

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 3rd day of November, 2021.

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
Tracking No. YG-2021-0133

**ORDER PROVIDING CLARIFICATION TO REPORT AND ORDER
AND DELEGATING AUTHORITY**

Issue Date: November 3, 2021

Effective Date: November 3, 2021

On December 11, 2020, Spire Missouri Inc. d/b/a Spire filed tariff sheets designed to implement a general rate increase for natural gas service, and to consolidate, to the extent possible, the rate structures of its two service areas known as Spire East and Spire West. On October 27, 2021, the Commission issued its *Report and Order*. On October 29, 2021, Spire Missouri filed a confidential motion for clarification and expedited treatment. Later the same day, Commission issued its *Order Shortening Time for Responses*. Responses were filed by the Staff of the Missouri Public Service Commission (Staff) and by the Office of the Public Counsel (OPC).

Spire Missouri sought clarification of the following two issues:

1. Capitalized overheads –Spire Missouri seeks clarification as to whether an adjustment should be made to allow Spire to recover certain test year costs as capitalized overheads or expenses;
2. Short-term debt – Spire Missouri seeks clarification as to the inputs the Commission intended for the calculation of short-term debt.

Capitalized Overheads

The Commission ordered Spire Missouri to cease capitalizing non-operational overhead costs going forward. The Commission intends Spire Missouri plant additions to not include costs associated with non-operational overheads, going forward from the effective date of Spire Missouri's new rates as authorized by the *Report and Order*. No adjustment associated with the issue of capitalized overheads is authorized to either plant in service or expenses in this rate case. To provide clarification, non-operational overhead costs incurred during the test year, update and true-up period, should remain as capitalized and included in rate-base. Spire Missouri plant additions occurring after the true-up period and beginning June 1, 2021, but before the effective date of Spire Missouri's new rates, may include non-operational overheads; however, the Commission is not pre-determining the reasonableness of those costs or whether those costs would be allowed recovery.

Short-Term Debt

In essence, Spire Missouri asks what inputs should be used in the Commission's formula for setting Spire Missouri's ratemaking capital structure. The Commission set forth the formula at page 88 of its *Report and Order*.

OPC's short-term debt of \$272.5 million used in their proposed Spire Missouri capital structure is the 13-month average of the short-term debt in excess of short-term assets through May 31, 2021, based on the information provided in Woodard's Surrebuttal Schedule AWW SR-2. The Commission clarifies that the 13-month average short-term debt in excess of short-term assets for the period ending May 31, 2021, should not include any short-term debt and short-term assets related to Winter Storm Uri. The adjustments are: (1) reducing the short-term assets by \$195.8 million for the months they

were recorded; and (2) reducing the short-term debt by \$250 million for the same period as the short-term assets. Based on these adjustments, the 13-month average short-term assets and 13-month average short-term debt for the period ending May 31, 2021, are intended to be used to calculate the 13-month average short-term debt in excess of the short-term assets and hence the short-term debt for the capital structure.

Delegation of Authority

The Commission may delegate any adjudicative authority to the regulatory law judge assigned to this action.¹ To ensure the compliance tariff and any disputes related to them are ruled on expeditiously, the Commission will delegate its authority to the regulatory law judge for the limited purposes of addressing Spire Missouri's compliance tariff filing and any related disputes.

THE COMMISSION ORDERS THAT:

1. The regulatory law judge assigned to this action shall have full authority to rule on any dispute relating to Spire Missouri's compliance tariff, including approval of compliance tariff and any motions concerning the tariff effective date.
2. This order shall become 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

¹ Section 386.240, RSMo (2016).

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 3rd day of November, 2021.





Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 3, 2021

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**

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