

Exhibit No.:
Issue: AAO; Commission Assessment
Witness: Scott A. Weitzel
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Spire Missouri Inc.
Case Nos. GU-2019-0011
Date Testimony
Prepared: November 15, 2018

FILED²

DEC 13 2018

Missouri Public
Service Commission

Spire Missouri Inc.

GU-2019-0011

SURREBUTTAL TESTIMONY

OF

SCOTT A. WEITZEL

November 2018

Spire Exhibit No. 2
Date 12-11-18 Reporter MT
File No. GU-2019-0011

Table of Contents

PURPOSE OF SURREBUTTAL TESTIMONY	1
RESPONSE TO STAFF WITNESS OLIGSCHLAEGER	2
RESPONSE TO OPC WITNESS ROTH	14

1 **SURREBUTTAL TESTIMONY OF SCOTT A. WEITZEL**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Scott A. Weitzel and my business address is 700 Market Street, St.
4 Louis, Missouri 63101.

5 **Q. ARE YOU THE SAME SCOTT A. WEITZEL WHO PREVIOUSLY FILED**
6 **DIRECT TESTIMONY IN THIS PROCEEDING?**

7 A. Yes, I filed direct testimony on behalf of Spire Missouri Inc. (“Spire Missouri” or
8 “Company”)

9 **PURPOSE OF SURREBUTTAL TESTIMONY**

10 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

11 A. The purpose of my testimony is to respond to the rebuttal testimony submitted by
12 Mark L. Oligschlaeger on behalf of the Staff of the Commission (“Staff”) and the
13 rebuttal testimony of Keri Roth submitted on behalf of the Office of the Public
14 Counsel (“OPC”). Specifically, I will explain why the arguments they have made
15 for opposing the Company’s request for an Accounting Authority Order (“AAO”)
16 relating to Commission assessment are misplaced. I will also address why there
17 are special considerations that warrant approval of the Company’s AAO request,
18 even if the Commission were to determine there was some validity to the
19 arguments raised by Staff and OPC. As discussed below, these include the
20 interplay between the Company’s AAO request and the reasoning given by
21 Commission for precluding the Company from recovering a portion of its rate
22 case expense. It also includes the Commission’s relatively recent inclusion of

1 OPC expenses in the amounts it charges the Company through the Commission's
2 annual assessment.

3 **RESPONSE TO STAFF WITNESS OLIGSCHLAEGER**

4 Q. PLEASE STATE YOUR UNDERSTANDING OF STAFF'S WITNESS
5 OLIGSCHLAEGER'S TESTIMONY REGARDING THE COMPANY'S
6 AAO REQUEST.

7 A. Mr. Oligschlaeger opposes the Company AAO request for a number of reasons.
8 Before addressing the merits of Mr. Oligschlaeger's objections, however, I think
9 it is important to point out where Mr. Oligschlaeger has acknowledged, at least to
10 some degree, the validity of the factual assertions made by the Company in
11 support of its AAO request.

12 Q. PLEASE DO.

13 A. As I discussed in my direct testimony, the Commission has previously approved
14 AAO's for costs "caused by unpredictable events, acts of government and other
15 matters outside the control of the utility or the Commission." I explained in my
16 testimony how the Commission's annual assessment qualified for AAO treatment
17 under these criteria because it was an expense that could not be predicted with any
18 accuracy, was governmentally mandated and could not be controlled by the
19 Company.

