

Laclede Gas Company
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	6,785,153
Deferred Taxes	(589,113)
Accumulated Depreciation	(35,386)

Total Net 6,160,654

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

<u>Work Orders Placed in Service</u>	
Gross Additions	2,304,527
Deferred Taxes	(715,534)
Accumulated Depreciation	(79,895)

Total Net 1,509,098

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	1,184,595
Deferred Taxes	(136,291)
Accumulated Depreciation	(4,710)

Total Net 1,043,594

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	(2,565,010)
Total Incremental Accumulated Deferred Taxes	(502,284)

Total ISRS Rate Base	5,646,052
Overall Rate of Return per GR-2010-0171	7.1855%
UOI Required	405,697
Income Tax Conversion Factor	1.62674
Revenue Requirement Before Interest Deductibility	<u>659,962</u>

Total ISRS Rate Base	5,646,052
Weighted Cost of Debt per GR-2010-0171	2.0445%
Interest Deduction	115,434
Marginal Income Tax Rate	38.5272%
Income Tax Reduction due to Interest	44,474
Income Tax Conversion Factor	1.62674
Revenue Requirement Impact of Interest Deductibility	<u>72,347</u>

Total Revenue Requirement on Capital	587,615
Depreciation Expense	349,488
Net Property Taxes	1,550,079
ISRS Revenue Undercollection January 2014 through December 2015	<u>411,941</u>

Total Company ISRS Revenues 2,899,124

Total Staff Expected ISRS Revenues 2,717,206

Average of Company and Staff Recommendations 2,808,165

Cap (10% of Base Tariff Revenues in GR-2013-017	32,417,606
Less: Current Authorized Cumulative ISRS	(29,526,894)
Incremental ISRS - Up to the Cap	2,890,712
ISRS Revenue Undercollection January 2014 through December 2015	411,941
Proposed ISRS Revenues	<u>3,302,653</u>

per Antojeros applied

Laclede Gas Company
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	7,441,367
Deferred Taxes	(589,113)
Accumulated Depreciation	<u>(35,386)</u>
Total Net	<u>6,816,868</u>

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

<u>Work Orders Placed in Service</u>	
Gross Additions	6,401,464
Deferred Taxes	(715,534)
Accumulated Depreciation	<u>(79,895)</u>
Total Net	<u>5,606,035</u>

Gas Utility Plant Projects - Regulator Stations:

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

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	1,184,595
Deferred Taxes	(136,291)
Accumulated Depreciation	<u>(4,710)</u>
Total Net	<u>1,043,594</u>

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	(2,565,010)
Total Incremental Accumulated Deferred Taxes	(502,284)

Total ISRS Rate Base	10,399,203
Overall Rate of Return per GR-2010-0171	7.1855%
UOI Required	747,235
Income Tax Conversion Factor	1.62674
Revenue Requirement Before Interest Deductibility	<u>1,215,555</u>

Total ISRS Rate Base	10,399,203
Weighted Cost of Debt per GR-2010-0171	2.0445%
Interest Deduction	212,612
Marginal Income Tax Rate	38.5272%
Income Tax Reduction due to Interest	81,914
Income Tax Conversion Factor	1.62674
Revenue Requirement Impact of Interest Deductibility	<u>133,252</u>

Total Revenue Requirement on Capital	1,082,303
Depreciation Expense	349,488
Net Property Taxes	1,550,079
ISRS Revenue Undercollection January 2014 through December 2015	<u>411,941</u>

Total Company ISRS Revenues **3,393,812**

Total Staff Expected ISRS Revenues **3,058,744**

Average of Company and Staff Recommendations **3,226,278**

Cap (10% of Base Tariff Revenues in GR-2013-017)	32,417,606
Less: Current Authorized Cumulative ISRS	(29,526,894)
Incremental ISRS - Up to the Cap	<u>2,890,712</u>
ISRS Revenue Undercollection January 2014 through December 2015	<u>411,941</u>
Proposed ISRS Revenues	<u>3,302,653</u>

