnel on the proper use of this software. Cellnet shall install and configure the Programming Software for use by Laclede's operations personnel and use commercially reasonable effort to accommodate Laclede-specific configurations.

(g) Timeframe for Installation and Implementation.

(i) Meter Activation. Upon (1) the installation of MIUs on 90% of the Accessible Meters on a Route, (2) for which

Cellnet is receiving designation and installation information via the Cellnet Standard Interface, and (3) Cellnet is utilizing the Fixed Network to gather and provide successful readings to Laclede, Cellnet will activate the Fixed Network with regard to this Route and commence electronically reading the meters on the Route. Cellnet will continue to attempt diligently to install MIUs on any Laclede Gas Meters on a Route which are not equipped with a MIU as of the date Cellnet activates the Route. Cellnet shall notify Laclede in advance of the date that the electronic reads will commence for a Route, and Laclede may, at its option, continue to read manually all meters that it then currently reads manually for one (1) full billing cycle after such date in order to verify the readings. For those meters that Laclede is not then currently obtaining manual reads *e.,* meters equipped with a TRACE device), Laclede shall use reasonable effort to obtain a manual reading of such meters for one (1) full billing cycle. If Laclede discovers any discrepancy between the manual reading and the reading rendered by the MIU, Laclede shall notify Cellnet, and Cellnet shall promptly repair, replace or reprogram the MIU if found to be defective upon investigation, and thereafter Cellnet shall manually read the meter or take whatever actions are necessary to verify that the MIU is functioning properly. Laclede's obligation to pay the monthly fee per meter described in Section 2.3(a) shall commence on the date the electronic reads commence on a Route as described in the first sentence of this section. Cellnet shall provide manual monthly billing reads pursuant to Laclede's projected monthly meter reading schedule on Accessible Meters on an activated Route that are not equipped with a properly functioning MIU commencing the fortieth (40th) day following the date such Route is

activated. Cellnet shall not be required to provide manual readings for any meters on which Laclede instructed Cellnet not to install a MIU.

(ii) Entire System. MIUs shall be installed and operational on 99% of Accessible Meters within the Fixed Network Area within twenty-four (24) months after the Effective Date ("Deployment Deadline"). If Cellnet fails to perform its obligations under this Agreement relating to installation of the MIUs, and as a result the 99% threshold is not reached by the Deployment Deadline, then until such time as MIUs are installed and operational on 99% of Accessible Meters less Unavailable Meters within the Fixed Network Area (or this Agreement is terminated, if earlier), Cellnet shall provide monthly manual billing readings pursuant to Laclede's projected monthly meter reading schedule to Laclede on Accessible Meters that are not equipped with a MIU. Notwithstanding the foregoing, if, due solely to the failure of Cellnet to perform its obligations under this Agreement, MIUs are not installed and operational on 99% of Accessible Meters within the Fixed Network Area within six (6) months after the Deployment Deadline, Cellnet shall be in default under this Agreement, and Laclede may avail itself of the remedies provided in this Agreement for default by Cellnet.

(h) Mandatory Provisions in Cellnet's Leases and/or Financing Documents. Cellnet shall use its commercially reasonable efforts to cause the senior lenders to Cellnet who are directly financing the build out of the Fixed Network, to include in the financing agreements therefor provisions providing that upon the occurrence, and during the continuation, of any default of Cellnet under such financing agreements, if the lenders under that financing agreement determine in their sole discretion that such action will not impair the Lender Group's ability to enforce the obligations of Cellnet under such financing agreements or realize upon the security collateral of the lenders under such financing agreements, such lenders shall engage in good faith negotiations with Laclede to permit Cellnet or a third party selected by the Lender Group to continue to perform Cellnet's obligations under this Agreement; provided, however, that the foregoing shall in no way prohibit such lenders from pursuing any of their rights or remedies under such financing agreements.

(i) St. Louis Office. During the Term, Cellnet shall maintain an office in the St. Louis metropolitan area staffed with a sufficient number of employees or contract employees to fulfill its obligations under this Agreement and a manager who is responsible for servicing Laclede under this Agreement.

2.2 Services to be Provided by Cellnet.

(a) Daily Meter Reads. Cellnet shall provide to Laclede daily automated meter reads in hundreds of cubic feet on Activated Meters.

(b) Reliability of Daily Consumption Readings.Cellnet shall provide daily automated meter reads in hundreds of cubic feet for at least 98% of the Activated Meters on an averaged basis over the total number of calendar days of each month and a minimum of 90% of the Activated Meters for each and every calendar day during any Contract Year during the Term of this Agreement. This reliability rate implies that the required percentage of the meters are read electronically through the Fixed Network.

(c) Reliability of Scheduled Consumption Readings for Monthly Billing. Cellnet shall provide to Laclede monthly meter reads in hundreds of cubic feet on each Activated Meter. These monthly meter readings shall be made available during each Fixed Network Meter's respective monthly Billing Window as established according to Laclede's projected monthly meter reading schedule (as such schedule may be adjusted by Laclede from time to time) at a reliability rate of 99% of the Activated Meters for each month and a minimum of 97% of the Activated Meters for each respective billing day within the month. If Cellnet is not able to achieve 99% of such monthly reads electronically, Cellnet shall achieve the required percentage by providing Laclede manual reads of Activated Meters within the Fixed Network Area; provided that Cellnet shall provide to Laclede each month an electronic list of the meters for which Cellnet was not able to obtain an electronic read through the Fixed Network. Cellnet shall promptly research and, if practicable, correct any MIU that the Fixed Network is not able to read electronically. In the event Laclede changes or adjusts its billing cycle schedule during the Twit, Cellnet shall make all changes necessary to accommodate such changes or adjustments within thirty (30) days after receiving written notice of such change or adjustment from Laclede; provided that if such changes or adjustments to a billing cycle occur during the Deployment Period, Laclede shall provide Cellnet 120 days prior written notice of such change or adjustment.

(d) Reliability Penalty.

(i) If Cellnet is not able to achieve the respective required average monthly reliability percentages for daily reads set forth in Section 2.2(b) above for any month during the Term, then Cellnet shall owe to Laclede a penalty (the "Daily Reliability Penalty") equal to Thirty Thousand Dollars ($30,000) for each one-half percent (1/2%) or portion thereof that Cellnet is below the applicable threshold. Furthermore, if Cellnet is not able to achieve the required daily minimum percentages set forth in Section 2.2(b) above on any day during the Term, then Cellnet shall owe to Laclede a penalty ("Minimum Daily Reliability Penalty") equal to One Thousand Dollars ($1,000) for each one-half percent (1/2%) or portion thereof that Cellnet is below the applicable minimum. For purposes of calculating the Daily Reliability Penalty and the Minimum Daily Reliability Penalty, only Activated Meters on Routes that have been activated as described in Section 2.1(g)(i) above for ninety (90) days or more shall be considered. Anything herein to the contrary notwithstanding, except for any rights that

may exist pursuant to Article 11 hereof, Laclede's sole remedy for Cellnet's failure to meet or exceed the foregoing performance metrics is set forth in this Section 2.2(d)(i).

(ii) The daily reliability performance percentages shall be equal to the sum of each day's number of successful automated daily meter readings which Cellnet makes available to Laclede during the calendar month, divided by the sum of each day's number of daily Activated Meters. This reliability rate implies that the required percentage of the meters are read electronically through the Fixed Network.

(iii) Commencing the first calendar month ninety (90) days after the Deployment Deadline, if Cellnet fails to provide to Laclede monthly meter reads in accordance with the reliability percentages described in Section 2.2(c) above, during any month, then Cellnet shall owe to Laclede a penalty (the "Monthly Reliability Penalty") equal to Fifteen Thousand

Dollars ($15,000) for each one-half percent (1/2%), or portion thereof, by which Cellnet is below such 99% threshold. For example, if Cellnet is able to provide reads for only 98% of the Activated Meters during a month, then the Monthly Reliability Penalty shall equal Thirty Thousand Dollars ($30,000). Additionally, Cellnet shall owe to Laclede a penalty ("Minimum Monthly Reliability Penalty") of One Thousand Dollars ($1,000) for each one-half percent (1/2%) or portion thereof by which Cellnet is below the 97% minimum on any billing day. Anything herein to the contrary notwithstanding except for any rights that may exist pursuant to Article 11 hereof, Laclede's sole remedy for Cellnet's failure to meet or exceed the foregoing performance metrics is set forth in this Section 2.2(d)(iii).

(iv) The monthly reliability performance shall be equal to the sum of each day's number of successful monthly meter readings which Cellnet makes available to Laclede during the calendar month, divided by the sum of each day's number of monthly Activated Meters.

(v) The Daily Reliability Penalty, Minimum Daily Reliability Penalty, Monthly Reliability Penalty and Minimum Monthly Reliability Penalty shall be referred to herein collectively as the "Reliability Penalty." Laclede shall have the right to deduct the Reliability Penalty amount from the Fee for each such month during which the daily and/or monthly reliability failures occur, or any subsequent month.

(e) Historical On-Request Meter Reads / Off-Cycle Meter Readings. Cellnet shall provide access to a Cellnet website via the Internet in order to obtain the thirty-five (35) most recent days of usage history information for each Activated Meter. Additionally, Cellnet shall provide Laclede with the ability to access the most recent thirteen (13) months of consumption readings for customer billing history information for each such meter over the Internet.

(f) Special Conditions Applicable to Certain Laclede Gas Meters. The parties acknowledge that there are approximately 10,000 Laclede Gas Meters within the portion of the Fixed Network Area shown on Exhibit 7 ("MoNat Manual Area Meters") for which Cellnet will not initially be able to obtain reads utilizing the Fixed Network as a result of the absence of the necessary MCCs and other infrastructure. Notwithstanding the foregoing, Cellnet shall install MIUs on the MoNat Manual Area Meters if instructed to do so by Laclede and perform Manual Reads of these meters monthly within their respective Billing Windows. Such readings shall be transmitted to Laclede via the Cellnet Standard Interface. The Mills installed on the MoNat Manual Area Meters shall be subject to the Monthly Reliability Penalty and Minimum Monthly Reliability Penalty described in Section 2.2(d) of this Agreement, but not the Daily Reliability Penalty and Minimum Daily Reliability Penalty described in Section 2.2(d). Except to the extent specifically provided herein, all of the MIUs installed on MoNat Manual Area Meters shall be subject to all of the other terms and conditions of this Agreement. Cellnet shall endeavor in good faith to install the necessary MCCs and other infrastructure necessary to enable Cellnet to read these MoNat Manual Area Meters through the Fixed Network as soon as is financially practicable.

(g) Disaster Recovery. Cellnet shall maintain a current disaster recovery plan for the primary NOC that at a minimum provides for recovery of all systems necessary to deliver the AMR Services within two (2) days of the declaration by Cellnet of a disaster at the primary NOC. Such plan shall include the activities that establish the AMR Services at a separate disaster recovery NOC facility, including, but not limited to, declaration of a disaster at the primary NOC, mobilization of staff for operation at the disaster recovery NOC, primary vendor notification and acquisition of the necessary computer hardware, retrieval of the tape back up Meter Database from off site, installing and configuring the hardware and NOC Software, recovery of Laclede Data from tape backup, reestablishing telecommunications links for Laclede retrieval of data and system testing. Cellnet shall make this plan available to Laclede within ten (10) days after the Effective Date, and from time to time thereafter upon Laclede's request, together with evidence that Cellnet tests such plan periodically in accordance with industry standards and the results of the most recent such test. Additionally, Cellnet and Laclede shall work together to develop, and revise as necessary, procedures that will apply in the event that a disaster occurs at the primary NOC. A disaster shall be declared at the NOC when an event occurs that results in Cellnet not being able to deliver Fixed Network Data for a period of time exceeding forty-eight (48) hours. Subject to the time requirements set forth in the first sentence of this Section 2.2(g), upon the occurrence of a disaster, Cellnet shall place a priority status on restoration of the AMR Services that is at least equal to, if not higher than, any other Cellnet customer within the Fixed Network Area.

