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Rate Design**

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Bradley Cebulko

Direct Testimony

Consumer Council

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**CONSUMER COUNCIL OF MISSOURI
DIRECT TESTIMONY**

OF

BRADLEY T. CEBULKO

May 7, 2025

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DIRECT TESTIMONY OF BRADLEY CEBULKO

I. INTRODUCTION

Q. Please state your name, business address and position.

A. My name is Bradley Cebulko. My business address is 2900 E Broadway Blvd, Ste 100 #780 Tucson, AZ 85716. I am a Partner at Current Energy Group.

Q. Please describe your professional experience, educational background, and qualifications.

A. I am a Partner at Current Energy Group (“CEG”), which I co-founded in May 2024. CEG provides consumer advocates, public interest organizations, and public utility commissions with technical, economic, and policy advisory services on gas and electric regulatory issues. At CEG, I lead the team focused on gas utility regulation, which works on a wide array of issues, including cost-of-service modeling, long-term planning, gas utility decarbonization, prudence review, and new regulatory business models. Before founding CEG, I briefly worked for my own sole proprietorship and, before that, was a Senior Manager at Strategen Consulting from 2021 to 2024. Before Strategen, I worked at the Washington Utilities and Transportation Commission (“UTC”) for eight years. From 2013-2016, I was an analyst with the UTC Commission Staff focused on electric and natural gas integrated resource planning (“IRP”), electric and natural gas energy efficiency programs, and new program design and implementation. From 2016-2021, I was an advisor to the UTC Commissioners where I led the Commissioners’ review of general rate cases, led rulemakings, and worked on legislation.

1 I have a master's in public administration from the University of Washington Evans
2 School of Public Policy and Governance, and a Bachelor of Arts in Political Science from
3 Colorado State University.

4 **Q. Have you previously testified before the Missouri Public Service Commission**
5 **(Commission)?**

6 A. No.

7 **Q. Have you testified in regulatory proceedings on utility rates in other states?**

8 A. Yes, I have testified on a range of gas and electric issues before public utility
9 commissions in Illinois, Michigan, Minnesota, Ohio, North Dakota, Massachusetts,
10 Connecticut, New Hampshire, Colorado, Arizona, New Mexico, Oregon, and Washington.

11 **Q. On whose behalf are you appearing?**

12 A. I am presenting testimony on behalf of the Consumers Council of Missouri.

13 **Q. What is the purpose of your testimony in this proceeding?**

14 A. I reviewed and analyzed Spire Missouri Inc.'s ("Spire" or "the Company") Cost of
15 Service Study, revenue apportionment, and residential rate design proposals. I also
16 recommend alternatives to Spire's proposals in these areas.

17 **Q. Have you prepared schedules to accompany your testimony?**

18 A. Yes. I have prepared one Attachment, which is attached to my testimony as Attachment
19 BTC-1.

20 **Q. Please summarize your recommendations to the Commission.**

21 A. My recommendations are as follows:

- In Section II, I recommend that the Commission reject the Company’s proposed Cost of Service Study because the study's methodologies are fundamentally flawed and do not accurately reflect cost causation. In its place, the Commission should adopt the Basic Customer methodology.
- To better reflect cost causation, the Commission should adopt customer class revenue allocations as I propose in Section III below.
- The Commission should reject Spire’s proposal to increase the residential system charge from \$20.00/month to \$24.00/month and leave the customer charge unchanged, for the reasons explained in Section IV below.

II. COST OF SERVICE STUDY

Q. What do you discuss in this section, and why is it important?

A. In this section, I provide an overview of the objectives and background related to Class Cost of Service Study (“CCOS”) models and explain why adopting a Basic Customer methodology for classifying distribution main costs better reflects cost causation than the Company’s minimum system and zero-intercept methods.

Q. What is the total revenue requirement that the Company is seeking?

A. Spire is seeking a gross revenue increase of approximately \$289.5 million.¹ The Company testifies that the primary drivers of its rate increase are its capital expenditures and its request for a higher rate of return.² The Company also testifies that “this filing is primarily designed to allow Spire Missouri to recover its investment in infrastructure and technology,

¹ Yonce Direct, at 3.

² Weitzel Direct, at 6.

update the rate of return, address weather trends, and to shift to a mechanism allowed by statute, which will allow Spire Missouri to earn a return in the face of reduced usage caused by weather conditions and conservation.”³ Spire testifies that the average residential customer’s monthly bill will increase by \$12.76, or 18.20% in Spire East, and \$16.22/month, or 20.90%, in Spire West.⁴

Q. Is the company seeking an equal rate increase from all customer classes?

A. The Company is seeking approximately equal revenue increases from each customer class. In total, the company seeks a 40.8% increase in base revenue across both of its systems, encompassing revenues currently charged through the Infrastructure System Replacement Surcharge (ISRS).

The Company is seeking a slightly a higher revenue increase from residential customer classes, an average increase of 41.1% in base revenue. The Company is seeking a 36.4% and 48.5% increase in residential customer base revenues in Spire East and West, respectively.

Table 1: Spire East Proposed Base Rate Revenue Distribution⁵

	Proposed Revenues	Current Revenues	\$ increase	Percentage Increase
Residential (RS)	\$423,151,035	\$310,302,285	\$112,848,750	36.4%
Small General Services (SGS)	\$51,312,361	\$37,744,042	\$13,568,319	35.9%
Large General Services (LGS)	\$38,888,585	\$28,733,517	\$10,155,069	35.3%
Large Volume (LV)	\$1,041,798	\$801,504	\$240,294	30.0%
Large Volume Transport (LV TS)	\$18,249,834	\$13,846,654	\$4,403,180	31.8%

³ Weitzel Direct at 8.

⁴ Lyons Direct at 5.

⁵ Spire CCOS workpapers (“Spire East COSS and Rate Design_vFinal”).

General (LP)	\$946	\$698	\$249	35.7%
Gas Light (UG)	\$61,153	\$48,986	\$12,167	24.8%
Total Company	\$532,705,712	\$391,477,685	\$141,228,027	36.1%

Table 2: Spire West Proposed Base Rate Revenue Distribution⁶

	Proposed Revenues	Current Revenues	\$ increase	Percentage Increase
Residential (RS)	\$360,829,984	\$243,031,909	117,798,075	48.5%
Small General Services (SGS)	\$41,588,058	\$27,989,883	\$13,598,176	48.6%
Large General Services (LGS)	\$24,108,677	\$16,606,047	\$7,502,630	45.2%
Large Volume (LV)	\$1,560,753	\$1,054,023	\$506,730	48.1%
Large General Transport (LG TS)	\$2,997,399	\$2,028,170	\$969,229	47.8%
Large Volume Transport (LV TS)	\$23,518,957	\$15,848,806	\$7,670,151	48.4%
Unmetered Gas Light (UG)	\$1,086	\$772	\$314	40.7%
Total Company	\$454,605,749	\$306,559,609	\$148,046,140	48.3%

Q. What does the Company testify that its COSS study results show is the customer class rate of return at current base rates as compared to the system rate of return?

