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Witness:	Bradley Cebulko
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Case No.:	GR-2025-0107
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**CONSUMER COUNCIL OF MISSOURI
SURREBUTTAL TESTIMONY**

OF

BRADLEY T. CEBULKO

June 30, 2025

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1 **I. Introduction**

2 **Q. Please state your name, business name, and address.**

3 A. My name is Bradley Cebulko. My business address is 2900 E Broadway Blvd Suite 100
4 #780, Tucson, AZ, 85716.

5 **Q. Are you the same Bradley Cebulko that submitted direct and rebuttal testimony in**
6 **this proceeding.**

7 A. Yes.

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

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

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to respond to the Direct and Rebuttal testimonies and
12 recommendations of Spire Witness Timothy Lyons, Staff witness Keri Roth, and
13 Missouri Industrial Energy Consumers witness Jessica York, all of whom testified on the
14 Class Cost of Service and revenue allocation. I also respond to the Direct and Rebuttal
15 Testimony of Spire witness Julie Johnson and Staff witness Keri Roth who testify on the
16 Company's residential system charge.

17 **Q. Did any of the witness's testimony change your recommendations to the**
18 **Commission?**

19 A. No.

20 **Q. Will you repeat your recommendations to Missouri Public Service Commission?**

21 A. Yes. On Direct, I recommended that:

- 22 1. I recommend that the Commission reject the Company's proposed Cost of Service
23 Study because the study's methodologies are fundamentally flawed and do not
24 accurately reflect cost causation. In its place, the Commission should adopt the

1 Basic Customer methodology, which allocates 100% of the costs of distribution
2 mains as demand-related.

3 2. To better reflect cost causation, the Commission should adopt customer class
4 revenue allocations as I proposed in Section III of my Direct Testimony and
5 replicated in Section III of this Surrebuttal Testimony.

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

10 4. The Commission should reject Spire's proposal to increase the residential system
11 charge from \$20.00/month to \$24.00/month and leave the customer charge
12 unchanged.

13 In rebuttal testimony, I recommended that the Commission order Spire to make an
14 annual ISRS performance filing that provides the Commission with information for
15 assessing the program's performance in rate cases and ISRS filings. At a minimum, the
16 filing should include the metrics I identified in my testimony, the most recent five years
17 of data for each metric, and an explanation for how the Company determines whether a
18 project is worn out or is in deteriorated conditions, as required by statute. The Company
19 should make its first ISRS performance filing within 90 days of the Commission issuing
20 its order in this rate case. The Company should make its second filing alongside its next
21 ISRS filing or rate case, whichever comes first. Subsequent filings should occur every 12
22 months after the Company files its second annual ISRS performance review. In the
23 alternative, subsequent filings could occur with each ISRS filing or rate case.

1 **II. Cost of Service**

2 **Q. Will you please summarize your direct testimony on the appropriate cost of service**
3 **methodology?**

4 A. Yes. In my direct testimony, I recommended that the Commission reject Spire's use of
5 the minimum system and zero-intercept methods to classify distribution main costs in its
6 Class Cost of Service Study (COSS). These methods misrepresent cost causation by
7 treating a portion of the costs of distribution main investment as customer-related (45%),
8 based on hypothetical counterfactual of what the gas delivery system would look like if
9 the connected customers did not have any demand for natural gas. I demonstrate that
10 these methodologies do not reflect how gas systems are actually designed or operated.

11 Instead, I recommended that the Commission adopt the Basic Customer method,
12 which classifies 100% of distribution main costs as demand-related. This approach better
13 aligns with how utilities design their systems, to meet the peak demands of customers,
14 and reflects established economic principles and regulatory goals, including fair
15 apportionment of costs, avoidance of undue discrimination, and simplicity in application.

16 **Q. Please summarize Spire Witness Lyons rebuttal testimony on COSS.**

17 A. Witness Lyons defends the Company's approach of classifying 45% of distribution main
18 costs as customer-related, arguing that the approach is consistent with cost-causation and
19 is recognized in the industry.¹ Witness Lyons testifies that there are two primary factors
20 that drive the design and installation of distribution mains: (1) size or diameter of mains
21 and (2) length or footage of mains, the latter of which is related to customer location or
22 distance from the existing mains. To support the argument that the distribution mains are

¹ Rebuttal Testimony of Timothy Lyons at 13.
(footnote continued on next page)

1 driven in part by the number of customers on the system, Lyons testifies that there is a
2 strong relationship between miles of distribution mains and the number of customers.²
3 Finally, Lyons disagrees with my recommendation to scale back class revenue increases
4 proportionately if the Commission approves a revenue requirement lower than what the
5 Company requested, arguing that each class's movement toward cost of service should
6 remain fixed, regardless of the total revenue increase adopted.

