

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

In the Matter of the Commission’s Proposed)
Rule 20 CSR 4240-10.155 and Proposed)
Rescissions of 20 CSR 4240-20.015, 40.015,))
40.016, and 80.015 Relating to Affiliate) **File No. OX-2025-0104**
Transactions for Electrical Corporations,)
Gas Corporations, Heating Companies,)
Certain Water Corporations and Certain)
Sewer Corporations.)

COMMENTS OF SPIRE MISSOURI

COMES NOW Spire Missouri Inc. (“Spire” or “Company”), and for its Comments on the Missouri Public Service Commission Staff (“Staff”) draft of a proposed new rule regarding affiliate transactions, states as follows:

1. On September 20, 2024, a *Notice Opening File* was issued opening this case. On September 25, 2024, the Missouri Public Service Commission (“Commission”) issued its *Finding of Necessity and Order Directing that the Proposed Rule Be Filed for Publication*. A draft of the rule was filed with the Missouri Secretary of State’s Office the same day and filed on the Commission’s Electronic Filing and Information System (“EFIS”).
2. On November 1, 2024, the draft rule was published in the Missouri Register with a date for submission of written comments to the Commission of December 6, 2024.
3. Spire Missouri appreciates the Commission’s objective of streamlining the affiliate transaction rules and standardizing them across all types of utilities. However, with the implementation of the new rule and rescission of the existing rules, Spire Missouri has concerns regarding whether and how the proposed rule would affect existing cost allocation manuals (“CAMs”) that have been drafted and approved by the Commission under the existing rules. The proposed rule would require the filing of a CAM within two years of an effective date of the

proposed rule, or in a company's next rate case, but it is silent as to currently effective CAMs. Spire Missouri's currently effective CAM is the product of six years of mutually sustained efforts between Staff, the Office of the Public Counsel, and the Company. Therefore, Spire Missouri requests clarification from Staff and the Commission whether currently effective CAMs would remain in effect until the Company files a new CAM, should the proposed rule be approved.

4. In the alternative, Spire Missouri would propose changes to the proposed rule to address the treatment of current CAMs. Two such places where Spire Missouri believes existing CAMs would be affected by the new rule is in required annual reporting. Proposed rule 20 CSR 4240-10.155(1)(C) and (5)(C) require Affiliate Transaction Reports and CAMs to be due on May 15 each year. However, certain existing CAMs have already been agreed between Staff and utilities, and approved by the Commission, which specify a different annual reporting date more appropriate to the utility's operation. Spire suggests the following revision to proposed rule 20 CSR 4240-10.155(1) and (5):

(1)(C) Affiliate Transactions Report means the filing that each covered utility is required to make with the secretary of the commission no later than each May 15, **unless a different date has been agreed to between the Commission and the utility within its CAM,** providing the information identified in section (6) of this rule, Recordkeeping Requirements.

* * *

(5)(C) Each covered utility shall file its CAM with the commission on or before May 15 each year, **unless a different date has been agreed to between the Commission and the utility within its CAM,** as part of the covered utility's Affiliate Transaction Report. Included in the report should be a list of all affiliates regardless if services are provided to or services were obtained from the affiliate. The commission may, at any time, direct its staff to

conduct an audit or review of a covered utility's CAM.

5. Another section of the proposed rule that would affect existing CAMs is located in 20 CSR 4240-10.155(1)(I) through (K). Spire understands that the information contained in these sections is similar to what currently exists in 20 CSR 4240-40.015(3). However, because the existing rule will be rescinded upon the effective date of the proposed rule, any variances to the existing rule, contained in existing, approved CAMs, would cease to be effective upon the effective date of the proposed rule. Spire suggests the following language to proposed rule 20 CSR 4240-10.155(1):

(U) Variance means an exemption granted by the commission from any applicable standard required pursuant to this rule. **Any variances granted to 20 CSR 4240-40.015 shall continue as a variance under this rule.**

6. Finally, Spire seeks more clarity regarding the definition of derivatives by proposing the following language to proposed rule 20 CSR 4240-10.155(1):

(H) Derivatives means a financial instrument with a value, **realized or unrealized,** that is directly dependent upon or derived from an underlying factor. This underlying factor can be financial assets, real assets, indices, securities, debt instruments, commodities, other derivative instruments, any agreed upon pricing index or arrangement (e.g., the movement over time of the Consumer Price Index or freight rates), or the composition of these factors. Derivatives **can** involve the trading of rights or obligations based on the underlying good, but may not directly transfer property. They are used to hedge risk or to exchange a floating rate of return for a fixed rate of return **or vice versa.**

WHEREFORE, for the foregoing reasons, the undersigned respectfully requests that the Commission accept these comments for consideration in determining the next steps regarding the proposed rule revisions.

Respectfully submitted,

/s/ Sreenivasa Rao Dandamudi

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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 to all individuals on the service list of record on this 5th day of December, 2024.

/s/ Julie Johnson

Julie Johnson