

In the Matter of a Workshop Case to)
Explore the Ratemaking Process) File No. AW-2019-0127

COMMENTS OF SPIRE MISSOURI INC.

COMES NOW Spire Missouri Inc. (“Spire Missouri” or “Company”), and submits these Comments in response to Staff’s request for comments filed on November 29, 2018 in this docket. In support thereof, Spire states as follows:

1. Spire Missouri commends Staff for opening this docket and for being open-minded to changes that would enhance efficiency and streamline the rate case process. In these Comments, the Company will set forth a number of recommendations that it believes will improve the process.
2. The most obvious improvement would be to reduce the number of rounds of testimony filed in rate cases. As discussed at length in the November 28, 2018 comments of Missouri American Water Company (“MAWC”), Missouri is the clear outlier when it comes to the testimony process. Currently, in Missouri, the utility’s direct testimony filed on Day 1 of a utility rate case is followed months later by the Staff and others also filing direct testimony in the utility’s rate case. The Staff and other parties do not directly reply or rebut the direct case filed by the utility on Day 1 of its rate case until as long as seven months into the case.
3. As is done in other states, and in other Missouri cases, the Company’s direct testimony should be followed by rebuttal testimony, filed by Staff, OPC and other intervenors. This rebuttal testimony should be followed by surrebuttal testimony filed by the utility and any other party who wishes to address the rebuttal testimony. According to MAWC, this could cut 45-60 days off of the rate case process.

4. Another way to improve the process is to streamline the delivery of information from the utility to Staff and OPC. First, useful surveillance reporting should provide the regulators with an ongoing idea of where the utility stands financially at any given period of time. In Spire Missouri's recent rate case, the Staff, OPC and Company worked closely to develop the format and timing of information that would aid the regulatory function.

5. Second, the process would benefit from some standardization in the information that would be provided to Staff and OPC within the first 20 days after the filing of a case. This standardized DR approach would allow for advanced delivery of information typically requested in rate cases. Standardization would hopefully provide the added benefit of avoiding duplicative DRs. Efficiency is enhanced when the utility is only required to answer a question once.

6. Finally, permitting the utility to charge interim rates would take a great deal of pressure off of the process. Whether inflation is high or low, its inevitably persistent march generally results in a situation where regulatory lag is already underway at the time the utility files its conforming tariffs at the end of a rate case. By the time the utility admits that the need for the next rate case is significant enough to justify the time, effort and other resources that accompany such cases, returns have undoubtedly eroded. Lag further persists during the period that the utility is preparing its rate case. For those who favor regulatory lag, it will have been in place for a good while by the time the utility would implement interim rates upon filing a new rate case. Interim rates would merely allow the utility to reduce the additional regulatory lag that takes place during the administration of a rate case.

7. The concept of interim rates is not revolutionary; the FERC has been doing it successfully for years. The system works because the utility is discouraged from assessing excessive interim rates by making the revenues therefrom subject to refund with interest. As to

the issue of interim rate design, that is easily resolved by proportionate increases that are, again, subject to refund with interest. The Staff's proposed penalty for overestimating interim rates is unnecessarily punitive. Like a poison pill, such a provision does nothing more than invalidate an otherwise valuable suggestion.

CONCLUSION

8. In conclusion, Spire Missouri supports Staff's initiative to streamline the rate case process. Without overcomplicating solutions, the Company believes that the process can be improved by reducing the number of rounds of testimony, enhancing the form and timing of information available to the Staff and OPC and, as is done at the FERC, permitting the utility to implement interim rates subject to refund with interest. Spire Missouri looks forward to participating in further events in this workshop.

Respectfully submitted,

SPIRE MISSOURI INC.

By: **/s/ Michael C. Pendergast**

Michael C. Pendergast, #31763

Of Counsel, Fischer & Dority, P.C.

423 South Main St. (R)

St. Charles MO 63301

Telephone: (314) 288-8723

Email: mcp2015law@icloud.com

/s/ Rick Zucker

Rick Zucker, #49211

Zucker Law LLC

Telephone: (314) 575-5557

E-mail: zuckerlaw21@gmail.com

14412 White Pine Ridge

Chesterfield, MO 63017