

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

In the Matter of Spire Missouri Inc.,)	
d/b/a Spire Purchased Gas)	Case No. GR-2023-0217
Adjustment Tariff Filing)	

FULL AND UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Spire Missouri Inc. (“Spire” or the “Company”) and Staff of the Missouri Public Service Commission (“Staff”), (collectively, the “Parties”) and respectfully submit this Full and Unanimous Stipulation and Agreement (“Stipulation”). The Office of Public Counsel (“OPC”) does not object to this Stipulation.

1. On November 1, 2023, Spire filed revised tariff sheets with the Missouri Public Service Commission (“Commission”) for the Spire East and Spire West Purchased Gas Adjustment (“PGA”), for the 2022-2023 period, which reflected changes to its Actual Cost Adjustment (“ACA”).

2. On November 8, 2023, Staff of the Commission (“Staff”) recommended approval of Spire’s revised tariff sheets on an interim basis and requested a Commission order directing the filing of its recommendation on December 16, 2024.

3. On December 13, 2024, Staff issued its Recommendation and Memorandum ("Recommendation"), making recommendations on the Company’s gas purchasing practices, reliability, and hedging practices, while also recommending disallowances related to a supplier invoice, line of credit fees, and lost and unaccounted for gas. Staff also recommended interest adjustments related to the aforementioned disallowances.

4. On January 13, 2025, Spire filed its Response to Staff's Recommendation. In Spire's response, Spire proposed a settlement conference be held between the parties within thirty days and a joint status report be filed within sixty days of the filing of its response.

5. On January 21, 2025, the Commission directed the parties to attend a technical/settlement conference no later than February 12, 2025 and file a joint status report, stipulation, or joint procedural schedule no later than March 10, 2025.

6. The Parties have resolved all of the disputed issues with this Stipulation.

Supplier Invoice

7. In Spire's West service territory ("Spire West"), Staff recommended a disallowance of \$42,000 based on an unprovided supplier invoice. The supplier invoice has since been provided to Staff, and the Parties agree that this \$42,000 should not be disallowed.

Line of Credit Fees

8. In Spire's East service territory ("Spire East"), Staff recommended a disallowance of \$704,599.77 related to line of credit fees, as language related to recovery of line of credit fees was removed from the Company's tariff sheets.

9. In its Amended Report and Order in Case No. GR-2017-0215, the Commission reviewed whether gas inventory charges should be recovered through the PGA/ACA or included in rate base for Spire East. In that order, the Commission deemed it appropriate to remove gas inventory charges from the PGA and put them into rate base to align Spire East with Spire West and every other gas utility in the state.¹ As a result of this decision, the Commission also ordered that carrying costs and line of credit fees associated with gas inventory charges should also be

¹ See Amended Order and Report, GR-2017-0215, at p. 67.

removed from the PGA.² However, in the resulting tariff changes, language related to recovery of all line of credit fees was removed from the Company's tariff sheets, which was not intended.

10. The Parties agree that only line of credit fees allocated to storage inventory should be disallowed, which reduces Staff's disallowance from \$704,599.77 to \$51,644.84. The associated interest for this reduced disallowance is \$1,425.50.

11. To address line of credit fees moving forward, the Parties also agree that the original language related to the recovery of line of credit fees should be added back to the tariff, with an explicit statement that storage inventories shall not be allocated these fees, as provided below.

In addition, an allocation of monthly line of credit fees shall also be charged to the deferred purchase gas cost accounts and shall represent the difference between total line of credit fees (after allocation of holding company fees to affiliates) and the amount allocated to Construction Work in Progress ("CWIP"). The amount allocated to CWIP shall be based on the ratio of CWIP balances each month to the total balances of CWIP, and net PGA balances (to the extent such net PGA balances are positive). **Storage inventories shall not be allocated line of credit fees.**

12. The Parties agree that **Appendix 1**, specimen tariff, First Revised Tariff Sheet 11.3, accurately incorporates this language and should be used as the basis of a compliance tariff filing subject to approval by the Commission.

Lost and Unaccounted for Gas

13. For both Spire East and Spire West, Staff recommends a disallowance related to the Lost and Unaccounted for Gas ("UAF") adjustment made by Spire. The amounts of these disallowances were \$1,861,823.38 for Spire East and \$626,871.50 for Spire West.

² *Id.* at p. 68.

14. In calculating UAF, Spire multiplied the UAF adjustment volumes by the distribution margin rates. The parties agree Spire's UAF adjustment is unnecessary and that Staff's proposal to remove these costs from the ACA was appropriate.

15. On October 31, 2024, as substituted on November 1, 2024, Spire filed revised tariff sheets with the Commission for the 2023-2024 ACA period in Case No. GR-2024-0341. Staff's recommendation is due December 15, 2025.

16. The Parties agree that this same issue related to UAF will recur in the pending 2023-2024 ACA case. Therefore, the Parties agree to resolve the UAF issue for both the 2022-2023 and 2023-2024 ACA periods in this case.

