Exhibit No.:

Issues: Depreciation Rates Witness: Keenan B. Patterson

Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony

Case No.: GR-2017-0215 and GR-2017-0216

Date Testimony Prepared: October 17, 2017

MISSOURI PUBLIC SERVICE COMMISSION COMMISSION STAFF DIVISION ENGINEERING ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

KEENAN B. PATTERSON

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 October 2017

1		REBUTTAL TESTIMONY
2		OF
3		KEENAN B. PATTERSON
4		SPIRE MISSOURI, INC., d/b/a SPIRE
5 6 7 8		LACLEDE GAS COMPANY and MISSOURI GAS ENERGY GENERAL RATE CASE
9		CASE NOS. GR-2017-0215 and GR-2017-0216
10 11	Q.	Please state your name and business address.
12	A.	My name is Keenan B. Patterson. My business address is Missouri Public
13	Service Com	nmission ("Commission"), P.O. Box 360, Jefferson City, MO 65102.
14	Q.	What is your position at the Commission?
15	A.	I am a Utility Regulatory Engineer in the Engineering Analysis Unit,
16	Operational	Analysis Department, Commission Staff Division.
17	Q.	Are you the same Keenan B. Patterson who submitted direct testimony filed on
18	May 31, 201	7?
19	A.	Yes.
20	Q.	What is the purpose of your rebuttal testimony?
21	A.	The purpose of my rebuttal testimony is to describe corrections to my
22		
23	schedules.	
24	Q.	What corrections are needed in your direct testimony?
25	A.	The depreciation expense estimates at page 150 of the Staff Cost of Service
26	Report are in	n error and do not agree with those shown in the Staff Accounting Schedules. The
27	values on page 150 were based on a preliminary draft of the Accounting Schedules. I	
28	_	used the depreciation rate of 5.0% for all services in Account 380 despite the fact
20	inistanciny t	asea are depreciation rate of 5.0% for all services in Account 500 despite the fact

	Rebuttal Testimony of Keenan B. Patterson		
1	that a factor of 3.59% is recommended by Staff for Subaccount 380.2, Services - Plastic -		
2	Copper.		
3	The text for lines 6-23, page 150 of Staff's Report should be replaced with the		
4	following:		
5	Staff's recommended rates would increase the estimated		
6	annual depreciation expense for LAC from approximately		
7	\$50,530,535 based on deprecation rates approved in Case No.		
8	GR-2013-0171, to approximately \$50,578,535. This is an		
9	increase in depreciation expense of \$48,239.		
10	For MGE, Staff's recommended rates would increase		
11	the estimated annual depreciation expense from approximately		
12	\$32,938,563 based on depreciation rates approved in Case No.		
13	GR-2014-0007, to approximately \$32,765,866. This is a total		
14	decrease of \$172,697.		
15	The current depreciation expense estimates are estimated by applying the currently		
16	ordered depreciation rates to the plant in service balances in the Staff Accounting Schedules.		
17	Q. Does Staff change its recommendation for deprecation rates based on this		
18	correction?		
19	A. Yes. In light of the relatively small overall impact that would be created by a		
20	change to Staff's depreciation rate schedules, it is reasonable to allow Spire to continue to use		
21	the previously ordered schedules. Staff recommends that the Commission order Spire to		

change to Staff's depreciation rate schedules, it is reasonable to allow Spire to continue to use the previously ordered schedules. Staff recommends that the Commission order Spire to continue using the depreciation rate schedules it ordered in Case Nos. GR-2013-0171 and GR-2014-0007.

Q. Are these the same depreciation rate schedules that were requested by Spire and the Office of the Public Counsel ("OPC") witnesses in their direct testimony?

Rebuttal Testimony of Keenan B. Patterson				
A.	Yes.			
Q.	Has Staff informed Spire and OPC of its current recommendation for			
depreciation rate schedules?				
A.	Yes. Staff has had conversations with Spire and OPC employees to inform			
them of this change.				
0	Does this complete your rebuttal testimony?			

Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Request to Increase Its Revenues for Gas Service) Case No. GR-2017-0215					
In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase Its Revenues for Gas Service) Case No. GR-2017-0216					
AFFIDAVIT OF KEENAN B. PATTERSON, PE						
STATE OF MISSOURI) COUNTY OF COLE)						
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 Rebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.						
Further the Affiant sayeth not.	KEENAN B. PATTERSON, PE					
ர	URAT					
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 134

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

day of October, 2017.

Notary Public