Exhibit No.:

Issues: Depreciation Rates Witness: Keenan B. Patterson, PE

Sponsoring Party: MoPSC Staff
Type of Exhibit: True-Up Direct Testimony
Case No.: GR-2017-0215 and GR-2017-0216

Date Testimony Prepared: November 28, 2017

## MISSOURI PUBLIC SERVICE COMMISSION **COMMISSION STAFF DIVISION ENGINEERING ANALYSIS UNIT**

TRUE-UP DIRECT TESTIMONY

OF

KEENAN B. PATTERSON, PE

SPIRE MISSOURI, INC., d/b/a SPIRE

LACLEDE GAS COMPANY and MISSOURI GAS ENERGY **GENERAL RATE CASE** 

CASE NOS. GR-2017-0215 AND GR-2017-0216

Jefferson City, Missouri November 2017

1		TRUE-UP DIRECT TESTIMONY			
2		$\mathbf{OF}$			
3		KEENAN B. PATTERSON, PE			
4		SPIRE MISSOURI, INC., d/b/a SPIRE			
5 6		LACLEDE GAS COMPANY and MISSOURI GAS ENERGY GENERAL RATE CASE			
7		CASE NOS. GR-2017-0215 AND GR-2017-0216			
8	Q.	Please state your name and business address.			
9	A.	My name is Keenan B. Patterson. My business address is Missouri Public			
10	Service Commission ("Commission"), P.O. Box 360, Jefferson City, MO 65102.				
11	Q.	What is your position at the Commission?			
12	A.	I am a Utility Regulatory Engineer in the Engineering Analysis Unit,			
13	Operational Analysis Department, Commission Staff Division.				
14	Q.	Are you the same Keenan B. Patterson who submitted direct testimony filed on			
15	September 8, 2017 and rebuttal testimony on October 17, 2017?				
16	A.	Yes.			
17	Q.	What is the purpose of your testimony?			
18	A.	The purpose of my testimony is to address accounts and amortization rates			
19	associated with LAC's purchase of automated meter reading (AMR) devices.				
20	Q.	What has Spire requested for AMR devices?			
21	A.	In his rebuttal testimony, Spire Missouri witness Mr. C. Eric Lobser first			
22	introduces LAC's purchase of AMR devices from Landis+Gyr effective July 1, 2017 and				
23	requests the creation of a new subaccount for the AMR devices, Account No. 397.1, to be				
24	amortized over a period of 7.5 years.				

Does Staff recommend the establishment of an account for the AMR devices? 1 Q. 2 Yes. The AMR devices are distinct from the meters they are attached to and A. 3 monitor. They also represent a large set of similar units that can be distinguished from 4 other communications equipment. Account No. 397.1 already appears on the depreciation 5 rate schedule for communications equipment. Staff recommends the establishment of 6 Account No. 397.2 – AMR Devices. 7 Does Staff recommend an amortization rate for Account No. 397.2 - AMR Q. 8 Devices? Yes. Staff has reviewed LAC's request. LAC indicates that battery life of the 9 A. 10 AMR devices limits their useful life to 20 years and that these devices were initially installed 11 in 2005. Staff reviewed the web site of the AMR device vendor, Landis+Gyr. Though Staff 12 could not find a product specification for the exact models mentioned in the amended service agreement between LAC and Landis+Gyr, 1 specification sheets for similar devices indicated 13 14 that the batteries have a 20-year life.<sup>2</sup> 15 In addition, LAC indicates in its response to Staff Data Request 0484.1 that it intends 16 to switch to a new system beginning in 2020 with replacement of the AMR devices completed 17 by 2024. 18 In light of the product specifications and Spire's plan to change to a new system, Staff 19 recommends that an amortization period of 7.5 years is appropriate for Account No. 397.2.

<sup>&</sup>lt;sup>1</sup> Amendment to Automated Meter Reading Services Agreement submitted in response to Data Request 0484.

<sup>&</sup>lt;sup>2</sup> Gridstream: M 120 Residential Gas Module, Product Specification, Landis + Gyr, https://www.landisgyr.com/webfoo/wp-content/uploads/2012/12/PS\_GridstreamM120ResGasModule.pdf accessed November 21, 2017.

Gridstream: M 220 Commercial & Industrial Gas Module, Product Specification, Landis + Gyr, https://www.landisgyr.com/webfoo/wp-content/uploads/2012/12/PS\_GridstreamM220C-IGasModule.pdf accessed November 21, 2017.

True-Up Direct Testimony of Keenan B. Patterson

- 1 Q. Does this complete your true-up direct testimony?
- 2 A. Yes.

## BEFORE THE PUBLIC SERVICE COMMISSION

## OF THE STATE OF MISSOURI

n the Matter of Laclede Gas Company's Request to Increase Its Revenues for Gas Service	)	Case No. GR-2017-0215
n the Matter of Laclede Gas Company l/b/a Missouri Gas Energy's Request to ncrease Its Revenues for Gas Service	) )	Case No. GR-2017-0216
AFFIDAVIT OF KE	ENAN I	B. PATTERSON, PE

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STATE OF MISSOURI	)		
•	)	22	

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COMES NOW KEENAN B. PATTERSON, PE and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing True-Up Direct Testimony; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

COUNTY OF COLE

KEEÑAN B. PATTERSON, PE

## **JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 27th day of November, 2017.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070

Notar∜ Public