7 **Q. Did other intervenors testify on the Company's COSS?**

8 **A.** Yes. Staff witness Keri Roth and Missouri Industrial Energy Consumers witness Jessica
9 York both filed direct and rebuttal testimony on the COSS.

10 **Q. Please summarize Staff witness' Roth's testimony.**

11 **A.** Staff witness Keri Roth presented a COSS for both Spire Missouri East and West. Staff's
12 study used the Average and Excess method to classify distribution main costs, which
13 Staff applied in prior proceedings as well. The Average and Excess method treats
14 distribution mains as entirely demand-related, similar to my recommendation, but
15 allocates costs between average and peak usage rather than peak demand. Staff's COSS
16 resulted in materially different class revenue responsibilities compared to the Company's
17 study. For example, Staff found the Residential class in Spire East required a 20.9%
18 increase, compared to the Company's 39%, and found significantly higher cost
19 responsibility for certain transportation and large volume classes.³ Staff also oppose the
20 Company's proposal to consolidate rate structures across Spire East and West, finding

² Rebuttal Testimony of Timothy Lyons at 13.

³ Direct Testimony of Keri Roth at 5, Table 1.
(footnote continued on next page)

1 that moving to full consolidation of rates, this would move further from cost causation
2 being the driver for customer rates.⁴

3 **Q. Please summarize MEIC witness York's testimony.**

4 **A.** MEIC witness York testified that she generally agrees with the Company's COSS study,
5 in particular the Company's approach to classifying distribution mains as demand- and
6 customer-related.⁵ However, Witness York testified that Spire's proposed revenue
7 allocation failed to make meaningful progress toward cost of service.⁶ She recommended
8 instead that all classes be moved 50% of the way toward cost of service, rather than the
9 Company's proposed 10% movement.⁷

10 In rebuttal, witness York responded to both Staff and my testimonies. She
11 criticized Staff's COSS for containing errors in class usage data and allocator
12 development.⁸ Witness York also argued against the Basic Customer method, testifying
13 that there are two cost-causative factors associated with distribution mains: to connect
14 customers and meet peak demand.⁹ Witness York also reaffirmed her recommendation
15 for a 50% movement toward cost of service in revenue apportionment.¹⁰

16 **Q. Both Spire witness Lyons and MEIC Witness York argue that the Minimum System**
17 **method is appropriate because investment in distribution mains is driven by both**
18 **peak demand and the number of customers in each class. How do you respond?**

⁴ Rebuttal Testimony of Keri Roth at 4.

⁵ Direct Testimony of Jessica York at 2.

⁶ Direct Testimony of Jessica York at 3.

⁷ Direct Testimony of Jessica York at 3.

⁸ Rebuttal Testimony of Jessica York at 3.

⁹ Rebuttal Testimony of Jessica York at 15.

¹⁰ Rebuttal Testimony of Jessica York at 12.

1 A. While the physical layout of a gas distribution system reflects the location of customers,
2 the costs of distribution mains are primarily driven by the demand those customers place
3 on the system, not by the mere number of customers. Gas distribution mains are designed
4 to meet aggregate peak demand and ensure system reliability under design-day
5 conditions. If there was no demand, there would no reason to connect customers to the
6 system.

7 The Minimum System method mischaracterizes the purpose of the distribution
8 network by treating a portion of main costs as if they were incurred simply to reach
9 customers, rather than to serve their usage. It assumes that a hypothetical network made
10 entirely of small-diameter pipe represents the customer-related portion of costs. But this
11 hypothetical system does not and could not exist, which means it does not reflect cost
12 causation, and it ignores the functional role of distribution mains - to transport gas safely
13 and reliably in accordance with customer usage patterns.

14 The Basic Customer method more accurately reflects cost causation. It treats only
15 costs that scale directly with customer count. such as meters, service lines, billing, and
16 customer service, as customer-related, and it classifies all shared infrastructure like
17 distribution mains as demand-related. This approach better aligns with the Company's
18 own engineering criteria, which confirm that mains are sized based on anticipated design-
19 day usage, not customer count.

