BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's	)	**File No. GR-2017-0215**
Request to Its Revenues for Gas Service	)	Tariff No. YG-2017-0195
In the Matter of Laclede Gas Company d/b/a	)	**File No. GR-2017-0216**
Missouri Gas Energy's Request to Increase	)	Tariff No. YG-2017-0196
Its Revenues for Gas Service	)	

SPIRE MISSOURI INC.'S APPLICATION FOR REHEARING

March 2, 2018

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SPIRE MISSOURI INC.'S APPLICATION FOR REHEARING

COMES NOW Spire Missouri Inc. (f/k/a Laclede Gas Company) and, pursuant to 4 CSR 240-2.160(1) and Section 386.500 RSMo., files this Application for Rehearing of the Commission's February 21, 2018 Report and Order (the "Order") in the above referenced cases, and in support thereof, states as follows:

A. THE APPLICANT

1. Spire Missouri Inc. (hereinafter "Spire Missouri" or "Company") is a public utility and gas corporation incorporated under the laws of the State of Missouri, with its principal office located at 700 Market Street, St. Louis, Missouri 63101. A Certificate of Good Standing evidencing Spire Missouri's standing to do business in Missouri was submitted in Case No. GF-2013-0085 and is incorporated by reference herein for all purposes. The information in such Certificate is current and correct.

2. Through its Spire Missouri East operating unit, the Company is engaged in the business of distributing and transporting natural gas to customers in the City of St. Louis and the Counties of St. Louis, St. Charles, Crawford, Jefferson, Franklin, Iron, St. Genevieve, St. Francois, Madison, and Butler in Eastern Missouri, as a gas corporation subject to the jurisdiction of the Commission. Through its Spire Missouri West operating unit, the Company is engaged in the business of distributing and transporting gas to customers in the City of Kansas City and the

Counties of Andrew, Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper, Dade, DeKalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Newton, Pettis, Platte Ray, Saline, Stone, and Vernon Counties in Western Missouri, as a gas corporation subject to the jurisdiction of the Commission.

3. Communications regarding this Application should be sent to the undersigned counsel.

4. Other than cases that have been docketed at the Commission, the Company has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates within three years of the date hereof.

5. The Company is current on its annual report and assessment fee obligations to the Commission; no such report or assessment fee is overdue

B. INTRODUCTION

6. Spire Missouri recognizes that these cases presented the Commission with an extraordinary number of complex issues to consider and decide. The Company has previously submitted, either on its own or jointly with the Commission Staff, requests for clarification or modification on several issues in the Order. The purpose of this pleading is to seek formal rehearing on a few additional decisions in the Order. Because the Commission has not yet had an opportunity to rule upon the requests for clarification noted above, the decisions addressed by this rehearing application also include, on a provisional basis, three of the issues that were raised in those clarification requests. In accordance with the standards provided in Section 386.500, the Company believes these decisions are unlawful, unreasonable or unjust, in that they are inconsistent with applicable legal standards, unsupported by the competent and substantial evidence on the record, or unaccompanied by adequate findings of fact.

C. THE APPLICATION FOR REHEARING

7. While the Company disagrees with a number of the issues decided in the Order, application for rehearing is limited to the issues set forth below. Spire Missouri requests that the Commission find sufficient reason exists to rehear these issues, as provided in Section 386.500.1.

Treatment of Forest Park Proceeds

8. Pages 17 to 24 of the Order contain two erroneous determinations relating to the Company's sale of its Forest Park property in 2014. The first is the decision instructing the Company to reduce its depreciation reserve by the $1.8 million that represents the undepreciated remaining value of the Forest Park facilities at the time of the sale. The second is its decision to use $3.5 million of the relocation proceeds received by the Company in connection with the sale to offset, through the creation of a regulatory liability, the cost of the separate and less expensive Manchester facility that was subsequently constructed by the Company as a satellite office.

