

Exhibit No.:
Issues: True-Up of
Revenue Requirement
Witness: Michael R. Noack
Type of Exhibit: True-Up Direct Testimony
Sponsoring Party: Laclede Gas Company (LAC)
Missouri Gas Energy (MGE)
Case No.: GR-2017-0215
GR-2017-0216
Date Filed: October 27, 2017

LACLEDE GAS COMPANY
MISSOURI GAS ENERGY

CASE NO. GR-2017-0215
CASE NO. GR-2017-0216

TRUE-UP DIRECT TESTIMONY OF

MICHAEL R. NOACK

OCTOBER 2017

Spire Exhibit No. 68
Date 1/31/18 Reporter MM
File No. GR-2017-0215
GR-2017-0216

TRUE-UP DIRECT TESTIMONY OF MICHAEL R. NOACK

1 **Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

2 A. My name is Michael R. Noack, and my business address is 7500 East 35th Terrace,
3 Kansas City, Missouri 64129.

4 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS CASE?**

5 A. Yes. I have submitted direct and rebuttal testimony regarding the revenue
6 requirement based upon the test period and update period established by the
7 Commission.

8 **Q. WHAT IS THE PURPOSE OF YOUR TRUE-UP TESTIMONY?**

9 A. The purpose of my testimony is to support the True-up Adjustments accompanying
10 my testimony identified as True-Up Schedules MRN-TD1 for Missouri Gas Energy
11 (MGE) and True-Up Schedule MRN-TD2 for Laclede Gas Company (LAC). MGE
12 has prepared its True-up Revenue Deficiency consistent with my understanding of the
13 Commission's practice regarding true-ups and in accordance with the Order Adopting
14 Procedural Schedule and Delegating Authority issued May 24, 2017.

15 **Q. WOULD YOU PLEASE IDENTIFY THE ITEMS WHICH WERE SUBJECT**
16 **TO THE TRUE-UP?**

17 A. In accordance with the Commission Order, the issues anticipated for true-up include:
18 changes to plant-in-service, depreciation reserve, all other rate base items (with the
19 exception of revenue and expense lags for cash working capital), revenues (all
20 categories), customer growth, pensions and other post-retirement employee benefit

1 costs, payroll (including changes in pay rate, number of employees), other employee
2 benefits, payroll taxes, insurance expense, rate case expense, depreciation expense,
3 various amortizations, income taxes, property taxes, capital structure, capital costs,
4 and other significant items that must be considered in order to maintain a proper
5 relationship of revenues, expenses and rate base.

6 **Q. PLEASE QUANTIFY THE RATE BASE, OPERATING REVENUES,**
7 **OPERATING EXPENSES AND CAPITAL STRUCTURE COMPONENTS**
8 **THAT ARE BEING TRUED UP FOR MGE AND LAC.**

9 A. The total amounts for each of these items, before true-up, is as follows:

10 A. Rate Base – The total rate base before true-up items are included is \$792,525,986 for
11 MGE, and \$1,231,666,769 for LAC. All items that comprise the rate base are being
12 trued-up, including:

- 13 • Plant in Service
- 14 • Depreciation Reserve
- 15 • Deferred Taxes
- 16 • Materials and Supplies
- 17 • Natural Gas in Storage
- 18 • Prepayments
- 19 • Customer Deposits and Advances
- 20 • Prepaid Pension/OPEB Assets
- 21 • All other regulatory assets and liabilities
- 22 • The cash working capital impact of the income statement true-up items

1 B. Operating Revenues – The total, as adjusted, operating revenues before true-up are
2 \$199,714,711 for MGE and \$329,345,163 for LAC. Residential customer growth is
3 being true-up along with large user load changes for LAC and commercial customer
4 bill corrections for MGE. Keri Feldman will sponsor brief testimony on revenue true-
5 up.

6 C. Operating Expenses – Total operating expenses before income taxes and true-up
7 items are \$166,520,116 for MGE, and \$257,720,476 for LAC. These expenses are
8 being true-up as follows:

- 9 • Payroll and payroll benefits – Payroll is being true-up based on employees on the
10 payroll at September 30, 2017 and the rate of pay at that date. All payroll
11 benefits, including insurance, 401K match and payroll taxes are being true-up
12 based upon the true-up payroll.
- 13 • Insurance expense – Insurance is being true-up based upon insurance policies in
14 effect at September 30, 2017.
- 15 • Depreciation and amortization expense – Depreciation and amortization is being
16 true-up based upon current depreciation and amortization rates applied to plant
17 balances and regulatory asset balances as of September 30, 2017.
- 18 • Pension & OPEBS – Pensions and OPEBS are being true-up in accordance with
19 existing trackers in effect for each company and based on known and measurable
20 information as of September 30, 2017.
- 21 • Other items – any other expense items which must be considered to maintain the
22 proper relationship of revenues, expenses and rate base are also being true-up.
- 23 • Income taxes.

1 D. Return/Capital Structure

- 2 • Capital structure and the embedded cost of debt is being trued up. Company
3 witness Glenn Buck is sponsoring brief true-up testimony related to capital
4 structure and debt costs.

5 **Q. PLEASE EXPLAIN THE REVENUE DEFICIENCY SUMMARY**
6 **SCHEDULES ATTACHED TO YOUR TRUE-UP TESTIMONY.**

7 A. The True-up schedules and resultant revenue deficiency are prepared consistent with
8 the methodology and positions MGE and LGC has previously adopted in this
9 proceeding. The Company's revenue deficiency as trued-up to September 30, 2017, is
10 \$52,233,378 for MGE and \$60,455,672 for LGC.

11 **Q. PLEASE DESCRIBE HOW THE COMPANY HAS TREATED TRUE-UP**
12 **ITEMS.**

13 A. Under the category of rate base, the Company has treated those individual items as
14 follows.

15 Plant in service - individual plant balances recorded as of September 30, 2017 have
16 been included.

17 Depreciation reserve - all individual reserve balances as of September 30, 2017 have
18 been included.

19 Rate base offsets – the thirteen month averages of customer deposits and customer
20 advances have been trued up to September 30, 2017

21 Regulatory Assets and Liabilities – any regulatory asset or liability which was
22 included in the initial filing has been trued up to September 30, 2017.

1 Deferred income taxes (including the rate base offset from GM-2013-0254 for MGE)
2 - as of September 30, 2017 have been included.

3 Working capital effects - material and supplies inventory, prepayments and natural
4 gas in storage are included in rate base computed using a thirteen-month average
5 ended September 30, 2017. The Cash Working Capital requirement has also been
6 updated to reflect the updated expense items for those items trued up as of September
7 30, 2017. In addition the prepaid pension balance as of September 30, 2017 has also
8 been included.

9 **Q. PLEASE DESCRIBE THE TREATMENT OF EXPENSES.**

10 A. Payroll – employee levels, current wage rates and corresponding payroll taxes and
11 benefits. Annual payroll levels were determined by utilizing the known employee
12 levels and wage levels in effect as of September 30, 2017. The associated payroll
13 benefits and taxes were also determined using the known tax and benefit levels in
14 effect as of September 30, 2017.

15 Rate case expense – rate case expense has not yet been trued up from the level
16 estimated in the initial filing. The Companies will continue to furnish Staff with
17 invoices and other cost support behind the requested rate case expense. Although the
18 true-up period concluded as of September 30, 2017, the Companies continue to pay
19 invoices for services provided to date.

20 Depreciation and amortization expense - Depreciation and amortization expense has
21 been determined utilizing plant balances and regulatory asset balances as of
22 September 30, 2017. The depreciation rates used are the same rates as were used in
23 the Companies' last cases.

1 Income taxes have been included by synchronizing the changes of items identified
2 herein.

3 **Q. PLEASE DESCRIBE THE CAPITAL STRUCTURE AND RELATED COSTS.**

4 A. Please refer to the brief true-up testimony of Glenn Buck for a discussion of the true-
5 up of capital structure and embedded cost rates.

6 **Q. HAVE THE COMPANIES CHANGED THEIR METHODOLOGY IN**
7 **DEVELOPMENT OF THE TRUE-UP REVENUE REQUIREMENT?**

8 A. No.

9 **Q. DOES THIS CONCLUDE YOUR TRUE-UP TESTIMONY?**

10 A. Yes.

Laclede Gas Company

Index of Schedules

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Ha	Distribution of Revenue and Expense Adjustments by Account No.
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LACLEDE GAS COMPANY
September 30, 2017
Revenue Deficiency

Line No.	Description (a)	Ref. (b)	Required Return (c)	Earnings Deficiency (d)	Net Revenue Deficiency (e)
1	Rate Base	B	\$1,315,950,736		
2	Rate of Return	F	<u>7.498%</u>		
3	Required Return		<u>\$98,669,986</u>	\$98,669,986	
4	Adjusted Test Year Net Operating Income	A-1		<u>61,422,463</u>	
5	Earnings Deficiency			<u>\$37,247,523</u>	\$37,247,523
6	Multiply by Income Tax Gross-up Factor				<u>1.62308</u>
7	Net Revenue Deficiency				<u>\$60,455,672</u>
8	Allowance for Known and Measurable Changes/ True-up Estimate				\$0
9	Total Revenue Deficiency				<u><u>\$60,455,672</u></u>

LACLEDE GAS COMPANY
September 30, 2017
Summary of Net Operating Income
Per Books and Adjusted

Line No.	Description (a)	Per Books (b)	Adjustments (c)	As Adjusted (d)
REVENUES				
1	Operating Base Revenues	\$638,979,104	(\$314,874,539)	\$324,104,564
2	Other Utility Revenues	49,380,343	(44,162,607)	5,217,736
3	Total Operating Revenues	<u>\$688,359,446</u>	<u>(\$359,037,146)</u>	<u>\$329,322,300</u>
OPERATING EXPENSES				
4	Manufactured Gas Production Expense	\$1,778,570	(\$1,615,570)	\$163,000
5	Purchased Gas Expense	\$302,328,240	(302,756,502)	(428,262)
6	Natural Gas Storage Expense	\$3,215,291	0	3,215,291
7	Distribution Expense	\$56,441,869	537,312	\$56,979,182
8	Customer Accounts Expense	32,606,735	(1,719,626)	30,887,109
9	Customer Service and Information Expense	1,582,603	3,360,164	4,942,767
10	Sales Expense	2,094,122	(411,017)	1,683,105
11	Administrative and General Expense	58,449,180	13,208,028	71,657,209
12	Payroll Adjustment		5,887,487	5,887,487
13	Total Operating and Maintenance Expenses	<u>\$458,496,610</u>	<u>(\$283,509,723)</u>	<u>\$174,986,887</u>
14	Depreciation & Amortization Expense	\$58,251,501	\$1,919,865	\$60,171,366
15	Interest on Customer Deposits	1,957,942	(1,647,630)	310,312
16	Taxes Other Than Income	54,671,173	(32,718,706)	21,952,467
17	Total Operating Expenses	<u>\$573,377,226</u>	<u>(\$315,956,194)</u>	<u>\$257,421,032</u>
18	Operating Income Before Income Tax	\$114,982,220	(\$43,080,952)	\$71,901,268
19	Less: Income Tax Expense	27,017,022	(16,538,217)	10,478,805
20	Net Operating Income	<u>\$87,965,198</u>	<u>(\$26,542,735)</u>	<u>\$61,422,463</u>

LACLEDE GAS COMPANY
September 30, 2017
Income Tax

Line No.	Description (a)	Reference (b)	Per Books (c)	As Adjusted (d)
1	Total Operating Revenues	A-1	\$688,359,446	\$329,322,300
2	Total Operating Expenses	A-1	<u>(573,377,226)</u>	<u>(257,421,032)</u>
3	Net Operating Income	A-1	<u>\$114,982,220</u>	<u>\$71,901,268</u>
4	Flow Through Adjustments		(\$19,759,531)	(\$19,759,531)
5	Less: Interest on Long Term Debt		<u>(24,845,150)</u>	<u>(24,845,150)</u>
6	Total Tax Adjustments		<u>(\$44,604,681)</u>	<u>(\$44,604,681)</u>
7	Net Taxable Income		<u>\$70,377,539</u>	<u>\$27,296,587</u>
8	Income Tax		<u>\$27,017,022</u>	<u>\$10,478,805</u>

LACLEDE GAS COMPANY
September 30, 2017
Rate Base

Line No.	Description (a)	Reference (b)	Amount (c)
1	Intangible Plant	C	\$10,986
2	Production Plant	C	\$11,254,887
3	Underground Storage Plant	C	\$28,665,399
4	Other Storage Equipment	C	\$1,155,529
5	Transmission Plant	C	\$2,064,647
6	Distribution Plant	C	1,670,074,524
7	General Plant	C	201,311,623
8	Construction Work in Progress	C	<u>0</u>
9	Gross Plant In Service		<u>\$1,914,537,595</u>
10	Accumulated Depreciation & Amortization	D	<u>(682,421,066)</u>
11	Net Plant in Service		\$1,232,116,529
12	Working Capital	E	299,773,871
13	Customer Deposits	B-1	(4,747,471)
14	Customer Advances	B-2	(946,165)
15	Deferred Income Taxes - Other (Net of AMT)	B-3	(210,246,029)
16	Total Rate Base		<u><u>\$1,315,950,736</u></u>

LACLEDE GAS COMPANY
Thirteen Months Ending September 30, 2017

Customer Deposits

Line No.	Month	Residential Amount
	(a)	(b)
1	Sep-16	(4,704,752)
2	Oct-16	(4,801,274)
3	Nov-16	(4,813,873)
4	Dec-16	(4,813,986)
5	Jan-17	(4,774,777)
6	Feb-17	(4,727,091)
7	Mar-17	(4,587,583)
8	Apr-17	(4,614,245)
9	May-17	(4,644,201)
10	Jun-17	(4,699,897)
11	Jul-17	(4,781,037)
12	Aug-17	(4,868,440)
13	Sep-17	(4,885,970)
14	Total	<u><u>(\$61,717,125)</u></u>
15	Average	<u><u>(\$4,747,471)</u></u>
16	Interest Rate	<u>4.75%</u>
17	Interest Expense	<u><u>\$225,505</u></u>

LACLEDE GAS COMPANY
Thirteen Months Ending September 30, 2017

Customer Advances

Line No.	Month	Amount
	(a)	(b)
1	Sep-16	(971,380)
2	Oct-16	(961,179)
3	Nov-16	(942,880)
4	Dec-16	(942,880)
5	Jan-17	(942,880)
6	Feb-17	(959,131)
7	Mar-17	(957,388)
8	Apr-17	(937,070)
9	May-17	(937,070)
10	Jun-17	(937,070)
11	Jul-17	(937,070)
12	Aug-17	(937,070)
13	Sep-17	(937,070)
14	Total	<u><u>(\$12,300,142)</u></u>
15	Average	<u><u>(\$946,165)</u></u>

LACLEDE GAS COMPANY
September 30, 2017

Accumulated Deferred income Taxes

Line No.	Description (a)	Amount (b)
1	Deferred Taxes, Laclede Direct Plant as of 12/31/16	(\$210,246,029)
2	Total Accumulated Deferred Income Taxes	<u>(\$210,246,029)</u>

LACLEDE GAS COMPANY
Plant in Service
September 30, 2017

Line No.	Description	Plant Balance @ 9/30/17	Total Adjustments	Total As Adjusted
	(a)	(b)	(c)	(d)
<u>INTANGIBLE PLANT</u>				
1	(301) Organization	\$2,501		\$2,501
2	(302) Franchises	8,484		8,484
3	Total Intangible Plant	<u>\$10,986</u>		<u>\$10,986</u>
<u>PRODUCTION PLANT</u>				
4	(304) Land & Land Rights-Mfg Gas	\$119,929		\$119,929
5	(305) Structures & Improvements-Mfg Gas	1,869,054.12		1,869,054.12
6	(307) Other Power Equipment	33,139.28		33,139.28
7	(311) Propane Equipment-Gas Ops	4,404,828.17		4,404,828.17
8	(311.1) Propane Storage Cavern-Gas Ops	4,827,936.02		4,827,936.02
9	Total Production Plant	<u>\$11,254,887</u>		<u>\$11,254,887</u>
<u>UNDERGROUND STORAGE PLANT</u>				
10	(350.1) Land	\$1,201,600		\$1,201,600
11	(350.2) Rights of Way	778,418		778,418
12	(351.2) Compression Station Structure	676,591		676,591
13	(351.4) Other Structures	1,009,838		1,009,838
14	(352) Wells	6,090,514		6,090,514
15	(352.1) Storage Leaseholds & Rights	2,055,422		2,055,422
16	(352.2) Reservoirs	245,023		245,023
17	(352.3) Non-Recoverable Natural Gas	6,503,628		6,503,628
18	(352.4) Wells - Oil & Vent Gas	1,932,818		1,932,818
19	(353) Lines	2,876,382		2,876,382
20	(354) Compressor Station Equipment	2,747,710		2,747,710
21	(355) Measuring & Regulating Equipment	2,247,516		2,247,516
22	(356) Purification Equipment	233,042		233,042
23	(357) Other Equipment	66,896		66,896
24	Total Underground Storage Plant	<u>\$28,665,399</u>		<u>\$28,665,399</u>
<u>OTHER STORAGE EQUIPMENT</u>				
25	(360) Land & Land Rights	\$50,654		\$50,654
26	(361) Structures & Improvements	107,233		107,233
27	(362) Gas Holders	659,027		659,027
28	(363.3) Compressor Equipment	338,616		338,616
29	Total Other Storage Equipment	<u>\$1,155,529</u>		<u>\$1,155,529</u>
<u>TRANSMISSION PLANT</u>				
30	(365.2) Rights of Way - Transmission	\$41,153		\$41,153
31	(367) Mains - Transmission	2,013,840		2,013,840
32	(371) Other Equipment - Transmission	9,654		9,654
33	Total Transmission Plant	<u>\$2,064,647</u>		<u>\$2,064,647</u>

