

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

In the Matter of Application of Spire)	
Missouri, Inc. d/b/a Spire to Change its)	
Infrastructure System Replacement)	<u>Case No. GR-2025-0206</u>
Surcharge in its Spire Missouri East and)	Tracking No. JG-2025-0113
West Service Territories)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and in response to the Commission’s January 21, 2025, *Order Suspending Tariff Sheet, Directing Notice, Setting Intervention Deadline, Directing Filings, and Setting Time for Responses* (“Order”) submits its *Staff Recommendation* to the Commission as set forth in detail in the attached appendices, and in support thereof states as follows:

1. On January 17, 2025, Spire Missouri, Inc. d/b/a Spire (“Spire”) filed its *Verified Application and Petition of Spire Missouri Inc. to Change its Infrastructure System Replacement Surcharge for Its Spire Missouri East and West Service Territories and Request for Waiver from 60 Day Notice Rule* (“Application”). In its Application, Spire Missouri requested a waiver from the 60 day notice requirement of 20 CSR 4240-4.017. Attached to Spire Missouri’s Application was associated work papers and the Direct Testimony of Trisha E. Lavin.

2. Spire also filed a Tariff Revision of P.S.C. MO. No. 9 Eighth Revised SHEET No. 12, CANCELLING P.S.C. MO. No. 9 Seventh Revised SHEET No. 12 (“Revised Sheet 12”), bearing an effective date of February 16, 2025. The Tariff sheet is applicable to Spire Missouri East and West operating units. The Tariff revision sheet was assigned Tracking No. JG-2025-0113.

3. The ISRS surcharges reflected on Spire's Revised Sheet 12 equate to incremental annual ISRS revenues for Spire East of \$5,400,118 and Spire West of \$13,616,132, and total annual cumulative revenues of \$72,658,424.

4. On January 21, 2025, the Commission issued its Order directing anyone wanting to intervene in the matter do so by February 11, 2025, suspending Proposed Sheet 12 until July 16, 2025, and ordered Staff to file its recommendation no later than April 17, 2025.

5. As of the date and time of this filing, no one has filed an application to intervene in this matter.

6. As discussed in greater detail within Staff's Memorandum, attached and incorporated hereto as Appendix A, with supporting worksheets labelled as Appendices B-1, B-2, C-1, and C-2, Auditing Staff and Procurement Analysis examined the Application and supporting direct testimony, work papers, work order authorizations, accounting entries for work orders, and a sample of invoices supporting the work order authorizations. Staff also communicated with Spire personnel through email and telephone for clarification of the Application.

7. Based on Staff's review, and as shown in Appendices C-1 and C-2, Staff recommends a cumulative ISRS revenue requirement for Spire East of \$24,735,175 and Spire West of \$47,923,248, for a total annual revenue increase of \$72,658,424. Staff's proposed incremental ISRS revenue requirements for Spire East are \$6,220,563, and for Spire West of \$12,795,687. The cumulative revenue requirements are reflected in Appendices B-1 and B-2, and attached hereto and incorporated by reference herein.

8. Staff does not object to Spire Missouri's request for a waiver from the 60 day notice provisions of 20 CSR 4240-4.017(1).

9. Staff also notes that Spire Missouri filed its FY 2025 Annual Report and is not delinquent on its FY 2025 assessments.

WHEREFORE, for the reasons stated above and in Staff's attached Memorandum, incorporated herein as Appendix A, Staff recommends the Commission issue an order in this case that:

1. Rejects Spire's proposed increase in ISRS rates, as filed on January 17, 2025, and assigned Tracking No. JG-2025-0113 under the following tariff:

P.S.C. MO. No. 9

Eighth Revised Sheet No. 12 / Replacing Seventh Revised Sheet No. 12

2. Approves Staff's proposed substitute ISRS rates as shown in Appendices B-1 and B-2. These rates are based on \$24,735,175 for Spire East and \$47,923,248 for Spire West being the appropriate cumulative revenue requirement for this proceeding. Staff further requests the Commission approve a total (both districts) cumulative revenue requirement of \$72,658,424.