2.3 Obligations of Laclede.

(a) Fees. Except as otherwise specifically provided herein, as sole consideration for the performance by Cellnet of its obligations under this Agreement, including, without limitation, the performance of the AMR Services, Laclede shall pay to Cellnet Ninety-Nine and 5/10 Cents (99.50) ("Per Read Fee") per month during the Term for each Activated Meter on Routes that have been activated pursuant to Section 2.1(g), for each meter that Laclede installs that is already equipped with a MN, provided Laclede successfully receives a monthly automated Actual Read from Cellnet during the respective Billing Window for each such meter, and for each meter that Laclede receives a manual read from Cellnet (the "Fee"). The Per Read Fee shall consist of the components set forth on Exhibit 8. The number of days in a Billing Window may not be decreased during the Term without the prior written agreement of Cellnet. Except as set forth on Exhibit 8, Laclede shall have no obligation to pay any charge for any Laclede Gas Meter for which Laclede does not receive an automated Actual Read or Cellnet manual read during the respective Billing Window. The Monthly MIU Asset Fee as set forth on Exhibit 8 ("Asset Fee") shall also commence for non-Activated Meters where MIU installation is handled pursuant to Section 2.1(c)(iii) on the earlier of the 120th day after delivery of the assembled meter or MIU to Laclede or the 120th day after passage of title of the assembled meter or MIU to Laclede or its bank or other lender. Laclede may deduct from the Fee prior to payment that amount of any penalty being assessed against Cellnet pursuant to Section 2.2(d) above. The Fee shall be payable via check or electronic transfer at such place designated by Cellnet.

(i) Within five (5) Business Days after the end of each calendar month, Cellnet shall submit to Laclede (directed to the Laclede AMR program manager or such other individual or department specified by Laclede in writing) an invoice specifying the Fee due from Laclede for such calendar month. The invoice shall include (A) the number of automated Actual Reads received via the Fixed Network during such calendar month, (B) the number of Cellnet Manual Reads (categorized by reading method) during such calendar month, (C) the amount due and owing for the meter data provided from the Fixed Network during that month, (D) any reduction for the Reliability Penalty calculated pursuant to Section 2.2(d), and (E) the Asset Fees for such calendar month. The invoice shall include any such other documentation as Laclede may reasonably request.

(ii) Within thirty (30) calendar days after receipt of an invoice submitted by Cellnet in accordance with this Agreement, Laclede shall pay Cellnet the amount invoiced. If Laclede disputes any invoiced amount, Laclede shall so notify Cellnet in writing within fifteen (15) calendar days after receipt of the invoice and give full reasons for the dispute. The Parties shall act in good faith to settle such dispute within five (5) Business Days after Laclede provides such notice of dispute to Cellnet. If the Parties are notable to resolve such dispute prior to the due date of the invoice, then

Laclede shall be entitled to withhold one-half (1/2) of the disputed sum and shall pay the other one-half (1/2) to Cellnet at the time the undisputed portion of the invoice is due.

(iii) If Laclede disputes any invoiced amount, the provisions of Article 19 shall apply. Following resolution of the dispute:

(A) any amount withheld by Laclede and agreed or determined to be payable shall be paid by Laclede within ten (10) Business Days after such agreement or determination; and (B) any amount paid by Laclede and agreed or determined not to be payable shall be deducted by Laclede from the amount of the monthly invoice next due after such agreement or determination.

(iv) Should Laclede fail to make payment on or before the due date of any sum due and owing (other than any sum which is the subject of a bona fide dispute and any Reliability Penalty), interest on the amount unpaid shall accrue from the date such amount was due until the date of payment at a rate per annum during such period equal to the prime rate set forth in the Wall Street Journal most recently published on the date such payment was due plus one percent (1%). Interest shall also accrue at such rate on the amount withheld pursuant to Section 2.3(a)(ii) (or paid by Laclede pending resolution of the dispute) until the time of payment if it is ultimately determined that such amount was due and payable to Cellnet (or, in the case of payment of an amount pursuant to Section 2.3(a)(ii) which was not ultimately payable to Cellnet, refund of such amount to Laclede).

(b) Minimum Per Read Fee. The pricing in this Agreement is predicated upon a minimum installed base of 600,000 MIUs. In the event that 600,000 MIUs are not installed within twenty-four (24) months after the Effective Date, despite Cellnet's good faith efforts and compliance in all material respects with its obligations under this Agreement, then, from and after such twenty-four (24) month period, Cellnet shall have the right to invoice Laclede, and Laclede shall pay, monthly, in addition to the Fee, an amount equal to the Per Read Fee multiplied by the difference between 600,000 and the actual number of MIUs that are installed on Laclede Gas Meters as of the last day of the then current billing period. As soon as more than 600,000 MIUs have been installed on Laclede Gas Meters, Laclede shall no longer owe such additional amount to Cellnet.

(c) Access to Premises. Laclede hereby grants to Cellnet, its employees, agents and subcontractors the right of reasonable access to any Laclede Gas Meter, Fixed Network Meter and any other relevant assets and premises owned by it or in its control where such access is necessary in order for Cellnet to perform the AMR Services. Laclede shall, at its own expense, take all reasonable steps to obtain, in favor of Cellnet, its employees, agents and subcontractors all rights of reasonable access to all premises that are reasonably required to enable them to perform the AMR Services and other obligations under this Agreement. Cellnet shall not be in default under this Agreement if it is prevented from performing due to its

inability to access a meter or premises; provided Cellnet or the MIU Installer has attempted to gain access to the meter on six (6) separate occasions as more specifically described in Section 2.1(c)(ii)(A) hereof. Nothing herein shall prohibit Laclede from establishing reasonable restrictions on such access and rendering of services.

(d) Use of Laclede Facilities. Laclede will allow Cellnet the use of Laclede buildings, towers, land, transmission and distribution system locations for the positioning of the MCCs. Cellnet and Laclede shall jointly identify the relevant sites. Notwithstanding the foregoing, Laclede has the right to refuse the use of individual sites or to impose reasonable restrictions on Cellnet entry to such sites. Cellnet shall not compensate Laclede for the use of its property as described above; provided, that Cellnet shall reimburse Laclede for out-of-pocket expenses incurred by Laclede due to Cellnet's use of such properties.

(e) Multiple Index Large Industrial and Commercial Meters. If the multiple index meters used by Laclede require the development of a special interface in order to be read automatically, Cellnet and Laclede shall cooperate with each other with regard to Cellnet's development of a proposed price for the automated reading of these meters where appropriate.

(f) Installation of Additional MIUs. At Laclede's request, Cellnet shall install additional MIUs after the completion of the Deployment Period at a fee to be agreed upon by the Parties.

(g) Laclede Gas Data File. Laclede will prior to completion of the Initial Fixed Network Deployment Phase provide to Cellnet a data file that details all Laclede Gas Data, including addresses, the reading schedule and all other pertinent Laclede customer information for all Laclede Gas Meters within the Fixed Network Area. Laclede will update this file and furnish it to Cellnet as additional Laclede Gas Meters are added within the Fixed Network Area. Cellnet shall not be in default under this Agreement if it is prevented from performing its obligations hereunder to the extent caused by an error contained in any data file, including files containing Laclede Gas Data, provided to Cellnet by Laclede.

(h) New Laclede Gas Meters. From time to time during the Term, Laclede mayreplace Activated Meters with new Laclede Gas Meters or install new Laclede Gas Meters, each of which already has an installed MIU, in the Fixed Network Area. In the event that Laclede replaces any Activated Meter or installs a new Laclede Gas Meter, it must promptly (i) provide Cellnet with the designation and installation information of the removed Activated Meter and/or the designation and installation information of the new Laclede Gas Meter, electronically via the Cellnet Standard Interface; and (ii) update the data file that details all Laclede Gas Data, as more specifically described in Section 2.3(g). A newly installed Laclede Gas Meter shall not be deemed to be an Activated Meter until Cellnet receives (a) a successful meter reading; (b) the designation and installation information; and (c) the Laclede Gas Data. Laclede shall bear all costs related to the removal

(d)

of any Activated Meters and the installation of all such newly installed Laclede Gas Meters. Under no circumstance shall Cellnet be responsible or have any liability related to (x) Laclede's failure to properly remove any Activated Meter, (y) Laclede's failure to properly install a new Laclede Gas Meter, or (z) Laclede's failure to provide Cellnet with accurate Laclede Gas Data or information related to the new Laclede Gas Meter.

2.4 Systems Integration. Cellnet and Laclede shall each be responsible for ensuring that its own respective systems perform in the manner that such Party has agreed its systems will perform in the specifications for the AMR Services and the implementation of the Standard Interface Specifications.

2.5 Interface Changes or New Interface Implementation. The Parties are not obligated to change or implement new interfaces once the Initial Fixed Network Deployment Phase is complete. If either Party decides to change, revise or create a new interface that is not in accordance with the Standard Interface Specifications, the Party shall submit a Change Order pursuant to Article 7. The Party requesting such change shall reimburse the other Party for the reasonable costs and expenses incurred by such non-requesting Party in connection with such change.

2.6 Exclusivity. Laclede acknowledges and agrees that Cellnet shall have the exclusive right to retrieve data from the MIUs installed on Laclede Gas Meters pursuant to this Agreement, and Laclede shall not, and shall not engage another person or entity to, read, attempt to read or intercept signals or communications from the MIUs. Further, during the Term, Cellnet shall be the exclusive provider to Laclede of the AMR Services and any tasks or services substantially similar to the AMR Services within the Fixed Network Area.

2.7 Initial Term. The initial term of this Agreement shall begin on the date first set forth above (the "Effective Date") and continue for fifteen (15) years ("Initial Term").

2.8 Term Extensions and Renewals. At the end of the Initial Term, Laclede and Cellnet may renew this Agreement upon mutually agreeable terms and conditions. The Parties agree to begin negotiations two (2) years prior to the end of the Initial Term.

ARTICLE 3
MAINTENANCE, GROWTH AND REPAIR
OF THE FIXED NETWORK

3.1 Maintenance of MIUs.

(a) Subject to this Section 3.1 and Section 3.4 hereof, Cellnet shall be responsible for all costs of repairing or replacing non-working or failed Mills. Cellnet shall provide all support and maintenance required on the MIUs. Cellnet shall provide service visits free of charge to meters where the NOC fails to receive data from a Fixed Network Meter unless such failure clearly indicates a problem other than with the MIU or the Fixed Network, Notwithstanding the foregoing, if the Parties determine that a MIU is damaged by anyone other than Cellnet or the MIU Installer or is vandalized such that it cannot reasonably be made to function properly, the MIU will be considered to be a retired MIU and so treated pursuant to the mechanism set forth in Section 2.1(c)(iii)(E).

(b) Cellnet shall provide service visits free of charge to any Activated Meter upon the reasonable request of Laclede when Laclede deems a MIU to be stopped, programmed incorrectly by Cellnet or its subcontractor or reset and has provided documented history of such readings. If, upon such service visit, Cellnet discovers and documents that the MIU was programmed correctly and is operating properly, or if a MIU malfunction or incorrect programming by Laclede or its third party vendor or subcontractor was caused by (i) the Laclede Gas Meter, (ii) any Laclede personnel, or (iii) vandalism, and such findings are confirmed by Laclede, Cellnet shall deliver an invoice to Laclede, and Laclede shall reimburse Cellnet's reasonable expenses for such service visit not to exceed Fifty Dollars ($50), payable within thirty (30) calendar days of receipt of the invoice from Cellnet.

(c) If Laclede investigates a stopped meter report and determines that there has been a MIU failure, has replaced the MIU or battery, and delivered the MIU or battery to Cellnet, and the failure is confirmed by Cellnet, Laclede shall deliver an invoice to Cellnet, and Cellnet shall reimburse Laclede for its reasonable expenses for such a service visit not to exceed Fifty Dollars ($50), payable within thirty (30) calendar days of receipt of the invoice from Laclede.

(d) Notwithstanding the foregoing, if Cellnet cannot gain access to a MIU to verify whether it is functioning properly after making at least three (3) reasonable attempts to access the MIU, Cellnet's obligations under this Section 3.1 with respect to such MIU shall be suspended until such time as Cellnet gains access on its own or with the assistance of Laclede. During the period that Cellnet is not able to gain access to such MIU, the meter shall be deemed to be an Unavailable Meter, and Cellnet shall provide Laclede (directed to the attention of the Laclede AMR program manager at the address provided hereafter in this Agreement) prompt written notice of any MIU that appears to be malfunctioning to which Cellnet cannot gain access. Upon receipt of such notice, Laclede shall make reasonable efforts to assist Cellnet to gain access to the MIU in question.

3.2 Meter Change Outs. Change outs of Laclede Gas Meters will occur during the Term in accordance with Laclede's standard procedures for meter change outs; provided that Laclede shall de-initialize the MIU on each meter that is removed and initialize the new MIU that is part of the meter that is being installed. Upon completion of the change out, Laclede shall provide to Cellnet the information required by the Standard Interface Specifications. Upon receipt of the meter change out files via the Cellnet Standard Interface, Cellnet shall update the NOC to allow for proper acceptance of transmissions from the new MIU.

3.3 Battery Replacement. The MIU batteries will be replaced by Cellnet so that there is no interruption in the AMR Services due to battery failure. Cellnet shall be responsible for the cost of the battery and installing the battery. Any system-wide replacement of batteries shall be coordinated in advance with Laclede.