LACLEDE GAS COMPANY
Plant in Service
September 30, 2017

Line No.	Description	Plant Balance @ 9/30/17	Total Adjustments	Total As Adjusted
	(a)	(b)	(c)	(d)
<u>DISTRIBUTION PLANT</u>				
34	(374) Land & Land Rights	\$3,134,157		\$3,134,157
35	(375) Structures & Improvements	15,931,817		15,931,817
36	(375) Struct & Improv - Leased Property	101,089		101,089
37	(376.1) Mains - Steel	236,067,108		236,067,108
38	(376.2) Mains - Cast Iron	22,358,913		22,358,913
39	(376.3) Mains - Plastic	495,389,234		495,389,234
40	(378) Meas. & Reg. Station - General	12,823,509		12,823,509
41	(379) Meas. & Reg. Station - City Gate	2,885,720		2,885,720
42	(380.1) Services - Steel	38,869,985		38,869,985
43	(380.2) Services - Plastic	669,931,881		669,931,881
44	(381) Meters	131,328,471		131,328,471
45	(383) House Regulators	25,998,865		25,998,865
46	(385) Commercial & Ind Meas & Reg Eq	14,824,730		14,824,730
47	(386) Other Property - Customer Premises	22,975		22,975
48	(387) Other Equipment	406,070		406,070
49	Total Distribution Plant	<u>\$1,670,074,524</u>		<u>\$1,670,074,524</u>
<u>GENERAL PLANT</u>				
50	(389) Land	\$0		\$0
51	(390) Structures & Improvements	163,119		163,119
52	(390) Struct & Improv - Leased Property	2,528,842		2,528,842
53	(391) Furniture & Fixtures	4,260,465		4,260,465
54	(391.1) Data Processing Systems	12,625,595		12,625,595
55	(391.2) Mechanical Office Equipment	30,559		30,559
56	(391.3) Data Processing Software	35,513,290		35,513,290
57	(391.4) Data Processing Systems	647,746		647,746
58	(391.5) Enterprise Software-EIMS	118,303,970	(68,368,759)	
59	(391950) Ent Software Shar Svc Alloc	3,725,713		49,935,210
60	(392.1) Transportation Eq - Automobiles	3,445,338		3,445,338
61	(392.2) Transportation Eq - Trucks	27,194,693		27,194,693
62	(393) Stores Equipment	332,530		332,530
63	(394) Tools, Shop & Garage Equipment	17,050,188		17,050,188
64	(395) Laboratory Equipment	306,723		306,723
65	(396) Power Operated Equipment	25,356,920		25,356,920
66	(397.0) Communication Equipment	2,040,060		2,040,060
67	(397.1) Communication Equipment LGC AMRs	16,624,220		16,624,220
68	(398) Miscellaneous Equipment	3,256,123		3,256,123
69	Total General Plant	<u>\$273,406,095</u>	<u>(68,368,759)</u>	<u>\$201,311,623</u>
70	Total Original Cost Plant in Service	\$1,986,632,068	(68,368,759)	\$1,914,537,595
71	Construction Work in Progress	0		0
72	Accumulated Depreciation and Amortization	(698,310,128)	(15,889,062)	(682,421,066)
73	Net Plant In Service	<u>\$1,288,321,940</u>	<u>(84,257,822)</u>	<u>\$1,232,116,529</u>

LACLEDE GAS COMPANY
Accumulated Reserves for Depreciation and Amortization
December 31, 2016

Line No.	Acct No.	Description (a)	Test Year Direct (b)	Proforma Adjustments (c)	Test Year As Adjusted (d)
1	108	Accumulated Depreciation-Plant in Service	\$532,466,162	(\$15,889,062)	\$516,577,100
2	108.5	Accumulated Depreciation-Removal Costs	109,633,869	0	109,633,869
3	111	Accumulated Amortization	63,310,950	0	63,310,950
4		Total Accumulated Depreciation & Amortization	705,410,982	(15,889,062)	689,521,919
5	108.1	Less: Retirement Work in Progress	7,100,853	0	7,100,853
6		Accumulated Depreciation and Amortization	<u>\$698,310,128</u>	<u>(\$15,889,062)</u>	<u>\$682,421,066</u>

LACLEDE GAS COMPANY
September 30, 2017
Working Capital

Line No.	Description (a)	Reference (b)	Amounts (c)
1	Materials and Supplies Inventory	E-1	\$4,431,115
2	Prepayments	E-2	13,225,512
3	Gas Inventory - Volumes and Price	E-3	82,577,720
4	Cash Working Capital	E-4	15,724,337
5	Other Regulatory Assets	E-5	182,066,480
6	Insulation Financing / Energy Wise	E-6	<u>1,748,707</u>
7	Total Working Capital		<u><u>\$299,773,871</u></u>

LACLEDE GAS COMPANY
Thirteen Months Ending September 30, 2017
Materials & Supplies

Line No.	Month	Amount
	(a)	(b)
1	Sep-16	4,050,241
2	Oct-16	4,194,404
3	Nov-16	4,163,785
4	Dec-16	4,082,227
5	Jan-17	4,194,642
6	Feb-17	4,024,028
7	Mar-17	3,920,578
8	Apr-17	4,059,733
9	May-17	5,029,768
10	Jun-17	4,908,340
11	Jul-17	4,999,422
12	Aug-17	5,009,150
13	Sep-17	4,968,180
14	Total	<u>\$57,604,497</u>
15	Average	<u>\$4,431,115</u>

LACLEDE GAS COMPANY
Thirteen Months Ending September 30, 2017
Prepayments

Line No.	Month (a)	Amount (b)
1	Sep-16	10,940,999
2	Oct-16	12,491,322
3	Nov-16	11,303,343
4	Dec-16	12,004,565
5	Jan-17	11,332,859
6	Feb-17	10,358,985
7	Mar-17	8,692,286
8	Apr-17	15,694,107
9	May-17	16,890,491
10	Jun-17	16,806,890
11	Jul-17	15,758,489
12	Aug-17	14,206,884
13	Sep-17	<u>15,450,431</u>
14	Total	<u><u>\$171,931,650</u></u>
15	Average	<u><u>\$13,225,512</u></u>

LACLEDE GAS COMPANY
Thirteen Months Ending September 30, 2017
Gas Inventory

Line No.	Month	A/C 117.100	A/C 164.100
	(a)	(b)	(c)
1	Sep-16	\$ 11,652,367	\$ 35,633,068
2	Oct-16	\$ 11,652,367	\$ 36,776,612
3	Nov-16	\$ 11,652,367	\$ 37,276,289
4	Dec-16	\$ 11,652,367	\$ 36,236,066
5	Jan-17	\$ 11,652,367	\$ 35,715,968
6	Feb-17	\$ 11,652,367	\$ 35,739,277
7	Mar-17	\$ 11,652,367	\$ 35,403,079
8	Apr-17	\$ 11,652,367	\$ 35,360,519
9	May-17	\$ 11,652,367	\$ 35,333,464
10	Jun-17	\$ 11,652,367	\$ 35,290,566
11	Jul-17	\$ 11,652,367	\$ 35,243,713
12	Aug-17	\$ 11,652,367	\$ 35,200,510
13	Sep-17	\$ 11,652,367	\$ 36,328,580
14	Total	<u>\$ 151,480,772</u>	<u>\$ 465,537,712</u>
15	Average	<u>\$11,652,367</u>	<u>\$35,810,593</u>

**Missouri Gas Energy
Test Year Ended December 31, 2016**

Summary of Cash Working Capital

<u>Line #</u>	<u>Description (A)</u>	<u>Amount (B)</u>
1	Cash Working Capital from Tim Lyon's Schedule	<u><u>\$15,724,337</u></u>

LACLEDE GAS COMPANY
Regulatory Assets
September 30, 2017

Line No.	Year Ended (a)	Balance (b)
1	Prepaid Pension / OPEB Assets	\$164,979,874
2	Leasehold Improvements	1,329,468
3	Low Income Program Net of Amortization	32,083
4	Red Tag Program	36,277
5	Initial Energy Efficiency Asset Net of Amortization	239,167
6	St. Peter's Lateral Costs	2,118,004
7	Energy Efficiency Program	<u>13,331,607</u>
8	Total Regulatory Assets	<u><u>\$182,066,480</u></u>

LACLEDE GAS COMPANY
Insulation Financing and Energy Wise
September 30, 2017

Line No.	Year Ended	Balance
	(a)	(b)
1	Insulation Financing Balance	\$ 1,029,901
2	Energy Efficiency Program	<u>718,806</u>
3	Total	<u><u>\$1,748,707</u></u>

LACLEDE GAS COMPANY
Summary of Cost of Capital
September 30, 2017

Line No.	Description	Ratio	Cost Rate	Composite Rate
	(a)	(b)	(c)	(d)
1	Long-Term Debt	45.800%	4.123%	1.888%
2	Short-Term Debt	0.000%	0.000%	0.000%
3	Preferred Stock	0.000%	0.000%	0.000%
4	Common Equity	<u>54.200%</u>	10.350%	<u>5.610%</u>
5	Total	<u><u>100.000%</u></u>		<u><u>7.498%</u></u>

LACLEDE GAS COMPANY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Accl.	Description	Test Year Per Book	Total Adjustments	Test Year As Adjusted
	(a)	(b)	(c)	(d)	(e)
OPERATING REVENUE					
1	480	Residential	\$476,800,098	(\$219,173,931)	\$257,626,168
2	481.1	Commercial	145,435,199	(92,567,270)	52,867,929
3	481.2	Industrial	0	0	0
4	483	Sales for Resale	0	0	0
5	487	Late Payment Charges	4,749,544	0	4,749,544
6	488	Miscellaneous Service Revenue	0	0	0
7	489	Transport	16,743,806	(3,133,339)	13,610,467
8	493	Rent From Property	29,241	0	29,241
9	495	Other Gas Revenue	44,601,559	(44,162,607)	438,952
10		Total Operating Revenue	\$688,359,446	(\$359,037,146)	\$329,322,300
OPERATING & MAINTENANCE EXPENSE					
Manufactured Gas Production Expense					
11	710	Operation Supervisor & Engineering	\$86,504	\$0	\$86,504
12	712	Other Power Expenses	138	0	138
13	717	Liquefied Petroleum Gas Expenses	2,927	0	2,927
14	723	Fuel for Liquefied Petroleum Gas Process	1,276	0	1,276
15	728	Liquefied Petroleum Gas	1,504,322	(1,615,570)	(111,248)
16	735	Miscellaneous Production Expenses	80,275	0	80,275
17	740	Maintenance Supervision & Engineering	18,969	0	18,969
18	741	Maintenance of Structures & Improvements	5,498	0	5,498
19	742	Maintenance of Production Equipment	78,661	0	78,661
20		Total Manufactured Gas Production Expense	\$1,778,570	(\$1,615,570)	\$163,000
Purchased Gas Expense					
21	804	Purchased Gas Expense	\$298,486,626	(\$302,756,502)	(\$4,269,876)
22	808.1	Gas Withdrawn From Storage - Debit	4,038,366	0	4,038,366
23	810	Gas Used for Compressor Station Fuel - Credit	(63,447)	0	(63,447)
24	812	Gas Used for Other Utility Operations - Credit	(133,306)	0	(133,306)
25		Total Purchased Gas Expense	\$302,328,240	(\$302,756,502)	(\$428,262)
Natural Gas Storage Expenses					
26	814	Operation Supervisor & Engineering	\$261,518	\$0	\$261,518
27	815	Maps and Records	57,853	0	57,853
28	816	Wells Expenses	359,840	0	359,840
29	817	Line Expenses	13,694	0	13,694
30	818	Compressor Station Expenses	112,122	0	112,122
31	819	Compressor Station Fuel & Power	65,942	0	65,942
32	820	Measuring & Regulating Station Expenses	518,161	0	518,161
33	821	Purification Expenses	106,554	0	106,554
34	823	Gas Losses	6,883	0	6,883
35	824	Other Expenses	237,850	0	237,850
36	825	Storage Well Royalties	99,907	0	99,907
37	830	Maintenance Supervision & Engineering	30,457	0	30,457
38	831	Maintenance of Structures & Improvements	207,692	0	207,692
39	832	Maintenance of Reservoirs & Wells	200,399	0	200,399
40	833	Maintenance of Lines	180,532	0	180,532
41	834	Maintenance of Compressor Station Equipment	308,876	0	308,876
42	835	Maint of Measuring & Regulating Station Exp	44,832	0	44,832
43	836	Maintenance of Purification Equipment	51,568	0	51,568
44	837	Maintenance of Other Equipment	244,982	0	244,982
45	840	Operation Supervisor & Engineering	20,870	0	20,870
46	841	Operation Labor & Expenses	6,068	0	6,068
47	842.1	Fuel	9,497	0	9,497
48	843.2	Maintenance of Structures & Improvements	69,195	0	69,195
49		Total Natural Gas Storage Expenses	\$3,215,291	\$0	\$3,215,291
Distribution Operation Expense					
50	870	Operation, Supervision and Engineering	\$4,914,668	\$0	4,914,668
51	871	Distribution and Load Dispatching	1,180,217	0	1,180,217
52	874	Mains and Service Expenses	9,640,343	180,228	9,820,571
53	875	Distributing Regulating Station Expenses	792,828	0	792,828
54	876	Measuring and Regulating Station Exp-Industrial	155,837	0	155,837
55	877	Measuring and Regulating Station Exp-City Gate	110,205	0	110,205
56	878	Meter and House Regulator Expenses	14,896,146	357,085	15,253,230
57	879	Customer Installation Expenses	2,371,255	0	2,371,255
58	880	Other Expenses	2,034,041	0	2,034,041
59	881	Rents	0	0	0
60		Total Operation Expense	\$36,095,538	\$537,312	\$36,632,850
Distribution Maintenance Expense					
61	885	Maintenance Supervision and Engineering	\$2,740,753	\$0	\$2,740,753
62	886	Maintenance of Structures and Improvements	810,702	0	810,702
63	887	Maintenance of Mains	8,162,916	0	8,162,916
64	889	Maint. of Measuring and Regulating Eq-General	673,931	0	673,931
65	890	Maint. of Measuring and Regulating Eq-Industrial	60,228	0	60,228
66	891	Maint. of Measuring and Regulating Eq-City Gate	34,503	0	34,503
67	892	Maintenance of Services	4,715,313	0	4,715,313
68	893	Maintenance of Meters and House Regulators	2,791,294	0	2,791,294

LACLEDE GAS COMPANY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct (a)	Description (b)	Test Year Per Book (c)	Total Adjustments (d)	Test Year As Adjusted (e)
69	894	Maintenance of Other Equipment	356,692	0	356,692
70		Total Maintenance Expenses	\$20,346,332	\$0	\$20,346,332
71		Total Distribution Expense	\$56,441,869	\$537,312	\$56,979,182
Customer Accounts Expense					
72	901	Supervision	\$0	\$0	\$0
73	902	Meter Reading Expense	8,680,331	(5,037,984)	3,642,346
74	903	Customer Records and Collection Expense	17,549,573	1,515,820	19,065,392
75	904	Uncollectible Accounts	6,257,451	1,802,539	8,059,990
76	905	Miscellaneous Customer Accounts Expense	119,381	0	119,381
77		Total Customer Accounts Expenses	\$32,606,735	(\$1,719,626)	\$30,887,109
Customer Service and Informational Expense					
78	907	Supervision	\$0	\$0	\$0
79	908	Customer Assistance	1,483,989	3,360,164	4,844,154
80	909	Informational and Instructional Advertising Exp.	98,614	0	98,614
81		Total Cust. Service and Information Exp.	\$1,582,603	\$3,360,164	\$4,942,767
Sales and Advertising Expense					
82	911	Supervision	\$328,536	\$0	\$328,536
83	912	Demonstrating and Selling Expenses	1,626,887	(411,017)	1,215,870
84	913	Advertising Expenses	138,699	0	138,699
85	916	Miscellaneous Sales Expenses	0	0	0
86		Total Sales and Advertising Expenses	\$2,094,122	(\$411,017)	\$1,683,105
Administrative and General Expense					
87	920	Administrative and General Salaries	\$20,728,266	\$0	\$20,728,266
88	921	Office Supplies and Expenses	1,336,170	(10,788)	1,325,382
89	922	Administrative Expenses Transferred	(12,025,514)	0	(12,025,514)
90	923	Outside Services Employed	10,302,849	0	10,302,849
91	924	Property Insurance	632,413	(3,592)	628,822
92	925	Injuries and Damages	5,268,150	912,973	6,181,123
93	926	Employee Pensions and Benefits	24,776,425	12,233,568	37,009,993
94	928	Regulatory Commission Expense	1,948,243	75,867	2,022,110
95	930	Miscellaneous General Expenses	3,127,102	0	3,127,102
96	931	Rents	2,148,699	0	2,148,699
97	932	Maintenance of General Plant	208,378	0	208,378
98		Total Administration and General Expense	\$58,449,180	\$13,208,028	\$71,657,209
99		Payroll Adjustment		5,887,487	5,887,487
100		Total O & M Expense	\$458,496,610	(\$283,509,723)	\$174,986,887
101	403	Depreciation	47,472,639	3,996,791	51,469,429
102	404, 405	Amortization	10,778,862	(2,076,925)	8,701,937
103	431	Interest on Customer Deposits	1,957,942	(1,647,630)	310,312
104	408	Payroll Taxes (1***)	4,736,408	508,883	5,243,291
105	408	Property Taxes (2***)	16,116,471	277,804	16,394,274
106	408	Gross Receipts Tax (3300 + 4000)	33,503,393	(33,503,393)	0
107	408	Other Taxes (41**)	314,901	0	314,901
108	408	Taxes Other Than Income	\$54,671,173	(\$32,718,706)	\$21,952,467
109		TOTAL EXPENSES	\$573,377,226	(\$315,956,194)	\$257,421,032
110		OPERATING INCOME BEFORE INCOME TAX	\$114,982,220	(\$43,080,952)	\$71,901,268
111	409,410	Income Taxes Note: per book & adjusted income tax computed on A-2	27,017,022	(16,538,217)	10,478,805
112		NET OPERATING INCOME	\$87,965,198	(\$26,542,735)	\$61,422,463

