

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

In the Matter of the Application of Spire)
Missouri, Inc. d/b/a Spire Missouri East and) File No.: GR-2021-0280
Spire Missouri West Filing of its Proposed)
Weather Normalization Adjustment Rider)
(WNAR) tariff sheets for Approval)

**RESPONSE OF SPIRE MISSOURI INC. TO
STAFF’S RECOMMENDATION AND MOTION**

COMES NOW Spire Missouri Inc., (“Spire” or “the Company”) and, in response to the Staff of the Missouri Public Service Commission’s (“Staff”) Recommendation and Motion filed on March 11, 2021, the Company states as follows:

BACKGROUND

1. On March 2, 2021, Spire Missouri, Inc. (Spire) filed two tariff sheets to revise its weather normalization adjustment rider (WNAR) rates for Spire East and Spire West to go into effect April 1, 2020. Also on March 2, the Commission issued its Order Directing Staff Recommendation and Setting Time for Responses (Order) ordering Staff to file its Recommendation no later than March 11, 2021. These tariff sheets have issue dates of March 1, 2021 and effective dates of April 1, 2021.
2. Spire filed two substitute tariff sheets on March 11, 2021.
3. On March 11, 2021, Staff filed its *Recommendation for Approval of Tariff Sheets to Adjust the Weather Normalization Adjustment Rider (WNAR) Rates of Spire East and Spire West and to Motion to Direct Staff to Investigate Spire’s WNAR Billing Errors* (“Recommendation and Motion”).

WNAR TARIFF SHEETS

3. In its Recommendation and Motion, Staff recommends approval of Spire’s WNAR tariff sheets. Spire appreciates Staff’s willingness to work with the Company on filing substitute tariff sheets ensuring new WNAR rates go into effect April 1st on schedule.

MOTION TO INVESTIGATE WNAR BILLING ERRORS

4. Staff’s Recommendation and Motion raises issues regarding a billing error that occurred in October of 2020, including whether or not the billing error may be rectified through the WNAR mechanism and the WNAR tariff’s allowance for carrying costs applied to deferred WNAR balances.

5. On page two of its Recommendation and Motion, Staff addressed a billing error that occurred in October of 2020. At that time, Spire inadvertently failed to begin billing a new semi-annual WNAR rate. Staff and the Company agree that the effect of this error was that customers continued to receive a larger credit than they otherwise would have had the new rate been put in to place at that time. Staff argues that Spire’s WNAR tariffs do not provide a means to correct this issue. The Company disagrees. Section four (4) of the WNAR tariff describes the Semiannual Reconciliation Rate (“SRR”) component of the WNAR rate. This section of the tariff states that “the amount of over – or – under-billing shall be adjusted as ordered by the Commission.” The WNAR mechanism is a fully-reconciled rate adjustment mechanism and the result of the Company’s billing error is simply to defer eligible costs for recovery by the Company until a later date. The Company believes the WNAR mechanism allows for the correction of the under-billed amounts.

6. On page two of its Recommendation and Motion, Staff also states that the billing issue should not be corrected through the WNAR mechanism because the WNAR provides for carrying costs applied to deferred balances. Spire believes the treatment of the billing error through

the WNAR is contemplated under the SRR component of the tariff and therefore all eligible WNAR costs should be treated as such.

7. The amounts at issue will not be contemplated for WNAR recovery until Spire's next WNAR filing in September of 2021.

8. The Company is willing to work with Staff during the period prior to Spire's next WNAR filing on potential alternatives to address the amount at issue. The Company believes this allows the parties time to explore potential alternative methods of recovery and does not necessitate a formal investigation.

9. On page three of its Recommendation and Motion, Staff recommends the Commission issue an order directing it to investigate the billing errors identified above. The Company believes this request is premature. Staff's Recommendation and Motion is the first the Company was made aware of the degree of Staff's concern regarding this issue. The Company is more than willing to provide Staff information as to how the billing error occurred and the steps the Company is taking to address the issue moving forward. The Company does not believe this issue rises to the level of an "investigation" and would instead encourage the Staff or others to attempt to assess these issues through collaborative efforts first in the future. Because the disputed amounts would be part of the Company's next WNAR filing in September of 2021, not this current case, Spire requests the Commission deny the request to open a formal investigation at this time and allow the parties time to informally discuss this matter and to explore alternative methods of recovery.

WHEREFORE, the Company requests that the Commission accept this Response to the Staff Recommendation and Motion.

Respectfully Submitted,

/s/ Rachel L. Niemeier

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ATTORNEYS FOR SPIRE MISSOURI INC.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on counsel for all parties of record, on this 15th day of March, 2021 by electronic mail.

/s/ Rachel L. Niemeier

Rachel Lewis Niemeier