

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**
At a session of the Public Service
Commission held at its office in
Jefferson City on the 5th day of
October, 2022.

In the Matter of the Application of Spire)	
Missouri Inc. d/b/a Spire to Change its)	<u>File No. GO-2022-0339</u>
Infrastructure System Replacement)	Tariff No. YG-2022-0272
Surcharge in its Spire Missouri East and)	
West Service Territories)	

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: October 5, 2022

Effective Date: October 15, 2022

On June 3, 2022, Spire Missouri Inc. d/b/a Spire, filed an application and petition with the Commission pursuant to Sections 393.1009, 393.1012, and 393.1015, RSMo, and Commission Rules 20 CSR 4240-2.060, 2.080, and 3.265, requesting that the Commission authorize changes to the Spire Missouri East and Spire Missouri West Infrastructure System Replacement Surcharges (ISRS). Spire Missouri filed a tariff revision marked as Tariff No. YG-2022-0272, applicable to both Spire Missouri East and Spire Missouri West, bears an effective date of July 3, 2022.

Spire's application requests an adjustment to its rates and charges to provide for the recovery of costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period of January 1, 2022 through June 30, 2022. Spire seeks recovery of ISRS revenues for Spire East in the amount of \$4,060,811, and Spire West in the amount of \$7,846,268. So that the Commission had adequate time to consider the applications and the tariff sheets, the Commission suspended the tariff revision until November 29, 2022.¹

¹ Section 393.1015.2(3), RSMo, requires the Commission to issue an order to become effective not later than 180 days after the petition is filed.

Spire also seeks a waiver of the Commission's 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1)(D). In support thereof, Spire certifies that it has had no communication with the office of the Commission regarding any substantive issue likely to be in this case during the preceding 150 days.

The Commission directed notice and established an intervention deadline. The Commission granted intervention to Midwest Energy Consumers Group (MECG). The Staff of the Commission (Staff) filed a recommendation on September 1, 2022, that the Commission reject Spire's tariff revision. Spire filed a response to Staff's recommendation asking that the Commission allow time to file a joint stipulation resolving this ISRS filing.

On September 21, 2022, Spire and Staff filed their *Unanimous Stipulation and Agreement* (Agreement) purporting to resolve the issues between the signatories. The Office of the Public Counsel was not a signatory to the Agreement, but had no objection to the Agreement. MECG was also not a signatory to the Agreement. Where all parties are not signatories to a stipulation and agreement, Commission Rule 20 CSR 4240-2.115(2) allows seven days to object to the stipulation and agreement. If no party files a timely objection to a stipulation and agreement, the Commission may treat it as a unanimous stipulation and agreement. More than seven days have passed since the Agreement was filed, and no party has objected. Therefore, the Commission will treat the Agreement as a unanimous.

The Stipulation

The Signatories agree that the Commission should issue an order approving the *Unanimous Stipulation and Agreement*, which authorizes an ISRS revenue requirement increase of \$4,087,972 for Spire East and \$6,393,116 for Spire West. The total ISRS revenue requirement increase for Spire Missouri is \$10,481,088. The cumulative annual

ISRS revenue requirement is \$7,228,654 for Spire East and \$11,756,611 for Spire West, for a total of \$18,985,265. The revenue requirement shall be allocated to the rate classes pursuant to the rate design described in Staff's Memorandum filed on September 1, 2022, and the rates by class are attached to the *Unanimous Stipulation and Agreement*.

In File No. GR-2021-0108, the Commission ordered that overheads related to ISRS projects may be included in rate base once Spire Missouri has shown its compliance with the USOA. In its September 1, 2022, memorandum, Staff recognized that Spire has demonstrated compliance with the USOA and added the authorized overhead costs to Spire Missouri's ISRS plant in this case. Non-operational overheads removed by Staff in File No. GO-2022-0171 will remain in a regulatory asset pending a decision on their ratemaking treatment in File No. GR-2022-0179, Spire's currently pending rate case.

After reviewing the *Unanimous Stipulation and Agreement*, the Commission finds that it is a reasonable resolution of the issues contained therein and should be approved. Based on the verified declaration that Spire has had no communication with the Commission in the prior 150 days regarding any substantive issues in this case, the Commission will grant the requested 60-day waiver. To conform with the *Unanimous Stipulation and Agreement's* requirement that resulting rates are effective no later than October 21, 2022, the Commission finds it reasonable to make this order effective on October 15, 2022, and finds that good cause exists to allow a tariff in compliance with this order to take effect in less than 30 days after filing. The Commission rejects the tariff sheets filed by Spire and will order it to submit tariff sheets conforming to the *Unanimous Stipulation and Agreement* approved in this order.

