

Exhibit No.:
Issue: Accumulated Deferred Income Taxes,
Income Taxes, Depreciation Rates,
Pensions and OPEBS
Witness: James A. Fallert
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Liberty Utilities
(Midstates Natural Gas) Corp.
d/b/a Liberty Utilities
Case No. GR-2018-0013
Date Testimony Prepared: April 2018

**Before the Public Service Commission
of the State of Missouri**

Rebuttal Testimony

of

James A. Fallert

On Behalf of

**Liberty Utilities (Midstates Natural Gas) Corp.
d/b/a Liberty Utilities**

April 2018



REBUTTAL TESTIMONY
OF
JAMES A. FALLERT
LIBERTY UTILITIES
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. GR-2018-0013

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OF
JAMES A. FALLERT
LIBERTY UTILITIES
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MISSOURI PUBLIC SERVICE COMMISSION
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1 **I. POSITION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS AFFILIATION AND BUSINESS**
3 **ADDRESS.**

4 A. My name is James A. Fallert. I am doing business as James Fallert Consultant LLC and
5 my business address is 3507 Burgundy Way Dr., St. Louis, MO 63129.

6 **Q. ON WHOSE BEHALF IS YOUR TESTIMONY PRESENTED?**

7 A. Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (“Company” or
8 “Liberty Utilities”).

9 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
10 **EXPERIENCE.**

11 A. I graduated from Southeast Missouri State University in 1976 with a bachelor’s degree in
12 Business Administration, majoring in administrative management. I received a Master’s
13 in Business Administration in 1981 from Saint Louis University, with a major in Finance.
14 I was employed by Laclede Gas Company (now known as Spire Missouri Inc.) from
15 1976 until February 2012, when I retired as Controller of the Company. In this position,
16 I was responsible for the Company’s GAAP accounting (including pension accounting),
17 budgeting, management information reporting, and financial planning functions.
18 Subsequent to my retirement from Laclede, I have provided consulting services regarding
19 regulatory matters.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC**
2 **SERVICE COMMISSION (“COMMISSION”)?**

3 A. Yes. I provided testimony in numerous cases before the Commission during my
4 employment at Laclede Gas. These include Case Nos. GR-90-120, GR-92-165, GR-94-
5 220, GR-96-193, GR-98-374, GR-99-315, GR-2001-629, GR-2002-356, GT-2003-0117,
6 GO-2004-0443, GR-2005-0284, GC-2006-0318, GR-2007-0208, GU-2007-0138, and
7 GR-2010-0171. I also provided testimony as a consultant for Liberty Utilities (MidStates
8 Natural Gas) Corp. in Case No. GR-2014-0152, and for Spire Missouri in Case No. GR-
9 2017-0215.

10 **II. PURPOSE OF TESTIMONY**

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

12 A. The purpose of my testimony is to address the direct testimony of various Staff witnesses
13 as presented in the Staff’s Cost of Service (“COS”) Report regarding the issues listed
14 below.

15 - Accumulated Deferred Income Taxes (ADIT) – John M. Ostrander, who
16 was Liberty’s witness in direct testimony regarding ADIT, has retired. I therefore adopt
17 Mr. Ostrander’s direct testimony and will provide herein the Company’s reaction to
18 Staff’s filing regarding ADIT.

19 - Income Taxes – I will address differences between the Company’s direct
20 filing and Staff’s.

21 - Depreciation Rates – Staff raised an issue in this case regarding the
22 application of the rates approved by the Commission for Liberty in Case No GR-2014-

1 0152. Liberty has asked me to provide rebuttal since I was the Company witness on this
2 issue in that case.

3 - Pensions and OPEBS in Rate Base – In its COS Report, Staff requested
4 that Liberty Utilities provide support for the existence and quantification of the pension
5 and OPEB assets accrued pursuant to the Partial Stipulation and Agreement in Case No.
6 GR-2014-0152 for inclusion in rate base. This testimony will provide such support.