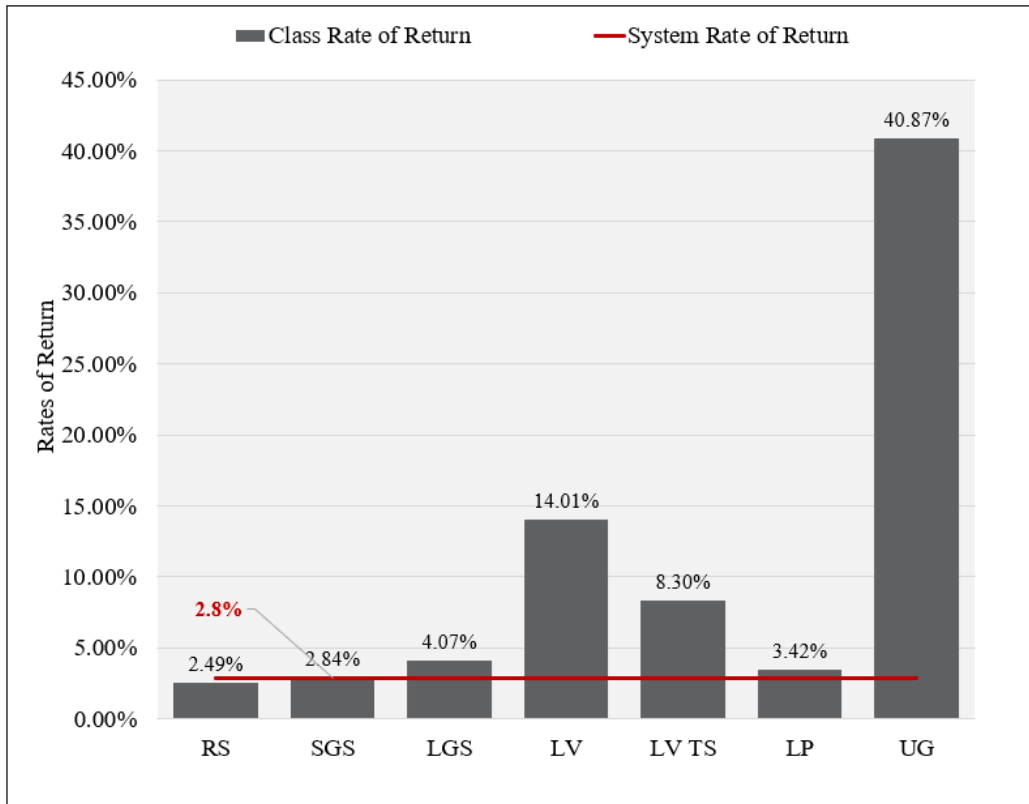
A. For Spire East, the Company testifies that the system average rate of return is 2.8%, and the residential customer class's ROR is 2.49%, below the system average.⁷ For Spire West, the Company testifies that the system average ROR is 2.5%, while the residential customer

⁶ Spire CCOS workpapers ("Spire West COSS and Rate Design_vFinal").

⁷ Lyons Direct at 3, Figure 1.

class's ROR is 2.25%.⁸ Typically, if a customer class's ROR is below the system average, the utility will seek to assign that customer class a greater share of the system average revenue increase.

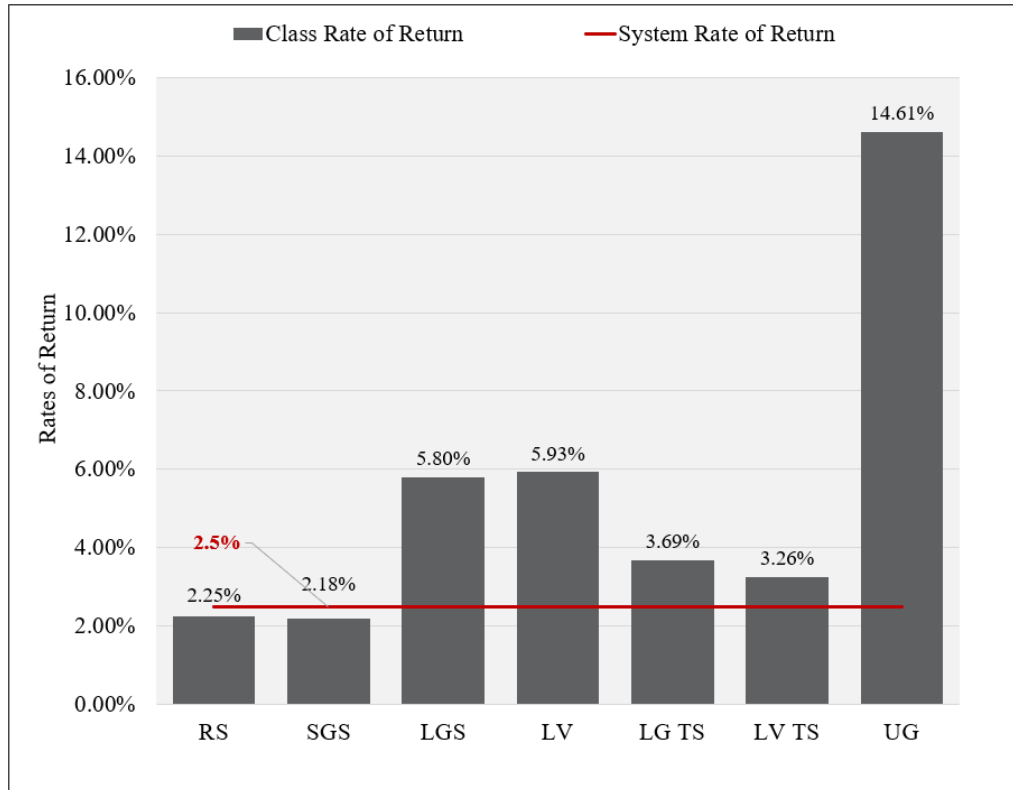
Figure 1: Spire East COSS ROR Results



⁸ Lyons Direct at 4, Figure 2,

1

Figure 2: Spire West COSS ROR Results



2

3 **Q. What is the purpose of a cost of service study (COSS)?**

4 A. The purpose of a COSS is to determine which customer classes caused the utility's
 5 various embedded costs associated with providing service, and then allocate, with as much
 6 detail and accuracy as possible, those costs to the customer classes that caused them.

7 **Q. How should a COSS analysis be used in a rate case?**

8 A. A COSS study is a cost allocation tool and the appropriate starting point for informing
 9 rates. However, it is an imprecise tool. A COSS necessarily requires numerous subjective
 10 determinations in each step of the study that will have significant impacts on the outcomes.
 11 For example, a COSS study must allocate costs that benefit multiple customer classes,
 12 whereby direct assignment is not feasible, such as the Company's buildings, billing software,
 13 and administrative labor.

1 **Q. How is a COSS study performed?**

2 A. A COSS study has three steps. First, costs are sorted into functional categories such as
3 production, storage, transmission, distribution, and general.⁹ Second, costs are classified as
4 either commodity, demand, or customer costs. Finally, the costs are allocated to the various
5 customer classes using allocators related to commodity, demand, or customer characteristics.

6 **Q. Let's walk through each step. First, how are costs separated into functional**
7 **categories, or functionalized?**

8 A. Utilities separate costs into functional categories, or functionalize costs, using the
9 Uniform System of Accounts as designated by the Federal Energy Regulatory Commission
10 (FERC). The utility assigns costs by their functional category. For example, costs associated
11 with replacing a distribution main would be sorted into the distribution function category.
12 The purpose of the functionalization step is to help determine which costs are the joint
13 responsibility of multiple customer classes and which costs can be assigned to a specific
14 customer class.

15 **Q. How are costs then classified in the second step?**

16 A. Costs are classified as a commodity, demand, or customer cost. Commodity costs are
17 those which vary with the amount of gas purchased and are classified based on a customer
18 class's energy (therms) usage.¹⁰

⁹ Gas Distribution Rate Design Manual, Prepared by the NARUC Staff Subcommittee on Gas, June 1989, at 23.

¹⁰ Gas Distribution Rate Design Manual, Prepared by the NARUC Staff Subcommittee on Gas, June 1989, at 23.

1 Demand costs are those that vary with the quantity or size of plant and equipment and are
2 classified based on a customer class's contribution to peak demand within the system.¹¹

3 There are a number of influences that impact demand costs, including the quantity and size of
4 the mains used to construct the distribution system.

5 Finally, customer costs are those required to provide service to customers, regardless of
6 the amount of gas the customer consumes or whether the customer even consumed gas
7 during the rate case's test year. The utility incurs customer costs based on the number of
8 customers.

