

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by telephone and internet audio conference on the 12th day of November, 2020.

In the Matter of Spire Missouri, Inc. d/b/a) Spire (East) Purchased Gas Adjustment) (PGA) Tariff Filing)	<u>File No. GR-2021-0127</u> Tariff No. YG-2021-0110
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In the Matter of Spire Missouri, Inc. d/b/a) Spire (West) Purchased Gas Adjustment) (PGA) Tariff Filing)	<u>File No. GR-2021-0128</u> Tariff No. YG-2021-0111
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**ORDER APPROVING SPIRE MISSOURI'S
PURCHASED GAS ADJUSTMENT TARIFFS**

Issue Date: November 12, 2020

Effective Date: November 16, 2020

On October 30, 2020, Spire Missouri Inc.'s d/b/a Spire filed tariff sheets to reflect changes in the company's Purchased Gas Adjustment clause and Actual Cost Adjustment for its Spire Missouri East Operating Unit, and Spire Missouri West Operating Unit. The tariff sheets reflect changes in its Purchased Gas Adjustment (PGA) factor as a result of estimated changes in the cost of natural gas. The tariff sheets also reflect adjustments to the Actual Cost Adjustment (ACA) factors. The tariff sheets bear an effective date of November 16, 2020. On November 2, 2020, the Commission directed that no later than November 9, 2020, the Staff of the Commission (Staff) file a recommendation and that any party wishing to do so file a response to the tariff sheets. Staff filed a recommendation on November 9, 2020. The Environmental Defense Fund, the Office of the Public Counsel, Midwest Energy Consumers Group, and Consumers Council of Missouri (collectively "Commenters") filed a response to Spire's tariff sheets and a motion to establish a procedural schedule.

The Commenters' response questions the prudence of Spire's affiliate transactions with Spire STL Pipeline. Specifically, the Commenters question the inclusion of costs associated with a firm transportation capacity contract between Spire and Spire STL Pipeline in Spire's October 30, 2020, PGA/ACA tariff filings. In support of its position, the Commenters assert that Spire has not previously attempted to recover the costs of an interstate, affiliate transportation agreement through its PGA/ACA tariff. They also state that in Spire's 2017 rate case,¹ Staff recommended, and Spire² agreed, that this proceeding was appropriate to address imprudent or unreasonable costs resulting from the Spire STL Pipeline affiliate transaction. The Commenters ask that the Commission only allow the proposed tariffs to go into effect subject to refund and establish a procedural schedule consistent with a contested proceeding.

In the Commission's March 7, 2018, Amended Report and Order in File No. GR-2017-0215, the Commission's findings of fact six, under PGA/ACA Tariff Revisions, states: "If Spire STL Pipeline's pipeline is approved by the FERC, and if Spire Missouri enters into a transportation agreement with that affiliated pipeline, the Commission would review the prudence of that decision in a future ACA review case." Staff's ACA memorandum in File No. GR-2019-0119 notes that the affiliated pipeline and transactions between Spire East and Spire STL Pipeline will be examined as part of the 2019-2020 ACA period review. Accordingly, because the parties have had insufficient time to respond to the Commenters' response and motion, the Commission will order Staff and Spire to file a reply to the Commenters' response and recommend how best to address the prudence of the Spire STL Pipeline transaction within this ACA file. As is customary,

¹ File No. GR-2017-0215.

² Spire Missouri at that time was known as Laclede Gas Company.

the rates established in Spire's PGA tariffs will be interim and subject to refund, pending conclusion of the ACA review.

With regard to Spire's tariff sheets, the change in the PGA factor proposed in Spire East's tariff sheet will decrease natural gas cost from \$0.41274/therm to \$0.37193/therm for Residential, Small General Service, Large General Service, Large Volume, and Other Firm Service customers. The interruptible sales customers' PGA factor will decrease from \$0.27725/therm to \$0.27514/therm.

There is no net change in the total PGA rate of \$0.40415 for Spire West. The Current Cost of Gas factor increases from \$0.44921 per Ccf, to \$0.46743 per Ccf, an increase of \$0.01822 per Ccf. The ACA factor becomes a larger negative value going from (\$0.04506) to (\$0.06328) per Ccf for Residential, Small General Service, Large General Service, Unmetered Gas Light, and Large Volume Sales customers. The rate for Large Volume transport remains zero.

In its recommendation, Staff explained that this file was established to track Spire's PGA factors to be reviewed in its 2019-2020 ACA filing. Staff recommended the proposed rate changes be approved on an interim basis, subject to refund, pending final Commission decisions in File Nos. GR-2021-0127, GR-2021-0128, GR-2020-0121, and GR-2020-0122. Staff also requested the Commission order it to file the results of its 2019-2020 ACA review in this case no later than December 15, 2021.

The Commission has reviewed the proposed tariff sheets and Staff's recommendation. The Commission finds that the proposed tariff sheets conform to Spire's Commission-approved PGA tariff. Spire's PGA clause allows for PGA change filings to take effect after ten business days, good cause has been shown pursuant to Section 393.140(11), RSMo 2016, to permit the tariff to become effective on less than 30-days'

notice. The Commission concludes the proposed tariff sheets should be approved to become effective on November 16, 2020, on an interim basis, subject to refund, pending final Commission decisions in File Nos. GR-2021-0127, GR-2021-0128, GR-2020-0121, and GR-2020-0122, and to be effective no sooner than November 16, 2020. Further, the Commission will also direct its Staff to file the results of its ACA review in this case no later than December 15, 2021.

THE COMMISSION ORDERS THAT:

1. The proposed tariff sheets filed by Spire East and Spire West on October 30, 2020, and substituted November 4, 2020, by Spire West, assigned Tariff Nos. YG-2021-0110 and YG-2021-0111, and bearing effective dates of November 16, 2020, are approved on an interim basis, subject to refund. The tariff sheets approved are:

P.S.C. MO. No. 7

3rd Revised Sheet 11.16, canceling 2nd Revised Sheet 11.16

P.S.C. MO. No. 8

3rd Revised Sheet 11.13, canceling 2nd Revised Sheet 11.13

2. No later than November 30, 2020, Staff and Spire shall reply to the Commenters' response and recommend how best to address the prudence of the Spire STL Pipeline transaction within this ACA file.

3. Staff shall file the results of its ACA review and recommendations no later than December 15, 2021.

4. This order shall become effective on November 16, 2020.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Clark, Senior Regulatory Law Judge