

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

In the Matter of the Application of Spire Missouri)	
Inc. to Change its Infrastructure System)	<u>File No. GO-2019-0356</u>
Replacement Surcharge in its Spire Missouri)	Tariff No. YG-2020-0069
East Service Territory)	

STAFF RECOMMENDATION REGARDING COMPLIANCE TARIFFS

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and states the following regarding the compliance tariff sheet filed by Spire Missouri, Inc. on October 30, 2019.

1. On October 30, 2019, the Commission issued its *Report and Order*, which authorized Spire Missouri, Inc. to file tariff sheets for its Spire Missouri East service territory to establish an Infrastructure System Replacement Surcharge to recover revenue for each customer class.

2. On October 30, 2019, Spire filed a tariff sheet intended to be in compliance with the Commission’s order, bearing an effective date of November 29, 2019. The tariff sheet was assigned tariff tracking number YG-2020-0069.

3. Also on October 30, 2019, Spire filed a motion for expedited treatment in which Spire requested that the tariff sheet filed October 30 become effective November 12, 2019, or earlier.

4. On October 31, 2019, the Commission issued an *Order Directing Staff Recommendation and Establishing Time to Respond* in which it ordered Staff to file a recommendation as to whether Spire’s tariff sheet is in compliance with the Commission’s *Report and Order*.

5. Staff's recommendation is attached hereto and is incorporated herein by reference. As reflected in the attached Memorandum, Staff reviewed the tariff sheet Spire filed October 30 and determined that the rates therein comply with those authorized by the Commission and that the tariff sheet is in compliance with the Commission's *Report and Order*.

6. Staff does not object to Spire's request for expedited treatment. However, Staff recommends that the tariff sheet be made effective the same date as the effective date of the order approving the compliance tariff sheet.

WHEREFORE, for the above-stated reasons, Staff recommends that the Commission issue an order approving the following tariff sheet (tariff tracking number YG-2020-0069) as filed on October 30, 2019, to go into effect on the same date as the effective date of the order:¹

P.S.C. MO. No. 7

Fourth Revised Sheet No. 12 Cancelling Third Revised Sheet No. 12

¹ See *State ex rel. Office of the Public Counsel v. Public Service Commission*, 409 S.W.2d 522, 529 (Mo.App. 2013) in which the West District Court of Appeals stated that any shortening of the date on which PSC orders will become effective to less than ten days is presumptively unreasonable and, if challenged, would require the PSC to demonstrate that the circumstances surrounding the case are so extraordinary as to clearly warrant further encroachment on the time provided to the parties in which to exercise their right to apply for rehearing and/or appeal and that the time allowed was reasonably sufficient.

Respectfully submitted,

/s/ Karen E. Bretz

Karen E. Bretz

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been electronically mailed to all parties and/or counsel of record on this 5th day of November, 2019.

/s/ Karen E. Bretz

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GO-2019-0356, Tariff Tracking No. YG-2020-0069
Spire Missouri Inc., d/b/a Spire (East)

FROM: Michael J. Ensrud, Rate & Tariff Examiner, Procurement Analysis

/s/ David M. Sommerer 11/5/19 /s/ Robert S. Berlin 11/5/19
Procurement Analysis/Date Staff Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding Spire East's ISRS Tariff
Submission - Compliance filing.

DATE: November 5, 2019

On October 30, 2019, Spire Missouri Inc., d/b/a Spire ("Spire East" or "Company") filed "Spire Missouri, Inc.'s Motion for Expedited Treatment and Tariff Revision (YG-2020-0069)," a cover letter, and Fourth Revised Sheet No. 12 – a compliance tariff sheet. The requested effective date of the tariff referenced in the motion is November 12, 2019¹.

On October 31, 2019, the Commission issued "Order Directing Staff Recommendation and Establishing Time to Respond" which establishes a Staff deadline to provide a Recommendation no later than November 5, 2019.

In its cover letter, Spire acknowledges the following impact on existing rates:

As proposed herein, **the ISRS would increase a residential customer's bill by \$0.57 cents per month for Spire Missouri East and \$0.59 cents per month for Spire Missouri West.** [Emphasis added.]

The filed rates produce cumulative annual ISRS revenues of \$13,314,280². This cumulative Revenue Requirement is comprised of \$4,763,180 from the current case plus \$8,551,100 from the two previous ISRS proceedings – GO-2019-0115 and GO-2018-0309. The proposed rates will generate the cumulative amount that is consistent with past practice.

1 The body of the Motion asks for a "sooner if practicable" effective date.

2 Staff has verified these rates produce this annual amount via separate calculations.

Staff's calculation utilizes revenue requirements that are consistent with the Commission's past and present order – as referenced above. Specific components of Staff's calculation can be sourced to the Commission's "Report and Order" issued October 30, 2019, as well as the final-approved Revenue Requirements from GO-2019-0115 and GO-2018-0309.

Staff does not object to expedited treatment but the effective date of the tariff should be no sooner than the effective date of the Commission's Order approving the tariff. This is consistent with the prior September 28, 2018 Commission Order in Case Nos. GO-2018-0309 and GO-2018-0310.

Spire has filed its 2018 annual report with the Commission. However, those billing units (in the 2018 annual report) are not used in the calculation of revised ISRS rates for these ISRS rate calculations - in this proceeding. Instead, consistent with all previous calculations - from the start of this proceeding – Spire used and Staff accepted – the billing units from the previous rate case GR-2017-0215.³

As of the issuance of this memo, Spire East is not delinquent on its FY 2019 assessments.

RECOMMENDATION

Based upon the rationale stated above, Staff recommends the Commission issue an order in this case that:

1. Approves Spire East's ISRS tariff sheet (YG-2020-0069) P.S.C. MO No. 7 Fourth Revised Sheet No. 12 filed on October 30, 2019.
2. Increases the existing ISRS by \$4,763,180 annually – the amount the Commission deemed appropriate in the previous (October 30, 2019) Report & Order.

³ Such a variance from standard procedure is referenced in 393.1015 RSMo.

3. Finds that the compliance filing's tariff will generate the \$13,314,280 annually. This figure represents both the revenue requirement from the current case plus the revenue requirement from the two previous ISRS cases - GO-2019-0115 and GO-2018-0309.
4. Substitutes the effective date the Commission finds appropriate – given the effective date of the Commission's Order approving this compliance filing.

P.S.C. MO. No. 7

4th Revised Sheet No. 12, CANCELLING 3rd Revised Sheet No.12

