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Issue(s):	Decoupling/WNAR
Witness/Type of Exhibit:	Mantle/Surrebuttal
Sponsoring Party:	Public Counsel
Case No.:	GR-2025-0107

SURREBUTTAL TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

SPIRE MISSOURI, INC.

FILE NO. GR-2025-0107

June 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/rate design ("CCOS") direct testimonies and rebuttal testimony for the Office of the Public Counsel?

A. Yes.

Q. What is the purpose of your surrebuttal testimony?

A. In this surrebuttal testimony, I respond to the rebuttal testimony of Spire Missouri, Inc. ("Spire") witness David A. Yonce regarding:

1. decoupling of revenues from costs;
2. Spire's request for an adjustment to normalized revenues for conservation;
3. Spire's request to add the small general service ("SGS") to the weather normalized adjustment rider ("WNAR"); and
4. Spire's request to include another adjustment in the WNAR;

I provide information regarding the various positions regarding the appropriate weather to use in the normalization of revenues.

I clarify my position on the current language in the WNAR tariff sheet regarding the application of the Commission order regarding the magnitude of changes to the WNAR rate.

Q. In your response to this rebuttal testimony do you have any additional recommendations in this surrebuttal testimony?

A. In addition to the recommendations in my direct and rebuttal testimonies, in this testimony I recommend the Commission not approve the new dollar amount adjustment that Spire is proposing be added to the WNAR.

I recommend the Commission open a workshop case to determine the appropriate weather data history to calculate normal weather that will be used for both the natural gas and electric utilities.

In addition, I recommend the following definition of the deferred amount on my exemplar WNAR tariff sheet provided on my rebuttal Schedule LMM-R-4 be replaced with:

> DA = Deferred amount. There shall be a limit of $0.05 per Ccf on the WNAR rate and no limit on downward adjustment. Any TRA not recovered due to this cap of $0.05 per Ccf will be deferred for recovery from customers in the next recovery period. Interest at Spire's short-term borrowing rate shall be applied to any deferred amount.

Response to Decoupling Rebuttal Testimony

Q. What witness provided rebuttal testimony regarding decoupling?

A. Spire witness David A. Yonce[1] filed rebuttal testimony regarding decoupling.

Q. Would you give a brief description of what is meant by the term decoupling?

A. Decoupling refers to the separation of revenue from the total amount of gas sold. It assures the utility a predetermined revenue amount regardless of the amount of energy used by its customers. If the utility does not collect this amount during a set time period, then the utility will collect the deficit amount in the next time period regardless of the reason that the revenue was not collected. This results in customer's bills increasing the next year without an increase in usage to make up the difference from the previous year. Likewise, if more revenue is collected than

[1] Rebuttal, pages 5 - 7.

the predetermined amount, the excess is returned to the customers perhaps enticing them to use more because their bills were lower.

Q. Does decoupling take into account the costs incurred by the utility over the time period that revenues are collected?

A. No. Decoupling means looking at revenues in a silo. Customers are held accountable to the revenues set in the last rate case but the utility is not held accountable to the normalized cost of service. If the utility finds efficiencies and has an actual cost to serve that is lower than the normalized cost to serve, it gets to keep that savings and, if it was a warm winter, they get to charge customers more even though its costs decreased.

Q. Spire witness Yonce disagrees with Staff's position that decoupling shifts risk to customers.[2] Do you agree with Mr. Yonce that decoupling would not result in a shift of risk to customers?

A. No.

Q. What risk does decoupling shift to customers?

A. It shifts the risk of weather to customers. If it is warmer than normal, then the next year the customers pay more. If it is cooler than normal the customers pay less the next year.

It shifts the risk of declines in revenue recovery due to a reduction in usage of a group of customers onto all customers. It increases the cost to customers that cannot improve their energy efficiency by increasing the rates charged thus increasing their bills even though their behavior has not changed.

It shifts the risk of declines in revenue due to a decline in the number of customers to the remaining customers.

[2] *Id.,* page 5.

Q. Why should the utility absorb these risks instead of customer?

A. Rates are designed to recover the utility's full cost-to-serve plus a return on capital investments that compensates the utility for taking these risks. In other words, the utility gets paid to take this risk.

Q. If the revenues are decoupled from the usage of the customers, do customers receive compensation for assuming the risk?

