

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

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

**STAFF RECOMMENDATION REGARDING SPIRE MISSOURI, INC.  
D/B/A SPIRE WEST’S 2017-2018 ACTUAL COST ADJUSTMENT FILING**

**COMES NOW** the Staff of the Missouri Public Service Commission in the above-captioned matter and files its Actual Cost Adjustment (“ACA”) Recommendation in this case concerning the 2017-2018 ACA filing of Spire West (or “Company”), an operating unit of Spire Missouri, Inc., as set forth in the accompanying Staff Recommendation Memorandum (Appendix A), and further states as follows:

1. Spire West filed its ACA for the 2017-2018 period<sup>1</sup> in this case on October 31, 2018. This filing contained Spire West’s ACA account balance calculation.
2. The Procurement Analysis Department (“Staff”) has reviewed Spire West’s filing and submits its recommendation as further explained in the accompanying Staff Recommendation Memorandum, marked as Appendix A and incorporated herein by reference. Staff’s analyses consisted of an examination of Spire West’s gas purchasing practices to evaluate the prudence of the Company’s purchasing and operating decisions for this ACA period; a reliability analysis of estimated peak cold day requirements and the capacity levels needed to meet those requirements; the Company’s rationale for its reserve margin for a peak cold day; a review of supply plans for various weather conditions; and a hedging review to evaluate the reasonableness of the Company’s

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<sup>1</sup> In Spire Missouri’s last rate cases (GR-2017-0215 and GR-2017-0216), the Commission authorized Spire West (f/k/a Missouri Gas Energy) to adopt Spire East’s (f/k/a Laclede Gas Company) ACA period of October through September. Spire West’s ACA filing in this current case contains three additional months (July 2018 – September 2018) of billed revenue and gas costs so that going forward Spire West’s ACA period will match Spire East’s.

hedging plans. Staff's review also included a comparison of the Company's billed revenues and its actual gas costs to determine whether there exists an over-recovery or under-recovery of the ACA balance. An over-recovery by the Company is shown as a negative ACA balance that must be returned to customers; an under-recovery would be shown as a positive ACA balance that must be collected from customers.

3. Based on its review, as discussed in further detail in the accompanying Staff Recommendation Memorandum, Staff recommends a total proposed adjustment of \$(177,957.92) for the current ACA period and recommends an ACA balance ending September 30, 2018 as shown in the table in the "Recommendations" section of the Staff Recommendation Memorandum. As further explained on page 5 of the Recommendation Memorandum, this proposed adjustment corrects a discrepancy between the Cash Out amounts stated in the Company's transportation customer balancing reports and the Cash Out amount reported by the Company in its ACA filing.

4. In addition to the dollar adjustment discussed above, Staff has made certain comments, concerns, and recommendations in the attached Staff Recommendation Memorandum. Accordingly, Staff recommends the Commission order Spire West to respond to all comments, concerns, and recommendations in the Staff Recommendation Memorandum within forty-five (45) days.

**WHEREFORE**, for the reasons stated above and discussed in detail in the accompanying Staff Recommendation Memorandum, Staff recommends the Commission issue an order (1) directing the Company to establish the ACA account balance as shown in the table in Section VI. Recommendations as of September 30, 2018 to reflect the (over)-recovery balance; and (2) directing Spire West to file a written

response within 45 days to Staff's comments, concerns, and recommendations included in the Staff Recommendation Memorandum.

Respectfully submitted,

**/s/ Robert S. Berlin**

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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 17<sup>th</sup> day of December, 2019.

**/s/ Robert S. Berlin**