Lessor Gas Company
 Twelve Months Ending December 31, 2016 Traced up to September 30, 2017
 Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct.	Description	Test Year Per Books	H-1	H-2	H-3	H-4	H-5	H-6	H-7	H-8	H-9	H-10	H-11	H-12	H-13	H-14	H-15	H-16	H-17
				Adj. GL Rev to Test Year Margin	Normalize & Adj. Test Year Margin	Remove Purch. Gas Cost and CRT	Payroll Expense	Employee Benefits	Payroll Taxes	Insurance	Energy Efficiency Costs	Uncollectible Expense	Regulatory Commission Expense	Interest on Customer Deposits	Depreciation Expense	Amortization Expense	Property Tax	Leases Expense	Other Expense Adjustments	Credit Card Fees
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	
OPERATING REVENUE																				
1	480	Residential	\$476,800,098	(\$225,019,032)	\$5,845,702															
2	481.1	Commercial & Industrial	145,435,199	(93,460,461)	893,101															
3	481.2	Industrial	0		0															
4	483	Sales for Resale	0		0															
5	487	Late Payment Charges	4,749,544																	
6	488	Miscellaneous Service Revenue	0																	
7	489	Transport	16,743,806	(3,363,788)	230,459															
8	493	Rent From Property	20,241	0																
9	495	Other Gas Revenue	44,601,550	(44,162,007)																
10		Total Operating Revenue	\$685,359,446	(\$366,006,498)	\$6,060,352	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING & MAINTENANCE EXPENSE																				
Manufactured Gas Production Expense																				
11	710	Operation Supervisor & Engineering	\$88,504																	
12	712	Other Power Expenses	138																	
13	717	Liquefied Petroleum Gas Expenses	2,927																	
14	723	Fuel for Liquefied Petroleum Gas Process	1,276																	
15	728	Liquefied Petroleum Gas	1,504,322			(\$1,615,578)														
16	735	Miscellaneous Production Expenses	80,275																	
17	740	Maintenance Supervisor & Engineering	18,969																	
18	741	Maintenance of Structures & Improvements	5,498																	
19	742	Maintenance of Production Equipment	78,681																	
20		Total Manufactured Gas Production Expense	\$1,778,670	\$0	\$0	(\$1,615,578)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Gas Expense																				
21	804	Purchased Gas Expense	\$298,486,626			(\$302,756,502)														
22	808.1	Gas Withdrawn From Storage - Debit	4,028,365																	
23	810	Gas Used for Compressor Station Fuel - Credit	(63,447)																	
24	812	Gas Used for Other Utility Operations - Credit	(133,305)																	
25		Total Purchased Gas Expense	\$292,326,240	\$0	\$0	(\$302,756,502)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Natural Gas Storage Expenses																				
26	814	Operation Supervisor & Engineering	\$201,518																	
27	815	Maps and Records	57,853																	
28	816	Wells Expenses	359,840																	
29	817	Line Expenses	13,094																	
30	818	Compressor Station Expenses	112,122																	
31	819	Compressor Station Fuel & Power	65,942																	
32	820	Measuring & Regulating Station Expenses	518,161																	
33	821	Purification Expenses	106,554																	
34	823	Gas Losses	6,883																	
35	824	Other Expenses	237,050																	
36	825	Storage Well Royalties	96,907																	
37	830	Maintenance Supervision & Engineering	30,457																	
38	831	Maintenance of Structures & Improvements	207,692																	
39	832	Maintenance of Reservoirs & Wells	200,399																	
40	833	Maintenance of Lines	180,532																	
41	834	Maintenance of Compressor Station Equipment	306,876																	
42	835	Maint of Measuring & Regulating Station Exp	44,832																	
43	836	Maintenance of Purification Equipment	51,568																	
44	837	Maintenance of Other Equipment	244,982																	
45	840	Operation Supervisor & Engineering	20,870																	
46	841	Operation Labor & Expenses	5,068																	
47	842.1	Fuel	9,497																	
48	843.2	Maintenance of Structures & Improvements	69,195																	
49		Total Natural Gas Storage Expenses	\$3,215,291	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Operation Expense																				
50	870	Operation, Supervision and Engineering	\$4,914,668																	
51	871	Distribution and Load Dispatching	1,180,217																	
52	874	Mats and Service Expenses	9,640,343																	
53	875	Distributing Regulating Station Expenses	792,828																	
54	876	Measuring and Regulating Station Exp-Industrial	155,837																	
55	877	Measuring and Regulating Station Exp-City Gate	110,205																	
56	878	Meter and House Regulator Expenses	14,896,146																	
57	879	Customer Installation Expenses	2,371,255																	
58	880	Other Expenses	2,034,041																	
59	881	Rents	0																	
60		Total Operation Expense	\$36,695,538	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$180,228	\$307,085	\$0
Distribution Maintenance Expense																				
61	885	Maintenance Supervision and Engineering	\$2,740,753																	

Lanark Gas Company
 Twelve Month Ending December 31, 2010 True-up to September 30, 2017
 Statement of Revenue and Expense Adjustments by Account No.

Line No.	Acct. No.	Description	H-1 Total Year Per Acct. No. Bal. Total	H-2 Normal & Adj. Revenue	H-3 Revenue From Other	H-4 Payroll Expense	H-5 Employee Benefits	H-6 Physical Taxes	H-7 Insurance	H-8 Energy Efficiency Costs	H-9 Unrecoverable Expenses	H-10 Regulatory Commission Expenses	H-11 Interest on Customer Deposits	H-12 Depreciation Expense	H-13 Amortization Expense	H-14 Property Tax	H-15 Localities Expenses	H-16 Other Expense Adjustments	H-17 Credit Card Fees	
62	006	Maintenance of Structures and Improvements	810,702																	
63	007	Maintenance of Mains	5,602,316																	
64	008	Maint. of Measuring and Regulating Co-Operational	870,901																	
65	009	Maint. of Measuring and Regulating Co-Industrial	80,233																	
66	010	Maint. of Measuring and Regulating Co-City/Other	34,503																	
67	002	Maintenance of Services	4,715,213																	
68	003	Maintenance of Meters and House Regulators	2,761,284																	
69	004	Maintenance of Other Equipment	305,892																	
70		Total Maintenance Expenses	\$20,346,337																	
71		Total Distribution Expense	\$20,346,337																	
72	001	Supervision																		
73	002	Meter Reading Expense	5,000,231																	
74	003	Customer Records and Collection Expense	17,546,273																	
75	004	Uncollectible Accounts	6,257,451																	
76	005	Miscellaneous Customer Account Expense	115,251																	
77		Total Customer Account Expenses	\$29,036,756																	
78	007	Customer Service and Informational Expense																		
79	008	Supervision																		
80	009	Customer Assistance	1,400,089																	
81		Total Customer Service and Informational Exp.	\$1,400,089																	
82	011	International and Instructional Advertising Exp.																		
83	012	Telephone and Information Exp.																		
84	013	Advertising Expenses																		
85	014	Miscellaneous Sales Expenses																		
86		Total Sales and Advertising Expenses	\$0																	
87	000	Administrative and General Expense																		
88	001	Office Supplies and General Office	329,720,905																	
89	002	Office Supplies and General Office	1,300,170																	
90	003	Administrative Expenses Transferred	(12,025,514)																	
91	004	Outside Services Employed	10,302,849																	
92	005	Property Insurance	602,413																	
93	006	Injuries and Damages	2,305,120																	
94	007	Employee Penalties and Defaults	24,776,420																	
95	008	Regulatory Commission Expenses	1,046,243																	
96	009	Miscellaneous General Expenses	3,127,102																	
97	010	Rents	2,148,688																	
98	011	Maintenance of General Plant	209,378																	
99		Total Administrative and General Expense	\$59,449,102																	
100		Physical Adjustment																		
101	400	Depreciation	47,472,039																	
102	401	Amortization	16,776,802																	
103	402	Interest on Customer Deposits and Financing	1,927,842																	
104	403	Property Taxes (1-7)	4,726,406																	
105	404	Property Taxes (2-7)	16,116,471																	
106	405	Other Taxes (1-7)	3,000,393																	
107	406	Other Taxes (2-7)	314,951																	
108		Taxes Other Than Income	\$6,178,173																	
109		TOTAL EXPENSES	\$63,027,426																	
110		OPERATING INCOME BEFORE INCOME TAX	\$14,009,220																	
111	407	Income Taxes	\$1,800,400																	
112		NET OPERATING INCOME	\$12,208,820																	

Laclede Gas Company
Twelve Months Ending December 31, 2016 Trust up to September 30, 2017
Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct.	Description	Test Year Per Books	Income Tax Adjustment	Total Adjustments	Test Year As Adjusted
(a)	(b)	(c)	(d)	(e)	(f)	(g)
OPERATING REVENUE						
1	480	Residential	\$476,800,088		(\$219,173,031)	\$257,628,168
2	481.1	Commercial & Industrial	145,435,199		(92,567,270)	52,867,929
3	481.2	Industrial	0		0	0
4	483	Sales for Resale	0		0	0
5	487	Late Payment Charges	4,749,544		0	4,749,544
6	488	Miscellaneous Service Revenue	0		0	0
7	489	Transport	16,743,806		(3,133,339)	13,610,467
8	493	Rent From Property	29,241		0	29,241
9	495	Other Gas Revenue	44,601,559		(44,162,607)	438,952
10		Total Operating Revenue	\$686,359,446	\$0	(\$359,037,146)	\$327,322,300
OPERATING & MAINTENANCE EXPENSE						
Manufactured Gas Production Expense						
11	710	Operation Supervisor & Engineering	\$88,504		\$0	\$88,504
12	712	Other Power Expenses	138		0	138
13	717	Liquefied Petroleum Gas Expenses	2,927		0	2,927
14	723	Fuel for Liquefied Petroleum Gas Process	1,276		0	1,276
15	728	Liquefied Petroleum Gas	1,504,322		(1,615,570)	(111,248)
16	735	Miscellaneous Production Expenses	89,275		0	89,275
17	740	Maintenance Supervision & Engineering	18,969		0	18,969
18	741	Maintenance of Structures & Improvements	5,498		0	5,498
19	742	Maintenance of Production Equipment	78,681		0	78,681
20		Total Manufactured Gas Production Expense	\$1,778,570	\$0	(\$1,615,570)	\$163,000
Purchased Gas Expense						
21	804	Purchased Gas Expense	\$298,486,626		(\$322,756,502)	(\$24,269,876)
22	808.1	Gas Withdrawn From Storage - Debit	4,038,366		0	4,038,366
23	810	Gas Used for Compressor Station Fuel - Credit	(63,447)		0	(63,447)
24	812	Gas Used for Other Utility Operations - Credit	(133,309)		0	(133,309)
25		Total Purchased Gas Expense	\$302,328,240	\$0	(\$322,756,502)	(\$20,428,262)
Natural Gas Storage Expenses						
26	814	Operation Supervisor & Engineering	\$261,518		\$0	\$261,518
27	815	Maps and Records	57,853		0	57,853
28	816	Wells Expenses	359,840		0	359,840
29	817	Line Expenses	13,694		0	13,694
30	818	Compressor Station Expenses	112,122		0	112,122
31	819	Compressor Station Fuel & Power	65,942		0	65,942
32	820	Measuring & Regulating Station Expenses	518,161		0	518,161
33	821	Purification Expenses	106,554		0	106,554
34	823	Gas Losses	6,883		0	6,883
35	824	Other Expenses	237,850		0	237,850
36	825	Storage Well Royalties	99,907		0	99,907
37	830	Maintenance Supervision & Engineering	30,457		0	30,457
38	831	Maintenance of Structures & Improvements	207,692		0	207,692
39	832	Maintenance of Reservoirs & Wells	200,399		0	200,399
40	833	Maintenance of Lines	180,532		0	180,532
41	834	Maintenance of Compressor Station Equipment	308,876		0	308,876
42	835	Maint of Measuring & Regulating Station Exp	44,832		0	44,832
43	836	Maintenance of Purification Equipment	51,568		0	51,568
44	837	Maintenance of Other Equipment	244,982		0	244,982
45	840	Operation Supervisor & Engineering	20,870		0	20,870
46	841	Operation Labor & Expenses	6,068		0	6,068
47	842.1	Fuel	9,497		0	9,497
48	843.2	Maintenance of Structures & Improvements	69,195		0	69,195
49		Total Natural Gas Storage Expenses	\$3,215,291	\$0	\$0	\$3,215,291
Distribution Operation Expense						
50	870	Operation, Supervision and Engineering	\$4,914,668		0	4,914,668
51	871	Distribution and Lead Dispatching	1,180,217		0	1,180,217
52	874	Mains and Service Expenses	9,840,343		180,228	9,820,571
53	875	Distributing Regulating Station Expenses	792,828		0	792,828
54	876	Measuring and Regulating Station Exp-Industrial	155,837		0	155,837
55	877	Measuring and Regulating Station Exp-City Gate	110,205		0	110,205
56	878	Meter and House Regulator Expenses	14,866,146		307,085	15,253,339
57	879	Customer Installation Expenses	2,371,255		0	2,371,255
58	880	Other Expenses	2,034,041		0	2,034,041
59	881	Rents	0		0	0
60		Total Operation Expense	\$38,095,538	\$0	\$537,312	\$38,632,850
Distribution Maintenance Expense						
01	885	Maintenance Supervision and Engineering	\$2,740,753		\$0	\$2,740,753

