

**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-2019-0115**
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-2019-0116**
Replacement Surcharge in its Spire Missouri)
West Service Territory)

NOTICE OF CORRECTION TO STAFF REPORT

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Notice of Correction to Staff Report* states as follows:

1. After Staff filed its *Staff Report* on April 25, 2019, Spire Missouri, Inc. informed Staff that information from several of the work order authorizations reviewed by Staff were not included in Staff’s calculation of disallowed plastic.

2. This *Notice of Correction to Staff Report* contains corrections to Staff’s earlier filed revenue requirement calculations. As a result of these corrections, the revenue requirement for Spire East (Case No. GO-2019-0115) *decreased* by \$5,509 and the revenue requirement for Spire West (Case No. GO-2019-0116) *increased* by \$24,457.

3. Attached hereto and incorporated herein are: *Spire Missouri East ISRS Revenue Requirement Calculation- CORRECTED* (Attachment “A”) and *Spire Missouri West ISRS Revenue Requirement Calculation- CORRECTED* (Attachment “B”). The corrected calculations are verified by Staff auditor Kim Bolin.

WHEREFORE, Staff prays the Commission accept its *Notice of Correction to Staff Report*, with corrected supporting Attachments “A” and “B”.

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 April, 2019, to all counsel of record.

/s/ Robert S. Berlin

Spire Missouri East
ISRS - Case # GO-2019-0115
ISRS Revenue Requirement Calculation - CORRECTED 4/29/2019

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 | 31,155,036 |
| Deferred Taxes | (200,162) |
| Accumulated Depreciation | (211,008) |
| Total Net | 30,743,866 |

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

| | |
|--------------------------------------|-------------------|
| <u>Work Orders Placed in Service</u> | |
| Gross Additions | 19,712,302 |
| Deferred Taxes | (194,692) |
| Accumulated Depreciation | (321,508) |
| Total Net | 19,196,102 |

Gas Utility Plant Projects - Regulator Stations:

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

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

| | |
|--------------------------------------|------------------|
| <u>Work Orders Placed in Service</u> | |
| Gross Additions | 1,532,907 |
| Deferred Taxes | (17,392) |
| Accumulated Depreciation | (9,470) |
| Total Net | 1,506,045 |

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 | (595,783) |
| Total Incremental Accumulated Deferred Taxes | (110,103) |

| | |
|--|-------------------|
| Total ISRS Rate Base | 50,740,127 |
| Overall Rate of Return per GR-2017-0215 | 7.20% |
| UOI Required | 3,652,122 |
| Income Tax Conversion Factor | 1.34135 |
| Revenue Requirement Before Interest Deductibility | 4,898,774 |

| | |
|-------------------------------|------------------|
| Tax Gross up @25.4482% | 1,246,652 |
| Split 50/50 | 623,326 |

| | |
|---|------------------|
| Total Revenue Requirement on Capital | 4,275,448 |
| Depreciation Expense | 970,909 |
| Net Property Taxes | 1,539,224 |
| Total ISRS Revenues | 6,785,581 |

**Spire Missouri West
 ISRS - Case # GO-2019-0116
 ISRS Revenue Requirement Calculation - CORRECTED 4/29/2019**

**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 | 34,427,643 |
| Deferred Taxes | (422,939) |
| Accumulated Depreciation | (231,234) |
| | <hr/> |

Total Net 33,773,470

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

| | |
|--------------------------------------|-----------|
| <u>Work Orders Placed in Service</u> | |
| Gross Additions | 5,855,682 |
| Deferred Taxes | (74,172) |
| Accumulated Depreciation | (81,686) |
| | <hr/> |

Total Net 5,699,824

Gas Utility Plant Projects - Regulator Stations:

| | |
|--------------------------------------|--------|
| <u>Work Orders Placed in Service</u> | |
| Gross Additions | 49,886 |
| Deferred Taxes | (272) |
| Accumulated Depreciation | (360) |
| | <hr/> |

Total Net 49,254

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

| | |
|--------------------------------------|-----------|
| <u>Work Orders Placed in Service</u> | |
| Gross Additions | 3,072,465 |
| Deferred Taxes | (49,944) |
| Accumulated Depreciation | (25,649) |
| | <hr/> |

Total Net 2,996,872

**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 | (1,051,623) |
| Total Incremental Accumulated Deferred Taxes | (246,973) |

Total ISRS Rate Base 41,220,825

Overall Rate of Return per GR-2017-0216 7.20%

UOI Required 2,966,951

Income Tax Conversion 1,34135

Income Tax Before Tax Deductions 3,979,720

Tax Gross Up @25.4482% 1,012,769

Split 50/50 506,385

Total Revenue Requirement on Capital 3,473,336

Depreciation Expense 710,717

Net Property Taxes 2,598,507

Total ISRS Revenues 6,782,560