9 **Q. Finally, how are costs allocated once they have been classified?**

10 A. Costs are allocated to different utility service areas (if applicable) and each customer
11 class based on the class's contribution to that specific cost. Costs are typically allocated using
12 customer, demand, commodity, or revenue allocation factors. An allocation factor is a
13 mathematical formula for distributing costs across the different customer classes based on a
14 specific factor (e.g., demand-related allocation methods) so that all costs are distributed to the
15 customers

16 **Q. What is FERC Account 376, distribution mains?**

17 A. FERC Account 376 is the account used to record utility capital expenditures for
18 distribution mains under the Uniform System of Accounts for gas utilities. The Company
19 testifies that distribution mains are the largest portion of the distribution plant,¹² representing
20 28% and 51% of the net plant for Spire East and Spire West, respectively.¹³

¹¹ Gas Distribution Rate Design Manual, Prepared by the NARUC Staff Subcommittee on Gas, June 1989, at 24.

¹² Lyons Direct at 15:19 – 20.

¹³ Spire CCOS workpapers ("Spire East COSS and Rate Design_vFinal"). Spire CCOS workpapers ("Spire West COSS and Rate Design_vFinal"). Tab "Customer Costs."

1 **Q. What are some different approaches to classifying distribution mains?**

2 A. Mains can be and have been classified using different methodologies across jurisdictions.
3 The minimum system approach uses one of two analyses, the minimum size or zero-
4 intercept, to divide mains into customer and demand-related classifications. In this case,
5 the Company uses an average of the two minimum system methods to develop its
6 classification for distribution mains. Another approach is the basic customer approach,
7 which classifies mains as 100 percent demand-related. Finally, there are various
8 approaches, such as the peak and average and average and excess methods, that are used
9 to classify a portion of mains as demand and commodity related.

10 **Q. Please describe Spire’s approach for classifying distribution mains.**

11 A. The Company classifies distribution mains into customer and demand costs using an
12 average of two methodologies: the minimum system method and the zero intercept method.
13 The result is that Spire classifies distribution main costs as 55.27% demand-related and
14 44.73% as customer-related.¹⁴

15 **Q. What is the Minimum System Method?**

16 A. The minimum system method creates a hypothetical system that assumes that a 2-inch
17 diameter pipe is the minimum infrastructure (or “system”) required to connect each customer
18 regardless of demand. According to Spire’s Minimum System Method, the minimum system
19 hypothetical shows that the “estimated cost of a minimum size main” system is 36.62% and
20 47.88% of total system costs for Spire East and Spire West, respectively.¹⁵

¹⁴ Spire CCOS workpapers (“Spire East COSS and Rate Design_vFinal”).

¹⁵ Lyons Direct at 17:1 – 18.

1 **Q. What is the Zero-Intercept Method?**

2 A. According to the National Association of Regulatory Utility Commissioners (NARUC)
3 Gas Distribution Rate Design Manual (henceforth, the NARUC Gas Manual), the minimum
4 system approach “assumes that there is a zero or minimum size main necessary to connect
5 the customer to the system and thus affords the customer an opportunity to take service if he
6 so desires.”¹⁶ In other words, the zero-intercept approach determines the costs to connect a
7 customer to a zero-capacity system and classifies the remaining costs as customer costs. The
8 Company testifies that the method is based on a “regression analysis that examines the
9 relationship between distribution main sizes and their average costs. The regression analysis
10 produces an intercept that represents the average cost of a theoretical zero-inch distribution
11 main, or a distribution main that serves no demand. Zero-inch main costs are classified as
12 customer-related, while costs in excess of the zero-inch main costs are classified as demand-
13 related.”¹⁷

14 **Q. Do you support the use of the minimum system and zero-intercept methods for**
15 **classifying distribution mains?**

16 A. No, principally because these methods do not accurately reflect cost-causation, which is
17 the goal of a COSS. Both methodologies are based on a hypothetical counterfactual gas
18 system that would be built if the customers being connected did not have any demand for
19 gas. The problem with this hypothetical is that society would never build a sprawling multi-
20 billion-dollar natural gas system if there were no demand. It is customer demand, not the
21 number of customers, that determines how the gas delivery system is designed. Distribution

¹⁶ National Association of Regulatory Utility Commissioners, *Gas Distribution Rate Design Manual*, at 22.

¹⁷ Lyons Direct at 18:4 -8.

1 mains are installed to meet the peak demand of customers. If a new customer connects to the
2 system, the company does not build another main or increase the size of the existing main.
3 The minimum system and zero-intercept methods allocate costs as if the addition of a new
4 customer triggers additional distribution main costs.

5 The zero-intercept method also requires many subjective assumptions and inputs, such as
6 how and what data is used in the model, that can have a major impact on the results. As a
7 result, it is easy for the author of the study to manipulate the method and the analysis until
8 the company obtains a desired result.

9 **Q. You mentioned that Spire’s approach allocates a portion of the distribution main**
10 **costs as “customer-related.” What are customer-related costs?**

11 A. According to the NARUC Gas Manual, customer costs are those operating capital costs
12 found to vary directly with the number of customers served rather than with the amount of
13 utility service supplied.¹⁸ The NARUC Gas Manual identifies metering, reading, billing,
14 collecting, and accounting as costs that can be considered “customer costs.”¹⁹ The common
15 thread of each of these costs is that the addition of an incremental customer triggers direct
16 costs to the utility. As I said, adding an incremental customer to the gas system does not
17 require the utility to add more distribution main. The NARUC Gas Manual labels the practice
18 of assigning a portion of the costs associated with distribution system to customer costs (as
19 done in the Minimum System Study conducted by Spire) as “controversial.”²⁰

¹⁸ National Association of Regulatory Utility Commissioners, *Gas Distribution Rate Design Manual*, at 22.

¹⁹ Calculated using U.S. Energy Information Administration, Natural Gas, Number of Natural Gas Consumers. Available at:

https://www.eia.gov/dnav/ng/ng_cons_num_a_EPG0_VN3_Count_a.htm

²⁰ Gas Distribution Rate Design Manual, Prepared by the NARUC Staff Subcommittee on Gas, June 1989, at 22.

1 **Q. The Company testifies that the NARUC Gas Manual recognizes both the minimum**
2 **system and zero intercept methodologies. Does recognition that utilities use these**
3 **two methods mean that they are the correct methodologies to use?**

4 A. No, it does not. The NARUC Gas Manual identifies the methodologies that are used
5 across the country. Recognizing that a method is used does not inherently mean that the
6 method is reasonable. In fact, the NARUC Gas Manual recognizes that classifying a portion
7 of the distribution system costs as customer-related costs “can be controversial.”²¹ It is
8 controversial because customer costs are those operating capital costs that vary directly with
9 the number of customers rather than with the amount of utility service that is supplied.²² The
10 NARUC Gas Manual identifies metering, reading, billing, collecting, and accounting as costs
11 that can be considered “customer costs.”²³

12 **Q. Does the utility have an economic incentive to over-classify costs as customer-related**
13 **rather than demand-related?**

14 A. Yes. By overclassifying costs as customer-related, the COSS will shift relatively more
15 costs onto residential customers. Residential customers’ demand is generally considered to be
16 more inelastic compared to commercial and industrial customer demand, which is more
17 likely to be affected by economic conditions. All else equal, residential customers are more
18 numerous, stable, and lower risk because they produce a consistent revenue stream than the
19 other customer classes.

²¹ National Association of Regulatory Utility Commissioners, *Gas Distribution Rate Design Manual*, at 23.

²² National Association of Regulatory Utility Commissioners, *Gas Distribution Rate Design Manual*, at 22.

²³ National Association of Regulatory Utility Commissioners, *Gas Distribution Rate Design Manual*, at 22.

1 **Q. Earlier, you identified another approach for classifying distribution mains, the**
2 **Basic Customer method. What is the Basic Customer method?**

3 A. The Basic Customer method classifies only customer-specific plant as customer-related,
4 and the entire shared distribution network as demand- or energy-related.²⁴ In this case, I am
5 recommending that the Commission adopt a COSS that classifies distribution mains, FERC
6 Account 376, as 100% demand-related.

