

FILED  
April 10, 2019  
Data Center  
Missouri Public  
Service Commission

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

In the Matter of the Application of Spire Missouri ) **File No. GO-2019-0115**  
Inc. to Change its Infrastructure System ) **Tariff No.**  
Replacement Surcharge in its Spire Missouri East )  
Service Territory )

In the Matter of the Application of Spire Missouri ) **File No. GO-2019-0116**  
Inc. to Change its Infrastructure System ) **Tariff No.**  
Surcharge in its Spire Missouri West )  
Service Territory )

**AFFIDAVIT AND VERIFICATION**

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

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

1. My name is Wesley E. Selinger. My business address is 700 Market Street, St. Louis, Missouri 63101; and I am the Manager, Rates and Planning for Spire Missouri Inc. ("Spire" or "Company").

2. I have overseen the preparation and execution of Spire's ISRS Applications in the above-captioned proceeding for Spire Missouri East ("Spire East") and Spire Missouri West ("Spire West"), respectively. I hereby confirm that the information provided in these Applications and Appendices is true and correct to the best of my knowledge and belief.

3. I have also overseen the preparation of the analysis conducted by the Company for Spire East and Spire West to comply with the Commission's evidentiary roadmap for establishing ISRS eligibility in connection with the costs incurred by the Company for certain projects and activities as such. That evidentiary roadmap was set forth on pages 15-16 of the Commission's Report and Orders in Case Nos. GO-2018-0309 and GO-2018-0310 ("Orders").

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4. In an effort to comply with the Commission's evidentiary roadmap, Spire has undertaken a significant effort to refine its ISRS related processes and procedures and to make its ISRS filings better-aligned with the aforementioned-Commission guidance. The Company believes these modifications not only satisfy the analytical requirements described by the Commission in its Orders but will also help to facilitate the audit of Spire's ISRS filings by other parties. In addition to using this analytical framework to evaluate and establish the eligibility of applicable ISRS investments made on and after July 1, 2018 (see Appendix A to the Applications for Spire East and Spire West), the same analysis has also been used to evaluate and establish eligibility for those ISRS investments made between October 1, 2017 and June 30, 2018 (see Appendix B to the Applications for Spire East and Spire West). The Company is seeking such recovery only to the extent the Commission did not permit recovery of these ISRS investments in Case Nos. GO-2018-0309 and GO-2018-0310 because the preferred analytical framework enunciated by the Commission at the conclusion of those cases was not, in the Commission's view, extensive enough.

5. As previously noted, Spire has made several modifications to its ISRS filings and supporting work papers to comply with the evidentiary roadmap established by the Commission in Case Nos. GO-2018-0309 and GO-2018-0310. In addition, the Company has also taken a more in-depth look at improving its ISRS related processes. These efforts have been made considerably more productive through the willingness of the Commission Staff ("Staff") and Office of Public Counsel ("OPC") to meet on several occasions with Spire to discuss revisions to the ISRS format, supporting documentation, and ongoing ISRS process improvements.

6. Specifically, Spire has included with these ISRS filings the kind of project-by-project analysis that the Commission said was necessary in its Orders to establish ISRS

eligibility for those projects where some amount of plastic is replaced rather than reused. Consistent with the engineering analysis that the Company previously used and submitted, these analyses quantify, for each ISRS replacement project, the difference in project costs resulting from using Spire's approach of replacing incidental plastic compared to the cost of the alternative approach where the plastic would have been reused and remained interspersed with the new pipe.

7. For projects where the analysis demonstrated that the Company's approach resulted in less ISRS costs (i.e. ISRS savings) and therefore lower ISRS charges, the Company has included all costs related to the project as recoverable. In the alternative, if the analysis demonstrated that it was less costly to reuse the incidental plastic, the Company adjusted the ISRS addition amount to remove the percentage of the addition amount that equates to the cost difference between the two approaches. Individual project results can be found in both Appendix A and Appendix B and these adjustments are applied on a line by line basis to the additions included in those appendices. As previously noted, these project-by-project analyses are in the same form as those presented for a sample of projects in Case No. GO-2018-0309 and Case No. GO-2018-0310. Notably, no party to those cases challenged the design, accuracy or results of these analyses in those cases.

