

*Exhibit No.:*

*Issue(s): Advertising, Plant-in-Service and Depreciation Reserve, Payroll, Payroll Taxes, Overtime, Bonuses, Payroll Lobbying Removal, Severance*

*Witness: Nathan Bailey, CPA*

*Sponsoring Party: MoPSC Staff*

*Type of Exhibit: Direct Testimony*

*Case No.: GR-2025-0107*

*Date Testimony Prepared: April 23, 2025*

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL AND BUSINESS ANALYSIS DIVISION**

**DIRECT TESTIMONY**

**OF**

**NATHAN BAILEY, CPA**

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

**CASE NO. GR-2025-0107**

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

**CASE NO. GR-2025-0107**

*Jefferson City, Missouri  
April 2025*

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NATHAN BAILEY, CPA  
SPIRE MISSOURI INC.,  
d/b/a Spire  
CASE NO. GR-2025-0107**

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1           A.     The purpose of my direct testimony is to provide Commission Staff's ("Staff")  
2 recommendations concerning Spire Missouri, Inc., d/b/a Spire ("Spire Missouri" or Spire East"  
3 or "Spire West") regarding Advertising, Plant in Service, Accumulated Depreciation, Payroll,  
4 Payroll Taxes, 401(k), Other Employee Benefits, Severance Expense, Incentive Compensation,  
5 Dues and Donations, and Lobbying Expense.

6     **ADVERTISING**

7           Q.     Please describe advertising as it relates to cost of service?

8           A.     Advertising expenses are "the action of calling something to the attention of the  
9 public especially by paid announcements."<sup>1</sup>

10          Q.     What did Staff include in the cost of service for advertising?

11          A.     Advertising expenses are incurred by both Spire East and Spire West.  
12 In developing its recommendation of the allowable level of advertising expense. Staff relied  
13 upon the principles the Commission set forth in Case No. EO-85-185. In that proceeding, the  
14 Commission adopted an approach that classifies advertisements into five categories and  
15 provides separate rate treatment for each category. While that proceeding specifically addressed  
16 an electric utility, the categories of advertisements described are applicable to all utilities  
17 regulated by the Commission. The five categories of advertisements recognized by the  
18 Commission are:

- 19               1.     General: advertising that is useful in the provision of adequate service;  
20               2.     Safety: advertising which conveys how to safely use utility service(s)  
21 and to avoid accidents;

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<sup>1</sup> Merriam-Webster. "Definition of ADVERTISING." *Merriam-Webster.com*, 2019, [www.merriam-webster.com/dictionary/advertising](http://www.merriam-webster.com/dictionary/advertising).

1                   3.       Promotional: advertising used to encourage or promote the use of  
2 utility service(s);

3                   4.       Institutional: advertising used to improve the company's public image;

4                   5.       Political: advertising associated with political issues.

5                   The Commission adopted these categories of advertisements because it believed that a  
6 utility's revenue requirement should:

7                   1.       Always include the reasonable and necessary cost of general and  
8 safety advertisements;

9                   2.       never include the cost of institutional or political advertisements; and

10                  3.       include the cost of promotional advertisements only to the extent that the  
11 utility can provide cost-justification for the advertisement.<sup>2</sup>

12                  In response to Staff data requests ("DR" or "DRs"), Spire East and Spire West provided  
13 supporting documentation for its advertising costs and copies of the actual advertisements.  
14 Staff examined each advertisement, classifying them into the 5 categories listed above to  
15 determine the types of advertisements that should be either included or excluded from  
16 Spire East and Spire West's cost of service. Staff included all advertising costs related to the  
17 safe use of natural gas as well as costs necessary for Spire East and Spire West to communicate  
18 with their customers on such matters as the operation of the Cold Weather Rule and the  
19 availability of low-income assistance programs. Staff did not identify any political  
20 advertisements for removal.

21                  Q.       What promotional advertisements did staff exclude from cost of service, if any?

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<sup>2</sup> (Report and Order in KCPL Case No. EO-85-185, 28 MO P.S.C. (N.S.) 228, 269 271 (April 23, 1986))

1           A.     Staff excluded promotional advertising from Spire West amounting to less  
2 than 0.2 percent of disallowances related to cooking with gas campaign featuring a gumbo fest.  
3 Staff identified no promotional advertisements for Spire East.

