

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

In the Matter of the Application of Spire Missouri)
Inc. to Change its Infrastructure System) **File No. GO-2019-0356**
Replacement Surcharge in its Spire Missouri)
East Service Territory)

In the Matter of the Application of Spire Missouri)
Inc. to Change its Infrastructure System) **File No. GO-2019-0357**
Replacement Surcharge in its Spire Missouri)
West Service Territory)

**STAFF’S REVENUE REQUIREMENT UPDATED TO INCLUDE
TAX STIPULATION AND AGREEMENT**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Revenue Requirement Updated to Include Tax Stipulation and Agreement*, states the attached worksheets reflect the effect of the unobjected-to *Stipulation and Agreement Regarding Income Tax Issue* on Staff’s recommended revenue requirements for Spire East and Spire West, resolving the tax calculation issue in the above-captioned cases. In addition,

1. Staff has reviewed its tax-adjusted revenue requirements with Spire Missouri and the Office of the Public Counsel and is unaware of any objection to Staff’s position regarding its revenue requirement calculations.

2. In accordance with the Commission’s October 28th *Order Directing Filing of Adjusted Revenue Requirement Recommendations*, Staff submits its updated revenue requirements for Spire East and Spire West as reflected in the attachments incorporated herein.

WHEREFORE, Staff prays the Commission accept its tax-adjusted revenue requirements for Spire East and Spire West.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin

Deputy Staff Counsel

Missouri Bar No. 51709

(573) 526-7779 (Telephone)

(573) 751-9285 (Fax)

bob.berlin@psc.mo.gov

Attorney for the Staff of the

Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 29th day of October, 2019, to all counsel of record.

/s/ Robert S. Berlin

**Spire Missouri East
ISRS Revenue Requirement Calculation**

ISRS Activity:

Gas Utility Plant Projects - Main Replacements and Other Projects Extending Useful Life of Mains:

<u>Work Orders Placed in Service</u>	
Gross Additions	28,859,312
Deferred Taxes	(161,760)
Accumulated Depreciation	<u>(229,873)</u>
Total Net	<u>28,467,679</u>

Gas Utility Plant Projects - Service Line Replacements and Insertion Projects:

<u>Work Orders Placed in Service</u>	
Gross Additions	17,901,691
Deferred Taxes	(121,333)
Accumulated Depreciation	<u>(300,111)</u>
Total Net	<u>17,480,247</u>

Gas Utility Plant Projects - Regulator Stations:

<u>Work Orders Placed in Service</u>	
Gross Additions	-
Deferred Taxes	-
Accumulated Depreciation	<u>-</u>
Total Net	<u>-</u>

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	1,122,375
Deferred Taxes	(10,489)
Accumulated Depreciation	<u>(7,492)</u>
Total Net	<u>1,104,394</u>

**Increase in Accumulated Deferred Income Taxes and Accumulated Depreciation
Associated with Eligible Infrastructure System Replacements which are included in a
Currently Effective ISRS**

Total Incremental Accumulated Depreciation	(871,417)
Total Incremental Accumulated Deferred Taxes	(672,632)

Total ISRS Rate Base	45,508,271
Overall Rate of Return per GR-2017-0215	<u>7.20%</u>
UOI Required	3,275,549
Interest Deduction	218,882
Net UOI	3,056,667
Income Tax Conversion Factor	<u>1.34135</u>
Revenue Requirement on Capital	<u>4,100,060</u>
Tax Gross Up	1,043,393
Income Tax Settlement (52/48)	542,565
Depreciation Expense	932,965
Net Property Taxes	(7,409)
Total ISRS Revenues	4,524,787
ISRS Revenue Undercollection June 2018 through July 2019	238,393
Total Spire East ISRS Revenues	4,763,180

**Spire Missouri West
ISRS Revenue Requirement Calculation**

ISRS Activity:

Gas Utility Plant Projects - Main Replacements and Other Projects Extending Useful Life of Mains:

<u>Work Orders Placed in Service</u>	
Gross Additions	32,486,951
Deferred Taxes	(302,765)
Accumulated Depreciation	(247,751)
Total Net	31,936,435

Gas Utility Plant Projects - Service Line Replacements and Insertion Projects:

<u>Work Orders Placed in Service</u>	
Gross Additions	5,962,621
Deferred Taxes	(47,910)
Accumulated Depreciation	(75,569)
Total Net	5,839,142

Gas Utility Plant Projects - Regulator Stations:

<u>Work Orders Placed in Service</u>	
Gross Additions	(35)
Deferred Taxes	-
Accumulated Depreciation	-
Total Net	(35)

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	2,480,690
Deferred Taxes	(21,936)
Accumulated Depreciation	(23,565)
Total Net	2,435,189

**Increase in Accumulated Deferred Income Taxes and Accumulated Depreciation
Associated with Eligible Infrastructure System Replacements which are included in a
Currently Effective ISRS**

Total Incremental Accumulated Depreciation	(1,085,317)
Total Incremental Accumulated Deferred Taxes	(455,715)

Total ISRS Rate Base	38,669,698
Overall Rate of Return per GR-2017-0215	7.20%
UOI Required	2,784,218
Interest Deduction	185,990
Net UOI	2,598,228
Income Tax Conversion Factor	1.34135
Revenue Requirement on Capital	3,485,133
Tax Gross Up	886,905
Income Tax Settlement (52/48)	461,191
Depreciation Expense	655,682
Net Property Taxes	(56,776)
Total ISRS Revenues	3,658,324
ISRS Revenue Undercollection June 2018 through July 2019	338,218
Total Spire West ISRS Revenues	3,996,543