

Exhibit No.:
Issues: Revenue Requirement/Rate of Return
Witness: Greg R. Meyer
Type of Exhibit: Direct Testimony
Sponsoring Party: Missouri Industrial Energy Consumers
Case No.: GR-2025-0107
Date Testimony Prepared: April 23, 2025

**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) Case No. GR-2025-0107
Rate Increase for Natural Gas Service Provided)
in the Company's Missouri Service Area)

Direct Testimony of

Greg R. Meyer

On behalf of

Missouri Industrial Energy Consumers

April 23, 2025



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**In the Matter of Spire Missouri Inc. d/b/a Spire's
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Case No. GR-2025-0107

STATE OF MISSOURI

COUNTY OF ST. LOUIS

SS

Affidavit of Greg R. Meyer

Greg R. Meyer, being first duly sworn, on his oath states:

1. My name is Greg R. Meyer. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Missouri Industrial Energy Consumers in this proceeding on their behalf.

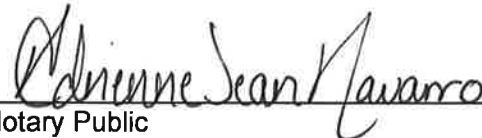
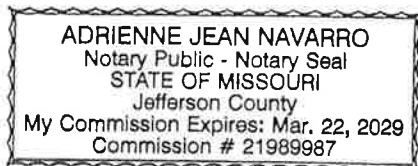
2. Attached hereto and made a part hereof for all purposes are my direct testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. GR-2025-0107.

3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Greg R. Meyer

Subscribed and sworn to before me this 23rd day of April, 2025.



Notary Public

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Direct Testimony of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q WHAT IS YOUR OCCUPATION?**

5 A I am a consultant in the field of public utility regulation and a Senior Principal with the
6 firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory
7 consultants.

8 **Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

9 A This information is included in Appendix A to this testimony.

10 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

11 A This testimony is presented on behalf of the Missouri Industrial Energy
12 Consumers ("MIEC"), a non-profit corporation that represents the interests of large
13 consumers in Missouri utility rate matters.

**Greg R. Meyer
Page 1**

I. INTRODUCTION AND SUMMARY

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A My testimony will address the following issues for the Spire East operations.

- I recommend the disallowance of certain discrete adjustments proposed by Spire Missouri Inc. ("Spire" or "Company").
- I recommend that the level of customers used to annualize Residential revenues be increased.
- I recommend that the recovery from the property tax tracker be recovered over a three year period instead of the two year period proposed by Spire.
- I recommend that the level of labor expense included in Spire's operations only reflect actual hired employees.

Q YOU ONLY REFERRED TO SPIRE EAST OPERATIONS. PLEASE DISCUSS.

A The MIEC companies have a majority of their operations in the Spire East service territory. Therefore, I and other members of our consulting team will quantify the adjustments we are proposing on the Spire East operations. I will footnote what the impact of our adjustments will have on the Spire West operations.

Q ARE THERE OTHER MIEC WITNESSES SUBMITTING TESTIMONY IN THIS PROCEEDING AND IF SO, WHAT AREAS OF THE RATE CASE WILL THEY BE SPONSORING TESTIMONY?

A Yes. Besides myself, the following MIEC witnesses will be submitting Direct Testimony in this rate case and I have included the areas they will be addressing:

- Christopher C. Walters – Return on Equity ("ROE) and capital structure.
- Jessica A. York – Class Cost of Service Study ("CCOSS"), rate design, and revenue allocation.

Our silence regarding any position taken by Spire in its Application or Direct Testimonies in this proceeding does not indicate our endorsement of that position. We reserve the right to adopt other parties' positions.

II. CASE OVERVIEW

Q PLEASE DESCRIBE THE SPIRE RATE CASE FILING.