20 Q. IN WHAT WAY DOES MR. OLIGSCHLAEGER CONCUR WITH YOUR
21 OBSERVATIONS IN THIS REGARD?

22 A. Regarding the inability to accurately predict Commission assessment levels, Mr.
23 Oligschlaeger opines that the Company should not have been surprised that it

1 would face a significant increase in its Commission assessment for FY 19 given
2 the level of its rate case activity in the preceding months. He goes on to
3 acknowledge, however, that “the exact magnitude of the increase would not have
4 been known to Spire Missouri.” (p. 9, lines 13-14). Perhaps most significantly,
5 Mr. Oligschlaeger does even not attempt to explain how Spire Missouri could
6 accurately predict or even approximate an expense item that, like the
7 Commission’s annual assessment, has increased up to 17 % or decreased by up to
8 15% over the past five years, excluding the FY2019 assessment increase of 51%.
9 Moreover, as I discuss later in my testimony, if anyone could have predicted with
10 some degree of accuracy what the Commission assessment for FY 2019 was
11 likely to be, it would have been the Staff and OPC, not the Company. It is the
12 Staff and OPC that possess the critical information necessary to perform such an
13 estimate such as the costs of their own participation in the Company’s most recent
14 cases that everyone now agrees drove the Commission’s assessment level so
15 much higher. Even though most of that information was available prior to the
16 conclusion of those rate cases, Staff nevertheless used the FY 2018 assessment
17 levels that did not reflect these additional costs. Given this history, it is
18 untenable to now suggest that Commission assessment costs can be easily and
19 accurately predicted. If they could, they should have been built into the
20 allowance for such costs in the rate cases.

21 **Q. WHAT DOES MR. OLIGSCHLAEGER SAY REGARDING THE**
22 **COMPANY’S CONTENTION THAT IT CANNOT CONTROL THE**
23 **LEVEL OF ITS COMMISSION ASSESSMENT?**

1 A. He agrees with this contention, at least “to a point”. (p. 9, line 19). Although Mr.
2 Oligschlaeger asserts that the Company can exert *some* influence over the level of
3 its Commission assessment based on when or how it pursues rate relief, settles or
4 litigates issues, or takes other actions that may require regulatory resources, he
5 does not suggest that the Company can actually control such costs. Mr.
6 Oligschlaeger’s acknowledgement of this reality simply recognizes that it is the
7 Staff and OPC, and not the Company, that controls the level of resources they will
8 devote to a particular case – decisions that will, in turn, drive Commission
9 assessment levels. It is also their decisions, as well as the decisions of other
10 parties, on what issues to raise and what settlement positions to take, that will
11 drive Commission assessment levels. Because the witnesses for both Staff and
12 OPC agree that the significant increase in the Company’s 2019 assessment was
13 driven by the costs they incurred in connection with their participation in the
14 Company’s 2017/2018 rate cases, it is clear to me that if anyone exercised control
15 over the amount of the Commission’s assessment on Spire, it was them.

16 **Q. BUT ISN’T MR. OLIGSCHLAGER CORRECT THAT THE COMPANY’S**
17 **DECISIONS TO FILE THESE RATE CASES AND TO LITIGATE,**
18 **RATHER THAN SETTLE CERTAIN ISSUES, ALSO INFLUENCED THE**
19 **LEVEL OF LITIGATION EXPENSES IT INCURRED AND INCLUDED**
20 **IN THE COMMISSION’S ASSESSMENT?**

21 A. Influencing the level of a cost is not, of course, the same thing as actually
22 controlling it. That aside, I’m not sure it’s very productive to speculate on why so
23 many issues ended up being litigated in the Company’s 2017/2018 rate cases. I

1 would only note that the Company had no practical alternative under Missouri law
2 but to file these rate cases since it would have otherwise had to forgo tens of
3 millions of dollars in ISRS revenues that were currently being collected – a
4 circumstance that would have been financially devastating to the Company. I
5 would also note that prior to these cases, the Company had a long history of
6 settling virtually all of its rate cases before the Commission. As the
7 Commission's Report and Order in these cases clearly established, the Company
8 was entitled to receive at least \$15 million more than what the Staff and OPC
9 were recommending when the cases went to hearing. Again, the Company had no
10 financially viable option available to it other than to depart from its historic
11 approach of settling cases and litigate a number of issues. In any event, the
12 important point here is that the magnitude of the Company's Commission
13 assessment is not something that the Company controls.