17. The amount of the related UAF adjustment in Case No. GR-2024-0341 is \$131,267.31 for Spire East and \$1,072,179.72 for Spire West.

18. To resolve this issue, the Parties agree to remove Staff's UAF disallowance in the present case, Case No. GR-2023-0217 and agree that Staff will not recommend a similar UAF disallowance in the pending case, Case No. GR-2024-0341 as long as a rate base offset, as described herein, is approved by the Commission in the general rate case (Case No. GR-2025-0107).

19. The Parties further agree that there shall be a total miscellaneous offset of \$21,000,000 (\$11,340,000 for Spire East and \$9,660,000 for Spire West) from rate base included in and applicable only to Spire's pending general rate proceeding, Case No. GR-2025-0107.

Interest

20. Staff also recommended interest adjustments as a result of the disallowances. Staff's interest adjustments were \$57,238.19 for Spire East and \$1,004.80 for Spire West. As a result of this Stipulation, the interest adjustments are reduced. The Parties agree that the resulting,

reduced interest adjustments will be covered by the rate base offset and, as such, agree that no interest adjustment should be made in this case, Case No. GR-2023-0217. As the UAF issue is also being resolved for Case No. GR-2024-0341 with the miscellaneous rate base offset, the Parties also agree that no interest adjustment should be made in that case related to the UAF issue.

Final ACA Balances

21. The Parties agree that the Commission should direct Spire to establish, for the period of October 1, 2022 to September 30, 2023, a final ACA balance as follows:

September 30, 2023 Ending ACA Balances			
<u>Spire East</u>	<u>Company Filing</u>	<u>Adjustments</u>	<u>Final Balances</u>
Firm Sales	\$ 146,160,093.08	\$ (51,644.84)	\$ 146,108,448.24
LP Sales	\$ 7,207.82		\$ 7,207.82
<u>Spire West</u>			
Firm Sales	\$ 126,336,249.35		\$ 126,336,249.35

An (over)-recovery is the amount owed to the customers by the Company and is shown in the table as a negative number (in parentheses). An under-recovery is an amount owed to the Company by the customers and is shown in the table as a positive number.

GENERAL PROVISIONS OF AGREEMENT

22. Limitation of Scope: This Stipulation is being entered into for the purpose of disposing of the issues specifically addressed herein. In presenting this Stipulation, none of the Parties shall be deemed to have approved, accepted, agreed, consented or acquiesced to any procedural principle, and none of the Parties shall be prejudiced or bound in any manner by the terms of this Stipulation, whether approved or not, in this or any other proceeding, other than a proceeding limited to the enforcement of the terms of this Stipulation, except as otherwise expressly specified herein. The Parties further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in this Stipulation, and no Party waives

any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Stipulation. The Parties further understand and agree that no Party to this Stipulation shall assert the terms of this Stipulation as a precedent in any future proceeding.

23. Interdependence and Non-Severability: This Stipulation has resulted from negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation in total or approves it with modifications or conditions to which a Party objects, then this Stipulation shall be void and no Party shall be bound by any of its provisions. The agreements herein are specific to this proceeding and are made without prejudice to the rights of the Parties to take other positions in other proceedings except as otherwise noted herein. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with Section 536.080, of the Revised Statutes of Missouri (“RSMo”) or Article V, Section 18, of the Missouri Constitution, and the Parties shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

24. Waiver of Procedural Rights: If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Parties waive, with respect to the issues resolved herein, their respective rights with respect to the Supplier Invoice, Line of Credit Fees,

Lost and Unaccounted for Gas, and Interest issue only: (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo.; (2) to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo.; (3) to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo.; (4) to seek rehearing pursuant to Section 386.500, RSMo.; and (5) to judicial review pursuant to Section 386.510, RSMo., provided however that the Verified Applications and Updates submitted by Spire Missouri on behalf of Spire East and Spire West shall be received into evidence for the sole purpose of providing an evidentiary foundation for this Stipulation. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned case and do not apply to any issues or matters raised in any prior or subsequent Commission order, or any issue or other matters not explicitly addressed by this Stipulation.

25. Merger and Integration: This Stipulation and Appendix 1 contain the entire agreement of the Parties concerning the issues addressed herein. The intent of the Parties to this Stipulation has been fully and exclusively expressed in this document and the attached appendix.

WHEREFORE, the Parties respectfully request that the Commission issue an order approving the terms and conditions of this Stipulation, order Spire to file a tariff consistent with the specimen First Revised Tariff Sheet 11.3 attached as Appendix 1, order the final ACA balances provided in Paragraph 21, and grant any other relief as is just and reasonable.

Respectfully submitted,

/s/ Sreenivasa Rao Dandamudi

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**ATTORNEY FOR STAFF OF THE
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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 all parties of record on this 12th day of March, 2025.

/s/ Julie Johnson