ISRS Appendix B - Additions through Feb 2016

Laclede Gas Company
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	17,272,446
Deferred Taxes	(3,573,598)
Accumulated Depreciation	<u>(308,546)</u>

Total Net 13,390,302

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

<u>Work Orders Placed in Service</u>	
Gross Additions	6,486,682
Deferred Taxes	(3,672,073)
Accumulated Depreciation	<u>(673,838)</u>

Total Net 2,140,771

Gas Utility Plant Projects - Regulator Stations:

<u>Work Orders Placed in Service</u>	
Gross Additions	11,148
Deferred Taxes	(2,363)
Accumulated Depreciation	<u>(514)</u>

Total Net 8,271

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	2,078,606
Deferred Taxes	(442,415)
Accumulated Depreciation	<u>(32,514)</u>

Total Net 1,603,677

Gas Utility Plant Projects - Main Reinforcements Related to Other ISRS Eligible Projects:

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

Total Net -

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	(1,719,789)
Total Incremental Accumulated Deferred Taxes	<u>(10,753,193)</u>

Total ISRS Rate Base	4,670,038
Overall Rate of Return per GR-2010-0171	7.1855%
UOI Required	<u>335,566</u>
Income Tax Conversion Factor	1.62674
Revenue Requirement Before Interest Deductibility	<u>545,878</u>

Total ISRS Rate Base	4,670,038
Weighted Cost of Debt per GR-2010-0171	2.0445%
Interest Deduction	<u>95,479</u>
Marginal Income Tax Rate	38.5272%
Income Tax Reduction due to Interest	36,785
Income Tax Conversion Factor	1.62674
Revenue Requirement Impact of Interest Deductibility	<u>59,840</u>

Total Revenue Requirement on Capital	486,038
Depreciation Expense	866,115
Net Property Taxes	2,081,864
ISRS Revenue Undercollection January 2014 through December 2015	<u>729,715</u>

Total Company ISRS Revenues 4,163,731

Total Staff Expected ISRS Revenues 4,013,259

Average of Company and Staff Recommendations 4,088,495

Per Centages applied

**Laclede Gas Company
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	19,810,002
Deferred Taxes	(3,573,598)
Accumulated Depreciation	<u>(308,546)</u>

Total Net 15,927,858

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

<u>Work Orders Placed in Service</u>	
Gross Additions	18,018,561
Deferred Taxes	(3,672,073)
Accumulated Depreciation	<u>(673,838)</u>

Total Net 13,672,650

Gas Utility Plant Projects - Regulator Stations:

<u>Work Orders Placed in Service</u>	
Gross Additions	11,148
Deferred Taxes	(2,363)
Accumulated Depreciation	<u>(514)</u>

Total Net 8,271

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	2,078,606
Deferred Taxes	(442,415)
Accumulated Depreciation	<u>(32,514)</u>

Total Net 1,603,677

Gas Utility Plant Projects - Main Reinforcements Related to Other ISRS Eligible Projects:

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

Total Net -

**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	(1,719,789)
Total Incremental Accumulated Deferred Taxes	<u>(10,753,193)</u>

