

**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)
Replacement Surcharge in its Spire Missouri)
West Service Territory)
File No. GO-2018-0310

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. 109. 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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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 West Case No. GO-2018-0310
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
Gas Utility Plant Projects - Main Replacements and Other Projects Extending Useful Life of Mains:					
Gross Plant Additions	63,342,395	62,704,145	58,416,188	(4,287,957)	
Deferred Taxes	(443,053)	(439,748)	(409,241)	30,507	
Accumulated Depreciation	(535,370)	(525,420)	(491,202)	34,218	
Total Net Main Replacements and Other Projects Extending Useful Life of Mains	62,363,972	61,738,977	57,515,745	(4,223,232)	6.84%
Gas Utility Plant Projects - Service Line Replacements and Insertion Projects:					
Gross Plant Additions	11,329,483	13,885,538	1,739,396	(12,146,142)	
Deferred Taxes	(60,125)	(77,620)	(9,650)	67,970	
Accumulated Depreciation	(170,888)	(193,999)	(24,589)	169,410	
Total Net Service Line Replacements and Insertion Projects	11,098,470	13,613,919	1,705,157	(11,908,762)	87.47%
Gas Utility Plant Projects - Main Relocations net of Reimbursements:					
Gross Additions	6,736,317	6,865,186	6,865,186	-	
Deferred Taxes	(46,992)	(48,407)	(48,407)	-	
Accumulated Depreciation	(57,430)	(56,499)	(56,499)	-	
Total Net Main Relocations net of Reimbursements	6,631,895	6,760,280	6,760,280	-	0%
TOTAL ISRS NET PLANT ADDITIONS	80,094,337	82,113,176	65,981,182	(16,131,994)	19.65%

CALCULATION OF ISRS REVENUE REQUIREMENT

	Spire's Filed Application*	Spire's Updated Position	Staff's Position	Amount of Plastic Removed	Percentage
Total ISRS net plant additions	80,094,337	82,113,176	65,981,182	(16,131,994)	
Overall Rate of Return per GR-2017-0216	7.20%	7.20%	7.20%		
Utility Operating Income Required	5,764,950	5,910,260	4,749,128	(1,161,133)	
Income Tax Conversion Factor	1.34135	1.34135	1.34135		
Revenue Requirement Before Interest Deductibility	7,732,816	7,927,727	6,370,242	(1,557,485)	
Total ISRS Net Plant Additions	80,094,337	82,113,176	65,981,182	(16,131,994)	
Weighted Cost of Debt per GR-2017-0216	1.8900%	1.8900%	1.8900%		
Interest Deduction	1,513,783	1,551,939	1,247,044	(304,895)	
Marginal Income Tax Rate	25.4482%	25.4482%	25.4482%		
Income Tax Reduction due to Interest	385,231	394,941	317,350	(77,590)	
Income Tax Conversion Factor	1.34135	1.34135	1.34135		
Revenue Requirement Impact of Interest Deductibility	516,729	529,754	425,678	(104,076)	
Total Revenue Requirement on Capital	7,216,087	7,397,974	5,944,564	(1,453,409)	
Depreciation Expense	1,489,201	1,489,201	1,086,754	(402,447)	
Net Property Taxes	214,988	214,988	214,988	-	
ISRS Revenue Reconciliation for January 2014 through May 2018	(1,834,513)	(1,834,513)	(1,834,513)	-	
Total ISRS Revenues for Case No. GO-2018-0310 with plastic removed - Staff's position	7,085,763	7,267,650	5,411,793	(1,855,856)	25.54%
Refunds from 2016 and 2017 ISRS Cases (GO-2016-0332 and GO-2017-0201)			(1,359,165)	(1,359,165)	
Total ISRS Revenues with plastic removed for all cases - Staff's position	7,085,763	7,267,650	4,052,628	(3,215,021)	44.24%

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