7 **Q. Will you please expand upon why you support the Basic Customer method?**

8 A. Yes. There are three primary reasons why I find it more reasonable to classify the
9 distribution system as 100% demand related. First, the distribution system equipment is not
10 designed and will not be installed if it is incapable of serving peak demand reliably and
11 safely. This fact indicates that the cost of distribution equipment is caused by the requirement
12 to meet system peak demand. That is, the distribution mains are designed to meet peak
13 demand of customers downstream of the distribution main, and, from an economic
14 perspective, demand reflects how the system is utilized by customers.

15 A second, similar explanation is that demand costs are the fixed costs that the utility
16 incurs to be ready to provide service. According to the late regulatory economist Alfred
17 Kahn, demand costs are those caused by “the utility’s readiness to serve on demand. This
18 readiness to serve is made possible by the installation of *capacity* . . . the fixed, capital costs.
19 . . . And the proper measure of that responsibility is the proportionate share of each customer
20 in the total demand placed on the system at its peak.”²⁵ It is the customer’s demand that

²⁴ Lazar, J. et al, “Electric Cost Allocation for a New Era, A Manual.” Regulatory Assistance Project. January 2020, at 146.

²⁵ Alfred E. Kahn, *The Economics of Regulation: Principles and Institutions* 95 (1988) Vol. I.

causes the fixed costs on the distribution system and not the numerical addition of that customer to the system.

Finally, a COSS method that allocates distribution mains by customer class demand better aligns with James Bonbright’s regulatory ratemaking principles including fairness of apportionment of costs, avoidance of undue discrimination in rate relationships, and keeping regulation practical, simple, and understandable.²⁶

For those reasons, I recommend that utilities and commissions adopt a COSS methodology, such as the Basic Customer method, which allocates distribution main costs based on a customer class’s demand, rather than the number of customers.

Q. What are the customer class ROR results when classifying distribution main costs as 100 percent demand related?

A. Tables 3 and 4 show the class rate of return for Spire East and Spire West, respectively, using the Basic Customer method. Using the Basic Customer method, residential customers are earning a higher rate of return than the system average.

Table 3: Spire East Customer Class ROR using Basic Customer Method

Customer Class	Class ROR	System ROR	Unitized Return
RS	3.12%	2.82%	1.10
SGS	1.92%	2.82%	0.68
LGS	1.34%	2.82%	0.47
LV	8.14%	2.82%	2.89

²⁶ Lazar, J. (et al.). Regulatory Assistance Project. Electric Cost Allocation for a New Era: A Manual. January 2020. Available at: <https://lpdd.org/wp-content/uploads/2020/04/rap-lazar-chernick-marcus-lebel-electric-cost-allocation-new-era-2020-january.pdf>. James C. Bonbright is the author of “Principles of Public Utility Rates,” the preeminent explanation of public utility pricing and ratemaking theories. Bonbright, J. et al. “Principles of Public Utility Rates” Columbia University Press, New York. 1961.

LV TS	3.11%	2.82%	1.10
LP	2.32%	2.82%	0.82
UG	64.35%	2.82%	22.81

Table 4: Spire West Customer Class ROR using Basic Customer Method

Customer Class	Class ROR	System ROR	Unitized Return
RS	3.15%	2.50%	1.26
SGS	1.22%	2.50%	0.49
LGS	2.16%	2.50%	0.86
LV	1.73%	2.50%	0.69
LG TS	0.53%	2.50%	0.21
LV TS	0.05%	2.50%	0.02
UG	1163.08%	2.50%	465.23

III. REVENUE ALLOCATION

Q. What is Spire’s proposed increase in base revenue to each customer class?

A. The company’s proposed increase in base revenue by customer class for Spire East and West are shown in Tables 5 and 6, respectively.

Table 5: Spire East Proposed Base Rate Revenue Distribution²⁷

	Proposed Revenues	Current Revenues	\$ increase	Percentage Increase
Residential (RS)	\$423,151,035	\$310,302,285	\$112,848,750	36.4%
Small General Services (SGS)	\$51,312,361	\$37,744,042	\$13,568,319	\$35.9%
Large General Services (LGS)	\$38,888,585	\$28,733,517	\$10,155,069	35.3%
Large Volume (LV)	\$1,041,798	\$801,504	\$240,294	30.0%

²⁷ Spire CCOS workpapers (“Spire West COSS and Rate Design_vFinal”).

Large Volume Transport (LV TS)	\$18,249,834	\$13,846,654	\$4,403,180	31.8%
General (LP)	\$946	\$698	\$249	35.7%
Gas Light (UG)	\$61,153	\$48,986	\$12,167	24.8%
Spire East System	\$532,705,712	\$391,477,685	\$141,228,027	36.1%

Table 6: Spire West Proposed Base Rate Revenue Distribution²⁸

	Proposed Revenues	Current Revenues	\$ increase	Percentage Increase
Residential (RS)	\$360,829,984	\$243,031,909	117,798,075	48.5%
Small General Services (SGS)	\$41,588,058	\$27,989,883	\$13,598,176	48.6%
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Large Volume (LV)	\$1,560,753	\$1,054,023	\$506,730	48.1%
Large General Transport (LG TS)	\$2,997,399	\$2,028,170	\$969,229	47.8%
Large Volume Transport (LV TS)	\$23,518,957	\$15,848,806	\$7,670,151	48.4%
Unmetered Gas Light (UG)	\$1,086	\$772	\$314	40.7%
Spire West System	\$454,605,749	\$306,559,609	\$148,046,140	48.3%

Q. Is Spire’s proposed revenue apportionment fair?

A. No. To develop its revenue apportionment, the Company set revenue targets for each rate class that reflect in aggregate a movement toward the system ROR based on the results of its COSS.²⁹ My concern is that Spire’s COSS is flawed and, as a result, over-allocates costs to certain classes, particularly the residential customer class.

Q. Please explain your revenue apportionment approach.

A. I started with the results of my COSS as a guide for rate allocation. When allocating revenue, I applied commonly accepted rate allocation principles of gradualism, stability and predictability, and fairness. First, I calculated each customer class’s unitized return as shown

²⁸ Spire CCOS workpapers (“Spire East COSS and Rate Design_vFinal”).

²⁹ Lyons Direct at 25.

in Tables 1 and 2 above. To calculate the unitized return, I divided each customer class's ROR by the system ROR. Generally speaking, I consider parity ratios greater or less than 10% of parity (e.g., 0.9 – 1.1) to reflect cost parity.

For Spire East, I propose to (1) allocate customer classes with a unitized return greater than 1.1 at 0.75 times the system increase, (2) allocate customer classes greater or less than 10% of parity (i.e. 0.9 – 1.1) approximately the system average, (3) allocate customer classes with unitized return less than 0.9, but greater than 0.6, at 1.01 times the system increase, and (4) allocate customer classes with a unitized return less than 0.6 times at 1.03 times the system increase.

For Spire West, I propose to (1) allocate customer classes with a unitized return greater than 1.1 at 0.9 times the system increase, (2) allocate customer classes with a unitized return less than 0.9, but greater than 0.6, at 1.25 times the system increase, and (3) allocate customer classes with a unitized return less than 0.6 times at 1.435 times the system increase.

If the Commission authorizes a revenue increase less than Spire's requested increase, I recommend that the Commission scale back my recommended customer class increases proportionate to the Commission's decrease of Spire's request.

