

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

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

**RESPONSE TO STAFF’S RECOMMENDATION
AND MEMORANDUM REGARDING SPIRE WEST’S
2019-2020 ACTUAL COST ADJUSTMENT FILING**

COMES NOW Spire Missouri Inc., d/b/a Spire West (“Spire West” or “Company”) and, pursuant to the Commission’s Order dated December 20, 2021, submits this response to the Recommendations and Memorandum filed by the Staff of the Missouri Public Service Commission (“Staff”) in the above captioned matter on December 15, 2021. In support thereof, Spire West states as follow:

1. On December 15, 2021, the Staff filed its Recommendation and Memorandum (hereinafter “Staff Recommendation”) relating to its review of billed revenue and gas costs for Spire Missouri’s western Missouri service territory for the October 1, 2019 to September 30, 2020 Actual Cost Adjustment (“ACA”) period. In its recommendation, Staff did not propose any adjustments to the ending ACA balances for the period.
2. On December 20, 2021, the Commission issued its Order directing Spire West to respond to Staff’s recommendation no later than January 14, 2022. This filing complies with that Order.
3. The Company agrees with Staff’s recommendation that no adjustments should be made to the Company’s ending ACA balances for this ACA period.
4. Further, Spire will continue to have discussions with Staff on the new peak hourly resource plan and reserve margin.

5. At pages 4-5 of its Recommendation, the Staff discusses the Company's hedging strategy. The Staff recommends that Company evaluate its hedging strategy in response to changing market dynamics, including the timing of its financial hedging purchases and over the counter instruments to help control margin requirements. Staff also recommends that the Company assess the effectiveness of its hedges based on the outcomes.

6. In response the Company first states that it agrees with Staff regarding the monitoring of market dynamics. The Company continually evaluates changes in market conditions as part of its gas procurement process. Moreover, its hedging strategy is inherently designed to take such market-driven changes into account in order to balance the cost of hedging against the goal of price stabilization, and thus achieve a cost-effective hedging outcome.

The Company also notes, as it has in the past, that it is constantly evaluating its hedging strategy and tracking its effectiveness, including the timing of its hedging purchases, the extent to which it hedges storage volumes. The Company will continue to perform such evaluations in the future. The Company will also continue to make its annual formal presentations to Staff and OPC in advance of the winter period, outlining its gas supply strategies including current hedging strategies.

WHEREFORE, Spire Missouri submits this Response and requests that the Commission issue an order adopting Staff's Recommendation that no adjustment is appropriate to the ending ACA balances for the period of October 1, 2019 and September 30, 2021.

Respectfully Submitted,

/s/ Rachel L. Niemeier

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ATTORNEYS FOR SPIRE MISSOURI INC

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 14th day of January, 2022 to the parties in this matter by hand-delivery, fax, electronic or regular mail.

/s/ Rachel L. Niemeier