14 **Q. DOES MR. OLIGSCHLAEGER AGREE WITH YOUR CONTENTION**
15 **THAT THE COMMISSION'S ASSESSMENT ON THE COMPANY IS A**
16 **GOVERNMENTALLY-MANDATED EXPENSE?**

17 **A.** Yes. Mr. Oligschlaeger agrees with this point in his rebuttal testimony. (p. 10,
18 lines 2 to 3). While Mr. Oligschlaeger goes on to suggest that this factor does not
19 inherently mean that Commission assessment expenses should qualify for AAO
20 treatment, he does not quibble with the fact that it is governmentally-mandated
21 cost.

22 **Q. GIVEN HIS FULL OR AT LEAST PARTIAL CONCURRENCE WITH**
23 **THE CRITERIA THAT HAS PREVIOUSLY BEEN RELIED UPON TO**

1 **SUPPORT THE GRANTING OF AN AAO, ON WHAT BASES DOES MR.**
2 **OLIGSCHLAEGER NEVERTHELESS OPPOSE THE COMPANY’S**
3 **REQUEST FOR ONE IN THIS INSTANCE?**

4 A. Mr. Oligschlaeger raises a number of the other arguments that the Staff typically
5 presents in opposing requests for an AAO. Specifically, he claims that under the
6 FERC Uniform System of Accounts, Commission assessment amounts are not the
7 kind of “extraordinary” costs under the FERC Uniform System of Accounts that
8 typically qualify for AAO treatment. (p. 7-8) In support of that assertion, Mr.
9 Oligschlaeger notes that an over \$1.66 million increase in the Commission’s
10 assessment level from FY18 to FY19, while significant, does not satisfy the 5% of
11 net income threshold typically used to measure whether an expense is
12 extraordinary. He also observes that Commission assessment amounts are not an
13 unusual or non-recurring expense since they are levied every year. Finally, he
14 suggests that Commission assessments are like any other expense incurred by a
15 utility in that increases in the assessment may be offset by decreases in other
16 expenses. In fact, Mr. Oligschlaeger suggests that the assessment levied against
17 the Company may itself decline in the future.

18 **Q. DOES ANY OF THIS MEAN THAT THE COMMISSISON IS**
19 **PROHIBITED FROM GRANTING AN AAO?**

20 A. No, it does not. As I discussed in my direct testimony, I have been advised by
21 legal counsel that there is nothing under Section 393.140 (8) RSMo, relevant case
22 law or the Commission’s rules that limit the Commission’s granting of an AAO to
23 any particular set of circumstances, including those mentioned by Mr.

1 Oligschlaeger in his rebuttal testimony. In fact, as I described in my direct
2 testimony, the Commission has routinely granted AAOs in the past, including
3 AAOs in the form of trackers, for expenses and other costs that can be expected to
4 reoccur. These have included AAOs or trackers for safety-related investments,
5 environmental compliance costs, pension expenses and OPEBs, vegetation
6 management costs, taxes, and other expenses that are difficult to estimate,
7 governmentally mandated or beyond the utility's ability to control. In none of
8 these instances have the FERC USOA considerations noted by Mr. Oligschlaeger
9 stood in the way of approving such a mechanism.

10 **Q. DO YOU AGREE WITH MR. OLIGSCHLAEGER'S ASSERTION THAT**
11 **THERE IS NOTHING EXTRAORDINARY ABOUT A COMMISSION**
12 **ASSESSMENT SINCE THEY ARE DONE EACH YEAR?**

13 **A.** No. I believe Mr. Oligschlaeger's implication that the FY 19 Commission
14 assessment was not extraordinary is simply incorrect. While he is correct that the
15 Commission may assess utilities each year, that does not mean that the magnitude
16 of an assessment in a particular year cannot be extraordinary. And this one
17 certainly was. Both the rate case expenses incurred by the Company and the
18 assessment-related auditing and litigation expenses by Staff and OPC were
19 extraordinarily high compared to historical norms. This was due to a number of
20 factors, including the fact the parties were simultaneously processing two rate
21 cases at one time. Among other things, this required the preparation of two cost
22 of service studies, two rate designs and two revenue requirements. It also resulted
23 in the holding of 11 local public hearings, plus 1 informal hearing in Black Jack,

1 Missouri. At the same time, these were the first cases filed by the Company after
2 a series of acquisitions, including its acquisition of MGE.