20 Even if the Commission were to agree that the number of customers is an
21 influential driver of the costs of distribution main, the Company's assumption that 45%
22 of the costs of distribution mains are driven by the number of customers, rather than

customer demand, is vastly overstates the influence of the number of customers to the costs of the distribution system.

Q. To support the argument that the number of customers is a primary cost driver of distribution mains, Spire witness argues that there is a strong relationship between miles of distribution mains and the number of customers.¹¹ Do you agree with Company that correlation necessarily mean causation?

A. No. The existence of a correlation between miles of mains and the number of customers does not demonstrate that main costs are customer-related. Rather, it reflects the reality that distribution systems must expand geographically as new customers are added. However, that does not mean that the costs of the system are customer-related. The cost drivers, such as the diameter, pressure rating, and material of the mains, are primarily determined by the aggregate demand those customers place on the system, particularly during peak conditions. Without gas demand, there would be no need to construct or size the system. The Minimum System method mischaracterizes this relationship by assuming a portion of mains would exist even in the absence of demand, which is inconsistent with actual utility planning and cost causation principles.

Q. Has the Company provided any information about how it sizes distribution mains for residential areas?

A. Yes. Through discovery, the Company confirmed that pipe sizing for residential subdivisions is based on the anticipated design day usage, along with source pressure and the length of the main.¹² Specifically, Spire stated that typical residential homes are estimated to use 75 cubic feet per hour on a design day, and that this value is based on

¹¹ Rebuttal Testimony of Timothy Lyons at 13.

¹² Spire Response to CCM DR 66.

1 historically observed flow rates. Spire's response acknowledges that it sizes distribution
2 mains based on design day load requirements, which are driven by customer usage, not
3 by the number of customers. This demonstrates that the physical characteristics, and thus
4 the costs, of the system are a function of the aggregate demand placed on it, not the
5 simple presence of a customer.

6 **Q. Does Spire acknowledge that the Minimum System approach does not reflect actual**
7 **system design?**

8 A. Yes. In response to discovery, Spire stated that an entire system made of 2-inch plastic
9 main used to define its minimum system is not a realistic option for actual engineering
10 analysis.¹³ The Company has never modeled a system built entirely of 2-inch plastic
11 mains and refers to such modeling as hypothetical and unnecessary.¹⁴ The Company's
12 responses demonstrate that the minimum system method relies on an artificial construct
13 that does not reflect the real costs of serving customers or how the system is designed.

14 **Q. Witness York testifies that she is not aware of any natural gas utilities that use the**
15 **Basic Customer Method, and points out that you did not identify any utilities for**
16 **which this method has been proposed and/or approved in other jurisdictions.¹⁵ How**
17 **do you respond?**

18 A. The key distinction between the Basic Customer method and the Minimum System is the
19 classification of distribution mains. The Basic Customer method is one of several
20 methodologies that classifies distribution mains as entirely demand-related. The
21 Minimum System method classifies distribution mains as both demand- and customer-

¹³ Spire Response to CCM DR 60, Spire Response to CCM DR 62.

¹⁴ Spire Response to CCM DR 62.

¹⁵ Rebuttal Testimony of Jessica York at 16.

1 related. There are several states and utilities that classify distribution mains as entirely
2 demand-related costs. First, Staff witness Roth is proposing a method in this case which
3 classifies distribution main costs entirely as demand-related. Witness Roth's Average and
4 Excess method allocates costs differs from the Basic Customer method because it
5 allocates costs based on average demand and demand in excess of average, rather than a
6 customer class's contribution to peak demand. Nevertheless, it is an approach that
7 classifies distribution mains as demand-related.

8 Outside Missouri, I am aware of several states that classify distribution mains as
9 demand related. In its most recent rate case, National Grid proposed, and the
10 Massachusetts Department of Public Utilities accepted, classifying distribution main
11 costs using a "peak day" method.¹⁶ Washington state administrative rule explicitly
12 requires gas utilities to classify distribution mains as demand-related using the Peak and
13 Average methodology.¹⁷ The Maryland Public Service Commission has a history of
14 requiring gas utilities to use Noncoincidental Peak (NCP) for allocating main and main
15 related costs.¹⁸ The NCP method, which allocates costs based on a customer class's peak
16 demand regardless of the time of occurrence, is a methodology that classifies distribution
17 mains as entirely demand-related.

