

**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 Replacement) Case No. GO-2019-0115
Surcharge in its Spire Missouri East)
Service Territory)

In the Matter of the Application of)
Spire Missouri Inc. to Change its)
Infrastructure System Replacement) Case No. GO-2019-0116
Surcharge in its Spire Missouri West)
Service Territory)

**OBJECTIONS TO SPIRE MISSOURI INC.’S APPLICATIONS AND PETITIONS
AND REQUEST FOR AN EVIDENTIARY HEARING**

COMES NOW the Office of the Public Counsel (“OPC”) and for its *Objections to Spire Missouri Inc.’s Applications and Petitions and Request for an Evidentiary Hearing*, states as follows:

1. Spire Missouri Inc. (“Spire”) filed its applications and petitions in the above styled cases on January 14, 2019. These applications and petitions sought authorization for Spire to change the Infrastructure System Replacement Surcharge (“ISRS”) in its Spire East and Spire West service territories.

2. The Public Service Commission (“Commission”) issued an *Order Directing Notice, Setting Intervention Deadline, Directing Filing, and Suspending Tariff Sheets* (“Order”) on January 15, 2019. This Order mandated that the OPC file

any objections to Spire's applications and any request for an evidentiary hearing no later than March 15, 2019.

3. Pursuant to the Commission's Order, the OPC hereby files its objections to Spire's applications and formally requests an evidentiary hearing.

4. First, the OPC objects to Spire's applications on the ground that they fail to demonstrate that any of the replacements Spire has made and is claiming as ISRS eligible under section 393.1009(5)(a) are, in fact, ISRS eligible.

5. Section 393.1009(5)(a) defines "gas utility plant projects" that *may* be eligible for ISRS recovery, as "[m]ains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with state or federal safety requirements as replacements for existing facilities *that have worn out or are in deteriorated condition.*" (emphasis added).

6. Spire's applications present no evidence whatsoever that any of the replacements it has made and is claiming as ISRS eligible under section 393.1009(5)(a) were of pipes "that have worn out or are in deteriorated condition."

7. Therefore, Spire's applications fail to demonstrate that any of the replacements Spire has made and is claiming as ISRS eligible under section 393.1009(5)(a) are, in fact, ISRS eligible.

8. Second, the OPC objects to Spire's applications in as far as it attempts to recover expenses related to the replacement of plastic mains and service lines for which there is no "state or federal safety requirements" mandating replacement and which are objectively not "worn out or are in deteriorated condition."

9. This is a direct contravention of the Missouri Court of Appeals for the Western District decision issued in *PSC v. Office of Pub. Counsel (In re Laclede Gas Co.)*, 539 S.W.3d 835 (Mo. App. W.D. 2017).

10. The Missouri Court of Appeals has already determined that such replacements are not ISRS eligible and hence replacement costs related to those plastic components may not be included in the ISRS schedules. *Id.* at 841.

11. Third, the OPC objects to Spire's applications to the extent that they seek to recover costs denied in Commission Case Nos. GO-2018-0309 and GO-2018-0310.

12. Spire is currently contesting the denial of these recoveries on appeal before the Western District (see WD82373, consolidated with WD82302). If Spire is successful in that appeal, then Spire will most likely be able to recover those costs on remand.

13. This means that Spire's present attempt to simultaneously recover those costs as part of this case may result in double recovery, which is impermissible.

14. Consequently, the Commission should continue to deny recovery of the costs previously denied in Case Nos. GO-2018-0309 and GO-2018-0310 until after the Court of Appeals has rendered a decision on those cases.

15. Fourth, the OPC objects to the ISRS eligible costs calculated by Spire in its applications.

16. Specifically, the OPC believes that Spire may be including a portion of administrative and general costs that are already being recovered through base rates in its calculation of the costs eligible for recovery through their ISRS.

17. This would also result in double recovery of costs, which, again, is impermissible.

18. Finally, the OPC objects to any and all other issues that may arise as a result of its continuing investigation in these cases.

19. Based on the forgoing objections, the OPC believes that an evidentiary hearing will be necessary to resolve these cases and hereby requests such a hearing.

WHEREFORE, the Office of the Public Counsel respectfully requests the Commission accept these objections to Spire's applications and petitions filed in Case Nos. GO-2019-0115 and GO-2019-0116 and issue an order scheduling an evidentiary hearing for these ISRS cases.

Respectfully submitted,
OFFICE OF THE PUBLIC
COUNSEL

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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 fifteenth day of March, 2019.

/s/ John Clizer