A. They could if the Commission lowered the rate of return included in the cost to serve due to the shifting of risk to customers. While not direct compensation, a reduction in the return included in the revenue requirement calculation would compensate customers for taking more risk.

Q. Did Spire propose that its rate of return be reduced if the Commission approved decoupling for it?

A. I have not found such a proposal in any testimony provided by Spire.

Q. What is your understanding of Mr. Yonce's position regarding the shift in risk to customers if the Commission approved decoupling for Spire?

A. It is his testimony that there would not be a shift in risk for Spire to have a decoupling mechanism because Spire currently has a WNAR. According to Mr. Yonce, "This proposed mechanism is no different than the existing weather normalization adjustment rider ("WNAR") mechanism (if operating effectively), . . ."[3]

Q. Is he correct that, in approving a WNAR mechanism for Spire, the Commission has approved decoupling?

A. No. The WNAR does not completely separate revenue from usage so it is not decoupling. While much of the variation in revenues is due to weather, there are

[3] *Id.*

other reasons for differences between the actual usage and the normalized usages in the rate case. There will be differences between revenues with the WNAR adjustment and the normalized revenues in the most recent rate case.

Q. Would there be a shift in risk to customers if the Commission moved from Spire's WNAR to complete decoupling?

A. Yes. Spires's WNAR does shift the risk of abnormal weather to customers and some of the risk of lower revenues due to energy efficiency.[4] However, it does not assure Spire that it will recover the normalized revenue set in the last rate case. Therefore, with a WNAR, customers do assume additional risk but there is also a small risk to Spire – the risk of changes to usage that are not due to weather. Decoupling would move that remaining small risk to the customers.

Q. Do you agree with Mr. Yonce that customers should be agnostic to the decoupling mechanism proposed by Spire because it is designed to allow Spire to recover its cost to serve?[5]

A. No. This seems to be a "let them eat cake" attitude. The Commission need only go to the public comments to this case in EFIS to find out how customers feel about Spire asking for increases in their bills whether that be through increases in permanent rates or allowing Spire the ability to recover more revenue if the weather is mild. The Commission should think back to the customers that spoke at the public hearings. Many of Spire's customers are not "agnostic" towards Spire's ability to recover its cost to serve.

[4] See my revenue requirement direct testimony, pages 10 – 13.
[5] Rebuttal testimony, page 6.

Q. Is Mr. Yonce correct that Spire is entitled to recover the full cost to deliver natural gas to customers as set by the Commission in the last rate case since Spire is required to provide safe and adequate service to its customers?[6]

A. No. The cost-to-serve is a normalized, annualized amount that the Commission has determined is adequate to provide safe and adequate service to customers. Just as Spire is not required to spend that exact amount, customers should not be required to provide that amount. It is not a guaranteed amount. The cost-to-serve includes an incentive for Spire to become more efficient since Spire gets to keep revenue above the cost incurred if it is less than what the amount the Commission set. This excess revenue is earnings for Spire. If the rates set to recover this amount is not adequate, then Spire can come back to the Commission to justify a greater amount.

Q. Did Mr. Yonce propose any alternatives to decoupling?

A. Yes. If the Commission does not approve the Distribution Service Adjustment decoupling mechanism Spire is proposing, Mr. Yonce proposes the following:

1. Continuation of its WNAR with the following modifications;
   a. Inclusion of the small general service ("SGS")[7] rate class in the WNAR;[8] and
   b. Inclusion of an adjustment to compensate Spire for up to $1 million of the difference between the volumetric revenues set in the case and the volumetric revenues plus WNAR revenues that Spire would actually bill;[9] and
2. A negative adjustment in the calculation of normalized revenues. Mr. Yonce titles this a "conservation adjustment."[10]

[6] *Id.*
[7] Also referred to in this case by various parties including Spire as the General Service rate class.
[8] Rebuttal, page 10.
[9] *Id.,* pages 20 - 21.
[10] *Id.,* pages 6 - 7.

Q. Does Spire have any mechanisms other than the WNAR that stabilize its revenues?

A. Spire has the Purchased Gas Adjustment ("PGA") and the accompanying Actual Cost Adjustment ("ACA") mechanisms to ensure that it recovers the cost of the natural gas commodity used by its customers. It also has the Infrastructure System Replacement Surcharge ("ISRS") that allows it to begin recovery of some capital investments that go in-service between rate cases. Both of these mechanisms allow for revenue recovery in a more accelerated manner than is allowed in traditional cases.