18 Ms. York is currently testifying in one of those jurisdictions in which the utility is
19 classifying distribution mains as demand related. Ameren in Illinois classifies distribution
20 main as "solely demand related" and argues "[t]he primary purpose of the distribution

¹⁶ Massachusetts Department of Public Utilities Docket 20-120, Boston Gas Company d/b/a National Grid, Exhibit NG-PP-4(c), p. 1 of 84. November 13, 2020.

¹⁷ See WAC 480-85-060

¹⁸ Columbia Gas of Maryland, Inc's Application for Authority to Increase Rates and Charges, Case No. 9754. Direct testimony of Evan Thomas on Behalf of the Public Service Commission of Maryland. November 22, 2024. At 17.

1 system is meeting the daily demands of its customers on its peak day and every other day
2 of the year, thus distribution system costs should be recovered through the Company's
3 demand-components, not the customer-components which are based on the number of
4 customers in each class.”¹⁹

5 Finally, the Basic Customer method is used for electric cost allocation as well. The
6 2020 Regulatory Assistance Project report “Electric Cost Allocation for a New Era, a
7 Manual” extensively discusses the Basic Customer method.²⁰ The Study identifies several
8 jurisdictions that have mandated or accepted the basic customer classification approach for
9 the electric utilities including Arkansas, California, California, Colorado, Illinois, Iowa,
10 Massachusetts, Texas, and Washington.²¹

11 **Q. Witness York argues that your choice of COSS methodology is influenced by the**
12 **rate impacts on customers, and she criticizes you for noting that the utility has an**
13 **economic incentive to use a COSS that over-classifies costs as customer-related.²²**
14 **Ms. York further contends that James Bonbright’s ratemaking principles—such as**
15 **fairness, avoidance of undue discrimination, and simplicity—should not be applied**
16 **until after the COSS is completed. How do you respond?**

17 **A.** I disagree with Ms. York’s characterization of the COSS as a purely objective or
18 scientific exercise. That is simply not how cost allocation works in practice. Gas utility

¹⁹ Docket 25-0084, Ameren Exhibit 25.0 at 19:393-396.

²⁰ Lazar, J., et al. “Electric Cost Allocation for a New Era, A Manual” Regulatory Assistance Project, January 2020.

²¹ *Id.* at 145.

²² Rebuttal Testimony of Jessica York, at 16:6-18. Witness York cites Mr. Cebulko’s Direct Testimony, at 13:14-15, which, observes that overclassifying costs as customer-related shifts costs onto residential customers, the overwhelming largest customer class.

1 systems are complex, and every COSS involves numerous subjective decisions that can
2 materially affect outcomes. For example:

- 3 • Should distribution mains be classified using average demand, peak demand,
4 or some combination?
- 5 • Should peak demand be measured on a coincident or noncoincident basis?
- 6 • Should customer costs, such as billing, meter reading, and customer service,
7 be allocated equally per customer, or weighted based on class-specific factors
8 like account complexity or call center usage?

9 These decisions are not dictated by engineering formulas or accounting rules
10 alone but reflect judgment calls about how best to represent cost causation.

11 Acknowledging that the Company has an incentive to overly-classify costs to the most
12 numerous and least risky customer class, residential customers, is not improper. Rather it
13 identifies an obvious incentive for the Company when it proposes a cost-of-service study
14 methodology for the Commission's awareness.

15 I also disagree that Bonbright's regulatory principles should only be considered
16 after the COSS is completed. They are foundational to how the COSS itself should be
17 constructed. In particular, the principles of fairness, avoidance of undue discrimination,
18 and simplicity and transparency are essential when evaluating among competing
19 methodologies.

20 **Q. Staff witness Roth uses the Average and Excess method to classify distribution**
21 **mains as demand related. Do you agree with Staff's approach?**

22 A. The Average and Excess method is a reasonable and well-established approach. It is
23 fundamentally a demand-based methodology that recognizes distribution mains are

1 installed and sized to meet customer demand. By allocating all distribution main costs
2 based on class demand characteristics, split between average and excess components, the
3 Average and Excess method avoids the core flaw of the Minimum System method, which
4 misclassifies a portion of mains costs as customer related.

6 **III. Revenue Allocation**

7 **Q. Will you please remind the Commission of your proposed revenue allocation?**

8 A. Yes. I started with the results of my COSS as a guide for rate allocation. First, I
9 calculated each customer class's unitized return. To calculate the unitized return, I
10 divided each customer class's ROR by the system ROR. Generally speaking, I consider
11 parity ratios greater or less than 10% of parity (e.g., 0.9 – 1.1) to reflect cost parity.

