

Recommendation to approve substitute tariff sheets

5. Accompanying this pleading, and incorporated herein by reference, is Staff's Memorandum recommending Commission approval of the WNAR rates Spire filed in its tariff sheets as substituted on March 11, 2021.

6. The effect of Spire's WNAR tariff sheet filing means that a residential customer that used 100 therms or ccf in a given billing month would see a line item increase of \$0.85 for customers of Spire East and a line item increase of \$0.69 for customers of Spire West.

Motion to Direct Staff to Investigate WNAR Billing Errors

7. As this case progressed, Staff learned that Spire did not incorporate the prior WNAR rate reflected in its tariffs, effective October 1, 2020, in its billing system until February 22, 2021.

8. As the rate prior to the currently-effective WNAR rate was a negative rate, customers would have seen a credit rather than a charge in the WNAR line item on their bills for most of the prior winter months.

9. The Company's billing errors cannot be corrected under its WNAR tariffs, as there is no provision in those tariffs for an adjustment based on billing errors resulting from a failure to charge WNAR amounts reflected in Spire's tariffs.¹

10. Additionally, the Company's billing errors should not be corrected through the WNAR tariffs because the WNAR tariffs include a provision for carrying costs.² Spire's customers should not be required to pay carrying costs here, because the billing errors are

¹ P.S.C. Mo. No. 7, Sheet 13 through 13.2; P.S.C. Mo. No. 8, Sheet 13 through 13.2.

² *Id.*

not the fault of Spire's customers but are solely a result of Spire's failure to follow its own WNAR tariffs.

11. Under Section 393.130, RSMo (2016), public utilities are required to charge the rates reflected in their tariffs.

12. In addition, the Commission is authorized to initiate an investigation "to enable it to ascertain the facts requisite to the exercise of any power conferred upon it." § 386.270.1, RSMo (2016).

13. Finally, the Commission on its own motion may make complaint setting forth anything done or omitted to be done by a public utility in violation of any provision of law subject to Commission authority, any rule promulgated by the Commission, or any utility tariff. § 386.390, RSMo (2016).

14. Accordingly, it is Staff's recommendation that the Commission issue an order directing Staff to investigate the billing errors identified above from October 1, 2020, through approximately February 2021, and to file its investigation findings and recommendations as to the remedies, if any, available to correct the identified billing errors, which may include billing adjustments under 20 CSR 4240-13.025.

Conclusion

WHEREFORE, as set forth in Staff's Memorandum, Staff recommends the Commission issue an order approving the Spire East and Spire West WNAR tariff sheets, as substituted March 2, 2021 and substituted again on March 11, 2021:

P.S.C. MO. No. 7

Fifth Revised Sheet No. 13.2 Cancelling Fourth Revised Sheet No. 13.2

P.S.C. MO. No. 8

Fifth Revised Sheet No. 13.2 Cancelling Fourth Revised Sheet No. 13.2

In addition, Staff moves the Commission issue an order directing Staff to investigate Spire's WNAR billing practices and billing errors made under Spire's WNAR tariffs from October 2020 through February 2021, and to file its findings and recommendations with the Commission, and for such other and further relief as the Commission deems just or reasonable. Staff requests the current docket remain open for purposes of conducting the investigation and filing its findings and recommendations.

Respectfully submitted,

/s/ Curt Stokes

Curtis R. Stokes #59836

Chief Deputy Counsel

Attorney for Staff of the

Missouri Public Service Commission

P.O. Box 360

Jefferson City, MO 65102-0360

(573) 751-4227 (Telephone)

(573) 751-9285 (Facsimile)

Curtis.Stokes@psc.mo.gov

CERTIFICATE OF SERVICE

I certify that copies of the foregoing have been emailed to all parties and/or counsel of record on this 11th day of March, 2021.

/s/ Curt Stokes

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File
File No. GR-2021-0280, Tariff Tracking Nos. YG-2021-0163 and YG-2021-0164
Spire Missouri, Inc.