3. Staff's use of both the customer charge in current tariffs, and the most current customer count from Case No. GR-2022-0179, in calculating proper ISRS rates is appropriate. Staff's proposed ISRS rates will generate sufficient revenue to reimburse Spire for valid ISRS costs submitted in this case.

4. Approve Spire's requested waiver of the 60-day notice requirement set forth in Commission Rule 20 CSR 4240-4.017(1).

5. Order Spire to submit corrected Tariff Sheets based on Staff's substituted ISRS rates as indicated above and in Appendices B-1 and B-2.

6. Approve an effective date of the Commission Order on Compliance that is at least 10 days after the issuance date of the Order on Compliance. New rates can be effective no sooner than May 8, 2025.

7. And to grant such other and further relief as the Commission finds appropriate under the circumstances.

/s/ Travis J. Pringle

Travis J. Pringle
Missouri Bar No. 71128
Chief Deputy Counsel for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Mo 65102-0360
(573) 751-5700 (Telephone)
(573) 526-1500 (Facsimile)
(Email) travis.pringle@psc.mo.gov

**ATTORNEY FOR STAFF OF THE
PUBLIC SERVICE COMMISSION**

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 17th day of April, 2025.

/s/ Travis J. Pringle

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. GR-2025-0206, Tariff Tracking No. JG-2025-0113
Spire Missouri Inc., d/b/a Spire (Combined)

FROM: Lisa Schlup, Lead Sr. Utility Regulatory Auditor, Procurement Analysis
Sydney Ferguson, Utility Regulatory Auditor, Auditing
Keith Majors, Utility Regulatory Audit Unit Supervisor, Auditing
David T. Buttig, PE, Senior Professional Engineer, Procurement Analysis

/s/ Karen Lyons / 04-17-25
Auditing/Date

/s/ David Sommerer / 04-17-25
Procurement Analysis/Date

SUBJECT: Staff Report and Recommendation Regarding Spire’s Infrastructure System Replacement Surcharge (“ISRS”) Tariff Submission in order to increase ISRS rates.

DATE: April 17, 2025

STAFF MEMORANDUM

BACKGROUND

On January 17, 2025, Spire Missouri Inc., d/b/a Spire (“Spire” or “Company”) filed its *Verified Application and Petition of Spire Missouri Inc. to change its Infrastructure System Replacement Surcharge for its Spire Missouri East and West Service Territories and Request for Waiver from 60-day Notice Rule* (“Petition”) along with associated work papers and the Direct Testimony of witness Trisha E. Lavin. Spire also filed a tariff sheet and cover letter.

Spire’s Petition is made pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (“RSMo”) and 20 CSR 4240-2.060, 2.080 and 3.265 of the Rules of Practice and Procedure of the Missouri Public Service Commission (“Commission”).

In its Petition, Spire requests Commission approval in order to increase existing Infrastructure System Replacement Surcharge (“ISRS”) rates from the current rate level.¹ The filing proposes to increase the ISRS for both its Spire Missouri East Service Territory (“Spire East”), and,

¹ The existing ISRS rates were in place since November 16, 2024, as the result of GR-2025-0026 proceeding.

Spire Missouri West Service Territory (“Spire West”). This was done in order to recover costs incurred for ISRS-eligible replacements made between September 1, 2024, and February 28, 2025 (with pro forma costs for the months of January 2025 and February 2025). The purpose of this proceeding is to determine the appropriate amount of annual recovery (via the established ISRS rates) that is supported by the content of the case. The level of annual recovery is translated into monthly ISRS rates.

On January 21, 2025, the Commission issued its *Order Directing Notice, Setting Intervention Deadline, Directing Filings, Suspending Tariff Sheet, and Setting Time for Responses*, directing Staff to file its recommendation no later than April 17, 2025. The tariff sheets filed by Spire Missouri are currently suspended through July 16, 2025, or until otherwise ordered by the Commission.