Line No.	Main Acct.	Description	(A)	(B)	(C)	(D)	(E)
			Test Year Per Basis	Income Tax Adjustment	Total Adjustments	Test Year As Adjusted	
02	005	Maintenance of Structures and Improvements	816,702		0	816,702	
03	007	Maintenance of Mains	5,192,910		0	5,192,910	
04	009	Maint. of Measuring and Regulating Equipment	670,031		0	670,031	
05	010	Maint. of Measuring and Regulating Capital	60,228		0	60,228	
06	001	Maint. of Measuring and Regulating Gas City Gate	34,600		0	34,600	
07	002	Maintenance of Services	4,715,213		0	4,715,213	
08	003	Maintenance of Meters and House Regulators	2,791,284		0	2,791,284	
09	004	Maintenance of Other Equipment	358,692		0	358,692	
70		Total Maintenance Expense	\$75,340,332	\$0	\$0	\$75,340,332	
71		Total Distribution Expense	\$55,441,910	\$0	\$0	\$55,441,910	
72	001	Customer Accounts Expense	\$0	\$0	\$0	\$0	
73	002	Supervisor	6,010,351		(5,037,064)	973,287	
74	003	Customer Records and Collection Expense	17,546,273		1,515,800	19,062,073	
75	004	Unsubsidized Accounts	6,257,451		1,802,939	8,060,390	
76	005	Miscellaneous Customer Accounts Expense	110,381		0	110,381	
77		Total Customer Accounts Expense	\$24,034,756	\$0	\$1,281,739	\$25,316,495	
78	007	Customer Service and Informational Expense	\$0	\$0	\$0	\$0	
79	008	Customer Assistance	1,482,069		3,360,154	4,842,223	
80	009	Informational and Informational Advertising Exp.	99,014		0	99,014	
81		Total Cust. Service and Information Exp.	\$1,581,083	\$0	\$3,360,154	\$4,941,237	
82	011	Sales and Advertising Expense	\$0	\$0	\$0	\$0	
83	012	Supervisor	638,204		0	638,204	
84	013	Distribution and Calling Expense	1,410,897		(411,077)	999,820	
85	014	Advertising Expense	138,098		0	138,098	
86	015	Miscellaneous Sales Expense	0		0	0	
87	016	Total Sales and Advertising Expense	\$676,102	\$0	\$411,077	\$265,025	
88	017	Administrative and General Expense	\$0	\$0	\$0	\$0	
89	018	Administrative and General Expense	\$26,728,260		\$0	\$26,728,260	
90	019	Office Supplies and Expense	1,306,170		(10,768)	1,295,402	
91	020	Administrative Expense Transferred	(12,025,514)		0	(12,025,514)	
92	021	Outside Services Employed	10,300,840		0	10,300,840	
93	022	Property Insurance	632,413		(3,902)	628,511	
94	023	Injuries and Damages	2,369,150		912,973	3,282,123	
95	024	Employee Pensions and Benefits	24,770,420		12,333,060	37,103,480	
96	025	Regulatory Commission Expense	1,840,243		75,907	1,916,150	
97	026	Miscellaneous General Expense	3,177,162		0	3,177,162	
98	027	Rents	2,148,069		0	2,148,069	
99	028	Maintenance of General Plant	200,379		0	200,379	
100		Total Administration and General Expense	\$54,448,140	\$0	\$13,258,021	\$67,706,161	
101		Payroll Adjustment	5,897,497		0	5,897,497	
102	404, 405	Total O & M Expense	\$49,489,010	\$0	\$13,258,021	\$62,747,031	
103	406	Depreciation	47,472,000		\$3,890,701	\$51,362,701	
104	407	Infract on Customer Deposits and Financing	10,779,662		(2,076,029)	8,703,633	
105	408	Payroll Taxes (17%)	1,097,942		(1,047,409)	50,533	
106	409	Payroll Taxes (27%)	4,794,498		566,885	5,361,383	
107	410	Payroll Taxes (6%)	16,110,471		277,884	16,388,355	
108	411	State Income Tax (0.000 - 6.000)	30,000,000		(30,000,000)	0	
109	412	Other Taxes (47%)	31,625		0	31,625	
110	413	Taxes Other Than Income	\$64,071,173	\$0	\$30,271,920	\$94,343,093	
111		TOTAL EXPENSES	\$70,372,270	\$0	\$13,188,186	\$83,560,456	
112		OPERATING INCOME BEFORE INCOME TAX	\$11,890,220	\$0	\$6,830,000	\$18,720,220	
113	401, 410	Income Taxes	27,017,822		(16,536,217)	10,481,605	
114		NET OPERATING INCOME	\$8,872,398	\$16,536,217	\$(9,706,217)	\$15,642,400	

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Test Year Margin Revenue

Line No.	Description	Main Account/Revenue Class					Total
		480 21	481.1/.2/.3 22 & 23	483. 489 28, 38	487	492, 493, 495	
	(a)	(b)	(c)	(e)		(f)	
1	Total Revenue per Book	476,773,725	145,461,566	16,743,813	4,749,544	44,630,799	688,359,446
2	Less: GRT Revenue, Unbilled Revenue, PGA Revenue, and Miscellaneous Adjustments	(225,019,632)	(93,460,461)	(3,363,798)	0	(44,162,607)	(366,006,498)
3	Test Year Margin	251,754,093	52,001,105	13,380,015	4,749,544	468,192	322,352,948

LACLEDE GAS COMPANY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Revenue Adjustments

Line	Description	Main Account/Revenue Class				Total
		Residential Gas Sales 480	Commercial & Industrial Gas Sales 481.1/2/3	Transportation Revenues 489, 483	Service Charges and Other	
No.	(a)	21 (b)	22 & 23 (c)	38, 28 (e)	487, 488, 493, 495 (f)	(g)
1	Test Year Margin	\$251,754,093	\$52,001,105	\$13,380,015	\$5,217,736	\$322,352,948
2	Weather Normalize	\$3,983,602	\$1,600,176	\$0		\$5,583,778
3	Rate Switching Adjustments	(2,365)	149,713	68,911		\$216,259
4	Customer Growth Annualization	1,864,465	262,697	161,548		\$2,288,710
5	Rate Classification Adjustments	0	(1,119,395)	0		(\$1,119,395)
6	Total Adjustments	5,845,702	893,191	230,459	0	6,969,352
7	As Adjusted Test Year Margin	\$257,599,794.39	\$52,894,296	\$13,610,474	\$5,217,736	\$329,322,300

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Remove Purchase Gas Costs and Gross Receipts Tax

Line No.	Description (a)	Amount (b)
1	Purchase Gas Costs (Acct. 804)	(\$244,347,386)
2	Gross Receipts Tax (Acct. 4081)	(33,503,393)
3	Unbilled Gas Cost (Acct. 804)	(16,620,593)
4	Off System Sales Expense (Acct. 804)	(41,788,523)
5	Liquefied Petroleum Gas (Acct. 728)	(1,615,570.00)
6	Total Adjustment	<u><u>(\$337,875,465)</u></u>

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Payroll Adjustment

Line No.	Description	Dollars			
	(a)	(b)	(c)	(d)	(e)
	O&M Payroll (Excluding AIP)				
1	Test Year Payroll	63,050,284			
2	12 Month Normalized Payroll	<u>68,586,418</u>			
3					5,536,134
	AIP Adjustment (Gross)				
	Test Year Payroll				
4	Shared Services	5,503,483			
5	Missouri Gas Energy	2,216,325			
6	Laclede Gas	<u>6,346,071</u>			
7	Total AIP Paid	<u>14,065,879</u>			
8	Total Payroll (Regular & OT)	<u>178,784,431</u>			
9	AIP Percentage	7.87%			
	12 Month Normalized Payroll				
10	Shared Services	5,908,608	405,125		
11	SSC - MGE %		<u>44.32%</u>		
12				179,551	
13	Missouri Gas Energy	2,379,474			
14	Laclede Gas	<u>6,813,221</u>			
15		<u>15,101,303</u>			
16	Total Payroll (Regular & OT)	<u>191,884,400</u>			
17				646,701	
18	O&M Percentage			<u>54.33%</u>	
19					<u>351,353</u>
20	Total Wage & Salary Adjustment				<u><u>5,887,487</u></u>

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Employee Benefits

Line No.	Description (a)	Insurance Rate (b)	Amount (c)
1	O&M Payroll Increase (H4 Payroll Tab)		5,536,134
<u>Insurance Costs</u>			
1	Life Insurance (per \$1000)	\$ 0.2190	\$14,549
2	AD&D (per \$1000)	\$ 0.0100	664
3	LTD (per \$1000)	\$ 0.8950	59,458
4	LTD/STD/FMLA Admin Fees (per person)	\$ 8.21	3,153
5	Total Payroll Related Insurance Costs		<u>\$77,824</u>
<u>401K Employee Match Adjustment</u>			
		<u>401K Match Rate</u>	<u>Amount</u>
6	Payroll Adjustments:	4.09%	\$226,428
7	AIP Adjustment	4.09%	14,370
8	Total 401K Employee Match Adjustment		<u>\$240,798</u>
<u>Pension and OPEB Adjustment</u>			
9	Laclede %	29,882,000.00	
10	Asset Amortization	<u>16,497,987.42</u>	
11	Recovery	46,379,987.42	
12	Allowance In Rates	<u>24,955,000.00</u>	
13	Difference	21,424,987.42	
14	O&M %	<u>54.33%</u>	
15	Adjustment	<u>11,640,195.67</u>	
<u>SERP Adjustment</u>			
16	926100 SERP Expense - Test Year		\$552,536
17	Payments - Jan 2014 - Dec 2016	\$3,174,727	
18	Three Year Average	3.00	<u>1,058,242</u>
19	Difference		505,706
20	O&M %		<u>54.33%</u>
21	Adjustment		<u>\$274,750</u>

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017
Payroll Taxes

Line No.	Description (a)	Payroll Amount (b)	AIP Amount (c)	Total Amount (d)
Payroll Taxes				
1	Payroll tax adjustment - LGC	480,826	19,391	500,217
2	Payroll tax adjustment - SSC		6,666	6,666
3	Total Payroll Taxes Adjustment	480,826	26,057	506,883

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Insurance / Injuries & Damages

Line No.	Description	Twelve Months Ending September 30,			3 Year Avg.	925 Amount	924 Amount
		2015	2016	2017			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Laclede Claims:						
1	Workers Compensation Claims Paid	2,248,696.39	1,977,621.94	1,938,379.86	\$2,054,899		
2	Property and Other Claims Paid	375,114	228,192	799,860	467,722		
3	Auto Claims Paid	63,914	64,790	68,814	65,839		
4	Total Proforma Claims	<u>\$2,687,724</u>	<u>\$2,270,604</u>	<u>\$2,807,054</u>	\$2,588,460		
5	Test Year Accrual				1,991,320		
6	Adjustment				<u>\$597,140</u>	\$597,140	
					O&M Transfer Rate		
7	Insurance Premiums						
	Property Insurance - September 2017			\$52,402			
8	Months			12			
9	Annualized			<u>628,822</u>			
10	Test Year			632,413			
11	Adjustment			<u>(\$3,592)</u>	100.000%		(\$3,592)
12	Excess Liability and Workers Comp at 9/30/17			\$461,078			
13	Other Costs			38,438			
14	I&D at 9/30/17			<u>499,516</u>			
15	Months			12			
16	Annualized			<u>5,994,190</u>			
17	Test Year			5,331,267			
18	Adjustment			<u>\$662,922</u>	54.330%	\$360,166	
19	D&O Insurance - Dec 2016			\$27,400			
20	Months			12			
21	Annualized			<u>328,795.80</u>			
22	Test Year			410,395.02			
23	Adjustment			<u>(\$81,599)</u>	54.330%	(\$44,333)	
24	Total Adjustments					<u>\$912,973</u>	<u>(\$3,592)</u>

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Energy Efficiency

Line No.	Description (a)	Amount (b)
	Energy Efficiency Program Expenses	
1	Calendar Year 2014	\$2,118,288
2	Calendar Year 2015	\$2,051,721
3	Calendar Year 2016	\$1,930,053
4	Total	<u>\$6,100,062</u>
5	Three year average	<u>\$2,033,354</u>

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Uncollectible Expense

Line No.	Description (a)	Amount (b)	Amount (c)
1	Twelve Months Ended August, 2013	3,236,689	
2	Twelve Months Ended August, 2014	8,783,809	
3	Twelve Months Ended August, 2015	<u>12,159,471</u>	
4	Three Year Average		\$8,059,990
5	Less Test Year Uncollectible Expense		(6,257,451)
6	Adjustment to Test Year - Acct. 904		<u><u>\$1,802,539</u></u>

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Regulatory Commission Expense

Line No.	Description (a)	Amount (b)	Amount (c)
1	Estimate of current rate case expense	<u>\$596,668</u>	
2	Annual Amortization (3 years)		\$198,889
3	Normalized level of expense for depreciation study		\$6,000
4	Proforma NARUC Assessment		9,156
5	Other Regulatory Commission Expenses		71,046
6	Proforma MPSC Assessment - 7/1/2016 - 6/30/2017		<u>1,737,018</u>
7	Total Proforma Regulatory Commission Expense		\$2,022,110
8	Less Test Year Regulatory Commission Expense		(1,946,243)
9	Adjustment to Test Year - Acct. 928		<u><u>\$75,867</u></u>

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Interest on Customer Deposits

Line No.	Description (a)	Reference (b)	Residential (c)
1	Customer Deposits	B-2	\$4,747,471
2	Interest Rate		4.75%
3	Proforma Interest on Customer Deposits		\$225,505
4	Less Test Year Interest on Customer Deposits		(1,957,942)
5	Adjustment to Test Year - Acct. 431		(\$1,732,437)

LACLEDE GAS COMPANY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Depreciation Expense

Line No.	Description (a)	Amount (b)	Current Depreciation Rate (c)	Annualized Depreciation (d)	Proposed Rate (e)	Proforma Total Depreciation (f)	Less Depr. Capitalized To Clearing Accts. (g)	Proforma Depreciation Expense (h)
INTANGIBLE PLANT								
1	(301) Organization	\$2,501	0.00%	\$0	0.00%	\$0	\$0	\$0
2	(302) Franchises	8,484	0.00%	0	0.00%	0	0	0
3	Total Intangible Plant	<u>\$10,985</u>		<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
PRODUCTION PLANT								
4	(304) Land & Land Rights-Mfg Gas	\$119,929						
5	(305) Structures & Improvements-Mfg Gas	\$1,869,054	1.67%	\$31,213	1.67%	31,213.20	0.00	\$31,213
6	(307) Other Power Equipment	33,139	3.50%	1,160	3.50%	1,159.87	0.00	1,160
7	(311) Propane Equipment-Gas Ops	4,404,828	3.71%	163,419	3.71%	163,419.13	0.00	163,419
8	(311.1) Propane Storage Cavern-Gas Ops	4,827,936	1.11%	53,590	1.11%	53,590.09	0.00	53,590
9	Total Production Plant	<u>\$11,254,887</u>		<u>\$249,382</u>		<u>\$249,382</u>	<u>\$0</u>	<u>\$249,382</u>
UNDERGROUND STORAGE PLANT								
10	(350.1) Land	\$1,201,600						
11	(350.2) Rights of Way	778,418		0		0	0	0
12	(351.2) Compression Station Structure	678,591	3.33%	22,530	3.33%	22,530	0	22,530
13	(351.4) Other Structures	1,009,838	2.18%	22,014	2.18%	22,014	0	22,014
14	(352) Wells	6,090,514	1.22%	74,304	1.22%	74,304	0	74,304
15	(352.1) Storage Leaseholds & Rights	2,055,422		0		0	0	0
16	(352.2) Reservoirs	245,023	1.22%	2,989	1.22%	2,989	0	2,989
17	(352.3) Non-Recoverable Natural Gas	6,503,628	1.11%	72,190	1.11%	72,190	0	72,190
18	(352.4) Wells - Oil & Vent Gas	1,932,818	1.22%	23,580	1.22%	23,580	0	23,580
19	(353) Lines	2,878,382	1.17%	33,654	1.17%	33,654	0	33,654
20	(354) Compressor Station Equipment	2,747,710	1.22%	33,522	1.22%	33,522	0	33,522
21	(355) Measuring & Regulating Equipment	2,247,516	1.79%	40,231	1.79%	40,231	0	40,231
22	(356) Purification Equipment	233,042	2.38%	5,546	2.38%	5,546	0	5,546
23	(357) Other Equipment	66,896	4.55%	3,044	4.55%	3,044	0	3,044
24	Total Underground Storage Plant	<u>\$28,665,399</u>		<u>\$333,606</u>		<u>\$333,606</u>	<u>\$0</u>	<u>\$333,606</u>
OTHER STORAGE EQUIPMENT								
25	(360) Land & Land Rights	\$50,654						
26	(361) Structures & Improvements	107,233						
27	(362) Gas Holders	659,027						
28	(363.3) Compressor Equipment	338,616						
29	Total Other Storage Equipment	<u>\$1,155,529</u>		<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TRANSMISSION PLANT								
30	(365.2) Rights of Way - Transmission	\$41,153						
31	(367) Mains - Transmission	2,013,840	1.44%	28,999	1.44%	28,999	0	28,999
32	(371) Other Equipment - Transmission	9,654	2.33%	225	2.33%	225	0	225
33	Total Distribution Plant	<u>\$2,064,647</u>		<u>\$29,224</u>		<u>\$29,224</u>	<u>\$0</u>	<u>\$29,224</u>
DISTRIBUTION PLANT								
34	(374) Land & Land Rights	\$3,134,157						
35	(375.1) Str & Imp - District Meas & Reg	1,074,714	3.00%	32,241	3.00%	32,241	0	32,241
36	(375.2) Str & Imp - Service Centers	14,497,858	3.00%	434,936	3.00%	434,936	0	434,936
37	(375.3) Str & Imp - Garage	290,197	3.00%	8,706	3.00%	8,706	0	8,706
38	(375.4) Str & Imp - Other Small Structures	69,048	3.00%	2,071	3.00%	2,071	0	2,071
39	(375) Struct & Impr - Leased Property	101,089	(see adj. H-13)		(see adj. H-13)			
40	(376.1) Mains - Steel	236,067,108	1.44%	3,399,366	1.44%	3,399,366	0	3,399,366
41	(376.2) Mains - Cast Iron	22,358,913	3.31%	740,080	3.31%	740,080	0	740,080
42	(376.3) Mains - Plastic & Copper	495,389,234	1.57%	7,777,611	1.57%	7,777,611	0	7,777,611
43	(376) Meas. & Reg. Station - General	12,823,509	3.71%	475,752	3.71%	475,752	0	475,752
44	(379) Meas. & Reg. Station - City Gate	2,885,720	3.71%	107,060	3.71%	107,060	0	107,060
45	(380.1) Services - Steel	38,869,985	5.23%	2,032,900	5.23%	2,032,900	0	2,032,900
46	(380.2) Services - Plastic	669,931,881	3.75%	25,122,446	3.75%	25,122,446	0	25,122,446
47	(381) Meters	131,326,471	2.37%	3,112,485	2.37%	3,112,485	0	3,112,485
48	(383) House Regulators	25,998,865	2.00%	519,977	2.00%	519,977	0	519,977
49	(385) Commercial & Ind Meas & Reg Eq	14,824,730	3.25%	481,804	3.25%	481,804	0	481,804
50	(386) Other Property - Customer Premises	22,975	7.14%	1,640	7.14%	1,640	0	1,640
51	(387) Other Equipment	408,070	2.76%	11,239	2.76%	11,239	0	11,239
52	Total Distribution Plant	<u>\$1,670,074,524</u>		<u>\$44,260,365</u>		<u>\$44,260,365</u>	<u>\$0</u>	<u>\$44,260,365</u>

