

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 12<sup>th</sup> day of January, 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 DENYING APPLICATIONS FOR REHEARING  
AND PROVIDING CLARIFICATION**

Issue Date: January 12, 2022

Effective Date: January 12, 2022

On November 12, 2021, the Commission issued its *Amended Report and Order*, which became effective November 22, 2021, regarding Spire Missouri Inc.'s request for a general rate increase. On November 19, 2021, the Office of the Public Counsel (OPC) timely filed an application for rehearing or reconsideration. On November 19, 2021, Spire Missouri also timely filed an application for rehearing or reconsideration.

Within its rehearing motion, Spire Missouri requested that the Commission confirm whether Spire's understanding of the treatment of capitalized overheads was accurate.<sup>1</sup> Although the Commission believes the issue is clearly addressed in its *Amended Report and Order*, based upon Spire Missouri's inaccurate interpretation of certain language, some further clarification is required. The Commission will clarify its intent as follows:

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<sup>1</sup> *Spire's Application for Rehearing and Motion for Reconsideration of the Amended Report and Order*, para. 15.

- the Commission directed the cessation of all non-operational overheads, not just Administrative and General (A&G) as Spire Missouri avers;<sup>2</sup>
- the Commission allowed for Spire Missouri to implement changes on a prospective basis in either ISRS filings or Spire Missouri's next rate case, not just the next rate case as Spire Missouri avers;<sup>3</sup>
- the Commission will approve the records to be maintained and overhead treatment after Staff completes its audit and makes its recommendation, contrary to Spire Missouri's assertion that Staff completes its audit and then capitalization may continue;<sup>4</sup> and
- any non-operational overhead expenses included in the regulatory asset that fall outside of the test period of Spire's next rate case shall be considered for recovery during that rate case.<sup>5</sup>

Section 386.500.1, RSMo 2016, states that the Commission shall grant an application for rehearing if "in its judgment sufficient reason therefor be made to appear." In the judgment of the Commission, neither application for rehearing demonstrates sufficient reason to rehear the matter.

The Commission will deny the applications for rehearing.

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<sup>2</sup> *Amended Report and Order*, issued November 12, 2021, Findings of Fact 261 through 264; see also p. 82, "The Commission will order Spire Missouri to cease recovery of capitalized nonoperational overhead costs in plant, going forward, until Spire Missouri's compliance with the USOA is shown."

<sup>3</sup> *Amended Report and Order*, issued November 12, 2021, p. 82, "This will allow changes to indirect overhead allocations to be implemented on a prospective basis in either ISRS filings or Spire Missouri's next rate case." See also p. 83 "Overhead costs determined to be in compliance with the USOA Plant Instruction requirements shall be included in rate base at the first opportunity, whether in an ISRS case or rate case."

<sup>4</sup> *Amended Report and Order*, issued November 12, 2021, p. 83.

<sup>5</sup> *Amended Report and Order*, issued November 12, 2021, p. 83, "The potential recovery of any of the disallowed capitalized non-operational overheads as expenses 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 by the Commission during that rate case."

**THE COMMISSION ORDERS THAT:**

1. OPC's request for rehearing or reconsideration, filed on November 19, 2021, is denied.
2. Spire Missouri's request for rehearing or reconsideration, filed on November 19, 2021, is denied.
3. This order shall be effective when issued.



**BY THE COMMISSION**

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

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 12<sup>th</sup> day of January, 2022.**



  
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**Morris L. Woodruff**  
**Secretary**

# **MISSOURI PUBLIC SERVICE COMMISSION**

**January 12, 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 style with a large, prominent "M" and "W".

**Morris L. Woodruff  
Secretary**

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