3.4 Vandalism. Cellnet will, within five (5) Business Days after the discovery of vandalism to a MIU, repair or replace the MIU, provided the meter is an Accessible Meter, and Laclede will be responsible for Cellnet's service visit in accordance with Section 3.1(b). Vandalism to a MIU requiring repair or replacement of the MIU shall be considered to be a Force Majeure Event and shall relieve Cellnet of its responsibilities relating to obtaining reads under this Agreement with respect to such MIU; provided that Cellnet promptly repairs or replaces such MIU upon discovery of such vandalism. Notwithstanding the foregoing, if Cellnet discovers that only the meter or both the meter and the MIU have been damaged, Cellnet will promptly notify Laclede of such damage in writing. Within seven (7) Business

Days after receiving such written notice, Laclede shall, at its own expense, replace the damaged meter with a meter equipped with a MIU or remove such meter and disconnect gas service, provided such meter is accessible to Laclede. All vandalized MIUs that are replaced with a new MIU shall be retired in accordance with Section 3.1(a) of this Agreement.

ARTICLE 4
INTELLECTUAL PROPERTY, LICENSES AND USE OF INTELLECTUAL PROPERTY

4.1 Intellectual Property. Notwithstanding any other provision in this Agreement to the contrary, (i) all Intellectual Property rights in the Fixed Network, the NOC, the Programming Software, the MIUs, the MCCs and the method of providing the AMR Services (the "Cellnet Intellectual Property") shall at all times remain the property of Cellnet, and nothing in this Agreement shall serve to pass ownership in any part of the Cellnet Intellectual Property to Laclede or any third party, and (ii) any developments, improvements, modifications, enhancements and/or adaptations of any kind created or developed by Laclede or by Cellnet, or jointly by the Parties, to any element or part of the Cellnet Intellectual Property shall at all times remain the property of Cellnet, and nothing in this Agreement shall serve to pass ownership in any part of the Cellnet Intellectual Property to Laclede or any third party. To the extent Cellnet updates or modifies the Programming Software for its other customers, Cellnet shall offer the same updates and/or modifications to Laclede at the same or lesser charge as it offers the same to other customers. Notwithstanding the foregoing, Cellnet shall provide to Laclede without charge any updates or modifications to the Programming Software that are required in order for Cellnet to perform and Laclede to utilize the AMR Services as contemplated under this Agreement.

4.2 License to the Programming Software. Subject to the terms and conditions of this Agreement, Cellnet shall grant Laclede pursuant to a license agreement in the form attached hereto as Exhibit 9 a non-transferable, non-exclusive, limited license to use the Programming Software solely to program the MIUs for use on Laclede Gas Meters. Should Laclede require the use of the Programming Software beyond the expiration or

termination of this Agreement and provided that Cellnet continues to support such software, Laclede shall have the right to enter into an appropriate license with Cellnet for such software in exchange for payment of a commercially reasonable royalty by Laclede.

4.3 Rights in Fixed Network. Cellnet shall hold all rights to the Fixed Network, and Laclede shall have no right or interest in any part of the Fixed Network, except as expressly provided under this Agreement.

4.4 Assignments by Laclede. All developments, improvements, modifications, enhancements and/or adaptations to the Cellnet Intellectual Property created or developed by Cellnet, by Laclede, or jointly by the Parties shall be considered to be Cellnet Intellectual Property. If by operation of law any such Intellectual Property is not owned in its entirety by Cellnet automatically upon creation or development, then Laclede agrees to transfer and assign, and hereby transfers and assigns, to Cellnet the entire right, title and interest, if any, throughout the world in and to all such Intellectual Property, including any Intellectual Property rights in same, and shall cooperate with Cellnet in obtaining for Cellnet's benefit, and at Cellnet's sole expense, appropriate legal protection for such Intellectual Property, including, but not limited to, testifying in any legal proceedings, signing all lawful papers, making all rightful oaths and executing applications, assignments and other instruments, all at Cellnet's sole expense.

4.5 Assignments by Cellnet. All Intellectual Property that is owned by Laclede, including, without limitation, Laclede Gas Data, the Fixed Network Data, and documentation and reports produced by Laclede in connection with the AMR Services (except to the extent such documentation and reports incorporate Cellnet Intellectual Property or Confidential Information), will belong exclusively to Laclede. If by operation of law any such Intellectual Property is not owned in its entirety by Laclede automatically upon creation or development, then Cellnet agrees to transfer and assign, and hereby transfers and assigns to Laclede the entire right, title and interest, if any, throughout the world in and to all such Intellectual Property, including copyrights in same, and shall cooperate with Laclede in obtaining for Laclede's benefit, and at Laclede's expense, appropriate legal protection of such Intellectual Property transferred and assigned, and to be transferred and assigned, hereunder to Laclede, including but not limited to testifying in any legal proceedings, signing all lawful papers, making all rightful oaths and executing all applications, assignments and other instruments, all at Laclede's sole expense.

ARTICLE 5
OWNERSHIP OF INFORMATION

5.1 Ownership by Laclede. All Fixed Network Data, any documentation or reports of any kind produced by Cellnet utilizing Laclede's customer data or readings or any other information provided in any form by Laclede or Laclede's customers to, or obtained from Laclede Gas Meters by, Cellnet in connection with this Agreement are, and shall continue to be, owned solely by Laclede, and Laclede shall comply with all reasonable requests by Cellnet for access to all such data, documentation, reports and other information to the extent required for Cellnet to perform its obligations under this Agreement. Cellnet may use extracts or summaries of the Fixed Network Data only for its internal purposes and

for the purpose of promoting the sale of its services to others as long as such extracts or summaries do not contain any information identifiable to Laclede or to any particular customer of Laclede.

ARTICLE 6
TRAINING

6.1 Training Plan. Within twenty (20) Business Days after the date of this Agreement, Cellnet shall provide to Laclede a written plan describing the training that Cellnet shall provide to Laclede personnel (the "Training Plan"). Such plan shall be subject to Laclede's approval, which shall not be unreasonably withheld or delayed. Unless otherwise approved by Laclede, all training shall be conducted in St. Louis at facilities owned by Laclede. All training shall be conducted at times and places mutually agreeable to the Parties. Cellnet will provide sufficient training on MIU installation, such that Laclede can train the trainers. The Training Plan will also include instruction on accessing Fixed Network Data via the Internet. In the event that training is not conducted at a Laclede facility, or is conducted outside of the St. Louis area, Laclede shall bear the costs and expenses related to such training.

ARTICLE 7
CHANGE ORDERS

7.1 Changes. The Parties may mutually agree to modify the scope of the AMR Services at any time during the Term (a "Change"). If, however, such modifications would require the Party not requesting the Change to provide services materially different from the AMR Services specified in this Agreement, or materially extend or shorten the time needed to complete the AMR Services (a "Material Change"), the Parties shall follow the Change Order Procedure set forth in Section 7.2 below.

7.2 Change Order Procedure.

(a) To request a Material Change, a Party (the "Requesting Party") shall submit to the other Party (the "Responding Party") a written request describing the change that such Party desires ("Change Order"). The Responding Party shall respond to the Change Order within fifteen (15) Business Days of receipt with a written statement (i) offering to perform the AMR Services in a manner consistent with the Change Order, (ii) offering to perform the Change Order but proposing modifications to it, or (iii) rejecting the Change Order. If the Responding Party responds in accordance with either (i) or (ii) in the preceding sentence, the Responding Party shall include detailed information as to the availability of the Responding Party's personnel and resources to perform the Change Order and the impact, if any, on timing of the completion of the affected AMR Services or the additional or reduced cost of the AMR Services. The Responding Party will use commercially reasonable efforts to minimize any adverse impact on the AMR Services created by the Change Order or any increase in cost or expense that is to be imposed on the Requesting Party. This process will continue until the Parties agree in writing upon the changes to be made, the impact on the timing of the completion of the affected AMR Services and any additional costs or expenses associated therewith. If the Requesting Party desires to implement the Change Order, it will notify the Responding Party so in writing and the Responding Party will promptly proceed with the implementation of the applicable changes, as mutually agreed upon by the Parties.

(b) For any Change Order, Laclede shall pay Cellnet the additional charges, costs and expense agreed upon by the Parties pursuant to the terms of Section 2.3(a). If the Change Order results in a reduction in the anticipated charges, costs or expenses, Laclede shall receive a credit for such reduction against the fees otherwise owed by Laclede under this Agreement.

ARTICLE 8
SUBCONTRACTS

8.1 Subcontracts. Cellnet anticipates entering into certain contracts for equipment and services, including, without limitation, installation of MIUs and installation and maintenance of MCCs. Laclede shall have the right to approve the parties with whom Cellnet contracts for the installation of MIUs as set forth in Section 2.1(d)(i). Laclede has provided to Cellnet general guidelines for subcontractors to assist Cellnet to select subcontractors that will be acceptable to Laclede. No subcontracting or delegation of duties by Cellnet to third parties shall relieve Cellnet of any obligations of Cellnet under this Agreement.

ARTICLE 9
CONFIDENTIALITY

9.1 Confidential Information. "Confidential Information" means any information or data disclosed in writing or orally by a Party (the "Disclosing Party") to the other Party (the "Recipient") under or in contemplation of this Agreement, whether delivered or obtained before or after the date hereof, and which (a) if in tangible form or other media that can be converted to readable form, is clearly marked as proprietary, confidential, or private on disclosure; or (b) if oral or visual, is identified as proprietary, confidential or private on disclosure and is summarized in writing so marked and delivered within thirty (30) days following such disclosure; or (c) the Recipient, considering the method of disclosure or discovery and the subject matter being disclosed or discovered, should reasonably conclude is considered confidential by the Disclosing Party. "Disclosing Party" and "Recipient" include each Party's Affiliates that disclose or receive Confidential Information. The rights and obligations of the Parties shall therefore also inure to such Affiliates and may be directly enforced by or against such Affiliates. For purposes of clarification, Laclede Gas Data and Fixed Network Data shall be deemed Confidential Information of Laclede.

9.2 Use of Confidential Information. The Recipient acknowledges the economic value of the Disclosing Party's Confidential Information. The Recipient shall: (a) use the Confidential Information only as required to perform its obligations under this

Agreement; (b) restrict disclosure of the Confidential Information to employees and advisors of the Recipient and its Affiliates who need to know the information in order for Recipient to perform its obligations under this Agreement; (c) not disclose it to any other person or entity without the prior written consent of the Disclosing Party; (d) advise those employees who access the Confidential Information of their obligations with respect thereto; and (e) copy the Confidential Information only as necessary for those employees who are entitled to receive it, and ensure that all confidentiality notices are reproduced in full on such copies.

9.3 Exclusions and Exceptions. The foregoing confidentiality obligations shall not apply to any Confidential Information that the Recipient can demonstrate: (a) is or becomes available to the public through no breach of this Agreement; (b) was previously known by the Recipient without any obligation to hold it in confidence; (c) is received from a third party free to disclose such information without restriction; (d) is independently developed by the Recipient without the use of Confidential Information; (e) is approved for release by written authorization of the Disclosing Party, but only to the extent of such authorization; (f) is required by PSC data request, law, regulation, administrative order or subpoena to be disclosed, but only to the extent and for the purposes of such required disclosure, and only if the Recipient first attempts to notify the Disclosing Party of the request, law, regulation, order or subpoena; or (g) is disclosed in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof, but only to the extent of, and for the purposes of, such order, and only if the Recipient first attempts to notify the Disclosing Party of the order to permit the Disclosing Party to seek an appropriate protective order.

9.4 Unmarked Confidential Information. If the Disclosing Party inadvertently fails to mark as proprietary, confidential or private information for which it desires confidential treatment, it shall so inform the Recipient. The Recipient thereupon shall return the unmarked information to the Disclosing Party and the Disclosing Party shall substitute properly marked information. Nothing in this paragraph shall relieve Recipient of its obligations to protect Confidential Information that contains no restrictive marking that the Recipient, considering the method of disclosure or discovery and the subject matter being disclosed or discovered, should reasonably conclude is considered confidential by the Disclosing Party.

9.5 Ownership of Confidential Information. Confidential Information, including permitted copies, shall be deemed the property of the Disclosing Party. The Recipient shall, within thirty (30) days of a written request by the Disclosing Party, return all Confidential Information (or any designated portion thereof), including all written copies or electronic data containing the Confidential Information, to the Disclosing Party or, if so directed by the Disclosing Party, destroy all such Confidential Information. The Recipient shall also, within fifteen (15) days of a written request by the Disclosing Party, certify in writing that it has satisfied its obligations under this Agreement.