FROM: Michael L. Stahlman, Economist

/s/Robin Kliethermes 03/11/2021
Tariff / Rate Design Manager / Date

/s/ Curtis Stokes 03/11/2021
Staff Counsel Division / Date

SUBJECT: Staff Recommendation for the **Approval** of the Tariff Sheets Filed by Spire to adjust its Weather Normalization Adjustment Rider to go into effect on April 1, 2021.

DATE: March 11, 2021

Proposed tariffs and substitute tariffs

On March 2, 2021, Spire filed two tariff sheets to adjust its weather normalization adjustment rider (WNAR) rates with an effective date of April 1, 2021. These tariff sheets incorporate the differences between normal and actual weather for the billing months of August 2020 through January 2021. On the same day, the Commission directed Staff to file a recommendation on the pending tariff no later than March 11, 2021. On March 11, 2021, Spire filed two substitute tariff sheets.

Spire's WNAR became effective on April 19, 2018. The purpose of the tariff is to adjust revenues for differences between actual heating degree days (AHDD) and normal heating degree days (NHDD). This is Spire's sixth WNAR filing. Spire's current and proposed rates are included in Table 1 below.

Table 1: Current and Proposed WNAR Rates by District and Class

District	Current	Proposed
Spire East	0.00160	0.01006
Spire West	0.00369	0.01059

Because the previous periods generally experienced warmer weather than normal in Spire's rate districts, the proposed rates are a larger rate in this filing.

The proposed rates imply a residential customer that used 100 therms or ccf in a given billing month would see a line item increase of \$0.85 in their bill in the Spire East district, and \$0.69 in the Spire West district.

Identification of billing errors from October 2020 to February 22, 2021

Staff has recently learned that Spire did not incorporate the rate reflected in its WNAR tariffs, effective October 1, 2020 to present, in its billing system until February 22, 2021. Instead, during that period Spire billed its customers based on the rates reflected in its tariffs prior to October 1, 2020. As the WNAR rates prior to October 1, 2020, were negative rates, and the current WNAR rates since October 1, 2020, are positive, customers received a credit rather than a charge in the WNAR line item on their bills for most of the prior winter months. Spire's failure to bill the tariffed rate from October 1, 2020 to February 22, 2021 is a violation of Spire's currently effective tariff.

However, the proposed WNAR rates are currently not impacted by Spire's failure to bill its customers the appropriate rate since the reconciliation period for that period will not be addressed until the Company's September filing. To address this billing issue, Staff respectfully requests the Commission direct Staff to investigate the scope of Spire's billing errors from October 2020 through February 2021, including the amounts involved in those billing errors. Based on the results of that investigation, Staff will recommend how Spire address the billing errors from October 1, 2020 to February 22, 2021. Based solely on the information currently available to Staff, and without committing to specific amounts, it appears the amounts that were inaccurately billed could be approximately \$1.12 per 100 therms or ccf.

Staff Recommendation

Notwithstanding the incorrect billing discussed above, Staff has reviewed the following tariff sheets, as substituted on March 11, 2021, and recommends approval of the following tariff sheets to go into effect for service on and after April 1, 2021, the requested effective date:

P.S.C. MO. No. 7

Fifth Revised Sheet No. 13.2 Cancelling Fourth Revised Sheet No. 13.2

P.S.C. MO. No. 8

Fifth Revised Sheet No. 13.2 Cancelling Fourth Revised Sheet No. 13.2

Staff has verified that Spire is not delinquent on any assessment and has filed its Annual Report. Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing, with the exception of the billing errors identified above. With regards to those billing errors, Staff recommends the Commission order Staff to investigate the scope of those billings errors and file its findings and recommendations in the present docket.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Spire Missouri Inc.'s)
d/b/a Spire Missouri East and Spire) File No. GR-2021-0280
Missouri West Filing of its Proposed)
Weather Normalization Adjustment)
Rider (WNAR) Tariff Sheets)

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COME NOW MICHAEL L. STAHLMAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Michael L. Stahlman
MICHAEL L. STAHLMAN