7 **Q. ARE YOU SPONSORING ANY SCHEDULES IN CONNECTION WITH YOUR**
8 **TESTIMONY?**

9 A. Yes. I am sponsoring Schedules JF-R1, JF-R2, and JF-R3.

10 **III. ACCUMULATED DEFERRED INCOME TAXES (ADIT)**

11 **Q. PLEASE DESCRIBE THIS ISSUE.**

12 A. ADIT results from differences in the timing of income tax payments compared with
13 recovery of these payments in customer rates. Protected ADIT results from differences
14 related to accelerated tax depreciation rates in the internal revenue code. Unprotected
15 ADIT results from other tax timing differences. Staff has calculated ADIT at
16 \$(22,432,429), while the Company's updated calculation is \$(10,516,362). There are
17 numerous reasons for this difference which I will explain later in my rebuttal testimony.

18 **Q. DO YOU HAVE ANY OTHER GENERAL COMMENTS REGARDING THIS**
19 **DIFFERENCE?**

20 A. Yes. We have had several discussions with Staff regarding this issue. While we have not
21 reached agreement as of yet, I would anticipate that we should be able to do so regarding
22 most or all of the differences. However, we will explain them here in order to preserve
23 our position on the issue.

1 **Q. PLEASE LIST THE MAJOR DIFFERENCES BETWEEN STAFF AND**
2 **LIBERTY'S CALCULATIONS.**

3 A. Following is a reconciliation of the two positions:

4	Staff	\$(22,432,429)
5	Tax Depreciation Formula Difference	1,385,376
6	Book Plant and Reserve Differences	2,660,045
7	Midstates Allocation	(1,529,966)
8	Exclusion of Negative Balances by Staff	136,997
9	Unprotected Tax Timing Differences	<u>9,263,615</u>
10	Liberty Utilities	\$(10,516,362)

11 **Q. PLEASE EXPLAIN THE TAX DEPRECIATION FORMULA DIFFERENCE.**

12 A. Staff's calculations of tax depreciation for each year add the tax depreciation amount
13 from the prior year to the tax basis, and then multiplies this total by the tax depreciation
14 rate to obtain annual tax depreciation. The prior year depreciation amount should be
15 excluded from this calculation as the method currently employed by Staff effectively
16 calculates depreciation on depreciation, resulting in over depreciation of the basis.

17 **Q. PLEASE EXPLAIN THE BOOK PLANT AND RESERVE DIFFERENCES.**

18 A. The protected ADIT calculation measures the timing difference between book
19 depreciation and tax depreciation. Staff has used different book plant and reserve
20 amounts in its tax depreciation calculations compared with its calculations of net book
21 plant. The difference appears to be primarily due to exclusion of Cost of Removal from
22 the reserve in the tax calculations. The Company believes that consistency should be
23 maintained between the book and tax calculations.

1 **Q. WHAT IS THE MIDSTATES ALLOCATION ISSUE?**

2 A. We believe that Staff's calculation of the portion of shared services allocated to Missouri
3 may have inadvertently understated the allocation, thus overstating rate base.

4 **Q. PLEASE DESCRIBE THE EXCLUSION OF NEGATIVE BALANCES BY**
5 **STAFF.**

6 A. There were a few instances in the tax records where negative tax basis balances appeared.
7 These will generally be due to corrections or adjustments of previously recorded items, so
8 the negative entry effectively makes the record correct in total. Liberty Utilities
9 calculates tax depreciation on these negative balances so that the total tax depreciation is
10 correct. Staff has arbitrarily set these negative tax depreciation balances to zero. The
11 Company believes that including the negative balances provides a more accurate
12 calculation.

13 **Q. DO YOU HAVE ANY OTHER COMMENTS WITH REGARD TO STAFF'S**
14 **EXCLUSION OF NEGATIVE BALANCES?**

15 A. Yes. While Staff arbitrarily changed the negative tax depreciation amounts to zero, they
16 left the negative basis amounts upon which these negative depreciation amounts were
17 calculated in the basis totals. Even if one accepted the questionable approach of
18 excluding the negative tax depreciation amounts, it would be necessary to also exclude
19 the negative basis upon which these amounts are based. Otherwise, the negative basis
20 amounts would essentially become permanent. Also eliminating the negative basis would
21 more than eliminate the difference between Staff and Liberty on this issue.

22 **Q. WHAT IS THE ISSUE IN REGARD TO UNPROTECTED TAX TIMING**
23 **DIFFERENCES?**

1 A. Liberty Utilities did not include any unprotected tax timing differences in its
2 direct filing. Staff correctly identified several such items which should
3 appropriately be included. However, Staff's worksheet inappropriately included
4 these items as a deferred tax liability when they should have been recorded as a
5 deferred tax asset. The Company's proposed adjustment includes these items as
6 a deferred tax asset.

