BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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-2016-0332
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

RESPONSE TO ORDER DIRECTING FILING

COME NOW Spire Missouri Inc. (f/k/a Laclede Gas Company and referred to herein as "Spire Missouri" or "Company"), on behalf of itself and its two operating units, Spire Missouri East and Spire Missouri West (f/k/a Missouri Gas Energy), the Staff of the Missouri Public Service Commission ("Staff") and the Office of the Public Counsel ("OPC") (collectively "the Parties") and submit this Response to the Commission's May 2, 2018, Order Directing Filing. In support thereof, the Parties state as follows:

1. In its April 5, 2018, Order Directing Filing the Commission ordered the Parties to meet and confer in a technical conference and make a recommendation as to how they believed the Commission should proceed in the above referenced cases, in light of the November 21, 2017, opinion issued by the Western District Court of Appeals in Case No. WD80544 (the "Opinion"), in which the Court reversed and remanded the

Commission's Report and Order (the "Order") in the first two above-captioned proceedings (GO-2016-0332 and 0333).

- 2. In accordance with the April 5 Order, the Parties met and conferred in Jefferson City on April 24, 2018 and filed a response on April 30 that contained certain recommendations and a request to meet again. 3. On May 2, 2018, the Commission issued an Order Directing Filing approving the Parties' request to meet again and report back to the Commission by May 25, 2018, as to how the Commission should proceed in these cases.
- 4. The Parties met on May 16, 2018, in Jefferson City, and conferred regarding matters in the record, so that all parties would have a common understanding of the facts presented in the case for use in making their respective arguments.
- 5. In the Opinion, the Western District reversed the Order to the extent that that the Order allowed ISRS cost recovery "for the replacement of plastic components that were not in a worn out or deteriorated condition." (Opinion, pp. 1-2) On remand, the Parties believe that the Commission should decide what costs, if any, were recovered through ISRS charges for the replacement of plastic components that were not worn out or in deteriorated condition:

Significant to this appeal *section 393.1009(5)(a)* sets forth the ISRS-eligibility requirements for replacement projects. Under that provision, cost recovery through an ISRS surcharge is available for "[m]ains, valves, service lines, regulator stations, vaults, and other pipeline system components installed *to comply with state or federal safety requirements* as replacements for existing facilities that have *worn out* or are in *deteriorated condition*[.]" § 393.1009(5)(a) (emphasis added).

PSC v. Office of Pub. Counsel (In re Laclede Gas Co.), 539 S.W.3d 835 (Mo. App. 2017)

6. As stated in paragraph 2A above, the Parties have recommended submission to the Commission of proposed findings of fact and a recommended decision in the first two cases named above. The parties April 30, 2018, filing stated that the proposed findings and recommended decision would be based on the record in those cases as it stands today. However, the Parties agree that the Commission has the authority to allow new evidence to be presented in determining the value of the replacement cost of plastic pipe in these matters. In the Unanimous Stipulation and Agreement filed in Case Nos. GO-2017-0201 and GO-2017-0202, Spire Missouri agreed to make available "work order or other information in their possession necessary to make a determination of the amount of plastic pipe that was replaced." As such, the Parties request that they be allowed to utilize such information in forming their arguments. The Parties further recommend two rounds of briefing and, should the Commission find it useful, an oral argument, in addition to the proposed findings of fact, and accordingly recommend the following procedural schedule:

All Parties File Initial Briefs (Any Party may file its brief in the form of	June 29, 2018
a Report with cites to the record)	
All Parties File Reply Briefs (or Reply Reports) With Proposed Findings of Fact and Proposed Decision	July 27, 2018
Oral Argument, if ordered	Early August

WHEREFORE, for the foregoing reasons, the Parties respectfully request that the Commission accept this response to its Order Directing Filing, and issue a procedural schedule as recommended herein.

Respectfully submitted,

SPIRE MISSOURI INC.

/s/ Rick Zucker

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the Commission Staff and the Office of the Public Counsel, on this 25th day of May, 2018 by hand-delivery, fax, electronic mail or regular mail, postage prepaid.

/s/ Rick Zucker