

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

In the Matter of Spire Missouri Inc.’s)
Request for Authority to Implement a)
General Rate Increase for Natural Gas) File No. GR-2025-0107
Service Provided in the Company’s)
Missouri Service Areas)

MOTION TO SET TEST YEAR AND ALLOW DISCRETE ADJUSTMENTS

COMES NOW Spire Missouri Inc. (“Spire Missouri” or “the Company”), on behalf of its operating units, Spire Missouri East (“Missouri East”) and Spire Missouri West (“Missouri West”), and submits this *Motion to Set Test Year and Allow Discrete Adjustments*, stating as follows:

Pursuant to its statutory authority, the Missouri Public Service Commission (“Commission”) sets just and reasonable rates charged by public utilities.¹ The Commission sets such rates after notice and hearing,² and, in its judgment, may consider all facts that have an effect in its determination of the rates.³ The Commission is able to consider adjustments for events occurring outside of the test year, and, in doing so, must evaluate whether the adjustments are “(1) ‘known and measurable,’ (2) [promotes] the proper relationship of investment, revenues and expenses, and (3) [are] representative of the conditions anticipated during the time the rates will be in effect.”⁴

In the state of Missouri, utility rates are generally based on a historic test year and may include a true-up period to include known and measurable changes that occur after the end of the test year. However, this true-up period generally ends months before new rates go into effect. This

¹ Section 393.130 RSMo.

² Section 393.150 RSMo.

³ Section 393.270 RSMo.; *State ex rel. Public Counsel v. Public Service Com’n of State*, 297 S.W.3d 441, 448 (Mo. Ct. App. 2012).

⁴ *State ex rel. GTE North, Inc. v. Missouri Public Service Com’n*, 835 S.W.2d 356, 368 (Mo. Ct. App. 1992)

often leads to a significant lag in the recovery of new costs that are incurred starting just after the true-up period ends.

In the present case, Spire Missouri is proposing that the Commission set a historic test year based on the 12-month period ending September 30, 2024, with a true-up period through May 31, 2025. However, to further reduce lag in recovery of actual costs and capture, as close as possible, Spire Missouri's true cost of service at the time rates go into effect, the Company is requesting that the Commission allow Spire Missouri, and all parties, to propose discrete adjustments beyond the requested true-up date. The Commission is well within its authority to consider discrete adjustments, as it may consider all facts that, in its judgment, are relevant to determining the rates charged for the Company's service, and it may consider adjustments that occur outside and after the test year. Moreover, this request is not novel for the Commission. While Spire Missouri has never requested discrete adjustments, the Commission has allowed discrete adjustments to be presented in other rate cases.⁵

The Company is requesting adjustments for items that will be based on more than mere estimates and will be subject to the review of the other parties in this case. The discrete adjustments that the Company is proposing, which are discussed further in the Direct Testimony of Eric Bouselli, are rate base adjustments for investments that will be used and useful prior to the operation of law date, and adjustments for expenses that will be known and measurable prior to

⁵ See *In the Matter of Missouri-American Water Company's Request for Authority to Implement General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas*, Order Regarding Test Year, File No. WR-2017-0285 (August 9, 2017), *In the Matter of Missouri-American Water Company's Request for Authority to Implement General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas*, Order Setting Test Year and Adopting Procedural Schedule, File No. WR-2020-0344 (August 26, 2020), *In the Matter of Missouri-American Water Company's Request for Authority to Implement General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas*, Order Setting Procedural Schedule, File No. WR-2022-0303 (August 17, 2022), and *In the Matter of Missouri-American Water Company's Request for Authority to Implement a General Rate Increase for Water and Sewer Service Provided in Missouri's Service Areas*, Order Regarding Test Year, File No. WR-2024-0320 (July 31, 2024).

the operation of law date. All the discrete adjustments proposed will be representative of the conditions that Spire Missouri will be experiencing at the time rates go into effect. Therefore, it will be appropriate for the Commission to consider Spire Missouri's discrete adjustments in determining the just and reasonable rates set in this case.

WHEREFORE, Spire Missouri respectfully requests that the Commission set the test year and true-up period as proposed by the Company, allow Spire Missouri, and all parties, to propose discrete adjustments beyond the true-up period, and order any other relief as is just and reasonable.

Respectfully submitted,

/s/ J. Antonio Arias

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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 either by mail or electronic mail to Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 25th day of November, 2024.

/s/ J. Antonio Arias

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