7 **IV. INCOME TAXES**

8 **Q. WHAT IS THE PRIMARY DIFFERENCE BETWEEN THE COMPANY'S**
9 **DIRECT FILING AND THAT OF STAFF?**

10 A. Effective January 1, 2018, and subsequent to the Company's direct filing, the
11 federal corporate tax rate was changed from 35% to 21%. Staff has incorporated
12 this change into its direct filing.

13 **Q. WHAT IS THE COMPANY'S POSITION ON RECOGNIZING THESE**
14 **IMPACTS?**

15 A. Liberty Utilities agrees that the impact of the change in the federal corporate tax
16 rate should be included and is committed to working with the Staff to accurately
17 quantify and include the effect of the change in this case.

18 **V. DEPRECIATION RATES**

19 **Q. PLEASE DESCRIBE THE DEPRECIATION RATE ISSUE THAT YOU ARE**
20 **ADDRESSING IN THIS TESTIMONY.**

21 A. Staff contends that Liberty Utilities has not followed the depreciation rates authorized by
22 the Commission in Case No. GR-2014-0152 for accounts 399.0, 399.1, 399.3 and 399.5.
23 These accounts include computer hardware and software. The resulting adjustment

1 increased the depreciation reserve in Staff's filing by about \$1.7 million with a
2 corresponding reduction to the Company's rate base.

3 **Q. WHAT IS THE COMPANY'S POSITION ON THIS ISSUE?**

4 A. We agree with Staff that some adjustments to these accounts are appropriate, but
5 disagree with the manner in which they have made the adjustments. A more
6 accurate calculation results in a reduction in the depreciation reserve of about
7 \$0.2 million, as opposed to Staff's \$1.7 million increase.

8 **Q. IT IS SOMEWHAT UNUSUAL TO HAVE A DISPUTE OVER WHAT
9 DEPRECIATION RATES WERE ORDERED BY THE COMMISSION. CAN
10 YOU PROVIDE SOME BACKGROUND TO EXPLAIN HOW THIS CAME
11 ABOUT?**

12 A. Certainly. The rates for these accounts were a litigated issue in Case No. GR-2014-0152.
13 The Commission's Order in that case found in the Company's favor, but did not include a
14 rate schedule. Therefore, the parties are left to look at Liberty Utilities' position to
15 determine the appropriate rates.

16 **Q. WHAT WAS THE COMPANY'S POSITION IN GR-2014-0152?**

17 A. The Company's position was best explained in its Initial Brief, which said in part: "*The
18 Company recommends continuation of the 14.29% rate (7 years) for system hardware
19 and software and implementation of 18.98% (5.3 years) for PC hardware and software.*"

20 **Q. PLEASE CONTINUE.**

21 A. Liberty Utilities' accounting prior to the Commission's decision in this case separated
22 various hardware categories into 399.1, 399.3, and 399.4, while all software was included
23 in 399.0 and 399.5. The Commission's decision implied that these accounts should be

1 reordered so that the separation between system assets (depreciated at 14.29%) and PC
2 assets (at 18.98%) could be ascertained. However, the Final Reconciliation of GR-2014-
3 0152 applied a 14.29% rate to accounts 399.0 and 399.5 and 18.98% to the other 399
4 accounts. Liberty Utilities followed this accounting going forward. In hindsight, the
5 reordering of these accounts would have more accurately implemented the Commission's
6 decision as to rates, even though it is slightly different from the Final Reconciliation.

7 **Q. SO WHAT IS THE PROBLEM WITH STAFF'S ADJUSTMENT?**

8 A. Staff is correct that some adjustments need to be made to be consistent with the rates
9 ordered by the Commission in Case No. GR-2014-0152. However, Staff has not done the
10 necessary reordering of these accounts, which would split the assets in each between
11 system assets and PC assets. Instead, Staff simply applied rates to the existing accounts,
12 which do not include the necessary split between system and PC assets.

