

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Spire)
Missouri, Inc. d/b/a Spire to Change its) **File No. GO-2020-0229**
Infrastructure System Replacement) Tracking No. YG-2020-0139
Surcharge in its Spire Missouri East Service)
Territory)

In the Matter of the Application of Spire)
Missouri, Inc. d/b/a Spire to Change its) **File No. GO-2020-0230**
Infrastructure System Replacement) Tracking No. YG-2020-0140
Surcharge in its Spire Missouri West Service)
Territory)

ORDER DIRECTING FILING

Issue Date: April 21, 2020

Effective Date: April 21, 2020

On February 3, 2020, Spire Missouri, Inc. (Spire Missouri or Company) filed applications and petitions with the Missouri Public Service Commission (Commission) to change its Infrastructure System Replacement Surcharge (ISRS) in its Spire Missouri East and Spire Missouri West service territories. Spire Missouri requested recovery of “new” infrastructure replacement costs for the period between August 1, 2019, and February 29, 2020. Spire Missouri also requested recovery of “old” infrastructure replacement costs for the period between October 1, 2017, and July 31, 2019.

On February 28, 2020,¹ the Commission issued its Order Directing Notice, Setting Intervention Deadline, Directing Filing, and Suspending Tariff Sheets. On April 3, the Staff filed its recommendation. On April 16, the parties filed a Unanimous Stipulation and Agreement (agreement) and a motion stating the agreement resolves all issues. On April 17, the Commission issued its Order Suspending Procedural Orders and Cancelling Hearings.

¹ All dates references hereafter will be to 2020 unless otherwise indicated.

The parties' agreement states they have agreed as follows:

- The Commission will approve an ISRS revenue requirement of \$5,519,188 for Spire East and an ISRS revenue requirement of \$5,599,040 for Spire West.
- The revenue requirements will be allocated to the rate classes pursuant to the rate design described in Staff's Memorandum attached to Staff's recommendation filed on April 3, 2020.
- In no event will the rates implemented be effective before May 25, 2020, or later than June 2, 2020.
- The treatment of income tax included in the approved revenue requirements will reflect the treatment of income taxes agreed to in the stipulation and agreement approved in Case Nos. GO-2019-0356 and GO-2019-0357. The parties' agreement states specific provisions for calculating tax deductions and the revenue gross-up for income taxes.
- The parties will abide by the decision of the appellate court in the pending case WD83475 concerning whether the costs of replacing cathodically protected steel pipes are ISRS recoverable.

The parties state their agreement is intended to settle only the issues of the ISRS revenue requirement and no party concedes any issue of law or fact not expressly stated in the agreement. They further state:

"In the event that the Commission orders additional evidence submitted in support of this stipulation, the signatories agree that Staff may submit into evidence a report demonstrating the calculation of the revenue requirements found herein but that no party to this stipulation shall be determined to have conceded the ISRS eligibility or lack thereof of any costs included or not included in that report or to be otherwise bound to the findings of that report."

The Commission will order Staff to file a verified supplemental report demonstrating the calculation of the revenue requirements found in the agreement. That report shall indicate whether the agreed upon ISRS revenue amounts reflect an accurate recovery for replaced facilities that were worn out or deteriorated and shall state the agreed upon revenue amount attributable to replaced cathodically protected steel facilities.

THE COMMISSION ORDERS THAT:

1. No later than April 28, 2020, the Commission Staff shall file a verified supplemental report indicating whether the ISRS revenue amounts agreed to by the parties in their Unanimous Stipulation and Agreement reflect an accurate recovery for replaced facilities that were worn out or deteriorated.

2. No later than April 28, 2020, the Commission Staff shall file a verified supplemental report indicating the agreed upon revenue amount attributable to replaced cathodically protected steel facilities.

3. No later than May 3, 2020, Spire Missouri and the Office of Public Counsel shall file a response to Staff's recommendation. Any other person wishing to file a response shall do so no later than May 3, 2020.

4. This Order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Paul T. Graham, Regulatory
Law Judge, by delegation of authority
under Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 21st day of April, 2020.