SUMMARY OF REVENUES REQUESTED

In this case, the cumulative revenue requirement for Spire East is shown on Appendix A, Schedule 17 of Spire’s Petition while Spire West’s cumulative revenue requirement is shown on Appendix B, Schedule 17. While the incremental revenue requirements for both Spire East and Spire West are provided on Appendix A, Schedule 16, and Appendix B, Schedule 16, the previous approved revenue requirements from Case No. GR-2025-0026 were not separately listed by Spire within its Petition. Staff reviewed the Commission’s Order in that previous ISRS case for that information.

Staff has summarized what Spire seeks to recover in the way of a cumulative revenue requirement that is implicit in the pending case. **Spire’s original proposal, prior to updates to actual amounts**, can be summarized as an annual request for the following:

	<u>INCREMENTAL</u> <u>GR-2025-0206</u>	<u>CUMULATIVE</u> <u>GR-2025-0206</u>
EAST	\$5,400,118	\$23,914,730
WEST	\$13,616,132	\$48,743,694
TOTAL	<hr/> \$19,016,250	<hr/> \$72,658,424

Staff's analysis of Spire's pending submission has resulted in the same revenue requirement for the Spire East and Spire West combined due to the statutory revenue cap. Staff's incremental revenue for the individual districts does differ from what Spire requested. Staff's recommendation is that the following figures should be used in lieu of Spire's figures above.

	<u>INCREMENTAL</u> <u>GR-2025-0026</u>	<u>CUMULATIVE</u> <u>GR-2025-0026</u>
EAST	\$6,220,563	\$24,735,175
WEST	\$12,795,687	\$47,923,248
TOTAL	<hr/> \$19,016,250	<hr/> \$72,658,424

The difference between Spire's initial revenue request and Staff's counter position for Spire East is \$820,445 annually. The difference between Spire's initial revenue request and Staff's counter position for Spire West is \$(820,445) annually. This difference is due to the ratio of the initial Spire East to Spire West revenue requirement filed being different in comparison to the comparable ratio of the revenue requirement updated for plant additions through February 28, 2025. The total reduction between what Spire sought and what Staff proposed as the appropriate annual revenue requirement is \$0.

The following content of Staff's memo will describe the reasons why Staff's figures are appropriate and should supersede those figures initially proposed by Spire.

UNIQUE EFFECTIVE DATE

The earliest date the tariff page can go into effect is limited by both Commission Rule and Missouri Statute. Commission Rule 20 CSR 4240-3.265 (16) states:

A natural gas utility may effectuate a change in an ISRS **no more often than two (2) times during every twelve (12)-month period**, with the first such period beginning on the effective date of the rate schedules that establish an initial ISRS. For the purposes of this section, an initial ISRS is the first ISRS granted to the subject utility or an ISRS established after an ISRS is reset to zero pursuant to the provisions of section (18) of this rule. **(Emphasis added).**

Section 393.1015.3, RSMo, states:

A gas corporation may effectuate a change in its rate pursuant to the provisions of this section no more often than two times every twelve months.

Spire is limited to only two ISRS filings during a twelve-month period. Case No. GO-2024-0214, went into effect May 7, 2024. The following case, Case No. GR-2025-0026, went into effect November 16, 2024. Given the limitations and past effective dates, any change in rates arising from this case is prohibited from taking effect any sooner than May 8, 2025.

AUDITING REVIEW AND REVENUE CALCULATIONS

Staff recommends an ISRS revenue requirement for Spire West of \$12,795,687 and Spire East of \$6,220,563, for a total incremental increase of \$19,016,250.

Section 393.1012.1, RSMo, states:

The commission may not approve an ISRS to the extent it would produce total annualized ISRS revenues below the lesser of one million dollars or one-half of one percent of the gas corporation's base revenue level approved by the commission in the gas corporation's most recent general rate proceeding. The commission may not approve an ISRS to the extent it would produce total annualized ISRS revenues exceeding ten percent of the gas corporation's base revenue level approved by the commission in the gas corporation's most recent general rate proceeding.

