

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

In the Matter Spire Missouri's Verified Application )  
for Approval of Amendment to PGA Rider to adjust )  
Filing Adjustment Factor (FAF) for its Spire ) File No. GT-2022-  
Missouri East Operating Unit )

**SPIRE MISSOURI INC'S APPLICATION FOR APPROVAL TO AMEND ITS  
PURCHASED GAS ADJUSTMENT RIDER FOR SPIRE MISSOURI EAST,  
MOTION FOR WAIVER OF 60-DAY NOTICE REQUIREMENT, AND  
MOTION FOR EXPEDITED TREATMENT**

COMES NOW Spire Missouri Inc. ("Spire Missouri" or "Company"), by and through counsel on behalf of its operating unit Spire Missouri East ("Spire East") and, submits this *Application to Amend its Purchase Gas Adjustment ("PGA") Rider for Spire Missouri East, Motion for Waiver of 60-day Notice Requirement and Motion for Expedited Treatment ("Application")*, pursuant to Missouri Public Service Commission ("Commission") Rules 20 CSR 4240-2.060, 20 CSR 4240-2.065(4), 20 CSR 4240-2.080, and 20 CSR 4240-4.017. In support thereof, the Company states the following:

**SUMMARY**

Spire Missouri seeks to amend its PGA Rider to update the PGA Filing Adjustment Factor ("FAF") tariff language and requests approval of the Company's amended tariff sheet, First Revised Sheet No. 11.12 (Spire East), for good cause shown by the Company. Additionally, the Company moves for waiver of the 60-day notice requirement under 20 CSR 4240-4.017(1)(D). Finally, the Company moves for an expedited decision from the Commission in accordance with 20 CSR 4240-2.080(14) to allow these changes to be reflected in the Company's upcoming November PGA filing.

## **BACKGROUND**

1. From February 13-17, 2021, parts of the country, including Missouri, experienced Winter Storm Uri, which resulted in extremely cold temperatures. The unusually cold temperatures caused power grid failures, rolling blackouts, stifled gas production and supply in many areas, leading to the limited availability of natural gas and greatly increased gas costs across the region. Through careful planning and coordination, and incremental purchases, Spire Missouri was able to continue service to its customers during this time.

2. On February 22, 2021 the Commission opened a working docket, File No. AO-2021-0264, to investigate Missouri's electrical and natural gas utilities' preparation for and response to Missouri's February 2021 extreme cold weather event.

3. On April 21, 2021, the Commission opened working dockets specific to Spire Missouri gas operations in its two service territories, File Nos. GO-2021- 0363 and GO-2021-0364.

4. The increased natural gas supply costs stemming from Winter Storm Uri, will be recovered through the Company's PGA Rider, mostly through the Actual Cost Adjustment (ACA) component.

5. On March 23, 2021, the Commission held a virtual workshop through WebEx in File No. AO-2021-0264 where utility representatives, including representatives from Spire Missouri, explained that recovery of the increased costs from Winter Storm Uri over a period of more than one year would benefit customers and the Company, and described options to mitigate the rate impacts for customers before the Company's next annual filing of its PGA Rider rates in October or November 2021. During this presentation, Spire Missouri indicated the PGA total bill impacts would result in increases of 10-25% unless there was a deferral to mitigate the bill impacts. This analysis just looked at Winter Storm Uri's impact and kept all other market prices constant.

6. The Company's current PGA Rider includes a Filing Adjustment Factor ("FAF").

The PGA FAF is designed to refund to, or recover from, customers any over- or under-recoveries of gas costs that have accumulated since the Company's last ACA Filing. The Company is making this filing to revise its PGA FAF to allow the Company to increase the per Therm refund to its customers. This change will allow the Company to offset at least some of the significant increase in gas costs, thereby mitigating the rate impacts to its customers. The adjustment would allow the Company to utilize the PGA FAF in this manner for a period of up to three years, ending in 2023.

7. It is important to note that the FAF adjustment filing is also necessary as customer bills will be impacted by more than just Winter Storm Uri recovery costs as described in paragraphs 4 & 5 above. The natural gas market is still adjusting seven months after Winter Storm Uri. The upcoming winter gas market on the New York Mercantile Exchange (NYMEX), which will be used to set upcoming PGA rates, is trading +/- around \$5.00. Current PGA rates were set on a winter NYMEX price of \$3.25. This represents an over 50% increase in the NYMEX in less than a year. The Company is also seeing other anomalies in the gas markets, as regional pricing is under pressure. Gas sourced from Texas and Oklahoma typically trades at a discount to NYMEX. For example, gas on Southern Star Central Pipeline historically could be bought at \$0.20-0.40 below the NYMEX in previous winters. For this upcoming winter, however, market indication shows Southern Star basis at plus \$0.20 over NYMEX. The kind of pricing we are seeing for Southern Star and other mid-continent pipelines is what is usually seen at the Chicago City gates, a much colder and higher demand market. The abnormal regional pricing will drive further increases in the PGA.

8. The Company does utilize tools that help mitigate price increases. This includes hedging, off system sales/capacity releases, and storage. Spire Missouri passes on gas costs dollar for dollar and does not mark up any of the gas costs as part of the PGA filing.

**APPLICANT**

8. 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 and telephone number, are set forth on the signature page of this Application.

9. A Certificate of Good Standing evidencing Spire Missouri's standing to do business in Missouri has been filed in Case No. GU-2020-0376 and is incorporated herein by this reference. The information on such Certificate is currently applicable and correct.

10. 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.

11. 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.