LACLEDE GAS COMPANY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Depreciation Expense

Line No.	Description (a)	Amount (b)	Current Depreciation Rate (c)	Annualized Depreciation (d)	Proposed Rate (e)	Proforma Total Depreciation (f)	Less Depr. Capitalized To Clearing Accts. (g)	Proforma Depreciation Expense (h)
GENERAL PLANT								
53	(389) Land	\$0						
54	(390) Structures & Improvements	163,119	3.00%	4,894	3.00%	4,894	0	4,894
55	(390) Struct & Improv - Lessed Property	2,528,842	(see adj. H-13)		(see adj. H-13)			
56	(391) Furniture & Fixtures	4,260,465	3.33%	141,873	3.33%	141,873	0	141,873
57	(391.1) Data Processing Systems	12,625,595	20.00%	2,525,119	20.00%	2,525,119	0	2,525,119
58	(391.2) Mechanical Office Equipment	30,559	10.00%	3,056	10.00%	3,056	0	3,056
59	(391.3) Data Processing Software	35,513,290	(see adj. H-13)		(see adj. H-13)			
60	(391.4) Data Processing Systems	647,746	10.00%	64,775	10.00%	64,775	0	64,775
61	(391.5) Enterprise Software-EIMS	49,935,210	(see adj. H-13)		(see adj. H-13)			
62	(392.1) Transportation Eq - Automobiles	3,445,338	14.17%	488,204	14.17%	488,204	0	488,204
63	(392.2) Transportation Eq - Trucks	27,184,693	8.16%	2,224,526	8.16%	2,224,526	0	2,224,526
64	(393) Stores Equipment	332,530	2.22%	7,382	2.22%	7,382	0	7,382
65	(394) Tools, Shop & Garage Equipment	17,050,188	2.63%	448,420	2.63%	448,420	0	448,420
66	(395) Laboratory Equipment	306,723	3.57%	10,950	3.57%	10,950	0	10,950
67	(396) Power Operated Equipment	25,356,920	6.92%	1,754,699	6.92%	1,754,699	0	1,754,699
68	(397.0) Communication Equipment	2,040,060	5.00%	102,003	5.00%	102,003	0	102,003
69	(397.1) Communication Equipment LGC AMRTs	18,624,220	(see adj. H-13)		(see adj. H-13)			
70	(398) Miscellaneous Equipment	<u>3,256,123</u>	3.45%	<u>112,336</u>	3.45%	<u>112,336</u>	<u>0</u>	<u>112,336</u>
71	Total General Plant	<u>\$201,311,623</u>		<u>\$7,888,237</u>		<u>\$7,888,237</u>	<u>\$0</u>	<u>\$7,888,237</u>
72	Total Original Cost Plant In Service	\$1,914,537,595		\$52,760,814		\$52,760,814	\$0	\$52,760,814
73	Less Depreciation Charged to Clearing			(1,291,385.11)		(1,291,385)		(1,291,385)
74	Less Test Year Depreciation Expense							(547,472,639)
75	Adjustment to Test Year - Acct. 403							<u>\$3,996,791</u>

LACLEDE GAS COMPANY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Amortization Expense

Line No.	Description	Original Cost Plant	Monthly Test Year Amortization Expense	Proforma Amortization Expense	Accl No.
	(a)	(b)	(c)	(d)	(e)
1	(352.1) Storage Leaseholds & Rights	\$20,185	\$34	\$406	404.2
2	(390) Struct & Improv - Leased Property	2,528,842	10,521	126,256	404.3
3	(391.3) Data Processing Software	35,513,290	186,110	2,233,323	404.3
4	(391.5) Enterprise Software-EIMS	49,935,210	291,289	3,495,465	404.3
5	(397.1) Communication Equipment LGC AMRs	16,624,220	198,105	2,377,263	404.3
6	Sub Total	<u>\$104,621,748</u>	<u>\$686,059</u>	<u>\$8,232,713</u>	
		Unamortized Balance	Mo Amort Amt	Proforma Amortization	
7	Other Leased Property	<u>\$1,329,468</u>	<u>\$39,102</u>	<u>\$469,224</u>	404.3
8	Total Amortization			8,701,937	
9	Less Test Year Amortization			<u>(10,778,862)</u>	
10	Adjustment to Test Year Account 404			<u>(2,076,925)</u>	
		Unamortized Balance	Mo Amort Amt	Proforma Amortization	
11	Deferred Energy Efficiency and Low Income Program Costs	<u>\$13,331,607</u>	111,097	\$1,333,161	
12	Low Income Program Net of Amortization	\$32,083	917	\$11,000	
13	Red Tag Program	\$36,277	302	\$3,628	
14	Initial Energy Efficiency Asset Net of Amortization	\$239,167	6,833	<u>\$82,000</u>	
15	Pro-Forma Amortization Expense			\$1,429,788	908.0
16	Less Test Year Amortization Expense			<u>(102,978)</u>	
17	Adjustment to Test Year - Accts. 908			<u>\$1,326,810</u>	

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Property Tax Adjustment

Line No.	Description	Reference	Real Estate & Personal Property	Manufacturers	Total
1	Calendar Year 2016 Taxes Paid		15,810,739	216,217	16,026,956
2	Calendar 2016 Assessed Values		167,209,638	2,550,530	169,760,168
3	Average 2016 Rate Per \$100 Valuation		<u>9.4556%</u>	<u>8.4773%</u>	<u>9.4409%</u>
4	Calendar Year 2017 Estimated Taxes Due		16,753,200	234,000	16,987,200
5	Calendar 2017 Estimated Assessed Values		177,176,823	2,760,301	179,937,124
6	Estimated Rates		9.4556%	8.4773%	9.4409%
7	Percentage Split Between Real Estate & Personal Property and Manufacturers' Property Based on 1/1/17 Assessed Values		<u>98.6%</u>	<u>1.4%</u>	<u>100.0%</u>
			Real Estate & Personal Property	Manufacturers	Total
8	Increase from 12/31/16 to 12/31/17		<u>\$942,461</u>	<u>\$17,783</u>	<u>\$960,244</u>
<u>Pro Forma Rate Calculation:</u>					
9	Total		<u>Assessed</u> 179,937,124	<u>Tax</u> 16,987,200	
10	Less: Manufacturer's		<u>(2,760,301)</u>	<u>(234,000)</u>	
11	Total Real Estate/Personal Property		<u>177,176,823</u>	<u>16,753,200</u>	
12	Effective Real Estate/Personal Property Proforma Tax Rate		<u>9.4556%</u>		
13	Net Plant at 12/31/16 (before adj to allocate Enterprise Software)		\$1,288,321,940		
14	Assessed Value Percentage		<u>13.75%</u>		
15	Allocated Enterprise Software to MGE (net plant)		<u>(\$52,479,697)</u>		
16	Decrease in Assessed Value		<u>(\$7,217,285)</u>		
17	Allocation of Property Tax to MGE		<u>(\$682,440)</u>		

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Locates Expense

Line No.	Description (a)	Total (b)
1	January	16,059
2	February	16,242
3	March	22,140
4	April	22,997
5	May	22,556
6	June	24,775
7	July	20,249
8	August	23,543
9	September	28,410
10	October	25,814
11	November	14,314
12	December	13,361
13	Total Locates	<u>250,460</u>

CY16 Locates - Laclede

	<u>Quantity</u>	<u>Cost</u>	<u>Total</u>
14	Locates - Jan 16 - March 16	49,922	\$ 658,976
15	Locates - April 16 - Dec 16	179,749	2,408,642
16	Fiber Locates - Jan 16 - Mar 16	4,519	59,646
17	Fiber Locates - Apr 16	1,909	25,577
18	Fiber Locates - May 16 - Dec 16	14,361	468,163
19	Total Locates	<u>250,460</u>	<u>\$ 3,621,004</u>

Pro Forma Locates Cost - MGE

20	Locates	229,672	\$ 3,123,537
21	Fiber Locates	20,788	677,695
22	Total	<u>250,460</u>	<u>\$ 3,801,231</u>

23	Adjustment to A/C 874		<u>\$ 180,228</u>
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24	Locates	91.7%
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25	Fiber Locates	8.3% USIC
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26		<u>100.0%</u>
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* Breakdown of fiber locates from

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Other Expense Adjustments

Line No.	Description (a)	Acct	Total (b)
<u>Expense Eliminations</u>			
1	Eliminate Ticket Expense	912	(\$411,017)
2	Eliminate Ticket Expense	921	(\$10,788)
3	Total		<u>(\$421,805)</u>
<u>EnergyWise and Insulation Financing Costs</u>			
4	Interest income from insulation financing		(\$30,897)
5	Interest income from EnergyWise financing		(\$53,910)
6	Total		<u>(\$84,807)</u>
<u>AMR Purchase Impact to O&M Expenses</u>			
7	Current read cost per device		\$0.98
8	Read Cost after device purchase		<u>\$0.24</u>
9	Reduction in Cost		(\$0.74)
10	Monthly devices read		692,325
11	Annual Savings		(\$6,147,846)
12	Estimated maintenance costs of devices		694,256
13	Property taxes Schedule CEL R-1		415,605
14	Total Decrease to O&M expense	902	<u>(\$5,037,984)</u>
<u>Spire Uniform Costs</u>			
15	2017 Costs charged to expense	878	421,916
16	2018 Estimated costs charged to expense	878	292,253
17	Average		<u>\$357,085</u>

LACLEDE GAS COMPANY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Credit Card Fees

Line No.	Month	Card Transactions	MGE Residential Bills	Percent Using Cards	Laclede Residential Bills	Proforma Credit Card Payments
	(a)	(b)				
1	February 16	143,726	454,299	31.6%	610,496	193,142
2	March	141,517	454,156	31.2%	610,747	190,311
3	April	130,602	451,743	28.9%	607,036	175,498
4	May	132,597	447,880	29.6%	604,365	178,925
5	June	126,389	444,826	28.4%	600,990	170,760
6	July	118,439	440,688	26.9%	596,097	160,207
7	August	132,260	436,892	30.3%	594,468	179,963
8	September	118,981	442,383	26.9%	594,212	159,816
9	October	128,690	440,102	29.2%	594,216	173,754
10	November	129,459	443,515	29.2%	595,564	173,841
11	December	133,028	450,412	29.5%	602,511	177,950
12	January 17	144,724	457,505	31.6%	610,284	193,053
13	Total	<u>1,580,412</u>	<u>5,364,402</u>		<u>7,220,987</u>	<u>2,127,221</u>
14	Average MGE Transaction Cost					\$ 0.71
15	Adjustment					<u>\$ 1,515,820</u>

MISSOURI GAS ENERGY

Index of Schedules

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MISSOURI GAS ENERGY
September 30, 2017
Revenue Deficiency

Line No.	Description (a)	Ref. (b)	Required Return (c)	Earnings Deficiency (d)	Net Revenue Deficiency (e)
1	Rate Base	B	\$843,675,888		
2	Rate of Return	F	<u>7.498%</u>		
3	Required Return		<u>\$63,258,818</u>	\$63,258,818	
4	Adjusted Test Year Net Operating Income	A-1		<u>31,077,157</u>	
5	Earnings Deficiency			<u>\$32,181,661</u>	\$32,181,661
6	Multiply by Income Tax Gross-up Factor				<u>1.62308</u>
7	Net Revenue Deficiency				<u>\$52,233,378</u>
8	Allowance for Known and Measurable Changes/ True-up Estimate				<u>\$0</u>
9	Total Revenue Deficiency				<u><u>\$52,233,378</u></u>

MISSOURI GAS ENERGY
September 30, 2017
Summary of Net Operating Income
Per Books and Adjusted

Line No.	Description (a)	Per Books (b)	Adjustments (c)	As Adjusted (d)
REVENUES				
1	Operating Base Revenues	\$423,999,587	(\$225,753,605)	\$198,245,983
2	Other Utility Revenues	19,375,796	(17,805,582)	1,570,214
3	Total Operating Revenues	<u>\$443,375,383</u>	<u>(\$243,559,187)</u>	<u>\$199,816,197</u>
OPERATING EXPENSES				
4	Distribution Expense	\$243,919,227	(\$209,410,347)	\$34,508,881
5	Customer Accounts Expense	16,372,186	3,141,031	19,513,217
6	Customer Service and Information Expense	1,258,820	3,160,576	4,419,396
7	Sales Expense	1,193,643	(109,264)	1,084,379
8	Administrative and General Expense	38,474,760	5,355,979	43,830,739
9	Payroll Adjustment		1,078,452	1,078,452
10	Total Operating and Maintenance Expenses	<u>\$301,218,636</u>	<u>(\$196,783,573)</u>	<u>\$104,435,063</u>
11	Depreciation & Amortization Expense	\$31,253,205	\$7,252,986	\$38,506,190
12	Interest on Customer Deposits	412,235	(206,747)	205,488
13	Taxes Other Than Income	44,565,793	(21,725,474)	22,840,319
14	Total Operating Expenses	<u>\$377,449,869</u>	<u>(\$210,384,356)</u>	<u>\$165,987,060</u>
15	Operating Income Before Income Tax	\$65,925,515	(\$33,174,830)	\$33,829,136
16	Less: Income Tax Expense	15,073,361	(12,321,382)	2,751,979
17	Net Operating Income	<u>\$50,852,154</u>	<u>(\$20,853,448)</u>	<u>\$31,077,157</u>

MISSOURI GAS ENERGY
September 30, 2017
Income Tax

Line No.	Description (a)	Reference (b)	Per Books (c)	As Adjusted (d)
1	Total Operating Revenues	A-1	\$443,375,383	\$199,816,197
2	Total Operating Expenses	A-1	(377,449,889)	(165,987,060)
3	Net Operating Income	A-1	<u>\$65,925,515</u>	<u>\$33,829,136</u>
4	Flow-Through Adjustments		(\$10,731,814)	(\$10,731,814)
5	Less: Interest on Long Term Debt		(15,928,601)	(15,928,601)
6	Total Tax Adjustments		<u>(\$26,660,415)</u>	<u>(\$26,660,415)</u>
7	Net Taxable Income		<u>\$39,265,100</u>	<u>\$7,168,721</u>
8	Income Tax		<u>\$15,073,361</u>	<u>\$2,751,979</u>

MISSOURI GAS ENERGY
September 30, 2017
Rate Base

Line No.	Description (a)	Reference (b)	Amount (c)
1	Intangible Plant	C	\$803,352
2	Distribution Plant	C	1,221,223,681
3	General Plant	C	168,896,992
4	Construction Work in Progress	C	<u>0</u>
5	Gross Plant In Service		<u>\$1,390,924,025</u>
6	Accumulated Depreciation & Amortization	D	<u>(517,833,037)</u>
7	Net Plant in Service		\$873,090,988
8	Working Capital	E	84,181,550
9	Customer Deposits	B-1	(4,326,054)
10	Customer Advances	B-2	(3,486,386)
11	Other Regulatory Liabilities	B-3	(70,009,762)
12	Deferred Income Taxes - Other	B-4	<u>(35,774,448)</u>
13	Total Rate Base		<u><u>\$843,675,888</u></u>

MISSOURI GAS ENERGY
 Thirteen Months Ending September 30, 2017

Customer Deposits

Line No.	Month	Residential Amount
	(a)	(b)
1	Sep-16	(4,624,170)
2	Oct-16	(4,619,265)
3	Nov-16	(4,528,374)
4	Dec-16	(4,484,623)
5	Jan-17	(4,425,565)
6	Feb-17	(4,394,159)
7	Mar-17	(4,300,021)
8	Apr-17	(4,247,905)
9	May-17	(4,205,455)
10	Jun-17	(4,140,934)
11	Jul-17	(4,116,968)
12	Aug-17	(4,114,815)
13	Sep-17	<u>(4,036,454)</u>
14	Total	<u><u>(\$56,238,708)</u></u>
15	Average	<u><u>(\$4,326,054)</u></u>
16	Interest Rate	<u><u>4.75%</u></u>
17		<u><u>\$205,488</u></u>

MISSOURI GAS ENERGY
Thirteen Months Ending September 30, 2017

Customer Advances

Line No.	Month	Amount
	(a)	(b)
1	Sep-16	(3,690,167)
2	Oct-16	(3,654,176)
3	Nov-16	(3,638,202)
4	Dec-16	(3,641,249)
5	Jan-17	(3,517,968)
6	Feb-17	(3,469,626)
7	Mar-17	(3,467,474)
8	Apr-17	(3,449,666)
9	May-17	(3,420,056)
10	Jun-17	(3,364,861)
11	Jul-17	(3,344,171)
12	Aug-17	(3,340,710)
13	Sep-17	<u>(3,324,695)</u>
14	Total	<u><u>(\$45,323,020)</u></u>
15	Average	<u><u>(\$3,486,386)</u></u>