9. Both of these determinations are unlawful, unreasonable and unsupported by the competent and substantial evidence for several reasons. First, the Order states that instructing the Company to reduce its depreciation reserve by the $1.8 million undepreciated value of the Forest Park facilities is consistent with the prescribed accounting conventions for such transactions. This is not the case. The Order errs at page 23 when it refers to the Forest Park facility as an "operating unit or system." The service center facility is neither an operating unit nor a system, but is a group depreciated asset under Account 375.200. The decision is contrary to the normal accounting treatment afforded to group depreciated assets, as explained at page V.2 of the Depreciation Study in this case. (See Ex. 3) The normal treatment recognizes that some plant will be retired while it still has a remaining, undepreciated value, while other plant will be retired well after it has been fully depreciated. (*Id.)* Upon retirement, under-depreciated assets reduce the depreciation reserve,

while over-depreciated assets increase it. The depreciation reserve therefore reflects the net effect of the retirements of these group depreciated assets. The decision contravenes the established accounting treatment by selectively excluding the impact of one asset that is under-depreciated, while ignoring the impact of others that have the opposite effect.

10. Second, even if it were appropriate to single out this one unit of mass property for special treatment, the Order simply ignores the undisputed evidence on the record showing that the Company had already used a portion of the Forest Park proceeds to make a $1.95 million capital contribution – a contribution which more than offset the revenue requirement impact of the $1.8 million undepreciated value of the Forest Park property. (Ex. 64, p. 2, paragraph 5). The Order expressly acknowledges that the Company contributed $1.95 million in capital, at zero cost to customers. The Order nevertheless seeks to offset the revenue requirement impact of this item *twice,* by taking the $1.95 million contribution while also instructing the Company to reduce its depreciation reserve by $1.8 million.

11. Third, the decision instructing the Company to reduce its depreciation reserve by $1.8 million (like the decision on the Forest Park relocation proceeds) is based on the clearly erroneous finding that the subsequently constructed Manchester satellite office cost more than the Forest Park service center. The Order acknowledges that the Manchester facility is less expensive to operate but states that it has a higher capital cost. In fact, the undisputed evidence on the record shows that the Manchester facility costs less to own and operate than the Forest Park facility when both operating and capital costs are considered, including the cost of the capital improvements that would have been necessary to rehab the Forest Park facility. (Ex. 43, Schedule SMK-S1) Because the revenue requirement paid by customers is determined by both of these elements, the Order's reliance on a selective and incomplete consideration of only the relative capital costs of the two

properties provides no justification for excluding the $1.8 million undepreciated value of property on the theory that the Manchester facility is more costly. It isn't.

12. Finally, the Order implies that the Commission's decision on this issue is motivated in part by the asserted failure of the Company to seek Commission approval for the sale of the Forest Park property. In fact, the record shows that the Company was very open about its plans to sell the Forest Park property and specifically advised the Commission, Staff and other parties of its efforts in this regard during an on the record presentation in 2014. No one at the time suggested that the Company needed Commission approval for the sale, nor would such approval be required in any event since the buyer, CORTEX, had the power of eminent domain in the subject area. This power was expressly recognized in the sale agreement, which compensated the Company as if eminent domain had been exercised, but in lieu of the cost of an actual eminent domain proceeding. Moreover, if there was a concern about such approval being required, imposing a financial penalty in a rate case – rather than going through the complaint process required by law – is an inappropriate way to address the issue.

13. The Order's decision to seize the $3.5 million in relocation proceeds is equally flawed on both a legal and factual basis. On a legal basis, the Commission has, by seizing these proceeds and reflecting them in current rates, engaged in prohibited retroactive ratemaking. ***State ex rel. Utility Consumers Council, Inc. vs Public Serv. Comm'n,*** 585 S.W.2d 41, 58 (Mo. banc 1978). The event that created these proceeds, namely the sale of the Forest Park property, occurred in 2014 or nearly two years before the test year used to established rates in this proceeding. In addition to being outside the test year, the relocation proceeds received from the sale were also a one-time, non-recurring event. As a result, these proceeds do not represent the kind of ongoing revenue or expense items for which an allowance in rates can or should be provided. Nor was

there any accounting authority order or other accounting convention in place directing or requiring that these proceeds be deferred for potential inclusion in subsequent rates. As a result, capturing the relocation proceeds for inclusion in rates is unlawful, in that it retroactively uses a past revenue or income item to reduce future rates.

