

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by telephone and internet audio conference on the 13th day of May, 2020.

In the Matter of the Application of Spire)
Missouri, Inc. d/b/a Spire to Change its) **File No. GO-2020-0229**
Infrastructure System Replacement) Tracking No. YG-2020-0139
Surcharge in its Spire Missouri East Service)
Territory)

In the Matter of the Application of Spire)
Missouri, Inc. d/b/a Spire to Change its) **File No. GO-2020-0230**
Infrastructure System Replacement) Tracking No. YG-2020-0140
Surcharge in its Spire Missouri West Service)
Territory)

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: May 13, 2020

Effective Date: May 23, 2020

On February 3, 2020,¹ Spire Missouri, Inc. (Spire or the Company) filed applications and petitions with the Commission requesting the Commission authorize it to change its infrastructure system replacement surcharge (ISRS) for its Spire Missouri East and West service territories. Spire filed corrected applications and petitions on February 13. On February 18, the Commission issued an Order Directing Notice, Setting Intervention Deadline, Directing Filing and Suspending Tariff Sheets. The order suspended the effective dates of Tariffs YG-2020-0139 (Spire East) and YG-2020-0140 (Spire West) until June 2. On March 31, the Commission issued its Procedural Schedule and set the matter for an evidentiary hearing on April 27 and 28.

¹ Calendar references will be to 2020 unless otherwise indicated.

On April 16, the Commission's Staff (Staff), the Office of the Public Counsel (OPC) and Spire filed a Unanimous Stipulation and Agreement (Agreement). The Agreement provides for ISRS revenue of \$5,519,188 for Spire East and \$5,599,040 for Spire West. It also provides that OPC's issue concerning cathodically protected pipes will be resolved consistently with the disposition of that issue in cases GO-2019-0356 and GO-2019-0357 now on appeal in the Missouri Court of Appeals, case number WD83475.

On April 17, the Commission issued its Order Suspending Procedural Orders and Cancelling Hearings. On April 21, the Commission ordered Staff to file a verified supplemental report indicating whether the ISRS revenue amounts agreed to by the parties in their agreement reflect an accurate recovery for replaced facilities that were worn out or deteriorated and to state the agreed upon revenue amount attributable to replaced cathodically protected steel facilities. The order also required Spire and OPC to file a response to Staff's supplemental recommendation no later than May 3.

On April 28, the Commission Staff filed a Verified Response to Order Directing Filing and in Support of Unanimous Stipulation and Agreement (Staff Response in Support). Staff stated it considered the revenue requirements agreed to by the signatories to the Agreement to be fair and reasonable and in the public interest, and Staff recommended the Commission approve the Agreement. Staff stated it believed the ISRS revenue requirements agreed to by the parties reflected an accurate recovery for replaced facilities. It stated there was no current method accepted by the parties for identifying the costs associated with the replacement of cathodically protected bare steel pipe facilities. Staff stated:

"For purposes of this filing, Spire informed Staff that it has reviewed its work orders and information management system to formulate an estimate of the amount of

costs in the revenue requirement that may be attributed to bare steel facilities that were later cathodically protected. The Company estimates are \$236,515 for Spire East and \$2,131,756 for Spire West. Based on an initial review of Spire's estimates, Staff considers them to be reasonable. But in the event the Court later issues a decision requiring an adjustment to remove amounts attributable to replacement of cathodically protected bare steel facilities, Staff reserves its right to (1) conduct a more thorough analysis of the process and method used to identify Spire's estimated costs, and (2) if appropriate, recommend an alternative method to determine these costs."

On May 3, Spire filed its Response to Staff in Support of Unanimous Stipulation and Agreement (Spire's Response in Support). Spire stated it agreed with the statements and quantifications set forth in Staff's pleading.

The Commission may resolve any part of this proceeding on the basis of a stipulation and agreement.² After reviewing the Agreement, Staff's Response in Support, and Spire's Response in Support the Commission finds and concludes that the Agreement is a reasonable resolution of the issues. The Commission will approve the Agreement.

To effectuate the terms of the Agreement, the Commission will reject the tariff sheets YG-2020-0139 and YG-2020-0140 filed on February 13 and will direct Spire to file new tariff sheets that comply with the terms of the Agreement. Because the parties have agreed the new ISRS rates should become effective no sooner than May 25 and no later than June 2, the Commission finds this order should be effective in less than thirty days.

THE COMMISSION ORDERS THAT:

1. The Unanimous Stipulation and Agreement filed on April 16, 2020, is approved, and the signatories are ordered to comply with its terms. A copy of the Unanimous Stipulation and Agreement is attached to this order and incorporated herein as if fully set forth.

² Commission Rule 20 CSR 4240-2.115(1)(B).

2. The tariff sheets filed on February 13, 2020, by Spire Missouri, Inc., Tariff Tracking Numbers YG-2020-0139 and YG-2020-0140, are rejected.

3. Spire Missouri, Inc., shall file compliance tariff sheets conforming with the Unanimous Stipulation and Agreement approved and adopted by this order no later than May 23, 2020.

4. This order shall be effective on May 23, 2020.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

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

Graham, Regulatory Law Judge