

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 13th day of
April, 2022.

In the Matter of Spire Missouri Inc.'s d/b/a)
Spire Request for Authority to Implement a)
General Rate Increase for Natural Gas)
Service Provided in the Company's)
Missouri Service Areas)

File No. GR-2021-0108

ORDER AUTHORIZING ACCOUNTING TREATMENT

Issue Date: April 13, 2022

Effective Date: April 13, 2022

On November 12, 2021, the Commission issued its *Amended Report and Order* (Order), which became effective November 22, 2021, regarding Spire Missouri Inc.'s request for a general rate increase. The approved rates went into effect December 23, 2021. The Order directed the Staff of the Commission (Staff) to perform an audit and make a recommendation as to whether Spire Missouri is in compliance with the Uniform System of Accounts (USOA) requirements for capitalized overheads.

On March 18, 2022, Staff filed its report, which includes a list of 24 recommendations. On March 28, 2022, Spire Missouri responded agreeing with all but one of Staff's recommendations. The exception was regarding Staff Recommendation number 21 in which Staff recommends the Commission direct Spire Missouri to defer the cost of its non-operational Administrative and General (A&G) overheads to a regulatory asset beginning December 23, 2021. Spire Missouri responds that it needs the Commission to issue an order giving the company the accounting authority (AAO) to do so. Spire Missouri concludes with a request for an order approving overhead treatment

consistent with Staff's Report and Spire Missouri's response.

On April 7, 2022, Spire Missouri filed a notice that it is working with Staff and OPC to reach an agreement clarifying which costs are to be included in the regulatory asset authorized in the Commission's Order. Spire Missouri reiterates its request for a Commission order providing the accounting authority necessary to begin to utilize the regulatory asset, such that the order could be issued while the parties continue discussing a stipulation.

The Commission has reviewed its Order, and notes the language on page 82:

Non-operational overheads associated with plant additions to be recognized as used and useful after the effective date of Spire Missouri's tariff sheets may be posted to a regulatory asset account.

The Commission considers the authorization for a regulatory asset to include non-operational overheads as having been given by the statement on page 82 of its Order, and as supported by the surrounding discussion on pages 82-83. Typically, an AAO is authorized outside of a rate case because an unusual event has led to costs being incurred by the utility that may fall outside of a rate case test year and therefore not be recoverable in rates. The regulatory asset authorized by the Commission in its Order allows Spire Missouri to defer non-operational overheads from the effective date of Spire Missouri's rates until the test year of its next rate case. Therefore, a separate AAO is not necessary. Although the Commission considers the authorization already given, it will restate it per Spire Missouri's request.

THE COMMISSION ORDERS THAT:

1. Spire Missouri is granted authority to defer and book to a regulatory asset account the non-operational overheads associated with plant additions to be recognized as used and useful after December 23, 2021.

2. Spire Missouri may defer and maintain these costs on its books until included in rate base if appropriate, which will be at the first opportunity, whether in an Infrastructure System Replacement Surcharge (ISRS) case or a rate case.

3. Any disallowed non-operational overheads that remain in the regulatory asset account through the test year, update or true-up period of Spire Missouri's next rate case will be reviewed to determine the appropriate treatment by the Commission during that rate case.

4. Nothing in this order shall be considered a finding by the Commission of the value or prudence for ratemaking purposes of the properties, transactions and expenditures herein involved. The Commission reserves the right to consider any ratemaking treatment to be afforded the properties, transactions and expenditures herein involved in a later proceeding.

5. This order shall be effective when issued.



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.

Hatcher, Regulatory Law Judge

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 13th day of April, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

April 13, 2022

File/Case No. GR-2021-0108

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

Sincerely,

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

**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.