

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

In the Matter of the Application of Spire Missouri    )  
Inc. for an Accounting Authority Order Concerning    )     File No. \_\_\_\_\_  
Its Commission Assessment for the 2019                )  
Fiscal Year.   )

**APPLICATION FOR AN  
ACCOUNTING AUTHORITY ORDER  
AND MOTION FOR WAIVER**

**COMES NOW** Spire Missouri Inc. (“Spire Missouri” or “Company”), pursuant to Section 393.140, RSMo; 4 CSR 240-2.060; and, 4 CSR 240-4.017, and, for its Application For an Accounting Authority Order and Motion for Waiver, respectfully states as follows to the Missouri Public Service Commission (“Commission”):

**SUMMARY**

This Application requests an order to authorize deferred accounting treatment for the significant increase (51.4% overall) in Spire Missouri’s assessment from Fiscal Year 2018 levels, as well as any future changes between now and Spire Missouri’s next general rate proceedings.

**APPLICANT**

1.       Spire Missouri is a public utility incorporated under the laws of the State of Missouri, with its principal office located at 700 Market Street, St. Louis, Missouri 63101. Contact information for communications with Spire Missouri, through the Company’s legal counsel, including Spire Missouri’s electronic mail address, fax number and telephone number, are set forth on the signature page of this Application.

2.       Spire Missouri’s Certificate of Good Standing evidencing its standing to do business in Missouri was provided to the Commission in File No. GF-2018-0249 and is

incorporated herein by this reference. The information on such Certificate is currently applicable and correct.

3. Spire Missouri is primarily engaged in the business of distributing and transporting natural gas to customers in both the eastern and western portions of the State of Missouri, subject to the jurisdiction of the Commission. Spire Missouri serves customers in the City of St. Louis and ten counties in Eastern Missouri through its Spire East operating unit. Spire Missouri serves customers in the City of Kansas City and thirty counties in Western Missouri through its Spire West operating unit.

4. Other than cases that have been docketed at the Commission, Spire Missouri has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

5. Spire Missouri is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

6. Communications in regard to this Application should be addressed to the undersigned counsel and:

Mr. Glenn Buck  
Spire Missouri Inc.  
700 Market Street, 5th floor  
St. Louis, MO 63101  
314-342-0767  
Glenn.buck@spireenergy.com

#### **ASSESSMENT FOR FISCAL YEAR 2019**

7. By letter dated June 21, 2018 (**Appendix A**), the Commission notified Spire Missouri that the amount of assessment due for the Commission in the fiscal year beginning July

1, 2018 (Fiscal Year 2019) is \$4,573,803.49.

8. The Commission assessment for Fiscal Year 2019 is a \$1,552,691.77 increase (or 51.4% increase) from the Fiscal Year 2018 assessment.

9. The assessments increase, and particularly the timing of this increase, is significant to Spire Missouri. Spire Missouri's current rates became effective on April 19, 2018, as a result of Commission Cases Nos. GR-2017-0215 and GR-2017-0216 and resulted in a decrease in rates for its customers<sup>1</sup>. The revenue requirements in those cases included amounts for the assessment equal to the Fiscal Year 2018 amounts - \$1,661,778.53 less on an annual basis than has been assessed by the Commission.

10. An increase of over 50% represents an extraordinary and unusual change in the assessment for Spire Missouri. This is an increase that is beyond the control of Spire Missouri and for which no provision is made in the ratemaking process.

### **COMMISSION AUTHORITY**

11. The Commission, pursuant its authority found in Section 393.140(8), RSMo ("to prescribe by order the accounts in which particular outlays and receipts shall be entered, charged or credited"), has promulgated Commission Rule 4 CSR 240-40.040, which prescribes the use of the Uniform System of Accounts ("USOA") adopted by the Federal Energy Regulatory Commission. The USOA provides for the deferred treatment of extraordinary costs. An application for an AAO contains a single factual issue -- whether the costs, which are asked to be deferred, are extraordinary in nature. *In the matter of the application of Missouri Public Service*, 1 Mo.P.S.C.3d 200, 203-204 (1991). "By seeking a Commission decision [regarding the

issuance of an AAO] the utility would be removing the issue of whether the item is extraordinary from the next rate case. All other issues would still remain, including, but not limited to, the prudence of any expenditures, the amount of recovery, if any, whether carrying costs should be recovered, and if there are any offsets to recovery.” *Id.*

12. Section 393.140(8), RSMo does not contain any express standard for the exercise of AAO authority and therefore, it is within the Commission’s discretion. Moreover, the courts have recognized the Commission’s authority to approve an AAO, and there is nothing in the Public Service Commission Law or the Commission’s regulations that would limit the grant of an AAO to any particular set of circumstances

13. The Commission has in the past issued AAO’s for costs “caused by unpredictable events, acts of government and other matters outside the control of the utility or the Commission.” *In the matter of St. Louis County Water Company’s Tariff Designed to Increase Rates*, MoPSC Case No. WR-96-263, p. 13 (December 31, 1996).

