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REBUTTAL TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

SPIRE MISSOURI, INC.

FILE NO. GR-2025-0107

May 30, 2025

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REBUTTAL TESTIMONY

OF

LENA M. MANTLE

SPIRE MISSOURI, INC.

d/b/a SPIRE MISSOURI EAST & SPIRE MISSOURI WEST

CASE NO. GR-2025-0107

Q. Would you state your name?

A. My name is Lena M. Mantle.

Q. Are you the same Lena M. Mantle that provided revenue requirement and class cost-of-service direct testimonies for the Office of the Public Counsel?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the proposal of Spire Missouri, Inc. (“Spire”) witness David Yonce for a Distribution Service Adjustment (“DSA”).¹ I explain why the Commission should reject Spire’s request for the DSA and the conservation adjustment Mr. Yonce requested if the Commission denied the request for a DSA.²

I also respond to the weather normalization testimonies of both Spire witness Trisha E. Lavin and Staff witnesses Melissa Reynolds and Michael Stahlman. I provide recommendations to the Commission regarding the weather normalization of the residential class.

Finally, I propose additional changes to the weather normalization adjustment rider (“WNAR”) tariff sheets proposed by Spire including changes to clarify how the WNAR rate will be applied. I also discuss the cap on the WNAR rate ordered by the Commission in case nos. GR-2017-0215 and GR-2017-0216.

¹ Direct testimony of Spire witness David A. Yonce, pages 5-17.

² *Id.*, page 17.

1 **Q. What recommendations do you make to the Commission in this rebuttal**
2 **testimony?**

3 A. I make the following recommendations:

- 4 1. The Commissions should not approve the DSA requested by Spire because
5 the DSA would reconcile more than just the impact on revenues due to
6 weather and conservation.
- 7 2. The Commission should incorporate an explicit reduction to Spire's rate of
8 return if it retains the current WNAR commiserate with the reduction of risk
9 to Spire.
- 10 3. The Commission should not include the small general service class ("SGS")
11 in the WNAR. If it does, then the Commission should incorporate an
12 additional explicit reduction to Spire's rate of return.
- 13 4. The Commissions should order its Staff and Spire to redo its weather
14 normalization analysis of residential usage with the removal of all back bills
15 in the residential billing data so that it better reflects the usage of the
16 residential class.
- 17 5. The Commission should order daily heating degree days ("HDD") for the
18 years of 2010 through 2024 be used to determine daily normal weather HDD
19 using the Staff's ranking methodology.
- 20 6. The Commission should not approve an adjustment to residential or SGS
21 class normalized revenues for conservation.
- 22 7. The Commission should order the WNAR rate only be applied to usage on
23 or after the effective date of the rate.
- 24 8. The Commission should order a cap of \$0.50 Ccf on the WNAR rate with
25 any adjustment that is not recovered due to the cap be deferred for recovery
26 in the next recovery period.

9. The Commission should approve Spire's proposed changes to its WNAR tariff sheets with the additional changes proposed in Schedules LMM-R-2 through LMM-R-4.

The Commission Should Not Approve a Distribution Service Adjustment

Q. Would you provide a brief description of the Distribution Service Adjustment ("DSA") proposed by Spire?

A. The DSA proposed by Spire would adjust residential and SGS customers' bills for the difference between the normalized revenues as determined in this case and the actual revenues billed each year. Spire witness David A. Yonce includes proposed tariff sheet language that describes the application of the DSA as follows:

For each twelve (12) month billing period ended September 30, the difference between the revenue requirement approved by the Commission in the Company's most recent rate proceeding for the applicable customer class and the actual revenue billed from the applicable customer class, excluding revenues arising from adjustments associated with the DSA, plus any balance for the previous year will be accumulated to produce a cumulative balance of over-recovered or under-recovered costs to be returned to or recovered from customers.

(Emphasis added)³

In effect, the DSA is a mechanism to assure Spire that it recovers the residential and SGS revenue requirements set by the Commission in this rate case. The DSA, as proposed by Spire, "decouples" revenue recovery from usage. Spire would be assured that it would recover a preset amount of revenue regardless of the weather, conservation efforts, economic conditions, or any other reason that usage may change. Decoupling would result in a transfer of risk of revenue recovery from Spire to customers. As a result, customers would be assured that they have even less control over their bills.