Adjustment to Normalized Revenues

Q. Why is Mr. Yonce proposing a negative adjustment to normalized revenues if a decoupling mechanism is not approved by the Commission?

A. Mr. Yonce characterizes this as a way to address conservation.[11] The result of this adjustment is to immediately increase the amount of revenue needed to meet the cost-to-serve. A decrease to the normalized revenues results in a greater increase in rates.

The amount of increase to the revenues in a rate case is calculated as the difference between the cost of service of the utility and the normalized revenues. This difference can increase in two different ways: (1) increase the cost to serve, or (2) decrease the normalized revenues.

Q. Did Mr. Yonce propose a conservation adjustment in his direct testimony?

A. Yes. Mr. Yonce proposed a conservation adjustment to both the Residential and General Service classes. Spire only included a conservation "placeholder" [12] in its determination of normalized revenues in its direct case but estimated that the

[11] Direct, page 17.

[12] In its direct case, Spire included a line in its normalized revenue table for a conservation adjustment. However, there was no amount included on that line. See Spire direct workpaper "EAB MOT1 MOE1 MOW1 Spire 2024 Rate Case Model FINAL PST Srce CONFIDENTIAL," Tab "MOE G-1 Rev," line 5, and tab "MOW G-1 Rev," line 6.

adjustment would be $4 million to $5 million for the residential class. At the time it filed its direct case, Mr. Yonce says that Spire did not have an estimate for the General Service class.[13]

Q. Did Mr. Yonce provide a more definitive estimate in his rebuttal testimony?

A. Yes. Mr. Yonce now requests $3,368,350 be included as a reduction in the calculation of the normalized revenues.[14] He cites Spire's response to Staff data request 270 as the workpaper for this amount.

Q Does this workpaper provide additional information regarding his proposed conservation adjustment to normalized revenues?

A. Yes. Of the $3,368,350, the normalized revenues of the Spire East residential class would be reduced $2,156,783. The remaining $1,211,567 would reduce the normalized revenues for the Spire West residential class. The workpaper did not show any reduction in normalized revenues for the SGS classes for Spire East or Spire West.

Q. As you suspected in your rebuttal testimony, Mr. Yonce provides in his rebuttal testimony that he believes that Section 386.266.3 allows this type of adjustment.[15] Does it?

A. No.[16] Section 386.266.3 that Mr. Yonce quotes in his rebuttal testimony[17] provides that Spire can ask the Commission to allow a mechanism that allows for periodic rate adjustments outside of general rate proceedings to account for changes in revenue due to conservation. What Mr. Yonce is proposing is not a mechanism that allows for periodic adjustments outside of general rate proceedings. Mr. Yonce is

[13] Direct testimony, page 17.
[14] Rebuttal testimony, page 7.
[15] Rebuttal, page 7.
[16] I am not an attorney. My interpretation of this statute is based on my reading of the statute as an Engineer and my experience in many cases before the Commission regarding the application of Section 386.266 RSMo.
[17] Rebuttal testimony, page 7.

proposing an adjustment to normalized revenues in this rate proceeding of an estimate of the impact of future conservation based on past conservation with no future true up to the actual conservation that was achieved.

Q. What is your recommendation regarding Spire's request for an adjustment to revenues for conservation?

A. My recommendation remains that the Commission not approve an adjustment to Spire's revenues to account for conservation. It is consistent with Staff's rebuttal position.[18] It is also disingenuous with Spire's provision of energy efficiency programs.

Q. Would you explain how Mr. Yonce's proposed adjustment for conservation is disingenuous with Spire's provision of energy efficiency programs?

A. Spire has energy efficiency programs it expects customers to pay for and then proposes that, in addition to paying customer to conserve energy, the Commission should allow it to recover the revenues it does not receive due to those energy efficiency programs from all its other customers.

Inclusion of the Small General Service Class in the WNAR

Q. Does Mr. Yonce propose a specific conservation dollar adjustment to the SGS class revenues in his rebuttal testimony?

A. No. While he proposes that an adjustment be made to SGS in his direct testimony, he does not propose a specific adjustment for this class in either his direct or rebuttal testimony. In fact, it seems the inclusion of the SGS class was nearly forgotten by Mr. Yonce in his rebuttal testimony.