14. On a factual basis, seizing these proceeds is also unjust and unreasonable. The undisputed evidence on the record indicates that, except for the $1.95 million that was contributed to capital for the benefit of customers, *all* of these proceeds were used to pay for moving and other relocation expenses incurred by the Company in connection with its facility restructuring. Some of these costs would have been included in the cost of service calculation and paid by customers. The Order acknowledges as much at page 21, paragraph 18, but states that the evidence was unclear as to whether the proceeds were used in connection with the Forest Park relocation or the 720 Olive relocation. The Company would respectfully submit that this is a completely irrelevant distinction. There is no legal or equitable theory to support the proposition that the Company was required to use these proceeds only for Forest Park relocation expenses, and any proceeds used for other moving expenses were effectively subject to seizure in a future rate case. And no such theory is cited in the Order.

15. The fact is, that all of the relocation proceeds were used to either pay for relocation expenses or make capital contributions for the benefit of ratepayers. It is wholly unreasonable and unlawful to use them again to reduce rates in this case. The Company requests that this issue be reheard or reconsidered, and that the taking of these assets be reversed.

Treatment of Pre-1996 Pension Plan Contributions

16. The Commission's wholesale rejection of the disputed pension asset, addressed on pages 93-98 of the Order, is unlawful, unjust and unreasonable, and Spire requests the Commission

find that sufficient reason exists to rehear this issue. The issue involves pension assets accrued by Spire Missouri East during the period (i) 1987-1994 under both FAS 87 and FAS 88 accounting ($19.8 million), and (ii) 1994-1996 under FAS 88 ($9.0 million). Spire argued that the Company is entitled to the $28.8 million asset since rates were based on GAAP rules, because customer rates underpaid the Company's actual pension contributions. Staff disagreed, claiming that customer rates were set based on actual pension contributions, and therefore no asset accrued.

17. The crux of the issue is the basis upon which rates were set in Spire East rate cases in 1990, 1992 and 1994. Rates based on FAS 87/88 expense were lower than the amounts contributed to pensions by the Company, and would entitle the Company to a regulatory asset under GAAP accounting. Rates based on Company contributions would be essentially equivalent to the Company's pension contributions, and no asset would accrue. Therefore, to the extent customer rates were set based on FAS 87/88 expense, the customers underpaid pension contributions and Spire Missouri East is entitled to repayment. To the extent customer rates were set based upon the Company's cash contributions, customers did not underpay for pension costs.

18. The Company respectfully submits that the Commission's decision, that no pension asset exists for the subject period, is unlawful, unreasonable, arbitrary and capricious, and is against the great weight of the evidence. First, the Commission failed to give any weight to the evidence provided by Spire Missouri's witness, who had been the Company's Controller and was an eyewitness to the 1990, 1992 and 1994 rate cases. Second, the findings of fact conflicted with the evidence in paragraphs 6b, c, d, f, h, j, and l, and in paragraph 7. The most crucial examples of these conflicts include the following:

- Paragraphs 6c and 6d incorrectly state that Spire East did not itemize a pension asset in rate base between 1987 and 1994, and only first proposed a pension asset in its 1996 rate case. This claim was refuted at hearing, as Exhibit 62 plainly showed a Company schedule in the 1994 rate case containing the full pension asset.

- Paragraph 6j, which incorrectly states that FAS 87 was not used for regulatory purposes prior to 1994, is contrary to the overwhelming weight of the evidence. Rates in the 1990 case were clearly based on FAS 87 according to the 1990 testimony of Staff witness Rackers.