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

13. Correspondence, communication, and orders and decisions of the Commission should be sent to the undersigned attorneys of record and the following regulatory contact:

Scott Weitzel  
Managing Director, Regulatory and Legislative Affairs  
700 Market Street  
St. Louis, MO 63101  
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## **APPLICATION**

14. This Application is being filed to present the Company's proposal to mitigate the rate impacts from Winter Storm Uri and the current increased market conditions for customers, which includes limited revisions to the Company's current PGA Rider that provide the Company the ability to change the FAF to allow for a downward adjustment factor of \$0.30 per Therm. The effect would be up to a \$0.30 per Therm credit to the customer for up to 3 years. This proposed change will give the Company flexibility in managing the PGA to mitigate rate shock to its customers. It will also be accounted for in the PGA/ACA mechanism which will be reviewed and audited by Staff in the annual ACA review.

15. Spire Missouri herein seeks to amend the language in its PGA Rider, and requests approval of the Company's revised tariff, First Revised Sheet No. 11.12 (Spire East), attached hereto, to allow flexibility under the PGA Rider to increase the credit to the FAF as described herein, for up to 36 months for good cause shown by the Company. Good cause includes natural gas price spikes beyond the Company's control, which occurred as a result of Winter Storm Uri and which are still impacting current market conditions.

16. As the November deadline for the Company's annual PGA Rider rate reset filing quickly approaches, the Company may need to specially communicate the PGA Rider rate reset to customers. If this *Application* is granted, Spire Missouri seeks both expedited treatment under 20 CSR 4240-2.080(14) and waiver of the 60-day notice requirement under 20 CSR 4240-4.017(1)(D). Expedited treatment would both allow the Company to get appropriate and timely communication out to its customers while also allowing it to utilize this cost mitigating mechanism as part of its November PGA filing.

## **REQUEST FOR EXPEDITED TREATMENT**

17. Spire Missouri moves for expedited treatment of this *Application* in accordance with 20 CSR 4240-2.080(14), which states:

(14) Any request for expedited treatment shall include the words “Motion for Expedited Treatment” in the title of the pleading. The pleading shall also set out with particularity the following: (A) The date by which the party desires the commission to act; (B) The harm that will be avoided, or the benefit that will accrue, including a statement of the negative effect, or that there will be no negative effect, on the party’s customers or the general public, if the commission acts by the date desired by the party; and (C) That the pleading was filed as soon as it could have been or an explanation why it was not.

18. Spire Missouri requests a decision on this *Application* to be effective by at least October 27, 2021.

19. A decision on this *Application* is needed by at least October 27, 2021 so that the annual PGA Rider rates that are reset in November may reflect the rate mitigation measure of adjusting the FAF factor to be a larger credit to the customer for up to 36 months for the benefit of Spire Missouri’s customers. An expedited decision will allow the Company to coordinate any special bill notices or communication with customers regarding the reset rates reflecting the mitigation measure. Therefore, good cause exists to approve this *Application* on an expedited basis.

20. Moreover, there will be no negative impact on customers or the general public if the Commission grants such relief on an expedited basis.

21. The *Application* was filed as soon as it could have been, because the Company was not sure if the Commission was going to issue a directive in File No. AO-2021-0264 following the March 23, 2021 workshop that would address this issue, and the Company sought to evaluate which rate impact mitigation option would be best for its customers. The Company was also seeking greater certainty in light of current gas market dynamics, and what future rates may be in

the Company's upcoming PGA filing.

### WAIVER OF 60 DAY NOTICE

22. Spire Missouri requests a variance from the 60-day notice requirement of 20 CSR 4240-4.017, which states, in relevant part:

(1) Any 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...

(D) A party may request a wavier of this section for good cause. Good cause for waiver may include, among other things, a verified declaration from the filing party that it has no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case or that circumstances prevented filing the required notice and delaying the filing for sixty (60) days would cause harm.

As indicated in the *Verification and Affidavit* attached to this *Application*, the Company was not sure whether the Commission would be issuing a directive regarding mitigation of PGA rates for customers following the March 23, 2021 workshop, and sought to evaluate the best mitigation option for the Company and its customers before filing this *Application* and seeking expedited treatment. Delaying this filing for 60 days would cause a significantly compressed timeframe of less than one month for the Commission to process this *Application* and for the Commission's Staff to review and respond to this *Application*. Accordingly, Spire Missouri has established good cause for a waiver from the 60-day requirement of 20 CSR 4240-4.017(1). No other public utility will be affected by granting the Company a waiver of this requirement.

WHEREFORE, Spire Missouri respectfully requests that the Commission grant the *Application*, waive the 60-day notice requirement, and expedite treatment of this *Application* and any other relief it deems appropriate.

Respectfully submitted,

/s/Goldie T. Bockstruck  
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**ATTORNEYS FOR SPIRE MISSOURI INC.**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the Staff of the Commission and the Office of the Public Counsel, via electronic mail (e-mail) on this 24<sup>th</sup> day of September, 2021.

/s/Lew Keathley

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**VERIFICATION AND AFFIDAVIT OF SCOTT WEITZEL**

STATE OF MISSOURI )  
 ) SS.  
CITY OF ST. LOUIS )

Scott Weitzel, of lawful age, being first duly sworn, deposes and states:

1. My name is Scott Weitzel. I am the Managing Director, Regulatory and Legislative Affairs at Spire Missouri Inc. My business address is 700 Market St., St. Louis, Missouri, 63101.

2. I have read the foregoing Application, and that the matters and things set forth therein are true and correct to the best of my knowledge, information and belief. I also hereby swear and affirm that I have read the foregoing Request for Waiver, and hereby declare that, other than pleadings or other public communications, and other than as set forth above, Spire Missouri Inc., has had no communication with the office of the Commission, within the prior one hundred and fifty (150) days regarding any substantive issue likely to be in the above referenced case.

3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Scott Weitzel  
Scott Weitzel