[18] Rebuttal testimony of Staff witness Michael J. Abbott, page 9.

Q. What supports your conclusion that Mr. Yonce nearly forgot he had requested the SGS class be included in the WNAR?

A. In addition to there being no estimate of a conservation adjustment for the SGS class, Mr. Yonce only briefly mentions the inclusion of the SGS class in his rebuttal testimony.[19] Mr. Yonce's only justification in his rebuttal testimony for including the SGS class in the WNAR was that the SGS class should be included because the statute allows it. He provided no estimates of the impact of changes to the SGS revenues due to weather in his testimony. There is no recognition of the impact on SGS customers; just that the class should be included because Section 386.266.3 RSMo. says that the class can be included.

Q. What is your recommendation regarding Spire's request that the SGS class be included in its WNAR?

A. My recommendation remains that the Commission not allow the inclusion of the SGS class in Spire's WNAR.

Spire's Rebuttal Proposed Addition to its WNAR

Q. Would you explain the addition to its WNAR Spire is proposing if it is not allowed its proposed decoupling mechanism it titled Distribution Service Adjustment ("DSA")?

A. Mr. Yonce only provides a brief description of his requested change to Spire's WNAR.[20] My interpretation from this brief description is that Spire is requesting that the WNAR adjustment mechanism include up to an additional $1 million to cover the difference between the volumetric portion of the cost-of-service revenues for the class as set in this rate case with the sum of the weather adjustment calculated in the WNAR and the actual volumetric revenues collected. Mr. Yonce labels this adjustment as a "cap."

[19] Rebuttal, page 11.
[20] Rebuttal, page 21.

Q. Would you characterize it as a cap?

A. No. It does cap the amount of extra revenue that Spire could include in the calculation of the WNAR rate but nothing else in the WNAR. It is just another attempt to get more revenue from its customers. It would be an additional risk placed on customers with no compensation for that risk.

Q. You talk about it increasing the amount Spire could charge customers. Couldn't this mechanism return up to $1 million to customers if the WNAR adjusted revenues are greater than the rate case revenues?

A. Yes. However, that is very unlikely to happen. The reason for this adjustment is for Spire to claw back more revenue in the event the WNAR does not allow Spire to recover the revenues set in this rate case.

Q. Mr. Yonce describes the intent of this adjustment as ensuring the WNAR mechanism would perform the way it should.[21] Does he explain what Spire considers the WNAR performing as it should?

A. Mr. Yonce states in his testimony:

> The WNAR mechanism is intended to address the impacts on usage from weather. More specifically, just like the test year usage in this rate case is normalized for weather, the WNAR mechanism is intended to adjust usage for the effects of weather to get the Company back to those revenues.
>
> (Emphasis Added)[22]

It is Mr. Yonce's expectation that to perform "as it should" means that the WNAR adjustment would perfectly restore the actual recovery of revenues to the revenues required in the rate case to cover the normalized cost to serve determined in the rate case.

[21] *Id.,* page 20.
[22] *Id.,* pages 20 – 21.

Q. Previously you described decoupling as assuring the utility recovers a predetermined revenue amount. Is this what Spire expects of the WNAR?

A. Yes. Spire expects that having a "properly functioning" WNAR would result in recovery of the exact amount of revenues set in the rate case.

Q. Is that the statutory expectation of the WNAR?

A. No. The ability of the Commission to allow Spire a weather normalization adjustment rider is given in Section 386.266.3 RSMo. This subsection of the statute only allows for the recovery of revenues changes due to variations usage due to weather, conservation, or both. Decoupling assures the utility that it recovers the revenues set in the rate case regardless of the cause of the difference.

Q. Is it a realistic expectation of the WNAR?

A. No. There are other things that impact the usage of customers that will not be adjusted for in the WNAR.

Q. What is your recommendation to the Commission regarding this newly proposed provision?

A. The Commission should <u>not</u> approve this change proposed by Spire to its WNAR. It is just a thinly veiled attempt to make the WNAR into a decoupling mechanism.

