

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held by telephone/internet
audio conference on the 1st day of July,
2020.

In the Matter of the Application of Spire)
Missouri Inc. to Change its Infrastructure)
System Replacement Surcharge in its) **File No. GO-2016-0332**
Spire Missouri West Gas Service)
Territory)

In the Matter of the Application of Spire)
Missouri Inc. to Change its Infrastructure)
System Replacement Surcharge in its) **File No. GO-2016-0333**
Spire Missouri East Gas Service)
Territory)

In the Matter of the Application of Spire)
Missouri Inc. to Change its Infrastructure)
System Replacement Surcharge in its) **File No. GO-2017-0201**
Spire Missouri West Service Territory)
)

In the Matter of the Application of Spire)
Missouri Inc. to Change its Infrastructure)
System Replacement Surcharge in its) **File No. GO-2017-0202**
Spire Missouri East Service Territory)
)

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

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

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: July 1, 2020

Effective Date: July 11, 2020

These cases are before the Commission on remand from the Missouri Court of Appeals, Western District. The Court of Appeals issued its mandates on March 18, 2020 remanding Spire Missouri Inc.'s (Spire Missouri) infrastructure system replacement surcharge (ISRS) cases in File Nos. GO-2016-0332 and GO-2016-0333 (2016 ISRS Cases),¹ GO-2017-0201 and GO-2017-0202 (2017 ISRS Cases),² and GO-2018-0309 and GO-2018-0310 (2018 ISRS Cases)³ for further proceedings at the Commission. On April 15, 2020, the Commission denied Spire Missouri's motion to consolidate the 2018 ISRS Cases with the 2016 and 2017 ISRS Cases, remanded to the Commission on the same date.

The Court of Appeals remanded the 2016 and 2017 ISRS Cases with directions for the Commission to determine refunds of the ISRS surcharges related to Spire Missouri's recovery of plastic components to its customers. The 2018 ISRS Cases were remanded to the Commission to remove from Spire Missouri's revenue requirement the cost incurred to replace cast iron and bare steel mains and service lines not shown to be worn out or deteriorated. The Court of Appeals also mandated that a refund of these costs should be given to ratepayers by the most expeditious means available.

Various procedures were set for each pair of cases and an evidentiary hearing on remand was set for the 2018 ISRS Cases. However, on May 29, 2020, prior to the start of the hearing, the parties jointly filed a Unanimous Stipulation and Agreement resolving

¹ *Matter of Application of Laclede Gas Co. to Change Its Infrastructure Sys. Replacement Surcharge in Its Missouri Gas Energy Serv. Territory*, 593 S.W.3d 582 (Mo. Ct. App. 2019), reh'g and/or transfer denied (Dec. 12, 2019), transfer denied (Mar. 17, 2020).

² *Matter of Laclede Gas Co. to change its infrastructure system replacement surcharge in its Missouri Gas Energy Serv. Territory*, 593 S.W.3d 572, 575 (Mo. Ct. App. 2019), reh'g and/or transfer denied (Dec. 12, 2019), transfer denied (Mar. 17, 2020).

³ *Matter of Spire Missouri Inc.*, 593 S.W.3d 546, 549 (Mo. Ct. App. 2019), reh'g and/or transfer denied (Dec. 12, 2019), transfer denied (Mar. 17, 2020).

the issues in all six cases. On June 2, 2020, the Commission held an on-the-record presentation regarding the stipulation and agreement.

The Unanimous Stipulation and Agreement provides that Spire Missouri shall make a one-time refund to its customers in the total amount of \$15,000,000 for the remanded 2016, 2017, and 2018 ISRS Cases. The stipulation and agreement also provides for use of the cost allocation method and refund amounts for each customer class set out in Exhibit 1 to the agreement, and that the refunds will be credited to all current customers as a one-time credit to their bills rendered on or after August 1, 2020. The parties also agreed to the regulatory accounting of the refunds and to the method for a final true-up of the ISRS amounts.

The parties agreed that there would be no further litigation of these cases and that the final resolution of these matters is a benefit to the ratepayers. The parties agreed that the ISRS revenue requirements for Spire East and Spire West should remain unchanged and that Spire Missouri will not file in a future ISRS case for the cost recovery of any portion of the facilities included in the 2018 ISRS Cases or for the disallowed plastics from any of the 2016, 2017, or 2018 ISRS Cases. The agreement does not prevent Spire Missouri from seeking cost recovery for the plastic, cast iron, or bare steel facilities in its next general rate case as appropriate.⁴

After reviewing the Unanimous Stipulation and Agreement, the Commission finds and concludes that the agreement is a reasonable resolution of the remanded issues before the Commission and its terms should be approved. The Commission further finds that the agreement will provide for the most expeditious method of issuing refunds to Spire Missouri's ratepayers in compliance with the mandates of the Court of Appeals.

⁴ The parties also included a "Mutual Non-Disparagement Provision" with regard to these cases.

Because this is a unanimous agreement, and so that refunds can proceed expeditiously, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. The Unanimous Stipulation and Agreement filed on May 29, 2020, is approved as a resolution of all issues on remand in File Nos. File Nos. GO-2016-0332, GO-2016-0333, GO-2017-0201, GO-2017-0202, GO-2018-0309, and GO-2018-0310. The signatory parties are ordered to comply with the terms of the Unanimous Stipulation and Agreement. A copy of the Unanimous Stipulation and Agreement is attached to this order and incorporated by reference.

2. This order shall be effective on July 11, 2020.



BY THE COMMISSION

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

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Dippell, Senior Regulatory Law Judge