

Exhibit No.:
Issues: Meters
Witness: J Luebbert
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: GR-2021-0108
Date Testimony Prepared: July 14, 2021

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENGINEERING ANALYSIS DEPARTMENT

SURREBUTTAL TESTIMONY

OF

J LUEBBERT

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

GENERAL RATE CASE

CASE NO. GR-2021-0108

*Jefferson City, Missouri
July 2021*

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2 **OF**

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8 Q. Please state your name and business address.

9 A. My name is J Luebbert, and my business address is Missouri Public Service
10 Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

11 Q. Are you the same J Luebbert that contributed to Staff's Cost of Service Report
12 and rebuttal testimony in this case?

13 A. Yes, I am.

14 Q. Can you generally describe the format of your surrebuttal testimony?

15 A. My surrebuttal testimony will be broken into three sections. First, I will provide
16 some background on the timing, types, and amounts of information provided by Spire Missouri
17 in support of including the costs of new ultrasonic meters that have an integrated Advanced
18 Metering Infrastructure ("AMI") module in rates. Second, I will explain that Spire Missouri
19 still has not fully justified the costs of replacing the existing metering infrastructure with new
20 ultrasonic meters. Third, I will provide Staff's recommendation on the exclusion of a portion
21 of the costs of new ultrasonic meters.

22 **Supporting information provided by Spire Missouri**

23 Q. What testimony did Spire Missouri provide in Direct testimony to support the
24 inclusion of the costs in FERC subaccount 381.1¹ and 382.2²?

¹ Smart meters.

² Smart meter installations.

1 A. As I stated in my rebuttal testimony, the Direct testimony provided by
2 Spire Missouri to support the inclusion of the costs to replace existing metering equipment with
3 new advanced metering equipment in this case was limited to the following two sentences in
4 Mr. Weitzel's Direct testimony:

5 Spire is installing advanced metering technology to improve metering
6 quality and provide enhanced safety. These investments in new
7 technology allow Spire to provide smarter, safer, and more efficient
8 service to our customers.³

9 Q. Did Spire Missouri provide additional support for the investments in the
10 AMI technology in Rebuttal testimony?

11 A. Yes, Spire Missouri's witness Mr. James Rieske provided additional support in
12 his rebuttal testimony for the inclusion of investments in AMI technology in rates.

13 Q. Can you provide a brief summary of the information provided in Mr. Rieske's
14 rebuttal testimony?

15 A. Yes. Mr. Rieske explains some of the incremental benefits of new ultrasonic
16 meters coupled with the integrated AMI device when compared to the existing metering
17 infrastructure with Automated Meter Reading capability. He also includes some explanation
18 of the features of the ultrasonic meters that do not require a full rollout of AMI that could
19 provide potential safety and reliability benefits on the customer side of the meter and from a
20 Spire employee perspective. A high-level overview of the features of the new ultrasonic meters
21 that do not require an AMI network includes an automatic internal shut-off valve,
22 temperature sensor, near-field remote shut-off, improved meter accuracy, and the lack of a
23 gear based index. Mr. Rieske also points out the relative cost differences of a customer
24 requested Excess Flow Valve ("EFV") to a new ultrasonic meter. Mr. Rieske then goes on to

³ Direct testimony of Scott A. Weitzel, page 9 lines 5-7.

1 provide some hypothetical scenarios regarding purchasing new diaphragm meters, potential
2 outcomes if the Commission denies recovery of the cost of ultrasonic meters, the potential for
3 the company to manufacture its own diaphragm meters, and the potential of future benefits of
4 a fully implemented AMI system. Mr. Rieske then concludes his rebuttal testimony with an
5 explanation of Spire Missouri's AMI deployment process to date and Spire Missouri's plan for
6 AMI deployment going forward.

7 Q. Did Spire Missouri provide any other pertinent information in response to data
8 requests that affects Staff's recommendation regarding the investments in ultrasonic meters?