A On November 25, 2024, Spire filed a rate case seeking to increase base rate revenues by \$289.5 million. This increase in base rate revenues would include both the Spire East and West operations. Spire filed the Direct Testimony of ten witnesses. The Spire East base rate increase is \$141.3 million.^{1 2}

In its testimony, Spire proposed a test year of the twelve months ended September 30, 2024. Spire also requested a true-up period through May 31, 2025. The true-up period would be approximately five months from the Operation of Law Date (“OLD”) in this rate case. On January 9, 2025, the Missouri Public Service Commission (“Commission”) issued its Order Setting Procedural Schedule. In that Order, the Commission adopted the Procedural Schedule filed on behalf of all parties to the rate case. That Procedural Schedule adopted a true-up period of May 31, 2025. The Procedural Schedule also detailed June 27, 2025 as the true-up information date. That date requires all true-up information to be provided to the parties so that a true-up revenue requirement can be calculated within the confines of the statutory rate case timeline.

¹The \$141.3 million does not reflect the current collection of \$18.5 million of ISRS revenues that are being collected from Spire East customers resulting in a net increase of \$122.7 million.

²Spire West has requested a \$148.2 million base revenue increase offset for current ISRS revenues of \$35.1 million, or a net increase of \$113.1 million.

Q DO YOU BELIEVE THE SPIRE EAST REVENUE DEFICIENCY IDENTIFIED ABOVE IS REASONABLE?

A No. I believe Spire's requested increase in its Spire East operations are significantly overstated. I have prepared Table GRM-1 below that lists the adjustments proposed by MIEC that would lower the Spire East revenue deficiency.³

Table GRM-1			
<u>Spire Missouri East Revenue Deficiency Adjustments</u>			
<u>Line</u>	<u>Description</u>	<u>Witness</u>	<u>Amount</u> (1)
1	Company Proposed Revenue Deficiency ¹		\$ 141,259,335
	MIEC Adjustments:		
	Rate of Return:		
2	Return on Equity	Walters	\$ (16,759,255)
3	Capital Structure	Walters	\$ (3,243,982)
4	Total Rate of Return Adjustments		\$ (20,003,237)
5	Discrete Plant Adjustments	Meyer	\$ (4,059,531)
6	Discrete Payroll Adjustments	Meyer	\$ (2,430,998)
7	Discrete Call Center Adjustment	Meyer	\$ 132,000
8	Amortization Expense Adjustments	Meyer	\$ (1,263,384)
9	Annualized Customer Adjustment	Meyer	\$ (6,374,403)
10	Total MIEC Proposed Adjustments		\$ (33,999,553)
	MIEC Proposed Revenue Deficiency		
11	(Line 1 + Line 9)		\$ 107,259,782
Source:			
¹ Company Exhibit EAB-MOE1 Revenue Deficiency			

³The total adjustment to Spire West operations is \$39,396,645 and the corresponding MIEC proposed revenue deficiency is \$108,830,152.

1 **III. DISCRETE ADJUSTMENTS**

2 **Q HAVE YOU REVIEWED THE DIRECT TESTIMONY OF SPIRE WITNESS**
3 **ERIC BOUSELLI AS IT RELATES TO DISCRETE ADJUSTMENTS?**

4 **A** Yes, I have.

5 **Q PLEASE DESCRIBE THE DISCRETE ADJUSTMENTS PROPOSED BY SPIRE.**

6 **A** Spire has proposed the following discrete adjustments:

- 7 ➤ Post true-up period plant and associated depreciation expense adjustments;
8 ➤ Post true-up period labor adjustments; and
9 ➤ Reduced operating hours for Spire call center.

10 The discrete adjustments encompass events from the end of the true-up period
11 (May 31, 2025) until the final month before the estimated OLD (October 2025).

12 **Q ARE YOU SUPPORTIVE OF THE DISCRETE ADJUSTMENTS?**

13 **A** No. I recommend that the Commission reject the Company's proposal to include
14 discrete adjustments in the rate case.

15 **Q PLEASE DISCUSS WHY YOU ARE OPPOSED TO THE INCLUSION OF THE**
16 **DISCRETE ADJUSTMENTS.**

17 **A** The discrete adjustments will not allow the parties ample opportunity to audit those
18 events prior to the OLD in this rate case. As I discussed earlier, the Commission
19 approved a Procedural Schedule that allowed for a true-up process to be included in
20 the revenue deficiency calculation. The true-up period will allow all relevant operations
21 of Spire to be included in the cost of service at May 31, 2025. That cutoff for the true-up
22 period was chosen to allow all parties the opportunity to audit those results and present

1 them to the Commission. There is no opportunity in the rate case schedule to expand
2 that true-up cutoff. Furthermore, the current true-up cutoff is approximately five months
3 prior to the OLD in this rate case. A five month regulatory lag is reasonable for this rate
4 case. Finally, in all likelihood, the discrete adjustments associated with plant can be
5 recovered through the Infrastructure System Replacement Surcharge ("ISRS").