3 **Q. HOW DID THIS IMPACT THE RATE CASES?**

4 **A.** As a result, there were a wide variety of unique issues that needed to be
5 addressed, including how to bring greater consistency to the different ratemaking
6 treatment afforded the two utilities, how to most beneficially integrate their
7 separate tariffs, and how to deal with transition cost and other acquisition-related
8 issues. I believe that even the Commission itself recognized that these were the
9 most complicated rate proceedings it had ever overseen. In short these were
10 extraordinary proceedings and the Commission assessment that flowed from them
11 was equally extraordinary.

12 **Q. WHAT ABOUT MR. OLIGSCHLAEGER'S OBSERVATION THAT THE**
13 **INCREASE IN THE COMPANY'S COMMISSION ASSESSMENT DOES**
14 **NOT MEET THE 5% OF NET-INCOME "YARDSTICK" FOR AN**
15 **EXTRAORDINARY COST?**

16 **A.** Again, this has not stood as a barrier to approving an AAOs in the past where the
17 Commission had determined it is appropriate and reasonable to do so. Moreover,
18 as OPC witness Roth explains at p. 7, lines 4-5, of her rebuttal testimony, the 5%
19 of net income reference in the FERC USOA is not a threshold that must be met to
20 defer an item of expense, but instead a threshold below which Commission
21 approval must be acquired to permit such a deferral. The Company is, of course,
22 seeking that approval in this case. Moreover, Mr. Oligschlaeger himself states

1 that the amount of a cost does not make something extraordinary. That is a
2 proposition that should work both ways.

3 **Q. DO YOU AGREE WITH MR. OLIGSCHLAEGER'S SUGGESTION**
4 **THAT THE COMMISSION ASSESSMENT IS JUST LIKE ANY OTHER**
5 **EXPENSE INCURRED BY A UTILITY FOR WHICH AN AAO WOULD**
6 **NOT BE CUSTOMARILY GRANTED?**

7 A. No. Commission assessment costs are significantly different than other expenses
8 incurred by a utility for a number of reasons, all of which support the Company's
9 AAO request.

10 **Q. HOW ARE COMMISSION ASSESSMENT COSTS DIFFERENT FROM**
11 **OTHER EXPENSES?**

12 A. The primary difference is that, unlike other expenses incurred by a utility, the
13 magnitude of the Commission's assessment is directly and significantly impacted
14 by the decisions and actions of the very parties who are opposing the Company's
15 AAO request in this proceeding, namely the Staff and OPC. I can think of no
16 other expense incurred by the Company where Staff and OPC play such a
17 decisive role in determining the level of an expense that must be paid by a utility.
18 And that role can have real cost consequences as reflected in the more than \$1.66
19 million in additional assessment costs that arose from these parties' participation
20 in the Company most recent rate case proceedings.

21 **Q. WHY DOES THIS UNIQUE DIFFERENCE PROVIDE ADDITIONAL**
22 **JUSTIFICATION FOR THE COMPANY'S AAO REQUEST?**

1 A. For a number of reasons. First, in contrast to nearly every other item of expense,
2 Staff and OPC were and are in a superior position, at least relative to the
3 Company, to estimate what the Company's Commission assessment level is likely
4 to be. As both Staff and OPC acknowledge, the increase in the assessment
5 amount that is the focus of the Company's AAO request is primarily due to the
6 additional resources Staff and OPC expended on the Company's most recent rate
7 cases. It is the Staff and OPC, of course, who possessed the information detailing
8 how much time they were spending on those rate cases, versus other matters. It
9 was also Staff and OPC who possessed information on what costs they were
10 incurring for the outside consultants they engaged to work on these cases, as well
11 as any travel, administrative or other expenses that may have been incurred to
12 process the cases.