MISSOURI GAS ENERGY
Regulatory Liabilities
September 30, 2017

Line			
No.		Year Ended	Balance
		(a)	(b)
1	Rate Base Offset from GM-2013-0254		(\$118,326,358)
2	Amortization of Rate Base Offset		<u>\$48,316,596</u>
3	Total Regulatory Liabilities		<u><u>(\$70,009,762)</u></u>

MISSOURI GAS ENERGY
September 30, 2017

Accumulated Deferred Income Taxes

Line No.	Description (a)	Amount (b)
1	Deferred Taxes, MGE Direct Plant as of 12/31/16	(\$35,774,448)
2	Total Accumulated Deferred Income Taxes	<u>(\$35,774,448)</u>

MISSOURI GAS ENERGY
Plant in Service
September 30, 2017

Line No.	Description	Plant Balance @9/30/17	Total Adjustments	Total As Adjusted
	(a)	(b)	(c)	(d)
<u>INTANGIBLE PLANT</u>				
1	(301) Organization	\$15,600		\$15,600
2	(302) Franchises	13,823		13,823
3	(303) Miscellaneous Intangible	773,929		773,929
4	Total Intangible Plant	<u>\$803,352</u>		<u>\$803,352</u>
<u>DISTRIBUTION PLANT</u>				
5	(374.1) Land	\$476,088		\$476,088
6	(374.2) Land Rights	2,918,858		2,918,858
7	(375.1) Structures	13,709,123		13,709,123
8	(375.2) Leasehold Improvements	9,724		9,724
9	(376) Mains	611,065,128		611,065,128
10	(378) Meas. & Reg. Station - General	14,523,177		14,523,177
11	(379) Meas. & Reg. Station - City Gate	6,035,587		6,035,587
12	(380) Services	416,337,425		416,337,425
13	(381) Meters	42,212,876		42,212,876
14	(382) Meter Installations	96,149,748		96,149,748
15	(383) House Regulators	16,313,502		16,313,502
16	(385) Electronic Gas Measuring	1,472,444		1,472,444
17	(387) Other Equipment	0		0
18	Total Distribution Plant	<u>\$1,221,223,681</u>		<u>\$1,221,223,681</u>
<u>GENERAL PLANT</u>				
19	(389) Land	\$1,058,065		\$1,058,065
20	(390.1) Structures	878,378		878,378
21	(390.2) Leasehold Improvements	0		0
22	(391) Furniture & Fixtures	8,870,082		8,870,082
23	(391.5) Enterprise Software-EIMS	0	68,368,759	68,368,759
24	(391950) Ent Software Shar Svc Alloc	2,924,128		2,924,128
25	(392.1) Transportation Eq - Cars and Small Trucks	5,754,530		5,754,530
26	(392.2) Transportation Eq - Heavy Trucks	17,809,234		17,809,234
27	(393) Stores Equipment	664,474		664,474
28	(394) Tools	9,689,101		9,689,101
29	(395) Laboratory Equipment	0		0
30	(396) Power Operated Equipment	3,399,751		3,399,751
31	(397.1) Communication Equipment - AMR	42,076,715		42,076,715
32	(397.0) Communication Equipment	6,254,169		6,254,169
33	(398) Miscellaneous Equipment	1,149,606		1,149,606
34	Total General Plant	<u>\$100,528,233</u>	<u>\$68,368,759</u>	<u>\$168,896,992</u>
35	Total Original Cost Plant in Service	\$1,322,555,266	\$68,368,759	\$1,390,924,025
35	Construction Work in Progress			0
36	Accumulated Depreciation and Amortization	<u>(501,943,975)</u>	<u>(15,889,062)</u>	<u>(517,833,037)</u>
37	Net Plant In Service	<u>\$820,611,291</u>	<u>\$52,479,697</u>	<u>\$873,090,988</u>

MISSOURI GAS ENERGY
Accumulated Reserves for Depreciation and Amortization
December 31, 2016

Line No.	Description (a)	Test Year Direct (b)	Proforma Adjustments (c)	Test Year As Adjusted (d)
1	Intangible Plant Reserve	(\$564,471)	\$0	(\$564,471)
2	Distribution & General Plant Reserve	(506,526,579)	(15,889,062)	(522,415,641)
3	Retirement Work In Progress	<u>5,147,075</u>	<u>0</u>	<u>5,147,075</u>
4	Total Accumulated Reserves	<u><u>(\$501,943,975)</u></u>	<u><u>(\$15,889,062)</u></u>	<u><u>(\$517,833,037)</u></u>

MISSOURI GAS ENERGY
September 30, 2017
Working Capital

Line No.	Description (a)	Reference (b)	Amounts (c)
1	Materials and Supplies Inventory	E-1	\$5,807,871
2	Prepayments	E-2	4,398,982
3	Gas Inventory - Volumes and Price	E-3	37,309,065
4	Cash Working Capital	E-4	4,031,100
5	Other Regulatory Assets	E-5	<u>32,634,533</u>
6	Total Working Capital		<u><u>\$84,181,550</u></u>

MISSOURI GAS ENERGY
Thirteen Months Ending September 30, 2017
Materials & Supplies

Line No.	Month (a)	Amount (b)
1	Sep-16	\$5,160,731
2	Oct-16	5,195,761
3	Nov-16	5,058,159
4	Dec-16	5,225,674
5	Jan-17	5,264,750
6	Feb-17	5,442,905
7	Mar-17	5,932,368
8	Apr-17	6,255,840
9	May-17	6,247,648
10	Jun-17	6,430,302
11	Jul-17	6,514,970
12	Aug-17	6,436,289
13	Sep-17	6,336,920
14	Total	<u>\$75,502,318</u>
15	Average	<u>\$5,807,871</u>

MISSOURI GAS ENERGY
Thirteen Months Ending September 30, 2017
Prepayments

Line No.	Month (a)	Amount (b)
1	Sep-16	\$2,956,456
2	Oct-16	3,527,449
3	Nov-16	3,078,923
4	Dec-16	4,163,622
5	Jan-17	3,972,067
6	Feb-17	3,533,387
7	Mar-17	2,457,003
8	Apr-17	6,556,912
9	May-17	6,064,846
10	Jun-17	5,551,508
11	Jul-17	5,385,588
12	Aug-17	4,854,913
13	Sep-17	<u>5,084,086</u>
14	Total	<u><u>\$57,186,760</u></u>
15	Average	<u><u>\$4,398,982</u></u>

MISSOURI GAS ENERGY
 Thirteen Months Ending September 30, 2017
Gas Inventory

Line No.	Month	Dollars
	(a)	(b)
1	Sep-16	\$40,960,878
2	Oct-16	43,929,463
3	Nov-16	43,522,882
4	Dec-16	35,974,601
5	Jan-17	27,730,174
6	Feb-17	28,976,113
7	Mar-17	26,936,435
8	Apr-17	30,716,176
9	May-17	33,983,919
10	Jun-17	37,344,284
11	Jul-17	41,061,219
12	Aug-17	44,740,829
13	Sep-17	<u>49,140,865</u>
14	Total	<u><u>\$485,017,839</u></u>
15	Average	<u><u>\$37,309,065</u></u>

Missouri Gas Energy
Test Year Ended December 31, 2016

Summary of Cash Working Capital

Line #	Description (A)	Amount (B)
1	Cash Working Capital from Tim Lyon's Schedule	<u>\$4,031,100</u>

MISSOURI GAS ENERGY
Regulatory Assets
December 31, 2016

Line No.	Description (a)	Balance (b)
	<u>Regulatory Assets</u>	
1	Prepaid Pension / OPEB Assets	\$5,106,945
2	Red Tag Program	46,765
3	Low Income Energy Affordability	336,181
4	MGE Software	1,794,784
5	One-Time Non-Capital Transition Costs	10,013,604
6	Energy Efficiency Program	<u>15,336,254</u>
7	Total Regulatory Assets	<u><u>\$32,634,533</u></u>

MISSOURI GAS ENERGY
Summary of Cost of Capital
September 30, 2017

Line No.	Description (a)	Ratio (b)	Cost Rate (c)	Composite Rate (d)
1	Long-Term Debt	45.800%	4.123%	1.888%
2	Short-Term Debt	0.000%	0.000%	0.000%
3	Preferred Stock	0.000%	0.000%	0.000%
4	Common Equity	<u>54.200%</u>	<u>10.350%</u>	<u>5.610%</u>
5	Total	<u><u>100.000%</u></u>		<u><u>7.498%</u></u>

MISSOURI GAS ENERGY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct. (a)	Description (b)	Test Year Per Book (c)	Total Adjustments (d)	Test Year As Adjusted (e)
OPERATING REVENUE					
1	480	Residential	\$306,958,336	(\$151,276,509)	\$155,681,828
2	481.1	Commercial	62,379,806	(47,308,201)	15,071,605
3	481.2	Industrial	38,710,662	(25,483,812)	13,226,849
4	483	Sales for Resale	1,003,236	(856,431)	146,805
5	487	Late Payment Charges	1,381,236	0	1,381,236
6	488	Miscellaneous Service Revenue	0	0	0
7	489	Transport	14,947,547	(828,651)	14,118,896
8	493	Rent From Property	0	0	0
9	495	Other Gas Revenue	17,994,560	(17,805,582)	188,978
10		Total Operating Revenue	\$443,375,383	(\$243,559,187)	\$199,816,197
OPERATING & MAINTENANCE EXPENSE					
Operation Expense					
11	805	Other Gas Purchases	\$209,704,476	(\$209,773,377)	(\$68,901)
12	807	Purchased Gas Expense	0	0	0
13	859	Other Joint Expense	0	0	0
14	870	Operation, Supervision and Engineering	142,549	0	142,549
15	871	Distribution and Load Dispatching	136,772	0	136,772
16	872	Compressor Station Labor and Expense	0	0	0
17	874	Mains and Service Expenses	4,401,233	198,404	4,599,636
18	875	Distributing Regulating Station Expenses	622,739	0	622,739
19	876	Measuring and Regulating - Station Expenses	0	0	0
20	877	Measuring and Regulating - Station Expenses	0	0	0
21	878	Meter and House Regulator Expenses	2,143,852	164,627	2,308,479
22	879	Customer Installation Expenses	939,433	0	939,433
23	880	Other Expenses	4,384,246	0	4,384,246
24	881	Rents	50,464	0	50,464
25		Total Operation Expense	\$222,525,763	(\$209,410,347)	\$13,115,417
Maintenance Expense					
26	885	Maintenance Supervision and Engineering	\$192,790	\$0	\$192,790
27	886	Maintenance of Structures and Improvements	244,367	0	244,367
28	887	Maintenance of Mains	17,533,690	0	17,533,690
29	889	Maint. of Measuring and Reg. Stat Equip - General	743,037	0	743,037
30	890	Maint. of Measuring and Regulating Equipment	165,113	0	165,113
31	891	Maint. of Measuring and Regulating Equipment	187,965	0	187,965
32	892	Maintenance of Services	1,606,224	0	1,606,224
33	893	Maintenance of Meters and House Regulators	678,364	0	678,364
34	894	Maintenance of Other Equipment	41,914	0	41,914
35		Total Maintenance Expenses	\$21,393,464	\$0	\$21,393,464
36		Total Distribution Expense	\$243,919,227	(\$209,410,347)	\$34,508,881
Customer Accounts Expense					
37	901	Supervision	\$0	\$0	\$0
38	902	Meter Reading Expense	1,976,539	0	1,976,539
39	903	Customer Records and Collection Expense	12,561,118	0	12,561,118
40	904	Uncollectible Accounts	1,755,577	3,141,031	4,896,608
41	905	Miscellaneous Customer Accounts Expense	78,951	0	78,951
42		Total Customer Accounts Expenses	\$16,372,186	\$3,141,031	\$19,513,217
Customer Service and Informational Expense					
43	907	Supervision	\$0	\$0	\$0
44	908	Customer Assistance	1,220,120	3,160,576	4,380,697
45	909	Informational and Instructional Advertising Exp.	38,699	0	38,699
46	910	Miscellaneous Customer Accounts Expense	0	0	0
47		Total Cust. Service and Information Exp.	\$1,258,820	\$3,160,576	\$4,419,396

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct.	Description	Test Year Per Book	Total Adjustments	Test Year As Adjusted
(a)	(b)		(c)	(d)	(e)
Sales and Advertising Expense					
48	911	Supervision	\$162,698	\$0	\$162,698
49	912	Demonstrating and Selling Expenses	1,025,445	(109,264)	916,181
50	913	Advertising Expenses	0	0	0
51	916	Miscellaneous Sales Expenses	5,500	0	5,500
52		Total Sales and Advertising Expenses	<u>\$1,193,643</u>	<u>(\$109,264)</u>	<u>\$1,084,379</u>
Administrative and General Expense					
53	920	Administrative and General Salaries	\$10,702,321	\$0	\$10,702,321
54	921	Office Supplies and Expenses	9,786,383	0	9,786,383
55	922	Administrative Expenses Transferred	(7,449,468)	0	(7,449,468)
56	923	Outside Services Employed	5,439,918	0	5,439,918
57	924	Property Insurance	413,444	(45,944)	367,500
58	925	Injuries and Damages	2,793,528	192,039	2,985,567
59	926	Employee Pensions and Benefits	13,161,044	5,248,284	18,409,328
60	927	Franchise Requirements	0	0	0
61	928	Regulatory Commission Expense	1,377,105	(38,400)	1,338,705
62	930	Miscellaneous General Expenses	1,055,293	0	1,055,293
63	931	Rents	944,538	0	944,538
64	932	Maintenance of General Plant	250,654	0	250,654
65		Total Administration and General Expense	<u>\$38,474,760</u>	<u>\$5,355,979</u>	<u>\$43,830,739</u>
66		Payroll Adjustment		\$1,078,452	1,078,452
67		Total O & M Expense	<u>\$301,218,636</u>	<u>(\$196,783,573)</u>	<u>\$104,435,063</u>
68	403	Depreciation	30,389,939	2,656,387	33,046,326
69	404, 405	Amortization	863,266	4,596,598	5,459,864
70	431	Interest on Customer Deposits	412,235	(206,747)	205,488
71	408	Payroll Taxes	3,697,239	(1,241,277)	2,455,962
72	408	Property Taxes	16,428,770	3,955,587	20,384,357
73	408	Gross Receipts Tax	24,439,784	(24,439,784)	0
74	408	Other Taxes	0	0	0
75	408	Taxes Other Than Income	<u>\$44,565,793</u>	<u>(\$21,725,474)</u>	<u>\$22,840,319</u>
76		TOTAL EXPENSES	<u>\$377,449,869</u>	<u>(\$211,462,808)</u>	<u>\$165,987,060</u>
77		OPERATING INCOME BEFORE INCOME TAX	<u>\$65,925,515</u>	<u>(\$32,096,378)</u>	<u>\$33,829,136</u>
78	409,410	Income Taxes	\$15,073,361	(\$12,321,382)	\$2,751,979
79		NET OPERATING INCOME	<u>\$50,852,154</u>	<u>(\$19,774,996)</u>	<u>\$31,077,157</u>

MISSOURI GAS ENERGY
Twelve Month Ending December 31, 2016 Through to September 30, 2017

Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct.	Description	Test Year Per Books	H-1 Adj. GL Rev to Test Year Margin	H-2 Normalize & Adj. Test Year Margin	H-3 Remove Purch. Gas Cost and GRT	H-4 Payroll Expense	H-5 Employee Benefits	H-6 Payroll Taxes	H-7 Insurance	H-8 Energy Efficiency Costs	H-9 Uncollectible Expense	H-10 Regulatory Commission Expense	H-11 Interest on Customer Deposits	H-12 Depreciation Expense
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
OPERATING REVENUE															
1	480	Residential	\$306,958,336	(\$162,570,811)	\$11,294,303										
2	481.1/2	Small General Service	62,379,806	(37,035,540)	(10,272,661)										
3	481.1/2	Large General Service	38,710,662	(26,147,968)	664,156										
4	481.1/2	Large Volume Sales	1,003,236	(867,162)	10,731										
5	487	Late Payment Charges	1,381,236	0											
6	488	Miscellaneous Service Revenue	0												
7	489	Transport	14,947,547	(927,452)	98,801										
8	493	Rent From Property	0	0											
9	495	Other Gas Revenue	17,994,580	(17,805,582)											
10		Total Operating Revenue	\$443,375,383	(\$245,354,517)	\$1,795,330	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING & MAINTENANCE EXPENSE															
Operation Expense															
11	805	Other Gas Purchases	\$209,704,476			(\$209,773,377)									
12	807	Purchased Gas Expense	0												
13	859	Other Joint Expense	0												
14	870	Operation, Supervision and Engineering	142,549												
15	871	Distribution and Load Dispatching	136,772												
16	872	Compressor Station Labor and Expense	0												
17	874	Mains and Service Expenses	4,401,233												
18	875	Distributing Regulating Station Expenses	622,739												
19	876	Measuring and Regulating - Station Expenses	0												
20	877	Measuring and Regulating - Station Expenses	0												
21	878	Meter and House Regulator Expenses	2,143,852												
22	879	Customer Installation Expenses	939,433												
23	880	Other Expenses	4,384,246												
24	881	Rents	50,484												
25		Total Operation Expense	\$222,525,763	\$0	\$0	(\$209,773,377)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance Expense															
26	885	Maintenance Supervision and Engineering	\$192,790												
27	886	Maintenance of Structures and Improvements	244,367												
28	887	Maintenance of Mains	17,533,690												
29	889	Maint. of Measuring and Reg. Stat Equip - General	743,037												
30	890	Maint. of Measuring and Regulating Equipment	165,113												
31	891	Maint. of Measuring and Regulating Equipment	187,965												
32	892	Maintenance of Services	1,608,224												
33	893	Maintenance of Meters and House Regulators	678,364												
34	894	Maintenance of Other Equipment	41,914												
35		Total Maintenance Expenses	\$21,393,454	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36		Total Distribution Expense	\$243,919,227	\$0	\$0	(\$209,773,377)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Accounts Expense															
37	901	Supervision	\$0												
38	902	Meter Reading Expense	1,976,539												
39	903	Customer Records and Collection Expense	12,561,118												
40	904	Uncollectible Accounts	1,755,577												
41	905	Miscellaneous Customer Accounts Expense	78,951									3,141,031			
42		Total Customer Accounts Expenses	\$16,372,186	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,141,031	\$0	\$0	\$0