9.6 Specific Performance. The Parties agree that an impending or existing violation of this Article 9 would cause the Disclosing Party irreparable injury for which it would have no adequate remedy at law, and agree that the Disclosing Party shall be entitled to obtain

immediate injunctive relief prohibiting such violation, in addition to any other rights and remedies available to it.

9.7 Survival and Severability. All obligations undertaken respecting Confidential Information shall survive the expiration or earlier termination of this Agreement and shall continue for five (5) years from the date of the expiration or earlier termination of this Agreement.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES

10.1 Representations and Warranties of Cellnet. Cellnet hereby represents and warrants the following to Laclede:

(a) Duly Authorized. Cellnet is a corporation duly organized and existing and is in good standing under the laws of Delaware. Cellnet's execution, delivery and performance of this Agreement has been duly authorized by all appropriate action on the part of Cellnet, and this Agreement constitutes the valid and binding obligation of Cellnet and is enforceable against Cellnet in accordance with its terms.

(b) No Conflict. Neither the execution and delivery of this Agreement, nor any assignments or licenses made hereunder, will conflict with or violate any other license, instrument, contract, agreement, or other commitment or arrangement to which Cellnet is bound.

(c) Consents. No approval, authorization, consent, permission, waiver, notice, filing or recording is necessary for Cellnet's execution of this Agreement.

(d) Professional Standards. The AMR Services shall be performed in a professional manner in accordance with the prevailing standards of the industry.

(e) Ownership. Cellnet has or will obtain the ownership of, or a leasehold, license or other interest in all elements of, the Fixed Network so as to perform its obligations hereunder.

(f) Non-Encumberance and Non-Infringement. To the best of Cellnet's knowledge and belief, (i) neither the AMR Services, nor any deliverables provided by Cellnet to Laclede hereunder, have been or will be encumbered, except as provided in the financing arrangements entered into by Cellnet in connection with this Agreement and approved by Laclede, and any subsequent renewals, extensions, restructurings, modifications, or replacements of such financing arrangements, in whole or in part (either as a stand-alone financing in connection with this Agreement or as part of Cellnet's general financing facilities), which shall not require approval by Laclede but shall require notice to Laclede thereof, and (ii) neither the AMR Services, nor any deliverables provided by Cellnet to Laclede hereunder, nor any system, apparatus, equipment, components, method,

process, information, data or design provided by Cellnet to Laclede hereunder or used by Cellnet in providing the AMR Services hereunder infringe any patents, copyrights, trade secrets, or other proprietary rights of any third party. Cellnet makes no representation or warranty with respect to infringement claims arising from any system, apparatus, equipment, component, method, process, information, data or design provided by Laclede hereunder.

(g) Compliance with Laws. Cellnet shall comply with all applicable federal, state and local laws, regulations, ordinances, and governmental restrictions in performing the AMR Services under this Agreement.

(h) Services and Supplies. Cellnet warrants that the supplies and services furnished under this Agreement will be free from defects in material and workmanship and will conform, in all material respects, to all requirements of this Agreement.

(i) Required FCC and Regulatory Licenses. Cellnet shall obtain and maintain during the Term, at Cellnet's expense, any licenses and/or permits needed from the FCC, state or local regulatory agencies, or any licenses from other entities required to operate the Fixed Network in Laclede's service area.

(j) Fixed Network Security. Cellnet shall keep in place network security that will monitor and protect against unauthorized access to Laclede Gas Data while such data are on or within the Fixed Network. The Laclede Gas Data will be stored in a separate partitioned area of the Meter Database.

10.2 Representations and Warranties of Laclede. Laclede hereby represents and warrants to Cellnet:

(a) Duly Authorized. Laclede is a corporation duly incorporated and existing in good standing under the laws of Missouri. Laclede's execution, delivery and performance of this Agreement has been duly authorized by all appropriate corporate action on the part of Laclede, and this Agreement constitutes the valid and binding obligation of Laclede and is enforceable against Laclede in accordance with its terms.

(b) No Conflict. Neither the execution and delivery of this Agreement nor any assignments or licenses made hereunder will conflict with or violate any other license, instrument, contract, agreement, or other commitment or arrangement to which Laclede is bound.

(c) Ownership. Laclede has and will continue to have: (i) good and clear title or (ii) valid and enforceable rights or licenses to the Laclede Gas Meters and the Laclede gas systems. Laclede will not subject any MIUs installed on Laclede Gas Meters to any encumbrances, liens, mortgages, securities or other defects in title.

(d) Consents. Except as specifically provided otherwise herein, no approval, authorization, consent, permission, waiver, notice, filing or recording is necessary for Laclede's execution of this Agreement.

(e) Non-Infringement. To the best of Laclede's knowledge and belief, neither Laclede's gas system nor any information, data, data processes or designs supplied by Laclede that will be integrated with the AMR Services infringes any patents, copyrights, trade secrets or other proprietary rights of any third party to the extent that said infringement is based solely on said Laclede's gas system, information, data, processes or designs, and Laclede has no reason to believe that any such infringement or claims thereof could be made by third parties. Laclede makes no representation or warranty with respect to infringement claims arising from AMR Services, or any system, apparatus, equipment, component, method, process, information, data or design provided by Cellnet hereunder.

(f) Compliance with Laws. Laclede shall comply with all applicable federal, state and local laws, regulations, ordinances, and governmental restrictions in performing its obligations under this Agreement.

10.3 DISCLAIMER OF WARRANTY. EXCEPT FOR THE WARRANTIES SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 11
TERMINATION AND REMEDIES

11.1 Termination.

(a) Termination by Either Party for Breach. Either Party may terminate this Agreement in the event of a material breach of this Agreement by the other Party, provided that the breaching Party has not cured such material breach within forty-five (45) Business Days after the date that the Party seeking termination provides written notice of such material breach to the breaching Party. Such notice shall set forth the full details of the breach and state that the failure to cure such breach may result in termination. Either Party may terminate this Agreement if there exists a series of non-material or persistent breaches by the other Party, that, in the aggregate, have a material and significant adverse impact on the non-breaching Party; provided that the non-breaching Party provides the breaching Party with prior written notice of its belief that such series of non-material breaches have had, are having, or are reasonably likely to have a material and significant adverse impact on the non-breaching Party and further provided that the non-breaching Party provides the breaching Party with forty-five (45) Business Days, during which such non-material breaches must be cured.

(b) Termination by Cellnet for Nonpayment. Cellnet may terminate this Agreement in the event that Laclede, during two (2) consecutive months or three (3) or more times during any Contract Year, fails to pay any invoice for the Fees when due, provided that Laclede has not cured any such payment default within twenty (20) Business Days after the date that Cellnet provides written notice to Laclede of such payment default.

(c) Termination for MIU System Failure. It shall be deemed to be a material breach of this Agreement by Cellnet, for purposes of Section 11.1(a), if more than two percent (2%) of either the first 5,000 or 30,000 MIUs installed on Activated Meters fail to provide daily automated meter reads on an average basis over the total number of calendar days of the first full calendar month following the installation of such 5,000 or 30,000 Mills, respectively, and such failure is not cured during the following forty five (45) Business Days. In the event of such a material breach by Cellnet, Laclede may avail itself of the remedies contained in this Article 11.

(d) Termination for Insolvency. Either Party may terminate this Agreement on written notice to the other if the other Party becomes an Insolvent Entity. In the event of the bankruptcy of Cellnet pursuant to the Bankruptcy Code and an attendant rejection of this Agreement or any license or assignment granted hereunder pursuant to Section 365 thereof, the Parties intend that the provisions of the Bankruptcy Code shall apply.

(e) Suspension of Performance. In addition to the foregoing, after expiration of the applicable cure period described in Section 11.1(a) or 11.1(b) above, a non-defaulting Party may, without terminating this Agreement, suspend performance of its obligations under this Agreement for such period of time as the non-defaulting Party deems appropriate in its sole discretion to give the defaulting Party an additional opportunity to cure. The non-defaulting Party may terminate this Agreement at any time during such suspension by providing thirty (30) Business Days written notice to the other Party.

11.2 Impaired Performance. If either Party fails to materially perform or observe any of its obligations set forth in this Agreement and fails to take corrective action within forty-five (45) Business Days after written notice by the other, the non-breaching Party may, as an alternative to its right to terminate this Agreement, accept such Party's impaired performance and recover its actual damages.

11.3 Effect of Termination.

(a) Removal of MIUs. Unless otherwise agreed by the Parties, if this Agreement is terminated as a result of breach, then in the event of a Laclede breach, Laclede shall be responsible for the cost of removal of the MIUs installed on Laclede property. In the event of a Cellnet breach, Cellnet shall be responsible for the commercially reasonable cost of removal of the Mills; provided that if the removal occurs in connection with deployment of any replacement system, then

Cellnet shall be responsible only for the commercially reasonable incremental cost of removing the MIUs; and further provided that if Laclede is not deploying a replacement system and the removal is at the discretion of Laclede and not required by any regulatory or governmental authority, applicable law or the superior rights of a third party, then Laclede shall be responsible for the commercially reasonable cost of removal of the MIUs. If this Agreement is terminated as a result of the default of Laclede, then any removal of the MIUs shall have no impact on Laclede's obligation to pay any Asset Fees (as specified in Exhibit 8 hereto) related to such MIUs unless and to the extent that any such MIUs are returned to Cellnet by Laclede and redeployed by Cellnet. If this Agreement is terminated as a result of the default of Cellnet and Laclede does not continue to utilize the Fixed Network, then Laclede's obligation to pay any Asset Fees related to the MIUs shall cease; provided, that if Laclede continues to utilize the Fixed Network, Laclede's obligation to pay the Asset Fee shall continue only for those MIUs that continue to function properly and deliver automated meter reads to Laclede. In all events, Laclede's obligation to pay any Asset Fee shall cease on the fifteenth (15^{th}) anniversary of the Effective Date. Upon expiration of the Term or earlier termination of this Agreement for breach by Laclede, Cellnet may, but shall not be obligated to, remove the MIUs installed on Laclede Gas Meters, at Cellnet's sole cost and expense. Notwithstanding the foregoing, if Cellnet desires to remove the MIUs installed on the Laclede Gas Meters upon the termination of this Agreement, Cellnet shall notify Laclede in writing within thirty (30) days after such termination, and Cellnet and Laclede shall devise a schedule and methodology for such removal that is reasonably acceptable to both Parties.

(b) Return of Confidential Information, Trade Secrets and Cellnet Property. Upon the termination of this Agreement by either Party for any reason, each Party shall return to the other any Confidential Information of the other Party in its possession or, with the consent of the Disclosing Party, shall destroy the same and certify such destruction to the Disclosing Party. Additionally, upon the termination of this Agreement, Laclede shall return to Cellnet the handheld units provided during the Initial Fixed Network Deployment Phase.

(c) Survival of Rights and Licenses. Upon termination of this Agreement by either Party, all rights and licenses granted hereunder, except for those necessary to perform Transition Services as specified in Section 11.3(d) below or as specified elsewhere in this Agreement, shall terminate.

(d) Transition Services.

(i) Transition Services. Upon expiration or earlier termination of this Agreement (except due to the termination by Cellnet pursuant to Section 11.1(a) or (b)), the Parties agree they will cooperate to assist in the orderly transfer of performance of the AMR Services to a new service provider selected by Laclede (the "Transition Services"). Without limiting the generality of the foregoing, Cellnet shall provide Laclede and its

respective agents, contractors and consultants, as necessary, with the AMR Services contracted for hereunder, for a maximum of eighteen (18) months after such termination or expiration (the "Transition Period"). Such Transition Services shall be provided pursuant to the terms and conditions of this Agreement; provided that to the extent such Transition Services are provided after the expiration of the Term, then Laclede and Cellnet shall work together in good faith to amend the performance standards for the AMR Services and such other operational matters as may be relevant to the winding down of operations pursuant to the Transition Services, as appropriate.

(ii) Payment During Transition. Laclede and Cellnet shall negotiate in good faith to reach agreement on the fees for the AMR Services during the provision of Transition Services; provided that if the parties are not able to reach agreement, then Laclede shall pay Cellnet (A) the then-effective per-read fee for the AMR services as set forth in Section 2.3(a) for AMR Services rendered before the fifteenth (15) anniversary of the Effective Date, and/or (B) $.995 per read for the AMR Services as set forth in Section 2.3(a) for AMR Services rendered on or after the fifteenth anniversary of the Effective Date. If the Agreement was terminated for any reason other than Cellnet's default, Laclede shall pay Cellnet for the Transition Services in accordance with Cellnet's then current rates for professional services.

(iii) Assets for Transition Services. In the event of early termination of this Agreement for any reason other than breach by Laclede, then Laclede shall be entitled to contract with a new service provider for the provision of the AMR Services during the Transition Period and, in connection therewith, to the use of the MIUs and the non-exclusive use of the MCCs, NOC, Programming Software or other components of the Fixed Network owned, leased, or licensed by Cellnet and used by Cellnet in providing the AMR Services, subject to Cellnet's prior written consent, which consent shall not be unreasonably withheld or delayed.