6 The discrete adjustments also distort the test year relationship of revenues,
7 expenses and rate base. Discrete adjustments beyond the test year must address all
8 the relevant factors of Spire's operations to guarantee there are no offsetting customer
9 savings. Spire has not addressed all of the relevant factors of Spire's operations to
10 support the discrete adjustments it has proposed.

11 **Q PLEASE DESCRIBE THE DISCRETE ADJUSTMENTS YOU ARE PROPOSING TO**
12 **EXCLUDE FROM COST OF SERVICE FOR THE SPIRE EAST OPERATIONS.**

13 **A I am proposing to disallow the following discrete adjustments:**

- 14 1. Discrete adjustment for additional net plant-in-service beyond the true-up period.⁴
15 2. Discrete adjustment for additional depreciation expense associated with plant
16 additions beyond the true-up period.
17 3. Discrete adjustment for additional labor expense increases that occurred beyond
18 the true-up period.⁵
19 4. Discrete adjustment for reduction in call center hours that occurred beyond the
20 true-up period.⁶

21 These adjustments are shown on Table GRM-1.

⁴My proposed adjustments would reduce revenue requirement for Spire West by \$6,589,692 for discrete plant adjustments.

⁵My proposed adjustments would reduce revenue requirement for Spire West by \$1,869,651 for discrete payroll adjustments.

⁶My proposed adjustments would increase revenue requirement for Spire West by \$108,000 for discrete call center adjustments.

1 No. GR-2022-0179. Mr. Bouselli proposes to collect the regulatory asset over
2 two years.

3 **Q IS SPIRE AUTHORIZED TO TRACK AND COLLECT CHANGES IN PROPERTY**
4 **TAXES IN BETWEEN RATE CASES?**

5 A Yes. Missouri Statute 393.400 allows electrical corporations, gas corporations, sewer
6 corporations, and water corporations to defer to a regulatory asset or liability account
7 any difference in state or local property taxes actually incurred compared to the
8 amounts used to determine the revenue requirement in the corporation's most recently
9 completed rate case.

10 **Q IN THE CURRENT SPIRE RATE CASE, DOES THE PROPERTY TAX TRACKER**
11 **RESULT IN A REGULATORY ASSET OR LIABILITY?**

12 A In the current Spire rate case, the property tax tracker has resulted in a regulatory asset
13 for both Spire East and Spire West operations.

14 **Q DO YOU SUPPORT THE TWO-YEAR AMORTIZATION PERIOD OF THE**
15 **PROPERTY TAX TRACKER?**

16 A No, I would propose that the property tax regulatory asset be collected over three years.
17 This time period is the approximate time in between rate cases and, therefore, matched
18 the property tax tracker period for this rate case. Two years is too short to collect these
19 monies when they have been accumulated over approximately three years.

1 **Q DO YOU HAVE ANY OTHER CONCERNS WITH SPIRE'S PROPOSED**
2 **AMORTIZATION EXPENSES?**

3 A Yes, I have concerns regarding the following amortizations:

- 4 ➤ St. Peters Lateral Asset;
- 5 ➤ Transition Costs Asset; and
- 6 ➤ GU-2020-0376 COVID-19 Regulatory Asset.

7 **Q PLEASE DESCRIBE THE ST. PETERS LATERAL ASSET AND THE TRANSITION**
8 **COSTS ASSET.**

9 A According to the Direct Testimony of Mr. Bouselli at page 17, the St. Peters Lateral
10 Asset and the Transition Costs Asset are regulatory assets expected to be fully
11 amortized by the conclusion of this rate case. The Company is proposing to zero out
12 the amortization expense associated with these regulatory assets.