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Traced to September 30, 2017

Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct.	Description	Test Year Per Books	H-1 Adj. GL Rev to Test Year Margin	H-2 Normalize & Adj. Test Year Margin	H-3 Remove Purch., Gas Cost and GRT	H-4 Payroll Expense	H-5 Employee Benefits	H-6 Payroll Taxes	H-7 Insurance	H-8 Energy Efficiency Costs	H-9 Uncollectible Expense	H-10 Regulatory Commission Expense	H-11 Interest on Customer Deposits	H-12 Depreciation Expense
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
Customer Service and Informational Expense															
43	907	Supervision	\$0												
44	908	Customer Assistance	1,220,120								1,794,361				
45	909	Informational and Instructional Advertising Exp.	36,689												
46	910	Miscellaneous Customer Accounts Expense	0												
47		Total Cust. Service and Information Exp.	\$1,256,820	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,794,361	\$0	\$0	\$0	\$0
Sales and Advertising Expense															
48	911	Supervision	\$152,698												
49	912	Demonstrating and Selling Expenses	1,025,445												
50	913	Advertising Expenses	0												
51	916	Miscellaneous Sales Expenses	5,500												
52		Total Sales and Advertising Expenses	\$1,193,643	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative and General Expense															
53	920	Administrative and General Salaries	\$10,702,321												
54	921	Office Supplies and Expenses	9,786,383												
55	922	Administrative Expenses Transferred	(7,449,468)												
56	923	Outside Services Employed	5,430,918												
57	924	Property Insurance	410,444												
58	925	Injuries and Damages	2,793,528							(45,944)					
59	926	Employee Pensions and Benefits	13,161,044					5,248,284		192,039					
60	927	Franchise Requirements	0												
61	928	Regulatory Commission Expense	1,377,105												
62	930	Miscellaneous General Expenses	1,055,293										(38,400)		
63	931	Rents	944,538												
64	932	Maintenance of General Plant	250,654												
65		Total Administration and General Expense	\$38,474,760	\$0	\$0	\$0	\$0	\$5,248,284	\$0	\$146,095	\$0	\$0	(\$38,400)	\$0	\$0
66		Payroll Adjustment					\$1,078,452								
67		Total O & M Expense	\$301,218,636	\$0	\$0	(\$209,773,377)	\$1,078,452	\$5,248,284	\$0	\$146,095	\$1,794,361	\$3,141,031	(\$38,400)	\$0	\$0
68	403	Depreciation	30,389,939												\$2,656,387
69	404, 405	Amortization	863,266												
70	431	Interest on Customer Deposits	412,235											(206,747)	
71	408	Payroll Taxes (1***)	3,697,239						(1,241,277)						
72	408	Property Taxes (2***)	16,428,770												
73	408	Gross Receipts Tax (3300 + 4000)	24,439,784			(24,439,784)									
74	408	Other Taxes (41**)	0												
75	408	Taxes Other Than Income	\$44,565,793	\$0	\$0	(\$24,439,784)	\$0	\$0	(\$1,241,277)	\$0	\$0	\$0	\$0	\$0	\$0
76		TOTAL EXPENSES	\$377,449,899	\$0	\$0	(\$234,213,101)	\$1,078,452	\$5,248,284	(\$1,241,277)	\$146,095	\$1,794,361	\$3,141,031	(\$38,400)	(\$206,747)	\$2,656,387
77		OPERATING INCOME BEFORE INCOME TAX	\$65,025,515	(\$245,354,517)	\$1,795,330	\$234,213,161	(\$1,078,452)	(\$5,248,284)	\$1,241,277	(\$146,095)	(\$1,794,361)	(\$3,141,031)	\$38,400	\$206,747	(\$2,656,387)
78	409,410	Income Taxes	15,073,361												
79		NET OPERATING INCOME	\$50,852,154	(\$245,354,517)	\$1,795,330	\$234,213,161	(\$1,078,452)	(\$5,248,284)	\$1,241,277	(\$146,095)	(\$1,794,361)	(\$3,141,031)	\$38,400	\$206,747	(\$2,656,387)

MISSOURI GAS ENERGY
Twelve Month Ending December 31, 2016 True up to September 30, 2017

Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct.	Description	Test Year Per Books	H-13 Amortization Expense	H-14 Property Tax	H-15 Ad Valorem Tax - KS Storage	H-16 Locusts Expense	H-17 Other Expense Adjustments	H-18 Weather & Conservation	Income Tax Adjustment	Total Adjustments	Test Year As Adjusted
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
OPERATING REVENUE												
1	480	Residential	\$308,958,336									\$308,958,336
2	481.1/2	Small General Service	62,379,806								(\$151,276,509)	\$155,681,828
3	481.1/2	Large General Service	38,710,662								(47,308,201)	15,071,605
4	481.1/2	Large Volume Sales	1,003,236								(25,483,812)	13,226,849
5	487	Late Payment Charges	1,381,236								(856,431)	146,805
6	488	Miscellaneous Service Revenue	0								0	1,381,236
7	489	Transport	14,947,547								0	0
8	493	Rent From Property	0								(828,651)	14,118,896
9	495	Other Gas Revenue	17,984,580								0	0
10		Total Operating Revenue	\$443,375,383	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$17,805,582)	\$425,569,801
OPERATING & MAINTENANCE EXPENSE												
Operation Expense												
11	805	Other Gas Purchases	\$209,704,476								(\$209,773,377)	(\$68,901)
12	807	Purchased Gas Expense	0								0	0
13	859	Other Joint Expense	0								0	0
14	870	Operation, Supervision and Engineering	142,549								0	142,549
15	871	Distribution and Load Dispatching	136,772								0	136,772
16	872	Compressor Station Labor and Expense	0								0	0
17	874	Mains and Service Expenses	4,401,233				198,404				198,404	4,599,636
18	875	Distributing Regulating Station Expenses	622,739								0	622,739
19	876	Measuring and Regulating - Station Expenses	0								0	0
20	877	Measuring and Regulating - Station Expenses	0								0	0
21	878	Motor and House Regulator Expenses	2,143,852					164,627			164,627	2,308,479
22	879	Customer Installation Expenses	939,433								0	939,433
23	880	Other Expenses	4,384,246								0	4,384,246
24	881	Rents	50,464								0	50,464
25		Total Operation Expense	\$222,525,763	\$0	\$0	\$0	\$198,404	\$164,627	\$0	\$0	(\$209,410,347)	\$13,115,417
Maintenance Expense												
26	885	Maintenance Supervision and Engineering	\$192,790								\$0	\$192,790
27	886	Maintenance of Structures and Improvements	244,367								0	244,367
28	887	Maintenance of Mains	17,533,690								0	17,533,690
29	889	Maint. of Measuring and Reg. Stat Equip - General	743,037								0	743,037
30	890	Maint. of Measuring and Regulating Equipment	165,113								0	165,113
31	891	Maint. of Measuring and Regulating Equipment	187,965								0	187,965
32	892	Maintenance of Services	1,606,224								0	1,606,224
33	893	Maintenance of Meters and House Regulators	678,364								0	678,364
34	894	Maintenance of Other Equipment	41,914								0	41,914
35		Total Maintenance Expenses	\$21,393,464	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,393,464
36		Total Distribution Expense	\$243,919,227	\$0	\$0	\$0	\$198,404	\$164,627	\$0	\$0	(\$209,410,347)	\$34,508,881
Customer Accounts Expense												
37	901	Supervision	\$0								\$0	\$0
38	902	Motor Reading Expense	1,976,539								0	1,976,539
39	903	Customer Records and Collection Expense	12,561,118								0	12,561,118
40	904	Uncollectible Accounts	1,755,577								3,141,031	4,896,608
41	905	Miscellaneous Customer Accounts Expense	78,951								0	78,951
42		Total Customer Accounts Expenses	\$16,372,186	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,141,031	\$19,513,217

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 True-up to September 30, 2017

Distribution of Revenue and Expense Adjustments by Account No.

Line No.	Main Acct.	Description	Test Year Per Books	H-13 Amortization Expense	H-14 Property Tax	H-15 Ad Valorem Tax - KS Storage	H-16 Locates Expense	H-17 Other Expense Adjustments	H-18 Weather & Conservation	Income Tax Adjustment	Total Adjustments	Test Year As Adjusted
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Customer Service and Informational Expense												
43	907	Supervision	\$0								\$0	\$0
44	908	Customer Assistance	1,220,120	1,365,215					0		3,160,576	4,380,607
45	909	Informational and Instructional Advertising Exp.	38,689								0	38,689
46	910	Miscellaneous Customer Accounts Expense	0								0	0
47		Total Cust. Service and Information Exp.	\$1,258,820	\$1,365,215	\$0	\$0	\$0	\$0	\$0	\$0	\$3,160,576	\$4,419,396
Sales and Advertising Expense												
48	911	Supervision	\$162,698								\$0	\$162,698
49	912	Demonstrating and Selling Expenses	1,025,445					(109,264)			(109,264)	916,181
50	913	Advertising Expenses	0								0	0
51	915	Miscellaneous Sales Expenses	5,500								0	5,500
52		Total Sales and Advertising Expenses	\$1,193,643	\$0	\$0	\$0	\$0	(\$109,264)	\$0	\$0	(\$109,264)	\$1,084,379
Administrative and General Expense												
53	920	Administrative and General Salaries	\$10,702,321								\$0	\$10,702,321
54	921	Office Supplies and Expenses	9,786,383								0	9,786,383
55	922	Administrative Expenses Transferred	(7,449,468)								0	(7,449,468)
56	923	Outside Services Employed	5,439,918								0	5,439,918
57	924	Property Insurance	413,444								(45,944)	367,500
58	925	Injuries and Damages	2,793,528								192,039	2,985,567
59	925	Employee Pensions and Benefits	13,161,044								5,243,284	18,404,328
60	927	Franchise Requirements	0								0	0
61	928	Regulatory Commission Expense	1,377,105								(38,400)	1,338,705
62	930	Miscellaneous General Expenses	1,055,293								0	1,055,293
63	931	Rents	944,538								0	944,538
64	932	Maintenance of General Plant	250,654								0	250,654
65		Total Administration and General Expense	\$38,474,760	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,355,979	\$43,830,739
66		Payroll Adjustment									1,078,452	1,078,452
67		Total O & M Expense	\$301,218,636	\$1,365,215	\$0	\$0	\$198,404	\$55,362	\$0	\$0	(\$186,783,573)	\$104,435,063
68	403	Depreciation	30,389,939								\$2,856,387	\$33,046,326
69	404, 405	Amortization	883,268	4,596,598							4,596,598	\$5,459,864
70	431	Interest on Customer Deposits	412,235								(206,747)	205,488
71	408	Payroll Taxes (1***)	3,897,239								(1,241,277)	2,655,962
72	408	Property Taxes (2***)	18,428,770	2,002,721	2,912,470	(959,604)					3,955,587	20,384,357
73	408	Gross Receipts Tax (3300 + 4000)	24,439,784								(24,439,784)	0
74	408	Other Taxes (41**)	0								0	0
75	408	Taxes Other Than Income	\$44,565,793	\$2,002,721	\$2,912,470	(\$959,604)	\$0	\$0	\$0	\$0	(\$21,725,474)	\$22,840,319
76		TOTAL EXPENSES	\$377,449,869	\$7,965,534	\$2,912,470	(\$959,604)	\$198,404	\$55,362	\$0	\$0	(\$211,462,808)	\$165,987,060
77		OPERATING INCOME BEFORE INCOME TAX	\$65,925,515	(\$7,965,534)	(\$2,912,470)	\$959,604	(\$198,404)	(\$55,362)	\$0	\$0	(\$32,096,378)	\$33,829,136
78	409,410	Income Taxes	15,073,381							(12,321,382)	(12,321,382)	2,751,979
79		NET OPERATING INCOME	\$50,852,154	(\$7,965,534)	(\$2,912,470)	\$959,604	(\$198,404)	(\$55,362)	\$0	\$12,321,382	(\$19,774,996)	\$31,077,157

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Test Year Margin Revenue

Line No.	Description	Main Account/Revenue Class							Total
		480	481.1/2	481.1/2	481.1/2	489	487	495	
	(a)	(b)	(c)	(d)	(e)	(f)			(g)
1	Total Revenue per Book	306,958,336	62,379,806	38,710,662	1,003,236	14,947,547	1,381,236	17,994,560	443,375,383
2	Less: GRT Revenue, Unbilled Revenue, PGA Revenue, and Miscellaneous Adjustments	(162,570,811)	(37,035,540)	(26,147,968)	(867,162)	(927,452)	0	(17,805,582)	0 (245,354,517)
3	Test Year Margin	144,387,525	25,344,266	12,562,693	136,074	14,020,095	1,381,236	188,978	0 198,020,867

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Revenue Adjustments

Line No.	Description	Main Account/Revenue Class							Adj's	Total
		Residential Gas Sales 480	Small General Service 481.1/2	Large General Service 481.1/2	Large Volume Sales 481.1/2	Transportation Revenues 483, 489	Late Payment Revenue 487	Other Revenue 495		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Test Year Margin	\$144,387,525	\$25,344,266	\$12,562,693	\$136,074	\$14,020,095	\$1,381,236	\$188,978	\$0	\$198,020,867
2	Weather Normalization	\$3,970,420	\$653,073	\$1,163,237	\$0	\$0	\$0	\$0	\$0	\$5,786,730
3	Rate Switching Adjustments	0	(32,333)	101,259	0	98,801	0	0	0	\$167,727
4	Customer Annualization	1,033,954	(2,726,565)	0	0	0	0	0	0	(\$1,692,611)
5	Commercial-Domestic Use	6,289,929	(8,437,203)	0	0	0	0	0	0	(\$2,147,274)
6	Rate Classification Adjustments	0	176,473	(659,236)	0	0	0	0	0	(\$482,762)
7	Bill Corrections	0	93,894	58,895	10,731	0	0	0	0	163,520
8	Total Adjustments	11,294,303	(10,272,661)	664,156	10,731	98,801	0	0	0	1,795,330
9	As Adjusted Test Year Margin	\$155,681,828	\$15,071,605	\$13,226,849	\$146,805	\$14,118,896	\$1,381,236	\$188,978	\$0	\$199,816,197

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Remove Purchase Gas Costs and Gross Receipts Tax

Line No.	Description (a)	Amount (b)
1	Purchase Gas Costs (Acct. 804)	(\$185,704,619)
2	Off System Sales Expense (Acct. 804.5)	(16,248,610)
3	Unbilled Gas Cost (804)	(7,820,148)
4	Gross Receipts Tax (Acct. 408.1)	(24,439,784)
5	Total Adjustment	<u><u>(\$234,213,161)</u></u>

MISSOURI GAS ENERGY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Payroll Adjustment

Line #	Description	Missouri Gas Energy			
		Dollars			
	(a)	(b)	(c)	(d)	(e)
	O&M Payroll (Excluding AIP)				
1	Test Year Payroll		31,193,935		
2	12 Month Normalized Payroll		<u>32,116,268</u>		
3					922,333
	AIP Adjustment (Gross)				
	Test Year Payroll				
4	Shared Services		5,503,483		
5	Missouri Gas Energy		2,216,325		
6	Laclede Gas		<u>6,346,071</u>		
7	Total AIP Paid		<u>14,065,879</u>		
8	Total Payroll (Regular & OT)		<u>178,784,431</u>		
9	AIP Percentage		7.87%		
	12 Month Normalized Payroll				
10	Shared Services		5,908,608	405,125	
11	SSC - MGE %			<u>23.71%</u>	
12					96,055
13	Missouri Gas Energy		2,379,474		163,149
14	Laclede Gas		<u>6,813,221</u>		
15			<u>15,101,303</u>		
16	Total Payroll (Regular & OT)		<u>191,884,400</u>		
17				<u>259,204</u>	
18	O&M Percentage			<u>60.23%</u>	
19					<u>156,119</u>
20	Total Wage & Salary Adjustment				<u><u>1,078,452</u></u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Employee Benefits