<u>Weather and the WNAR</u>

Q. Why is weather important to the WNAR?

A. The purpose of the WNAR is to account for the impact on Spire's revenue due to increases and decreases in usage due to weather. This necessitates a measure of how usage changes due to changes in weather. Specifically, for Spire, weather is measured in heating degree days ("HDD").[23] The change in usage due to one (1)

[23] An HDD is equal to 65 minus the mean daily temperature when the mean daily temperature is less than 65 degrees and zero if the mean daily temperature is above 65 degrees. This assumes that heating takes place if the mean daily temperature is below 65 degrees but not if the mean daily temperature is above 65 degrees.

HDD is the coefficient in the WNAR called β. The β coefficient is determined through the weather normalization analysis that is used to determine the weather normalization adjustments to revenue.

Therefore, for the WNAR to accomplish its purpose, the correct actual and normal weather must be used and the β coefficient used in the WNAR should be consistent with the adjustment to normalize residential revenue for weather.

Q. What are the different positions regarding what weather should be used to calculate the weather normalization adjustments to revenue and develop the β coefficients for the WNAR?

A. Both Staff and Spire agree that weather from the St. Louis Lambert Airport should be used to calculate the revenue weather normalization adjustment for Spire East. Both Staff and Spire have used data from the Kansas City International Airport ("KCI") weather station in their filed weather normalization analysis of Spire West customers. However, Mr. Yonce in his rebuttal testimony recommends Staff use weather from the Kansas City Downtown Airport ("KC Downtown") because he believes that it is "more reflective of the actual weather the majority of [Spire West's] customers are experiencing in the Kansas City area."[24]

Q. What analysis did Mr. Yonce provide to support his belief that it was more appropriate to use the KC Downtown weather to analyze the weather sensitivity of Spire West customers?

A. He did not provide any analysis. His rationale was that KC Downtown should be used because 70% of Spire West's customers are south of the airport in contrast to the 87% that are south of KCI.[25]

[24] Rebuttal, page 18.
[25] Id., page 18 – 19.

Q. Is this a reason to change weather stations?

A. It is rational to look at different weather stations more locally situated to customers, but a change should not be made solely on this one criterion. Also important is the quality of the weather data from the weather station and the correlation of the weather to the usage. None of these should be the sole criterion but rather all should be evaluated.

In its direct case, Staff used a weather station on the west side of the state to measure the weather sensitivity of Spire East's usage.[26] Despite using the wrong station, Staff's analysis of the weather sensitivity of the residential class had a very high measure of fit.[27] The R-square of Staff's regression analysis of Spire East residential usage with weather measured on the west side of the State was 98.1.[28] This means that HDD for a weather station on the other side of the state explained 98.1% of the variation in usage. All the statistics showed this to be a good analysis.

When Staff used St. Louis Lambert airport weather to analyze the weather sensitivity of the Spire East residential class, the regression R-square increased to 99.1 meaning the correct weather accounted for 1% more variation.[29]

Both weather stations provided results with good statistics. However, the results were different. Assuming that the quality of weather data is good from both weather stations used, it is logical to assume that the analysis using weather from the east side of the state is more accurate even though both analyses showed good fit.

[26] Staff witness Melissa Reynolds rebuttal testimony, page 3.
[27] In general, a measure of fit measures how well the observed data (in this case usage) is predicted in the regression model by the independent data (in this case HDD). R2 is a common measure of fit ranging from zero to one with zero meaning no fit and one meaning perfect fit.
[28] Staff direct workpaper, "East RGS Weather Normalization GR-2025-0107.xlsx", tab "EAST".
[29] Staff rebuttal workpaper, "East RGS Weather Normalization GR-2025-0107 updated 050525.xlsx", tab "EAST".

Q. Is more appropriate to use KC Downtown weather station data for Spire West?

A. Not necessarily. The quality of the weather data also needs to be examined before the appropriateness of using the KC Downtown data instead of the KCI weather data.

Q. Did Spire look at the quality of the data?

A. Mr. Yonce did not provide any information regarding the quality of the weather data from KC Downtown as compared to the data from KCI.

Q. Are the weather stations the only issue with weather in this case?

A. No. As I described in my rebuttal testimony there is also an issue with the amount of daily weather used to calculate a daily measure of weather. Staff's position is that thirty years of data should be used. Spire's position is that ten years of data should be used. However, Spire did offer a comprise position of using 15 years of daily weather data in the direct testimony of its witness Trisha E. Lavin. In my rebuttal testimony, I recommend Spire's compromise position of 15 years of data.