13 **Q WHAT IS YOUR CONCERN REGARDING THESE TWO AMORTIZATIONS?**

14 A My concern is that the amortization expense is still being collected after the regulatory
15 assets are fully amortized. As shown in the response to the Staff's Data Request
16 Question 0280, the St. Peters Lateral Asset was fully amortized in January 2025 and
17 the Transition Costs Asset was fully amortized in September 2023. Despite these
18 regulatory assets being fully amortized, the expense will still be collected until the rates
19 are updated, in this case at the OLD date.

1 **Q WHAT IS YOUR RECOMMENDATION FOR HANDLING THIS OVER-COLLECTION**
2 **OF REVENUES?**

3 A I recommend using the over-collected revenues from the expiration of the amortization
4 to the OLD date to offset the current Missouri Property Tax Tracker and amortize that
5 balance over three years as discussed previously.

6 **Q WHAT ARE YOUR CONCERNS REGARDING THE GU-2020-0376 COVID-19**
7 **REGULATORY ASSET?**

8 A According to the Direct Testimony of Mr. Bouselli at page 17, the Company is proposing
9 the GU-2020-0376 regulatory asset remaining balance be amortized over two years.

10 **Q WHAT WOULD YOU RECOMMEND FOR THE AMORTIZATION PERIOD?**

11 A I propose using a three-year period to amortize the GU-2020-0376 COVID-19
12 regulatory asset. This period of time is the approximate time in between rate cases.
13 The revenue requirement adjustments for all the aforementioned amortization
14 adjustments are shown in Table GRM-1 for Spire East.⁷

15 **V. REVENUE**

16 **Q HAVE YOU REVIEWED THE COMPANY’S PROPOSED CUSTOMER VARIANCE**
17 **ADJUSTMENT?**

18 A Yes, I have.

⁷The revenue requirement for Spire West is reduced by \$3,100,567 for amortizations of the same concern.

1 **Q PLEASE DESCRIBE SPIRE'S CUSTOMER VARIANCE ADJUSTMENT.**

2 A Spire proposes to reduce Spire East test year Residential revenues by approximately
3 \$4.3 million to normalize the disconnects/reconnects of Residential customers that it
4 contends happened during the test year. Spire proposes that the ongoing level of
5 Residential customers as a result of its disconnect/reconnect analysis is
6 615,125 Residential customers.

7 **Q DO YOU AGREE WITH THE CUSTOMER VARIANCE ADJUSTMENT PROPOSED**
8 **FOR SPIRE EAST OPERATIONS?**

9 A I do not. I recommend that the Commission reject the \$4.3 million customer variance
10 adjustment. I will demonstrate that a positive adjustment for Spire East Residential
11 customer growth should replace the negative revenue adjustment proposed by Spire.

12 **Q PLEASE EXPLAIN THE REASON YOU ARE OPPOSED TO THIS ADJUSTMENT.**

13 A I will demonstrate that the level of Spire East customers used to annualize Residential
14 revenues is too low. My analysis will demonstrate that Spire East Residential customer
15 levels are growing, not declining as the adjustment proposed by Spire would suggest.

16 **Q PLEASE PROVIDE A HISTORICAL ANALYSIS OF SPIRE EAST CUSTOMERS.**

17 A I have prepared Table GRM-2 that shows the monthly level of Spire East customers for
18 the last five years.

Table GRM-2					
<u>Monthly Customer Numbers</u>					
<u>Month</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
	(1)	(2)	(3)	(4)	(5)
January	619,070	623,570	624,768	626,111	627,578
February	619,826	624,540	626,374	626,400	628,208
March	621,348	626,271	627,901	627,309	630,141
April	619,859	625,621	627,560	626,855	628,164
May	620,082	624,380	627,134	626,048	626,898
June	620,474	622,418	623,928	625,046	627,687
July	620,823	619,919	620,029	621,988	627,379
August	618,974	618,612	620,513	621,276	624,783
September	616,628	616,195	618,066	621,053	623,695
October	617,453	616,450	618,117	619,969	622,814
November	619,171	619,094	620,260	622,138	623,807
December	621,913	622,415	623,630	624,567	628,324
Average	619,635	621,624	623,190	624,063	626,623
Source:					
Spire Missouri East Annual Reports					

1 As can be seen from the above Table GRM-2, at no point in time did Spire East
2 report a monthly customer level of 615,125. In fact, the last time Spire East reported a
3 monthly customer level of 615,125 was November 2019. Furthermore, the last time
4 Spire East reported an annual average level of 615,125 customers was Calendar
5 Year ("CY") 2019. As can be seen from Table GRM-2, Spire East is growing its
6 Residential customer base year over year. There simply has not been a decline in
7 customers over the last five years to justify the decreased level of Residential
8 customers proposed by Spire.

