

Exhibit No.:
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Witness: Nancy L. Harris
Sponsoring Party: MoPSC Staff
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Case No.: GR-2021-0108
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

NANCY L. HARRIS

**SPIRE MISSOURI INC., d/b/a SPIRE
SPIRE EAST and SPIRE WEST
GENERAL RATE CASE**

CASE NO. GR-2021-0108

*Jefferson City, Missouri
June 2021*

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **NANCY L. HARRIS**

4 **SPIRE MISSOURI INC., d/b/a SPIRE**

5 **SPIRE EAST and SPIRE WEST**
6 **GENERAL RATE CASE**

7 **CASE NO. GR-2021-0108**

8 Q. Please state your name and business address.

9 A. My name is Nancy L. Harris. My business address is 200 Madison Street,
10 Jefferson City, MO 65101.

11 Q. By whom are you employed and in what capacity?

12 A. I am employed by the Missouri Public Service Commission (“Commission”) as
13 an Auditor in the Tariff and Rate Design Department of the Industry Analysis Division.

14 Q. Are you the same Nancy L. Harris that participated in Staff’s Cost of
15 Service Report?

16 A. Yes.

17 **EXECUTIVE SUMMARY**

18 Q. What is the purpose of your rebuttal testimony?

19 A. The purpose of my testimony is to provide Staff’s position on Spire’s proposed
20 tariff changes to the Economic Development Rider, the Negotiated Gas Service Rider, and
21 various customer billing Miscellaneous Charges.

22 **ECONOMIC DEVELOPMENT RIDER**

23 Q. What tariff changes has Spire Missouri (Spire) proposed to the Economic
24 Development Rider (EDR)?

1 A. Spire has proposed decreasing all minimum gas usage requirements to
2 participate in the rider to one-third of the current level. Spire has also proposed increasing the
3 EDR average discount rate from 20% to 40%, with the annual discount rate limit increasing
4 from 30% to 50%.

5 Q. What justifications did Spire provide for the proposed changes to the EDR?

6 A. In his supplemental testimony, page 10, lines 217-224, Scott Weitzel stated that
7 Spire's modifications to its EDR tariff are to encourage customer participation in the EDR and
8 to model Spire's EDR after Ameren Missouri's Economic Development Incentive Rider (EDI)
9 for electric utilities. Spire currently has no participants in the EDR and has received few
10 applications for it.

11 Q. How does Spire's proposed EDR compare to Ameren Missouri's EDI?

12 A. Ameren Missouri's EDI is statutory, complying with §393.1640, RSMo. This
13 statute only applies to electric utilities.¹ It sets two expiration dates. If the utility receives a
14 Commission order pursuant to subsection 5 of §393.1400, RSMo, the discount may continue
15 until December 31, 2028. If the utility does not receive this order, the discount expiration date
16 is December 31, 2023. Ameren Missouri's EDI tariff states that discounts may continue after
17 this final date per agreement with a customer, however, the Company will provide discounts
18 under Ameren Missouri's Economic Development and Retention Rider (EDRR), which has
19 discount levels that are less than Spire's current EDR tariff. Spire proposed in its EDR to offer
20 incentives at the higher level of Ameren Missouri's EDI without an expiration date.

21 Q. Is it possible that the level of annual usage required to participate in Spire's EDR
22 limits customer participation more so than the discount levels of the currently effective rider?

¹ There is no statute regarding economic development for gas utilities.

Rebuttal Testimony of
Nancy L. Harris

1 A. Yes. Spire's currently effective EDR requires a new customer's annual usage
2 be at least 30,000 Dth (dekatherm) per year or 30,000,000 Ccf (hundred cubic feet) to
3 participate. This same minimum requirement applies to a retention customer's previous
4 three years of usage and future usage. An existing customer is required to expand its
5 existing load by 15,000 Dth per year or 15,000,000 Ccf to qualify. Currently, Spire only has
6 one customer that uses approximately 30,000,000 Ccf annually and six customers that use more
7 than 10,000,000 Ccf annually.

8 Q. Do you agree with Spire's changes to its EDR tariff?

9 A. In part. Staff agrees with the following of Spire's proposed changes to its
10 EDR tariff:

11 1. The unit of measure should be converted from Dth to Ccf.

