Exhibit No.:

Issue(s): Cost Recovery Mechanism/

ISRS

Witness/Type of Exhibit: Robinett/Direct Sponsoring Party: Public Counsel GO-2016-0332

GO-2016-0333 GO-2017-0201 GO-2017-0202 GO-2018-0309 GO-2018-0310

DIRECT TESTIMONY

OF

JOHN A. ROBINETT

Submitted on Behalf of the Office of the Public Counsel

LACLEDE GAS COMPANY SPIRE MISSOURI INCORPORATED

CASE NOS. GO-2016-0332, GO-2016-0333, GO-2017-0201 GO-2017-0202, GO-2018-0309 and GO-2018-0310

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Missouri Gas Energy Service Territory) File No. GO-2016-0332)
In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Laclede Gas Service Territory) File No. GO-2016-0333)
In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Missouri Gas Energy Service Territory) File No. GO-2017-0201)
In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Laclede Gas Service Territory) File No. GO-2017-0202)
In the Matter of the Application of Spire Missouri Inc. to Change its Infrastructure System Replacement Surcharge in its Spire Missouri East Service Territory) File No. GO-2018-0309)
In the Matter of the Application of Spire Missouri Inc. to Change its Infrastructure System Replacement Surcharge in its Spire Missouri West Service Territory) (i) (iii)
AFFIDAVIT OF JOHN A	. ROBINETT
STATE OF MISSOURI)	
COUNTY OF COLE) ss	

John A. Robinett, of lawful age and being first duly sworn, deposes and states:

- 1. My name is John A. Robinett. I am a Utility Engineering Specialist for the Office of the Public Counsel.
 - 2. Attached hereto and made a part hereof for all purposes is my direct testimony.
- 3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

John A. Robinett

Utility Engineering Specialist

Subscribed and sworn to me this 22^{nd} day of August 2018.



JERENE A. BUCKMAN My Commission Expires August 23, 2021 Cole County Commission #13754037

Jerene A. Buckman

Notary Public

My Commission expires August 23, 2021.

OF JOHN A. ROBINETT

SPIRE MISSOURI EASTSPIRE MISSOURI WEST

CASE Nos. GO-2016-0332, GO-2016-0333, GO-2017-0201, GO-2017-0202, GO-2018-0309, and GO-2018-0310

What is your name and what is your business address?

1 **Q.**

2	A.	John A. Robinett, PO Box 2230, Jefferson City, Missouri 65102.
3	Q.	By whom are you employed and in what capacity?
4 5	A.	I am employed by the Missouri Office of the Public Counsel ("OPC") as a Utility Engineering
5		Specialist.
6	Q.	Have you previously provided testimony before the Missouri Public Service
7		Commission?
8	A.	Yes.
9	Q.	What is your work and educational background?
10	A.	A copy of my work and educational experience is attached to this testimony as Schedule JAR-
11		D-1.
12	Q.	What is the purpose of your direct testimony?
13	A.	The purpose of this direct testimony is two-fold. First, it will provide OPC's position
14		regarding the proper calculation refund that the Commission might order based on the remand
15		from the Western District Court of Appeals of Case Nos. GO-2016-0332, GO-2016-0333,
16		GO-2017-0201, and GO-2017-0202. ¹ Second, it will provide OPC's position on Staff's
17		recommendation regarding any application of a refund to Spire's current Infrastructure
18		System Replacement Surcharge ("ISRS") requests Case Nos. GO-2018-0309 and GO-2018-
19		0310.

¹ Subject to Stipulation and Agreement that the 2017 ISRS cases would be subject to the decision from the appeal for the 2016 ISRS cases.

Direct Testimony of John A. Robinett Case No. GO-2016-0332, GO-2016-0333 GO-2017-0201, GO-2017-0202 GO-2018-0309, GO-2018-0310

