

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

In the Matter of Spire Missouri Inc.’s d/b/a	)	
Spire Request for Authority to Implement a General	)	<b><u>Case No. GR-2021-0108</u></b>
Rate Increase for Natural Gas Service Provided	)	
In the Company’s Missouri Service Areas	)	

**SPIRE MISSOURI INC.’S RESPONSE TO ORDER DIRECTING RESPONSES  
AND LIMITING BRIEFING**

COMES NOW Spire Missouri Inc. (“Spire” or “Company”), by and through counsel, and states the following in response to the Commission’s August 26, 2021 *Order Directing Responses and Limiting Briefing*.

1. On August 25, 2021, the Commission held an on the record presentation of the four stipulations the parties have filed in this matter where several questions were raised by the administrative law judge.
2. On August 26, 2021, the Commission issued an *Order Directing Responses and Limiting Briefing* and ordered Spire to respond to five questions related to propane storage and another request related to gross receipts tax included in the July 30<sup>th</sup> Stipulation by September 1, 2021, and ordered any other party to also provide answers by that date. This filing complies with that Order.
3. In response to the five questions on propane storage, Spire provides the following responses:
  1. What is the dollar amount of depreciation expense for the propane storage related plant to be included in rates under the stipulation?

**Using current depreciation rates, the annual depreciation expense for propane plant assets is \$161,165. Depreciation is an open issue in this case.**

2. What is the dollar value of the propane storage plant to be included in rate base under the stipulation?

**The total net propane storage plant assets included in rate base is (\$34,970).**

3. Does the rate base dollar value provided in response to question 2 include the \$10.7 million rate base addition for propane inventory? Is the propane included in inventory still available for use by Spire Missouri as of May 31, 2021?

**No, the propane inventory of \$8.7 million at May 31, 2021 is not included as a plant asset, but is included in rate base. As of May 31, 2021, it would have been theoretically possible to vaporize propane at Catalan on an emergency basis.**

4. Do the LP total revenues of \$12,417 represent the normalized revenues from propane sales? If not, what amount of propane sales revenues are included in Spire's cost of service under the stipulation?

**The \$12,417 referenced in the July 30 stipulation (Appendix A, page 2 of 4) refers to the Company's propane sales to the small community of residential customers to whom we deliver firm propane service. This revenue is not associated with the Company's propane storage or peaking facilities, but instead relates to General L.P. Gas Service on sheet 8 of Spire Missouri East tariff. The current normalized level of third-party propane storage revenue is \$800,000.**

5. Spire witness Robert Noelker stated in his rebuttal testimony that the propane assets are no longer used and useful. Why would it be appropriate to include the propane assets in rate base and the depreciation expense in rates?

**This issue comprises a small part of a settlement and compromise. While Mr. Noelker's testimony was correct, there was also testimony in the record from other parties regarding the potential value of leaving propane peaking facilities in rate base and expense on a temporary basis. The D.C. Circuit court decision**

**rendered during the pendency of this case regarding the STL Pipeline, and the associated uncertainty regarding the Company's supply planning, was also an important factor in evaluating the value of retaining these assets in rates at this time for potential future optionality.**

4. In response to the question on gross receipts tax, Spire provides the following response:
  1. Please provide copies of the applicable laws referred to in the following statement located in paragraph 6 of the August 5 Stipulation, "Spire will calculate the GRT line item on customer bills in conformity with its tariff and *applicable laws*" (emphasis added). The Commission seeks copies of the municipal, county, and local government ordinances and rules that would be applicable, as opposed to state statutes.

**Spire is providing approximately 253 local ordinances and franchises for cities and townships that provide support for the "applicable laws" referred to in the July 30<sup>th</sup> Stipulation. Because the response to this question is so voluminous, Spire is providing these documents to the Commission through an email to the administrative law judge and the attorneys of record through Proofpoint.**

WHEREFORE, Spire asks the Commission to accept the above responses to the questions posed in the Commission's *Order Directing Response and Limiting Briefing*, approve the Stipulations filed in this proceeding, and grant any other relief it deems appropriate.

Respectfully Submitted,

/s/Goldie T. Bockstruck

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1<sup>st</sup> day of September, 2021.

Lew Keathley

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