12 2. The current usage requirements to participate in the EDR tariff are most likely
13 the cause of limited customer participation. Staff agrees with Spire's proposal to decrease the
14 annual level of usage requirements from 30,000,000 Ccf to 10,000,000 Ccf for new and
15 retention customers and from 15,000,000 Ccf to 5,000,000 Ccf for expansion customers. Based
16 on current customer usage levels, lowering qualification requirements is an equitable first step
17 toward encouraging EDR customer participation.

18 Q. What are Staff's recommendations regarding Spire's EDR?

19 A. Staff recommends the following:

20 1. Staff recommends that the Commission adopt Spire's proposal to convert all
21 units of measure in the EDR tariff from Dth to Ccf if the Commission approves Spire's proposal
22 to convert units of measure from Dth to Ccf in this rate case.

Rebuttal Testimony of
Nancy L. Harris

1 2. Staff recommends that the Commission reject Spire's proposal to increase the
2 current discount levels. The only support Spire provides for offering higher discounts to
3 customers is that the proposed discounts are similar to economic development riders offered by
4 electric utilities. Spire ignores the statute authorizing electric utilities to offer such incentive
5 levels. The incentive levels provided on Ameren Missouri's EDI tariff only exist because of the
6 statute stated above.

7 3. Staff recommends that the Commission adopt Spire's proposal to decrease the
8 annual level of usage requirements from 30,000,000 Ccf to 10,000,000 Ccf for new and
9 retention customers and from 15,000,000 Ccf to 5,000,000 Ccf for expansion customers.

10 4. Staff recommends the tariff be clarified to limit total dollar amount of discounts
11 to one percent (1%) of jurisdictional non-gas revenues. Spire's current EDR limits the total
12 dollar amount of incentives to one percent (1%) of the Company's jurisdictional gross revenues.
13 However, revenues received for purchased gas are not eligible for EDR discounts and therefore
14 should not be included in gross revenues as it is listed in the EDR tariff.

15 5. If the Commission finds that it is reasonable to offer a higher level of
16 discounts, then Staff recommends that the Company draft a separate Economic Development
17 Rider tariff limited to customers initiating or expanding service in areas of Spire's service
18 territory that have under-utilized infrastructure and sufficient pipeline capacity. This will
19 enhance Spire's system utilization while encouraging industrial development within the
20 Company's service area.

21 6. Staff recommends that the Commission include a hard expiration date for
22 EDR discounts, similar to those in Ameren Missouri's EDI. Staff recommends the five-year

1 term customer agreements as proposed by Spire, with a hard expiration date, such as
2 December 31, 2028.

3 **NEGOTIATED GAS SERVICE RIDER**

4 Q. What change is Spire recommending to the current Negotiated Gas Service
5 Rider (NGSR)?

6 A. The current tariff language, regarding the tariff's purpose, is as follows:

7 Purpose: This tariff is designed for two purposes. First, it permits Company to meet
8 specific competitive threats, which if not responded to would result in lost margin to the
9 Company and its customers. By attempting to meet competition, Company will seek to preserve
10 or increase some contribution to the fixed costs all customers must pay for in rates. Second, the
11 tariff can be used to serve and retain or attract load customers who require a service structure
12 not found in Company's standard tariffs.

13 Spire's proposed tariff language, regarding the tariff's purpose, is as follows:²

14 Purpose: This tariff is designed for *three* purposes. First, it permits Company to meet
15 specific competitive threats, which if not responded to would result in lost margin to the
16 Company and its customers. By attempting to meet competition, Company will seek to preserve
17 or increase some contribution to the fixed costs all customers must pay for in rates. Second, the
18 tariff can be used to serve and retain or attract load customers who require a service structure
19 not found in the Company's standard tariffs. *Third, the tariff can also be used for grid*
20 *resiliency, distributed generation, and emergency back-up systems.*

21 Q. Has Spire provided appropriate support regarding the need for the additional
22 language?

² Additions are italicized.

