

**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 Normalization Adjustment)	Case No. GO-2026-0001
Rider (WNAR) for Spire East and)	
Spire West)	

**REPLY TO THE RESPONSE OF SPIRE MISSOURI INC. AND THE STAFF OF
THE PUBLIC SERVICE COMMISSION**

COMES NOW the Office of the Public Counsel (“OPC”) and for its *Reply to the Response of Spire Missouri Inc. and the Staff of the Public Service Commission*, states as follows:

1. On July 1, 2025, Spire Missouri Inc. (“Spire Missouri” or “Company”) filed an *Application* in the above styled case seeking for the Commission to order the adoption of a new tariff sheet that would revise the Weather Normalization Adjustment Rider (“WNAR”) rates currently in effect for Spire East and Spire West.

2. On August 4, 2025, the OPC filed a response to Spire’s application that raised a concern related to a limit or “cap” that was placed on the Company’s WNAR by this Commission in case numbers GR-2017-0215 and GR-2017-0216 (for Spire East and Spire West, respectively).¹

¹ As explained in the OPC’s initial *Response*, the concern regarding the limit imposed by the Commission only applies to Spire East. There is no issue with the Company’s application to change the WNAR rate for Spire West.

3. On the same day that the OPC filed its response, this Commission issued an order for Spire and the Commission's Staff ("Staff") to file responses to the OPC's response.

4. Staff filed its response to the OPC's response on August 8, 2025.

5. Spire filed a separate response on August 11, 2025.

6. Both Staff and Spire argue that the OPC has misconstrued the nature of the Commission's order in case GR-2017-0215. However, the arguments raised by the parties differ slightly.

7. For reasons set forth herein, the OPC respectfully disagrees with the arguments presented by both Staff and Spire and therefore offers this reply to more fully address those points.

The term "Adjustment" as used in the Commission's order from case GR-2017-0215 applies to the WNAR rate in its entirety

8. The portion of the Commission's order in case GR-2017-0215 that addresses the limit or cap to be placed on the WNAR reads as follows:

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.

9. The response filed by Staff argues that the use of the word “adjustment” in the phrase “a limit of \$0.05 per therm (or ccf) on upward adjustments should be included” from the Commission’s order implies that limit is on the periodic changes to the WNAR rate and not to the WNAR rate itself.

10. What Staff has overlooked is the fact that the term WNAR stands for “Weather Normalization Adjustment Rider.” This is because the purpose of the WNAR is to operate as an overall adjustment to the Company’s base rates to account for variations in usage caused by weather and conservation. In other words, the entire WNAR rate is an adjustment.

11. Because the entire WNAR is an adjustment to the Company’s base rates, a “limit on adjustments under the WNAR tariff” can be interpreted to mean a limit on the entire WNAR rate imposed by the WNAR tariff, as the OPC argues.

The Current Proposed WNAR Rate is an “Upward Adjustment”

12. Both the Staff and Spire’s replies emphasize that the limit imposed by the Commission only applies “on upward adjustments.” They both further argue that because the proposed WNAR Rate for Spire East is \$0.05128/Ccf compared to the current rate of \$0.07577/Ccf, it is not an “upward adjustment.” However, the OPC argues this is an incorrect reading of the Commission’s order.

13. As stated above, the WNAR constitutes an adjustment to Spire’s base rates. That adjustment can result in either a positive or negative WNAR rate. When the WNAR rate is positive, then there has been an “upward” adjustment to Spire’s rates because customer’s bills are going “up” from where they would have been

otherwise (*i.e.* base rates). When the WNAR rate is negative, the opposite occurs. A negative WNAR rate would constitute an adjustment downward from the base rates and would thus be a “downward adjustment.”

14. Thus, if the term “upward” is understood to mean an adjustment from the base rates, any positive WNAR rate constitutes an upward adjustment.

15. This means the current proposed WNAR rate of \$0.05128/Ccf for Spire East is still an “upward adjustment” despite being less than the current upward adjustment of \$0.07577/Ccf.

The OPC’s Failure to Raise this Issue in Previous Cases was an Inadvertent Error

16. Both Staff and the Company point to the fact that Spire East’s previous WNAR rate was \$0.07577/Ccf and thus higher than the cap that the OPC now argues should have been in place based on the Commission’s GR-2017-0215 order.

17. This is correct.

18. The OPC did not raise this issue in Spire’s prior WNAR filing simply because the OPC was not aware that a limit had been imposed.

19. Had the OPC been aware of the language that precluded Spire from exceeding the \$0.05 per therm (or ccf) threshold for a weather normalization adjustment, the OPC would have raised this issue in Spire’s last WNAR filing.

The OPC's Interpretation is Consistent with the Goal of Preventing Rate Shock

20. Citing to the doctrine of statutory interpretation known as *noscitur a sociis*, Spire's response argues the purpose of the limit or rate cap imposed by Commission's order in GR-2017-0215 was to prevent rate shock.

21. Citing to doctrines of statutory interpretation is unnecessary, the OPC agrees that the Commission's goal was to prevent rate shock because the Commission clearly states: "[the limit] will ensure that any monthly increase for the average customer will not be so high as to create rate shock."

22. However, the OPC's interpretation is actually more consistent with the Commission's stated goal than Staff or Spire's interpretation.

23. The key to understanding this comes from the phrase "monthly increase."

24. The WNAR rate itself does not change monthly. Instead, it is updated annually and applied consistently until revised.