Table 7: CEG Proposed Spire East Proposed Base Rate Revenue Distribution³⁰

	Current Revenues	Revenue Increase	Percentage Increase
Residential (RS)	\$316,693,292	\$111,625,747	35.2%
Small General Services (SGS)	\$38,490,151	\$13,746,384	35.7%
Large General Services (LGS)	\$29,334,713	\$10,684,066	36.4%
Large Volume (LV)	\$828,382	\$219,690	26.5%
Large Volume Transport (LV TS)	\$14,087,611	\$4,965,499	35.2%
General (LP)	\$711	\$254	35.7%
Gas Light (UG)	\$49,399	\$13,101	26.5%

³⁰ Cebulko workpapers

Spire East System	\$399,484,260	\$141,259,335	35.4%
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Table 8: CEG Proposed Spire West Proposed Base Rate Revenue Distribution³¹

	Current Revenues	Revenue increase	Percentage Increase
Residential (RS)	\$248,044,286	\$105,786,716	42.6%
Small General Services (SGS)	\$28,504,579	\$19,383,220	68%
Large General Services (LGS)	\$16,939,483	\$10,033,895	59.2%
Large Volume (LV)	\$1,096,623	\$649,571	59.2%
Large General Transport (LG TS)	\$2,068,437	\$1,406,545	68%
Large Volume Transport (LV TS)	\$16,146,224	\$10,979,493	68%
Unmetered Gas Light (UG)	\$787	\$335	42.6%
Spire West System	\$312,800,420	\$148,226,797	47.4%

IV. RESIDENTIAL SYSTEM CHARGE

Q. What is the purpose of this section?

A. In this section, I address the Company's proposed increase to the residential system charge.

Q. Does Spire propose to increase the residential system charge?

A. Yes. For both Spire East and Spire West, the company proposes to increase the residential system charge from \$20.00/month to \$24.00/month, a 20 percent increase.

Q. What is the Spire's rationale for increasing the residential system charge?

A. The Company provides minimal justification. The Company testifies that the "proposed increases in the customer charge that were informed by underlying customer costs,

³¹ Cebulko workpapers

1 moderated to address the impact on low-use customers.”³² As an example, the Company
2 testifies that the fully allocated residential customer cost for Spire East is \$50.09/month, but
3 the Company is only proposing to increase the residential charge 20% to \$24.00/month.

4 **Q. Does the Company propose to increase its customer charge to a level that is reflected**
5 **in nearby states?**

6 A. No. Based on a review of major gas utilities in nearby states, the Company’s proposal to
7 increase its customer charge from \$20.00/month to \$24.00/month would result in a customer
8 charge that is higher than in most neighboring states, and the second highest customer charge
9 in the Midwest except for Ohio gas utilities.

10 *Table 9: Comparison of Residential Customer Charges from Neighboring States*

State	Utility	Customer Charge (\$/month)
Indiana	Citizens Gas – Non-heating	\$8.87
Indiana	Citizens Gas – Heating	\$11.83
Indiana	NIPSCO	\$16.50
Iowa	Alliant Energy	\$13
Iowa	Black Hills Energy	\$21.35
Iowa	MidAmerican Energy Company	\$10
Michigan	Consumers Energy	\$15
Michigan	DTE	\$14.50
Michigan	Xcel Energy	\$12
Minnesota	CenterPoint Energy	\$9.50
Minnesota	MERC	\$9.50
Minnesota	Xcel Energy	\$9
Missouri	Ameren Corporation	\$15
Missouri	Liberty Utilities – Northeast/West	\$28.75
Missouri	Liberty Utilities – Southeast	\$19.25
Missouri	Spire Energy	\$20
Ohio	Columbia Gas	\$39.31
Ohio	Duke Energy	\$43.29
Ohio	Vectren Energy	\$32.92
Pennsylvania	Columbia Gas	\$17.25

³² Lyons Direct at 27.

Pennsylvania	PECO	\$15.70
Pennsylvania	Peoples Gas	\$16.80
Pennsylvania	Philadelphia Gas Works	\$16.25
Pennsylvania	UGI	\$15
Wisconsin	Madison Gas and Electric Company	\$18
Wisconsin	Wisconsin Gas	\$10.04
Wisconsin	Wisconsin Public Service Corporation	\$17

Q. Do you agree with Spire’s proposal to increase its residential system charge?

A. No. I recommend that the Commission reject the Company’s proposal for three reasons.

1. A high customer charge discourages the efficient use of the gas system,
2. Increasing the customer charge shifts costs from high usage customers to low usage customers, the latter of which is more likely to be low-income, and
3. A 20% increase to the customer charge violates the regulatory principle of gradualism.

Q. Do residential customer advocates who participate in public utility commission proceedings recommend lower customer charges as best practice?

A. Yes. In my experience, consumer advocates, such as the National Association of State Utility Advocates, generally oppose increases to fixed charges because high fixed charges disproportionately and inequitably increase the rates of low-usage customers, a group that often includes low-income, elderly and minority customers.³³ Furthermore, a higher customer charge discourages the efficient use of the system relative to a lower customer charge, all else equal.

³³ NASCUA. “Resolution 2015-1: Urging State to Reject Electric and Natural Gas Residential Customer Charges and Minimum Bills that Extend Utility Costs,” November 10, 2015, Available at: <https://www.nasuca.org/customer-charge-resolution-2015-1/>.

1 **Q. Please explain why a higher customer charge discourages the efficient use of the gas**
2 **system.**

3 A. A customer pays the same residential system charge every month regardless of how many
4 therms of gas the customer uses. By shifting more of the costs out of the variable charge and
5 into the residential system charge, the customer has less ability to control their bill through
6 energy efficiency and conservation. Thus, a high residential system charge reduces a
7 customer's financial incentive to control their energy usage and invest in energy efficiency.
8 There is an elasticity of demand for energy services, even for residential customers, and
9 customers generally respond rationally to price signals. The less it matters how much energy
10 a customer uses, the more likely that customer is to use more energy and thereby contribute
11 to triggering additional capital and operational expenditures upon the system.

12 **Q. Do high customer charges shift costs from high-usage customers onto low-usage**
13 **customers?**

14 A. Yes. A high customer charge shifts costs from high-usage customers to low-usage
15 customers. A customer's bill is principally comprised of two components: a fixed, monthly
16 charge and a variable charge. Each customer in a customer class pays the same monthly
17 system charge regardless of how much the individual customer uses the system. The variable
18 charge, on the other hand, is applied to a customer's usage, so the more the customer uses,
19 the more that customer contributes to the system costs. When costs are shifted from the
20 variable charge to the system charge, more of the costs of the system are collected through
21 the system charge. The residential system charge comprises a relatively larger portion of the
22 total customer bill for lower usage customers than it does for higher usage customers. Thus,

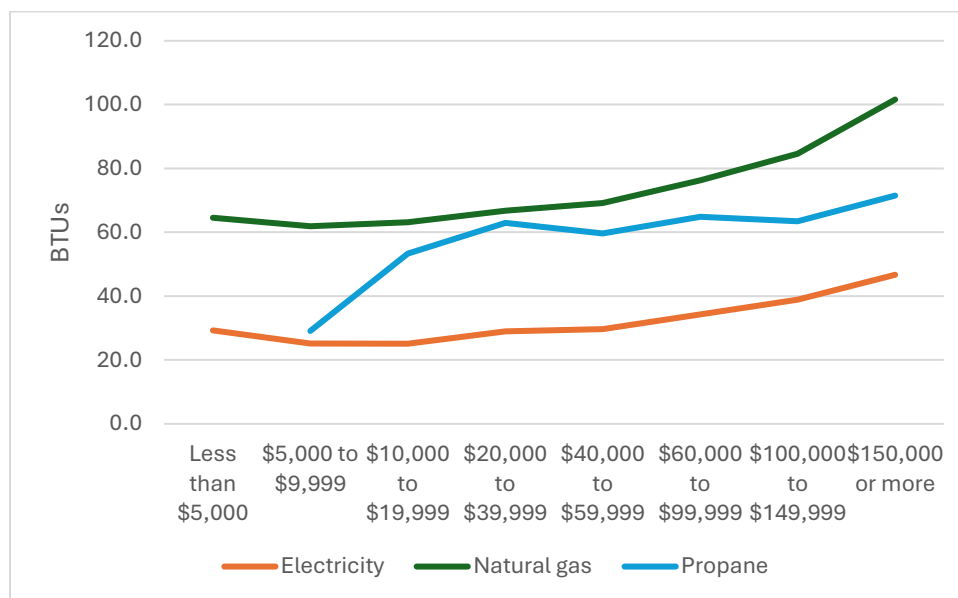
1 shifting costs from the variable charge into the residential system charge shifts costs from
2 high-usage customers to lower-usage customers.