Spire's requested ISRS revenues exceed one-half of one percent of the natural gas utility's base revenue level the Commission approved in the most recent Spire rate case, Case No. GR-2022-0179. It also exceeds the one million-dollar criteria. Spire's unadjusted ISRS revenues, including the amounts requested in this filing, exceed ten percent of the base revenue levels approved by the Commission in the last Spire rate case. Therefore, both Staff and Spire limited the ISRS revenue calculation to the amount of revenue up to the ten percent statutory cap, or \$72,658,424.

In this Petition, Spire filed to recover current qualifying ISRS costs related to gas plant placed into service during the period of September 1, 2024, through February 28, 2025. Spire's initial ISRS request included estimated plant additions for the months of January and February 2025, which

Spire replaced with actual additions as amounts became available. The final costs for the ISRS-eligible additions were provided to Staff on March 19, 2025. Staff's recommended ISRS revenue requirement is based on the actual cost of ISRS-eligible plant placed into service through February 28, 2025.

As part of its examination of Spire's Petition, Auditing Staff reviewed supporting work papers, work order authorizations, accounting entries for work orders, a sample of invoices supporting the work order costs, and an ISRS revenue reconciliation provided by Spire. Staff communicated throughout its review with Spire's personnel for clarification of the Petition.

Blanket Work Orders

Staff reviewed Spire's work papers concerning "blanket work orders." Blanket work orders are work orders that cover a large number of tasks and do not close for an extended period of time. Spire categorized tasks in the blanket work orders as either ISRS-eligible or ISRS-ineligible. Spire then calculated the percentage of eligible versus ineligible tasks and applied the ineligible task percentage to the total blanket work order costs to calculate the dollar amount that is not ISRS-eligible. At this time, Staff does not propose any adjustments related to blanket work orders.

Taxes and Depreciation

Consistent with past ISRS reviews, Auditing Staff verified that the calculation of the ISRS revenue requirement for ISRS-qualifying plant reflects the net book cost at the latest whole month prior to the effective date of the ISRS rates. The statutory timeline attached to this case marks July 2025 as the month the current ISRS petition will become effective. As such, Staff calculated the accrued accumulated depreciation reserve and Accumulated Deferred Income Taxes ("ADIT") on ISRS additions through June 2025, which is the most recent full month prior to the effective date of rates in this case.

Staff included in its ISRS revenue requirement calculations the tax deductions associated with interest expense and capitalized overheads (Internal Revenue Code Section 263a deductions) associated with ISRS plant additions in this period. These tax deductions are directly associated with, and incremental to, the ISRS plant additions in this proceeding.

Engineering Review

The legacy Spire distribution system that is being replaced contains a combination of cast iron, steel, and plastic pipes that have been repaired and added onto for more than one hundred years. As a result, within the scope of any particular main replacement project, multiple material types, of diverse vintages, can be encountered. When such projects are identified, Spire must decide how to most cost effectively install its new distribution mains. That planning process considers, on a case-by-case basis, the relative cost of reusing or abandoning certain parts of the existing system. When necessary, Spire performs analyses to find the incremental cost of reusing existing facilities verses abandoning those existing facilities and installing all new pipe. The purpose of examining those two different construction scenarios is to attempt to quantify which approach (reuse or abandonment) would result in a lower total construction cost.

Staff has examined similar analyses in prior ISRS applications from Spire and has observed that it is almost always more cost effective to abandon short sections of interspersed plastic or steel pipe from the legacy distribution system than to attempt to reuse them. Reuse often would require additional excavation, street repairs, and potentially longer construction timelines. The benefits of reusing existing short sections of pipe is small due to the low material costs of pipe and the high costs of the equipment, time, and labor needed to tie into them.