25. The only reason that the WNAR amount billed to an individual customer would change on a month-to-month basis is because the WNAR is a volumetric rate (which is why it is always listed as a dollar amount per Ccf), and thus fluctuates with monthly gas usage.

26. Because natural gas is predominantly used by residential customers for heating, the amount consumed by residential customers can vary significantly based on the ambient temperatures for each month of the year. This can result in the

volume of gas reaching extreme highs during the winter months but also falling quite low during the spring, summer, and autumn months.

27. Given this phenomenon, it is not uncommon (and is in fact expected) that residential customers will see their highest bills in the winter months even before any adjustments, such as the WNAR, are added to the Company's volumetric base rates.

28. A positive WNAR adjustment to the base rates will thus only exacerbate this problem by driving these winter bills even higher. And, because the WNAR is also volumetric, the dollar impact it has on customer bills due to increased usage will be not just additive, but multiplicative.

29. If the WNAR rate is allowed to increase year after a year at a pace of \$0.05 per Ccf (as both Staff and Spire propose) then circumstances could eventually hit a point where the combination of the base volumetric rate and the volumetric WNAR rate will, when multiplied by the significantly higher gas usage, result in customer's winter bills climbing to unimaginable highs.

30. Stated differently, not capping the total WNAR rate is what will lead to rate shock on a month-by-month basis, as there will be significant fluctuations in the total amount billed due to changes in volumetric usage.

31. Because of this, the only way to truly "ensure that any monthly increase for the average customer will not be so high as to create rate shock" is to cap the overall WNAR rate and not just cap the speed at which that rate can change.

32. This therefore supports the OPC's proffered interpretation of the Commission's order in GR-2017-0215

Spire will Absolutely Fully Recover its WNAR Costs

33. Spire's response argues that the Commission stated its intention "for the WNAR mechanism to work like the Actual Cost Adjustment ("ACA") mechanism" meaning that it should "allow[] for a reconciliation mechanism." In making these statements, the Company appears to be arguing that the OPC's interpretation does not (or would not) meet this standard. Spire then goes on to state that "capping the WNAR rate at \$0.05/Ccf . . . could put the Company at risk of never fully recovering its costs in the event the balance continues to grow." This is all patently false.

34. Spire's WNAR already includes a true-up mechanism. Nothing in the OPC's original response indicated that the OPC was seeking to change any part of that existing true-up reconciliation mechanism. Regardless of whether the Commission agrees or disagrees with the OPC, Spire's WNAR will still be subject to true-up.

35. More importantly, the Commission's GR-2017-0215 order very clearly states "[t]he 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."

36. The OPC's initial response directly cited this provision and the OPC is not asking for any change regarding it.

37. Because this deferral exists, there is no reason to believe that Spire will not be able to fully recover the costs associated with its WNAR.

38. Even if the WNAR costs continued to exceed the \$0.05/Ccf cap, and thus caused the deferral to grow, the Company could easily argue to recover the balance as part of a future rate case.

39. Again, at no point did the OPC argue (and it is not currently arguing) that the Company should not be able to recover the amount calculated in the WNAR. The only question at issue is the limit that should be placed on the recovery in any one given WNAR recovery period.

The Staff and Spire's Interpretation Creates an Unworkable Limit

40. While not addressed by Staff or Spire, there is one other reason why the OPC's interpretation of the Commission's GR-2017-0215 order should prevail. That reason is the simple fact that interpreting the \$0.05/Ccf cap to be a limit on how much the WNAR rate can change between WNAR filings would effectively render it useless.

41. As explained in the attached memorandum prepared by the OPC's expert witness, the difference in the number of heating degree days between what was predicted through normalized weather patterns and what really occurred would need to be three times higher than what it currently is for Spire to hit the cap for the 2024 to 2025 period if that cap is interpreted as argued by Staff and the Company.

42. To put that into perspective, the OPC's witness points out that, based on NOAA weather data, this would have required "the winter of 2024 through 2025

[to] have to been warmer than all the winters this century and very unlikely to happen before the Spire's next rate case in which the normal HDD will be reset."

43. Arguing for an interpretation of the Commission's order that results in a rate limit that cannot reasonably be hit renders the creation of that limit pointless.

44. The OPC does not believe that this Commission intended for the rate limit it imposed in case GR-2017-0215 to be so high as to become practically useless.

45. The OPC therefore continues to argue that the limit imposed by the Commission should be interpreted as a limit on the overall rate that can be imposed on customers under the WNAR.²

46. Thus, the OPC once again respectfully requests the Commission issue an order denying Spire's filed tariff sheet and instead order Spire to file a new tariff sheet that limits the WNAR rate for Spire East to \$0.05 per Ccf while also providing that the excess above \$0.05 per Ccf be deferred for recovery from customers in the next WNAR adjustment (or a future rate case, whichever comes first).

² In support of this this point, the OPC notes that the last WNAR period was the first time since the inception of Spire's WNAR where the rate exceeded the \$0.05/Ccf limit.

WHEREFORE, the Office of the Public Counsel respectfully requests the Commission issue an order denying Spire's filed tariff sheet, order the issuance of a new tariff sheet as set forth herein, and grant any other relief as it deems just and reasonable under the circumstances.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this Fourteenth day of August, 2025.

 /s/ John Clizer