

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

In the Matter of Spire Missouri, Inc. d/b/a Spire)	<u>File No. GR-2021-0127</u>
(East) Purchased Gas Adjustment (PGA))	Tariff No. YG-2021-0110
Tariff Filing)	

In the Matter of Spire Missouri, Inc. d/b/a Spire)	<u>File No. GR-2021-0128</u>
(West) Purchased Gas Adjustment (PGA))	Tariff No. YG-2021-0111
Tariff Filing)	

**STAFF RESPONSE TO COMMENTS AND
MOTION TO ESTABLISH PROCEDURAL SCHEDULE OF THE
ENVIRONMENTAL DEFENSE FUND, OFFICE OF THE PUBLIC COUNSEL,
MIDWEST ENERGY CONSUMERS GROUP AND
CONSUMER COUNCIL OF MISSOURI**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel and for its *Response* to parties' motion states it is premature to set a procedural schedule in the above case files for the reasons discussed below:

1. On November 9, 2020, Staff filed its *Recommendations* in the above-captioned PGA cases. Staff's *Recommendations* comply with the Commission's orders directing expedited recommendations to be filed regarding the changes in PGA charges and changes in the ACA factors proposed in the tariff filings of Spire Missouri Inc, d/b/a Spire ("Spire East" and "Spire West").

2. Staff's *Recommendations* request Commission approval of the proposed PGA charges and ACA factors on an interim basis subject to refund to be effective no sooner than November 16, 2020. Staff's *Recommendations* must be approved on an interim bases, subject to refund, because final Commission decisions are pending in Spire East ACA Case Nos. GR-2021-0127 and GR-2020-0121, and Spire West ACA Case Nos. GR-2021-0128 and GR-2020-0122.

3. Due to the limited time available to review the documentation supporting the ACA factors in Staff's *Recommendations*, the Staff Procurement Analysis

Department (“PAD”) has requested permission to submit the results and recommendations regarding the information included in the November 9th Spire ACA filings to the Commission on or before December 15, 2021 in its final report on the 2019-2020 ACA period.

4. Instant Case Nos. GR-2021-0127 and GR-2021-0128 cover the 2019-2020 ACA period. Staff has not even begun conducting the extensive discovery required for Staff’s report and recommendations regarding Spire’s gas purchasing decisions made during 2019-2020. In early January 2021, Staff will submit its initial standard package of 110 Data Requests to Spire East and 110 Data Requests to Spire West. PAD Staff cannot predict how many follow-up Data Requests will be necessary or whether other discovery methods will be required for it to perform a thorough analysis of a multitude of transactions and supply decisions that occurred during the 2019-2020 ACA period.

5. In addition to performing a prudence review regarding the gas portfolio, PAD Staff reviews hedging practices, demand forecasting, reliability planning, bidding processes, distribution constraints, storage operations, reserve margin evaluation, economic impacts of gas supply location, and affiliate impacts. A compliance review is also done. Compliance reviews help ensure that only actual gas costs, appropriate to the time period, and actually incurred, are consistent with what was filed. That review includes tracking storage accounting, cash out procedures, nomination practices, invoice verification, and contract review for dozens of gas suppliers and pipeline suppliers. This is why Staff requests the Commission set a deadline for its report and recommendations to be submitted no later than December 15, 2021. There is nothing unusual or different here about how PAD Staff processes its discovery and progresses

its investigation of Spire's gas purchasing decisions for the ACA period (2019-2020). The sheer volume and complexity of the supply decisions made by Spire during the ACA period require the PAD Staff to have sufficient time to conduct thorough discovery, process its reports, and develop its recommendations.

6. To illustrate the timeline for processing ACA period reviews, PAD Staff is now working to complete its report memorandum and recommendations regarding the 2018-2019 ACA period of Spire East and Spire West. Staff's ACA report and recommendations are due to the Commission in Case Nos. GR-2020-0121 and GR-2020-0122 no later than December 15, 2020. Staff points out it had initiated discovery for the 2018-2019 ACA period in early January 2020.

7. Once Staff files its final report and recommendations on December 15, 2020 for Spire's 2018-2019 ACA period, the Commission will issue an order setting a time for Spire to respond to Staff's report and recommendations in early 2021. Issues may be surfaced by parties and if necessary, a procedural schedule may be ordered in Case Nos. GR-2020-0121 and GR-2020-0122. Resolution of issues in the 2018-2019 ACA cases will ultimately result in the Commission ordering the ending ACA balances that will carry over to the instant 2019-2020 ACA cases.

8. The process and timeline for the instant cases GR-2021-0127 and GR-2021-0128 (2019-2020 ACA period) are substantially the same as the timeline set for processing the preceding 2018-2019 ACA period report and recommendations (due December 15, 2020). As for the 2019-2020 ACA period, Staff's report and recommendations would be due December 15, 2021. As of now, there are no particular issues or disputes identified in the instant cases because there has been no discovery conducted. Upon completion of discovery later in the year 2021, Staff will begin the

process to prepare its final report and recommendations. The report won't be finalized and filed until December 2021.

9. As discussed above, it is way too premature for the Commission to order a procedural schedule in the above-captioned 2019-2020 ACA period cases. Should the other parties to the instant cases wish to pursue a procedural schedule to address certain issues regarding Spire's gas supply decisions, there will be more than ample and timely opportunity to raise issues when PAD Staff completes and files its final 2019-2020 ACA report and recommendations on December 15, 2021.

WHEREFORE, Staff respectfully requests the Commission withhold the ordering of a procedural schedule in GR-2021-0127 and GR-2021-0128 until such time as Staff has had the opportunity to initiate comprehensive discovery and to perform its duty to review and analyze Spire's gas purchasing decisions for the 2019-2020 ACA period and to submit its final report and recommendations to the Commission in December 2021.

Respectfully submitted,

/s/ Robert S. Berlin

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 10th day of November, 2020.

/s/ Robert S. Berlin