THE COMMISSION ORDERS THAT:

1. Spire's request for waiver of the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1)(D) is granted.
2. The *Unanimous Stipulation and Agreement* filed on September 21, 2022, is approved. The Signatories are ordered to comply with its terms. A copy of the *Unanimous Stipulation and Agreement* is attached to this order and incorporated by reference.
3. The tariff revision, Tariff No. YG-2022-0272, filed by Spire on June 3, 2022, and substituted June 6, 2022, is rejected.
4. Spire shall file a tariff revision conforming to the *Unanimous Stipulation and Agreement* approved by this order no later than October 7, 2022, at noon. Staff shall file a response to any compliance tariff revision indicating whether it complies with the terms of the *Unanimous Stipulation and Agreement* no later than October 11, 2022, at noon.
5. This order shall be effective on October 15, 2022.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and
Kolkmeier CC., concur.

Clark, Regulatory Law Judge

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

In the Matter of the Application of)
Spire Missouri, Inc. d/b/a Spire to)
Change its Infrastructure System)
Replacement Surcharge in its Spire)
Missouri East and West Service)
Territories)

Case No. GO-2022-0339

UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW Spire Missouri Inc. (“the Company” or “Spire”), on behalf of itself and its two operating units, Spire East and Spire West; and the Staff of the Missouri Public Service Commission (“Staff”) (collectively “the signatories”) and, pursuant to Commission Rule 20 CSR 4240-2.115, presents this *Unanimous Stipulation and Agreement* for approval by the Missouri Public Service Commission (“the Commission”) as a resolution of the issues of the ISRS revenue requirement to be approved by the Commission in these cases. In support of this *Unanimous Stipulation and Agreement*, the signatories state as follows:

1. **Issues Settled:** The signatories agree and intend this *Unanimous Stipulation and Agreement* to settle only the issues of the ISRS revenue requirement to be approved by the Commission in the above captioned case. This settlement is the product of negotiations aimed at an amicable resolution of the present case and none of the signatories to this *Unanimous Stipulation and Agreement* concede any issue of law or fact not expressly stated herein. In the event that the Commission orders additional evidence submitted in support of this stipulation, the signatories agree

that Staff may submit into evidence a report demonstrating the calculation of the revenue requirements found herein but that no party to this stipulation shall be determined to have conceded the ISRS eligibility or lack thereof of any costs included or not included in that report or to be otherwise bound to the findings of that report.

2. **ISRS Revenue Requirement:** The signatories agree that an ISRS revenue requirement increase of \$4,087,972 be approved for Spire East and an ISRS revenue requirement increase of \$6,393,116 be approved for Spire West. The total ISRS revenue requirement increase for Spire Missouri is \$10,481,088. The cumulative annual ISRS revenue requirement is \$7,228,654 for Spire East and \$11,756,611 for Spire West, for a total of \$18,985,265.

3. **Rate Design and Effective Date of Rates:** The revenue requirement shall be allocated to the rate classes pursuant to the rate design described in Staff's Memorandum filed on September 1, 2022. In no event shall the rates implemented from this stipulation and agreement be made effective sooner than October 1, 2022 and no later than October 21, 2022. Attached to this Stipulation and Agreement are ISRS rates by rate class that incorporate the agreed upon revenue requirement and rate design for Spire East and Spire West.

4. **Capitalized Overhead Payroll Amount:** In Case No. GR-2021-0108, the Commission ordered that overheads related to ISRS projects may be included in rate base once Spire Missouri has shown its compliance with the USOA. In accordance with that decision, in Case No. GO-2022-0171, non-operational overheads that would previously have been capitalized were removed from the ISRS rate base by Staff after

applying Staff's recommended transfer rate. In its Memorandum filed on September 1, 2022 in this case, Staff recognized that Spire Missouri has demonstrated compliance with the USOA and added the authorized overhead costs to Spire Missouri's ISRS plant in this case. Non-operational overheads removed by Staff in Case No. GO-2022-0171 will remain in a regulatory asset pending a decision on their ratemaking treatment in Case No. GR-2022-0179.

5. **Limitation of Scope:** This *Unanimous Stipulation and Agreement* is being entered into for the purpose of disposing of the issues specifically addressed herein. In presenting this *Unanimous Stipulation and Agreement*, none of the signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any procedural principle, and none of the signatories shall be prejudiced or bound in any manner by the terms of this *Unanimous Stipulation and Agreement*, whether approved or not, in this or any other proceeding, other than a proceeding limited to the enforcement of the terms of this *Unanimous Stipulation and Agreement*, except as otherwise expressly specified herein. The signatories further understand and agree that the provisions of this *Unanimous Stipulation and Agreement* relate only to the specific matters referred to in this *Unanimous Stipulation and Agreement*, and no signatory waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this *Unanimous Stipulation and Agreement*. The signatories further understand and agree that no party to this *Unanimous Stipulation and Agreement* shall assert the terms of this Stipulation as a precedent in any future proceeding.

