

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

In the Matter of Spire Missouri Inc. d/b/a) **Case No. GR-2019-0119**¹
Spire East Annual PGA Filing) Tracking No. YG-2019-0070

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 East” or “Company”) filed a tariff sheet to reflect changes in its Purchased Gas Adjustment (PGA) factors for its Spire Missouri East 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 Company filed a substitute tariff sheet on November 5, 2018. The tariff sheet bears a proposed effective date of November 15, 2018.

2. Pursuant to the filing, the Residential General Total Adjustment will decrease to \$0.45672 per therm from the current Total Adjustment of \$0.46017 per therm. This represents a decrease of \$0.00345 per therm.

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 See also the Company’s *Verified Application for Waiver* filed in Case No. GE-2019-0126.

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

4. Case No. GR-2019-0119, 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-2017-0299 was established to track the Company's PGA factors to be reviewed in its 2016-2017 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-2019-0119 and GR-2017-0299.

5. On November 5, 2018, the Company filed a Verified Application for Waiver ("Waiver") which was docketed as Case No. GE-2019-0126, along with a substitute tariff sheet in Tariff Tracking File No. YG-2019-0070. As noted in the Company's Waiver request, the Company's Vehicle Fuel (VF) service ACA rate tariff was subject to a rate cap years ago, which rate cap was subsequently eliminated a number of years ago. However, the rate cap continued to be applied in subsequent ACA filings, which led to higher deferred balances for the VF service ACA. In the interest of avoiding rate shock to VF service customers, the Company is seeking a waiver in order to increase the ACA rate for VF service to 10 cents per therm instead of the full 26 cents per therm that would otherwise be required by the currently effective tariff language. Staff does not oppose this waiver.

6. As explained in Staff's *Memorandum*, attached hereto and incorporated herein by reference, Staff has reviewed the current filing and determined that, with the exception of the VF service ACA factor discussed above for which the Company requests a waiver in Case No. GE-2019-0126, it was calculated in conformance with the

Company's applicable PGA clause. Therefore, Staff recommends the Commission approve the substitute tariff sheet on an interim, subject to refund status pending final Commission orders in Case Nos. GR-2019-0119 and GR-2017-0299.

7. 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.

8. 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, other than those mentioned herein.

9. 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 originally filed on October 31, 2018, as substituted on November 5, 2018, on an interim basis, subject to refund pending final Commission orders in Case Nos. GR-2019-0119 and GR-2017-0299, 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. 7

First Revised Sheet No. 11.16, Cancelling Original Sheet No. 11.16

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil

Missouri Bar No. 33825

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Missouri Public Service

Commission

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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-2019-0119, Tariff No. YG-2019-0070,
Spire Missouri Inc., d/b/a Spire Missouri East

FROM: Michael J. Ensrud, Procurement Analysis Department

/s/ David M. Sommerer 11/06/2018
Commission Staff Division/Date

/s/ Jeffrey A. Keevil 11/06/2018
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 East” or “Company”) of St. Louis, Missouri, filed a tariff sheet with an effective date of November 15, 2018 for its Spire Missouri East division. The tariff sheet was filed to reflect scheduled changes in Spire Missouri East’s Gas 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 November 1, 2018, the Commission issued an ORDER DIRECTING EXPEDITED STAFF RECOMMENDATION, which directs Staff to file its recommendation by November 6, 2018.

Spire Missouri East makes the following statements about the filing:

In November 2017, the underlying charge for natural gas was set at \$0.46583 per therm for the Company’s residential customers and in April 2018, this charged [*sic*] was revised slightly to \$0.46017 per therm. 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 decrease to \$0.45672 per therm.

Staff would summarize the proposed change, first - from the perspective of the existing rate (April 19, 2018 was the effective date of tariff sheets from Spire Missouri East’s most recent general rate case), and second - from the perspective of the rate from a year ago, as follows:

OFFICIAL CASE FILE MEMORANDUM

MO PSC Case No. GR-2019-0119, Tariff No. YG-2019-0070

November 6, 2018

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Apr-2018

<u>Existing Total Adjustment</u>	<u>Proposed Total Adjustment</u>	<u>Rate Reduction</u>
\$0.46017	\$0.45672	(\$0.00345)

Nov-2017

<u>Prior Total Adjustment</u>	<u>Proposed Total Adjustment</u>	<u>Rate Reduction</u>
\$0.46583	\$0.45672	(\$0.00911)

Case No. GR-2019-0119, 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-2019-0119 and GR-2017-0299.

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 East 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.

Staff has reviewed this filing and has determined it was calculated with conformance with Spire Missouri East's PGA Clause *with the exception of* the Vehicular Fuel ("VF") ACA factor. On November 5, 2018, the Company has filed an application for waiver of its tariff provisions for calculating the ACA factor for the VF customers. The Company is requesting a \$.10 per therm instead of a \$.26 per therm VF ACA rate. Staff is not opposed to this waiver.

OFFICIAL CASE FILE MEMORANDUM

MO PSC Case No. GR-2019-0119, Tariff No. YG-2019-0070

November 6, 2018

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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 East'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, originally filed on October 31, 2018, as substituted on November 5, 2018, to become effective on November 15, 2018, on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2019-0119 and GR-2017-0299:

PSC Mo No. 7

1st Revised Sheet 11.16, Cancelling Original Sheet 11.16

