Exhibit No.:	
Issue(s):	*Revenue Adjustments, Billing Determinants*
Witness:	*Melissa J. Reynolds*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal / Cross-Surrebuttal Testimony*
Case No.:	*GR-2025-0107*
Date Testimony Prepared:	*June 30, 2025*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

WATER, SEWER, GAS, AND STEAM DEPARTMENT

SURREBUTTAL / CROSS-SURREBUTTAL TESTIMONY

OF

MELISSA J. REYNOLDS

SPIRE MISSOURI INC., d/b/a Spire

CASE NO. GR-2025-0107

Jefferson City, Missouri
June 2025

SURREBUTTAL / CROSS-SURREBUTTAL

TESTIMONY OF

MELISSA J. REYNOLDS

SPIRE MISSOURI INC.,
d/b/a Spire

CASE NO. GR-2025-0107

Q. Please state your name and business address.

A. My name is Melissa J. Reynolds, and my business address is 200 Madison Street, Jefferson City, Missouri 65102.

Q. Are you the same Melissa J. Reynolds who filed direct testimony in this case on April 23, 2025, and rebuttal testimony on May 30, 2025?

A. Yes.

Q. What is the purpose of your surrebuttal / cross-surrebuttal testimony?

A. The purpose of my testimony is to describe Commission Staff's ("Staff") recommendations to the Commission regarding the gas rate proceeding for Spire Missouri Inc., d/b/a Spire ("Spire Missouri") regarding Weather Normalization Adjustment changes suggested by Spire Missouri witness David A. Yonce and provided by Spire Missouri witness Trisha E. Lavin in rebuttal testimony.

Q. What changes are Mr. Yonce recommending to the calculation of the Weather Normalization Adjustment to revenue?

A. Mr. Yonce is recommending changing the way in which coefficients are calculated "to better reflect the relationship between customer usage and weather."[1] Specific changes were not suggested or utilized by Spire Missouri witnesses in direct testimony in this

[1] Direct Testimony David A. Yonce, Page 16, Lines 11-16.

case filing. Mr. Yonce provided the actual proposed changes to coefficient calculations in his rebuttal testimony.[2]

Q. How is Mr. Yonce recommending that coefficients be calculated differently to better reflect the relationship between customer usage and weather?

A. Mr. Yonce is recommending to utilize billing cycle level data in the linear regression analysis rather than aggregated monthly data in order to have a larger sampling size.

Q. Did Spire Missouri witness Trisha E. Lavin utilize billing cycle level data in her Weather Normalization Adjustment?

A. Ms. Lavin utilized monthly customer and use data in her direct testimony for calculating coefficients, and then utilized billing cycle data in her rebuttal schedules and workpapers. Therefore, Spire Missouri is presenting a different case in rebuttal than direct, for this facet of the case.

Q. What variable is looked at in a linear regression to determine the relationship between weather and usage of customers?

A. The R-squared value indicates the percentage of the change or variance in usage by customers that is explained by weather.

Q. How do the R-squared values compare between Ms. Lavin's direct testimony using monthly data and her rebuttal testimony using billing cycle data?

A. The R-squared values are lower using billing cycle data compared to Spire Missouri's use of monthly data.[3] This means that even though the same relationship exists, utilizing monthly data for calculating coefficients is a better fitting model than utilizing billing

[2] Rebuttal Testimony David A. Yonce, Page 20, Lines 3-15.
[3] Direct and Rebuttal Testimony Trisha E. Lavin workpapers, Weather 10-year.

cycle level data because change of usage by customers is explained by weather a higher percentage of the time. The value less than 1 or 100% of an R-square value is change in usage occurring due to other factors than weather such as, but not limited to, conservation. Therefore, the recommended change in how coefficients are calculated by Mr. Yonce[4] does not better reflect the relationship between customer usage and weather compared to how it has historically been calculated using a monthly aggregation (see tables below).

