

Exhibit No.: 25 225  
Issues: Depreciation Rates  
Witness: Keenan B. Patterson  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: Rebuttal Testimony  
Case No.: GR-2017-0215 and GR-2017-0216  
Date Testimony Prepared: October 17, 2017

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**ENGINEERING ANALYSIS DEPARTMENT**

Staff Exhibit No. 225  
Date 12-15-17 Reporter AF  
File No. GR-2017-0215, GR-2017-0216

**REBUTTAL TESTIMONY**

**OF**

**KEENAN B. PATTERSON**

**SPIRE MISSOURI, INC., d/b/a SPIRE**

**LACLEDE GAS COMPANY and MISSOURI GAS ENERGY  
GENERAL RATE CASE**

**CASE NOS. GR-2017-0215 and GR-2017-0216**

Jefferson City, Missouri  
October 2017

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **KEENAN B. PATTERSON**

4 **SPIRE MISSOURI, INC., d/b/a SPIRE**

5  
6 **LACLEDE GAS COMPANY and MISSOURI GAS ENERGY**  
7 **GENERAL RATE CASE**

8  
9 **CASE NOS. GR-2017-0215 and GR-2017-0216**  
10

11 Q. Please state your name and business address.

12 A. My name is Keenan B. Patterson. My business address is Missouri Public  
13 Service Commission ("Commission"), P.O. Box 360, Jefferson City, MO 65102.

14 Q. What is your position at the Commission?

15 A. I am a Utility Regulatory Engineer in the Engineering Analysis Unit,  
16 Operational Analysis Department, Commission Staff Division.

17 Q. Are you the same Keenan B. Patterson who submitted direct testimony filed on  
18 May 31, 2017?

19 A. Yes.

20 Q. What is the purpose of your rebuttal testimony?

21 A. The purpose of my rebuttal testimony is to describe corrections to my  
22 direct testimony and a resulting change to Staff's recommendation related to depreciation rate  
23 schedules.

24 Q. What corrections are needed in your direct testimony?

25 A. The depreciation expense estimates at page 150 of the Staff Cost of Service  
26 Report are in error and do not agree with those shown in the Staff Accounting Schedules. The  
27 values on page 150 were based on a preliminary draft of the Accounting Schedules. I also  
28 mistakenly used the depreciation rate of 5.0% for all services in Account 380 despite the fact

1 that a factor of 3.59% is recommended by Staff for Subaccount 380.2, Services – Plastic –  
2 Copper.

3 The text for lines 6-23, page 150 of Staff's Report should be replaced with the  
4 following:

5 Staff's recommended rates would increase the estimated  
6 annual depreciation expense for LAC from approximately  
7 \$50,530,535 based on depreciation rates approved in Case No.  
8 GR-2013-0171, to approximately \$50,578,535. This is an  
9 increase in depreciation expense of \$48,239.

10 For MGE, Staff's recommended rates would increase  
11 the estimated annual depreciation expense from approximately  
12 \$32,938,563 based on depreciation rates approved in Case No.  
13 GR-2014-0007, to approximately \$32,765,866. This is a total  
14 decrease of \$172,697.

15 The current depreciation expense estimates are estimated by applying the currently  
16 ordered depreciation rates to the plant in service balances in the Staff Accounting Schedules.

17 Q. Does Staff change its recommendation for depreciation rates based on this  
18 correction?

19 A. Yes. In light of the relatively small overall impact that would be created by a  
20 change to Staff's depreciation rate schedules, it is reasonable to allow Spire to continue to use  
21 the previously ordered schedules. Staff recommends that the Commission order Spire to  
22 continue using the depreciation rate schedules it ordered in Case Nos. GR-2013-0171 and  
23 GR-2014-0007.

24 Q. Are these the same depreciation rate schedules that were requested by Spire  
25 and the Office of the Public Counsel ("OPC") witnesses in their direct testimony?

Rebuttal Testimony of  
Keenan B. Patterson

1           A.     Yes.

2           Q.     Has Staff informed Spire and OPC of its current recommendation for  
3 depreciation rate schedules?

4           A.     Yes. Staff has had conversations with Spire and OPC employees to inform  
5 them of this change.

6           Q.     Does this complete your rebuttal testimony?

7           A.     Yes.

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

In the Matter of Laclede Gas Company's                             )  
Request to Increase Its Revenues for                                 )  
Gas Service   )           Case No. GR-2017-0215

In the Matter of Laclede Gas Company                             )  
d/b/a Missouri Gas Energy's Request to                             )  
Increase Its Revenues for Gas Service                                 )           Case No. GR-2017-0216

**AFFIDAVIT OF KEENAN B. PATTERSON, PE**

STATE OF MISSOURI     )  
   )         ss.  
COUNTY OF COLE         )

COMES NOW KEENAN B. PATTERSON, PE and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Rebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.

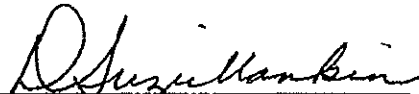
Further the Affiant sayeth not.

  
KEENAN B. PATTERSON, PE

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 13<sup>th</sup> day of October, 2017.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070
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Suzie Mankin  
Notary Public