3 Moreover, usage is often correlated with income. All else equal, lower income residents
4 are more likely to be lower usage customers as well. When this is true, high fixed charges
5 shift costs onto lower incomes residential customers.

6 **Q. Do you have any data that supports your claim that low-income customers are more**
7 **likely to be lower usage customers?**

8 A. Yes. The US Energy Information Administration (“EIA”) publishes energy use data
9 through its Residential Energy Consumption Survey (“RECS”), including annual household
10 consumption by household income. According to the RECS data released in March 2024,
11 there is a clear and consistent correlation between income and energy usage across the
12 Midwest census region, which includes Missouri, as shown in Figure 3 below. The data show
13 that, on average, lower-income households use less energy, including natural gas, than
14 higher-income households.

Figure 3: EIA Average Annual Household Site Fuel Consumption in the Midwest, 2020³⁴



Q. Why does a 20% increase violate the regulatory principle of gradualism?

A. The Commission should recognize the regulatory principle of gradualism, in which adjustments to rates, policies, or other adjustments are incremental rather than abrupt. A 20% increase to the residential customer charge is an abrupt increase, particularly to a customer on a fixed income.

Q. Does this conclude your direct testimony at this time?

A. Yes.

³⁴ U.S. Energy Information Administration, *2020 Residential Energy Consumption Survey: Table CE2.3 Fuel consumption in the Midwest. – Totals and Averages*. March 2024. Available at: <https://www.eia.gov/consumption/residential/data/2020/c&e/xls/ce2.3.xlsx>

Brad Cebulko

Partner, (317) 519-3165, bcebulko@currentenergy.group

Education

Master of Public Administration

University of Washington - Seattle, WA (2012)

Bachelor of Arts Political Science

Colorado State University – Fort Collins, CO (2006)

Work Experience

Founding Partner, Current Energy Group, (May 2024 – Present)

- Works with consumer advocates and public interest organizations on gas and electric regulatory issues before state public utility commissions.

Founder, CEB Energy Consulting, (March 2024 – May 2024)

- Worked with consumer advocates and public interest organizations on gas and electric regulatory issues before state public utility commissions.

Senior Manager, Strategen Consulting, (2021 – March 2024)

- Led Strategen's gas transition practice, which included regulatory and legislative strategy, prudence reviews, and gas infrastructure planning.
- Worked with state regulatory commissions, consumer advocates, non-profits, and other clients to advance the public interest in regulatory decision-making.
- Developed testimony, comments, reports, and analysis on a subject matter including gas utility decarbonization strategies, performance-based regulation, electric and gas resource planning, fuel costs, energy efficiency, and low-income ratepayer issues.

Senior Policy Advisor for Energy Strategy, Washington Utilities and Transportation Commission (2016 – 2021)

- Advised the Commissioners on electric and gas utility regulation and legislation.
- Led major Commission policy initiatives through Commission orders, policy statements, and rulemakings, including developing rules for the Clean Energy Transformation Act.
- Chair of the Staff Subcommittee on International Relations at NARUC.

Regulatory Analyst, Washington Utilities and Transportation Commission (2013 – 2016)

- Testified before the commission in suspended utility filings and general rate case proceedings.
- Led Commission Staff's review of electric and natural gas utility energy efficiency filings.
- Led Commission Staff's review of natural gas integrated resource plans.

Expert Testimony

Saturn Utilities HoldCo, LLC Proposed Acquisition of New Mexico Gas Company (DKT: 24-00266-UT) on Behalf of Western Resource Advocates*Direct Testimony*

Filed direct testimony examining the benefits and risks to customers of the proposed acquisition of New Mexico Gas Company by a private equity firm.

Public Service Company of New Hampshire 2024 Rate Case (DKT: DE 24-070) on Behalf of AARP*Direct Testimony*

Filed direct testimony on issues related to the Company's cost of service study, revenue allocation, residential rate design, and a newly proposed K-Bar capital investment mechanism as part of the Company's multi-year rate plan.

[Case Details](#) | [Testimony](#)

Duke Energy Ohio 2024 Electric Security Plan (DKT: 24-278-EL-SSO) on Behalf of the Environmental Law & Policy Center and the Ohio Environmental Council*Testimony Modifying Settlement Stipulation*

Filed testimony recommending modification of the multi-party settlement stipulation recommending the Ohio commission include the demand-side management (DSM) programs and budget that were originally included in the Company's Application and Direct Testimony

[Case Details](#) | [Testimony](#)

Columbia Gas of Maryland 2024 Natural Gas Rate Increase (DKT: 9754) on Behalf of the Office of People's Counsel*Direct*

Filed direct testimony on issues related to the Company's cost of service study, revenue allocation, and residential rate design.

[Case Details](#) | [Direct Testimony](#)

Northern State Power Company North Dakota 2024 Natural Gas Rate Increase Application (DKT: 23-367) on Behalf of AARP

Direct and Settlement Testimony

Filed direct and settlement testimony on issues related to the Company's cost of service study and residential rate design. The settlement reduced the Company's proposed revenue requirement increase to residential customers by 28% and the residential customer charge was not increased over present rates.

[Case Details](#) | [Direct Testimony](#) | [Settlement Testimony](#)

Montana-Dakota Utilities Co. North Dakota 2023 Natural Gas Rate Increase Application (DKT: 23-341) on Behalf of AARP

Settlement Testimony

Filed settlement testimony in support of an all-party agreement with a focus on the Company's cost of service study, residential rate design, and integration of Wahepton residential customers into MDU's tariffs. The settlement reduced the Company's proposed revenue requirement increase to residential by 18% and the residential customer charge was not increased over present rates.

[Case Details](#) | [Settlement Testimony](#)

Puget Sound Energy 2024 General Rate Case (DKT: UE-240004 & UG-240005) on Behalf of the Joint Environmental Advocates

Response and Cross Answering Testimony

Filed testimony assessing PSE's 2023 Decarbonization Study Update, building electrification pilots, gas plant capital investment plan, and the role of differentiating the return on equity for certain investments to incentivize the utility to achieve its decarbonization goals.

[Case Details](#) | [Response Testimony](#) | [Cross-Answering Testimony](#)

Enbridge Gas Inc. 2024 to 2028 Rates Application (DKT: EB-2024-0111) on Behalf of Environmental Defence, Ontario Canada

Evidentiary Report

Co-authored report on incentive ratemaking for capital cost containment and energy transition risk reduction. The report discussed differentiated return on equity, revenue

decoupling, efficiency carryover mechanisms, CIACs, gas supply risk sharing, and nonpipeline alternative incentives.

[Case Details](#) | [Report](#)

DTE Gas Company 2024 Rate Case (DKT: U-21291) on Behalf of The Ecology Center, The Environmental Law & Policy Center, Union of Concerned Scientists, and Vote Solar
Direct and Rebuttal Testimony

Filed testimony examining the Company long-term capital investment strategy, proposal to end demand response pilots, and the benefits of customer mapping to ensure equitable gas service.

[Case Details](#) | [Direct Testimony](#) | [Rebuttal Testimony](#)

Northwest Natural Gas Company 2024 General Rate Case (DKT: UG 490) on Behalf of Communities of Color, Climate Solutions, Verde, Columbia Riverkeeper, Oregon Environmental Council, Community Energy Project, and Sierra Club
Direct Testimony

Filed testimony recommending the Commission reject the Company's proposed line extension allowance modifications, disallow imprudent expenditures related to the line extension program, and reject the Company's proposal to increase the customer charge for new customers by more than 250 percent.