Total ISRS Rate Base 18,739,473

Overall Rate of Return per GR-2010-0171 7.1855%

UOI Required 1,346,525

Income Tax Conversion Factor 1.62674

Revenue Requirement Before Interest Deductibility 2,190,442

Total ISRS Rate Base 18,739,473

Weighted Cost of Debt per GR-2010-0171 2.0445%

Interest Deduction 383,129

Marginal Income Tax Rate 38.5272%

Income Tax Reduction due to Interest 147,609

Income Tax Conversion Factor 1.62674

Revenue Requirement Impact of Interest Deductibility 240,121

Total Revenue Requirement on Capital 1,950,321

Depreciation Expense 866,115

Net Property Taxes 2,081,864

ISRS Revenue Undercollection January 2014 through December 2015 729,715

Total Company ISRS Revenues 5,628,014

Total Staff Expected ISRS Revenues 5,024,218

Average of Company and Staff Recommendations 5,326,116

Missouri Gas Energy
ISRS Revenue Requirements Calculation

<u>ISRS Activity:</u>	Total for ISRS Filing
<u>Gas Utility Plant Projects--Total -(RM) RSMo 393.1012:</u>	
<u>Work Orders Placed in Service:</u>	
Replacement Mains, Services and Associated Valves and Regulators	\$ 17,642,847
Deferred Taxes (Previous ISRS)	(2,148,408)
Accumulated Depreciation (Previous ISRS)	(1,211,026)
Deferred Taxes (Current)	(4,362,339)
Accumulated Depreciation (Current)	<u>(231,052)</u>
Total ISRS Rate Base	\$ 9,690,022
Pre-tax rate of return from S&A in GR-2014-0007	<u>9.75%</u>
Total Revenue Requirement on Capital	\$ 944,777
Depreciation Expense	632,098
Property Taxes	0
Current ISRS Revenues	<u>\$ 1,576,875</u>

pe Centages
applied

Missouri Gas Energy
ISRS Revenue Requirements Calculation

<u>ISRS Activity:</u>	Total for ISRS Filing
<u>Gas Utility Plant Projects--Total -(RM) RSMo 393.1012:</u>	
<u>Work Orders Placed in Service:</u>	
Replacement Mains, Services and Associated Valves and Regulators	\$ 34,149,746
Deferred Taxes (Previous ISRS)	(2,148,408)
Accumulated Depreciation (Previous ISRS)	(1,211,026)
Deferred Taxes (Current)	(4,362,339)
Accumulated Depreciation (Current)	<u>(231,052)</u>
Total ISRS Rate Base	\$ 26,196,921
Pre-tax rate of return from S&A in GR-2014-0007	<u>9.75%</u>
Total Revenue Requirement on Capital	\$ 2,554,200
Depreciation Expense	632,098
Property Taxes	0
Current ISRS Revenues	<u><u>\$ 3,186,298</u></u>

Missouri Gas Energy
ISRS Revenue Requirements Calculation

<u>ISRS Activity:</u>	Total for ISRS Filing
<u>Gas Utility Plant Projects--Total -(RM) RSMo 393.1012:</u>	
<u>Work Orders Placed in Service:</u>	
Replacement Mains, Services and Associated Valves and Regulators	\$ 10,120,590
Deferred Taxes (Previous ISRS)	(1,415,995)
Accumulated Depreciation (Previous ISRS)	(1,115,586)
Deferred Taxes (Current)	(2,535,006)
Accumulated Depreciation (Current)	<u>(126,247)</u>
Total ISRS Rate Base	\$ 4,927,756
Pre-tax rate of return from S&A in GR-2014-0007	<u>9.75%</u>
Total Revenue Requirement on Capital	\$ 480,456
Depreciation Expense	415,832
Under Collection of Previous ISRS	119,666
Property Taxes	910,663
Current ISRS Revenues	<u>\$ 1,926,617</u>

Percentages
applied

Missouri Gas Energy
ISRS Revenue Requirements Calculation

<u>ISRS Activity:</u>	Total for ISRS Filing
<u>Gas Utility Plant Projects--Total -(RM) RSMo 393.1012:</u>	
<u>Work Orders Placed in Service:</u>	
Replacement Mains, Services and Associated Valves and Regulators	\$ 22,237,424
Deferred Taxes (Previous ISRS)	(1,415,995)
Accumulated Depreciation (Previous ISRS)	(1,115,586)
Deferred Taxes (Current)	(2,535,006)
Accumulated Depreciation (Current)	<u>(126,247)</u>
 Total ISRS Rate Base	 \$ 17,044,590
Pre-tax rate of return from S&A in GR-2014-0007	<u>9.75%</u>
 Total Revenue Requirement on Capital	 \$ 1,661,848
Depreciation Expense	415,832
Under Collection of Previous ISRS	119,666
Property Taxes	910,663
 Current ISRS Revenues	 <u>\$ 3,108,008</u>