6. **Interdependence and Non-Severability:** This *Unanimous Stipulation and Agreement* has resulted from negotiations and the terms hereof are interdependent. If the Commission does not approve this *Unanimous Stipulation and Agreement* in total, or approves it with modifications or conditions to which a signatory objects, then this *Unanimous Stipulation and Agreement* shall be void and no signatory shall be bound by any of its provisions. The agreements herein are specific to this proceeding and are made without prejudice to the rights of the signatories to take other positions in other proceedings except as otherwise noted herein. If the Commission does not unconditionally approve this *Unanimous Stipulation and Agreement* without modification, and notwithstanding its provision that it shall become void, neither this *Unanimous Stipulation and Agreement*, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any signatory has for a decision in accordance with Section 536.080, of the Revised Statutes of Missouri (“RSMo.”) or Article V, Section 18, of the Missouri Constitution, and the signatories shall retain all procedural and due process rights as fully as though this *Unanimous Stipulation and Agreement* had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this *Unanimous Stipulation and Agreement* shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

7. **Waiver of Procedural Rights:** If the Commission unconditionally accepts the specific terms of this *Unanimous Stipulation and Agreement* without modification, the signatories waive, with respect to the issues resolved herein, their respective rights: (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), ; (2) to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo.; (3) to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo.; (4) to seek rehearing pursuant to Section 386.500, RSMo.; and (5) to judicial review pursuant to Section 386.510, RSMo., provided however that the Verified Applications and Updates submitted by Spire Missouri on behalf of Spire East and Spire West shall be received into evidence for the sole purpose of providing an evidentiary foundation for this Unanimous Stipulation and Agreement. These waivers apply only to a Commission order respecting this *Unanimous Stipulation and Agreement* issued in this above-captioned cases and do not apply to any issues or matters raised in any prior or subsequent Commission order, or any issue or other matters not explicitly addressed by this *Unanimous Stipulation and Agreement*.

8. **Merger and Integration:** This *Unanimous Stipulation and Agreement* contains the entire agreement of the signatories concerning the issues addressed herein. The intent of the signatories to this *Unanimous Stipulation and Agreement* has been fully and exclusively expressed in this document and the attachments appended hereto.

9. **No Objection:** The signatories have conferred with the other party to this case, the Office of Public Counsel (“OPC”), regarding this Stipulation. OPC has indicated that, while it does not wish to be a signatory, it has no objection to this Stipulation.

WHEREFORE, the signatories respectfully request the Commission issue an order approving this *Unanimous Stipulation and Agreement* as a resolution of the issues of the ISRS revenue requirement to be approved by the Commission in the above captioned case.

/s/ Matt Aplington

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Unanimous Stipulation and Agreement was served on all counsel of record on this 21st day of September, 2022 by electronic mail.

/s/ Matt Aplington

**Spire Missouri East
 ISRS - Case # GO-2022-0339
 ISRS Cumulative Rate Design**

**Spire Missouri East
 ISRS Rate Design**

Total ISRS Revenues 7,228,654

<u>Customer Rate Class</u>	<u>Number of Customers*</u>	<u>Customer Charge</u>	<u>Ratio to Residential Customer Charge</u>	<u>Weighted Customer Nos.</u>	<u>Customer Percentage</u>	<u>Current ISRS Charge</u>	<u>Current ISRS Revenues</u>
Residential	617,236	22.00	1.0000	617,236	84.8110%	0.83	6,130,694
SGS	35,106	37.31	1.6959	59,537	8.1806%	1.40	591,347
LGS	5,616	133.25	6.0568	34,015	4.6738%	5.01	337,855
LV	39	974.62	44.3009	1,728	0.2374%	36.67	17,161
Unmetered Gas Light	72	6.40	0.2909	21	0.0029%	0.24	208
General L.P	36	19.12	0.8691	31	0.0043%	0.72	311
Large Volume Transportation	157	2,131.41	96.8823	15,211	2.0900%	80.19	151,078
Total	658,262				100.0000%		<u>7,228,654</u>

*Test Year Customers - GR-2021-0108

**Single customers with multiple accounts located on contiguous property.

**Spire Missouri West
 ISRS - Case # GO-2022-0339
 ISRS Cumulative Rate Design**

**Spire Missouri West
 ISRS Rate Design**

<u>Customer Rate Class</u>	<u>Number of Customers*</u>	<u>Customer Charge</u>	<u>Ratio to Residential Customer Charge</u>	<u>Weighted Customer Nos.</u>	<u>Customer Percentage</u>	<u>Current ISRS Charge</u>	<u>Current ISRS Revenues</u>
Total ISRS Revenues		11,756,611					
Residential	493,298	20.00	1.0000	493,298	81.2504%	1.61	9,552,290
SGS	29,393	37.20	1.8600	54,671	9.0048%	3.00	1,058,656
LGS	3,845	161.39	8.0695	31,027	5.1104%	13.02	600,815
LV	14	1,357.95	67.8975	951	0.1566%	109.56	18,407
LGS Transport	225	180.80	9.0400	2,034	0.3350%	14.59	39,387
LV Transport	439	1,145.90	57.2950	25,153	4.1428%	92.46	487,057
Total	527,214				100.0000%		<u>11,756,611</u>

*Average customers - GR-2021-0108


STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 5th day of October, 2022.





Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 5, 2022

File/Case No. GO-2022-0339

**Missouri Public Service
Commission**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.