³ Schedule DAY-D-2, Proposed DSA Tariff Sheet, Page 1 of 2.

1 **Q. Why is Spire requesting to move from its WNAR to the DSA?**

2 A. Spire witness Yonce believes that “[t]he new DSA mechanism would better address
3 the revenue impacts of changes in usage for weather and would also address
4 revenue effects caused by conservation as authorized in Section 386.266 RSMo.”⁴

5 **Q. Do you agree with Mr. Yonce that Spire’s proposed DSA mechanism would
6 better address the revenue impacts of weather and conservation?**

7 A. I agree that Spire’s DSA as proposed would certainly address the revenue impacts
8 of conservation and weather more holistically than Spire’s current WNAR.
9 However, the proposed DSA goes much farther than just addressing the impact to
10 revenues of weather and conservation. The DSA accounts for every reason that
11 there is a difference between actual revenues and the revenue requirement set in the
12 rate case. For example:

- 13 • It accounts for differences in usage due to changes in the number
14 of people living in a residence.
- 15 • It accounts for any change in usage due to customers leaving or
16 coming onto its system.
- 17 • It accounts for changes in usage induced by economic
18 conditions.

19 In short, this mechanism assures that Spire would recover the normalized revenue
20 set by the Commission in this case no matter what occurred after the rate case
21 concludes.

22 **Q. Spire witness Yonce says that Section 386.266 allows for the proposed DSA
23 mechanism.⁵ Do you agree with Mr. Yonce?**

24 A. Subsection 386.266.4 allows for such a mechanism for water utilities with more
25 than 8,000 customers. Section 386.266.3 is the subsection that applies to the

⁴ Direct, pages 5 – 6.

⁵ *Id.*, page 6.

1 recovery of changes in revenue due to weather and conservation or both for gas
2 utilities.⁶ It does not allow gas utilities recovery of the effect of all factors that
3 impact revenue as Spire's proposed DSA would do.

4 **Q. Has Spire requested a similar adjustment mechanism in a previous case?**

5 A. Yes. In case nos. GR-2017-0215 and GR-2017-0216, Laclede Gas and Missouri
6 Gas Energy (now combined as Spire) requested a similar mechanism that they
7 called a Revenue Stabilization Mechanism ("RSM"). Spire describe the RSM as
8 follows:

9 Revenue variations subject to adjustment through the RSM shall
10 include those base revenue variations from those base revenue levels
11 authorized in the Company's most recent general rate proceeding
12 due to increases or decreases in customer usage in the Residential
13 and Small General Service rate classes on a billing month basis.

14 (Emphasis added)⁷

15 The mechanics of Spire's proposed RSM in those cases was more complicated than
16 Spire's proposed DSA in this case but it was designed, as the DSA is, to assure
17 Spire would recover the revenue requirement for the residential and SGS classes as
18 set by the Commission in the rate case.

19 **Q. What was the resolution in these cases regarding Spire's request for an RSM?**

20 A. This was an issue that went to hearing in these cases. In its *Amended Report and*
21 *Order* in these cases, the Commission decided:

22 Further, the RSM as proposed by Spire Missouri is not consistent
23 with the statutory requirements that allow the Commission to
24 approve a mechanism for adjusting rates outside of a general rate
25 proceeding "to reflect the non-gas revenue effects of increases or
26 decreases in residential and commercial customer usage due to
27 variations in either weather, conservation, or both" because it would

⁶ I am not an attorney, but I have filed testimony numerous times regarding the application of the subsections of Section 386.266 RSMo.

⁷ Case no. GR-2017-0215, tariff submission YG-2017-0195, proposed tariff Sheet No. 10.

adjust rates for all changes in average customer use, not only due to variations in weather and/or conservation. (Footnote omitted)

(Emphasis added) ⁸

Q. Does Spire’s proposed DSA adjust for all changes in customer usage as the RSM did?

A. Yes.

Q. Spire witness Yonce states that Spire Missouri does not receive recognition of the impact of its energy efficiency programs on volumetric usage.⁹ Do you agree with Mr. Yonce?

A. No. As I demonstrated in my revenue requirement direct testimony, the WNAR does account for some revenue loss due to conservation. However, it would be very difficult to determine what portion of the energy efficiency programs impact on revenue is recovered through the WNAR.

