

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

In the Matter of Spire Missouri Inc.’s) Case No. GO-2019-0058
d/b/a Spire’s Request to Decrease WNAR) Tracking No. YG-2019-0039

In the Matter of Spire Missouri Inc.’s d/b/a) Case No. GO-2019-0059
Spire’s Request to Increase its WNAR) Tracking No. YG-2019-0040

SPIRE MISSOURI INC.’S STATEMENT OF POSITION

COMES NOW Spire Missouri Inc, d/b/a Spire (“Spire” or “Company”), on behalf of its operating units, Spire East and Spire West, and submits its Statement of Position in the above-captioned cases. In support thereof, Spire states as follows:

On January 7, 2019, the Staff filed a List of Issues, Identification of Parties, and Order of Cross-Examination. Because the Company did not agree with the Staff’s formulation of the issues to be decided in this proceeding, it filed a reply to Staff’s pleading on the same day explaining the basis for its disagreement and proposing what it believed was a more accurate and appropriate description of the issues. Nevertheless, for the Commission’s convenience, and pursuant to the Commission’s October 19, 2018 Order Adopting Procedural Schedule, the Company will use the Staff’s List of Issues to present its Statement of Position.

(1) Does the Weather Normalization Adjustment Rider (“WNAR”) tariff language of Spire Missouri East and Spire Missouri West [i.e., P.S.C. MO. No. 7, Sheet No. 13 and P.S.C. MO. No. 8, Sheet No. 13] which was ordered in the Commission’s Amended Report and Order in Case Nos. GR-2017-0215 and GR-2017-0216 mean (a) that daily normal weather ranked on current accumulation period actual daily temperature data and compared to current accumulation period actual daily weather should be used for purposes of calculating the WNAR adjustments or (b) that daily normal weather ranked on 2016 actual daily temperature data and compared to current accumulation period [2018 in this case] actual daily weather should be used for purposes of calculating the WNAR adjustments?

As written by Staff, the above formulation of the issue, as set forth in (1) (a), obscures the fact that Staff is proposing to re-apply its ranking methodology each time a WNAR rate adjustment

is calculated – a result that the Company believes is neither required nor authorized by its current WNAR tariff. Moreover, the Staff’s formulation of the issue, as set forth in (1)(b), references the use of 2016 weather data without acknowledging that this is the weather data that was used to establish rates in the Company’s last rate case. In other words, this is not a randomly selected set of data that the Company is proposing to use, but the specific output of the rate case process.

The Company believes that a more accurate and straight-forward formulation of the issue would be: Does the tariff language stating that the WNAR adjustments shall be calculated using “*the total normal heating degree days based upon Staff’s daily normal weather as determined in the most recent rate case*” mean:

- a.) That the Staff’s ranking methodology that was used to create the normal HDD in the rate case is to be updated and re-applied in making each WNAR adjustment between rate cases or,
- b.) That Staff’s normal HDD that was set and determined in the most recent rate case is to be used in making each WNAR adjustment between rate cases without re-application of the ranking methodology?

Whether using this formulation of the issue, or the description provided by Staff in its List of Issue, the tariff clearly supports alternative b) in both scenarios as the most reasonable construction of what this language means. Among other reasons, such an interpretation is appropriate because:

- The plain and ordinary meaning of the words “as determined” signifies something that is fixed and finalized, not something that is ever changeable;
- It was never communicated to either the Commission or the Company until a few weeks before the Company made its first filing under the WNAR tariff

(and was reviewing its workpapers with Staff), that these few words in the tariff were intended to mandate the re-application of a ranking methodology that is nowhere mentioned in the tariff.

- The Company's interpretation is far more consistent with how other adjustment mechanism use the outputs determined in a rate case;

(2) If the Commission determines that the weather normalization adjustment rider ("WNAR") tariff sheets of Spire Missouri East and/or Spire Missouri West [i.e., P.S.C. MO. No. 7, Sheet No. 13 and P.S.C. MO. No. 8, Sheet No. 13, respectively] are vague regarding how the WNAR rate adjustments are to be calculated, is Staff's or Spire's interpretation of the tariff and calculation method most consistent with the Commission's intent when it ordered adoption of the WNAR tariff?

The Company believes that Issue (2) as identified by Staff is not a proper issue. In the guise of divining Commission intent (as it may or may not have existed many months ago), the introduction of this issue is essentially attempting to litigate the merits of using the ranking method versus not using it whenever a WNAR adjustment is made. The Company does not believe that there is any ambiguity in its tariffs on this score, as there is nothing in them to suggest that Staff's ranking methodology was to be reapplied each time a WNAR adjustment is calculated. Accordingly, there is no justification for going behind the plain language of the tariff to determine Commission intent.

WHEREFORE, for the foregoing reasons, Spire Missouri Inc. respectfully requests that the Commission consider this Statement of Position.

Respectfully submitted,

SPIRE MISSOURI INC.

/s/ Michael C. Pendergast

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on Staff and the Office of the Public Counsel, on this 11th day of January 2019 by hand-delivery, fax, electronic mail or by regular mail, postage prepaid.

/s/ Rick Zucker _____