

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

In the Matter of the Application of Spire Missouri )  
Inc. to Change its Infrastructure System ) Case No. GO-2020-  
Replacement Surcharge in its Spire Missouri West )  
Service Territory )

**VERIFIED APPLICATION AND PETITION OF SPIRE MISSOURI INC. TO  
CHANGE ITS INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE  
FOR IT’S SPIRE MISSOURI WEST SERVICE TERRITORY REQUEST FOR  
WAIVER OF 60 DAY NOTICE RULE**

COMES NOW Spire Missouri Inc., pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri and 20 CSR 4240-2.060, 2.080 and 3.265 of the Rules of Practice and Procedure of the Missouri Public Service Commission (“Commission”) and, for its Verified Application and Petition to Change its Infrastructure System Replacement Surcharge (“ISRS”) for its Spire Missouri West (“Spire West” or “the Company”) Service Territory respectfully states as follows:

**BACKGROUND**

1. On August 28, 2003, Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri became effective. These statutory provisions authorize eligible gas corporations to recover certain infrastructure replacement costs through the implementation of an ISRS. Prior to implementing an ISRS or changing an ISRS, the gas corporation must file a petition with the Commission for review and approval before its rates and charges can be adjusted to provide for the recovery of the ISRS costs. To that end, the Company submits this Verified Application and Petition.

**THE APPLICANT**

2. Spire Missouri Inc. is a public utility and gas corporation incorporated under the laws of the State of Missouri, with its principal office located at 700 Market Street, St. Louis, Missouri 63101. A Certificate of Good Standing evidencing Spire Missouri's standing to do business in Missouri was submitted in Case No. GM-2013-0254 and is incorporated by reference herein for all purposes. The information in such Certificate is current and correct.

3. Spire Missouri Inc. is engaged in the business of distributing and transporting natural gas to customers in Missouri as a gas corporation subject to the jurisdiction of the Commission. Its Spire West operating unit provides gas service in western Missouri to customers in the counties of Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper, Dade, Dekalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Newton, Pettis, Platte, Ray, Saline, Stone, and Vernon.

4. Communications in regard to this Application should be addressed to:

Matthew Aplington  
General Counsel  
Spire Missouri Inc.  
700 Market Street  
St. Louis, MO 63101  
314-342-0785 Office  
Matt.Aplington@[spireenergy.com](mailto:Matt.Aplington@spireenergy.com)

Goldie Bockstruck MoBar#58759  
Director, Associate General Counsel  
Spire Missouri Inc.  
700 Market Street  
St. Louis, MO 63101  
(314) 356-1568  
Goldie.Bockstruck@spireenergy.com

Wesley E. Selinger  
Manager, Rates and Planning  
Spire Missouri Inc.  
700 Market Street, 5<sup>th</sup> Floor  
St. Louis, Missouri 63101  
(314) 230-5847

5. Other than cases that have been docketed at the Commission, Spire has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

6. Spire Missouri is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

#### **THE ISRS REQUEST**

7. With this application, Spire West requests an adjustment to its rates and charges to reflect the annual reconciliation of the difference between the revenues resulting from its ISRS and the appropriate pretax revenues as found by the commission for the period October 8, 2018 through June 30, 2020 per Section 393.1015 (5)(2) of the Revised Statutes of Missouri. With this application, Spire does not seek recovery for additional ISRS eligible capital investments beyond those underlying the Company's current approved ISRS rates.

8. Spire West's revenue reconciliation included in this application involves two steps. The first is the correction of an error made in the Company's prior annual reconciliation. During the Company's July 2019 ISRS proceeding, Case No. GO-2019-0357, the parties inadvertently made an error when calculating the annual reconciliation amount for the period of October 2018 through July 2019. The calculation made during

the reconciliation period did not correct or properly true-up the Company's ISRS rates by not reversing the inclusion of the initial over-collection from the Company's prior ISRS cycle. This resulted in an over-collection of \$356,754. This component of the reconciliation calculation is one that has been historically performed in Spire's previous ISRS cases. Secondly, Spire West has performed a reconciliation of ISRS revenues for the period of October 8, 2018 through June 30, 2020 resulting in the under-recovery of \$1,651,235. After accounting for the prior period error for October 8, 2018 through July 2019, and accounting for the under-recovery for October 8, 2018 through June 30, 2020, Spire West has calculated an under-recovery of \$1,294,481.19, as shown on Appendix A, Schedule 1.

