

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

In the Matter of Laclede Gas Company’s Request to Increase Its Revenue for Gas Service	)	<b><u>File No. GR-2017-0215</u></b>
	)	
In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy’s Request to Increase Its Revenues for Gas Service	)	<b><u>File No. GR-2017-0216</u></b>
	)	

**NONUNANIMOUS STIPULATION AND AGREEMENT  
REGARDING TAX CUTS AND JOBS ACT**

COME NOW the Missouri Industrial Energy Consumers, (“MIEC”), Missouri Energy Consumers Group (“MECG”), the Office of the Public Counsel (“OPC” or “Public Counsel”) and Consumer Council of Missouri (CCM) and state the following for this Nonunanimous Stipulation and Agreement (“Stipulation”) to resolve certain issues in this case.

1. The Signatories agree that Spire Missouri Inc.’s retail customers should realize in the rates the Commission orders in these cases the income tax benefits resulting from the *Tax Cuts and Jobs Act* (“Tax Act’), and that Spire should not reap a windfall from these tax changes.

2. The Signatories agree that the Commission should reduce Spire’s revenue requirement in this case by \$28 million for the tax impacts resulting from the Tax Act. While all the effects of the Tax Act cannot be exactly calculated now, \$28 million is a conservative approximation of the impacts on Spire’s revenue requirement based on the Commission’s Agenda discussions of issues and the effect of lowering the federal corporate income tax rate from 35% to 21%, which is approximately \$16-\$20 million per year, and the corresponding change to the appropriate level of Accumulated Deferred Income Tax of approximately \$13 million per year.

3. The \$28 million is an estimate, because the actual changes to Accumulated Deferred Income Tax cannot be known until each tax year as current balances are amortized. Therefore, the Commission should order Spire to calculate the actual impacts (income tax, protected accumulated deferred income tax, and unprotected accumulated deferred income tax) and book the difference between the sum of the actual impacts and the \$28 million estimate in a regulatory account (asset or liability, as appropriate) for consideration in Spire's next general rate case.

4. It is important to note that much of the evidence necessary for the Commission to decide this issue is already in the record. The record submitted in this case is sufficient for the Commission to calculate a corporate tax of 35%. This very same evidence may also be used to calculate the effect of reduction to corporate taxes to 21%.

#### **General Provisions**

5. Except as otherwise expressly specified herein, none of the signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation, depreciation or revenue-related method, or any service or payment standard; and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other Commission or judicial review or other proceeding, except as otherwise expressly specified herein. Nothing in this Stipulation and Agreement shall preclude the Staff in future proceedings from providing recommendations as requested by the Commission nor limit Staff's access to information in any other proceedings. Nothing in this Stipulation and Agreement shall be deemed a waiver of any statute or Commission regulation.

6. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event that the

Commission does not approve this Stipulation and Agreement, or approves this Stipulation and Agreement with modifications or conditions to which a Party to this proceeding objects, this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

7. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.080.1 (RSMo. 2000) to present testimony, to cross-examine witnesses, and to present oral argument and written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.070. (RSMo. 2000); and their respective rights to judicial review of the Commission's Report and Order in this case pursuant to Section 386.510 (RSMo. 2000). These waivers apply only to a Commission order regarding the issues addressed in this Stipulation in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

**WHEREFORE**, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 5th day of February 2018.

*/s/ Hampton Williams*

