

Spire Tax Reform Quantification

FILED²

FEB 8 2018

Missouri Public
Service Commission

Description		Laclede Rev. Req. (\$Millions)	MGE Rev. Req. (\$Millions)
Current Tax Effect From Tax Reform			
Staff's True-Up Revenue Requirement	*	\$15.4	\$9.9
Eliminate Gas Inventory from Rate Base	*	\$8.1	\$6.6
Eliminate Short Term Debt form Staff's Capital Structure	*	\$13.8	\$10.5
Reflect 9.8% ROE		\$18.6	\$13.9
Change Federal Tax Rate for Current & Deferred Tax Calculation to 21%		\$9.3	\$6.5
Current Tax Impact from Tax Reform		\$9.3	\$7.4
Total Spire Tax Reform Impact		\$16.7	

Deferred Tax Effects from Tax Reform

Deferred Tax Balance @ September 30,2017 \$344 Million

Percentage Protected vs. Unprotected 50%-50%

	Protected (\$Millions)	Unprotected (\$Millions)
Deferred Taxes Assigned to Each Category	\$172.0	\$172.0
Amortization Flow Back Period- Years	20	10
Yearly Amortization Flow Back	\$8.6	\$17.2
Difference In Effective Tax Rates	33.71%	33.71%
Old Rate- 38.3886% New Rate- 25.4483%		
Effective Rate Change :		
$(38.3886\% - 25.4483\%) / 38.3886\% = 33.71\%$		
Excess Deferred Tax Amortization	\$2.9	\$5.8
Tax Factor-Up $1 / (1 - 25.4483\%) = 1.341$	1.341	1.341
Revenue Requirement Effect - Deferred Taxes	\$3.9	\$7.8
Total Deferred Tax Impacts	\$11.7	
Total Tax Reform Impact	\$28.4	

* Totals from Staff's Mid-Point Rate of Return

MIEC Exhibit No. 754
Date 2-5-18 Reporter AT
File No. GR-2017-0215 & 0216