- Paragraph 7 incorrectly states that FAS 88 gains were not included in the Company's cost of service prior to 1996. This cannot be true, as the evidence plainly showed that Staff made FAS 88 adjustments in the 1994 case. The 1994-96 FAS 88 issue is a $9 million dispute where the evidence was completely in the Company's favor, and where Staff made virtually no argument.

19. The Commission's decision, that rates in Spire Missouri's 1994 rate case were based on cash contributions, rather than FAS 88 expense, was unjust, unreasonable and contrary to the great weight of the evidence. For the host of reasons set forth in Spire's initial and reply brief, it is clear that 1994 rates were based on both FAS 87 and FAS 88, and not on cash contributions. The Staff offered almost no support for its position, while Spire Missouri provided several reasons why this component of the disputed asset should be approved, including (i) the fact that in Case No. GR-94-220, Staff witness Boczkiewicz discussed how he normalized FAS 88 gains in Staff's rates; (ii) the fact that, due to the close link between FAS 87 and FAS 88, the Company would not use FAS 87 in rates without also applying FAS 88; (iii) the Report and Order in Spire Missouri's 1996 rate case (GR-96-193) stated that the Commission was granting the Company authorization to *continue* to utilize FAS 87, 88 and 106 for regulatory purposes, indicating that FAS 88 was already being used to set customer rates; and (iv) in the 1994 rate case, Staff initially filed its case on a cash contribution basis, but announced that if a change in law (HB 1405) occurred (which it did), Staff would change its position to use FAS 87 and FAS 88 for ratemaking purposes. The evidence requires a decision that Spire Missouri is entitled to the FAS 88 portion of the pension asset for the period 1994-96 in the amount of $9.0 million.

20. The faulty findings of fact naturally led to a faulty decision on page 98 of the Order. The Commission found that the sworn testimony of the 1990-96 era was more persuasive then the Company's current position. But the testimonies of Staff witness Rackers in 1990 and Company witness Waltermire in 1994 are consistent with the Company's position and contrary to Staff's position. In summary, the evidence leaves no doubt that Spire Missouri is fully entitled to its pension asset for the period 1990-1992, and entitled to its FAS 88 asset from 1994-1996. The Company respectfully requests that the Commission rehear this issue and order the Company to break down the pension asset by year for the period 1987-1996.

Treatment of Rate Case Expense

21. The Commission's decision to employ a 50-50 sharing of a significant portion of rate case expense is unlawful, unjust and unreasonable. Based on the arguments set forth below, Spire requests the Commission find that sufficient reason exists to rehear this issue.

22. The Order is unjust, unreasonable and confiscatory, in that it fails to provide sufficient revenue to cover rate case operating expense without a finding that any such expenses are in any way imprudent, or even that the amount in total was unreasonably high. (Order, p. 53) For a utility, rate case expense is a necessary cost of doing business, because the Company cannot raise or lower rates without a lengthy regulatory process. In this particular case, the Company was required to file a rate case as a consumer protection, in order to continue to charge $32.5 million annually for the government mandated safety and relocation work in its Spire Missouri East service territory. Further, the Company was encouraged to file its rate case to facilitate a rate review that had been stayed at Public Counsel's request. Finally, the argument that rate case expense should be shared by customers and shareholders because both benefit from rate cases, is flawed. Certainly, both customers and shareholders benefit from the Company's actions in rendering bills

and collecting revenues, but that does not mean it would be just or reasonable for the Commission to order a sharing of the Company's prudent costs incurred to bill and collect. Likewise, it is neither just nor reasonable for the shareholder to bear prudent costs incurred in the rate case process just because shareholders can be viewed as benefitting from rate cases by recovering their commission approved costs of service.