Q. Do you have any measure of the effectiveness of the WNAR?

A. Yes. In the rate case technical conference held on May 15, 2025, Spire provided revenue numbers to show the parties what Mr. Yonce labeled the “WNAR leakage” – a comparison of the sum of the actual and WNAR revenues to the revenue requirement set in the last rate case. This information is provided on Schedule LMM-R-1 attached to this testimony.¹⁰

Q. What does this data reveal?

A. The data provided by Mr. Yonce shows, in its fiscal year 2024, Spire’s billed residential revenues along with the WNAR revenues were 99.4% of the residential revenue requirement set in the last rate case. For fiscal year 2025 to date, the

⁸ Page 84.

⁹ Direct testimony, page 7.

¹⁰ Page 2 of this schedule is a copy of the actual handout given.

1 revenue billed is 99.7% of the residential revenue requirement. To state it another
2 way, Spire's concern appears to be a difference of between 0.3% to 0.6% of its
3 authorized revenues compared to actual revenues.

4 **Q. Do you believe a difference of 0.3% to 0.6% between Spire's authorized**
5 **revenues and actual revenues justifies additional Commission action?**

6 A. No. Actually, it speaks volumes as to the accuracy of the normalization and
7 annualization of billing determinants in the last rate case.

8 **Q. What is your recommendation to the Commission regarding Spire's requested**
9 **DSA?**

10 A. I recommend the Commission not approve the DSA for the same reasons that the
11 Commission did not approve the RSM proposed by Spire in case nos.
12 GR-2017-0215 and GR-2017-0216. In these cases, the Commission found the
13 RSM to be unlawful because it made adjustments, not just for weather and
14 conservation as allowed in Section 386.266.3 RSMo., but for all variations in
15 revenue.¹¹ Like the RSM, the DSA proposed by Spire in this case would also make
16 adjustments for all variation regardless of the source of the variations. In addition,
17 it seems to be overkill since the WNAR revenues resulted in Spire being within a
18 small margin of error in achieving its residential revenue requirement set in the last
19 rate case.

¹¹ "The statute authorizes an RSM that allows adjustments for variations due to weather, conservation, or both. The Commission cannot approve Spire Missouri's proposed RSM because the RSM would make adjustments for all variations in average usage per customer (such as, fuel switching, rate class switching, new customers with non-average usage, and economic factors) and not just those limited to weather or conservation.", *Amended Report and Order, Conclusions of Law*, page 83.

Spire's Fallback: Continue the WNAR with Modifications

Q. What is Spire's request if the Commission does not grant its proposed DSA?

A. If the Commission does not authorize the DSA, Spire proposed modifying its WNAR and adding a "conservation adjustment" to residential and SGS rate class test year revenues.

Q. What modifications to the WNAR is Spire requesting?

A. Mr. Yonce requested the normal weather measures be updated, updating the coefficients that measure response to weather, and adding the SGS class to the WNAR.

Normal Weather

Q. Starting with updating normal weather; should the normal weather measures used in the WNAR be updated?

A. These values should be updated every rate case consistent with the normal weather measures used in determining billing determinants used to calculate current rate revenues and to design rates.

Q. Did Mr. Yonce recommend a methodology to determine normal weather?

A. Yes. Mr. Yonce proposes using ten years of weather data with the daily normal calculated as the average of the heating degree days ("HDD") on each day of the ten years for each of the days of the year as opposed to the 30-year ranked normal calculated by Staff.

Q. What is your recommendation regarding the calculation of the normal weather variables?

A. I recommend using 15 years of daily history with normal calculated using Staff's ranking method. Spire witness Lavin proposes using 15 years of daily weather history to calculate daily normal heating degree days as an alternative to Spire's daily normals calculated using ten years of data and Staff's 30-year history.

1 **Q. Why not use Staff or Spire’s weather normals?**

2 A. The only sure thing about weather is that it will never be “normal.” The correct
3 normal should reflect a 50% chance of weather being warmer and 50% chance it is
4 cooler than the normal. When I look at 30 years of actual weather data, I agree with
5 Spire that there is a warming trend in temperatures. The inclusion of the early years
6 of weather results in a 30-year normal that does not reflect the 50%/50% balance.