A common scenario observed by Staff is one in which a new distribution main is being installed on the opposite side of the street from the existing main. The existing main may contain short sections of plastic pipe interspersed with sections of cast iron pipe. Reuse of the existing plastic pipe in the new distribution system would mean spending thousands of dollars in time and materials in order to reuse tens or hundreds of dollars' worth of plastic pipe.

Staff recognizes that every construction site is different and poses unique challenges. To address that, Spire has provided incremental cost analyses for each of the ISRS eligible projects that contain interspersed plastic pipe or other facilities. The incremental cost analyses include maps that overlay the two construction scenarios that were considered by Spire: reuse or abandonment of existing facilities. The construction costs for the two scenarios were estimated by Spire using the same material and labor costs in order to provide an “apples-to-apples” comparison. In the

event that the construction plan chosen by Spire to execute is the more expensive of the two scenarios, the cost difference between the two plans is subtracted from the ISRS application and is labeled as an “incremental cost.” In that way, Spire still performs the construction in the way that it prefers, but the costs from choosing the more expensive option are offset in order to limit impacts to customers.

The Customer Count

Although the Commission rules are silent on using past rate case “customer counts”² in ISRS proceedings, state statute does allow (as an exception) for such use (Section 393.1015, RSMo). There exists the following exception for the customer “count” (from previous rate cases) to be used to determine ISRS rates:

5. (1) The monthly ISRS charge may be calculated based on a reasonable estimate of billing units in the period in which the charge will be in effect, **which shall be conclusively established by dividing the appropriate pretax revenues by the customer numbers reported by the gas corporation in the annual report it most recently filed with the commission** pursuant to subdivision (6) of section 393.140, and then further dividing this quotient by twelve. **Provided, however, that the monthly ISRS may vary according to customer class and may be calculated based on customer numbers as determined during the most recent general rate proceeding of the gas corporation so long as the monthly ISRS for each customer class maintains a proportional relationship equivalent to the proportional relationship of the monthly customer charge for each customer class. (Emphasis added).**

Spire used the customer count from its most recent general rate proceeding, Case No. GR-2022-0179. Staff agrees with this methodology for this particular case.

As of the issuance of this memorandum, Spire is not delinquent on its FY 2025 assessments and Spire has filed its 2025 annual report with the Commission.

Staff has no objection to Spire’s Request for Waiver of the 60-day Notice Provisions of Commission Rule 20 CSR 4240-4.017(1).

² The term “customer count” refers “billing units that historically occurred”. For ISRS purposes, “customer counts” are annualized “billing units” or “billing frequency”.

RECOMMENDATION

Based upon the rationale stated above, Staff recommends the Commission issue an order in this case that:

1. Rejects Spire East's and Spire West's proposed increase in ISRS rates, as filed on January 17, 2025, and assigned Tracking No. JG-2025-0113.

The page Staff recommends the Commission reject is as follows:

P.S.C. MO. No. 9

Eighth Revised Sheet No. 12 / Replacing Seventh Revised Sheet No. 12

2. Approves Staff's proposed substitute ISRS rates as shown in Appendix B-1 and B-2. Staff's proposed revenue requirements are contained in Appendix C-1 and C-2. The rates in Appendix B-1 are based on **\$24,735,175** for Spire East and in Appendix B-2 are **\$47,923,248** for Spire West being the appropriate revenue requirement for this proceeding. Staff requests that the Commission approve a total (both districts) annual revenue increase of **\$72,658,424**. Staff's use of both the customer charge in current tariffs, and the most current customer count from Case No. GR-2022-0179, in calculating proper ISRS rates is appropriate. Staff's proposed ISRS rates will generate sufficient revenue to reimburse Spire for valid ISRS costs submitted in this case.
3. Approve the requested waiver of the 60-day notice requirement under Commission Rule 20 CSR 4240-4.017(1).
4. Approve an effective date for Staff's tariff sheet and effective date of the Commission Order on Compliance that is at least 10 days after the issuance date of the Order on Compliance. The new rates can be effective no sooner than May 8, 2025.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Spire)	
Missouri Inc. d/b/a Spire to Change its)	<u>Case No. GR-2025-0206</u>
Infrastructure System Replacement)	Tariff No. JG-2025-0113
Surcharge in its Spire Missouri East and)	
West Service Territories)	