13 **Q. WHAT WAS THE IMPACT OF STAFF'S APPROACH?**

14 A. The greatest impact is by far in account 399.5, which includes both system and PC
15 software. The vast majority of the software in this account is system software for such
16 items as the Company's accounting system, customer information system, automated
17 meter reading system and the like. However, Staff's adjustment inappropriately applied
18 the 18.98% PC rate to this system software, instead of the ordered 14.29% rate. As I
19 mentioned earlier, when we split these accounts between system and PC assets consistent
20 with the Commission's order in GR-2014-0152, Staff's \$1.7 million increase in the
21 reserve actually becomes a \$0.2 million decrease. The differences between Staff's
22 approach and the Company's approach are illustrated on Schedule JF-R1 attached to this
23 testimony.

1 **Q. DO YOU HAVE ANY ADDITIONAL COMMENTS REGARDING THIS ISSUE?**

2 A. Yes. Staff is to be commended for making the effort to improve compliance with the
3 Commission's Order in Case No. GR-2014-0152. Much of the confusion in Staff's
4 adjustment may have resulted because the accounts in question are not accurately labelled
5 in some of the Company's records. Liberty Utilities commits to making the appropriate
6 split between system and PC assets as ordered by the Commission, and properly labeling
7 the resulting accounts.

8 **VI. PENSIONS AND OPEBS IN RATE BASE**

9 **Q. PLEASE DESCRIBE THIS ISSUE.**

10 A. The Commission's Order in Case No. GR-2014-0152 approved the Partial Stipulation
11 and Agreement as to Certain Issues between the parties. The Partial Stipulation included
12 a methodology for accounting for pensions and OPEBs. This methodology prescribed
13 creation of a regulatory asset or liability, as appropriate, for the difference between
14 expense used in setting rates as documented in the Partial Stipulation and expense
15 recorded for financial reporting purposes. It also defined the appropriate calculation of
16 related rate base in future proceedings. Staff pointed out in its direct testimony that the
17 Company had not yet included a rate base adjustment in its case and requested that
18 Liberty Utilities provide support for the existence and quantification of this item.

19 **Q. WHAT SUPPORT CAN YOU PROVIDE FOR THE EXISTENCE OF A RATE**
20 **BASE ITEM RELATED TO PENSIONS AND OPEBS?**

21 A. The last sentence of Paragraph 3.B. of the Partial Stipulation stated: *"The difference*
22 *between the amount of pension expense included in Liberty Utilities' rates and the*
23 *amount funded by Liberty Utilities shall be included in the Company's rate base in future*

1 *proceedings.”* Similarly, Paragraph 3.F. states in part: *“The difference between the*
2 *amount of OPEB expense included in Liberty Utilities’ rates and the amount funded by*
3 *Liberty Utilities shall be included in the Company’s rate base in future proceedings.”*

4 **Q. WHAT WERE THE AMOUNTS INCLUDED IN RATES MENTIONED ABOVE?**

5 A. The agreed upon amounts included in rates were spelled out in the aforementioned
6 Paragraphs 3.B and 3.F. These amounts were \$154,350 for pensions and \$474,068 for
7 OPEBs (both stated before any transfers to construction).

8 **Q. PLEASE PROVIDE THE REQUESTED QUANTIFICATION OF THE**
9 **APPROPRIATE RATE BASE AMOUNTS.**

10 A. The quantification of rate base is attached as Schedule JF-R2 (pensions) and JF-R3
11 (OPEBs). These schedules support inclusion of rate base in the amounts of \$788,502
12 for pensions and \$533,372 for OPEBs.

13 **Q. DOES THE COMPANY SUPPORT CONTINUATION OF THE DEFERRAL**
14 **MECHANISM FOR PENSIONS AND OPEBS IMPLEMENTED IN CASE NO.**
15 **GR-2014-0152?**

16 A. Yes. The Company continues to believe that this mechanism provides a fair means of
17 ensuring that costs related to pensions and OPEBs are neither over nor under recovered.

18 **Q. WOULD YOU SUGGEST ANY CHANGES TO THE METHODOLOGY**
19 **DESCRIBED IN THIS MECHANISM?**

20 A. The Company would suggest only one change to the methodology described in the
21 Partial Stipulation from GR-2014-0152. Paragraph 3.I. of the Partial Stipulation
22 specifies an unusual method of amortizing gains and losses for ratemaking purposes and

1 also prohibits use of a corridor. This method differs from that employed by the
2 Company's actuary for calculation of pension and OPEB expense and therefore causes
3 unnecessary duplication and confusion. The Company suggests deleting this paragraph
4 going forward so that the same expense calculations can be used for both ratemaking
5 and financial reporting.