**Rate Schedules, Calculations and Supporting Documentation**

9. 393.1015 (5)(2) requires each utility employing an ISRS charge to annually reconcile "the difference between the revenues resulting from its ISRS and the appropriate pretax revenues as found by the commission for that period." 393.1015 (5)(2) authorizes the Commission to approve recovery or refund of this difference through adjustments of an ISRS charge. As directed by statute, Spire West submits its annual reconciliation and requests the Commission approve an adjustment to its ISRS rates to reflect the calculated revenue under collection.

Attached hereto as Appendix A, Schedule 2 is the specimen tariff, with supporting documents (Appendix A, Schedules 3 and 4), proposed by Spire West in order to adjust its ISRS and to provide for the adjustment of its rates and charges to reflect the reconciliation described above.

10. In determining the appropriate monthly ISRS charge, the proposed rate schedule is based on a reasonable estimate of billing units in the period in which the charge will be in effect, which is derived by dividing the appropriate pre-tax revenues, as calculated above, by the customer class billing determinants approved in Spire West's last general rate case, and then further dividing this quotient by twelve. Consistent with the methodology used in previous ISRS filings, the monthly ISRS charge is apportioned between customer classes in proportion to the customer charges applicable to those classes.

#### **ADDITIONAL INFORMATION**

24. In connection with 20 CSR 4240-3.265(22), attached hereto and incorporated herein as Appendix B is a description of the Company's call center instructions pertaining to the ISRS, along with a description of ISRS information posted on the Company's website.

25. Pursuant to 20 CSR 4240-3.265(8) and (9), Spire West intends to continue using the annual notices and customer bill language approved by the Commission in Case No. GO-2018-0310, at the time its current ISRS was first established.

#### **REQUEST FOR WAIVER**

26. Commission Rule 20 CSR 4240-4.017(1) provides, in part, as follows:

Any person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case. Such notice shall detail the type of case and issues likely to be before the commission and shall include a summary of all communication regarding substantive issues likely to be in the case between the filing party and the office of the commission that occurred in the ninety (90) days prior to filing the notice.

Rule 20 CSR 4240-4.017(1)(D) permits a party to request a waiver of the above cited rule for good cause. The rule provision specifically provides that good cause may be established by submitting a verified declaration that the filing party has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case. The Company interprets this to mean that good cause is established if the filing party has had no communication with a member of the office of the Commission outside of pleadings or other public communications. Subject to that understanding, the Company has attached to this request a verified declaration that neither the Company nor any person or entity acting on behalf of the Company or its Missouri operating units, has had a communication with a member of the office of the commission in the last 150 days regarding any substantive issue relating to this case. For that reason, the Company requests that the Commission grant a waiver of the 60-day notice requirement for Spire Missouri's application to change its ISRS.

**WHEREFORE**, pursuant to 393.1015.2(3) and Commission Rule 20 CSR 4240-3.265(12), Spire Missouri West respectfully requests that the Commission issue an Order, approving the ISRS rate schedules submitted in connection with the Application in order to adjust Spire West's ISRS to account for its annual ISRS revenue reconciliation.

Respectfully submitted,

*Matthew Aplington*  
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ATTORNEYS FOR Spire Missouri Inc.

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing Application and Petition was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 4<sup>th</sup> day of August 2020 by hand-delivery, fax, electronic or regular mail.

/s/ Goldie Bockstruck \_\_\_\_\_



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

In the Matter of the Application of Spire Missouri )  
Inc. to Change its Infrastructure System ) Case No. GO-2021-  
Replacement Surcharge in its Spire Missouri West )  
Service Territory )

**VERIFICATION AND AFFIDAVIT OF WESLEY E. SELINGER**

STATE OF MISSOURI )  
 ) SS.  
CITY OF ST. LOUIS )

Wesley Selinger, of lawful age, being first duly sworn, deposes and states:

1. My name is Wesley Selinger. I am the Manager of Rates and Planning. My business address is 700 Market St., St. Louis, Missouri, 63101.

2. I have read the foregoing Application, and that the matters and things set forth therein are true and correct to the best of my knowledge, information and belief. I also hereby swear and affirm that I have read the foregoing Request for Waiver, and hereby declare that, other than pleadings or other public communications, Spire Missouri Inc. has had no communication with the office of the Commission, within the prior one hundred and fifty (150) days regarding any substantive issue likely to be in the above referenced case.