(e) Laclede Termination Damages. In the event Laclede terminates this Agreement after a breach by Cellnet, Cellnet shall pay Laclede its actual damages.

(f) Cellnet Termination Damages. In the event Cellnet terminates this Agreement after a breach by Laclede, Laclede shall pay to Cellnet its actual damages.

ARTICLE 12
INDEMNIFICATION AND LIMITATION OF LIABILITY

12.1 Indemnification.

(a) Indemnity by Cellnet.

(i) Intellectual Property Indemnification. Cellnet, at its own expense, shall indemnify, defend and hold harmless, Laclede and its Affiliates, directors, officers, employees, agents, successors and assigns and defend any action brought against same with respect to any claim, demand, cause of action, debt, liability, damage, cost, loss or expense, including, without limitation, reasonable attorney's fees and expenses, arising out of any claim that any services, system, apparatus, equipment, component, method, process, information, data (other than Laclede Gas Data or Fixed Network Data) or design furnished by Cellnet and/or its subcontractors (collectively, "Cellnet Materials"), in connection with the provision of AMR Services hereunder by Cellnet, infringes or violates any patent, copyright, trade secret, license or other proprietary right of any third party.

At any time after Cellnet becomes aware of any such claim, Cellnet may, at its option and expense, (1) procure the right to furnish to Laclede the Cellnet Materials as provided in this Agreement, (2) modify the infringing Cellnet Materials without impairing in any material respect the functionality or performance of the AMR Services or any other services provided hereunder so that they are non-infringing, or (3) replace the Cellnet Materials with an equally suitable, non-infringing replacement that does not impair in any material respect the functionality or performance of the AMR Services or any other services provided hereunder. If Cellnet is not able to accomplish (1), (2) or (3) above within a reasonable period of time, Cellnet shall have the option to terminate this Agreement upon written notice to Laclede and Cellnet shall be deemed to be in breach under this Agreement, and Laclede shall have the right to avail itself of any remedies available to it under this Agreement or otherwise.

(ii) Personal Injury and Property Damage Indemnification. Cellnet agrees to take, and cause its employees, subcontractors, and agents to take, all commercially reasonable precautions to prevent injury to any persons (including, without limitation, employees, agents and customers of Laclede) or damage to property (including, without limitation, Laclede's property) and shall indemnify, hold harmless and defend Laclede and its Affiliates, directors, officers, employees, agents, successors and assigns from and, against any and all suits, actions, damages, claims, fines, penalties, administrative or regulatory actions, costs, losses, expenses (including, without limitation, settlement awards and reasonable attorney's fees), and the liabilities, costs and/or expenses arising from or in connection with any claim of injuries to person or damage to property

arising out of any act, omission, or negligence on the part of Cellnet or its agents, subcontractors or employees in the performance or failure to perform any obligation under this Agreement.

(iii) Cellnet, at its own expense, shall indemnify, defend and hold Laclede harmless from and against any assessment, penalty or fee charged to or assessed against Laclede by the PSC or a court of competent jurisdiction to the extent that such assessment penalty or fee is a result of Cellnet's failure to provide AMR Services in accordance with the terms and conditions of this Agreement, and Laclede may setoff any such amount against amounts owed by Laclede to Cellnet under this Agreement.

(b) Indemnity by Laclede. Personal Injury and Property Damage Indemnification. Laclede agrees to take, and cause its employees and agents to take, all commercially reasonable precautions to prevent injury to any persons (including, without limitation, employees and agents of Cellnet) or damage to property (including, without limitation, Cellnet's property) and shall indemnify, hold harmless and defend Cellnet and its Affiliates, directors, officers, employees, agents, successors and assigns from and against any and all suits, actions, damages, claims, fines, penalties, administrative or regulatory actions, costs, losses, expenses (including, without limitation, settlement awards and reasonable attorney's fees), and the liabilities, costs and/or expenses arising from or in connection with any claim of injuries to person or damage to property resulting from or arising out of any act, omission, or negligence on the part of Laclede or its agents or employees in the performance or failure to perform any obligation under this Agreement.

(c) Procedures. In connection with any claim for indemnification, the Party seeking indemnification ("indemnitee") shall give prompt notice to the Party providing indemnification under this Section 12.1 ("indemnitor") of the assertion of any claim, or the commencement of any suit, action or proceeding in respect of which indemnity may be sought under this Article 12; provided that the failure to give such notice shall not affect the rights of such indemnitee except and only to the extent the indemnitor is prejudiced by such failure. In the event that any third party claim covered by this Article 12 is asserted, and the indemnitee notifies the indemnitor in accordance with this Section 12.1(c), the indemnitor will be entitled to participate therein and assume control of the defense thereof by notice to the indemnitee. The indemnitee may participate in the defense of such third party claim at its own expense. The indemnitee shall cooperate with the indemnitor in such defense. The indemnitor shall not be liable for any settlement of any claim,

action or proceeding which is effected without the prior consent of the indemnitor, which consent shall not be unreasonably withheld. The indemnitor shall not settle any claim, action, or proceeding covered by this Article 12 in a manner which adversely affects the business operations of the indemnitee without the prior consent of the indemnitee, which consent shall not be unreasonably withheld.

ARTICLE 13
LIABILITY

13.1 Liability. EXCEPT FOR LIABILITY ARISING UNDER ARTICLE 9 OR ARTICLE 12, IN NO EVENT WILL EITHER PARTY'S LIABILITY TO THE OTHER PARTY EXCEED TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($12,500,000) ["LIABILITY CAP"]. ON THE FIRST DAY OF EACH CONTRACT YEAR (EXCLUDING THE FIRST CONTRACT YEAR) DURING THE TERM, THE LIABILITY CAP SHALL AUTOMATICALLY INCREASE BY A PERCENTAGE THAT IS EQUAL TO THE PERCENTAGE INCREASE, IF ANY, IN THE CONSUMER PRICE INDEX (AS HEREINAFTER DEFINED) FROM THAT LAST PUBLISHED ON THE FIRST DAY OF THE IMMEDIATELY PRECEDING CONTRACT YEAR TO THAT LAST PUBLISHED ON THE FIRST DAY OF THE THEN-CURRENT CONTRACT YEAR. THE CONSUMER PRICE INDEX MEANS THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS-ST. LOUIS, MO-IL-ALL ITEMS (1982-84=100), PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT OF LABOR, OR IN THE EVENT OF DISCONTINUANCE OF THAT INDEX OR SUBSTANTIAL CHANGE IN THE FORMULA BY WHICH THAT INDEX IS DETERMINED, THEN THE PUBLISHED INDEX MOST CLOSELY APPROXIMATING THAT INDEX AS THAT INDEX IS DETERMINED AS OF THE DATE OF THIS AGREEMENT. IN NO EVENT SHALL THE AMOUNT OF THE LIABILITY CAP FOR ANY CONTRACT YEAR BE LESS THAN THE AMOUNT OF THE LIABILITY CAP FOR THE PREVIOUS CONTRACT YEAR.

13.2 Damages. EXCEPT FOR LIABILITY ARISING UNDER ARTICLE 9, THE PARTIES AGREE THAT IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING LOST PROFITS), DIRECTLY OR INDIRECTLY, RELATING TO OR ARISING OUT OF THIS AGREEMENT REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, AND WHETHER OR NOT SUCH DAMAGES WERE FORESEEN OR UNFORESEEN.

ARTICLE 14
FINANCING

ARTICLE INTENTIONALLY OMITTED

ARTICLE 15

INDEPENDENT CONTRACTOR

15.1 Independent Contractor. Each Party to this Agreement is an independent contractor; nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship between the Parties. Nothing in this Agreement shall be interpreted

or construed as creating or establishing the relationship of employer and employee between Laclede and either Cellnet or any employee, agent, subcontractor or consultant of Cellnet nor between Cellnet and either Laclede or any employee, agent, subcontractor or consultant of Laclede. Each Party will be solely responsible for payment of all compensation owed to its employees, as well as federal and state income tax withholding, Social Security taxes, and unemployment insurance applicable to such personnel as employees of the applicable Party.

ARTICLE 16
ASSIGNMENT

16.1 Assignment. This Agreement will be binding on the Parties and their respective successors and permitted assigns. Except as provided in this Section 16.1, neither Party may, or will have the power to, assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed, except that either Party may assign its rights and obligations under this Agreement to an Affiliate that expressly assumes such Party's obligations and responsibilities hereunder, without the approval of the other Party. Anything herein to the contrary notwithstanding, Cellnet may assign this Agreement and its rights hereunder as collateral security to lenders to Cellnet or their successors and assigns. The assigning Party shall remain fully liable for, and shall not be relieved from the full performance of, all obligations under this Agreement. Any attempted assignment that does not comply with the terms of this Section 16.1 shall be null and void. If a Party assigns its rights or obligations to an Affiliate in accordance with this Agreement, such Party shall promptly provide written notice thereof to the other Party.

ARTICLE 17
AUDIT RIGHTS

17.1 Books and Records. Each Party shall have the right to inspect and audit or have audited the books and records of the other Party relating to the amounts invoiced hereunder and the monies owed hereunder for the purpose of verifying the amounts due and payable hereunder, upon at least ten (10) Business Days notice to the audited Party. Such audit may cover up to, but no more than, the two (2) calendar years immediately preceding the date of the audit. The cost of such audit shall normally be at the requesting Party's expense; provided, however, that the audited Party will bear the cost of the audit if the audit reveals, in the case of Laclede, any overpayment, and in the case of Cellnet, any underpayment, greater than two percent (2%) of the amount that was actually due for any twelve-month period. Such audit shall be conducted with a minimum of disruption to the audited Party's daily operations and during normal business hours. The requesting Party shall not audit the audited Party more than once during any twelve-month period during the Term.

17.2 Subcontracting, Training and Safety. Laclede shall have the right to audit Cellnet's compliance with the obligations set forth in Section 2.1(d) of this Agreement for the purpose of verifying that Cellnet is fully complying with all of its obligations with regard to subcontracting, training and safety. Cellnet shall cooperate with Laclede during the course of such an audit and make all applicable documentation and materials available to Laclede within ten (10) Business Days of Laclede's request. Cellnet shall allow Laclede to perform field audits to the extent Laclede deems reasonably necessary to confirm Cellnet's compliance with Section 2.1(d). Provided Laclede has not found Cellnet to be out of compliance with the obligations of Section 2.1(d) during the immediately preceding twenty-four (24) months, Laclede shall not audit Cellnet's compliance regarding subcontracting, training or safety more than once during any twelve-month period during the Tenn.

ARTICLE 18
INSURANCE

18.1 Insurance. Prior to the commencement of any work under this Agreement, Cellnet will obtain, and maintain during the entire Term, insurance in the following minimum amounts and types:

(a) Commercial or Comprehensive General Liability Insurance for bodily injury and property damage of not less than Five Million Dollars ($5,000,000) for each occurrence and Fifteen Million Dollars ($15,000,000) in the aggregate.

(b) Workers' Compensation Insurance that in all respects complies with all applicable federal and state laws and regulations. Cellnet covenants and agrees with Laclede that Cellnet will carry workers' compensation insurance in such amount and in such form, and containing such provisions, as shall protect both Laclede and Cellnet from all claims, demands, suits, actions, causes of action and judgments of any actual or alleged agents or employees of Cellnet resulting from or arising out of any work performed under or by virtue of this Agreement.

(c) Employer Liability Insurance with limits of not less than Five Million Dollars ($5,000,000) per occurrence.

(d) Business automobile liability insurance that applies to all owned, non-owned, hired and leased vehicles used by Cellnet and/or its employees, subcontractors or agents in connection with this Agreement. Business automobile liability insurance shall be provided with a minimum of Three Million Dollars ($3,000,000) combined single limit per occurrence.

(e) The policy limits set forth above may be met through an umbrella liability insurance policy.

18.2 Intentionally Omitted.

18.3 Subcontractors' Insurance. Cellnet shall cause each of its subcontractors to obtain, and maintain at all times while performing work under this Agreement, insurance in the following minimum amounts and types:

(a) Commercial or Comprehensive General Liability Insurance for bodily injury and property damage of not less than Five Million Dollars ($5,000,000) for each occurrence and Fifteen Million Dollars ($15,000,000) in the aggregate.

(b) Workers' Compensation Insurance that in all respects complies with all applicable federal and state laws and regulations in such amount and in such form, and containing such provisions, as shall protect Laclede, Cellnet and Cellnet's subcontractor from all claims, demands, suits, actions, causes of action and judgments of any actual or alleged agents or employees of Cellnet's subcontractor resulting from or arising out of any work performed under or by virtue of this Agreement.

