

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

In the Matter of the Application of Spire Missouri)
 Inc. to Change its Infrastructure System) **File No. GO-2018-0309**
 Replacement Surcharge in its Spire Missouri)
 East Service Territory)

In the Matter of the Application of Spire Missouri)
 Inc. to Change its Infrastructure System) **File No. GO-2018-0310**
 Replacement Surcharge in its Spire Missouri)
 West Service Territory)

STAFF STATEMENTS OF POSITION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Statements of Position* states as follows:

ISSUES AND STATEMENTS OF POSITION

1. Issue: *What is the amount of refund, if any, due to ratepayers for replacement of cast iron and bare steel mains and service lines not shown to be worn out or deteriorated?*

Position: Staff calculated the following refund amounts due ratepayers and adjusted revenue requirements for Spire East and Spire West:

	<u>Spire East</u>	<u>Spire West</u>
Staff Recommended Refund	\$5,367,021	\$10,152,221
Staff Recommended Revised Revenue Requirement	\$(336,881)	\$(157,987)
Staff Recommended Revised Cumulative Revenue Requirement Used to Reset Rates	\$15,888,977	\$15,939,051

By way of further explanation, Staff's recommended revised negative revenue requirements for Spire East and Spire West are the result of: (a) removing cast iron, steel, and service lines that were not shown to be worn out or deteriorated; and (b) over-collection of revenues that were previously included in the Commission authorized revenue requirements in Case Nos. GO-2018-0309 and GO-2018-0310. In these cases, Staff performed a reconciliation for Spire East and Spire West that resulted in quantification of a significant amount of over-collection of ISRS revenues. The over-collection for Spire East was \$2,717,537 and the over-collection for Spire West was \$1,834,513. Less the over-collection amounts resulting from Case Nos. GO-2018-0309 and GO-2018-0310, Staff's recommended revised revenue requirements for those cases, following guidance from the Western District Court of Appeals decision, are \$2,380,656 for Spire East and \$1,676,526 for Spire West.

2. Issue: *By what method should any refund be returned to ratepayers?*

Position: Staff recommends that Spire Missouri, Inc. make a one-time refund to ratepayers in the East and West service territories.

3. Issue: *Does due process require the consideration of the additional evidence submitted by the Company to demonstrate the condition of its cast iron and bare steel facilities?*¹

Position: Staff agrees with the Office of Public Counsel that this is not a proper issue for these remand proceedings given the Commission's prior orders limiting

¹ The Office of Public Counsel contends that this is not a proper issue given the Commission's prior rulings in this case and the Western District's directions on remand; however, the OPC will respect Spire's right to raise such issues as it deems necessary. (OPC's footnote to Issue No. 3 on *List of Issues, List And Order of Witnesses, Order of Cross-Examination And Order Of Opening* filed May 21, 2020).

the scope of proceedings² in accordance with the specific mandate from the Western District Court of Appeals. The Court's mandate instructs the Commission to determine the amount and method of refund due to ratepayers for cast iron and bare steel mains and services not shown to be worn out or deteriorated. Spire Missouri Inc. has already been accorded ample due process by the courts on the matter of worn out or deteriorated pipe facilities.

WHEREFORE, Staff submits its *Statements of Position* as directed by the Commission's April 29, 2020 Order.

Respectfully submitted,

/s/ Robert S. Berlin

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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 counsel of record this 21st day of May, 2020.

/s/ Robert S. Berlin

² *Order Denying Motion for Reconsideration and Request for Oral Arguments*, issued May 13, 2020, and *Order Setting a Procedural Schedule Including a Limited Evidentiary Hearing on Remand* (April 29 Order) issued April 29, 2020.