23. The Order is arbitrary and capricious in that it arbitrarily selects a 50-50 sharing of rate case expense because it decided that the Company raised 50% of the issues. This decision ignored the fact that many of the issues "assigned" to the Company did not drive rate case expense, but were handled by in-house witnesses and experts, such as the proposed tracking mechanisms, recovery of incentive compensation, and synergy sharing proposal. Moreover, the Forest Park issue, discussed above, was raised by the Staff, not the Company, and it occurred prior to the test year. (Order, pp. 48-49)

24. The Order is also unjust and unreasonable because the Order found that recovering rate case expense provided an inequitable financial advantage over other case participants. (Order, p. 51) The Order ignored evidence that the Company's two main opponents are governmental entities that do not incur their own costs, nor share their expenses, but are backed by the full force of the state of Missouri. Moreover, the costs of these two governmental entities are charged to the Company through an allocation process, and ultimately passed on to utility customers. One of these governmental entities hired three outside consultants for this case. The other entity had 29 witnesses, all of which are employed by the trier of fact. The Order unjustly ignored these facts in finding that the Company has an inequitable financial advantage.

25. The Order is also unjust and unreasonable in that it purported to follow the Commission's previous decision in a KCP&L case, but ignored significant distinctions between

that case and the Spire Missouri case. These arguments were covered in the Company's January 9 Brief and its January 17 Reply Brief, and are incorporated herein for all purposes as if those arguments were fully set forth herein. They are summarized as follows:

- The Company has a sterling history of controlling rate case expense, including by settling cases at or around the Commission-scheduled settlement conference;

- Since there are two rate cases, rate case expenses are naturally higher, as they are being spread across two utilities. The rate case expense incurred as a whole is not imprudent;

- Other parties are primarily responsible for the failure to settle these rate cases, which would have suppressed rate case expense;

- Filing of this case was driven by the consumer protection provisions of the ISRS Statute and the stay of OPC's complaint case, and not by the Company's desire to raise rates;

- Much of the rate case expense was driven by factors outside of the Company's control, such as issues raised and/or pursued in our rate cases by other parties. These include Surveillance Reporting and Forest Park (Staff), School Transportation (MSBA, Staff), Energy Efficiency and Weatherization (Division of Energy, NHT), Low-Income Program (Consumer's Council), PGA/ACA/Pipeline (Environmental Defense Fund), Combined Heat and Power (Div. of Energy), and Hydrostatic Testing (OPC), CAM/Affiliate Transactions/Software Allocation (OPC, EDF), Income Tax (Commission);

- Some rate case expense was needed to offset outside experts hired by other parties, such as cost allocation and pension (OPC) and cost of capital (OPC/MIEC)

- Many Company issues were not designed to increase revenue requirement, including establishing performance benchmarks, relieving customers of a charge for credit card payments, reconciling Kansas property taxes, reducing weather risk for the Company and residential customers through an RSM or weather adjustment clause, developing Class Cost of Service and Rate Design, bringing customers lower gas costs by making an initial investment in the St. Peters lateral, and reducing meter reading costs by purchasing AMR devices; and

- Commission policy on rate case expense should not encourage utilities to drive up internal costs by hiring ongoing full-time employees in order to cut down on temporary external experts.

- The Company did save rate case expense by handling many issues internally, including pension issues raised by OPC's outside consultant, pipeline issues raised by EDF's outside consultant, energy efficiency issues raised by NHT's outside witness, and low-income programs, testified to by CCM's outside witness. The Company also saved expense by

cooperating with the Commission and parties to voluntarily dispose of the income tax issue in the rate case, rather than requiring a separate docket.

26. Investors provide capital to utilities that have a reasonable opportunity to cover their cost of service and earn a fair return. Investors will not provide capital to utilities that expect investors to pay for operating expenses. The role of the shareholder is to provide much needed capital to a utility so that customers can pay for long-lived assets over a period of decades, rather than having to pay for the entire investment in the year it was made. The customers that receive the benefit of services should pay for the prudent costs incurred by the utility to provide them. As demonstrated above, prudently-incurred rate case expense is one of the necessary costs incurred by a utility to operate its business, and should be recovered by the Company in rates.