4           Q.     What Institutional advertisements did Staff exclude from cost of service, if any?

5           A.     In the KCPL case referenced above, the Commission stated that the utility must  
6 not include the cost of institutional advertisements. Staff determined that some of the test year  
7 advertising costs were related to institutional advertisements that enhance the public image of  
8 Spire Missouri. Staff recommends adjustments removing the cost of advertisements classified  
9 as institutional for both East and West because these are not required to provide utility service  
10 to customers, nor do they provide any direct benefit to customers.

11          Q.     What is Staff's recommended disallowance for advertising costs for Spire East  
12 and Spire West?

13          A.     Staff disallowed \$138,693 advertising for Spire East and \$90,848 for  
14 Spire West. Staff's adjustments are located in Schedule 10 of Staff's accounting schedules.

15     **PLANT IN SERVICE**

16          Q.     How would you describe Plant in Service?

17          A.     Plant in Service ("Plant") is one of the largest components of Rate Base. Plant  
18 represents the structures and equipment used by the utility to provide service to ratepayers.  
19 In the balance sheet, plant is often referred to as "fixed assets." Plant is offset by Accumulated  
20 Depreciation Reserve ("Depreciation Reserve") which is discussed further herein under  
21 that title.

1 Q. What did Staff include in the cost of service for Plant in Service?

2 A. Staff recommends Plant be based on actual booked amounts as of the end of the  
3 update period, December 31, 2024, with true-up balances as of May 31, 2025. These booked  
4 amounts include Plant additions that have occurred since the test year ending  
5 September 30, 2024, and the related depreciation reserve balances. At the time of the true-up  
6 audit, adjustments to the Plant and Depreciation Reserve balances used by Staff for its direct  
7 filing will be updated to include amounts for Plant additions that have become fully operational  
8 and used as of May 31, 2025, the ending point of the true-up. Staff will also include  
9 Depreciation Reserve balances related to all Plant, including those additions and retirements.  
10 Plant must be fully operational and used for service before it is appropriate to reflect Plant and  
11 its associated Depreciation Reserves in rates.

12 **ACCUMULATED DEPRECIATION RESERVE**

13 Q. What is Accumulated Depreciation Reserve?

14 A. Accumulated Depreciation Reserve (“Depreciation Reserve”) is an offset to  
15 Plant and is a subtraction from Plant in the determination of rate base; the resulting balance is  
16 known as “net plant.” Depreciation Reserve represents the sum of all depreciation accruals, net  
17 of cost of removal and salvage charges, which have been recorded in the Depreciation Reserve,  
18 representing the amount of Plant investment that has already been recovered in rates  
19 from customers.

20 Q. What did Staff include in the cost of service for Accumulated  
21 Depreciation Reserve?

1           A.     Depreciation Reserve balances represent the direct assigned and allocated  
2 reserve amounts for Spire East and Spire West’s gas operations. Staff included balances by  
3 account as of December 31, 2024.

4           Q.     What is Retirement Work in Progress (“RWIP”)?

5           A.     RWIP is retired Plant that has not yet been classified for certain components of  
6 depreciation, namely cost of removal and salvage. RWIP is an offset to Plant.

7           When a plant is retired, the Plant balances and associated Depreciation Reserve  
8 is removed. The plant has not been physically disassembled, so the cost of removal and salvage  
9 components of depreciation are still included in the reserve. As a result, Spire East’s and  
10 Spire West’s books overstate the Depreciation Reserve for this retired plant that is no longer  
11 serving utility customers. Because a plant that is no longer being used for utility service is  
12 removed from rate base, it is also necessary to make a corresponding adjustment to remove  
13 from the reserve balances the cost of removal and salvage amounts for the retired plant.

14          Q.     What did Staff remove as RWIP?

15          A.     Staff included a line item in the Accumulated Depreciation Reserve schedule,  
16 identifying the RWIP amount relating to retired plant as of the end of the update period,  
17 December 31, 2024. Staff intends to update Accumulated Depreciation Reserve balances to  
18 reflect balances as of true-up cutoff, May 31, 2025, once data is available.