Rebuttal Testimony of
Nancy L. Harris

1 A. No. Spire did not provide any direct testimony regarding this tariff change. Spire
2 filed supplemental direct testimony (page 16 lines 359-361) in which Mr. Weitzel stated that
3 the additional tariff language is intended to address grid resiliency, distributed generation, and
4 emergency back-up systems. In the June 9th technical conference, Spire defined grid resiliency
5 and distributed generation as Combined Heat and Power (CHP) systems. However, the
6 Company fails to explain in its supplemental direct testimony how the current tariff language
7 fails to address grid resiliency, distributed generation, and emergency back-up systems.

8 Q. Does the current tariff language already address distributed generation and
9 emergency back-up systems?

10 A. Yes. As provided above, the current NGSR tariff has two purposes. The first
11 purpose permits the Company to meet competitive threats. The second purpose allows the
12 Company to attract and retain load customers which require a service structure not found in the
13 Company's standard tariffs. Customers who require distributed generation or emergency back-
14 up system services may be classified as customers who require a service structure not already
15 identified in tariffs.

16 Q. Has Spire utilized the Negotiated Gas Service Rider (NGSR) and entered into
17 agreements with customers to date?

18 A. Yes. On January 1, 2021, Spire Missouri, Inc. entered into a contract with one
19 customer to provide a discounted rate under the NGSR. This is outside the test year and update
20 period, but is relevant as a true-up issue and will be addressed in Staff's true-up direct
21 testimony.

22 Q. What is Staff's recommendation regarding Spire's proposed changes to the
23 NGSR tariff?

1 A. Staff recommends that the Commission reject Spire’s proposed changes to the
2 NGSR for the reasons stated above.

3 **MISCELLANEOUS CHARGES**

4 Q. Is the Company proposing to increase certain miscellaneous charges in this case?

5 A. Yes. Proposed charges are as follows:

- 6 • Reconnect charge increase:

7 (1) Residential from \$62 to \$95

8 (2) Industrial greater of \$95 or actual cost

- 9 • Meter Reading non-access charge increase:

10 (1) Increase from \$10 to \$20

- 11 • Non-standard meter monthly charge \$40 (new charge):

12 (1) Plus \$185 one time setup charge for new meters

- 13 • Collection Trip charge increase:

14 (1) From \$9 to \$15

- 15 • Meter (residential) relocation charge increase:

16 (1) Outside from \$150 to \$200

17 (2) Inside from \$100 to \$200

- 18 • Relocate or extension charge increase:

19 (1) From \$120 to \$150

20 ◇ Change incremental charges to \$8 per foot over 10 feet

- 21 • Meter test fee after 1 free test per 12 months unless inaccurate over 2%:

22 (1) Residential from \$75 to \$80

23 (2) Commercial from \$125 to \$205 – In line with actual costs

Rebuttal Testimony of
Nancy L. Harris

1 • Standardization of service initiation charge – all new customers:

2 ◇ Increase charge from \$1200 to \$1500

3 Q. What effect will an increase in miscellaneous service charges have on
4 non-gas revenues?

5 A. If the Commission approves the Company's proposed increases in
6 miscellaneous service charges, then revenues from miscellaneous service charges will increase
7 as a result.

8 Q. Did the Company offset a portion of its revenue requirement by the amount of
9 additional revenue that will result from the proposed increase in miscellaneous service charges?

10 A. Staff is not aware of an offset incorporating the Company's requested changes.

11 Q. What is Staff's recommendation regarding Spire's proposed changes in
12 miscellaneous service charges.

13 A. Staff is not opposed to Spire East and Spire West consolidating to one set of
14 miscellaneous charges if approved by the Commission, however, Staff is not recommending
15 any increase in miscellaneous charges at this time.

16 Staff recommends that the Company adjust its revenue requirement to reflect the
17 additional revenue that will be collected from the Company's proposed increase in
18 miscellaneous service charges. Further, Staff recommends that any Commission-ordered
19 revenue requirement in this case take into consideration revenues resulting from changes in
20 miscellaneous service charges.