7 However, the ten-year history recommended by Spire is a small sample size
8 for calculating a normal. With a ten-year history an outlier year or two can skew
9 the normals. Therefore, I am recommending the Commission order a 15-year daily
10 history (2010 through 2024) be used as proposed by Spire witness Trisha E. Lavin
11 as a compromise.¹²

12 **Q. Why are you proposing Staff’s ranking method to determine the normal**
13 **weather?**

14 A. For consistency, the normals used for weather normalizing usage should also be
15 used to determine the normalized peak day demand estimates. Staff’s ranking
16 method results in normal extremes, i.e. the average of the 15 coldest days. An
17 average of the values on each day as proposed by Spire mutes the extremes resulting
18 in a lower peak day demand estimate.

19 Small General Service Class Should Not Be Added

20 **Q. Spire witness Yonce requests that the Small General Service rate class be**
21 **added to the WNAR.¹³ Do you agree with this change?**

22 A. No. Incorporating the small general service class (“SGS”) into the WNAR would
23 create rate uncertainty for SGS customers with marginal impact on Spire revenues.
24 Of the test year margins calculated by Spire for this case, less than ten percent of
25 its revenues are from the SGS rate class. In this case, Spire’s weather normalization

¹² Direct testimony, page 12.

¹³ Direct testimony, page 16.

1 of the SGS class accounts for \$4.6 million or 0.6% of test year normalized revenues
2 of \$712 million.

3 **Q. Mr. Yonce states that the Commission approved inclusion of the SGS class in**
4 **Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri")**
5 **Delivery Charge Adjustment Rider in Case No. GR-2019-0077.¹⁴ Are Ameren**
6 **Missouri's gas customers currently being charged the Delivery Charge**
7 **Adjustment Rider?**

8 A. No. In case no. GR-2021-0241, upon agreement of the parties to the case and the
9 approval of the Commission, Ameren Missouri's Delivery Charge Adjustment
10 ("DCA") was discontinued and replaced with a WNAR.¹⁵

11 **Q. Was the WNAR the parties agreed to in case no. GR-2021-0241 applicable to**
12 **Ameren Missouri's SGS customers?**

13 A. No. While the DCA rider included the SGS class, the *Stipulation and Agreement*
14 approved by the Commission specifically excluded the SGS class from the WNAR.

15 **Q. Did Ameren Missouri request adding SGS to its WNAR in its pending general**
16 **rate case no. GR-2024-0369?**

17 A. No, it did not.¹⁶

18 **Q. If the Commission does include the SGS class in the WNAR, do you have any**
19 **recommendations?**

20 A. Yes. If the Commission does modify the WNAR to include the SGS class, then it
21 needs to reduce Spire's return an additional increment. Although the revenue
22 impact to Spire is small, adding the SGS to the WNAR increases the uncertainty

¹⁴ *Id.*, page 17.

¹⁵ *Unanimous Stipulation and Agreement*, pages 4 -5.

¹⁶ Case no. GR-2024-0369, Direct Testimony of Ameren Missouri witness Michael W. Harding, page 35.

and risk that each of the SGS customers will be required to take on by shifting those uncertainties and risks away from Spire.

Weather Coefficients Should be Updated

Q. Why do the weather coefficients in the WNAR need to be updated?

A. The coefficients are a measure of the class's response to changes in weather. The response to weather is changes over time due to changes in housing stock, efficiency changes in furnaces, and economic conditions. This response is estimated through regression models in every case using recent class usage to measure the weather responsiveness in the test year. Table 1 shows how the residential weather sensitivity coefficients have changed since the last case.

Table 1
Change in Weather Sensitivity of
Residential Classes

	GR-2021-010817	GR-2025-0107			
		Spire estimate ¹⁸	% Change	Staff estimate ¹⁹	% Change
Spire East	0.1493772	0.140925	-5.7%	0.121861	-18.4%
Spire West	0.1291586	0.121211	-6.2%	0.119191	-7.7%

As this table shows, the coefficients are getting smaller meaning that the weather sensitivity of the residential classes is less in the test year (Spire) and calendar year 2024 (Staff) than it was in Spire's last rate case.

Q. Why are Staff's and Spire's coefficients different?

A. The methodologies used by Staff and Spire are similar – regressions of twelve months of billing month usage to billing month weather. One of the most obvious differences is that Spire's regression was done for the twelve billing months of

¹⁷ Agreed to coefficients found in the current WNAR tariff sheet nos. 13 and 13.3

¹⁸ Spire direct testimony workpapers "WEATHER_Normal EAST – Normal 10 year" and "WEATHER_Normal WEST – Normal 10 year".