AFFIDAVIT OF LISA SCHLUP

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COMES NOW LISA SCHLUP, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

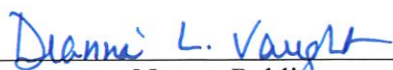
Further the Affiant sayeth not.



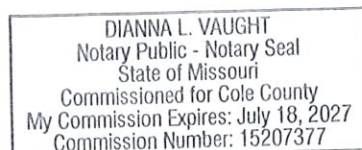
LISA SCHLUP

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 16th day of April 2025.



Notary Public



**In the Matter of the Application of Spire
Missouri Inc. d/b/a Spire to Change its
Infrastructure System Replacement
Surcharge in its Spire Missouri East and
West Service Territories**

)))))

Case No. GR-2025-0206
Tariff No. JG-2025-0113

AFFIDAVIT OF SYDNEY FERGUSON

STATE OF MISSOURI

)

)

SS.

COUNTY OF Jackson

)

COMES NOW SYDNEY FERGUSON, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

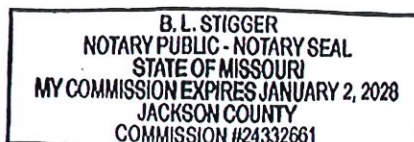


SYDNEY FERGUSON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 15th day of April 2025.

Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Spire
Missouri Inc. d/b/a Spire to Change its
Infrastructure System Replacement
Surcharge in its Spire Missouri East and
West Service Territories

)
)
)
)
)

Case No. GR-2025-0206

Tariff No. JG-2025-0113

AFFIDAVIT OF KEITH MAJORS

STATE OF MISSOURI

)

ss.

COUNTY OF

Jackson

)

)

COMES NOW KEITH MAJORS, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.


KEITH MAJORS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 15th day of April 2025.


Notary Public

B. L. STIGGER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES JANUARY 2, 2028
JACKSON COUNTY
COMMISSION #24332661

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Spire)	
Missouri Inc. d/b/a Spire to Change its)	<u>Case No. GR-2025-0206</u>
Infrastructure System Replacement)	Tariff No. JG-2025-0113
Surcharge in its Spire Missouri East and)	
West Service Territories)	

AFFIDAVIT OF DAVID T. BUTTIG, PE

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW DAVID T. BUTTIG, PE, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

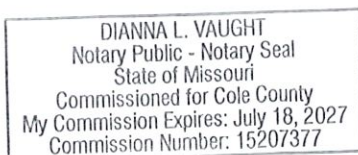
Further the Affiant sayeth not.

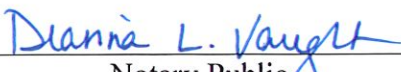


DAVID T. BUTTIG, PE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 16th day of April 2025.





Notary Public

SPIRE MISSOURI INC. - East District
CASE NO. GR-2025-0206 JG-2025-0113

Staff's Total ISRS Rev Req

\$24,735,175

<u>Customer Rate Class</u>	<u>Cust #</u>	<u>Customer Charge</u>	<u>Ratio To Residential</u>	<u>Weighted Cust #</u>	<u>19.94870146</u>	<u>Cal ISRS Charge</u>	<u>ISRS Revenues</u>
Residential	618,822	\$20.00	1.0000	618,822 x	82.8612%	\$2.76	\$20,495,857
SGS	36,043	\$40.72	2.0360	73,384 x	9.8262%	\$5.62	\$2,430,519
LGS	4,921	\$145.43	7.2715	35,783 x	4.7914%	\$20.07	\$1,185,162
L:V	37	\$1,063.73	53.1865	1,968 x	0.2635%	\$146.80	\$65,178
Unmetered Gas Light	66	\$6.99	0.3495	23 x	0.0031%	\$0.96	\$764
General L-P	31	\$20.87	1.0435	32 x	0.0043%	\$2.88	\$1,071
Large Volume Transportation	152	\$2,211.30	110.5650	16,806 x	2.2503%	\$305.17	\$556,624
<u>TOTAL</u>	<u>660,072</u>			<u>746,818</u>	<u>100.00%</u>		<u>\$24,735,175</u>

