

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

In the Matter of Spire Missouri Inc. d/b/a)	
Spire's Application to Update its Weather)	<u>Case No. GO-2026-0001</u>
Normalization Adjustment Rider (WNAR))	Tracking No. JG-2026-0001
For Spire East and Spire West)	

**STAFF'S REPLY TO OPC'S RESPONSE TO APPLICATION TO UPDATE WEATHER
NORMALIZATION ADJUSTMENT RIDER FOR SPIRE EAST AND SPIRE WEST**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its *Reply to OPC's Response to Application to Update Weather Normalization Adjustment Rider for Spire East and Spire West* ("Reply") states as follows:

1. On July 1, 2025, Spire Missouri Inc. ("Spire Missouri") filed proposed revisions to its Weather Normalization Adjustment Rider ("WNAR") tariff sheet assigned Tracking Number JG-2026-0001. Also on July 1, 2025, the Commission issued an order directing Staff to file a recommendation regarding the tariff sheet no later than August 1, 2025.

2. On July 29, 2025, Staff filed its Tariff Recommendation and Staff Memorandum recommending approval of the tariff effective September 1, 2025, and noting that the proposed residential rates in both Spire Missouri service areas (East and West) will be added to residential customer bills as a separate line item per Staff's Table 1:

Spire Service Area	Current WNAR Rate	Proposed WNAR Rate
Spire East	\$0.07577/Ccf	\$0.05128/Ccf
Spire West	\$0.05493/Ccf	\$0.03246/Ccf

3. Based on the above table, a residential customer located in the East rate district who consumes 100 Ccf of natural gas in a given billing month will see an

estimated \$2.45 decrease compared to the currently-applicable WNAR; a residential customer located in the West rate district consuming 100 Ccf of gas will see an estimated \$2.25 decrease compared with the currently-applicable WNAR.

4. On August 4, 2025, the Office of the Public Counsel (“OPC”) filed its Response to Application to Update Weather Normalization Adjustment Rider for Spire East and Spire West (“Response”). OPC’s Response states in part that “[o]ne of the issues the Commission addressed when it established the Company’s WNAR in that case [GR-2017-0215] was whether there should be a limit on the dollar per Ccf rate that could appear in the rider.”¹ OPC further states that “the Commission ultimately found as follows”:²

The Commission further finds that the \$0.01 per therm (or ccf) limit on adjustments under the WNAR tariff as proposed by Staff should be eliminated but that **a limit of \$0.05 per therm (or ccf) on upward adjustments** should be included. This will ensure that any monthly increase for the average customer will not be so high as to create rate shock, while providing customers with an opportunity to receive a larger monthly decrease if the weather is exceptionally cold. The WNAR tariff shall also provide that ***any adjustments falling outside the \$0.05 limit will be deferred for recovery from customers in the next WNAR adjustment.*** Thus, this mechanism becomes similar to the PGA/ACA process with regard to adjustments and a true-up period.³

5. Also on August 4, 2025, the Commission issued an order directing Spire Missouri and Staff to file respective replies to OPC’s Response no later than August 11, 2025.

6. OPC’s position in its Response appears to be that GR-2017-0215 established a rate limit or WNAR rate cap of \$0.05. However, such a position

¹ OPC Response, Paragraph 4.

² OPC Response, Paragraph 5.

³ Case No. GR-2017-0215, EFIS Item 594, Amended Report and Order at page 84 (March 7, 2018) [Emphasis added.].

misinterprets the clear language of the Commission's Amended Report and Order in that case, which expressly states the limit of \$0.05 per therm or ccf applies to upward adjustments. Further, any upward adjustment falling outside of the \$0.05 limit will be deferred for recovery from customers in the next WNAR adjustment. Stated plainly, the Commission's Amended Report and Order unambiguously refers to *adjustments* in this context.

