

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

In the Matter of Laclede Gas Company’s )	<b>File No. GR-2017-0215</b>
Request to Increase Its Revenues for Gas )	Tariff No. YG-2017-0195
Service )	

In the Matter of Laclede Gas Company d/b/a )	<b>File No. GR-2017-0216</b>
Missouri Gas Energy’s Request to Increase )	Tariff No. YG-2017-0196
Its Revenues for Gas Service )	

**REQUEST FOR CLARIFICATION  
AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW Spire Missouri Inc. (“Spire Missouri” or “Company”) and files this Request for Clarification of the Commission’s March 7, 2018 Amended Report and Order (“Amended Order”) and Motion for Expedited Treatment in the above referenced cases. In support thereof, the Spire Missouri states as follows:

**REQUEST FOR CLARIFICATION**

1. On February 27, 2018, the Staff and the Company both requested that the Commission clarify the intended treatment of capitalized earnings-based incentive compensation in the Commission’s February 21 Report and Order in this case. Without further discussion, the Commission addressed this issue and amended its decision on pages 126-127 of the Amended Order.

2. The Company 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. Given that difference of opinion, the Company believes that additional clarification on this specific issue would be helpful.

3. Staff apparently interprets the decision as disallowing capitalized earnings-based incentive compensation costs for any capital items placed into service after January 1, 2016, the beginning date of the test year in this proceeding. Consistent with its own earlier request for clarification on this issue, however, the Company interprets the decision to mean that no capitalized incentive compensation costs are being disallowed in this case, but that the decision was intended to put the Company on notice that the capitalization of earnings-based incentive compensation will be subject to disallowance on a “going forward” basis.

4. The Company believes that its interpretation of the decision is consistent with the Commission’s discussion of this issue at its February 15 Agenda Meeting, a transcript of which was attached to the Company’s February 27 Request for Clarification. That discussion clearly indicated that the Commission was not disallowing any capitalized incentive compensation in this case. Since February 15, there has been no substantive discussion of this issue at any agenda meeting that would suggest the Commission intended a different result, let alone one that was premised on using the beginning of the test year in this case as the demarcation point for determining what capitalized incentive costs would be disallowed. Nor was such a demarcation point ever suggested, let alone affirmatively recommended, by any of the parties to this proceeding in their testimony, position statements or briefs.

5. Staff’s interpretation would also be contrary to the Commission’s statements in the Amended Order that no adjustment should be made for incentive compensation amounts capitalized “following past settled rate cases where the subject of incentive compensation was not litigated” and that “no adjustment shall be made to remove the value of any capitalized past incentive compensation that may have been involved.” (emphasis added) The Company believes that both of these statements strongly indicate that no adjustment or disallowance is to be made for

capitalized incentive compensation costs in this case, regardless of when such costs were incurred. Indeed, making an adjustment for capitalized incentive costs that were incurred prior to the issuance of the Commission's Amended Order in these cases would be inconsistent with the concept of putting the Company on notice that such costs would be subject to disallowance on a "going forward" basis.

6. The Company accordingly requests that the Commission clarify its Amended Order consistent with the Company's interpretation as set forth above.

### **MOTION FOR EXPEDITED TREATMENT**

7. Due to the need to finalize rates for purposes of filing compliance tariffs, the Company requests that the Commission grant expedited treatment for the Request for Clarification so that it may be considered and resolved at the Commission's next Agenda Meeting.

8. Consistent with 4 CSR 240-2.080(16), the Company submits that there is good cause for granting the request. Resolving this issue at the Commission's next agenda meeting will permit the Company to submit compliance tariff sheets, rates and charges based on a clear understanding of how the Commission intended to resolve this issue.

9. The Company filed this Request for Clarification as soon as possible after it reviewed the Commission's Amended Order and discussed it with Staff.

WHEREFORE, for the foregoing reasons, Spire Missouri Inc. respectfully requests that the Commission clarify its Amended Order consistent with the Company's interpretation of the Commission's decision on the capitalized incentive costs, as set forth above.

Respectfully Submitted,

**/s/ Rick Zucker**

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**/s/ Michael C. Pendergast**

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**ATTORNEYS FOR SPIRE MISSOURI INC.**

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the parties of record in these cases on this 9th day of March, 2018 by hand-delivery, fax, electronic mail or by regular mail, postage prepaid.

**/s/Rick Zucker**