

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

In the Matter of the Application of Spire Missouri )  
Inc. to Establish an Infrastructure System ) **File No. GO-2018-0309**  
Replacement Surcharge in its Spire Missouri )  
East Service Territory )

**STAFF LATE-FILED EXHIBIT**

**COMES NOW** the Staff of the Missouri Public Service Commission and pursuant to the order of the Commission and Regulatory Law Judge given at the hearing on August 27, 2018, submits the accompanying late-filed exhibit as Staff Exhibit No. 108. This exhibit shows a comparison of Spire Missouri’s position (no plastic removed) and Staff’s position (with plastic removed) regarding calculation of the ISRS revenue requirement.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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Attorney for the Staff of the  
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Commission

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 29th day of August, 2018.

**/s/ Jeffrey A. Keevil**

**Spire Missouri East Case No. GO-2018-0309**  
**ISRS Revenue Requirement Calculation with Removal of Plastic**

**ISRS Plant Additions**

	Spire's Filed Application*	Spire's Updated Position	Staff's Position	Amount of Plastic Removed	Percentage
<b>Gas Utility Plant Projects - Main Replacements and Other Projects Extending Useful Life of Mains:</b>					
Gross Plant Additions	49,021,314	43,896,505	38,033,532	(5,862,973)	
Deferred Taxes	(264,018)	(199,383)	(170,899)	28,484	
Accumulated Depreciation	(453,449)	(409,138)	(352,621)	56,517	
<b>Total Net Main Replacements and Other Projects Extending Useful Life of Mains</b>	<b>48,303,847</b>	<b>43,287,984</b>	<b>37,510,012</b>	<b>(5,777,972)</b>	<b>13.35%</b>
<b>Gas Utility Plant Projects - Service Line Replacements and Insertion Projects:</b>					
Gross Plant Additions	17,726,332	22,036,210	9,244,675	(12,791,535)	
Deferred Taxes	(70,281)	(82,856)	(35,139)	47,717	
Accumulated Depreciation	(360,866)	(466,340)	(194,151)	272,189	
<b>Total Net Service Line Replacements and Insertion Projects</b>	<b>17,295,185</b>	<b>21,487,014</b>	<b>9,015,385</b>	<b>(12,471,629)</b>	<b>58.04%</b>
<b>Gas Utility Plant Projects - Main Relocations net of Reimbursements:</b>					
Gross Additions	1,605,812	1,650,699	1,650,699	-	
Deferred Taxes	(9,972)	(10,341)	(10,341)	-	
Accumulated Depreciation	(18,523)	(18,687)	(18,687)	-	
<b>Total Net Main Relocations net of Reimbursements</b>	<b>1,577,317</b>	<b>1,621,671</b>	<b>1,621,671</b>	<b>-</b>	<b>0%</b>
<b>TOTAL ISRS NET PLANT ADDITIONS</b>	<b>67,176,349</b>	<b>66,396,669</b>	<b>48,147,068</b>	<b>(18,249,601)</b>	<b>27.49%</b>

**CALCULATION OF ISRS REVENUE REQUIREMENT**

	Spire's Filed Application*	Spire's Updated Position	Staff's Position	Amount of Plastic Removed	Percentage
<b>Total ISRS net plant additions</b>	67,176,349	66,396,669	48,147,068	(18,249,601)	
<b>Overall Rate of Return per GR-2017-0215</b>	7.20%	7.20%	7.20%		
<b>Utility Operating Income Required</b>	4,835,152	4,779,033	3,465,482	(1,313,552)	
<b>Income Tax Conversion Factor</b>	1.34135	1.34135	1.34135		
<b>Revenue Requirement Before Interest Deductibility</b>	6,485,631	6,410,356	4,648,424	(1,761,932)	
<b>Total ISRS Net Plant Additions</b>	67,176,349	66,396,669	48,147,068	(18,249,601)	
<b>Weighted Cost of Debt per GR-2017-0215</b>	1.8900%	1.8900%	1.8900%		
<b>Interest Deduction</b>	1,269,633	1,254,897	909,980	(344,917)	
<b>Marginal Income Tax Rate</b>	25.4482%	25.4482%	25.4482%		
<b>Income Tax Reduction due to Interest</b>	323,099	319,349	231,573	(87,775)	
<b>Income Tax Conversion Factor</b>	1.34135	1.34135	1.34135		
<b>Revenue Requirement Impact of Interest Deductibility</b>	433,389	428,358	310,621	(117,737)	
<b>Total Revenue Requirement on Capital</b>	6,052,243	5,981,998	4,337,803	(1,644,195)	
<b>Depreciation Expense</b>	1,118,435	1,208,500	632,976	(575,524)	
<b>Net Property Taxes</b>	354,368	354,368	354,368	-	
<b>ISRS Revenue Reconciliation for January 2014 through May 2018</b>	(2,717,537)	(2,717,537)	(2,717,537)	-	
<b>Total ISRS Revenues for Case No. GO-2018-0309 with plastic removed - Staff' position</b>	<b>4,807,509</b>	<b>4,827,329</b>	<b>2,607,610</b>	<b>(2,219,719)</b>	<b>45.98%</b>
<b>Refunds from 2016 and 2017 ISRS Cases (GO-2016-0333 and GO-2017-0202)</b>			(2,801,860)	<b>(2,801,860)</b>	
<b>Total ISRS Revenues with plastic removed for all cases - Staff's position</b>	<b>4,807,509</b>	<b>4,827,329</b>	<b>(194,250)</b>	<b>(5,021,579)</b>	<b>104.02%</b>

\* When Spire originally filed its application, the application contained two months of estimated ISRS additions. Spire later updated its number to reflect actual.