2

3

4

5

6

7

8

9

10

11 12

13

14

15

16

17

18

19

20

21

22

1 | Case Nos. GO-2016-0332, GO-2016-0333, GO-2017-0201, and GO-2017-0202

- Q. How much revenue did Spire collect from its ratepayers for Case Nos. GO-2016-0332, GO-2016-0333, GO-2017-0201, and GO-2017-0202?
- A. Rates from Case Nos. GO-2016-0332 and GO-2016-0333 were in effect for 15 months prior to the resetting of the ISRS in Spire's most recent rate cases GR-2017-0215 and GR-2017-0216. Rates from Case Nos. GO-2017-0201 and GO-2017-0202 were in effect for 11 months prior to the resetting of the ISRS in Spire's most recent rate cases: GR-2017-0215 and GR-2017-0216. For these four cases, Spire has collected a sum total of \$15,154,515 in revenues from its customers for the ISRSs. Of this amount, MGE collected \$6,733,568.25 and Laclede collected \$8,420,946.75.
- Q. Are Spire Missouri East's and Spire Missouri West's currently recovering the cost of replacement of plastic mains and service lines from their customers?
- A. Yes, these costs are now included in the Companies' plant-in-service. As part of Case Nos. GR-2017-0215 and GR-2017-0216, Spire's ISRSs were reset to zero for its Missouri East and Missouri West operations. This plant was included in rate base in determining revenue requirement for those cases and will be included in rates going forward.
- Q. What information led you to determine it was necessary to calculate a refund for Spire customers?
- A. I reviewed, and discussed with counsel, the Western District November 21, 2017 Opinion issued in Docket No. WD80544 on.² In that Opinion, the Western District cited in footnote 4 that 16% of main lines and 64% of services lines replaced were plastic. The Western District stated that:

 $^{^2\,}PSC\,v.\,Office\,\,of\,Public\,\,Counsel\,(In\,\,re\,\,Laclede\,\,Gas\,\,Co.),\,539\,\,S.W.3d\,\,835,\,841\,\,(Mo.\,\,App.\,\,W.D.\,\,2017).$

Direct Testimony of John A. Robinett Case No. GO-2016-0332, GO-2016-0333 GO-2017-0201, GO-2017-0202 GO-2018-0309, GO-2018-0310

Our conclusion that recovery of the costs for replacement of plastic components that are not worn out or in deteriorated condition is not available under ISRS is based solely on our determination that the costs do not satisfy the requirements found in the plain language of the section 393.1009(5)(a).³

As set forth in the testimony of Mr. Schallenberg, the OPC believes that the Westren District's decision indicates that Spire's ISRS petition did not comply with the applicable statutory requirements and hence should be denied and the full amount collected by Spire refunded to its customers. However, out of an abundance of caution, the OPC has decided to calculate what it believes would be a proper compensation should the Commission determine that only the overcollection related to plastic componets is refundable.

- Q. What information did OPC use to calculate the refund for Spire customers from the Western District remand?
- A. I used the percentages cited by the Western District in footnote 4 of the Opinion, which the Court would have found in the Rebuttal Testimony of Staff Witness Ms. Kimberly Bolin in Case No. GO-2016-0332.
- Q. How did you calculate the refund for Spire customers from the Western District remand?
- A. To calculate adjusted annual revenue requirements, I reviewed Staff's supporting work papers for the amount of plant additions in each of the four cases. Then I applied the Western District's cited percentages to the plant additions. I then calculated the difference between the annual authorized revenue requirement and the adjusted annual revenue requirement for each case to determine the amount of disallowed cost for recovery of plastic pipe replacement

 $^{^3}$ Id.

Direct Testimony of John A. Robinett

Case No. GO-2016-0332, GO-2016-0333 GO-2017-0201, GO-2017-0202

GO-2018-0309, GO-2018-0310

To account for the fact that the ISRS rates in the 2016 cases were in effect for a longer period of time than the 2017 rates. I calculated the <u>monthly</u> revenue requirements and then multiplied that monthly value by the number of months that each of the rates was in effect. Both surcharges were reset to zero on April 19, 2018 when rates became effective in Spire's most recent rate cases, Case Nos. GR-2017-0215 and GR-2017-0216. The chart below shows the results of my calculations for both monthly and annual revenue requirement differences.

	Annual Revenue	Monthly Revenue	
Case Number	Requirement	Requirement	
	Difference	Difference	
Laclede GO-2016-0332	\$1,237,621	\$103,135	
Laclede GO-2017-0201	\$418,113	\$34,843	
MGE GO-2016-0333	\$1,609,423	\$134,119	
MGE GO-2017-0202	\$1,181,391	\$98,449	

 For Case Nos. GO-2016-0332 and GO-2016-0333, ISRS rates were effective for 15 months and, in Case Nos. GO-2017-0201 and GO-2017-0202, for 11 months.