9 A. Yes. Spire Missouri provided documentation and support through the discovery
10 process that alters Staff's recommendation for the inclusion of costs associated with the
11 replacement of existing meters with new ultrasonic meters.

12 Q. Could Spire Missouri have included the vast majority of what Mr. Rieske
13 included in his rebuttal testimony and in response to Staff's data requests within
14 Direct testimony in this case in order to support its investment in new meters?

15 A. Yes. Spire Missouri is requesting to recover the costs associated with the
16 replacement of the existing metering infrastructure regardless of the age of the meter replaced.
17 As I stated in my Rebuttal testimony, Spire Missouri should have provided justification
18 for replacing existing assets with new technology which includes fully supported cost benefit
19 analyses especially in an instance when the existing assets are being replaced regardless
20 of age which increases the possibility of substantial stranded assets.⁴ In fact, it is the
21 Company's responsibility to provide this information supporting its case at the time of its

⁴ 20 CSR 4240-2.130 states in part "Direct testimony shall include all testimony and exhibits asserting and explaining that party's entire case-in-chief."

1 Direct filing. However, neither Mr. Rieske, nor any other Spire Missouri witness, provided the
2 level of detail, support, or justification needed in Direct testimony for Staff to provide the
3 Commission with a reasonable recommendation other than to exclude the costs associated with
4 the ultrasonic meters. By refusing to provide support for its Direct filed case, Spire has
5 caused unnecessary delays and extra discovery that has hindered the parties in their review of
6 Spire's case.

7 **Justification of costs to replace existing metering infrastructure**

8 Q. Mr. Rieske has provided additional support and justification for the investments
9 in AMI to replace the existing diaphragm meters. Has the information provided at this point
10 fully justified Spire Missouri's AMI deployment strategy?

11 A. No, it has not. Based on Mr. Rieske's Rebuttal testimony 26% of the meters
12 already replaced with ultrasonic meters were less than ten years old and thus not yet required
13 to be tested in accordance with 20 CSR 4240-10.030(19). None of the cost benefit analyses
14 provided by Spire Missouri to date have justified replacement of existing meters that would not
15 have otherwise needed to be replaced. Staff does not object to Spire Missouri's inclusion of
16 the cost of new ultrasonic meters to the extent that service was already disconnected, the
17 existing meter needed to be replaced, and the alternative replacement option would be to
18 purchase a new diaphragm meter.

19 **Recommendation**

20 Q. What is Staff's recommendation regarding the inclusion of the costs in
21 FERC subaccounts 381.1 and 382.2?

22 A. At this time, Staff recommends that the Commission disallow 26% of the costs
23 booked in FERC subaccounts 381.1 and 382.2. As of May 31, 2021 Spire Missouri had booked

1 \$9,813,750 in FERC subaccount 381.1 and \$3,428,415 in FERC subaccount 382.2. The
2 resulting recommended disallowance equates to \$(2,551,575) for FERC subaccount 381.1 and
3 \$(891,388) for FERC subaccount 382.2.

4 Q. In his Rebuttal testimony, Mr. Rieske stated that “Spire will also continue to
5 target the replacement of aged meters by following the meter sampling program requirements
6 that target aged meter populations that are underperforming during accuracy testing.”⁵ Do you
7 have any recommendations regarding potential changes to the meter replacement strategy?

8 A. Yes. Staff recommends that the Commission require Spire Missouri to file
9 quarterly reports that describe any changes to the meter replacement strategy for each
10 Missouri service territory as well as justification for any changes to the replacement strategy.
11 The justification should include, but not be limited to, cost benefit analyses for the change in
12 replacement strategy, alternative approaches considered, and potential customer impacts of
13 the changes.

14 Q. Does this conclude your testimony?

15 A. Yes.

⁵ Rieske Rebuttal testimony page 16 lines 14-16.

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 J LUEBBERT

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW J LUEBBERT and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of J Luebbert*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.




J LUEBBERT

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 12th day of July 2021.

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



Notary Public