1 **Q DO YOU HAVE ANY FURTHER ARGUMENTS TO SHOW THAT THE LEVEL OF**
2 **SPIRE EAST RESIDENTIAL CUSTOMERS IS GROWING YEAR OVER YEAR?**

3 **A Yes, I have analyzed the December level of customers from one year compared to the**
4 **average level of customers for the next year. I have included those results in**
5 **Table GRM-3 below.**

Table GRM-3				
<u>End of Year to Average Customer Numbers</u>				
<u>Year</u>	<u>December</u>	<u>Average of</u>	<u>Diff.</u>	<u>% of</u>
	<u>(1)</u>	<u>Next Year¹</u>	<u>(3)</u>	<u>(4) = (2) / (1)</u>
2019	616,795	619,635	2,840	100.46%
2020	621,913	621,624	(289)	99.95%
2021	622,415	623,190	775	100.12%
2022	623,630	624,063	433	100.07%
2023	624,567	626,623	2,056	100.33%
<hr/>				
Source and Note:				
Spire Missouri East Annual Reports				
¹ Reflects the average of customer numbers for the years of 2020 to 2024.				

6 As can be seen from Table GRM-3 above. The average level of customers in
7 the next year is usually positively correlated by the December level of customers from
8 the preceding year. In other words, the level of customers at December 2024 is a very
9 good indicator of the average level of customers for the 12-months ending 2025. The
10 fact of the matter is the Spire East Residential customer base is growing, not declining
11 as Spire would propose in this rate case.

Greg R. Meyer
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1 **Q PLEASE DESCRIBE THE RESIDENTIAL GROWTH ADJUSTMENT YOU ARE**
2 **PROPOSING FOR THE SPIRE EAST RESIDENTIAL CLASS.**

3 A I propose to use the December 2024 level of Spire East customers to annualize
4 Residential revenues. The December 2024 level of Spire East Residential customers,
5 as reported in Spire's 2024 annual report, is 628,324. Using this level of customers
6 would increase Residential revenues by \$6.372 million.⁸

7 **Q SPIRE IS PROPOSING TO WEATHER-NORMALIZE REVENUES USING A**
8 **TEN-YEAR WEATHER-NORMALIZATION PERIOD. PLEASE COMMENT.**

9 A I am opposed to moving from a thirty-year normalization period for weather-normalizing
10 revenues. The thirty-year period is used to capture different weather patterns over a
11 thirty-year period. A thirty-year period assumes over that period of time, weather will
12 normalize to the values obtained from thirty years of data. Moving to a ten-year
13 weather-normalization period is too short to measure weather tendencies for
14 normalizing weather sensitive customers usage. Furthermore, moving to a ten-year
15 weather-normalization period is a drastic change in weather-normalized revenues. If
16 the Commission is persuaded by Spire's arguments, a more gradual approach to
17 weather-normalization should be adopted, like moving to a twenty-year period. I would
18 note that my revenue adjustment used Spire's weather-normalized usage. If the
19 Commission agrees with my position that thirty years should still be used for
20 normalizing weather usage, then my proposed revenue adjustment would need to be
21 increased.

⁸Revenues for Spire West would be increased by \$8,146,369 for the Residential adjustment details above.

1 **VI. LABOR/PAYROLL EXPENSE**

2 **Q HAVE YOU REVIEWED THE LABOR ADJUSTMENT PROPOSED BY SPIRE FOR**
3 **SPIRE EAST OPERATIONS?**

4 A Yes, I have. Spire proposes to increase Spire East labor expenses by \$12,851,015.
5 This level of payroll includes a discrete labor adjustment of \$2,170,914 that I have
6 previously adjusted and an Annual Incentive Plan adjustment of \$355,724.