Q. Do you have any type of measure for how these different positions effect this case?

A. Yes. Spire witness Mr. Yonce provided the results of the weather normalization process[30] using 15 years, 10 years, and 30 years of weather data. He conducted the analysis for Spire East using St. Louis Lambert Airport weather and for Spire West using both Kansas City Downtown weather and KCI weather. The results for all of the classes weather normalized are provided were provided by Mr. Yonce as attached as Schedule LMM-S-1. Below is a summary table with the results for the residential classes.

[30] It is my understanding that Staff's method of weather analysis and Staff's ranking method for calculating normal weather was used in these calculations.

Table 1
Weather Normalization Adjustments

		Years of Daily Data to Calculate Normal		
	Weather Station	10 years	15 years	30 years
East	Lambert	$ 25,883,632	$ 29,549,957	$ 35,720,248
West	KCI	$ 11,961,769	$ 15,486,062	$ 18,290,857
West	Downtown	$ 15,171,031	$ 18,214,001	$ 20,693,375

As this table demonstrates, all the adjustments are positive meaning using any of the weather stations and 10, 15, or 30 years of daily data to calculate normals will result in a higher normalized revenue and a smaller difference between the cost to serve and the normalized revenues. This reflects that the actual weather in calendar year 2024 was warmer than normal calculated with 10 years, 15 years, and 30 years of data. The adjustments are larger if 30 years of data is used to calculate normal signifying this is the coolest of the three normals. The 10-year normal adjustments are the lowest indicating using just ten years of weather results to calculate normal results in a warmer normal than using 15 or 30 years. It would also result in the lowest normal revenue and the highest increase in revenues needed to meet the cost-to-serve.

Q. Is there anything that the Commission should consider if they choose the 10 or 15 year normal as appropriate to use to determine normal usage for Spire?

A. The length of history needed to determine an appropriate weather normal should not change depending on whether the utility is a gas utility or an electric utility. Normal weather should be neutral to the utility type.

Natural gas utilities want a warm normal since warm normals result in the lower heating demand and lower normalized revenues and larger rate increases. Electric utilities want a cool normal since cooler weather results in lower demands

in the summer when rates are the highest. This in turn results in lower normalized usage and revenues for the electric utilities.

Since the amount of increase in any general rate increase case is the difference between normalized revenue and the cost to serve set by the Commission the different utility types have incentives to have different normal weather. The lower the normalized revenue, the higher the increase granted by the Commission.

Q. What is the impact on customers if their gas utility uses a 10 year normal and their electric utilities use a 30 year normal?

A. The granted increases are greater for both types of utilities meaning higher rates and bills for weather sensitive customers. This is because normal weather for a ten-year normal used by the gas utility is warmer than the 30-year used by the electric utility. Normal weather determination should be dependent of the utility type that is requesting an increase.

For this reason, OPC is recommending the Commission open an investigatory docket to determine the length of time that is reflective of normal weather that should be used to determine weather normalization adjustments to revenue. The Commission should hire an independent consultant to analyze what the appropriate amount of data is to calculate normal weather. This recommendation would be used by both natural gas and electric utilities for ratemaking in Missouri. This would take the gamesmanship of how long of history is correct out of the ratemaking process.

<u>Cap on WNAR rate adjustments</u>

Q. Is Staff witness Melissa Reynolds interpreting your position on the WNAR rate cap correctly? [31]

A. No. She seems to think that the recommendation in my direct testimony that the Commission clarify the customer protection that it ordered in case nos.

[31] Rebuttal, page 10.

GR-2017-0215 and GR-2017-0216 was meant to cap the WNAR rate at $0.05 per Ccf would result in Spire not being able to recover all WNAR adjustment amounts.

Q. Did you address this in your direct testimony?

A. Yes. I very clearly stated in my CCOS direct testimony:

> The cap of $0.05 per Ccf limits the rate customers pay. It does not cap the collection of the weather normalization adjustment dollar amounts. It merely increases the time over which the amount is collected. If the rate had been capped as required by tariff sheet nos. 13.1 and 13.4, there would be a deferred amount that would be included in the calculation of the rate in the upcoming recovery period.
>
> (Emphasis added)[32]

In addition to this written testimony, Table 2 included at the top of page 4 of my CCOS direct testimony includes the following in the last line of the table:

> Dollar amount deferred to next recovery period

This clearly shows that I understand the Commission's decision in Case nos. GR-2017-0215 and GR-2017-0216 that any amount that would not be collected with the $0.05/per Ccf cap would be deferred and collected in the next recovery period.