3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

**Dated: August 4, 2020**

/s/ Wesley Selinger  
Wesley Selinger

**Spire Missouri West  
 ISRS - Case No.  
 ISRS Revenue Requirement Calculation  
 Appendix A - Schedule 1**

**Spire Missouri West  
 ISRS Revenue Requirement Calculation**

**ISRS Activity:**

**Gas Utility Plant Projects - Main Replacements and Other Projects Extending Useful Life of Mains:**

<u>Work Orders Placed in Service</u>	
Gross Additions	-
Deferred Taxes	-
Accumulated Depreciation	-
	<hr/>

**Total Net** 

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-

**Gas Utility Plant Projects - Service Line Replacements and Insertion Projects:**

<u>Work Orders Placed in Service</u>	
Gross Additions	-
Deferred Taxes	-
Accumulated Depreciation	-
	<hr/>

**Total Net** 

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-

**Gas Utility Plant Projects - Regulator Stations:**

<u>Work Orders Placed in Service</u>	
Gross Additions	-
Deferred Taxes	-
Accumulated Depreciation	-
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**Total Net** 

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-

**Gas Utility Plant Projects - Main Relocations net of Reimbursements:**

<u>Work Orders Placed in Service</u>	
Gross Additions	-
Deferred Taxes	-
Accumulated Depreciation	-
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**Total Net** 

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-

**Increase in Accumulated Deferred Income Taxes and Accumulated Depreciation  
 Associated with Eligible Infrastructure System Replacements which are included in a  
 Currently Effective ISRS**

Total Incremental Accumulated Depreciation	-
Total Incremental Accumulated Deferred Taxes	-

<b>Total ISRS Rate Base</b>	-
<b>Overall Rate of Return per GR-2017-0216</b>	7.20%
<b>UOI Required</b>	-
<b>Income Tax Conversion</b>	1.34135
<b>Revenue Requirement on Capital</b>	-
	<hr/>

<b>Depreciation Expense</b>	-
<b>Net Property Taxes</b>	-
<b>ISRS Undercollection</b>	1,294,481
<b>Total ISRS Revenues</b>	1,294,481
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## Appendix A, Schedule 2

P.S.C. MO. No. 8  
CANCELLING

P.S.C. MO. No. 8

Sixth Revised  
Fifth Revised

SHEET No. 12  
SHEET No. 12

Spire Missouri Inc. d/b/a/ Spire

For: Spire Missouri West

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### **INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE** **ISRS**

Description: Rate ISRS is designed to recover the costs associated with the Company's eligible infrastructure replacements in accordance with the provisions of sections 393.1009, 393.1012 and 393.1015, RSMo.

Applicability: Rate ISRS is applicable to each customer billing for service during the effectiveness of the ISRS rate element.

ISRS Rate Element: In addition to the other charges provided for in the Company's tariff, a monthly ISRS Rate Element shall be added to each bill for service on and after the effective date of the ISRS rate. The amount of the ISRS Rate Element, by customer class, is as follows:

Residential	\$3.36	per month	*
Small General Service	\$5.03	per month	*
Large General Service	\$21.84	per month	*
Large Volume Service	\$183.77	per month	*
Intrastate Transportation Service	\$183.77	per month	*

\* - indicates new rate

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DATE OF ISSUE: August 4, 2020

DATE EFFECTIVE: September 3, 2020

ISSUED BY: Scott A. Weitzel, Managing Director, Regulatory & Legislative Affairs  
Spire Missouri Inc., St. Louis, MO. 63101

Spire Missouri West  
 ISRS - Case No.  
 ISRS Rate Design  
 Appendix A - Schedule 3

Spire Missouri West  
 ISRS Rate Design

Current ISRS Revenues \$ 1,294,481

<u>Customer Rate Class</u>	<u>Number of Customers*</u>	<u>Customer Charge</u>	<u>Ratio to Residential Customer Charge</u>	<u>Weighted Customer Nos.</u>	<u>Customer Percentage</u>	<u>Current ISRS Charge</u>	<u>Current ISRS Revenues</u>
Residential	469,947	20.00	1.0000	469,947	82.9794%	0.19	1,074,153
SGS	31,727	30.00	1.5000	47,591	8.4031%	0.29	108,777
LGS	3,628	130.17	6.5085	23,613	4.1694%	1.24	53,972
LV	460	1,095.27	54.7635	25,191	4.4481%	10.43	57,579
<b>Total</b>	505,762				100.0000%		<u>1,294,481</u>

\*Average customers - GR-2017-0216

\*\*Single customers with multiple accounts located on contiguous property.