19           **PAYROLL, PAYROLL TAXES, 401(K), AND OTHER EMPLOYEE BENEFITS**

20           **Payroll Overview**

21          Q.     What is the significance of payroll, payroll taxes, 401(K), and certain other  
22 benefits for cost of service?



1           A.     Payroll is one of the largest expenses for Spire Missouri and includes associated  
2 employer costs such as payroll taxes, and benefits granted employees for wellness  
3 and retirement.

4           Q.     Broadly, how does Staff calculate costs to include in the cost of service for  
5 payroll, payroll taxes, 401(k) and other employee benefits?

6           A.     For each cost, Staff reviewed actual assigned payroll costs and the allocation of  
7 these costs for Spire Missouri. Spire Inc. has a service company that provides various services  
8 to Spire Missouri and other affiliates, therefore an allocation of costs is necessary to assign a  
9 proper amount of shared services payroll expense to each of the Spire Missouri entities.  
10 Additionally, for Missouri based employees providing shared services, the payroll allocated to  
11 non-Spire Missouri Entities was removed from Spire Missouri's cost of service.

12           **Payroll, Overtime and Capitalization**

13           Q.     How does Staff calculate payroll?

14           A.     Staff calculates payroll by multiplying the actual employee levels by the wage  
15 rate or salary as of the test year ending September 30, 2024. This results in an annualized level  
16 of payroll costs. Staff's payroll adjustment also takes into consideration overtime. Staff used an  
17 average using 3-years ending September 30, 2024 for Non-Union and Union overtime.  
18 This resulted in approximately 13.7 percent of total payroll, as the amount for overtime.  
19 Staff applied the percentage to Staff's annualized payroll as of the test year,  
20 September 30, 2024, to calculate the overtime amount to be included in Staff's payroll  
21 adjustment for direct filing. Staff requested updated data in DR 0038 and will update its  
22 overtime adjustment at true up. The same process will be utilized for the true-up period,  
23 May 31, 2025. Once overtime has been added, Staff multiplies Spire East and Spire West

1 payroll cost by each entities' respective operations and maintenance ("O&M") factor then  
2 distributes those amounts proportionally between each entities' individual employment  
3 expense accounts.

4 Q. How would you describe what an operations and maintenance factor is and its  
5 significance for payroll cost of service?

6 A. Total annualized payroll must be separated between amounts charged to expense  
7 accounts and those charged to capital accounts. The ratio between these two amounts  
8 respectively is referred to as an operations and maintenance factor. For the test year ending  
9 September 30, 2024, O&M expense factor was \*\* [REDACTED] \*\*  
10 percent for Spire West based on Spire Missouri's response to Staff DR 0042. The establishment  
11 of an appropriate O&M factor is important as this ratio directly affects the amount of payroll  
12 charged to expense and determines the expense level for payroll-related benefits to distribute  
13 to individual expense accounts.

14 Q. How would you describe how Staff distributed its adjustments to individual  
15 expense accounts?

16 A. Once Staff has calculated the payroll adjustments for Spire East and Spire West  
17 they are distributed to the Federal Energy Regulatory Commission ("FERC") Uniform System  
18 of Accounts ("USOA") based on the test year distribution Staff calculated. Staff calculated the  
19 distribution by separating account balances between labor and non-labor using payroll general  
20 ledger cost element codes and excluding incentive compensation/employee bonus general  
21 ledger cost element codes from the test year payroll account balances.

1           The total sum of the payroll amounts (excluding incentive compensation/employee  
2 bonus) for each account was then used to calculate a percentage of payroll contained in  
3 each account.

4           The percentage for each account was calculated by taking each payroll account balance  
5 and dividing it by the total sum of the payroll amounts for all accounts.

6           The sum of payroll amounts was then multiplied by this resulting percentage for each  
7 account in order to distribute Staff's adjustment to each account proportionately. Staff reviewed  
8 the incentive compensation or employee bonus amounts independently from payroll and is  
9 discussed further herein under the heading, "Incentive Compensation".