(c) Employer Liability Insurance with limits of not less than Five Million Dollars ($5,000,000) per occurrence.

(d) Business automobile liability insurance that applies to all owned, non-owned, hired and leased vehicles used by Cellnet's subcontractor and/or its employees, subcontractors or agents in connection with this Agreement. Business automobile liability insurance shall be provided with a minimum of Three Million Dollars ($3,000,000) combined single limit per occurrence.

(e) The policy limits set forth above may be met through an umbrella liability insurance policy.

18.4 Policy Provisions. All of the aforesaid insurance shall include Laclede as an additional insured (excluding the coverage described in Section 18.2), be endorsed to be primary and without right of contribution from any insurance that Laclede may have in effect and be written by one or more insurance companies that is or are (i) licensed and authorized to do business in the State of Missouri, and (ii) rated A — VIII or higher by A.M. Best Company. All policies shall contain a provision that the insurance company will provide Laclede with written notice of any cancellation of, or modification to, the policy. The consent of Laclede to the amount of insurance specified shall not be considered as a limitation of Cellnet's liability under this Agreement nor an agreement by Laclede to assume liability in excess of said amount or for risks not insured against. Cellnet shall provide proof of the above-described insurance to Laclede annually on or before the first day of each Contract Year.

18.5 Periodic Review of Policy Limits. On or about the fifth (5th) and tenth (10th) anniversaries of the Effective Date, Cellnet and Laclede shall review and discuss the continuing adequacy of the limits of the various insurance policies required by this Article 18. In connection with this review, the parties shall consider, among other things, whether the policy limits are adequate in light of actual loss experience and/or whether the limits are equal to, or greater than, limits that are ordinary and customary in the automated meter reading industry. To the extent the limits are determined to be inadequate based on either of these factors, or any other factors deemed relevant in the reasonable judgment of the parties, Cellnet shall increase such policy limits accordingly; provided that Cellnet shall be required to obtain such increased coverage only to the

extent it is available on commercially reasonable terms. In no event shall the limits of the policies be reduced.

ARTICLE 19
DISPUTE RESOLUTION

19.1 Dispute Procedure.

(a) Any dispute between the Parties either with respect to the interpretation of any provision of this Agreement or with respect to the performance by Cellnet or by Laclede hereunder shall be resolved as specified in this Section 19.1.

(b) Upon the written request of either Party to the other Party ("Written Request"), a dispute shall be discussed by the Parties. The Parties shall meet as often as necessary to gather and furnish to each Party all information with respect to the matter at issue that is appropriate and germane in connection with its resolution. The Parties shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding relating thereto.

(c) If the dispute is not resolved within thirty (30) days after the date of the Written Request, then the dispute shall be escalated to a Vice President of Laclede and the Chief Operating Officer of Cellnet for their review within forty-five (45) days after the date of the Written Request.

(d) If the dispute is not resolved as described in (c) above within sixty (60) days after the date of the Written Request, the dispute will be referred to mandatory mediation with the American Arbitration Association ("AAA") or other organization mutually agreeable to the Parties, at a mutually agreed location in St. Louis, Missouri. The Parties will agree upon the selection of a particular mediator as soon as reasonably practical, but failing such agreement within thirty (30) days after the issue is referred for mediation, the mediator will be selected by AAA. Any mediator so selected shall have substantial experience in the area of information technology infrastructure outsourcing and the energy industry.

(e) With the exception of applications to courts of competent jurisdiction for injunctive relief or any dispute relating to intellectual property rights, the Parties stipulate that the submission of disputes to mediation as provided in this Section 19.1, and mediation pursuant thereto, shall be a condition precedent to any suit, action or proceeding instituted in any court or before any administrative tribunal with respect to such dispute. The mediation provisions hereof shall, with respect to any dispute arising out of this Agreement, survive the termination or expiration of this Agreement.

(f) The Parties shall use reasonable effort to set the date of the mediation within sixty (60) days after selection of the mediator but in no event shall the mediation be set

more than ninety (90) days after selection of the mediator. Each Party shall bear its own mediation costs and expenses and all other costs and expenses of the mediation shall be divided equally between the Parties.

(g) Notwithstanding any other provision of this Section 19.1, either Party may resort to court action for injunctive relief at any time if the dispute relates to intellectual property rights or the dispute resolution processes set forth in this Section 19.1 would permit or cause irreparable injury to such Party or any third party claiming against such Party, due to delay arising out of the dispute resolution process.

19.2 Continued Performance. So long as Laclede continues to pay Cellnet the Fees for the AMR Services in accordance with the terms of this Agreement, the Parties agree to continue performing their respective obligations under this Agreement while the dispute is being resolved, unless and until such obligations are terminated or expire in accordance with the provisions of this Agreement.

ARTICLE 20
GENERAL PROVISIONS

20.1 Cooperation by Cellnet and Laclede. Both Cellnet and Laclede shall cooperate with each other to facilitate performance of the AMR Services and Laclede's operations affected by Cellnet and shall each timely provide information to the other as required for each to perform its responsibilities regarding the AMR Services.

20.2 Meetings and Presentations. Cellnet shall, at Laclede's request, at no additional charge: (a) accompany Laclede to any meetings with the PSC and/or Office of Public Counsel (OPC), or other regulatory agencies to explain the technology that is the subject of this Agreement and provide any written information that may be requested by these agencies in connection with these meetings or otherwise; and (b) demonstrate the technology that is the subject of this Agreement to the PSC and/or OPC or other regulatory agency; provided, however, that after the Deployment Deadline, Cellnet shall not, without its consent, be required to spend more than twenty (20) hours per annum performing these services.

20.3 No Solicitation of Employees. During the Term and for 12 months after the expiration or earlier termination of this Agreement, neither Party to this Agreement shall solicit or otherwise seek to hire, whether as an employee or consultant, any persons employed by the other Party. Notwithstanding the foregoing, either Party shall have the right to hire as an employee or consultant any such person who approaches such Party for employment or who responds to a general advertisement soliciting employees.

20.4 Governing Law. This Agreement and any and all claims and disputes arising out of or in connection with or related to the relationships and arrangements between Laclede and Cellnet described in this Agreement shall be governed by and construed in accordance with the laws of the State of Missouri, without regard to its conflict of law principles. The prevailing Party in any suit brought to enforce or interpret this Agreement shall be entitled to recover its reasonable attorney's fees and related disbursements in addition to any other relief awarded.

20.5 Publicity. Within four (4) days after the Effective Date, the Parties shall prepare and release a mutually acceptable press release announcing this Agreement and/or the Parties' contemplated business relationship. As an obligation of this Agreement, each Party agrees that it will not, without the prior written consent of the other in each instance: (i) use the name, trade name, trademark, trade device, service mark, logo, symbol or any abbreviation, contraction or simulation thereof, owned by the other Party (the "Marks") in any advertising, marketing, promotional materials, publicity, press release, references, internet posting or otherwise, or (ii) represent, directly or indirectly, that any product or service offered by any Party has been approved or endorsed by the other. These obligations will survive the expiration or other termination of this Agreement.

20.6 Entire Agreement. This Agreement and the Exhibits referenced herein constitute the entire agreement of the Parties with regard to the services and matters addressed therein, and all prior agreements, letters, proposals, discussions and other documents regarding the services and the matters addressed in the Agreement are superseded and merged into this Agreement. Amendments and modifications to this Agreement may not be made orally, but shall only be made by a written document signed by an authorized representative of each Party. Any terms and conditions varying from this Agreement on any order or written notification from either Party shall not be effective or binding on the other Party.

20.7 Force Majeure. Neither Party shall be liable for any default or delay in the performance of its obligations hereunder if and to the extent and while such default or delay is caused, directly or indirectly, by a Force Majeure Event. If a Force Majeure Event occurs, the non-performing Party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such Party continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any Party so delayed in its performance will immediately notify the other by telephone and describe at a reasonable level of detail the circumstances causing such delay (to be confirmed in writing within twenty-four (24) hours after the inception of such delay). If any delay on the part of either Party resulting from a Force Majeure Event exceeds sixty (60) days, the other Party shall have the right to terminate this Agreement on notice to the delayed Party.

20.8 Waiver. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof.

20.9 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and such provision shall be deemed to be restated to reflect the Parties' original intentions as nearly as possible in accordance with applicable law(s).

20.10 Counterparts. This Agreement may be executed in counterparts. Each such counterpart shall be an original and together shall constitute but one and the same document.

20.11 Notices. All notices required to be sent under this Agreement, including notices of address changes, shall be sent by registered or certified mail, return receipt requested, by nationally recognized overnight delivery service or courier, or by facsimile. Notice to each Party shall be sent to the contacts listed below or as otherwise identified by the Parties in writing pursuant to this Section:

If to Laclede: Laclede Gas Company
Attn: Laclede AMR Program Manager
720 Olive Street
12th Floor
St. Louis, MO 63101
Phone: (314) 342-0620
Fax: (314) 241-2296

With a Copy to: Laclede Gas Company

Attn: Vice President — Finance
720 Olive Street
Suite 1301
St. Louis, MO 63101
Phone: (314) 342-0755
Fax: (314) 241-2278

With a Copy to: Laclede Gas Company
Attn: General Counsel
720 Olive Street
Suite 1500
St. Louis, MO 63101
Phone: (314) 342-0520
Fax: (314) 421-1979

If to Cellnet: Cellnet Technology, Inc.
Attn: Program Manager
1918 Innerbelt Business Center Drive
Overland, Missouri 63114
Phone: (314) 264-2633
Fax: (314) 264-2601

With a Copy to: Cellnet Technology, Inc.
Attn: General Counsel
30000 Mill Creek Avenue
Suite 100
Alpharetta, Georgia 30022
Phone: (678) 258-1608
Fax: (678) 258-1686

20.12 No Third Party Beneficiaries. Except as expressly provided herein, the Parties do not intend, nor will any Section hereof be interpreted, to create any third party beneficiary rights with respect to either of the Parties.

20.13 Consents and Approvals. The Parties agree that in any instance where a consent, approval, acceptance or agreement is required or contemplated of a Party under this Agreement in order for the other Party to perform under or comply with the terms and conditions of this Agreement, then such Party will, unless otherwise provided, not unreasonably withhold or delay such consent, approval, acceptance or agreement and where consent, approval or agreement cannot be provided, the Party shall notify the other Party in a timely manner. In addition, each Party agrees to act reasonably and in good faith in respect to all other matters relating to or arising out of this Agreement.

20.14 Taxes. Cellnet shall be solely responsible for all federal, state and local income taxes assessed in connection with the provision of the services described in this Agreement. Cellnet shall be responsible for all sales and use taxes imposed in connection with the use or provision of the AMR Services, as well as personal property or similar taxes imposed in connection with the MIUs.

20.15 Headings. All headings herein and the table of contents are not to be considered in the construction or interpretation of any provision of this Agreement. This Agreement was drafted with the joint participation of both Parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.

20.16 Survival. All provisions of this Agreement relating to liability, warranties, indemnities, confidentiality, or non-disclosure, and the provisions of Articles 5, 19 and 20 and Section 11.3 of this Agreement, shall survive the expiration or termination of this Agreement.

20.17 Time is of the Essence. Time is of the essence in this Agreement. Both parties shall work diligently to perform their respective obligations under this Agreement in a timely and expedient manner. Subject to the occurrence of a Force Majeure Event and any applicable cure period specified herein, in cases in which time deadlines are established for the performance of specific activities, these deadlines shall be treated as outer time limits for the parties' performance and not as target dates for performance. In all cases, the parties shall use reasonable effort to complete activities as soon as practicable.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their duly authorized representatives, as of the date first written above.

LACLEDE GAS COMPANY	CELLNET TECHNOLOGY, INC.
By: /s/ Barry C. Cooper	By: /s/ Mike Zito
Name: Barry C. Cooper	Name: Mike Zito
Title: Chief Financial Officer	Title: CEO
Date: March 11, 2005	Date: March 2, 2005

APPENDIX A

INDEX OF DEFINITIONS

The terms used herein shall have the following meanings.

1. Accessible Meter - is any Laclede Gas Meter (i) of a type listed on Exhibit 5-C; (ii) with respect to which the data provided to Cellnet pursuant to Section 2.3(g) does not preclude Cellnet from installing the MIU; (iii) not obstructed or blocked in a manner that

prohibits reasonable access; (iv) the condition of which does not make installation of the MIU impractical in terms of time or expense; and (v) Cellnet or the MIU Installer has access to the premises and the Laclede Gas Meter. For purposes of clarity, a Laclede Gas Meter is not an Accessible Meter if Cellnet or the MIU Installer contacts the occupant on six occasions as required by Section 2.1(c)(ii)(A) but is unable to install a MIU or schedule an appointment for MIU installation where access to the Laclede Gas Meter is not available without the cooperation of the occupant or owner of the premises.