Table 1

Comparing Spire East R-square values of 12-month and Billing cycle regressions[5]

Spire East	12-Month R-square value	Billing cycle R-square value
Residential	0.994252216 or 99.43%	0.97294 or 97.29%
Small General Service	0.96162645 or 96.16%	0.943146 or 94.31%
Large General Service	0.90194507 or 90.19%	0.821381268 or 82.14%

Table 2

Comparing Spire West R-square values of 12-month and Billing cycle regressions[6]

Spire West	12-Month R-square value	Billing cycle R-square value
Residential	0.98904059 or 98.9%	0.972365 or 97.24%
Small General Service	0.97039557 or 97.04%	0.927135 or 92.71%
Large General Service	0.95568917 or 95.57%	0.800792 or 80.08%

[4] Rebuttal Testimony David A. Yonce, Page 20, Lines 3-15.
[5] Direct and Rebuttal Testimony Trisha E. Lavin workpapers, Weather 10-year.
[6] Direct and Rebuttal Testimony Trisha E. Lavin workpapers, Weather 10-year.

Q. Does Staff have other reasons why the current Weather Normalization Adjustment or any Adjustment or Riders using weather normalization should not change during this rate case?

A. Yes. Billing data provided by Spire Missouri in Data Request ("DR") 0109 that is consolidated in my rebuttal Revenue workpapers, the back-billed/delayed transfer data discussed in a meeting on June 6, 2025 and provided by email on June 10, 2025 which has been requested to supplement DR 0109, and the frequency analysis provided in DR 0182 clearly show that, even outside the delayed transfer backlog that was identified in March 2024[7], Spire Missouri has customer charges and usage being billed months after the actual usage every month of the year. This means that summer usage is billed or credited during all winter month billing cycles and winter usage is billed or credited during all summer month billing cycles. This is expected during May and November, the first months of the summer and winter seasons, or rate changes, but summer usage should ideally not be billed in all winter months and vice versa. The relationship between customer usage and weather is only as accurate as the data recorded and provided as usage each month. Minimizing and better tracking of back-billing/delayed transfers at the billing cycle level so that data utilized for Weather Normalization is more accurate is a recommended first step "to better reflect the relationship between customer usage and weather."[8]

Q. Has Staff had to make any additional corrections to Weather Normalization adjustment calculations related to revenue?

[7] Supplement Direct Testimony David A. Yonce, Schedule DAY-SD-1.
[8] Direct Testimony David A. Yonce, Page 16, Lines 11-16.

A. Yes. Reallocation of the adjusted usage due to weather normalization had to be modified to reduce the impact of back-billing or summer usage being billed in the winter months and vice versa, as discussed above (Schedule MJR-s1).

Q. Did these corrections to normal usage impact other adjustments to revenue?

A. Yes. The Customer Annualization for customer growth/loss utilizes the normal usage per customer to calculate the adjusted revenue for annualization.

Q. Spire Missouri witness Lavin states on page 2, line 23 through page 3, line 3 that she does not agree with Staff's methods for the Annualized Customer Adjustment using a single point in time. How do you respond to Ms. Lavin?

A. The methodology utilized by Staff for annualizing revenue is based on historical rationale and methods as described in Staff's Position Paper on Gas Revenues.[9] As demonstrated by Staff calculations provided in direct and rebuttal Customer Annualization workpapers, there is a strong correlation or relationship between a single point in time and the average number of customers for the next 12 months, which means that customer annualization for growth can be at any point in time or month. However, due to the need for consistency in correlations, which can be impacted by events such as natural disasters or internal utility billing issues that alter customer numbers from what is typical or expected, Staff must decide if data for certain months should not be used and/or which point in time produces the best correlation and consistency. Staff has historically annualized revenues to the most current point applied to the test year, update period, or true-up. Staff will be looking at consistency to determine if recommendations need to be updated at true-up.

[9] Auditing Staff, Position Paper on Gas Revenues 1-17 (MO. Public Service Comm'n, unpublished Position Paper).

Q. Did Spire Missouri update their Rate Design and Billing Determinants to include Residential Liquid Propane ("LP") in the LP rate class?

A. Yes. Spire Missouri has removed Residential LP customers and usage from the Residential rate class and incorporated them into the LP rate class billing determinants.[10] Staff agrees with Spire Missouri's LP rate class billing determinants.