¹⁹ Staff direct workpapers "East RGS Weather Normalization GR-2025-0107" and "West RGS Weather Normalization GR-2025-0107".

1 October 2023 through September 2024 and Staff's regression was for the twelve
2 billing months of January 2024 through December 2024.

3 **Q. What difference would it make to use Staff's coefficients vs. Spire's coefficients**
4 **in the WNAR?**

5 A. Spire's coefficients are larger than Staff's which means its models show a greater
6 response to weather. Spire's coefficients would result in larger adjustments in the
7 WNAR than Staff's coefficients.

8 **Q. Are you aware of any problems with the usage data included in the analysis?**

9 A. Yes. In her direct testimony Staff witness Melissa Reynolds discusses some of the
10 problems she found in the usage data regarding the recording of back billing of
11 customers that started around March 2024.²⁰

12 **Q. Do these problems cause you concern?**

13 A. Yes. It is well known that any model is only as good as the data that goes into it.
14 The purpose of the analysis is to model the customers' response to weather, not to
15 model the billing system's response to weather. To get an accurate analysis of the
16 response of usage to weather, the back billed data should be removed.

17 **Q. How does this back billed usage effect the analysis of weather sensitivity?**

18 A. Back billing means that several month's usage is recorded as usage in a single
19 month when it was billed. The regression analysis would assume that the weather
20 in that month was the cause of all the usage.

21 **Q. Does this mean that this billing information should be removed from the**
22 **calculation of normal revenues?**

23 A. No. The back billing usage data should only be removed from the billing data for
24 the analysis of how weather impacts usage.

²⁰ Page 5.

1 **Q. Do you believe that these same data problems exist in the data used by Spire**
2 **for its weather normalization?**

3 A. Yes. The workpapers show that Spire and Staff used the same billing data in its
4 analysis.

5 **Q. Given the workpapers that you have reviewed of both Spire and Staff, which**
6 **party's coefficients would you recommend using for the WNAR?**

7 A. I cannot make a recommendation for either party's results since there are known
8 problems with the input data. According to Staff witness Reynolds, Spire is
9 working to resolve this issue in the billing data.²¹ My recommendation is that the
10 Commission not approve either Spire or Staff's coefficients as filed with their direct
11 testimony and instead require that coefficients be re-estimated using corrected data.
12 Ms. Reynolds states that Staff intends to re-evaluate for the update period ending
13 May 31, 2025.²² This is likely to be the most current and accurate estimates for
14 weather sensitivity if the back billed usage has been removed from the usage data.

15 **Q. Are the regression results the sole determinant of which coefficients should be**
16 **included in the WNAR?**

17 A. No. The coefficients that are included in the WNAR should be consistent with the
18 normalized billing determinants used to determine normalized revenue and to
19 design rates for the residential class.

20 **There Should Be No Adjustment to Normalized Revenue for Conservation**

21 **Q. Which Spire witness provided testimony regarding an adjustment for**
22 **conservation?**

23 A. Spire witness Yonce proposed adding a conservation adjustment to the test year
24 revenues if the Commission did not approve the DSA he proposed.²³ Spire's direct

²¹ Direct, page 5.

²² *Id.*, page 6.

²³ Direct, page 17.

1 case does not include a conservation adjustment, but Mr. Yonce estimated that the
2 adjustment should be about \$4 million to \$5 million dollars for the residential
3 class.²⁴

4 **Q. What is his rationale for including this adjustment to normalized revenues?**

5 A. He believes that this adjustment would “address the impacts of conservation, as
6 allowed for by statute.”²⁵

7 **Q. Did he mention which statute allows for this type of adjustment for**
8 **conservation?**

9 A. No. Section 386.266.3 allows for gas utilities to request a rate mechanism that
10 periodically adjusts rates to account for revenue increases or decreases in revenues
11 due to conservation. However, Mr. Yonce is not proposing a rate mechanism. He
12 is proposing an adjustment to rate case normalized revenue to account for changes
13 in revenue due to projected conservation. He is proposing a yet-to-be defined
14 “plug” amount to the normalized revenue calculation in this case to account for
15 unknown, future impacts on revenues due to conservation.

16 **Q. What does Section 386.266.3 RSMo. require that is not included in this**
17 **adjustment?**

18 A. Section 386.266 RSMo. requires tariff sheets²⁶ and a provision for annual true-
19 ups²⁷ for the rate adjustment allowed for in Section 386.266.3 RSMo.