[Case Details](#) | [Direct Testimony](#)

Southern Connecticut Natural Gas Company and Connecticut Natural Gas Company 2024 Rate Case (DKT: 23-11-02) on Behalf of Sierra Club and Conservation Law Foundation
Direct and Rebuttal Testimony

Filed testimony examining the Companies capital investments plans and decarbonization programs.

[Case Details](#) | [Direct Testimony](#) | [Rebuttal Testimony](#)

Public Service Company of Colorado 2024-2028 Clean Heat Plan (DKT: 23A-0392EG) on Behalf Western Resource Advocates and Rewiring America (2024)
Testimony and Report

Filed a report and testimony examining the review the utility's capital investment plan, assessed the benefits of zonal electrification, assessed the capital and operation &

maintenance (O&M) costs for blending hydrogen into the distribution system, and assessed the reasonableness of the Company's synthetic natural gas (SNG) assumptions.

PacifiCorp 2023 Washington General Rate Case (DKT: UE-230172) on Behalf of The Energy Project (2023)

Response Testimony

Filed testimony on the Company's proposed electric performance metrics. Proposed a more comprehensive portfolio of metrics that measures the utility's performance to provide affordable, clean, equitable, and reliable power.

[Case Details](#) | [Direct Testimony](#)

Northern Illinois Gas Company Proposed General Increase in Rates and Revisions to Other Terms and Conditions of Service (DKT: 23-0066) on Behalf of Environmental Law & Policy Center, Environmental Defense Fund, Natural Resources Defense Council, and Illinois State Public Interest Research Group, Inc (2023)

Direct and Rebuttal Testimony

Filed testimony on capital expenditures, line extension allowances, non-pipeline alternatives, gas system planning, performance metrics, and residential rate design.

[Case Details](#) | [Direct Testimony](#) | [Rebuttal Testimony](#)

The Peoples Gas Light and Coke Company 2023 Proposed General Increase in Rates and Revisions to Other Terms and Conditions of Service (DKT: 23-0068 and 23-0069) on Behalf of Environmental Law & Policy Center, Environmental Defense Fund, Natural Resources Defense Council, and Illinois State Public Interest Research Group, Inc. (2023)

Direct and Rebuttal testimony

Filed testimony on capital expenditures, line extension allowances, non-pipeline alternatives, gas system planning, performance metrics, and residential rate design.

[Case Details](#) | [Direct Testimony](#) | [Rebuttal Testimony](#)

Avista 2023 Oregon Gas General Rate Case (DKT: UG-461) on Behalf of Sierra Club and Climate Solutions (2023)

Direct Testimony

Filed testimony on Avista's compliance plan for meeting Climate Protection Program compliance, non- pipeline alternatives, and line extension policy. Through settlement, Avista agreed to initiate non- pipeline alternative analysis in its integrated resource plan, phase out its line extension allowance policy by 2027, and delay seeking recovery of Climate Investment Cost Recovery.

[Case Details](#) | [Direct Testimony](#) | [Final Order](#)

Puget Sound Energy 2022 Electric and Gas General Rate Case (DKT: UE-220066, UG-220067, and UG- 210918) On Behalf of The Energy Project (2022)*Response Testimony*

Filed testimony on Gas and Electric Performance Metrics and Electric Time-of-Use Rate Pilot. Through settlement, PSE agreed to modify its Time of Use pilot and track performance metrics that closely aligned with The Energy Project's proposals

[Case Details](#) | [Response Testimony](#) | [Settlement Testimony](#)

Liberty Utilities RNG Program (DKT 22-32) On Behalf of Sierra Club (2022)*Direct Testimony*

Filed testimony recommending the Massachusetts Department of Public Utilities reject Liberty's proposed Voluntary Renewable Natural Gas Program because it was costly, and the Company's proposal would have double counted the environmental attributes of the project. The Department of Public Utilities largely relied on Sierra Club's testimony when it rejected the Company's proposed RNG program.

[Case Details](#) | [Direct](#)

PacifiCorp 2022 General Rate Case (DKT UE 399) On Behalf of Vitesse LLC (2022)*Direct and Rebuttal Testimony*

Filed testimony on behalf of Vitesse LLC, a wholly owned subsidiary of Meta, on the proposed design of PacifiCorp's voluntary green tariff program for large customers. The Oregon PUC approved a multi-party settlement that made several revisions to the program based on my testimony.

[Case Details](#) | [Direct](#) | [Rebuttal](#)

Consumers Energy 2022 Natural Gas General Rate Case (DKT U-21148) On Behalf of Michigan Environmental Council, NRDC, and Sierra Club (2022)*Direct Testimony*

Direct testimony on Company's proposal to build and operate a RNG facility, and the Company's line extension allowance policy. Through settlement, the Company agreed not to seek recovery of the RNG facility and to update the utility's line extension allowance assumptions.

[Case Details](#) | [Direct](#)

Xcel Energy, Minnesota Energy Resources Corp, CenterPoint Energy (DKT: 21-138) On Behalf of Minnesota CUB (2021 – 2022)*Direct and Rebuttal Testimony*

Filed direct and rebuttal testimony on the prudence of the three gas utilities extraordinary gas costs during Winter Storm Uri in 2021. The Minnesota PUC relied, in part, on Strategen's testimony to find nearly \$60 million in imprudent costs for the gas utilities. The

Commission also accepted Strategen's recommendation to initiate gas utility long-term planning.

[Case Details](#) | [Direct](#)

Puget Sound Energy Proposed Leasing Program (DKT: UE-151871/UG-151872) On Behalf of Washington UTC Staff (2016)

Filed direct testimony opposing the Company's proposed end-use appliance leasing program for not being in the public interest. The Commission agreed that the program was poorly structured and was unlikely to benefit participants and non-participants

[Case Details](#) | [Direct](#)

Avista 2015 General Rate Case (Dockets UE-150204/UG-150205) On Behalf of Washington UTC Staff (2015)

General Rate Case

[Case Details](#) | [Direct](#)

Avista 2014 General Rate Case (Dockets UE-140188/UG-140189) On Behalf of Washington UTC Staff (2014)

General Rate Case

[Case Details](#) | [Direct](#)

Selection of Relevant Experience

"Weighing the Risks: A Closer Look at Emerging Gas Technologies and Distribution Systems" A Policy Brief written for Southwest Energy Efficiency Project and GridLab (2024)

Policy Brief

Authored a policy brief for SWEEP and GridLab that examined the risks posed by Southwest Gas Company's long-term gas capital expenditure plan. SWEEP submitted the brief as part of its direct testimony in Southwest Gas's general rate case before the Arizona Corporation Commission (DKT: G-01551A-23-0341)

[Case Details](#) | [Policy Brief](#)

Washington Utilities and Transportation Commission Rulemaking for Integrated System Planning (DKT: U-240281) on Behalf of Climate Solutions and Renewable Northwest (2024)

Technical and Policy Support

Providing technical and policy assistance through written comments and participation in workshops to the client over the course of UTC's rulemaking.

[Case Details](#)

“Regulatory Approaches for a Cost-Effective Gas Transition: Ratemaking, Incentives, and Other Tools” A Report for Advanced Energy United (2024) [Report](#)

Led the development of a report that examined utility incentives under the traditional regulatory framework and opportunities for modifying the regulatory framework to facilitate a cost-effective gas transition in the near-, intermediate-, and long-term.

Illinois Future of Gas Proceeding on Behalf of NRDC (2024) *Technical and Policy Support*

Providing technical and policy assistance through written comments and participation in workshops to the client over the course of Illinois Commerce Commission’s Future of Gas investigation

Puget Sound Energy 2025 Gas and Electric Integrated Resource Plans on Behalf of Climate Solutions, Renewable Northwest (2024). *Technical and Policy Support*

Providing technical and policy assistance to the clients during their participation in the PSE IRP stakeholder work sessions.