12 For Spire East, I propose to (1) allocate customer classes with a unitized return
13 greater than 1.1 at 0.75 times the system increase, (2) allocate customer classes greater or
14 less than 10% of parity (i.e. 0.9 – 1.1) approximately the system average, (3) allocate
15 customer classes with unitized return less than 0.9, but greater than 0.6, at 1.01 times the
16 system increase, and allocate customer classes with a unitized return less than 0.6 times at
17 1.03 times the system increase.

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

Table 1: CEG Proposed Spire East Proposed Base Rate Revenue Distribution²³

	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%
Spire East System	\$399,484,260	\$141,259,335	35.4%

Table 2: CEG Proposed Spire West Proposed Base Rate Revenue Distribution²⁴

	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%

Q. If the Commission authorizes a revenue requirement less than Spire's requested increase, what is your recommendation?

A. I recommend that the Commission scale back my recommended customer class increases proportionate to the Commission's decrease of Spire's request.

²³ Cebulko workpapers

²⁴ Cebulko workpapers

1 **IV. Residential Rate Design**

2 **Q. Please summarize your direct testimony on residential rate design.**

3 A. I recommended that the Commission reject Spire's proposal to increase the residential
4 system charge from \$20.00/month to \$24.00/month and leave the customer charge
5 unchanged. I testified that the Company's proposed residential customer charge
6 discourages the efficient use of the gas system, shifts costs from high usage customers to
7 lower usage customers, the latter of which is more likely to be low-income, and a 20%
8 increase to the customer charge violates the regulatory principle of gradualism.

9 **Q. On Rebuttal, did Spire respond to your assertion that a higher residential customer**
10 **charge discourages the efficient use of the gas system?**

11 A. No.

12 **Q. Did Spire respond to your observation that a higher residential customer charge**
13 **shifts costs from higher usage customers to lower usage customers, the latter of**
14 **which is more likely to be low-income?**

15 A. No.

16 **Q. Did Spire disagree with you that a 20% increase to the residential customer charge**
17 **violates the regulatory principle of gradualism?**

18 A. No.

19 **Q. How did Spire respond to your residential rate design testimony on rebuttal?**

20 A. Witness Johnson testified that:

- 21 • The Company is proposing to add energy efficiency amortization to the customer
22 charge since they are known costs and are not subject to change,²⁵

²⁵ Johnson Rebuttal at 8

- The residential charge is supported by the customer costs identified in the COSS,²⁶
- Lowering the customer charge would result in an increase in the volumetric rate, an impact that would likely be felt by customers during the winter when demand is at its peak and gas bills are at their highest, which would cause a strain for the most vulnerable customers.²⁷

Q. Do you recommend that the Company apply the energy efficiency amortization costs to the customer charge?

A. No. Like the NARUC Gas Manual, I recommend that customer charge reflects the costs that are directly related to the cost of that customer regardless of whether any gas is used. Customer-specific costs include meters, billing, and service lines.²⁸

Q. Does the COSS study support the Company's proposed customer charge?

A. It depends on the COSS method. My COSS, which uses the Basic Customer method, shows that the residential customer costs is \$26.53 and \$19.35 for Spire East and West residential customers, respectively. The Company's COSS, which uses the Minimum System method, shows that the residential customer cost should be \$36.70 and \$32.69 for Spire East and West residential customers, respectively. For the reasons I explained above, I recommend the Commission recognize the Basic Customer method for the COSS. Furthermore, as I demonstrate in my Direct testimony, a lower residential customer charge than what is reflected in those COSS results is in the public interest.

²⁶ Johnson Rebuttal at 8

²⁷ Johnson Rebuttal at 9.

²⁸ NARUC Gas Distribution Rate Design Manual, June 1989, at 12.

1 **Q. Do you find the Company’s argument that a higher volumetric charge would cause**
2 **a strain for the most vulnerable customers reasonable?**

3 A. No. First, to address low-income customer needs, the utility needs to take a targeted
4 approach as addressed and recommended by Consumers Council of Missouri witness Jim
5 Thomas.²⁹ Second, the Company’s concerns are unfounded because Spire offers
6 customers “Budget Billing” which provides customers with the option of smoothing out
7 their monthly bills over the course of the year. Customers can elect to receive a stable
8 monthly bill regardless of their monthly usage to assist in their budgeting. The Company
9 then trues up the customer at the end of the yearly cycle and resets the monthly bills for
10 the following 12 months. Thus, for customers who want smoother bills, this is an option.