²⁴ *Id.*

²⁵ Direct testimony, Page 15.

²⁶ Section 386.266.5.

²⁷ Section 386.266.5(2).

1 **Q. Did Mr. Yonce provide justification for his \$4 million to \$5 million estimate**
2 **for conservation?**

3 A. No. He justifies the range saying that it was based on a review of the historical
4 impact of energy efficiency and conservation on Spire's residential class. He had
5 no estimate for the SGS class.²⁸

6 **Q. Has there been changes that would challenge the use of the historical impact**
7 **as an accurate estimate of future impacts?**

8 A. Yes. The energy efficiency programs of the electric utilities that provide electric
9 service to most of Spire's residential customers have been dramatically reduced.
10 These programs have historically influenced the natural gas usage of Spire
11 residential customers too. In addition, the efficiency standards of the federal
12 government on new appliances have been loosened. This means that using
13 historical impact would overestimate future impact.

14 **Q. What is your recommendation regarding including an adjustment for future**
15 **conservation in the determination of normalized revenues in this case?**

16 A. I recommend the Commission reject Spire's request to lower the normalized
17 revenues for conservation. As previously discussed, the revenues from the WNAR
18 resulted in Spire collecting over 99% of the revenue requirement from the last rate
19 case.

20 **Changes to WNAR Tariff Sheets**

21 **Q. Did Spire propose changes to its WNAR tariff sheets?**

22 A. Yes. Spire's proposed changes provide some needed clarification. Its proposed
23 changes simplify Spire's tariff by combining the WNAR tariff sheets of Spire East
24 and Spire West together and notes the variables that are different between the two.

²⁸ Direct testimony, page 17.

1 However, the WNAR is difficult to explain on tariff sheets. There are
2 additional changes that would make the tariff sheets more accurate and clearer. I
3 have provided recommended changes to Spire's proposed tariff sheets attached to
4 this testimony as Schedules LMM-R-2 through LMM-R-4.²⁹ Some changes are
5 minor and some are significant.

6 **Q. Do any of the tariff sheet changes you propose modify the WNAR from how it**
7 **currently operates?**

8 A. Perhaps. It is not clear, but Spire's tariff sheet no. 13 seems to imply that the new
9 WNAR rate approved by the Commission that becomes effective on the read date
10 of the first billing cycle in September would apply to the usage of that entire billing
11 cycle – even the usage that occurred before the new rate was effective. This would
12 mean that the rate the customers are billed for that usage was not in effect at the
13 time the customers used the gas.

14 **Q. What are you proposing?**

15 A. That customer bills only reflect the WNAR rate that is actually in effect at the time
16 the gas being billed was used.

17 **Q. Can the new smart metering infrastructure provide this information to Spire**
18 **for each customer?**

19 A. I sent a data request to Spire asking if it could. Spire's response to OPC data request
20 8006 is below:³⁰

21 While the Company can view reads from before and after a specific
22 date, our current billing system, CCB, has no way to obtain
23 information from the current MDM (workbench) to use when
24 calculating prorated bills.

²⁹ Page 1 of each of these schedules are my proposed tariff sheet. Page 2 of each of the schedules is the redline/strikeout of Spire's proposed tariff sheet.

³⁰ Attached as Schedule LMM-R-5.

1 Spire's response is that the meters can provide the usage. However, the current
2 billing system cannot handle the information.

3 **Q. Since Spire cannot utilize the ability of the smart metering infrastructure to**
4 **bill based on actual reads, how do you propose Spire determine the usage to**
5 **apply the new rate to?**

6 A. Currently when new rates from a general rate case go into effect, Spire prorates the
7 billing cycle usage based on the number of days each of the rates were in effect.
8 For example, if a billing cycle is for usage between August 2 through September 1,
9 then the old rate would be applied to 29/30 of the usage and the new rate would be
10 applied to 1/30 of the usage. I proposed this same methodology be used to prorate
11 usage of the September billing cycles usage between the previous WNAR rate and
12 the new WNAR rate.