10           **Payroll Taxes, 401(K) and Other Employee Benefits**

11           Q.     How did Staff calculate payroll taxes, 401(k) and other employee benefits?

12           A.     Payroll taxes were annualized by applying the current payroll tax rates to each  
13 employee's annual level of payroll. An aggregate tax rate was used to calculate payroll taxes  
14 for overtime. Staff calculated annualized payroll taxes based on the wage levels through the test  
15 year period, September 30, 2024, and current tax rates. This includes amounts pursuant to the  
16 Federal Unemployment Taxes Act ("FUTA"), State Unemployment Taxes Act ("SUTA"), and  
17 Federal Insurance Contributions Act ("FICA") taxes. Staff's annualized payroll and most  
18 current tax rates were used to calculate the level of payroll tax recommended in this case.

19           Spire East and Spire West had 401(k) match expenses and expenses for employee life,  
20 accidental death and dismemberment ("AD&D") and long-term disability insurance, and these  
21 were calculated based upon actual employee wage and salary levels as of the test year ending  
22 September 30, 2024. The same process will be utilized for the true-up period, May 31, 2025.

1 **SEVERANCE EXPENSE**

2 Q. How would you describe severance expense as it relates to cost of service?

3 A. Severance payments are non-salary cash payments granted to certain employees  
4 upon termination of employment. Typically, the former employee agrees to not pursue litigation  
5 against the company and its officers as consideration for these payments.

6 Q. What is the significance of severance expense as it relates to cost of service?

7 A. Because of the unique nature of cost of service ratemaking, utilities are able to  
8 recover severance payments through regulatory lag. Spire Missouri collects the salary, taxes  
9 and payroll benefits of the terminated employee from ratepayers in the period between an  
10 employee's termination and the time rates are changed in the next rate case. These collections  
11 can accumulate to more than the severance paid.

12 Q. What did Staff include in the cost of service for severance expense, if any?

13 A. Staff recommends removal of employee severance payments incurred during the  
14 test year. For shared services employees, only the Missouri portion of severance expense was  
15 removed. Severance adjustments are reflected in Staff Accounting Schedule 10.

16 **INCENTIVE COMPENSATION**

17 **Introduction and Commission Precedent**

18 Q. How would Staff describe incentives compensation as it relates to cost of service  
19 for Spire Missouri?

20 A. Incentive compensation is generally non-salary, performance-based cash or  
21 value granted to employees for achieving prescribed goals, usually with the object of aligning  
22 individual or group performance with those of the granting entity. These goals may be  
23 categorized into two broad categories; short-term incentive compensation for goals that are to

1 be achieved in a year, and long-term for goals that are to be achieved after more than a year  
2 has passed. In DR 0120 Spire Missouri stated that they, “ceased capitalizing long-term incentive  
3 compensation in November 2018. All capitalized long-term incentive compensation for FY18  
4 was reversed in December of FY18. Additionally, adjustments were made to remove capitalized  
5 long-term incentive compensation from the period of January 2016 through September 2017”.  
6 Since Spire is no longer capitalizing these costs, no adjustment was necessary. Some short-term  
7 incentives related to goals that benefit ratepayers such as safety or customer call center wait  
8 times may be included.

9 Q. What has the Commission stated regarding incentive compensation and what, if  
10 any, is to be included in cost of service?

11 A. The Commission in general, specifically in the case of Spire West, has  
12 disallowed incentive compensation based on financial metrics that tie payouts to the level of  
13 shareholder’s interest achieved. The Commission expressed this position in its Report and  
14 Order in Spire West’s 2004 Rate Case, Case No. GR-2004-0209:

15 The Commission agrees with Staff and Public Counsel that the financial  
16 incentive portions of the incentive compensation plan should not be  
17 recovered in rates. Those financial incentives seek to reward the  
18 company’s employees for making their best efforts to improve the  
19 company’s bottom line. Improvements to the company’s bottom line  
20 chiefly benefit the company’s shareholders, not its ratepayers.  
21 Indeed, some actions that might benefit a company’s bottom line, such  
22 as a large rate increase, or the elimination of customer service personnel,  
23 might have an adverse effect on ratepayers. Indeed, some actions that

1                    might benefit a company's bottom line, such as a large rate increase, or  
2                    the elimination of customer service personnel, might have an adverse  
3                    effect on ratepayers. If the company wants to have an incentive  
4                    compensation plan that rewards its employees for achieving financial  
5                    goals that chiefly benefit shareholders, it is welcome to do so.  
6                    However, the shareholders that benefit from that plan should pay the  
7                    costs of that plan. The portion of the incentive compensation plan  
8                    relating to the company's financial goals will be excluded from the  
9                    company's cost of service revenue requirement.<sup>3</sup>

10                    **Short-Term Incentive Compensation**

11                    Q.        What short-term incentive programs does Spire Missouri offer to its employees  
12                    and management?