Disallowance of Capitalized Earnings-Based Incentive Compensation

27. The Company has previously sought clarification that the Commission is not disallowing the capitalized portion of earnings-based incentive compensation in this case. In the event the Commission does not clarify its Order in the manner requested by the Company, then alternatively, Spire Missouri requests that the Commission grant rehearing. Accordingly, the Company reserves the argument that the decision on page 124 of the Order is unjust, unreasonable or unlawful for the following reasons.

28. The Order should not assess a significant write-off and loss by disallowing the portion of earnings-based incentive compensation that the Company has capitalized, when such capitalization was made in good faith without a Commission order to the contrary. In fact, the most recent Commission order on the subject, ER-2008-0318, approved an incentive compensation plan that, like Spire's, was a mix of earnings-based and performance-based metrics. The Company maintains that earnings-based incentive compensation that is part of a balanced employee incentive program should be allowed in rates; however, if the Commission disagrees, justice requires that

the Company receive fair notice, and be at risk for capitalized non-Union earnings-based incentive compensation only on a going forward basis.

29. At its February 7, 2018 agenda meeting, the Commission decided to consider this issue and to discuss it at the February 15 agenda meeting. At the February 15 agenda meeting, the Commission determined that it would effectively approve the Company's request by deciding that the Company was at risk for a disallowance if it capitalized earnings-based incentive compensation going forward, but that there would not be a disallowance in this case.

30. However, in the February 21 Order, it is unclear whether the Commission is removing the capitalized portion of earnings-based incentive compensation going back to the Company's last rate cases in 2013-2014. If true, this is not the result that the Commissioners voted for on February 15, when they said the risk of capital disallowance would be applied "going forward." The Company requests that the Commission rehear this issue and, consistent with its February 15 discussion, confirm that there is no disallowance in this case for the capitalized portion of earnings-based incentive compensation, but that the Company is at risk for future capitalizations of such compensation for non-Union employees.

Authorization of Transition Rates

31. The Company has previously sought clarification requesting that the Commission address and approve the Company's proposal to establish residential transition rates for the period between the effective date of rates in these cases and September 30, 2018. In the event the Commission does not clarify its Order in this manner, then alternatively, Spire Missouri requests that the Commission grant rehearing on this issue on the grounds that the Commission's failure to approve such transition rates or to address the issue in its Order is unjust, unreasonable or unlawful for the following reasons.

32. In its original April 11, 2017 rate case filing, the Company requested residential transition rates that would cover the period from the end of the rate case until the end of September 2018, when the transition to permanent rates would take effect. Spire Missouri West had implemented these same transition rates in its 2014 rate case (Case No. GR-2014-0007). On page 85 of the Order, the Commission presented the issue of residential customer charges and transition rates. In the Order, the Commission addressed the customer charge issue at length but did not address or decide the transition issue.

33. Spire Missouri linked reduced residential customer charges to transition rates in that original April 11, 2017 filing and in the list of issues for a simple reason. The linkage recognizes that while lower fixed charges would benefit customers, it would detrimentally impact the Company if implemented in the Spring. The requested transition rates held fixed charges, including ISRS, steady and adjusted the usage charge to allow for summer revenues to recover a similar percentage of the revenue requirement as the current rate design, but applied to the new revenue requirement. The proposed tariffs then provided for reduced fixed charges effective October 1, concurrent with the start of the Company's fiscal year. Without doing so in these cases the Company's revenues for the remainder of fiscal 2018 will be reduced by more than the annual revenue requirement, and significantly more than is proportional for this period, simply because its rate structure was changed to a more customer-friendly rate design at a disadvantageous time.