2. Actual Read - Information relating to the actual measurement of gas usage received by the Fixed Network.

3. Activated Meter - is a Laclede Gas Meter that is on an activated Route, that has a MIU installed, on which Cellnet has received the designation and installation information via the Cellnet Standard Interface; and from which Cellnet has received a successful meter read. For purposes of this definition, a meter shall not be considered an Activated Meter if it is an Unavailable Meter.

4. Affiliate - With respect to a Party to this Agreement, any person or entity that controls, is controlled by, or is under common control with such Party.

5. Agreement - This Automated Meter Reading Services Agreement between Cellnet Technology, Inc. and Laclede Gas Company.

6. Asset Fee - Defined in Section 2.3(a).

7. Automated Meter Reading Services ("AMR Services") - The services to be provided under this Agreement.

8. Bankruptcy Code - The United States Bankruptcy Code, as amended.

9. Billing Window - A five (5) day period of time prior to the scheduled billing day that a meter reading can be made available by Cellnet and entered into Laclede's billing system.

10. Business Day - Monday through Friday, excluding all federal and state holidays for which banks in the State of Missouri are not open for business, from the hours of 8 a.m. to 8 p.m. Unless specified as a Business Day, a day is defined as a calendar day.

11. Cellnet Intellectual Property - Defined in Section 4.1.

12. Cellnet Standard Interface - The format of the Fixed Network Data made available to Laclede via the FTP Server.

13. Change - Defined in Section 7.1.

14. Change Order - Defined in Section 7.2(a).

15. Confidential Information - Defined in the Section 9.1.

16. Contract Year - Each period of twelve (12) consecutive months with the first such year beginning on the Effective Date.

17. Daily Reliability Penalty - The monetary penalty assessed by Laclede against Cellnet for the failure by Cellnet to achieve the respective required daily reliability percentages set forth in Section 2.2(d) of this Agreement.

18. Deployment Deadline - Twenty-four (24) months after the Effective Date.

19. Deployment Period - The period during which Cellnet is installing the MIUs as described in Article 2.

20. Deployment Schedule - The timeline for the initial installation of the Fixed Network as determined by mutual agreement of the Parties.

21. Disclosing Party - Defined in Section 9.1.

22. Effective Date - Defined in Section 2.7.

23. Fee - Defined in Section 2.3(a).

24. Fixed Network - The network to be established and operated by Cellnet, which includes MIUs installed on Laclede Gas Meters, MCCs installed on structures, poles and/or towers, the NOC, the communication link between the MCCs and the NOC, and all other equipment necessary for the operation of the Fixed Network.

25. Fixed Network Area - Defined in the fourth Recital.

26. Fixed Network Data - All MIU consumption and tamper information collected or processed for Laclede through the Fixed Network.

27. Fixed Network Meter - Any Laclede Gas Meter within the Fixed Network Area with an installed MIU.

28. FTP Server - Means the file transfer protocol server on which Cellnet posts the Fixed Network Data for collection by Laclede.

29. Force Majeure Event - Any event or circumstance that is beyond the reasonable control of either Party and that results in or causes the failure of that Party to perform any of its

obligations under this Agreement, including, without limitation, an act of God, judicial or regulatory action or inaction, strike or lockout, war (declared or undeclared), threat of war, terrorist act, blockade, revolution, riot, insurrection, sabotage, vandalism, fire, storm, flood, earthquake, hurricane, tornado, explosion or failure of communications or power systems, or radio frequency interference caused by third parties. Lack of funds shall not be interpreted as an event beyond a Party's reasonable control. Nothing contained herein shall be construed to require either Party to avoid or settle a strike against its will or to avoid picketing at any location.

30. Initial Fixed Network Deployment Phase - Defined in Section 1.1.

31. Initial Term - Defined in Section 2.7.

32. Insolvent Entity - A Party that (a) institutes or has instituted against it proceedings to be adjudicated bankrupt or insolvent, unless with respect to the institution against it of such proceedings, such proceedings are dismissed within sixty (60) calendar days after the institution of such proceedings, (b) consents to the institution of bankruptcy or insolvency proceedings against it, (c) files a petition, answer or consent seeking reorganization or relief under federal or state bankruptcy laws, (d) consents to the filing of any such petition or the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) with respect to itself for any substantial part of its property, (e) makes an assignment for the benefit of creditors, or (f) admits in writing its inability to pay its debts generally as they become due.

33. Intellectual Property - All copyrights, patents, utility models, trade marks, service marks, design rights (whether registered or unregistered), database rights, semiconductor topography rights, proprietary information rights, know-how and all other similar proprietary rights as may exist anywhere in the world.

34. Laclede Gas Data - All information relating to Laclede customers' gas usage, including, without limitation, customers' names, addresses and account numbers, volume and/or patterns of gas usage, MIU identification, meter number, number of pulses counted, index type, index drive factor, index pressure, index base pressure and tamper flag, and any other Laclede gas customer data or information collected and/or transmitted via the Fixed Network.

35. Laclede Gas Meters - All gas meters owned and/or operated by Laclede.

36. Laclede Interface - Defined in Section 1.2(b).

37. Manual Reads. Any references to manual meter reads, the manual reading of meters, or similar language in this Agreement means either the actual physical reading of the meter or the reading of the meter/MIU utilizing Cellnet's park-n-read system or other mobile or drive-by method.

38. Marks - Defined in Section 20.5.

39. Material Change - Defined in Section 7.1.

40. Meter Database (MDB) - The repository of all meter data received by the NOC. The MDB will contain the Fixed Network Data and the Laclede Gas Data.

41. MCC - The radio transceiving device or devices that receives the transmissions from the MIUs and relays the data by radio frequency to the NOC.

42. MIU - An electronic radio meter interface device that is installed on Laclede Gas Meters and transmits meter reading information by radio frequency to the MCCs.

43. MIU Installer - Defined in Section 1.3(c).

44. Minimum Daily Reliability Penalty - The monetary penalty assessed by Laclede against Cellnet for the failure by Cellnet to achieve the respective minimum daily reliability percentages set forth in Section 2.2(d) of this Agreement.

45. Minimum Monthly Reliability Penalty - The monetary penalty assessed by Laclede against Cellnet for the failure by Cellnet to achieve the respective minimum reliability percentages for each billing day set forth in Section 2.2(d) of this Agreement.

46. Monthly Reliability Penalty - The monetary penalty assessed by Laclede against Cellnet for the failure by Cellnet to achieve the respective required monthly reliability percentages set forth in Section 2.2(d) of this Agreement.

47. Network Operations Center ("NOC") - The combined hardware and software platform that receives and stores meter information from the MCCs.

48. Network Operations Center Software ("NOC Software") - The software necessary for the operation of the NOC.

49. Party or Parties - Means Cellnet and/or Laclede.

50. Per Read Fee - Defined in Section 2.3(a).

51. Programming Software - The GPrep MIU programming software, which is developed by or for Cellnet, as described in Section 2.1 (f).

52. Public Service Commission (PSC) - PSC or any successor agency with regulatory authority over Laclede in the State of Missouri.

53. Quality Assurance Plan - The procedures defined and used to ensure installation of MIUs are in compliance with the terms of this Agreement.

54. Recipient - Defined in Section 9.1.

55. Reliability Penalty - The collective reference for the Daily Reliability Penalty, Minimum Daily Reliability Penalty, Monthly Reliability Penalty and Minimum Monthly Reliability Penalty.

56. Requesting Party - Defined in Section 7.2(a).

57. Responding Party - Defined in Section 7.2(a).

58. Routes - The various geographical areas containing approximately 250 to 600 Laclede Gas Meters each agreed upon by Laclede and Cellnet into which Laclede's service territory will be divided for purposes of the initial installation of the MIUs.

59. Intentionally Omitted.

60. Standard Interface Specifications - Defined in Section 1.2(b).

61. Term - The Initial Term and all renewal terms, if any.

62. Test Meters - Defined in Section 1.2(a).

63. Training Plan - Defined in Section 6.1.

64. Transition Services - Defined in Section 11.3(d)(i).

65. Unavailable Meter - Means a Laclede Gas Meter (i) that is damaged or vandalized by any person other than Cellnet in such a way that prevents proper operation, including communication with the Fixed Network, of the MIU; (ii) on which a MIU is not functioning and/or not reporting and Cellnet has not been able to repair the MIU because (a) Laclede has not provided Cellnet with accurate and up-to-date customer information; or (b) physical access to the Laclede Gas Meter, after commercially reasonable efforts by Cellnet, is not available; or (iii) that is otherwise not functioning because of a cause unrelated to the MIU, which is outside of Cellnet's control.

66. Written Request - Defined in Section 19.1(b).

AMENDMENT TO
AUTOMATED METER READING SERVICES AGREEMENT

This AMENDMENT TO AUTOMATED METER READING SERVICES AGREEMENT (this "***Amendment***") is made as of July 1, 2017 (the "***Effective Date***") between Landis+Gyr Technology, Inc., formerly known as Cellnet Technology, Inc. ("***Landis+Gyr***"), and Laclede Gas Company ("***Customer***").

WHEREAS, Landis+Gyr and Customer are parties to that certain Automated Meter Reading Services Agreement dated March 11, 2005 (the "***Services Agreement***"); and

WHEREAS, Landis+Gyr and Customer each now desires to amend the Services Agreement by the terms of this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Landis+Gyr and Customer each agree as follows:

1.Sale of MIUs. Simultaneous with the execution of this Amendment, Customer and Landis+Gyr have entered into that certain Bill of Sale and Assignment dated as of the Effective Date (the "***Bill of Sale***") relating to the sale of the MIUs currently deployed and in use. This Amendment will not become effective until the Bill of Sale is fully executed and delivered. Sections 2.1(c)(iii) [Additional MIUs], 2.1(c)(iv) [Existing Remote Device Removal], and 11.3(a) [Removal of MIUs] of the Services Agreement no longer apply. Section 2.1(c)(v) [MCCs] of the Services Agreement will apply until April 1, 2021.

2.Purchase of Replacement or Additional MIUs. From the Effective Date and through the remainder of the Term, Customer will be responsible for procuring all replacement or additional MIUs. Customer will have the right to purchase from Landis+Gyr, and Landis+Gyr will sell to Customer, MIUs at the prices and on the other terms set forth on **Exhibit A** to this Amendment and in the Services Agreement. To the extent of any conflict between the terms set forth on **Exhibit A** to this Amendment and the Services Agreement, **Exhibit A** to this Amendment will control. To purchase MIUs from Landis+Gyr, Customer will issue a purchase order to Landis+Gyr, provided that any conflicting or additional terms attached to Customer's purchase order or subsequently issued response by Landis+Gyr will not apply.

3.Read & Asset Fees. The Per Read Fee per month is reduced to $0.24 per month from July 1, 2017 through June 30, 2020 and

$0.30 thereafter, based upon Landis+Gyr reading all available one-way MIUs. Exhibit 8 to the Services Agreement is deleted and replaced with a new Exhibit 8 attached hereto as **Exhibit B**. Commencing April 1, 2020, the Per Read Fee pricing will not be predicated upon any minimum install base of MIUs, and accordingly, the terms of Section 2.3(b) of the Services Agreement will no longer apply on or after April 1, 2020. In addition, Landis+Gyr will no longer charge Customer an Asset Fee or Monthly MIU Fee, and therefore Exhibit 6 to the Services Agreement no longer applies.

4.Maintenance & Installation. Landis+Gyr continues to be responsible for maintenance of MIUs under Section 3.1 [Maintenance of MIUs] of the Services Agreement and updating the NOC under Section 3.2 [Meter Change Outs] of the Services Agreement. Section 3.3 [Battery Replacement] of the Services Agreement will apply until April 1, 2020. Section 3.4 [Vandalism] is hereby deleted from the Services Agreement.

5.Term. The Services Agreement is hereby renewed and extended until March 31, 2024. After March 31, 2024, the Services Agreement will be automatically renewed for additional one year renewal terms commencing on April 1 of each calendar year. This Amendment satisfies the parties' obligation under Section 2.8 of the Services Agreement to negotiate prior the end of the Initial Term.

6.Termination. Customer and Landis+Gyr now have the additional termination rights described in this Section 6. Customer has the right to terminate the Services Agreement for convenience upon at least six months prior written notice to Landis+Gyr with an effective termination date no sooner than April 1, 2020. Landis+Gyr has the right to terminate the Services Agreement for convenience upon at least six months prior written notice to Customer with an effective termination date no sooner than April 1, 2025.