21 Q. Did Staff review the Company's cost supporting its proposed increases in
22 miscellaneous service charges?

23 A. Yes.

1 Q. Does Staff have concerns with the Company's proposed Collection
2 Trip Charge?

3 A. Yes. According to Michelle Antrainer's direct testimony (pages 3-4 lines 22&23
4 and 1-3), Spire may assess the Collection Trip Charge if the customer pays Spire personnel at
5 the customer's premises in order to avoid disconnection. It is currently a stand-alone charge of
6 \$9.00 on customers' bills. According to information provided to Staff in DR#0243, Spire
7 proposes to include the Collection Trip Charge in the Reconnection Charge without a separate
8 line item. Spire's outside vendor currently charges \$14.26 for each Collection Trip Charge,
9 and Spire proposes to round this charge to \$15.00. Staff is concerned about Spire's proposal,
10 because including a Trip Collection Charge as a cost component of the Reconnection Charge is
11 not a transparent method for customer billing.

12 Q. What is Staff's recommendation regarding Spire's customer
13 reconnection charge?

14 A. Staff is recommending the collection trip cost of \$14.26 be removed from the
15 customer reconnection charge bringing the average total cost to reconnect service down to
16 \$82.48. If the Commission finds that the miscellaneous charges as proposed by the Company
17 are reasonable, Staff recommends that the proposed reconnection charge be no higher
18 than \$82.48.

19 **CONCLUSION**

20 Q. Does this conclude your testimony?

21 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Spire Missouri Inc.'s d/b/a)
Spire Request for Authority to Implement a) Case No. GR-2021-0108
General Rate Increase for Natural Gas)
Service Provided in the Company's)
Missouri Service Areas)

AFFIDAVIT OF NANCY L. HARRIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW NANCY L. HARRIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Nancy L. Harris*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Nancy L. Harris

NANCY L. HARRIS

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 June 2021.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D. Suzie Mankin

Notary Public

Nancy L.Harris

Present Position:

I am an Auditor in the Tariff and Rate Design Department, Commission Staff Division, of the Missouri Public Service Commission ("Commission"). I have held this position since June 3, 2019 when I began employment with the Commission.

Educational Background and Work Experience:

In 1994, I completed a Bachelor of Science degree in Business Administration with a major in Accounting from the University of Central Missouri in Warrensburg, Missouri. From 1994-1997 I was a Business Instructor with Metro Business College teaching accounting and business courses. In 1998 I joined Farmland Industries, Inc. as an Accountant in the Consolidated Reporting department. I was responsible for fixed asset expenditure tracking and assisted with SEC filings. I joined Haldex Brake Products Corporation in 2001 and was responsible for fixed asset accounting and managed the Accounts Payable department. In 2005 I joined EnerSys Energy Products, Inc. My responsibilities were fixed asset accounting and accounts receivables. Most recently, I was employed by the Missouri Department of Economic Development since 2017 as an Incentive Specialist and was responsible for benefit eligibility and compliance for the Missouri Works program.

Case Summary			
Case No.	Company	Type of Filing	Issue
ER-2019-0375	Kansas City Power & Light Company	Rate Adj - Staff Rec	MEEIA rate adjustment
ER-2019-0397	KCP&L Greater Missouri Operations Company	Rate Adj - Staff Rec	MEEIA rate adjustment
HT-2019-0319	KCP&L Greater Missouri Operations Company	Tariff Adj - Staff Rec	QCA tariff adjustment
ER-2019-0374	Empire Electric	Rate Case - Testimony	Economic Development Riders Testimony
ET-2020-0092	Evergy Missouri West	RESRAM Adj - Staff Rec	RESRAM Adjustment
ER-2020-0086	Union Electric Co. dba Ameren Missouri	RESRAM Adj - Staff Rec	RESRAM Adjustment
ER-2020-0155	Evergy Missouri West	Rate Adj - Staff Rec	DSIM Rider adjustment
HT-2020-0326	Evergy Missouri West	Tariff Adj - Staff Rec	QCA tariff adjustment
HT-2020-0223	Vicinity Steam	Tariff Adj - Staff Rec	QCA tariff adjustment
EO-2020-0214	Evergy Missouri West	RESRAM - Staff Rec	RESRAM Prudence Review
ER-2021-0090	Ameren Missouri	RESRAM Adj - Staff Rec	RESRAM Adjustment
ER-2021-0153	Evergy Missouri West	Rate Adj - Staff Rec	DSIM Rider Adjustment
HT-2021-0245	Vicinity Steam	Rate Adj - Staff Rec	PACC Adjustment