

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 14th day of March, 2018.

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| In the Matter of Spire Missouri, Inc.'s Request to Increase Its Revenues for Gas Service |) | <u>File No. GR-2017-0215</u> |
| |) | Tariff No. YG-2017-0195 |
| In the Matter of the Spire Missouri, Inc.'s Request to Increase Its Revenues for Gas Service |) | <u>File No. GR-2017-0216</u> |
| |) | Tariff No. YG-2017-0196 |

ORDER DENYING CLARIFICATION

Issue Date: March 14, 2018

Effective Date: March 14, 2018

On March 7, 2018, after requests for clarification by Spire Missouri Inc. (Spire Missouri) and the Staff of the Missouri Public Service Commission (Staff), the Commission issued its *Amended Report and Order* (Amended Order) clarifying certain aspects of its previously issued *Report and Order*. Included in that clarification was a portion of the decision (at pages 126-127) related to the capitalization of earnings based and equity based incentive compensation. On March 9, 2018, Spire Missouri requested expedited consideration of a further request for clarification of this issue. The Commission shortened the time for responses to Spire Missouri's request. Staff filed a response on March 12, 2018, and the Office of the Public Counsel (Public Counsel) filed a response on March 14, 2018.

Spire Missouri stated that it "and Staff have had an opportunity to review the Amended Order and confer regarding capitalized incentive compensation costs, and have

found that they have a difference of opinion on how the Commission's decision on this issue should be construed."¹ Because of the difference in opinion, Spire Missouri has not yet filed its compliance tariffs and requests expedited consideration of its requests for clarification so that appropriate compliance tariffs can be quickly filed.

The Commission agrees with Staff and Public Counsel that the language of the Amended Order is plain on its face. The Amended Order clearly states that earnings based and equity based "incentive compensation *will not be included in rates* and no part of the earnings based or equity based incentive compensation *for the current case* (test year through true-up period) should be capitalized in rate base going forward."²

In the Amended Order, the Commission also addressed Staff's proposed adjustment of capitalized earnings based and equity based incentive compensation for a period of time following past settled rate cases. The Commission states that it "will not now reach back to those settled cases and remove capitalized earnings based and equity based incentive compensation from rate base."³ Additionally, although the Amended Order says, "no adjustment shall be made[,]"⁴ that statement must be read in context with the immediate preceding language.

Therefore, the Commission finds that no further clarification is necessary. Spire Missouri shall file tariffs compliant with the Amended Order as soon as practicable.

¹ *Request for Clarification and Motion for Expedited Treatment*, (filed March 9, 2018), para. 2.

² *Amended Report and Order*, (issued March 7, 2018), p. 127. (Emphasis added.)

³ *Amended Report and Order*, (issued March 7, 2018), p. 127.

⁴ *Amended Report and Order*, (issued March 7, 2018), p. 127.

THE COMMISSION ORDERS THAT:

1. The request for clarification filed March 9, 2018, is denied.
2. This order is effective when issued.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

Hall, Chm., Kenney, Rupp, and
Coleman, CC., concur;
Silvey, C., absent.

Nancy Dippell, Senior Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 14th day of March 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

March 14, 2018

File/Case No. GR-2017-0215 and GR-2017-0216

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.