7 **Q WHAT WITNESSES ADDRESS LABOR EXPENSE IN THEIR DIRECT**
8 **TESTIMONIES?**

9 A From my review of the direct testimonies, Spire witnesses Mr. Weitzel and Mr. Bouselli
10 address payroll expenses. Spire witness Mr. Weitzel discusses an employee reduction
11 program that Spire initiated during the test year in this rate case. Mr. Weitzel's Direct
12 Testimony states as follows:

13 After reviewing each department and looking at Spire Missouri's cost
14 structure, it was decided to reduce headcount and offer early
15 retirements, focusing on non-union employees. This was an equitable
16 reduction in employment, meaning that some Spire Missouri
17 management and officers were part of the employee reduction. This
18 customer affordability initiative will save tens of millions of dollars in
19 operating costs that will be passed onto customers in the rates proposed
20 in this proceeding.⁹

21 Spire Missouri did not wait to implement this cost reduction after
22 approval of an Order in this rate proceeding, in which case the Company
23 would benefit from those savings until a subsequent rate case. Instead,
24 Spire Missouri implemented the changes in FY 2024, which is the test
25 year proposed for this case. This decision will allow Spire Missouri
26 customers to benefit from this reduction in cost immediately with this
27 case, rather than years down the road.¹⁰

28 Mr. Bouselli discusses the payroll adjustment in the following manner:

29 The payroll related adjustments are summarized in G Adj 8, while the
30 associated adjustments to the Company's employee benefits (including

⁹See the Direct Testimony of Scott A. Weitzel at page 19, lines 14-20.

¹⁰See the Direct Testimony of Scott A. Weitzel at page 20, lines 1-6.

1 the match to employee 401K contributions) and payroll taxes are
2 summarized in G Adj 9 and G Adj 10. The first part of the adjustment
3 annualizes payroll based on actual September 30, 2024, employee
4 levels and pay rates, and includes adjustments for overtime worked
5 based on three-year average overtime percentages and proforma pay
6 rates. A further adjustment recognizes that an additional
7 117 employees are expected to be hired across the Company by the
8 end of the true-up period.¹¹

9 These two testimonies describing the payroll adjustment raise questions. First,
10 if Spire has initiated an employee reduction program in 2024 that will save Spire's
11 customers tens of millions of dollars, why is Spire East's payroll increasing by over
12 \$10 million? Second, why is it necessary to hire 117 additional employees on the eve
13 of initiating an employee reduction program that is intended to save customers millions
14 of dollars? These questions should have been addressed in more detail than provided
15 in the Direct Testimonies of Mr. Weitzel and Mr. Bouselli.

16 **Q DO YOU HAVE OTHER INFORMATION THAT WOULD LEAD YOU TO QUESTION**
17 **THE ANNUALIZATION OF PAYROLL EXPENSES?**

18 **A** Yes. I have compiled Table GRM-4 that shows the historic levels of operating payroll
19 and the annualized level of payroll contained in the Spire East operations.

¹¹See the Direct Testimony of Eric Bouselli at page 18, lines 16-23.

Table GRM-4	
<u>Spire East Operating Payroll</u>	
<u>Year</u>	<u>Amount</u>
2019	\$ 60,517,406
2020	\$ 57,821,574
2021	\$ 60,052,419
2022	\$ 75,978,021
2023	\$ 67,187,832
2024	\$ 67,899,072
Test Year (TY)	\$ 71,083,397
TY Adjusted	\$ 81,763,498
Sources:	
Test Year (YE Sep 30, 2024) and TY Adjusted from Schedule G. The TY Adjusted amount does not include discrete payroll adjustments	
2019 to 2024 from Spire East Annual Reports	

- 1
2
3
4
- Q

DO YOU HAVE A REQUEST OF SPIRE REGARDING THE ANNUALIZATION OF PAYROLL EXPENSES?
- A

Yes. I would request that Spire explain in greater detail why it is necessary to hire 117 additional employees right after initiating a workforce reduction plan.

