

3. ** [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **

4. “An AAO permits ‘extraordinary items’ to be deferred and accounted for in a future accounting period.”⁴ “[B]ecause establishment of an AAO deviates from the Commission’s general ratemaking methodology, the Commission has substantial discretion in determining whether an AAO is appropriate in a particular case.”⁵ “Under the test applied by the Commission, an AAO may be appropriate when

Application to Intervene. Consumers Council of Missouri’s *Application to Intervene* was granted on April 2, 2026.

⁴ *Office of Public Counsel v. Evergy Missouri, West, Inc.*, 609 S.W.3d 857, 866 (Mo. App. W.D. 2020) (citing *State ex rel. Aquila, Inc. v. Public Service Commission*, 326 S.W.3d 20, 27 (Mo. App. W.D. 2010)).

⁵ *Id.*

“events occur during a period which are extraordinary, unusual and unique, and not recurring.”⁶ “This has been described as ‘the Sibley Standard.’”⁷

5. Commission Rule 4240-40.040(1) requires gas companies regulated by the Commission to “keep all accounts in conformity with the Uniform System of Accounts [UsaA] Pre-scribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act, as prescribed by the Federal Energy Regulatory Commission (FERC) and published 18 CFR part 201 (1992) and 2 FERC Stat. & Regs. paragraph 20,001 and following (1992)”.⁸ “The Commission developed the ‘extraordinary, unusual, unique and not recurring’ standard in reference to General Instruction 7 of the UsaA.”⁹ “The UsaA provides that a utility’s income should generally reflect all items of profit and loss during the period” but that certain, extraordinary items “may be eligible for special treatment.”¹⁰

6. With respect to those certain, extraordinary items potentially eligible for special treatment, the instruction provides:

Those items related to the effects of events and transactions which have occurred during the current period and which are of unusual nature and infrequent occurrence shall be considered extraordinary items. Accordingly, they will be events and transactions of significant effect which are abnormal and significantly different from the ordinary and typical activities of the company, and which would not reasonably be expected to recur in the foreseeable future. ... To be considered as extraordinary under the above guidelines, an item should be more than approximately 5 percent of income, computed before extraordinary items. Commission approval must be obtained to treat an item of less than 5 percent, as extraordinary.¹¹

⁶ Case No. EU-2020-0350, Report and Order, Page 20, Paragraph K; *In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro & Evergy Missouri W., Inc. d/b/a Evergy Missouri W. for an Acct. Auth. Ord. Allowing the Companies to Rec. & Pres. Costs Related to Covid-19 Expenses*, No. EU-2020-0350, 2021 WL 149449, at *15 (Jan. 13, 2021).

⁷ *Id.*

⁸ MO. CODE REGS. TITLE 20, § 4240-40.040(1).

⁹ Case No. EU-2020-0350, Report and Order, Page 21, Paragraph M; 2021 WL 149449, at *15.

¹⁰ Case No. EU-2020-0350, Report and Order, Page 21, Paragraph N; 2021 WL 149449, at *15.

¹¹ Case No. EU-2020-0350, Report and Order, Page 21, Paragraph N; 2021 WL 149449, at *15; 18 C.F.R. § Pt. 201.

7. “[T]he Commission has at times found it useful to evaluate the scope of items potentially subject to deferral relative to company income. This issue has been described as an evaluation of ‘materiality.’”¹² Additionally, while the Commission “determines each AAO application on its distinct facts”, “[i]n determining whether an AAO is warranted to address ‘extraordinary’ circumstances, the Commission has consistently regarded financial impact as relevant but not dispositive.”¹³

8. As explained in the attached Memorandum, incorporated herein by reference, ** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]. **

WHEREFORE, Staff respectfully submits this *Initial Staff Recommendation* which contains Staff’s recommendation relating to Spire’s Application, and requests such other and further relief as the Commission considers just and reasonable under the circumstances.

¹² Case No. EU-2020-0350, Report and Order, Page 21, Paragraph O; 2021 WL 149449, at *16 (“Materiality’ was considered by the Commission in the order cited as the source of the ‘Sibley Standard’. In that case, the Commission observed that ‘whether the event has a material or substantial effect on a utility’s earnings is also important, but not a primary concern.’”).

¹³ Case No. EU-2020-0350, Report and Order, Page 24-25; 2021 WL 149449, at *18.

¹⁴ Application Page 1; see also Application Page 7, Paragraph 15.

Respectfully submitted,

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**Attorneys for Staff of the
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 8th day of April, 2026.

/s/ Alexandra Klaus

Case No. GU-2026-0225

INFORMATION CONTAINED IN

THIS MEMO HAS BEEN DEEMED

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