13 **Q. Do any of your other proposed changes impact the operation of the WNAR?**

14 A. Again, my answer is "perhaps," which demonstrates that the current tariff language
15 is not clear. The current tariff language is not clear on how to interpret the \$0.05
16 per Ccf cap the Commission ordered in case nos. GR-2017-0215 and GR-2017-
17 0216.³¹ In addition, although a cap is mentioned in the tariff sheets, it does not
18 include how it would be applied, or how any deferred amount is to be included in
19 the next WNAR recovery period.

20 **Q. How did you learn that there was confusion on the application of the cap in**
21 **the tariff sheets?**

22 A. After filing my class cost-of-service/rate design direct testimony in this case, I was
23 told by Staff who were then working in the currently ongoing Ameren Missouri
24 rate case that Staff interprets the cap differently than I do. Instead of this being a
25 cap on the rate, Staff interprets it to be a cap on the amount of increase to the rate,

³¹ See my class cost-of-service/rate design testimony regarding the cap ordered by the Commission.

1 e.g. if the rate was \$0.049 per Ccf one year, the cap on the rate the next would be
2 \$0.099 per Ccf (\$0.049 + \$0.050).

3 This limits the effectiveness of the cap and increases the uncertainty
4 regarding what is the maximum rate a customer would be asked to pay.³²

5 **Q. Did Staff include a discussion of how it was applying the Commission cap in**
6 **its recommendation to the Commission when the tariff sheet was filed that first**
7 **had a WNAR rate that exceeded \$0.05 per Ccf?**

8 A. There was no mention of the cap language in the Staff's recommendation to the
9 Commission to approve the Spire East's current \$0.07577 per Ccf rate or Spire
10 West's current \$0.05493 per Ccf rate.³³

11 **Q. Is the current rate the only time the WNAR rates have been above \$0.05 per**
12 **Ccf?**

13 A. To my knowledge, it is. I searched prior Spire WNAR rates tariff sheets and could
14 not find any other time period when the WNAR rate was greater than \$0.05 Ccf.

15 **Q. What is your recommendation regarding the application of the cap ordered**
16 **by the Commission?**

17 A. I recommend that the \$0.05 per Ccf cap be a cap on the Weather Normalization
18 Adjustment Rider rate. The current recovery period is the only time that the
19 adjustment exceeded this limit since it was implemented in 2018. So hitting this
20 cap is a rarity, not an expected occurrence.

21 In addition, its effectiveness as a customer protection is limited if the rate
22 can continuously climb until the next rate case.

³² The original proposal by Staff in case nos. GR-2017-0215 and GR-2017-0216 set the cap at \$0.01 Ccf with the utility not recovering any amounts that were not covered by the \$0.01 per Ccf. The Commission chose instead a cap of \$0.05 with any amount not collect deferred for future recovery.

³³ GO-2025-0001, *In the Matter of Spire Missouri Inc.'s d/b/a Spire Missouri East and Spire Missouri West Filing of Its Proposed Weather Normalization Adjustment Rider (WNAR) Tariff Sheet*.

1 I also propose a change to the language regarding the \$0.05/Ccf cap on the
2 WNAR rate. I propose the following simple and easy to understand language in
3 the WNAR tariff sheets:

4 There shall be a limit of \$0.05 per Ccf on the WNAR rate and no
5 limit on downward adjustment. Any TRA not recovered due to this
6 cap of \$0.05 per Ccf will be deferred for recovery from customers
7 in the next recovery period.

8 **Q. Are there any other proposed changes that you would like to provide an**
9 **explanation for?**

10 A. Yes. The current WNAR tariff includes a Weighted Residential Volumetric Rate
11 (WRVR) for the winter season because to account for the blocked residential
12 volumetric rates from May through October.³⁴ Spire has proposed single block
13 rates for these months. My changes assume the Commission orders single block
14 rates. If a single block rate is approved, the WRVR term can be simplified.

15 **Q. Does this cover all the changes you are proposing?**

16 A. It covers most of the changes. None of the other changes that I propose alter how
17 the WNAR is applied. The changes are just intended to define accurately how the
18 WNAR is applied. If any party believes that a proposed change in the tariff sheet
19 changes the application of the WNAR, it is an indication that something is unclear
20 and needs additional clarification.

21 **Q. Does this conclude your rebuttal testimony?**

22 A. Yes, it does.

³⁴ The rates of the two blocks are weighted based on customer usage that is billed in each block to determine a single rate.

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)

STATE OF MISSOURI)
) SS
COUNTY OF COLE)


Tiffany Hildebrand
Notary Public