1 Table GRM-4 above raises similar questions. During the test year in this case,
2 Spire initiated an employee reduction program that would save customers tens of
3 millions of dollars. Why has annualized payroll increased by approximately
4 \$10.7 million? It appears all of the savings from the planned employee reduction
5 program was gobbled up by the hiring of 117 new employees and wage rate increases,
6 resulting in a \$10.7 million increase to test year payroll.

7 It is hard to imagine what level of payroll increases Spire would have sought in
8 this rate case without the employee reduction plan initiated during the test year. These
9 questions need to be addressed before any requested increase in payroll expense is
10 approved.

11 **Q WHAT DO YOU PROPOSE TO ADDRESS THESE PAYROLL INCREASES?**

12 A I will not propose a payroll adjustment in my Direct Testimony. I reserve the right to
13 respond to the payroll issue once Spire has provided more detail concerning its payroll
14 adjustment and the interplay between an employee reduction plan and the hiring of
15 117 additional employees. Furthermore, I will review the testimony and workpapers of
16 the Staff addressing the payroll issue. I reserve the right to address the payroll
17 adjustment once I have reviewed the additional explanations provided by Spire and the
18 Staff. However, I recommend recognizing only employees hired prior to the true-up
19 date.

20 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

21 A Yes, it does.

524704

Qualifications of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q PLEASE STATE YOUR OCCUPATION.**

5 A I am a consultant in the field of public utility regulation and a Senior Principal with the
6 firm of BAI, energy, economic and regulatory consultants.

7 **Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

8 A I graduated from the University of Missouri in 1979 with a Bachelor of Science Degree
9 in Business Administration, with a major in Accounting. Subsequent to graduation I was
10 employed by the Missouri Public Service Commission. I was employed with the
11 Commission from July 1, 1979 until May 31, 2008.

12 I began my employment at the Missouri Public Service Commission as a Junior
13 Auditor. During my employment at the Commission, I was promoted to higher auditing
14 classifications. My final position at the Commission was an Auditor V, which I held for
15 approximately ten years.

16 As an Auditor V, I conducted audits and examinations of the accounts, books,
17 records and reports of jurisdictional utilities. I also aided in the planning of audits and
18 investigations, including staffing decisions, and in the development of staff positions in
19 which the Auditing Department was assigned. I served as Lead Auditor and/or Case
20 Supervisor as assigned. I assisted in the technical training of other auditors, which
21 included the preparation of auditors' workpapers, oral and written testimony.

1 During my career at the Missouri Public Service Commission, I presented
2 testimony in numerous electric, gas, telephone and water and sewer rate cases. In
3 addition, I was involved in cases regarding service territory transfers. In the context of
4 those cases listed above, I presented testimony on all conventional ratemaking
5 principles related to a utility's revenue requirement. During the last three years of my
6 employment with the Commission, I was involved in developing transmission policy for
7 the Southwest Power Pool as a member of the Cost Allocation Working Group.

8 In June of 2008, I joined the firm of Brubaker & Associates, Inc. as a Consultant.
9 Since joining the firm, I have presented testimony and/or testified in the state
10 jurisdictions of Arkansas, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Maryland,
11 Missouri, Montana, New Mexico, Ohio, Utah, Washington, Wisconsin and Wyoming. I
12 have also appeared and presented testimony in Alberta and Nova Scotia, Canada. In
13 addition, I have filed testimony at the Federal Energy Regulatory Commission
14 ("FERC"). These cases involved addressing conventional ratemaking principles
15 focusing on the utility's revenue requirement. The firm Brubaker & Associates, Inc.
16 provides consulting services in the field of energy procurement and public utility
17 regulation to many clients including industrial and institutional customers, some utilities
18 and, on occasion, state regulatory agencies.

19 More specifically, we provide analysis of energy procurement options based on
20 consideration of prices and reliability as related to the needs of the client; prepare rate,
21 feasibility, economic, and cost of service studies relating to energy and utility services;
22 prepare depreciation and feasibility studies relating to utility service; assist in contract
23 negotiations for utility services, and provide technical support to legislative activities.

24 In addition to our main office in St. Louis, the firm also has branch offices in
25 Corpus Christi, Texas; Louisville, Kentucky and Phoenix, Arizona.