Line No.	Description (a)	Insurance Rate (b)	Amount (c)
1	O&M Payroll Increase (H4 Payroll Tab)		922,333
<u>Insurance Costs</u>			
2	Life Insurance (per \$1000)	\$ 0.2190	\$2,424
3	AD&D (per \$1000)	\$ 0.0250	277
4	LTD (per \$1000)	\$ 0.8950	9,906
5	LTD/STD/FMLA Admin Fees (per person)	\$ 8.21	3,448
6	Total Payroll Related Insurance Costs		<u>16,055</u>
<u>401K Employee Match Adjustment</u>			
		<u>401K Match Rate</u>	<u>Amount</u>
Payroll Adjustments:			
7	Regular Payroll Adjustment	4.09%	\$37,723
8	AIP Adjustment	4.09%	\$6,385
9	Total 401K Employee Match Adjustment		<u>44,108</u>
<u>Pension and OPEB Adjustment</u>			
			<u>Amount</u>
10	MGE %		14,718,000
11	Asset Amortization		<u>510,695</u>
12	Recovery		15,228,695
13	Allowance In Rates		<u>6,614,845</u>
14	Difference		8,613,849
15	O&M %		60.23%
16	Adjustment		<u>5,188,121</u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Payroll Taxes

Line No.	Description (a)	Payroll Amount (b)	AIP Amount (c)	Total Amount (d)
Payroll Taxes				
1	Payroll tax adjustment - MGE	(1,252,729)	7,499	(1,245,230)
2	Payroll tax adjustment - SSC		3,953	3,953
3	Total Payroll Taxes Adjustment	(1,252,729)	11,452	(1,241,277)

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Insurance / Injuries & Damages

Line No.	Description	Twelve Months Ending September 30,			3 Year Avg.	925 Amount	924 Amount
		2015	2016	2017			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	MGE Claims:						
1	Workers Compensation Claims Paid	\$838,715	\$958,891	\$1,081,769	\$959,792		
2	Property and Other Claims Paid	\$225,059	\$119,418	\$84,101	\$142,859		
3	Auto Claims Paid	\$20,009	\$21,401	\$14,176	\$18,529		
4	Total Proforma Claims	<u>\$1,083,783</u>	<u>\$1,099,710</u>	<u>\$1,180,047</u>	\$1,121,180		
5	Test Year Accrual				954,658		
6	Adjustment				<u>\$166,522</u>	\$166,522	
	Insurance Premiums						
7	Property Insurance - Dec. 2016			\$30,625			
8	Months			12			
9	Annualized			<u>367,500</u>			
10	Test Year			413,444			
11	Adjustment			<u>(\$45,944)</u>	100.000%		(\$45,944)
12	Excess Liability and Workers Comp at 9/30/17 Level			258,564			
13	Other Costs			<u>33,371</u>			
14	I&D at 9/30/17 Levels			291,935			
15	Months			12			
16	Annualized			<u>3,503,222</u>			
17	Test Year			3,502,786			
18	Adjustment			<u>\$436</u>	60.230%	\$263	
19	D&O Insurance - Dec 2016			\$14,630			
20	Months			12			
21	Annualized			<u>175,554.00</u>			
22	Test Year			133,624.16			
23	Adjustment			<u>\$41,930</u>	60.230%	\$25,254	
24	Total Adjustments					<u>\$192,039</u>	<u>(\$45,944)</u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Energy Efficiency

Line No.	Description (a)	Amount (b)
	Energy Efficiency Program Expenses	
1	Calendar Year 2014	\$1,957,783
2	Calendar Year 2015	1,866,731
3	Calendar Year 2016	1,558,570
4	Total	<u>\$5,383,084</u>
5	Three year average	<u>\$1,794,361</u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Uncollectible Expense

Line No.	Description (a)	Amount (b)	Amount (c)
1	Twelve Months Ended August, 2013	4,144,897	
2	Twelve Months Ended August, 2014	5,600,326	
3	Twelve Months Ended August, 2015	<u>4,944,601</u>	
4	Three Year Average		\$4,896,608
5	Less Test Year Uncollectible Expense		(1,755,577)
6	Adjustment to Test Year - Acct. 904		<u><u>\$3,141,031</u></u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Regulatory Commission Expense

Line No.	Description (a)	Amount (b)	Amount (c)
1	Estimate of current rate case expense	<u>\$397,779</u>	
2	Annual Amortization (3 years)		\$132,593
3	Normalized level of expense for depreciation study		\$7,000
4	Proforma NARUC Assessment		5,018
5	Other Regulatory Commission Expenses		14,166
6	Proforma MPSC Assessment - 7/1/2016 - 6/30/2017		<u>1,179,928</u>
7	Total Proforma Regulatory Commission Expense		\$1,338,705
8	Less Test Year Regulatory Commission Expense		(1,377,105)
9	Adjustment to Test Year - Acct. 928		<u><u>(\$38,400)</u></u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Interest on Customer Deposits

Line No.	Description (a)	Reference (b)	Residential (c)
1	Customer Deposits	B-2	\$4,326,054
2	Interest Rate		4.75%
3	Proforma Interest on Customer Deposits		<u>\$205,488</u>
4	Less Test Year Interest on Customer Deposits		<u>(412,235)</u>
5	Adjustment to Test Year - Acct. 431		<u><u>(\$206,747)</u></u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Depreciation Expense

Line No.	Description (a)	Amount (b)	Current Depreciation Rate (c)	Annualized Depreciation (d)	Proposed Rate (e)	Proforma Depreciation Expense (f)
INTANGIBLE PLANT						
1	(301) Organization	\$15,600	0.00%	\$0	0.00%	\$0
2	(302) Franchises	13,823	0.00%	0	0.00%	0
3	(303) Miscellaneous Intangible	773,929	(see adj. H-13)	0	(see adj. H-13)	0
4	Total Intangible Plant	<u>\$803,352</u>		<u>\$0</u>		<u>\$0</u>
DISTRIBUTION PLANT						
5	(374.1) Land	\$476,088	0.00%	\$0	0.00%	\$0
6	(374.2) Land Rights	2,918,858	2.08%	60,712	2.08%	60,712
7	(375.1) Structures	13,709,123	2.13%	292,004	2.13%	292,004
8	(375.2) Leasehold Improvements	9,724	(see adj. H-13)	0	(see adj. H-13)	0
9	(376.1) Mains - Steel	222,299,063	1.78%	3,956,923	1.78%	3,956,923
10	(376.11) Mains - Steel - Transmission	12,704,507	1.78%	226,140	1.78%	226,140
11	(376.2) Mains - Cast Iron	36,386,010	1.78%	647,671	1.78%	647,671
12	(376.3) Mains - Plastic	339,675,548	1.78%	6,046,225	1.78%	6,046,225
13	(378) Meas. & Reg. Station - General	14,523,177	2.86%	415,363	2.86%	415,363
14	(379) Meas. & Reg. Station - City Gate	6,035,587	2.63%	158,736	2.63%	158,736
15	(380.1) Services - Steel	7,179,806	2.68%	192,419	2.68%	192,419
16	(380.2) Services - Plastic	409,157,619	2.68%	10,965,424	2.68%	10,965,424
17	(381) Meters	42,212,876	2.86%	1,207,288	2.86%	1,207,288
18	(382) Meter Installations	96,149,748	2.86%	2,749,883	2.86%	2,749,883
19	(383) House Regulators	16,313,502	2.44%	398,049	2.44%	398,049
20	(385) Electronic Gas Metering	1,472,444	3.33%	49,032	3.33%	49,032
21	(387) Other Equipment	0	4.60%	0	4.60%	0
22	Total Distribution Plant	<u>\$1,221,223,681</u>		<u>\$27,365,869</u>		<u>\$27,365,869</u>
GENERAL PLANT - DIRECT						
23	(389) Land	\$1,058,065	0.00%	\$0	0.00%	\$0
24	(390.1) Structures	878,378	2.13%	18,709	2.13%	18,709
25	(390.2) Leasehold Impr.	0	(see adj. H-13)	0	(see adj. H-13)	0
26	(391) Office Furniture & Fixtures	4,960,779	9.09%	450,935	9.09%	450,935
27	(391.3) Data Processing Software	3,909,303	9.09%	355,356	9.09%	355,356
28	(391.5) Enterprise Software-EIMS	68,368,769	(see adj. H-13)	0	(see adj. H-13)	0
29	(392.1) Transportation Eq - Cars and Small Trucks	5,754,530	13.28%	764,202	13.28%	764,202
30	(392.2) Transportation Eq - Heavy Trucks	17,809,234	8.06%	1,435,424	8.06%	1,435,424
31	(393) Stores Equipment	684,474	3.57%	23,722	3.57%	23,722
32	(394) Tools	9,689,101	5.26%	509,647	5.26%	509,647
33	(395) Laboratory Equipment	0	6.00%	0	6.00%	0
34	(396) Power Operated Equipment	3,399,751	10.00%	339,975	10.00%	339,975
35	(397.1) Communication Equipment - AMR	42,076,715	5.26%	2,213,235	5.26%	2,213,235
36	(397.0) Communication Equipment - Other	6,254,169	6.25%	390,886	6.25%	390,886
37	(398) Miscellaneous Equipment	1,149,806	4.35%	50,008	4.35%	50,008
38	Total Direct General Plant	<u>\$165,972,865</u>		<u>\$6,552,099</u>		<u>\$6,552,099</u>
40	Total Proforma Plant & Depreciation	<u>\$1,387,999,897</u>		<u>\$33,917,968</u>		<u>\$33,917,968</u>
41	Less Depreciation Charged to Clearing			<u>(871,641.87)</u>		<u>(\$871,642)</u>
42	Less Test Year Depreciation Expense			<u>(\$30,389,939)</u>		<u>(\$30,389,939)</u>
43	Adjustment to Test Year - Acct. 403					<u>\$2,656,387</u>

MISSOURI GAS ENERGY
 Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Amortization Expense

Line No.	Description	Original Cost Plant	Monthly Test Year Amortization Expense	Proforma Amortization Expense	Acct No.
	(a)	(b)	(c)	(d)	(e)
<u>MGE Leasehold Improvements</u>					
1	(375.2) Leasehold Improvements	\$9,724	\$347	\$4,168	
2	(390.2) Leasehold Improvements	0	0	0	
3	(391.5) Enterprise Software-EIMS	68,368,759	398,818	4,785,813	
4	Sub Total	<u>\$68,378,484</u>	<u>\$399,165</u>	<u>\$4,789,981</u>	404.3
5	(303) Misc. Intangible - Website (7600)	773,929	6,449	77,393	
6	Sub Total - Acct. 303	<u>\$773,929</u>	<u>\$6,449</u>	<u>\$77,393</u>	405.0
<u>MGE Software Assets</u>					
		Unamortized Balance	Mo Amort Amt	Proforma Amortization	
7	Autonomy eTalk-Contact Ctr	27,428	1,371	16,457	
8	Mainframe Software Dev	271,355	22,036	264,438	
9	TOA Work Force Automation	823,847	13,964	167,562	
10	TOPO GIS Mapping	672,154	12,003	144,033	
11	Sub Total MGE Software Amortization	<u>1,794,784</u>		<u>592,490</u>	405.0
12	Total Amortization			\$5,459,864	
13	Less Test Year Amortization			<u>(\$863,266)</u>	
14	Adjustment to Test Year - Accts. 404 and 405			<u>\$4,596,598</u>	
<u>Deferred Energy Efficiency and Low Income Program Costs</u>					
15	Deferred Energy Efficiency Cost Balance	\$15,336,254	\$127,802	\$1,533,625	
16	Red Tag Program	\$46,765	\$779	\$9,353	
17	Low Income Energy Affordability Program	\$336,181	\$5,603	\$67,236	
18	Sub Total Energy Efficiency and Low Income Program Costs	<u>15,719,200</u>		1,610,215	908.0
19	Less Test Year Amortization			<u>(244,000)</u>	
20	Adjustment to Test Year - Acct 908			<u>\$1,366,215</u>	
<u>One Time Non-Capital Transition Costs</u>					
21	Total One Time Non-Capital Transition Costs	\$10,013,604	\$166,893	<u>\$2,002,721</u>	928.0

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Property Tax Adjustment

Line No.	Description (a)	Real Estate & Personal Property (b)
1	Calendar Year 2016 Taxes Paid	13,212,770
2	Calendar 2016 Assessed Values	140,014,820
3	Average 2016 Rate Per \$100 Valuation	9.4367%
4	Calendar Year 2017 Estimated Taxes Due	15,442,800
5	Calendar 2017 Estimated Assessed Values	163,646,295
6	Estimated Rates	9.4367%

MISSOURI GAS ENERGY
Composition of Property Tax Adjustment

Line No.	Description	Real Estate & Personal Property
7	Increase from 12/31/16 to 12/31/17	<u>\$2,230,030</u>
<u>Pro Forma Rate Calculation:</u>		
8	Total Real Estate/Personal Property	<u>163,646,295</u>
9	Estimated Tax	<u>15,442,800</u>
10	Effective Real Estate/Personal Property Proforma Tax Rate	<u>9.4367%</u>
11	Allocation of Property Tax on Enterprise Software to MGE	<u>\$682,440</u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Ad Valorem Taxes on Kansas Storage Gas

Line No.	Description (a)	Amount (b)
1	Balance of Regulatory Asset - April 30, 2014	\$8,420,481
2	Monthly Amortization of Regulatory Asset (41 months at 133,333.33)	(\$5,466,667)
3	Beginning regulatory asset balance	\$8,420,481
4	Monthly Expense allowed in GR-2014-0004 (41 months at \$116,666.67)	\$4,783,333
	Less: Actual ad valorem tax payments:	
5	2014 and past taxes	(\$9,219,794)
6	2015 taxes	(\$1,309,012)
7	2016 taxes	(\$1,116,725)
8	Difference between accruals and payments	<u>(\$1,558,285)</u>
9	Balance of regulatory asset at 12/31/16	<u>\$1,395,530</u>
10	Amortization based on a 4 year amortization period	\$348,883
11	KS property taxes based on gas in storage at 1-1-17	<u>\$1,691,513</u>
12	Total KS property taxes	\$2,040,396
13	KS property taxes per books	\$3,000,000
14	Adjustment	<u><u>(\$959,604)</u></u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Locates Expense

Line No.	Description (a)	Total (b)
1	January	14,787
2	February	20,480
3	March	26,026
4	April	25,038
5	May	24,877
6	June	24,151
7	July	21,214
8	August	26,095
9	September	25,396
10	October	24,944
11	November	16,904
12	December	14,909
13	Total Locates	<u><u>264,821</u></u>

CY16 Locates - MGE

	<u>Quantity</u>	<u>Cost</u>	<u>Total</u>
14	Locates - Jan 16 - March 16	\$13.20	\$ 741,915
15	Locates - April 16 - Dec 16	13.40	2,500,905
16	Fiber Locates - Jan 16 - Mar 16	13.20	67,153
17	Fiber Locates - Apr 16	13.40	27,847
18	Fiber Locates - May 16 - Dec 16	14,815	482,957
19	Total Locates	<u><u>264,821</u></u>	<u><u>\$ 3,820,777</u></u>

Pro Forma Locates Cost - MGE

20	Locates	242,840	\$13.60	\$ 3,302,629
21	Fiber Locates	21,980	32.60	716,551
22	Total	<u><u>264,821</u></u>		<u><u>\$ 4,019,181</u></u>
24	Adjustment to A/C 874			<u><u>\$ 198,404</u></u>

25	Locates	91.7%	
26	Fiber Locates	8.3%	* Breakdown of fiber locates from USIC
		<u><u>100.0%</u></u>	

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Other Expense Adjustments

Line No.	Description (a)	Acct	Total (b)
1	Eliminate Ticket Expense	912	(109,264)
2	Total		<u>(\$109,264)</u>
<u>Spire Uniform Costs</u>			
3	2017 Costs charged to expense	878	223,146
4	2018 Estimated costs charged to expense	878	106,107
5	Average		<u>\$164,627</u>

MISSOURI GAS ENERGY
Twelve Months Ending December 31, 2016 Trued up to September 30, 2017

Weatherization & Conservation

Line No.	Description (a)	Amount (b)
1	Weatherization Program	\$750,000
2	Per Books	<u>750,000</u>
3	Adjustment	<u><u>\$0</u></u>

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's)
Request to Increase its Revenues for Gas) File No. GR-2017-0215
Service)

In the Matter of Laclede Gas Company)
d/b/a Missouri Gas Energy's Request to) File No. GR-2017-0216
Increase its Revenues for Gas Service)

AFFIDAVIT

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

Michael R. Noack, of lawful age, being first duly sworn, deposes and states:

1. My name is Michael R. Noack. I am Director of Pricing and Regulatory Affairs for Missouri Gas Energy, an operating unit of Laclede Gas Company. My business address is 7500 E. 35th Terr., Kansas City, Missouri, 64129.

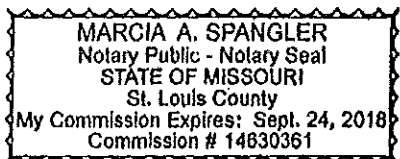
2. Attached hereto and made a part hereof for all purposes is my true-up direct testimony on behalf of Laclede Gas Company and MGE.

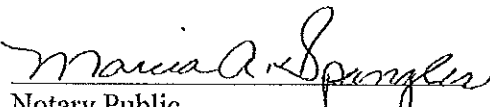
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.



Michael R. Noack

Subscribed and sworn to before me this 27TH day of OCTOBER, 2017.





Notary Public