11 For customers who choose not to engage in budget billing, a relatively lower fixed
12 customer charge, with a relatively higher volumetric charge, gives the customer more
13 control over their bill and their energy usage. The Company’s approach to shift costs
14 from the volumetric charge to the fixed customer charge reduces that customer control.

15 **Q. What is Staff’s position on the residential rate design?**

16 A. Staff witness Keri Roth proposes an increase of the residential customer charge from
17 20.00/month to \$27.73/month and 24.76/month for Spire East and West, respectively.³⁰

18 **Q. What is your response to Staff witness Roth’s recommendation to increase the**
19 **residential customer charge to \$27.73 for Spire East and \$24.76 for Spire West?**

20 A. I disagree with Ms. Roth’s recommendation. While I respect that Staff’s proposal is
21 grounded in their cost-of-service analysis, an increase of this magnitude, from \$20.00 to

²⁹ Direct Testimony of Jim Thomas at 14-19.

³⁰ Direct Testimony of Keri Roth at 10-11.

1 \$27.73 for Spire East and from \$20.00 to \$24.76 for Spire West, represents a 38.7% and
2 23.8% increase, respectively. Such large jumps are inconsistent with the regulatory
3 principle of gradualism, which cautions against sudden rate changes that may impose
4 undue burden on customers, especially low-income and fixed-income households.

5 **Q. Would Staff's proposal affect low-use or low-income residential customers?**

6 A. Yes. Increasing the fixed customer charge reduces the portion of the bill that varies with
7 usage, which has the effect of shifting costs from high-use customers to low-use
8 customers. This shift is regressive in nature because it disproportionately impacts low-
9 income households who, as I showed in direct, are more likely to be lower usage
10 customers. By raising the fixed portion of the bill, Staff's proposal reduces these
11 customers' ability to control their energy costs through conservation or efficiency.

12 **Q. Are there solutions available to alleviate the bills of high-usage customers?**

13 A. Yes. First, Spire offers a Budget Billing program that smooths out seasonal bill volatility
14 by allowing customers to pay the same amount each month based on their historical
15 usage. The Company can take steps to promote this program more actively, including
16 through direct communications to customers experiencing higher-than-average bills
17 during the winter heating season.

18 Second, promoting energy efficiency and weatherization is a long-term solution to
19 reduce the total therms used by a household. Measures such as insulation, air sealing, and
20 efficient heating equipment can materially reduce gas consumption, especially in older
21 homes with poor thermal envelopes. Weatherization and energy efficiency can also
22 improve a customer's comfort. Spire already offers some energy efficiency programs,

1 and I support efforts to expand their reach and ensure they are accessible to high-usage
2 and low-income households.

3 **Q. What is your overall recommendation regarding Staff's proposal?**

4 A. I recommend that the Commission reject the size of Staff's proposed customer charge
5 increases. Both Spire's and Staff's proposals go too far, too fast, and risk violating the
6 principles of gradualism, fairness, and affordability. The Commission should instead
7 adopt a lower customer charge based on the Basic Customer method, and recover more of
8 the class revenue requirement through the volumetric rate, where customers maintain
9 greater control over their bills.

10 **Q. Does that conclude your testimony?**

11 A. Yes.

12

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

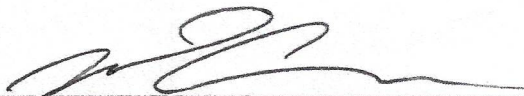
In the Matter of Spire Missouri Inc.'s d/b/a)
Spire Request for Authority to Implement a)
General Rate Increase for Natural Gas)
Service Provided in the Company's)
Missouri Service Areas.)

2025-0107
File No. GR-2022-0179

AFFIDAVIT OF BRADLEY CEBULKO

I, the undersigned, being duly sworn, states that my name is Bradley Cebulko, and that the foregoing Surrebuttal 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 27 day of June 2025:

State of: Washington
County of: King
The foregoing instrument was acknowledged
before me 27 day of June, 2025
Bradley Cebulko PA Cebulko
Your Name Here, Notary Public
My Commission Expires 06/22/2029