* Due to rounding to the nearest penny, the designed ISRS rates **will under-collect by \$19.65** However, it should be noted that the total amount collected will be trued-up

at a later date .

SPIRE MISSOURI INC. -West District
CASE NO. GR-2025-0206 & JG-2025-0113

Staff's Total ISRS Rev Req

\$47,923,249

<u>Customer Rate Class</u>	<u>Cust #</u>	<u>Customer Charge</u>	<u>Ratio To Residential</u>	<u>Weighted Cust #</u>	<u>19.94870146</u>	<u>Cal ISRS Charge</u>	<u>ISRS Revenues</u>
Residential	496,132	\$20.00	1.0000	496,132	79.7737%	\$6.42	\$38,230,167
SGS	30,149	\$43.70	2.1850	65,876	10.5922%	\$14.03	\$5,076,137
LGS	3,513	\$189.61	9.4805	33,305	5.3552%	\$60.88	\$2,566,365
L:V	28	\$1,595.40	79.7700	2,234	0.3591%	\$512.23	\$172,110
LGS Transp	220	\$195.39	9.7695	2,149	0.3456%	\$62.73	\$165,617
LV Transp	359	\$1,238.36	61.9180	22,229	3.5742%	\$397.60	\$1,712,854
TOTAL	530,401			621,924	100.00%		\$47,923,249

* Due to rounding to the nearest penny, the designed ISRS rates **will under-collect by \$693.29** However, it should be noted that the total amount collected will be trued-up at a later date .

Spire Missouri West
ISRS - Case # GR-2025-0206
ISRS Revenue Requirement Calculation

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	64,022,029
Deferred Taxes	(359,314)
Accumulated Depreciation	(645,030)

Total Net	63,017,685
------------------	-------------------

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

<u>Work Orders Placed in Service</u>	
Gross Additions	4,209,337
Deferred Taxes	(7,966)
Accumulated Depreciation	(98,420)

Total Net	4,102,951
------------------	------------------

Gas Utility Plant Projects - Regulator Stations:

<u>Work Orders Placed in Service</u>	
Gross Additions	179,130
Deferred Taxes	(1,498)
Accumulated Depreciation	(7,676)

Total Net	169,956
------------------	----------------

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	2,395,040
Deferred Taxes	(14,622)
Accumulated Depreciation	(23,270)

Total Net	2,357,148
------------------	------------------

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	(2,821,319)
Total Incremental Accumulated Deferred Taxes	(1,576,883)

Total ISRS Rate Base	65,249,538
-----------------------------	-------------------

Overall Rate of Return per GR-2022-0179	8.25%
--	--------------

UOI Required	5,383,087
---------------------	------------------

Income Tax Conversion	1.31305
------------------------------	----------------

Revenue Requirement on Capital	7,068,262
---------------------------------------	------------------

Depreciation Expense	1,358,770
-----------------------------	------------------

Net Property Taxes	4,804,708
---------------------------	------------------

ISRS Under/Over Collection	-
-----------------------------------	----------

Total ISRS Revenues	13,231,740
----------------------------	-------------------

Total ISRS Rate Base	65,249,538
-----------------------------	-------------------

Weighted Cost of Debt per GR-2022-0179	1.9296%
---	----------------

Interest Deduction	1,259,055
---------------------------	------------------

Marginal Income Tax Rate	23.84%
---------------------------------	---------------