13                    A.        Employees of Spire East and Spire West are eligible for annual bonuses under  
14                    Spire Missouri's Annual Incentive Plan ("AIP"). This short-term incentive compensation plan  
15                    provides an annual cash payout to eligible union and non-union participants based on  
16                    four components:

- 17                    1.        corporate performance
- 18                    2.        business unit performance
- 19                    3.        individual performance
- 20                    4.        team unit performance

21                    \*\* [REDACTED]

22                    [REDACTED]

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<sup>3</sup> *Report and Order*, Case No. ER-2004-0209 page 43-44.

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED] . \*\*

7 Q. What is Staff’s recommendation for Spire Missouri’s short-term incentives?

8 A. Staff has adjusted the test year to remove short-term incentives from  
9 Spire Missouri’s cost of service. However, Staff issued DR 0293 for further details on specific  
10 year by year numerical performance objectives Spire Missouri used during the test year and  
11 may update its calculation after receiving further information at true up.

12 Q. Did Spire Missouri include short-term incentive programs in its cost of service?

13 A. Yes. Per DR 0118 Spire may capitalize non-earnings based short-term incentives  
14 paid, both union and non-union, and “Spire Missouri is requesting to alter the portion of  
15 short-term incentive compensation currently excluded from rates going forward due to changes  
16 made to the corporate metric component after the conclusion of Case No. GR-2022-0179.  
17 Spire has not capitalized any earnings based short-term compensation since the disallowance in  
18 an earlier case; thus there was nothing to adjust out of plant.”

19 Spire Missouri has re-aligned its short-term incentives since case GR-2022-0179 to  
20 focus on non-earnings incentives. In DR 0094 Spire Missouri responded to Staff’s request for  
21 details of short-term incentives, stating: \*\* [REDACTED]

22 [REDACTED]

23 [REDACTED]

1 [REDACTED] [REDACTED]  
2 [REDACTED] . \*\* However, Spire proposed  
3 adjustment G Adj 7 that acknowledges the change in the corporate metric used to calculate  
4 short-term incentive compensation and thus seeks to recover more of these costs than in the  
5 past because of better alignment with utility goals.”

6 **Long-Term Incentive Compensation**

7 Q. What long-term incentive programs does Spire Missouri offer to its employees  
8 and management?

9 A. Spire Missouri, in response to Staff’s request for details on long-term incentive  
10 plan documents and associate level data in DR 0096, stated: “ \*\* [REDACTED]

11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]

14 [REDACTED] ”.\* Further, in DR 0120, Spire Missouri stated that no portion of  
15 long-term incentives compensation are capitalized and, “Spire Missouri ceased capitalizing  
16 long-term incentive compensation in November 2018. All capitalized long-term incentive  
17 compensation for FY18 was reversed in December of FY18.”

18 Q. Did Staff make any adjustment to long-term incentives compensation?  
19 Why or why not?

20 A. Yes. Staff removed the test year long-term incentive compensation expense in  
21 line with prior Commission rulings and also prior Spire Missouri rate cases.

22 **DUES AND DONATIONS**

23 Q. What are dues and donations as it relates to cost of service?



1           A.     Dues and donations are expenditures made by utilities to organizations, clubs,  
2 charitable funds and other groups. Dues are defined as the amount paid to an organization by a  
3 utility which allow the utility or individuals employed by the utility company to participate in  
4 and benefit from the organization's activities. Donations are defined as discretionary amounts  
5 paid to individuals or organizations for charitable reasons with no direct business benefit.