Tennessee Valley Authority 2024 Integrated Resource Plan on Behalf of GridLab and The Nature Conservancy (2024) *Technical and Policy Support*

Providing technical and policy assistance to The Nature Conservancy during its participation in the TVA IRP stakeholder work sessions.

Nevada Public Utilities Commission Natural Gas Utility Integrated Resource Planning Rulemaking on Behalf of Western Resource Advocates (2024) *Technical and Policy Support*

Provided technical and policy assistance to Western Resource Advocates in its participation in the PUCN’s rulemaking. Drafted proposed comprehensive rules and supporting arguments.

“A Regulator’s Blueprint for 21st Century Gas Utility Planning,” A Report for Advanced Energy United (2023) [Report](#)

Lead author of a report that provides a blueprint for state public utility commissions interested in developing gas utility planning requirements to improve transparency into gas utility resource and capital investment plans.

New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation Initial Long-Term Gas System Plan on Behalf of Sierra Club and Earthjustice (2024)

A Review of the Initial Long-Term Plan

Developed a report that analyzed the Companies' alternative fuel assumptions, electrification costs, capital forecast, technological assumptions for electrification technologies, benefit-cost analysis, and implementation of non-pipeline alternatives ("NPAs").

Comments on CenterPoint Energy's Natural Gas Innovation Act (NGIA) Pilots in Minnesota on Behalf of Fresh Energy (2023)

Comments

Provided technical support and comments to client on components of CenterPoint's filing including its proposed hydrogen blending facility, an RFP for renewable natural gas, and residential and commercial gas heat pump pilots.

Minnesota Public Utilities Commission Investigation into Gas Utility Resource Planning on Behalf of the Citizen's Utility Board of Minnesota (2023)

[Comments](#)

Provided technical support to client on the Minnesota Commission's consideration of natural gas utility long-term planning.

Nonpipeline Alternative Analysis Framework for the Colorado Public Utilities Commission on Behalf of Lawrence Berkeley National Laboratory (2023)

[Part 1 | Non-Pipeline Alternative to Natural Gas Utility Infrastructure Report](#)

[Part 2 | Non-Pipeline Alternatives: A Regulatory Framework and a Case Study of Colorado](#)

Through a collaboration with Lawrence Berkeley National Laboratory and the Colorado Public Utilities Commission, led the development of two reports that first examined the existing regulatory approaches for non-pipeline alternatives, and then proposed a regulatory framework.

Comments to the Oregon Public Utilities Commission on Northwest Natural Gas Company's 2022 Integrated Resource Plan on Behalf of Coalition of Climate Advocates (2023)

[Natural Gas IRP](#)

Provided technical support to a coalition of climate-focused organizations, and frontline community organizations, on the gas utility's plans for meeting future customer demand while complying with Oregon and Washington emissions reductions requirements.

Consolidated Edison and Orange & Rockland's 2023 Initial Long-Term Gas System Plan on Behalf of Sierra Club and Earthjustice (2023)

[*A Review of the Initial Long-Term Plan*](#)

Provided a review of the gas utilities' initial Long-Term Plan with a focus on electrification assumptions, alignment of capital investment spending and load forecast, nonpipeline alternative analysis, and reasonableness of scenarios for meeting emissions reduction requirements.

National Fuel Gas Distribution Corporation 2023 Long-Term Gas System Plan on Behalf of Sierra Club and Earthjustice (2023)

[*Comments on Electrification Assumptions*](#)

Provided comments on NFG's technological and cost assumptions for various electrification technologies, cost basis for the crossover temperature for heat pumps, and electrification adoption curves. Strategen then proposed several recommendations for adjustments that NFG could make in this proceeding, or future LTPs, to better represent the technical capacity and emission reduction potential of electrified heating systems.

Consumers Energy Gas Bill Impact Analysis: A Case Study of the Effects of Planned Capital Expenditures and Electrification Trends on Behalf of Advanced Energy United (2023)

[*White Paper*](#)

Quantified the impact of gas utility capital improvement projects on customer rates Consumers Energy gas in Michigan. The paper found that Michigan residential customers with Consumers Energy can expect to see their gas bills steadily increase over the next decade – up to 49% over 2021 levels – due to projected utility capital expenditures and electrification trends.

White Paper on the Relationship of Gas and Electricity Prices in New England on Behalf of Sierra Club (2023)

[*White Paper*](#)

Co-authored a white paper that provides background and context on the implications of recent electricity price spikes in New England and the relationship between natural gas prices and electricity prices.

Nevada Gas Utility Decarbonization Planning 2022 Legislative Proposals on Behalf of GridLab and SWEEP (2023)*Technical and Policy Advice*

Providing a coalition of climate-focused advocates with technical and policy guidance on legislation for gas planning requirements

Presentations to Western States on Planning for Decarbonizing Gas Utilities on Behalf of Advanced Energy United (2022-2023)*Presentations*

Led Strategen's collaboration with AEU to develop a series of presentations for Western State Public Utilities Commission commissioners on gas utility planning during the energy transition.

Designing Building Electrification Incentives for Washington State on Behalf of Climate Solutions (2022)*Technical and Policy Advice*

Developed funding scenarios that would allow Washington State to meet building decarbonization targets. Solutions focused on rebates for high-efficiency electric appliance retrofits and community- centered weatherization programs.

Washington Utilities and Transportation Commission Proceeding to Develop a Policy Statement Addressing Alternatives to Traditional Cost of Service Rate Making, (DKT: U-210590) On Behalf of The Energy Project (2022)*Policy Statement*

Supported client, the low-income advocate in Washington, on comments on regulatory goals, outcomes, and performance metrics.

[Case Details](#) | [Comments](#)

Comments to the Minnesota Public Utilities Commission on Natural Gas Planning (DKT: 21-135) On Behalf of Citizens Utility Board of Minnesota (2022)[Comments](#)

Provided technical and policy guidance to the Minnesota Commission on how gas planning, operational changes, and risk sharing can help protect customers from future natural gas price spikes like that occurred during February 2021.

Puget Sound Energy 2023 Natural Gas Integrated Resource Plan on Behalf of Climate Solutions (2023)*Natural Gas IRP*

Supported client's review of the Company's development of the inputs and assumptions used in the IRP.

Michigan Public Service Commission, Renewable Natural Gas Study Workgroup (DKT: U-21170) On Behalf of Michigan Environmental Council, NRDC, and Sierra Club (2022)

Workgroup

Supported clients' review of the development of the study including submitting comments to the PSC.

Kentucky Utilities and Louisville Gas and Electric Company General Rate Case (DKT: 2020-00350) On Behalf of the Kentucky Public Service Commission (2021-2022)

General Rate Case

Supported the Kentucky PSC evaluate testimonies on PURPA rates and set new rates for the utilities.

[Case Details](#) | [Final Order](#)

Minnesota Power 2021 Integrated Resource Plan (DKT: 21-33) On Behalf of Citizen Utility Board of Minnesota (2022)

Electric IRP

Supported client's review of the Company's IRP.

[Case Details](#) | [Comments](#)

**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)
General Rate Increase for Natural Gas)
Service Provided in the Company's)
Missouri Service Areas.)

File No. GR-2025-0107

AFFIDAVIT OF BRADLEY CEBULKO

I, the undersigned, being duly sworn, state that my name is Bradley Cebulko, and that the foregoing Direct Testimony of Bradley Cebulko, including attachments, was prepared by me on behalf of the Consumers Council of Missouri. This testimony was prepared in written form for the purpose of its introduction into evidence in the above utility case at the Missouri Public Service Commission.

I hereby swear and affirm that the attached testimony is true and correct to my best knowledge, information, and belief, and I adopt said testimony as if it were given under oath in a formal hearing.



Bradley Cebulko

Subscribed before me on this 2 day of May, 2025:



State of: Washington

County of: King

The foregoing instrument was acknowledged
before me 2 day of May, 2025

Dale Greenfield
Your Name Here, Notary Public

My Commission Expires 04/17/2026