8. Although the Company has adjusted each individual project, as the Company believes such an approach is consistent with a very conservative implementation of the evidentiary roadmap established by the Commission in its Orders, overall it should be noted that Spire's approach to replacing aging cast iron, steel, and copper pipe has resulted in reduced ISRS costs and charges, while also improving improved distribution system integrity and customer safety.

9. Spire has also reconfigured its ISRS model to separate projects captured under blanket work orders from planned projects. Blanket work orders capture projects that are not tied to a specific project plan in the Company's work flow programs. In prior ISRS cases, it has become evident that there is a perceived need by the Commission to better demonstrate what work is being captured and submitted for recovery under blanket work orders. The Company has made a significant effort to better demonstrate what is captured under these work orders and why these projects are ISRS eligible. Again, the Company has met with Staff and OPC on several occasions and reviewed several iterations of modeling that provide the information needed to effectively provide and meaningfully audit this information. The input and questions from the other parties have been highly beneficial to the Company in its development of these models.

10. As a result of these efforts, Spire has created, and included in its workpapers that are being distributed to the parties, the above-mentioned models that categorize individual projects captured in blanket work orders into a series of categories, including projects related to service replacements, unscheduled replacement of mains as a result of investigations done by work crews for other purposes (such as leak investigations), joint encapsulation, cathodic protection, and regulator station maintenance. These categories have been further broken down into even more detailed categories according to the material of pipe retired, leak investigations and repairs, projects related to replacing copper pigtails, and projects resulting from an atmospheric corrosion inspection; further demonstrating the ISRS eligibility of these projects. This project by project examination has been highly beneficial for the Company and has even highlighted several areas for improvement as the Company has discovered a percentage of work orders captured under blanket work orders that are not eligible for ISRS recovery. The Company

has made the necessary adjustments, again on a project-by-project (work order) basis, to remove all items that either can be identified as ineligible for ISRS recovery or that do not contain sufficient information/evidence to demonstrate they are eligible for ISRS recovery. The Company has discussed this issue with Staff and OPC and has committed to ongoing efforts to discuss remedying this situation. The categorical breakdown of the blanket work orders included in this filing can be found in Appendix A, Schedule 5 and Appendix B, Schedule 4. The individual project analyses and the blanket work order models have been provided for all projects in the current ISRS period (July 2018 through January 2018, with December and January estimated and subject to true-up (See Appendix A to both Applications)), as well as, for projects included in its prior ISRS period (October 2017 through June 2018) (See Appendix B to both Applications)) as further discussed below.


11. As previously mentioned, Spire has also included in these ISRS filings additional support in the same format for investments that were not recovered in its most recent ISRS cases for Spire East (GO-2018-0309) and Spire West (GO-2018-0310). In those cases, these investments were excluded from rates because the Commission determined in its Orders that the analysis provided by the Company to show that such investments were ISRS eligible was not extensive enough. In so determining, the Commission provided the previously mentioned “roadmap” that the Company could follow in the future to establish the eligibility of these investments. The Company has now conducted the analyses necessary to comply with this Commission-approved evidentiary roadmap and is seeking recovery of the associated costs. Since these analyses cure the perceived deficiency noted by the Commission in its Orders and all of these costs meet all the requirements for ISRS eligibility described in the Company’s respective Applications, they should be approved for recovery in these cases.

12. I hereby swear and affirm that the information contained herein, and in the Company's Applications for Spire East and Spire West, and all appendices to such Applications, is true and correct to the best of my knowledge and belief.

  
Wesley E. Selinger

Subscribed and sworn to before me this 14th day of January, 2019.



  
Notary Public