Q. Did Spire witness Mr. Yonce also mis-interpret your testimony regarding the implementation of the Commission order regarding a cap on the WNAR rate?

A. Yes. Mr. Yonce states that given my interpretation of the Commission order, the current WNAR rates would be reduced to $0.05 per Ccf.[33] My class cost-of-service testimony included a question of what should be done regarding the current WNAR rates that are above the cap. My response included the following:

> Since most of the usage in the current recovery period of September 2024 through August 2025 has been incurred, most of the dollar amount to be

[32] Mantle Class Cost-of-Service/Rate Design direct testimony, page 4.
[33] Rebuttal, page 10.

> collected has already been collected from Spire's residential customers. Therefore, I recommend no action other than the adoption of my proposed tariff sheet no. 13.9 to prevent this customer bill protection from being overlooked going forward.
>
> (Emphasis added)

I went on further in that testimony to say that new WNAR rates would be in effect prior to the conclusion of this case so the whole discussion of what to do with the current rates is moot. There will be different WNAR rates when this case is decided.

Q. Do you know what Spire witness Yonce means by the term "true cap" that he strongly opposes?[34]

A. He does not say in his testimony. However, it seems that he is defining my interpretation as a true cap and Staff and Spire's interpretation to not be a true cap.

Q. Do you agree that your interpretation is a true cap and Spire's and Staff's interpretation is not?

A. I do. Their interpretation is not a cap at all because the maximum rate is constantly moving providing very little customer protection from rising bills that concerned the Commission in its order.

Q. What terms in the Commission's order are you interpreting different from Spire and Staff?

A. The Commission order stated:

> Spire Missouri shall include the WNAR tariff with a limit of $0.05 per therm (or ccf) on upward adjustments and shall provide that any adjustments falling outside the $0.05 limit will be deferred for recovery from customers in the next WNAR adjustment.[35]

[34] *Id.*
[35] Case nos. GR-2017-0215 and GR-2017-0216, Amended Report and Order, pages 85 – 86.

It is my interpretation that when the Commission referred to the "adjustment" it meant the Weather Normalization Adjustment, not an adjustment to the WNAR rate. I read the Commission's order as follows:

> Spire Missouri shall include the WNAR tariff with a limit of $0.05 per therm (or ccf) on upward [weather normalization] adjustments and shall provide that any [weather normalization] adjustments falling outside the $0.05 limit will be deferred for recovery from customers in the next WNAR adjustment.

Staff and Spire seem to interpret the Commission's order as follows:

> Spire Missouri shall include the WNAR tariff with a limit of $0.05 per therm (or ccf) on upward adjustments [to the currently effective WNAR rate] and shall provide that any adjustments [to the currently effective WNAR rate] falling outside the $0.05 [increase to the currently effective WNAR rate] will be deferred for recovery from customers in the next WNAR adjustment.

Interpreted in the manner described in Ms. Reynolds and Mr. Yonce's testimony makes the cap of $0.05 per Ccf meaningless.

Q. What recommendation do you propose to clarify the cap language so there is a true cap?

A. As I read my recommended tariff sheet language in the exemplar tariff sheets I provided in my rebuttal testimony, I realize that it does not clarify what the cap refers to. Therefore, I recommend that the following replace the language regarding the deferred amount on my exemplar WNAR tariff sheet provided on Schedule LMM-R-4:

> DA = Deferred amount. There shall be a limit of $0.05 per Ccf on the WNAR rate and no limit on downward adjustment. Any TRA not recovered due to this cap of $0.05 per Ccf will be deferred for recovery from customers in the next recovery period. Interest at Spire's short-term borrowing rate shall be applied to any deferred amount.

This would be a true cap on the WNAR, would limit the volatility of the customers' bills, and assure Spire would recover the total recovery amount.

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.

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 LENA M. MANTLE

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Lena M. Mantle, of lawful age and being first duly sworn, deposes and states:

1. My name is Lena M Mantle. I am a Senior Analyst for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Lena M. Mantle
Senior Analyst

Subscribed and sworn to me this 24th day of June 2025.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.