Income Tax Reduction due to Interest	300,158.73
---	-------------------

Income Tax Conversion Factor	1.31305
-------------------------------------	----------------

Revenue Requirement Impact of Interest Deductibility	394,123
---	----------------

263A Transfers Reduction	(450,486)
Service Transfer Reduction	-
263A and Service Transfers Tax Deductible Items	(450,486)
Income Tax Factor	23.84%
Income Tax Reduction due to Deductible Items	(107,396)
Income Tax Conversion Factor	1.31305
Revenue Requirement Impact of Interest Deductibility	(141,016)

Total Rev Req on Capital	5,383,087
---------------------------------	------------------

Net Income Taxes	1,432,068
-------------------------	------------------

Depr Expense	1,358,770
---------------------	------------------

Net Property Tax	4,804,708
-------------------------	------------------

ISRS Under/Over Collection	-
-----------------------------------	----------

Total ISRS Revenues	12,978,632.78
----------------------------	----------------------

Total ISRS Cumulative Cap Adjustment	182,946
---	----------------

Total ISRS Revenues	12,795,686.54
----------------------------	----------------------

Spire Missouri East
ISRS - Case # GR-2025-0206
ISRS Revenue Requirement Calculation
Appendix A - Schedule 8

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	10,631,935
Deferred Taxes	(53,858)
Accumulated Depreciation	<u>(88,640)</u>
Total Net	<u>10,489,437</u>

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

<u>Work Orders Placed in Service</u>	
Gross Additions	30,677,377
Deferred Taxes	(78,130)
Accumulated Depreciation	<u>(656,978)</u>
Total Net	<u>29,942,269</u>

Gas Utility Plant Projects - Regulator Stations:

<u>Work Orders Placed in Service</u>	
Gross Additions	922,723
Deferred Taxes	(1,892)
Accumulated Depreciation	<u>(21,375)</u>
Total Net	<u>899,456</u>

Gas Utility Plant Projects - Main Relocations net of Reimbursements:

<u>Work Orders Placed in Service</u>	
Gross Additions	1,901,273
Deferred Taxes	(9,808)
Accumulated Depreciation	<u>(22,371)</u>

Associated with Eligible Infrastructure System Replacements which are included in a Currently Effective ISRS

Total Incremental Accumulated Depreciation	(2,425,790)
Total Incremental Accumulated Deferred Taxes	(634,525)

Total ISRS Rate Base	40,139,941
Overall Rate of Return per GR-2022-0179	8.25%
UOI Required	3,311,545
Income Tax Conversion Factor	1.31305
Revenue Requirement on Capital	<u>4,348,224</u>

Depreciation Expense	1,278,502
Net Property Taxes	1,594,813
ISRS Undercollection	-

Total ISRS Revenues	7,221,539
----------------------------	------------------

Total ISRS Rate Base	40,139,941
Weighted Cost of Debt per GR-2022-0179	1.9296%
Interest Deduction	774,540
Marginal Income Tax Rate	23.84%
Income Tax Reduction due to Interest	184,650
Income Tax Conversion Factor	1.31305
Revenue Requirement Impact of Interest Deductibility	<u>242,455</u>

263A Transfers Reduction	2,115,110
Service Transfers Deduction	-
263A and Service Transfers Tax Deductible Items	2,115,110
Income Tax Factor	23.84%
Income Tax Reduction due to Deductible Items	504,242
Income Tax Conversion Factor	1.31305
Revenue Requirement Impact of Interest Deductibility	<u>662,095</u>

Total Rev Req on Capital	3,311,545
Net Income Taxes	132,128
Depr Expense	1,278,502
Net Property Tax	1,594,813
ISRS Under or Over Collection	-
Total ISRS Revenues	<u>6,316,988.56</u>

Total ISRS Cumulative Cap Adjustment	96,425
---	---------------

Total ISRS Revenues	<u>6,220,563.46</u>
----------------------------	----------------------------