34. Currently, Spire Missouri East's residential fixed charges are $23.44, and the new customer charge will be $22, a reduction of $1.44 per month, or 6.1%. Given the fact that Spire Missouri's revenue requirement is declining in this case, a reduction to a $22 residential monthly customer charge, as approved by the Commission, is acceptable for the transition period, which allows for the volumetric rate to be similar to the current average volumetric rates for Spire

Missouri East, before settling into permanent rates with a lower volumetric charge. Spire Missouri West's residential fixed charge is currently $25.41, and its new customer charge will be $20. Maintaining Spire Missouri West's current $23 residential customer charge for the transition period would represent a reduction of $2.41 per month, or 9.5%, from existing fixed charges, which result in a volumetric rate nearly the same as the permanent volumetric rate, before settling into permanent rates with a lower customer charge. In total, by utilizing transition rates the combination of the proposed customer and volumetric charges to be in effect during the summer transition period would result in the same percentage reduction for the typical residential customer as the overall percentage reduction the Commission has approved on an annual basis of approximately 5% for Spire Missouri East, and 1% for Spire Missouri West.

35. The Order's failure to approve such transition rates, which would provide customers with the same percentage reduction in the summer transition period that they will receive overall while preventing a significant detriment to the Company, is unjust and unreasonable. Moreover, by failing to address the issue in the Order, the Commission has not fulfilled its statutory obligation to support its determinations with adequate findings of fact that show how controlling issues were resolved.

Revision to ADIT Tracker

36. The Company and Staff have previously sought clarification regarding the language in the Order relating to the ADIT tracker. Specifically, the Company and Staff expressed a serious concern that a specific directive by the Commission to define the period over which tax timing differences associated with "protected" differences are recognized in rates would expose the Company to a normalization violation. Such a violation would, in turn, impair the Company's

ability to take accelerated tax depreciation in the future that has been routinely used in the past to generate cash for utility investments and ultimately to reduce the cost of service paid by customers.

37. In the event the Commission does not clarify its Order in the manner requested by the Company and Staff, then alternatively, Spire Missouri requests that the Commission grant rehearing of this issue on the grounds that it would be unjust and unreasonable to needlessly expose the Company's customers to the financial consequences of such a violation by maintain the language in its current form. On rehearing, the Company would respectfully request that the Commission modify its Order by deleting the last sentence of the top paragraph on page 114 ("As part of its calculation, Staff applied a 50/50 split between the "protected" and "unprotected" ADIT applying a 20-year amortization to protected ADIT and a 10-year amortization to unprotected ADIT.") and replacing it with the following: "However, the calculations and the determination of the actual split between protected and unprotected excess ADIT and the appropriate amortization period for the protected excess ADIT have not been completed as of the date of this Order. The protected component to be flowed back is being computed by the Company and is required to be based on either the average rate assumption method (ARAM) or the alternative Reverse South Georgia method in accordance with the normalization requirements of the TCJA." The adoption of such language should avoid any potential normalization violation.

CONCLUSION

In conclusion, Spire Missouri Inc. respectfully requests that the Commission grant rehearing of the issues identified herein and, upon rehearing, revise its Order consistent with the recommendations set forth above.

Respectfully Submitted,

/s/ Rick E. Zucker
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ATTORNEYS FOR SPIRE MISSOURI INC.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the parties of record in this case on this 2nd day of March, 2018 by hand-delivery, fax, electronic mail or by regular mail, postage prepaid.

/s/Marcia Spangler

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AFFIDAVIT

STATE OF MISSOURI)
) SS.
CITY OF ST. LOUIS)

David P. Abernathy, of lawful age, being first duly sworn, deposes and states:

1. My name is David P. Abernathy. My business address is 700 Market Street, St. Louis MO. 63101. I am Vice President and General Counsel of Spire Missouri Inc., formerly known as Laclede Gas Company.

2. I have reviewed the foregoing Application, and I hereby swear and affirm that it is true and correct to the best of my knowledge and belief.

David P. Abernathy

Subscribed and sworn to before me this 2nd day of March, 2018.

Notary Public

MARCIA A. SPANGLER
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Sept. 24, 2018
Commission # 14630361