14. The Commission has further stated that it “has periodically granted AAOs and subsequent ratemaking treatment for various unusual occurrences such as flood-related costs, changes in accounting standards, and other matters which are unpredictable and cannot adequately or appropriately be addressed within normal budgeting parameters.” *Id.* at p. 14. (emphasis added)

15. Specifically, the Commission has granted AAOs for expenses associated with governmental action. For example, the Commission has authorized AAOs for costs associated with:

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<sup>1</sup> The rate decrease took effect approximately 2 months and 2 days before the Commission assessment letter was sent

- new property tax on natural gas held in storage in Kansas (*In re Missouri Gas Energy*, 2005 Mo. PSC LEXIS 1191 (GU-2005-0095, 2005);
- new gas safety rules (GO-97-301, GO-2002-0048);
- the implementation of FAS 87 for pension expense (*In the matter of Missouri Cities Water Company*, 2 Mo.P.S.C.3d 60, January 8, 1993);
- the implementation of FAS 106 (*In Re Union Electric*, 1 Mo.P.S.C.3d 328, 330 (EO-92-179) (June 12, 1992); *In Re St. Joseph Light and Power Company*, 2 Mo.P.S.C.3d 248, 270 (ER-93-41, EC-93-252) (June 25, 1993) (In referring to the Western Resources proceeding, “[t]he Commission also found that expenses related to the adoption of FAS 106 are extraordinary or unusual items which qualify for deferral and later amortization.”); *In Re Missouri Gas Energy*, 3 Mo.P.S.C.3d 203 (GO-94-255) (September 28, 1994); *In Re Empire District Electric Company* (EO-93-35) (February 2, 1993));
- compliance with the Clean Air Act (*In the matter of the application of Missouri Public Service*, 1 Mo.P.S.C.3d 200, 203-204 (1991)); and,
- the emergency cold weather rule (GA-2002-285, GA-2002-377).

### AAO

16. As a consequence of the governmental action resulting in an over 50% increase in the assessment to Spire Missouri, the Company requests a Commission order granting Spire Missouri an AAO containing the following language:

That Spire Missouri Inc. (“Spire Missouri”) is granted an Accounting Authority

Order whereby the company is authorized to record on its books a regulatory asset (or liability), which represents the increase (or decrease) from its Fiscal Year 2018 Commission assessment. Spire Missouri may maintain this regulatory asset on its books until the effective date of new rates resulting from Spire Missouri's next general rate proceedings.

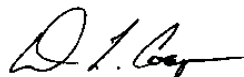
### **MOTION FOR WAIVER**

17. Rule 4 CSR 240-4.017(1) provides that "(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." A notice was not filed 60 days prior to the filing of this Application, and Spire Missouri seeks a waiver of the 60-day notice requirement.

18. Rule 4 CSR 240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. Spire Missouri declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 4 CSR 240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, Spire Missouri moves for a waiver of the 60-day notice requirement of Rule 4 CSR 240-4.017(1) and acceptance of this Application.

**WHEREFORE**, Spire Missouri respectfully requests that the Commission issue an Accounting Authority Order as described, and such further orders as the Commission should find reasonable and just.

Respectfully submitted,



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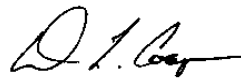
**ATTORNEYS FOR  
SPIRE MISSOURI INC.**

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 13<sup>th</sup> day of July, 2018, to:

General Counsel's Office  
Missouri Public Service Commission  
[staffcounsel@psc.mo.gov](mailto:staffcounsel@psc.mo.gov)

Office of the Public Counsel  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)



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VERIFICATION

State of Missouri     )  
  ) ss  
City of St. Louis     )

I, Glenn W. Buck, having been duly sworn upon my oath, state that I am Director, Regulatory and Finance of Spire Missouri Inc. (Spire Missouri), that I am authorized to make this affidavit on behalf of Spire Missouri, and that the matters and things stated in the foregoing Application and appendices thereto are true and correct to the best of my information, knowledge and belief. Additionally, no representative of Spire Missouri has had any communication with the office of the Missouri Public Service Commission, as defined in Commission Rule 4 CSR 240-4.015(10), within the immediately preceding 150 days regarding the subject matter of this Application.

Glenn W Buck

Subscribed and sworn before me this 12 day of July, 2018.



Marcia A. Spangler