6 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY IN THIS**
7 **PROCEEDING?**

8 A. Yes.

Liberty Utilities (Midstates Natural Gas) Corp.
d/b/a Liberty Utilities

Docket No. GR-2018-0013

Depreciation Reserve Adjustment
To Adjust Booked Reserve to be Consistent with Ordered Rates in GR-2014-0152
Comparison of Staff and Liberty Utilities Calculations

Staff

Shared Services		Computer	Booked	Adjusted	Resulting
<u>Account</u>	<u>Description</u>	<u>Assets</u>	<u>Rate</u>	<u>Rate</u>	<u>Adjustment</u>
399.0	System and PC	249,555	14.29%	14.29%	-
399.1	System and PC	30,326	18.98%	14.29%	(3,574)
399.3	System and PC	348,710	18.98%	14.29%	(40,649)
399.4	System and PC	2,878,456	18.98%	18.98%	-
399.5	System and PC	17,418,048	14.29%	18.98%	1,777,143
	Sub-Total	20,925,096			1,732,920
Direct Charges		126,300	various	4.75%	(41,458)
	Total	21,051,396			1,691,462

Liberty Utilities

Shared Services					
<u>Account</u>	<u>Description</u>				
399.0	System	249,555	14.29%	14.29%	-
399.0	PC	-	14.29%	18.98%	-
399.1	System	30,326	18.98%	14.29%	(2,810)
399.1	PC	-	18.98%	18.98%	-
399.3	System	310,778	18.98%	14.29%	(28,794)
399.3	PC	37,932	18.98%	18.98%	-
399.4	System	1,531,932	18.98%	14.29%	(141,917)
399.4	PC	1,346,525	18.98%	18.98%	-
399.5	System	17,412,514	14.29%	14.29%	-
399.5	PC	5,534	14.29%	18.98%	(1,128)
	Sub-Total	20,925,096			(174,648)
Direct Charges		126,300	various	4.75%	(39,841)
	Total	21,051,396			(214,489)

Liberty Utilities (Midstates Natural Gas) Corp.
d/b/a Liberty Utilities
Docket No. GR-2018-0013

Qualified Pension Plan Contributions

	Total Company	Allocated to WEMO (5.06%)	Allocated to SEMO (34.83%)	Allocated to NEMO (25.25%)	Total Allocated to MO (65.14%)
<i>2015 Contributions:</i>	\$ 594,000.00	\$ 30,056.40	\$ 206,890.20	\$ 149,985.00	\$ 386,931.60
2015 Net Periodic Benefit Cost	\$ 309,285.00	\$ 15,649.82	\$ 107,723.97	\$ 78,094.46	\$ 201,468.25
Excess Contributions:	\$ 284,715.00	\$ 14,406.58	\$ 99,166.23	\$ 71,890.54	\$ 185,463.35

	Payment Amount	Allocated to WEMO (5.11%)	Allocated to SEMO (35.40%)	Allocated to NEMO (25.85%)	Total Allocated to MO (66.36%)
<i>2016 Contributions:</i>	\$ 647,600.00	\$ 33,092.36	\$ 229,250.40	\$ 167,404.60	\$ 429,747.36
2016 Net Periodic Benefit Cost	\$ 369,898.00	\$ 18,901.79	\$ 130,943.89	\$ 95,618.63	\$ 245,464.31
Excess Contributions:	\$ 277,702.00	\$ 14,190.57	\$ 98,306.51	\$ 71,785.97	\$ 184,283.05

	Payment Amount	Allocated to WEMO (5.04%)	Allocated to SEMO (35.31%)	Allocated to NEMO (25.50%)	Total Allocated to MO (65.85%)
<i>2017 Contributions:</i>	\$ 660,400.00	\$ 33,284.16	\$ 233,187.24	\$ 168,402.00	\$ 434,873.40
2017 Net Periodic Benefit Cost	\$ 349,891.00	\$ 17,634.51	\$ 123,546.51	\$ 89,222.21	\$ 230,403.22
Excess Contributions:	\$ 310,509.00	\$ 15,649.65	\$ 109,640.73	\$ 79,179.80	\$ 204,470.18