6           Q.     Has the Commission set any precedent on this topic?

7           A.     Yes. Staff first recommended the following criteria, adopted by the Commission,  
8 in Case No. EO-85-185 which establishes when dues and donations should not be included in  
9 customer rates. The following criteria for excluding dues and donations have been applied in  
10 utility rate cases since 1985.

- 11                   1). The expenses are involuntary ratepayer contributions of a charitable nature;
- 12                   2). The expenses are supportive of activities which are duplicative of  
13 those performed by other organizations to which the Company belongs or pays dues;
- 14                   3). The expenses are associated with active lobbying activities which have not  
15 been demonstrated to provide any direct benefit to the ratepayers; or
- 16                   4). The expenses represent costs of other activities that provide no benefit or  
17 increased service quality to the ratepayer

18           Q.     What did Staff include in the cost of service for dues and donations, if any?

19           A.     Staff removed dues and donations fitting these categories. Staff reviewed the list  
20 of memberships, dues paid, and donations made to social and civic organizations that  
21 Spire Missouri charged to its utility accounts during the year. Staff determined if the costs  
22 should be recovered in rates based on the Commission-derived criteria to determine the benefit,  
23 if any, of these costs to Spire Missouri ratepayers. For example, Staff disallowed dues paid to  
24 Midwest Energy Association ("MEA"), Raytown Parks and Recreation, and Eastern Shore

1 Chamber of Commerce which is located in Alabama. These payments represent lobbying  
2 activity, involuntary ratepayer charitable contributions and costs associated with other  
3 states respectively.

4 Q. Are there any other dues or donations you would like to address?

5 A. Yes. Based on the Commission criteria detailed in Case No. EO-85-185,  
6 Staff recommends removal of chamber of commerce dues if they are in the  
7 following categories:

8 1) Chamber of commerce dues that serve areas outside of the  
9 Spire Missouri service territory;

10 2) Chamber of commerce dues for statewide chambers of commerce; and

11 3) Chamber of commerce dues that are duplicative of other chamber dues  
12 in the same area.

13 Staff recommends adjustments to remove those chamber of commerce dues that meet  
14 the exclusion criteria listed above. Staff allowed local chambers of commerce and/or local  
15 economic development dues so long as they were not in a duplicative local region. Staff also  
16 allowed numerous employee trade/professional memberships dues.

17 **LOBBYING**

18 Q. How would you describe lobbying related activities as it relates to cost  
19 of service?

20 A. Lobbying is any activity or payment related to influencing government,  
21 regulatory bodies or legislation. These types of costs primarily benefit Spire Inc. shareholders  
22 and should therefore be absorbed by the shareholders of Spire Inc.

23 Q. What did Staff include in the cost of service for lobbying related activity, if any?

1 A. None. Staff analyzed the organizations to which Spire Missouri paid dues.  
2 If an organization was found to provide legislative activities in part or in whole, Staff made an  
3 adjustment to eliminate those lobbying costs.

4 Q. Are there any specific organizations you would highlight for the Commission?

5 A. Yes. Staff's position is that any costs related to the Missouri Energy  
6 Development Association ("MEDA") should be treated below-the-line for ratemaking purposes  
7 and absorbed by shareholders. MEDA is engaged in governmental affairs and lobbying  
8 activities on behalf of Missouri regulated utilities on an ongoing basis. No MEDA payments  
9 fell within the test year.

10 Spire Missouri's response to Staff DR 0277 stated that Spire Missouri did not include  
11 any contract lobbyist expenses in its proposed cost of service. Therefore, Staff made no  
12 adjustment to the test year account balance in this case.

13 In addition to MEDA and contract lobbying, Spire Missouri's response to Staff DR 0242  
14 identified \*\* [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED] . \*\*

18 Q. Did you remove any payroll associated with lobbying?

19 A. Yes. Spire Missouri employee wages identified as being lobbying related or  
20 partially lobbying related were either not included or included at a reduced percentage  
21 respectively in payroll calculations.

22 Q. Does this conclude your direct testimony?

23 A. Yes, it does.

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

In the Matter of Spire Missouri Inc. d/b/a Spire's )  
Request for Authority to Implement a General )  
Rate Increase for Natural Gas Service Provided )  
in the Company's Missouri Service Areas )

Case No. GR-2025-0107

**AFFIDAVIT OF NATHAN BAILEY, CPA**

STATE OF MISSOURI )  
COUNTY OF Jackson )

ss.