7.Miscellaneous. Capitalized terms used and not defined in this Amendment have the meanings assigned to them in the Services Agreement. The recitals of this Amendment are by this reference incorporated into this Amendment. To the extent of any conflict between the terms of this Amendment and the Services Agreement, this Amendment controls. Except as hereby amended, the Services Agreement remains in full force and effect. Delivery of electronic copies of any signed original document shall be deemed the same as delivery of an original.

IN WITNESS WHEREOF, this Amendment is executed as of the Effective Date.

Landis+Gyr Technology, Inc.

By: /s/ Blake Miskin

Name: Blake Miskin

Title: VP Finance / CFO

Laclede Gas Company

By: /s/ Steven L. Lindsey

Name: Steven L. Lindsey

Title: CEO & President

EXHIBIT A TO AMENDMENT

MIU PURCHASE TERMS

Price & Payment

MIU Model Number*	Meter Type	Cost
26-1204 Plastic Dial 26-1237 Metal Dial	GI - American - Residential	$55.00
26-1691 Slanted 26-1691 Stepped	GS - Sprague - Residential	$63.00
26-1693	Rockwell - Residential	$63.00

26-1692	Lancaster - Residential	$65.00
26-1692	National - Residential	$135.00
Choose 1 Cover: 40-1585 40-1591 Choose 1 Dial Wheels: 40-1538 40-1742	GI - American - C&I	$135.00
Cover: 40-1584 Choose 1 Index: 40-1538 40-1742	GS - Sprague - C&I	$135.00
Cover: 40-1586 Dial Wheel: 40-1743	Rockwell - C&I	$135.00
40-1514	CPR - Gridstream Pulse Recorder	$120.00

* Customer and Landis+Gyr may mutually agree from time to time to substitute newer models for the MIU models listed.

The prices above are delivered prices, and include freight and applicable duties and taxes. Customer will pay Landis+Gyr any undisputed amounts on or before 30 days after receipt of Landis+Gyr's properly completed invoice.

Other Terms of Sale

a. MIU Limited Warranty. Landis+Gyr warrants each MIU will (a) be new, (b) conform in all respects to their specifications published at the time of shipment, (c) be free from all liens, claims and encumbrances and (d) not fail when Deployed in the field as a result of a Defect. Landis+Gyr will repair or replacement at its option each Defective MIU. The warranty for any repaired MIU will be the longer of the balance of the original warranty period or six months from completion of repair. "***Defect***" or "***Defective***" as used in this Amendment means: a failure of a MIU to comply with the warranty stated above during the applicable warranty period. "***Deployed***" means a MIU that has been commissioned in the field and properly installed by the installation contractor, or Customer, and signed off by Customer as ready for use. The warranty period for each MIU is 19 months from the date of shipment from a Landis+Gyr's US location to Customer's designated delivery point.

b. Return Materials Authorization (RMA) Process. Landis+Gyr personnel shall handle the RMA support for warranty claims.

c. DISCLAIMER. OTHER THAN THE EXPRESS WARRANTIES SET FORTH IN THIS AMENDMENT, LANDIS+GYR MAKES NO REPRESENTATIONS OR IMPLIED WARRANTIES TO CUSTOMER WITH RESPECT TO ANY MIU, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR WARRANTIES THAT MAY BE IMPLIED BY TRADE USAGE OR CUSTOM.

d. Third Party Products. Except for MIUs sold by Landis+Gyr to Customer, (a) the warranties provided by Landis+Gyr do not extend to third party products that are manufactured by a third party and (b) Landis+Gyr makes no representations or warranties with respect to any third party product. Landis+Gyr will use commercially reasonable efforts to assign to Customer the warranties provided by such third party.

e. Equipment Intellectual Property. Landis+Gyr retains ownership of all intellectual property rights in the MIUs. Customer shall not, directly or indirectly, reverse engineer, de-compile, or disassemble the MIUs or the software embedded therein ("***Firmware***") or otherwise attempt to discover the trade secrets in the Firmware for any reason.

f. Shipments. Landis+Gyr will ship or deliver MIUs to Customer's designated delivery point. All MIUs will be shipped to Customer D.D.P. destination in accordance with INCOTERMS® 2010. Customer or its designee will have the right to inspect MIUs within 15 days with respect to deliveries to Customer's meter shop or Landis+Gyr's cross dock or within 30 days with respect to deliveries to the meter manufacturer. Customer will be deemed to have accepted the MIUs unless Customer notifies Landis+Gyr that the MIU is rejected at or before the end of the applicable inspection deadline. The acceptance of any MIU by Customer shall not preclude the subsequent removal thereof if such MIU shall be found to be defective after installation; in such event, the Agreement's warranty terms shall apply.

g. Infringement. Landis+Gyr will have no liability pursuant to Section 12.1 of the Services Agreement or otherwise for any claim of infringement if such claim is attributable to the (i) misuse or unapproved modification of hardware or software by Customer, where but for such misuse or unapproved modification there would not have been any infringement (ii) failure of Customer to use corrections or enhancements made available to Customer at no cost to Laclede or made available pursuant to a maintenance, development services or other agreement between Landis+Gyr and Customer, where but for such failure by Customer there would not have been any infringement, or (iii) use of the hardware or software in combination with products, programs or data not or supplied or approved by Landis+Gyr, where but for such use there would not have been any infringement.

EXHIBIT B TO AMENDMENT

EXHIBIT 8
PER READ FEE COMPONENTS

From July 1, 2017 through June 30, 2020:

Monthly Service Fee	$0.24/meter
TOTAL MONTHLY FEE	$0.24/meter

From July 1, 2020 and thereafter:

Monthly Service Fee	$0.30/meter
TOTAL MONTHLY FEE	$0.30/meter

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Section 3: EX-21 (EX-21)

Exhibit 21

SPIRE INC.
Subsidiaries of the Registrant

Direct and Indirect Subsidiaries:	Doing Business As:	Organized Under the Laws of:
Belle Butte LLC		Missouri
Belle Butte II LLC		Missouri
Laclede Development Company		Missouri
Laclede Insurance Risk Services, Inc.		South Carolina
Spire Alabama Inc.	Spire	Alabama
Spire CNG Inc.	Spire	Missouri
Spire EnergySouth Inc.	Spire	Delaware
Spire Gulf Inc.	Spire	Alabama
Spire Marketing Inc.		Missouri
Spire Midstream LLC		Missouri
Spire Mississippi Inc.	Spire	Mississippi
Spire Missouri Inc.	Spire, Spire Missouri East or Spire Missouri West	Missouri
Spire NGL Inc.	Spire	Missouri
Spire Oil Services LLC	Spire	Missouri
Spire Resources LLC		Missouri

Spire Services Inc.	Spire	Missouri
Spire STL Pipeline LLC		Missouri
Spire Storage West LLC	Spire or Spire Storage	Delaware

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Section 4: EX-23.1 (EX-23.1)

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-239036 and 333-231443 on Forms S-3 and in Registration Statement Nos. 333-215042, 333-201863, and 333-231354 on Forms S-8 of our reports dated November 18, 2020, relating to the consolidated financial statements of Spire Inc. and subsidiaries, and the effectiveness of Spire Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Spire Inc. and subsidiaries for the year ended September 30, 2020.

/s/ Deloitte & Touche LLP

St. Louis, Missouri
November 18, 2020

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Section 5: EX-23.2 (EX-23.2)

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-231443 on Form S-3 of our report dated November 18, 2020, relating to the financial statements of Spire Missouri Inc., appearing in this Annual Report on Form 10-K of Spire Missouri Inc. for the year ended September 30, 2020.

/s/ Deloitte & Touche LLP

St. Louis, Missouri
November 18, 2020

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Section 6: EX-23.3 (EX-23.3)

Exhibit 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-121077 on Form S-3 of our report dated November 18, 2020, relating to the financial statements of Spire Alabama Inc., appearing in this Annual Report on Form 10-K of Spire Alabama Inc. for the year ended September 30, 2020.

/s/ Deloitte & Touche LLP

St. Louis, Missouri
November 18, 2020

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Section 7: EX-31.1 (EX-31.1)

Exhibit 31.1

CERTIFICATION

I, Suzanne Sitherwood, certify that:

1. I have reviewed this annual report on Form 10-K of Spire Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 18, 2020

Signature: /s/ Susanne Sitherwood
Suzanne Sitherwood
President and Chief Executive Officer

CERTIFICATION

I, Steven P. Rasche, certify that:

1. I have reviewed this annual report on Form 10-K of Spire Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 18, 2020

Signature: /s/ Steven P. Rasche
Steven P. Rasche
Executive Vice President and
Chief Financial Officer

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Section 8: EX-31.2 (EX-31.2)

Exhibit 31.2

CERTIFICATION

I, Steven L. Lindsey, certify that:

1. I have reviewed this annual report on Form 10-K of Spire Missouri Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 18, 2020

Signature: /s/ Steven L. Lindsey
Steven L. Lindsey
Chief Executive Officer

CERTIFICATION

I, Adam W. Woodard, certify that:

1. I have reviewed this annual report on Form 10-K of Spire Missouri Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 18, 2020

Signature: /s/ Adam W. Woodard

Adam W. Woodard
Chief Financial Officer

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Section 9: EX-31.3 (EX-31.3)

Exhibit 31.3

CERTIFICATION

I, Steven L. Lindsey, certify that:

1. I have reviewed this annual report on Form 10-K of Spire Alabama Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 18, 2020

Signature: /s/ Steven L. Lindsey
Steven L. Lindsey
Chief Executive Officer

CERTIFICATION

I, Adam W. Woodard, certify that:

1. I have reviewed this annual report on Form 10-K of Spire Alabama Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 18, 2020

Signature: /s/ Adam W. Woodard
Adam W. Woodard

Chief Financial Officer

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Section 10: EX-32.1 (EX-32.1)

Exhibit 32.1

Section 1350 Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, I, Suzanne Sitherwood, President and Chief Executive Officer of Spire Inc., hereby certify that:

(a) To the best of my knowledge, the accompanying report on Form 10-K for the period ended September 30, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) To the best of my knowledge, the information contained in the accompanying report on Form 10-K for the period ended September 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of Spire Inc.

Date: November 18, 2020

Signature: /s/ Suzanne Sitherwood

Suzanne Sitherwood
President and Chief Executive Officer

Section 1350 Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, I, Steven P. Rasche, Executive Vice President and Chief Financial Officer of Spire Inc., hereby certify that:

(a) To the best of my knowledge, the accompanying report on Form 10-K for the period ended September 30, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) To the best of my knowledge, the information contained in the accompanying report on Form 10-K for the period ended September 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of Spire Inc.

Date: November 18, 2020

Signature: /s/ Steven P. Rasche

Steven P. Rasche
Executive Vice President and
Chief Financial Officer

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Section 11: EX-32.2 (EX-32.2)

Exhibit 32.2

Section 1350 Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, I, Steven L. Lindsey, Chief Executive Officer of Spire Missouri Inc., hereby certify that:

(a) To the best of my knowledge, the accompanying report on Form 10-K for the period ended September 30, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) To the best of my knowledge, the information contained in the accompanying report on Form 10-K for the period ended September 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of Spire Missouri Inc.

Date: November 18, 2020

Signature: /s/ Steven L. Lindsey

Steven L. Lindsey
Chief Executive Officer

Section 1350 Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, I, Adam W. Woodard, Chief Financial Officer of Spire Missouri Inc., hereby certify that:

(a) To the best of my knowledge, the accompanying report on Form 10-K for the period ended September 30, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) To the best of my knowledge, the information contained in the accompanying report on Form 10-K for the period ended September 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of Spire Missouri Inc.

Date: November 18, 2020

Signature: /s/ Adam W. Woodard

Adam W. Woodard
Chief Financial Officer

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Section 12: EX-32.3 (EX-32.3)

Exhibit 32.3

Section 1350 Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, I, Steven L. Lindsey, Chief Executive Officer of Spire Alabama Inc., hereby certify that:

(a) To the best of my knowledge, the accompanying report on Form 10-K for the period ended September 30, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) To the best of my knowledge, the information contained in the accompanying report on Form 10-K for the period ended September 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of Spire Alabama Inc.

Date: November 18, 2020

Signature: /s/ Steven L. Lindsey

Steven L. Lindsey
Chief Executive Officer

Section 1350 Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, I, Adam W. Woodard, Chief Financial Officer of Spire Alabama Inc., hereby certify that:

(a) To the best of my knowledge, the accompanying report on Form 10-K for the period ended September 30, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) To the best of my knowledge, the information contained in the accompanying report on Form 10-K for the period ended September 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of Spire Alabama Inc.

Date: November 18, 2020

Signature: /s/ Adam W. Woodard

Adam W. Woodard
Chief Financial Officer

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