Contributions vs MO Cost

Year	Total Funding Allocated to MO (65.85%)	Net Periodic Benefit Cost	Prepaid Pension Asset	Regulatory Asset	Allowed in Rates per 2014 Stip	Rate Base
2015	\$ 386,931.60	\$ 201,468.25	\$ 185,463.35	\$ 47,118.25	\$ 154,350.00	\$ 232,581.60
2016	429,747.36	245,464.31	184,283.05	\$ 91,114.31	\$ 154,350.00	\$ 275,397.36
2017	434,873.40	230,403.22	204,470.18	\$ 76,053.22	\$ 154,350.00	\$ 280,523.40
	\$ 1,251,552.36	\$ 677,335.79	\$ 574,216.57	\$ 214,285.79	\$ 463,050.00	\$ 788,502.36

Liberty Utilities (Midstates Natural Gas) Corp.
d/b/a Liberty Utilities
Docket No. GR-2018-0013

OPEB Contributions

	Payment Amount	Allocated to WEMO (5.06%)	Allocated to SEMO (34.83%)	Allocated to NEMO (25.25%)	Total Allocated to MO (65.14%)
<i>2015 Contributions:</i>	\$ 1,009,592.00	\$ 51,085.36	\$ 351,640.89	\$ 254,921.98	\$ 657,648.23
2015 Net Periodic Benefit Cost (reg.)	\$ 998,708.00	\$ 50,534.62	\$ 347,850.00	\$ 252,173.77	\$ 650,558.39
	\$ 10,884.00	\$ 550.73	\$ 3,790.90	\$ 2,748.21	\$ 7,089.84

	Payment Amount	Allocated to WEMO (5.11%)	Allocated to SEMO (35.40%)	Allocated to NEMO (25.85%)	Total Allocated to MO (66.36%)
<i>2016 Contributions:</i>	\$ 974,505.00	\$ 49,797.21	\$ 344,974.77	\$ 251,909.54	\$ 646,681.52
2016 Net Periodic Benefit Cost (reg.)	\$ 974,505.00	\$ 49,797.21	\$ 344,974.77	\$ 251,909.54	\$ 646,681.52
	\$ -	\$ -	\$ -	\$ -	\$ -

	Payment Amount	Allocated to WEMO (5.04%)	Allocated to SEMO (35.31%)	Allocated to NEMO (25.50%)	Total Allocated to MO (65.85%)
<i>YTD 2017 Contributions:</i>	\$ 988,985.00	\$ 49,844.84	\$ 349,210.60	\$ 252,191.18	\$ 651,246.62
2017 Net Periodic Benefit Cost (reg.)	\$ 988,985.00	\$ 49,844.84	\$ 349,210.60	\$ 252,191.18	\$ 651,246.62
	\$ 988,985.00	\$ 49,844.84	\$ 349,210.60	\$ 252,191.18	\$ 651,246.62

Contributions vs Rates

Year	Total Funding Allocated to MO (65.85%)	Net Periodic Benefit Cost	Prepaid OPEB Asset	Regulatory Asset	Allowed in Rates per 2014 Stip	Rate Base
2015	\$ 657,648.23	\$ 650,558.39	\$ 7,089.84	\$ 176,490.39	\$ 474,068.00	\$ 183,580.23
2016	\$ 646,681.52	\$ 646,681.52	-	\$ 172,613.52	\$ 474,068.00	\$ 172,613.52
2017	\$ 651,246.62	\$ 651,246.62	-	\$ 177,178.62	\$ 474,068.00	\$ 177,178.62
	\$ 1,955,576.37	\$ 1,948,486.53	\$ 7,089.84	\$ 526,282.53	\$ 1,422,204.00	\$ 533,372.37

AFFIDAVIT OF JAMES A. FALLERT

STATE OF MISSOURI)
) ss
 COUNTY OF ST. LOUIS)

On the 12th day of April 2018, before me appeared James A. Fallert, who, being by me first duly sworn, states that he is doing business as James Fallert Consultant LLC and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge and belief.

James A. Fallert

James A. Fallert

Subscribed and sworn to before me this 12th day of April, 2018.

Jon R. Etterling

Notary Public

My commission expires: 10-29-2018.