**Spire Missouri West**  
**ISRS - Case No.**  
**ISRS Cumulative Rate Design**  
**Appendix A - Schedule 4**

**Spire Missouri West**  
**ISRS Rate Design**

<b>Total ISRS Revenues</b>							<b>22,803,313</b>	
<b>Customer Rate Class</b>	<b>Number of Customers*</b>	<b>Customer Charge</b>	<b>Ratio to Residential Customer Charge</b>	<b>Weighted Customer Nos.</b>	<b>Customer Percentage</b>	<b>Current ISRS Charge</b>	<b>Current ISRS Revenues</b>	
<b>Residential</b>	469,947	20.00	1.0000	469,947	82.9794%	3.36	18,922,060	
<b>SGS</b>	31,727	30.00	1.5000	47,591	8.4031%	5.03	1,916,195	
<b>LGS</b>	3,628	130.17	6.5085	23,613	4.1694%	21.84	950,753	
<b>LV</b>	460	1,095.27	54.7635	25,191	4.4481%	183.75	1,014,305	
<b>Total</b>	505,762				100.0000%		<u>22,803,313</u>	

\*Average customers - GR-2017-0216

### Context and talking points for Customer Service

#### Pipeline Upgrade Charge (Infrastructure System Replacement Surcharge-ISRS)

August 2020

##### What is the Pipeline Upgrade Charge (ISRS) for?

We're committed to bringing the people we serve reliable energy that's safe. In 2011, we developed a pipeline upgrade program to comply with a safety requirement to replace hundreds of miles of old pipe, over time, with a safer, more reliable material (plastic). The Pipeline Upgrade Charge (ISRS) covers a portion of the upfront cost we pay for these pipeline upgrades. The Pipeline Upgrade Charge (ISRS) also covers costs we incur to meet government requirements to relocate our pipelines for the greater good of the communities we serve, such as for road expansions.

##### Who approves or regulates this charge?

The Pipeline Upgrade Charge (ISRS) is authorized by a Missouri statute (section 393.1009-1015). The charge and amount are approved by the Missouri Public Service Commission.

##### What's the charge for?

On August 4th, the Company filed ISRS petitions for the recovery of costs associated with work for the period March 1, 2020 through August 31, 2020.

##### How much is the charge?

As a result of this most recent filing, residential customers will now see a Pipeline Upgrade Charge (ISRS) on their bill:

- Missouri East-\$3.11
- Missouri West-\$3.36.

The approved amount only covers a portion of the cost needed to upgrade our infrastructure.

Throughout the year, we'll continue working with the MoPSC to determine a fair rate for the Pipeline Upgrade Charge (ISRS).

##### How often can this charge change?

This charge can change up to twice a year.

##### How do customers learn about the charge?

## Appendix B

At the time, the Pipeline Upgrade Charge (ISRS) was renewed, we provided our customers with an initial notice about the change through a bill insert. We'll also send, once a year, a bill message to further educate customers about the charge.

Here is some helpful information for you to share with customers inquiring about the Pipeline Upgrade Charge (ISRS).

- We care about your safety, so in 2011, we developed a pipeline upgrade program to comply with a safety requirement to replace hundreds of miles of old pipe over time with safer, more reliable plastic pipes. The Pipeline Upgrade Charge (ISRS) covers a portion of the costs of those pipeline upgrades, as well as a portion of what we spend on projects for the greater good of the communities we serve (i.e. road improvements).
- We work with MoPSC closely to make sure rates are fair, and we're following Missouri law. And according to those laws, we can work with the MoPSC to adjust the charge up to two times a year.
- Even with this charge, it will take us decades to fully recover our costs.
- We always try to keep this charge as low as possible for customers. This charge has generally been an increase of less than 2 percent of the total annual bills.
- This charge is lower for residential customers than for commercial and industrial customers.

spire

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### Terms Explained

Customer charge	+
Usage	+
Infrastructure System Replacement Surcharge (ISRS)	-
A portion of the cost to upgrade our pipelines to bring you even safer, more reliable service.	
Natural gas cost	+
Therm	+

### More Information

Rate schedules and clauses +

10:13 AM  
6/26/2018