Q. Does this conclude your surrebuttal / cross-surrebuttal testimony?

A. Yes, it does.

[10] Spire Missouri rebuttal workpaper, WP (Rate Design) - Billing Determinants_vRebuttal.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Spire Missouri Inc. d/b/a Spire's Request for Authority to Implement a General Rate Increase for Natural Gas Service Provided in the Company's Missouri Service Areas	))))	Case No. GR-2025-0107

AFFIDAVIT OF MELISSA J. REYNOLDS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MELISSA J. REYNOLDS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal / Cross-Surrebuttal Testimony of Melissa J. Reynolds*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

MELISSA J. REYNOLDS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 26th day of June 2025.

Notary Public

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2029
Commission Number: 12412070

EAST

Rate Class	Revenue ordered GR-2022-0179	12 Month Ending Sep 2024 Revenue	12 Month Ending Dec 2024 Revenue Adj	Rate Switching	Weather, Days & Rate Adj.	Customer Annualization	Total MO Normalized Revenue
Residential Service	$ 319,076,942	$ 287,969,771	$ (375,958)		$ 35,679,708	$ 308,738	$ 323,582,259
Small General Service	$ 36,002,731	$ 34,688,373	$ 319,151	$ 51,490	$ 3,858,463	$ (164,639)	$ 38,752,837
Large General Service	$ 30,573,763	$ 26,631,547	$ 389,339	$ (176,546)	$ 3,265,176	$ (465,537)	$ 29,643,979
Large Volume Service	$ 1,311,325	$ 801,355	$ 16,529			$ -	$ 817,884
Unmetered Gaslight	$ 48,341	$ 47,870	$ (254)				$ 47,616
General LP	$ 11,753	$ 12,352	$ 27				$ 12,380
Transportation	$ 15,225,786	$ 12,038,454	$ 1,818,001	$ 13,994		$ -	$ 13,870,448
Total	**$ 402,250,641**	**$ 362,189,721**	**$ 2,166,834**	**$ (111,062)**	**$ 42,803,347**	**$ (321,438)**	**$ 406,727,403**

Residential

Final Billing Determinant	Determinants	Rates	Revenue
Customer charge	7,492,161	$ 20.00	$ 149,843,223
Summer Ccf			
First 50	70,672,893	0.32877	$ 23,235,127
Over 50	7,565,843	0.39835	$ 3,013,854
Winter Ccf			
First 50	403,651,819	0.36538	$ 147,486,301
Over 50	10,275	0.36538	$ 3,754
Total	481,900,830		$ 323,582,259

SGS

Final Billing Determinant	Determinants	Rates	Revenue
Customer charge	443,954	$ 40.72	$ 18,077,823
Ccf	86,070,579	0.24021	$ 20,675,014
Total			$ 38,752,837

LGS

Final Billing Determinant	Determinants	Rates	Revenue
Customer charge	53,524	$ 145.43	$ 7,784,024
Ccf	139,333,002	0.15689	$ 21,859,955
Total			$ 29,643,979

LV

Final Billing Determinant	Determinants	Rates	Revenue
Customer charge	343	$ 1,063.73	$ 364,859
Demand	299,928	$ 1.12	$ 335,919
Block 1 Ccf	3,846,021	0.03008	$ 115,688
Block 2 Ccf	160,705	0.00882	$ 1,417
Total			$ 817,884

LP

Final Billing De	Determinants	Rates	Revenue
Customer charg	399.5	$ 20.87	$ 8,338
Gallons	15546	0.26	$ 4,042
Total			$ 12,380

UG

Final Billing De	Determinants	Rates	Revenue
Customer Charg	782.73	$ 6.99	$ 5,471
each initial	7047.605076	$ 5.98	$ 42,145
each additional		$ 3.14	
Total			$ 47,616

LV TS

Final Billing De	Determinants	Rates	Revenue
Customer Charg	1,739	$ 2,211.60	$ 3,845,972
Special Contrac	12	$ 750.00	$ 9,000
Block 1	54,690,565	0.02559	$ 1,399,532
Block 2	124,761,536	0.01071	$ 1,336,196
Demand	11,818,099	0.612	$ 7,232,676
Special Contrac	276,370	0.0039	$ 1,078
Special Contrac	1,004,840	0.0032	$ 3,215
Special Contrac	69,900	0.612	$ 42,779
Total			$ 13,870,448

