BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Spire Missouri Inc. d/b/a) Spire West Annual PGA Filing) **Case No. GR-2019-0120** Tracking No. YG-2019-0071¹

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation in this matter hereby respectfully states:

1. On October 31, 2018, Spire Missouri Inc. d/b/a Spire (herein "Spire Missouri West" or "Company") filed a tariff sheet to reflect changes in its Purchased Gas Adjustment (PGA) factors for its Spire Missouri West division as a result of estimated changes in the cost of natural gas for the upcoming season and changes in the Actual Cost Adjustment (ACA) factors. The tariff sheet bears a proposed effective date of November 15, 2018.

2. The filing will decrease the firm sales PGA Rate to \$0.48438 per Ccf from the current PGA Rate of \$0.51977 per Ccf. This represents a decrease of \$0.03539 per Ccf.

3. The Company's filing also reflects adjustments to the ACA factors. Staff's Procurement Analysis Department (PAD) will review the Company's ACA filing and may recommend adjustments to the ACA account balance(s). Due to the limited time available to review the documentation supporting the ACA factors represented in this filing, the PAD has requested permission to submit its results and recommendations

¹ The Commission's October 31, 2018 Order Directing Expedited Staff Recommendation referenced Tariff Tracking No. YG-2019-0068; however, the Tariff Tracking No. for this filing appears to be YG-2019-0071.

regarding the information included in this ACA filing to the Commission on or before December 17, 2019.

4. Case No. GR-2019-0120, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2017-2018 ACA filing. Case No. GR-2017-0300 was established to track the Company's PGA factors to be reviewed in its 2016-2017 ACA filing. Case No. GR-2016-0225 was established to track the Company's PGA factors to be reviewed in its 2015-2016 ACA filing. Any rate change implemented pursuant to this tariff filing should be implemented on an interim basis, subject to refund, pending final Commission decisions in Case Nos. GR-2019-0120, GR-2017-0300, and GR-2016-0225.

5. As explained in Staff's *Memorandum*, attached hereto and incorporated herein by reference, Staff has reviewed the current filing and determined that it was calculated in conformance with the Company's applicable PGA clause. Therefore, Staff recommends the Commission approve the tariff sheet on an interim, subject to refund status pending final Commission orders in Case Nos. GR-2019-0120, GR-2017-0300, and GR-2016-0225.

6. Staff also recommends the Commission order PAD Staff to file the results of its review of the ACA factors represented in this filing no later than December 17, 2019.

7. Staff has verified that the Company has filed its annual report, and is not delinquent on its PSC assessment. Staff is not aware of any other matters before the Commission that affects or is affected by this filing except as noted herein.

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8. Staff is of the opinion that good cause for approval of the tariff sheet on less than thirty (30) days' notice is demonstrated by the Company's Commission-approved PGA clause allowing for ten (10) business days' notice for PGA change filings.

WHEREFORE, Staff recommends the Commission issue an order approving the following tariff sheet on an interim basis, subject to refund pending final Commission orders in Case Nos. GR-2019-0120, GR-2017-0300, and GR-2016-0225, and that the Commission order PAD Staff to file the results of its ACA review in this docket no later than December 17, 2019:

P.S.C. MO No. 8 First Revised SHEET No. 11.13, Cancelling Original SHEET No. 11.13

Respectfully submitted,

<u>/s/ Jeffrey A. Keevil</u>

Jeffrey A. Keevil Missouri Bar No. 33825 Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360 Jefferson City, MO 65102 (573) 526-4887 (Telephone) (573) 751-9285 (Fax) Email: jeff.keevil@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 6th day of November, 2018.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File Case No. GR-2019-0120, Tariff No. YG-2019-0071¹, Spire Missouri Inc. d/b/a Spire

FROM: Michael J. Ensrud, Procurement Analysis Department

/s/ David M. Sommerer 11/06/2018	/s/ Jeffrey A. Keevil 11/06/2018
Commission Staff Division/Date	Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Spire Missouri Inc. d/b/a Spire Scheduled Winter Season PGA Filing Effective November 15, 2018

DATE: November 6, 2018

On October 31, 2018, Spire Missouri Inc. d/b/a Spire ("Spire Missouri West" or "Company") of St. Louis, Missouri, filed a tariff sheet with an effective date of November 15, 2018 for its Spire Missouri West division. The tariff sheet was filed to reflect scheduled changes in Spire Missouri West's Purchased Gas Adjustment (PGA) factors as the result of an estimated change in the cost of natural gas for the winter season and changes in the Actual Cost Adjustment (ACA) factors.

On October 31, 2018, the Commission issued an ORDER DIRECTING EXPEDITED STAFF RECOMMENDATION, which directs Staff to file its recommendation by November 6, 2018.

Spire Missouri West makes the following statements about the filing:

In November 2017, the underlying charge for natural gas was set at \$0.51977 per Ccf for the Company's residential customers. Over the past year, the market price of natural gas has fluctuated within a relatively narrow range. As a result, the Company's underlying charge for natural gas for firm sales customers will be \$0.48438 per Ccf.

Unlike the Spire Missouri East filing, Spire Missouri West makes no reference to the PGA tariff effective date that is currently in effect. As of April 19, 2018 (the effective date of tariff sheets from Spire Missouri West's most recent general rate case), Spire Missouri West has had original

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Sheet 11.13 that has a rate of \$.51977, the same rate that was effective November 15, 2017. Thus the change from the current PGA rate is a reduction of \$.03539 per Ccf.

Staff would summarize the proposed change, first - from the perspective of the existing rate, and second - from the perspective of the rate from a year ago, as follows:

<u>Existing</u> <u>PGA</u> <u>Rate</u>	<u>Proposed</u> <u>PGA</u> <u>Rate</u>	<u>Rate</u> <u>Reduction</u>
\$0.51977	\$0.48438	(\$0.03539)
	Nov-2017	
<u>Prior</u> PGA Rate	Proposed PGA Rate	<u>Rate</u> <u>Reduction</u>
\$0.51977	\$0.48438	(\$0.03539)

Case No. GR-2019-0120, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2017-2018 ACA filing. Any rate change implemented pursuant to this tariff filing should be on an interim basis, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2019-0120, GR-2017-0300, and GR-2016-0225.

Due to the limited time available to review the documentation supporting the ACA factor in this filing, the Procurement Analysis Department has requested permission to submit the results and recommendations regarding the information included in this ACA filing to the Commission on or before December 17, 2019. The ACA procedure involves review and true-up to review the actual gas costs incurred.

Staff has verified that Spire Missouri West has filed its annual report, and is not delinquent on its PSC assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing, other than as mentioned above.

Apr-2018

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Staff has reviewed this filing and has determined it was calculated with conformance with Spire Missouri West's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days' notice is demonstrated by Spire Missouri West's Commission-approved PGA clause allowing for ten (10) business days' notice for PGA change filings. Staff recommends the Commission issue an order approving the following tariff sheet, filed on October 31, 2018, to become effective on November 15, 2018, on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2019-0120, GR-2017-0300, and GR-2016-0225.

PSC Mo No. 8

1st Revised Sheet 11.13, Cancelling Original Sheet 11.13

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Spire Missouri, Inc.) d/b/a Spire West Annual PGA Filing)

Case No. GR-2019-0120

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI) SS. COUNTY OF COLE)

COMES NOW MICHAEL J. ENSRUD and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

nou

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 54day of November 2018.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri **Commissioned for Cole County** My Commission Expires: December 12, 2020 Commission Number; 12412070

Notary Public