For my final calculation in each case, I multiplied the monthly revenue requirement difference by the number of months rates were in effect. The total refund amount for each case is shown in the table below:

Direct Testimony of John A. Robinett

Case No. GO-2016-0332, GO-2016-0333 GO-2017-0201, GO-2017-0202 GO-2018-0309, GO-2018-0310

Case Number	Monthly Revenue Requirement Difference	Months Rate Effective	Refund Amount
Laclede GO-2016-0332	\$103,135	15	\$1,547,025
Laclede GO-2017-0201	\$34,843	11	\$383,273
MGE GO-2016-0333	\$134,119	15	\$2,011,785
MGE GO-2017-0202	\$98,449	11	\$1,082,939

1

2

3

4

5 6

7

8 9

10 11

13

14

15

16

17

12

a. \$1,930,298 for Laclede customers for Case Nos. GO-2016-0332 and GO-2017-

Based on these calculations, OPC recommends the following refunds to customers:

0201; and

 \$3,094,724 for MGE customers for Case Nos. GO-2016-0333 and GO-2017-0202.

The total refund to Spire Missouri's customers is \$5,025,022.

Staff provided its workpapers to the Parties in Case Nos. GO-2016-0332, GO-2016-0333, GO-2017-0201, and GO-2017-0202. These documents are attached to this testimony and were used by Staff to support its recommendations in each of these remanded ISRS cases. I used the same workpapers and applied the Western District's cited percentages to the plant-in-service values in Staff's workpapers to determine the difference in revenue requirement that I recommend above.

Case Nos. GO-2018-0309 and GO-2018-0310

Q. Does OPC agree with the Staff's August 6, 2018 recommendation in the GO-2018-0309 and GO-2018-0310 cases that the refund should be used to reduce the current ISRS request for Spire Missouri East and Spire Missouri West?

Direct Testimony of John A. Robinett Case No. GO-2016-0332, GO-2016-0333 GO-2017-0201, GO-2017-0202 GO-2018-0309, GO-2018-0310

2 3 4

5

1

Α.

Q.

ISRS cases?

No. The ISRS values that reflected the four remanded ISRS cases were reset to zero in the last general rate proceedings, Case Nos. GR-2017-0215 and GR-2017-0216 are now included in base rates going forward. Instead, OPC recommends a one-time, line-item refund for the amounts Spire collected from ratepayers for costs related to the replacement of plastic mains and plastic service lines.

Does OPC have any concerns about the inclusion of the refund in the current 2018

6 7

8

9

10

11

12

13

14

15

16

A. Yes. Given the Staff recommendation in the 2018 ISRS cases and Staff's Notice filed July 9, 2018⁴ in all four remanded cases, if the Commission accepts Staff recommendations in all six cases there is a potential that the current ISRS request may be negative after the refunds are applied. Based on advice by legal counsel, I believe that this would be impermissible under Section 393.1012.1, RSMo. This Section prohibits the Commission from approving an ISRS that would produce total annualized revenues "below the lesser of one million dollars or one-half of one percent of the gas corporation's base revenue level approved by the commission in the gas corporation's most recent general rate proceeding." Therefore, if Spire's ISRS request drops below one million dollars, by statute, the

17 18

19

Q. Does this conclude your direct testimony?

Commission could not approve the Application.

A. Yes, it does.

[.]

⁴ Case No. GO-2016-0332, Staff Notice, EFIS item No. 104.

John A. Robinett

I am employed as a Utility Engineering Specialist for The Missouri Office of the Public Counsel (OPC). I began employment with OPC in August of 2016. In May of 2008, I graduated from the University of Missouri-Rolla (now Missouri University of Science and Technology) with a Bachelor of Science degree in Mechanical Engineering.

During my time as an undergraduate, I was employed as an engineering intern for the Missouri Department of Transportation (MoDOT) in their Central Laboratory located in Jefferson City, Missouri for three consecutive summers. During my time with MoDOT, I performed various qualification tests on materials for the Soil, Aggregate, and General Materials sections. A list of duties and tests performed are below:

- Compressive strength testing of 4" and 6" concrete cylinders and fracture analysis
- Graduations of soil, aggregate, and reflective glass beads
- Sample preparations of soil, aggregate, concrete, and steel
- Flat and elongated testing of aggregate
- Micro-deval and LA testing of aggregate
- Bend testing of welded wire and rebar
- Tensile testing of welded, braided cable, and rebar
- Hardness testing of fasteners (plain black and galvanized washers, nuts, and bolts)
- Proof loading and tensile testing of bolts
- Sample collection from active road constructions sites
- Set up and performed the initial testing on a new piece of equipment called a Linear Traverse / Image Analysis
- Wrote operators manual for the Linear Traverse / Image Analysis Machine
- Trained a fulltime employee on how to operate the machine prior to my return to school
- Assisted in batching concrete mixes for testing, mixing the concrete, slump cone testing, percent air testing, and specimen molding of cylinders and beams

Upon graduation, I accepted a position as an Engineer I in the Product Evaluation Group for Hughes Christensen Company, a division of Baker Hughes, Inc. (Baker), an oil field service company. During my employment with Baker, I performed failure analysis on oil field drill bits as well as composed findings reports which were forwarded to the field engineers in order for them to report to the company the conclusions of the failure causes.