COMES NOW NATHAN BAILEY, CPA and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Direct Testimony of Nathan Bailey, CPA*; and that the same is true and correct according to his best knowledge and belief.

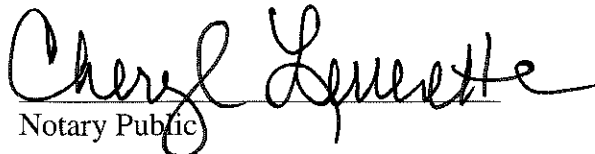
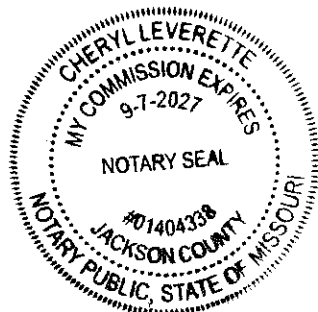
Further the Affiant sayeth not.



NATHAN BAILEY, CPA

**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 18th day of April 2025.



Notary Public

## Nathan Bailey, CPA

I have been employed as a Utility Regulatory Auditor for the Missouri Public Service Commission since January 2023. Previously I was employed by Myers and Stauffer LC as an auditor specializing in government medical provider reimbursement. I completed my undergraduate degree in Accounting at the College of the Ozarks in 2018 and graduated Cum Laude. Having met the licensure requirements under section 326.280 RSMo, I am currently qualified to practice as a CPA in the state of Missouri and have maintained this qualification since 2021.

As a Utility Regulatory Auditor, I perform audits and prepare filings for the Commission in conjunction with member of the Commission Staff. This includes professional review of current and prior testimony, documents, files and exhibits as necessary to produce workpapers and documentation supporting the staff position.

Year	Case/Tracking Number	Company Name	Type of Testimony/Issue
2025	GR-2025-0107	Spire Missouri Inc. d/b/a Spire's	Advertising, Plant In Service and Depreciation Reserve, Payroll, Payroll Taxes, Overtime, Bonuses, Payroll Lobbying Removal, Severance, Employee Benefits (Medical, Dental, Vision, 401k), Dues and Donations
2024	ER-2024-0261	Empire District Electric Company d/b/a Liberty	Training and Travel Expenses, Tornado AAO Amortization, Amortization of Ice Storm Costs, Amortization of PeopleSoft Intangible Asset, Amortization of Stock Issuance Costs, Iatan and Plum Point Carrying Costs Amortization, SWPA Amortization, SWPA Hydro Reimbursement, Rate Case Expense, Vegetation Management Tracker Regulatory Asset, EMS Run, DSM Cost Recovery, COVID AAO, Winter Storm Uri Amortization, Rate Case Sharing Ongoing Amortization Tracker
2024	GR-2024-0369	Union Electric Company d/b/a Ameren Missouri	Customer Convenience Fees (Credit Card Fees), Injuries & Damages - Possible Non-Issue, Corporate Franchise Tax
2025	WM-2025-0065	Confluence Rivers Utility Operating Company, Inc.	Staff Memorandum

Year	Case/Tracking Number	Company Name	Type of Testimony/Issue
2024	ER-2024-0189	Evergy Missouri West	Account Receivable Fees, Cash Working Capital, Injuries and Damages, Insurance, Lobbying, Maintenance (Generation, Transmission, Nuclear, Distribution, General and Major), Material and Supplies, PSC and FERC Assessment
2024	SM-2024-0130	Confluence Rivers Utility Operating Company, Inc.	Staff Memorandum
2024	GA-2024-0100	Spire Missouri Inc. d/b/a Spire's	Staff Memorandum
2024	WR-2024-0014	Gascony Water Company, Inc.	Staff Memorandum
2023	GA-2023-0389	Spire Missouri Inc. d/b/a Spire's	Staff Memorandum
2023	GA-2023-0374	Spire Missouri Inc. d/b/a Spire's	Staff Memorandum
2023	GT-2023-0229	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty (MNG)	Staff Recommended ISRS Revenues Calculation