

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

In the Matter of the Revenue Effects Upon	)	
Missouri Utilities of the Tax Cuts and Jobs	)	<b>File No. AW-2018-0174</b>
Act of 2017	)	

**SPIRE MISSOURI INC.'S RESPONSE TO ORDER DIRECTING FILING**

COMES NOW Spire Missouri Inc. d/b/a/ Spire (“Spire Missouri” or the “Company”), and files this response to the Commission’s January 31, 2018 order directing filing in this case. The Company addresses the questions below in the same order as they were presented in the January 3<sup>rd</sup> order.

1. What is the appropriate avenue for effectuating change to utility rates as a result of the federal income tax reductions?

**Spire Missouri Reply:** The appropriate venue for effectuating changes to utility rates as a result of reductions in federal income tax expense would be to consider them within the context of a rate proceeding, where all relevant factors may be considered.

2. Is a different avenue appropriate for regulated corporations and Commission-regulated pass-through entities such as S Corporations, LLCs, and partnerships?

**Spire Missouri Reply:** As Spire is not an S Corporation, an LLC or a partnership, it has no comment on this question at this time.

3. What is the appropriate mechanism(s) for effectuating change to utility rates as a result of the federal income tax reductions?

**Spire Missouri Reply:** Please see the response to the question in paragraph 1 above.

4. How does the change to the federal income tax affect pending rate cases? Can the change be considered in the pending rate cases?

**Spire Missouri Reply:** The President signed the Tax Cuts and Jobs Act (TCJA) December 22, 2017, effective January 1, 2018. With respect to Spire Missouri, the TCJA was passed into law well after the end of the true-up period in the Company's rate cases, Case Nos. GR-2017-0215 and GR-2017-0216 (the "Rate Cases"). In addition, the TCJA is complex enough that the changes cannot be accurately known and measured at this time even if the TCJA had been passed during the true-up period. As such, consideration of the effects of the TCJA in the Rate Cases would violate the "matching" principle, a principle that Staff, the Commission and other parties have relied upon, both in the Rate Cases and in other proceedings.

5. Please calculate the first-year approximate annual Missouri jurisdictional change in cost of service for your utility that is projected to result from implementation of the Tax Cuts and Jobs Acts of 2017 (all other things being equal) and provide supporting workpapers for this calculation.

**Spire Missouri Reply:** One preliminary estimate of the first-year approximate annual Missouri jurisdictional change in cost of service resulting from the TCJA is set forth in Spire Missouri's response and confidential affidavit filed in the Rate Cases on January 22, 2018. It should be noted that this estimate is not definitive and was based on a number of assumptions that are subject to change.

Respectfully submitted,

**/s/ Rick E. Zucker**

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ATTORNEYS FOR SPIRE MISSOURI INC.

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing was served electronically, or hand-delivered, or via First Class United States Mail, postage prepaid, on Staff and Public Counsel on this 31st day of January, 2018.

**/s/ Rick Zucker**