WEST

Rate Class	Revenue ordered GR-2022-0179	12 Month Ending Sep. 2024 Revenue	12 Month Ending Dec 2024 Revenue Adj	Rate Switching	Weather, Days & Rate Adj.	Customer Annualization	Total MO Normalized Revenue
Residential Service	$ 258,173,012	$ 233,750,582	$ (2,119,162)		$ 18,429,003	$ 2,383,959	**$ 252,444,382**
Small General Service	$ 27,566,558	$ 26,346,655	$ (28,433)	$ 42,337	$ 1,696,397	$ 75,690	**$ 28,132,645**
Large General Service	$ 19,144,211	$ 16,752,972	$ (217,199)	$ (209,323)	$ 1,204,015	$ 11,024	**$ 17,541,487**
Large Volume Service	$ 1,320,522	$ 1,053,975	$ 8,447	$ (4,215)			**$ 1,058,208**
Unmetered Gaslight	$ 1,852	$ 772					**$ 772**
Large General Transport	$ 2,072,736	$ 2,028,745	$ 47,909	$ 47,915			**$ 2,124,568**
Large Volume Transportation	$ 16,054,710	$ 16,032,628	$ 6,155	$ 1,571			**$ 16,040,354**
Total	**$ 324,333,601**	**$ 295,966,327**	**$ (2,302,283)**	**$ (121,715)**	**$ 21,329,415**	**$ 2,470,672**	**$ 317,342,416**

Residential

Final Billing Determinants	Determinants	Rates	Revenue
Customer charge	6,114,739	$ 20.00	$ 122,294,779
Summer Ccf			
First 50	51,097,431	0.3366	$ 17,199,395
Over 50	4,589,267	0.41527	$ 1,905,785
Winter Ccf			
First 50	296,878,469	0.37404	$ 111,044,422
Over 50	-	0.37404	
Total			$ 252,444,382

SGS

Final Billing Determinants w/	Determinants	Rates	Revenue
Customer charge	368,694	$ 43.70	$ 16,111,949
Block 1 First 5,000 Ccf	64,273,410	0.18592	$ 11,949,712
Block 2 Over 5,000 Ccf	305,427	0.23241	$ 70,984
Total			$ 28,132,645

LGS

Final Billing Determinants w/	Determinants	Rates	Revenue
Customer charge	37,332	$ 189.61	$ 7,078,435
Ccf	66,125,591	0.15823	$ 10,463,052
Total			$ 17,541,487

LV

Final Billing Determinants w/	Determinants	Rates	Revenue
Customer charge	380	$ 1,595.40	$ 606,731
Fixed monthly meter charge i	36	$ 293.38	$ 10,562
Summer			
Block 1 First 36,000 Ccf	1,229,130	0.05129	$ 63,042
Block 2 Over 36,000 Ccf	1,550,092	0.03399	$ 52,688
Winter			
Block 1 First 36,000 Ccf	1,909,750	0.08217	$ 156,924
Block 2 Over 36,000 Ccf	2,624,987	0.0641	$ 168,262
Total			$ 1,058,208

UG

Final Billing Determ	Determinants	Rates	Revenue
Customer Charge per Light unit	120	$ 6.43	$ 772
Total			$ 771.60

LG TS

Final Billing Determ	Determinants	Rates	Revenue
Customer charge	2818	$ 195.39	$ 550,609
EGM	2917	$ 25.00	$ 72,925
Nov-March ccf	8571918.845	$0.13268	$ 1,137,322
Apr-Oct ccf	4756887.81	$0.07646	$ 363,712
Total			$ 2,124,568

LV TS

Final Billing Determ	Determinants	Rates	Revenue
Customer Charge	4809	$ 1,238.36	$ 5,955,273
Fixed monthly mete	984	$ 393.38	$ 387,086
EGM Charge	5368	$ 25.00	$ 134,200
Winter (Nov-March	38,237,706.00	$ 0.05512	$ 2,107,662
Winter Block 2	85,496,750.00	$ 0.04300	$ 3,676,360
Summer (Apr-Oct)	40,552,374.69	$ 0.03441	$ 1,395,407
Summer Block 2	102,555,810.00	$ 0.02280	$ 2,338,272
Special Contract Ccf	7,619,110.00	$ 0.00800	$ 60,953
Total			$ 16,055,214