7. In the GR-2017-0215 case, Spire Missouri's Regulatory and Finance Director, Glenn Buck, filed an affidavit which included his opinion regarding adjustments. Mr. Buck stated in his affidavit as follows:⁴

Second, the arbitrary \$0.01 per therm (or ccf) limit on adjustments that can be made under the WNAR Tariff should be eliminated as its practical effect would be to substantially increase rather than mitigate the exposure of both the Company and its customers to the financial impact of weather-related changes in customer usage compared to today. This would effectively eviscerate the entire purpose of such a tariff. Elimination of this adjustment limit would also be consistent with the operation of the Company's PGA clause, the statute that authorizes this kind of mechanism and the vast majority of similar clauses approved in other jurisdictions. If the Commission determines that some limit is appropriate, I would recommend that it: (1) be a limit only on **upward** adjustments and (2) that it be set at \$0.05 per therm or ccf. This would ensure that any monthly increase for the average customer would not exceed \$3.35 while providing customers with an opportunity to receive a larger monthly decrease if the weather is exceptionally cold. The WNAR Tariff should also provide that any adjustment amounts falling outside the \$0.05 limit would be deferred for recovery from customers in the next WNAR adjustment.

8. In the instant case, not only is the adjustment below the \$0.05 threshold, but it is not even an upward adjustment. Rather, it is a downward adjustment resulting in a decrease as described in Paragraph 3 above.

⁴ Case No. GR-2017-0215, EFIS Item 513, Affidavit Regarding Weather Normalization Adjustment Rider (January 9, 2018) (emphasis original).

9. Staff's reasonable interpretation of the Commission's Amended Report and Order in GR-2017-0215 is reflected in Staff's testimony in Spire Missouri's most recent general rate case, Case No. GR-2025-0107, in which Melissa Reynolds – who contributed to Staff's Memorandum in this instant case – provided testimony regarding Spire Missouri's WNAR tariff in part as follows:

Q. Do any other witnesses propose modifications of the WNAR tariff?

A. Yes. Lena M. Mantle of the Office of the Public Counsel ("OPC") is recommending changes to the WNAR tariff if the Commission allows the WNAR to continue. The changes recommended include: 1) "assure that the \$0.05 per Ccf cap on the WNAR rate specified on sheet nos. 13.1 and 13.4 is applied" and 2) other changes to be addressed in rebuttal testimony.

Q. Does Staff agree with Mrs. Mantle's interpretation of the WNAR rate cap of \$0.05/Ccf?

A. No. Mrs. Mantle did not include in her testimony the section from the Commission's *Amended Report and Order* in Case Nos. GR-2017-0215 and GR-2017-0216 that established the \$0.05/Ccf upward adjustment cap for Spire Missouri, which stated:

The Commission further finds that the \$0.01 per therm (or ccf) limit on adjustments under the WNAR tariff as proposed by Staff should be eliminated but that a limit of \$0.05 per therm (or ccf) on upward adjustments should be included. This will ensure that any monthly increase for the average customer will not be so high as to create rate shock, while providing customers with an opportunity to receive a larger monthly decrease if the weather is exceptionally cold.

The Commission-established \$0.05/Ccf cap on the upward adjustment refers to the increase of the adjustment amount, not the combined final rate being utilized. Therefore, Staff disagrees with OPC's proposal to reinterpret the WNAR.⁵

10. Additionally, and while not necessarily fatal or preclusive to OPC's ability to make its Response in this case, Staff Counsel nevertheless notes that OPC did not object

⁵ Melissa Reynolds Rebuttal Testimony, Case No. GR-2025-0107, p. 9, line 20 – p. 10, line 20.

or otherwise respond to the adjustment proposed and ordered in GO-2025-0001, which included the following as Staff's Table I:

Spire Service Area	Current WNAR Rate	Proposed WNAR Rate
Spire East	\$0.03106/Ccf	\$0.07577/Ccf
Spire West	\$0.02464/Ccf	\$0.05493/Ccf

11. Based on the foregoing and as stated in Staff's Tariff Recommendation and Memorandum, Staff recommends approval of the filed tariff sheet in Tracking No. JG-2026-0001, as follows:

P.S.C. MO. No. 9	Fourth Revised	SHEET No. 13.9
Cancelling P.S.C. MO. No. 9	Third Revised	SHEET No. 13.9

WHEREFORE, Staff submits this Reply for the Commission's information and consideration and recommends that the Commission issue an order approving Spire Missouri's WNAR tariff sheet to go into effect on September 1, 2025.

Respectfully submitted,

/s/ Alexandra Klaus

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all parties and/or counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 8th day of August, 2025.

/s/ Alexandra Klaus