I previously was employed as a Utility Engineering Specialist I, II, III for the Missouri Public Service Commission (Commission). My employment with the Commission spanned from April of 2010 to August of 2016. My duties involved analyzing deprecation rates and studies for utility companies and presenting expert testimony in rate cases before the Commission.

Listed below are the cases in which I have supplied testimony, comments, and/or depreciation rates accompanied by a signed affidavit.

Company	Case Number	Issue	Party
Kansas City Power & Light Company	ER-2018-0145	Direct and Rebuttal Testimony, Depreciation and O&M expense related to retired generation units, ONE CIS Allocation	Office of Public Counsel (OPC)
Kansas City Power & Light Company Greater Missouri Operations	ER-2018-0146	Direct and Rebuttal Testimony, Depreciation and O&M expense related to retired generation units, ONE CIS Allocation, Removal of Additional Amortization	OPC
Empire District Electric Company	EO-2018-0092	Rebuttal, Surrebuttal, Affidavit in Opposition, additional Affidavit and Live Testimony	OPC
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	GR-2018-0013	Rebuttal and Surrebuttal Testimony depreciation, general plant amortization	OPC
Laclede Gas Company Missouri Gas Energy Spire Missouri East Spire Missouri West	GO-2016-0332 GO-2016-0333 GO-2017-0201 GO-2017-0202 GR-2017-0215 GR-2017-0216	ISRS Over collection of depreciation expense and ROE based on Western District Opinion Docket No. WD80544	OPC
Gascony Water Company, Inc.	WR-2017-0343	Rebuttal, Surrebuttal, and Live Testimony rate base, depreciation NARUC USoA Class designation	OPC

Page 2 of 6 Schedule JAR-d-1

Company	Case Number	Issue	Party
Missouri American Water Company	WR-2017-0285	Direct, Rebuttal, Surrebuttal, and Live Testimony depreciation, ami, negative reserve, Lead Line	OPC
Indian Hills Utility Operating Company, Inc.	WR-2017-0259	Direct, Rebuttal, Surrebuttal, and Live Testimony Rate Base (extension of electric service, leak repairs)	OPC
Laclede Gas Company Missouri Gas Energy	GR-2017-0215 GR-2017-0216	Direct, Rebuttal, Surrebuttal, True-up Rebuttal, and Live Testimony depreciation, retirement work in progress, combined heat and power, ISRS	OPC
Empire District Electric Company	EO-2018-0048	IRP Special issues	OPC
Kansas City Power & Light Company	EO-2018-0046	IRP Special issues	OPC
Kansas City Power & Light Company Greater Missouri Operations	EO-2018-0045	IRP Special issues	OPC
Kansas City Power & Light Company Greater Missouri Operations	EO-2017-0230	2017 IRP annual update comments	OPC
Empire District Electric Company	EO-2017-0065	Direct, Rebuttal, Surrebuttal, and Live Testimony FAC Prudence Review Heat Rate	OPC
Ameren Missouri	ER-2016-0179	Direct, Rebuttal, Testimony Heat Rate Testing &Depreciation	OPC
Kansas City Power & Light Company	ER-2016-0285	Direct, Rebuttal, Surrebuttal, and Live Testimony Heat Rate Testing &Depreciation	OPC

Page 3 of 6 Schedule JAR-d-1

Company	Case Number	Issue	Party
Empire District Electric Company Merger with Liberty	EM-2016-0213	Rebuttal Testimony	Missouri Public Service Commission (MOPSC)
Empire District Electric Company	ER-2016-0023	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
Hillcrest Utility Operating Company, Inc.	SR-2016-0065	Depreciation Review	MOPSC
Hillcrest Utility Operating Company, Inc.	WR-2016-0064	Depreciation Review	MOPSC
Missouri American Water Company	WR-2015-0301	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
Bilyeu Ridge Water Company, LLC Midland Water Company, Inc. Moore Bend Water Utility, LLC Riverfork Water Company Taney County Water, LLC Valley Woods Utility, LLC(Water) Valley Woods Utility, LLC(Sewer) Consolidated into Ozark International, Inc.	WR-2015-0192 WR-2015-0193 WR-2015-0194 WR-2015-0195 WR-2015-0196 WR-2015-0197 SR-2015-0198 Consolidated into WR-2015-0192	*filed depreciation rates not accompanied by signed affidavit	MOPSC
I. H. Utilities, Inc. sale to Indian Hills Utility Operating Company, Inc.	WO-2016-0045	Depreciation Rate Adoption CCN	MOPSC
Missouri American Water Company CCN City of Arnold	SA-2015-0150	Depreciation Rate Adoption CCN	MOPSC
Empire District Electric Company	ER-2014-0351	Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
West 16th Street Sewer Company, W.P.C. Sewer Company, Village Water and Sewer Company, Inc. and Raccoon Creek Utility Operating Company, Inc.	SM-2015-0014	Depreciation Rate Adoption	MOPSC
Brandco Investments LLC and Hillcrest Utility Operating Company, Inc.	WO-2014-0340	Depreciation Rate Adoption, Rebuttal Testimony	MOPSC

Page 4 of 6 Schedule JAR-d-1

Company	Case Number	Issue	Party
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	GR-2014-0152	Direct, Rebuttal, Surrebuttal and Live Testimony	MOPSC
Summit Natural Gas of Missouri, Inc	GR-2014-0086	Depreciation Study, Direct and Rebuttal Testimony	MOPSC
P.C.B., Inc.	SR-2014-0068	Depreciation Review	MOPSC
M.P.B., Inc.	SR-2014-0067	Depreciation Review	MOPSC
Roy-L Utilities	WR-2013-0543	Depreciation Review	MOPSC
Roy-L Utilities	SR-2013-0544	Depreciation Review	MOPSC
Missouri Gas Energy Division of Laclede Gas Company	GR-2014-0007	Depreciation Study, Direct and Rebuttal Testimony	MOPSC
Central Rivers Wastewater Utility, Inc.	SA-2014-00005	Depreciation Rate Adoption	MOPSC
Empire District Electric Company	ER-2012-0345	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
Empire District Electric Company	WR-2012-0300	Depreciation Review	MOPSC
Laclede Gas Company	GO-2012-0363	Depreciation Authority Order Rebuttal, Surrebuttal and Live Testimony	MOPSC
Moore Bend Water Company, Inc. sale to Moore Bend Water Utility, LLC (Water)	WM-2012-0335	Depreciation Rate Adoption	MOPSC
Oakbrier Water Company, Inc.	WR-2012-0267	Depreciation Review	MOPSC
Lakeland Heights Water Co., Inc.	WR-2012-0266	Depreciation Review	MOPSC
R.D. Sewer Co., L.L.C.	SR-2012-0263	Depreciation Review	MOPSC
Canyon Treatment Facility, LLC	SA-2010-0219	Depreciation Rate Adoption- CCN	MOPSC
Taney County Water, LLC	WR-2012-0163	Depreciation Review	MOPSC
Sale of Saddlebrooke Water and Sewer Infrastructure, LLC to Missouri American Water Company (Sewer)	SA-2012-0067	Rebuttal Testimony	MOPSC
Sale of Saddlebrooke Water and Sewer Infrastructure, LLC to Missouri American Water Company (Water)	WA-2012-0066	Rebuttal Testimony	MOPSC

Page 5 of 6 Schedule JAR-d-1

Company	Case Number	Issue	Party
Midland Water Company, Inc.	WR-2012-0031	Depreciation Review	MOPSC
Sale of KMB Utility Corporation to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Sewer)	SO-2011-0351	Depreciation Rate Adoption	MOPSC
Sale of KMB Utility Corporation to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Water)	WO-2011-0350	Depreciation Rate Adoption	MOPSC
Sale of Noel Water Company, Inc. to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Water)	WO-2011-0328	Depreciation Rate Adoption	MOPSC
Sale of Taney County Utilities Corporation to Taney County Water, LLC (Water)	WM-2011-0143	Depreciation Rate Adoption	MOPSC
Empire District Electric Company	ER-2011-0004	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
Rex Deffenderfer Enterprises, Inc.	WR-2011-0056	Depreciation Review	MOPSC
Tri-States Utility, Inc	WR-2011-0037	Depreciation Review	MOPSC
Southern Missouri Gas Company, L.P.	GE-2011-0096	Depreciation Study Waiver	MOPSC
Southern Missouri Gas Company, L.P.	GR-2010-0347	Depreciation Review	MOPSC
KMB Utility Corporation (Sewer)	SR-2010-0346	Depreciation Review	MOPSC
KMB Utility Corporation (Water)	WR-2010-0345	Depreciation Review	MOPSC
Middlefork Water Company	WR-2010-0309	Depreciation Review	MOPSC

Page 6 of 6 Schedule JAR-d-1