13 **Q. WERE THESE EXPENDITURES LARGELY INCURRED BY STAFF**
14 **AND OPC PRIOR TO THE COMPLETION OF THE RATE CASES?**

15 A. Again, only Staff and OPC know exactly when these expenses were incurred. But
16 that has certainly been the case over the years with the Company's own rate case
17 expenses. In fact, the Company keeps track of its litigation expenses throughout
18 the rate case process and an updated number for such expenditures as incurred
19 through the briefing process is used to establish a level of rate case expense. If
20 the same kind of protocol had been followed for the time and expenditures Staff
21 and OPC were devoting to these rate cases and reflected them in their
22 recommended allowance for Commission assessment fees, there would not have
23 been such a significant shortfall between the allowance provided in rates and the

1 amount that was actually assessed against the Company for FY19. In any event,
2 granting the Company's AAO request is especially appropriate in that it would
3 mitigate the adverse financial impact of not tracking and reflecting the expenses
4 that drive the Commission's assessment with equal vigor.

5 **Q. IS IT YOUR VIEW THAT ASSESSMENT EXPENSES ARE DIFFERENT**
6 **FROM OTHER EXPENSES ALSO SOMETHING THAT THE**
7 **COMMISSION ITSELF HAS RECOGNIZED?**

8 A. Yes, at least indirectly. In the Company's most recent rate cases, the Commission
9 implemented its relatively new policy of requiring that utilities absorb a portion of
10 their rate case expense. The expenses incurred by a utility to file and litigate a
11 rate case are, of course, the flip side of the expenses incurred by Staff and OPC to
12 audit and litigate a rate case. Although the PSC stated that it did not find any
13 specific item of rate case expense to have been imprudently incurred, it
14 nevertheless determined that half of the rate case expense incurred by the
15 Company, exclusive of expenditures for mandated customer notices and a
16 depreciation study, should be disallowed. The Commission gave several reasons
17 for the disallowance, including its observation that a number of the issues pursued
18 by the Company were designed to benefit shareholders, that such a disallowance
19 was necessary to avoid giving the Company a financial advantage in litigating rate
20 cases and that sharing such expenses would give the Company an incentive to
21 manage its rate case litigation costs.

1 Q. IN APPROVING THIS ADJUSTMENT WAS THE COMMISSION
2 TREATING THESE RATE CASE LITIGATION EXPENSES
3 DIFFERENTLY THAN OTHER EXPENSES?

4 A. Yes.

5 Q. DOES THE REASONING UNDERLYING THE COMMISSION'S
6 TREATMENT OF SUCH EXPENSES HAVE ANY OTHER
7 IMPLICATIONS FOR THE COMPANY'S AAO REQUEST?

8 A. Yes, I think it provides additional and compelling justification for granting the
9 Company's request.

10 Q. HOW SO?

11 A. As previously noted, one of the main reasons the Commission determined that it
12 was appropriate to disallow a portion of the Company's rate case expense despite
13 the absence of any finding of imprudence was to avoid giving the Company a
14 "financial advantage" in litigating rate cases. Absent the granting of the AAO
15 requested by the Company, however, it is clear the Company would be
16 significantly disadvantaged relative to Staff and OPC in litigating rate cases.

17 Q. WHY DO YOU SAY THAT?

18 A. Because of the rate case expense adjustment made by the Commission, the
19 Company was only permitted to recover in rates approximately \$1.3 million of the
20 approximately \$2.3 million in rate case expense that it incurred. In other words, it
21 had to absorb roughly \$1 million of that expense. In contrast, the Staff and OPC
22 were permitted to recover, through the annual assessment, 100% of the costs they
23 incurred to participate in these cases. Absent approval of the requested AAO,

1 however, the Company will now be required to absorb at least \$1.66 million of
2 that amount as well – which is the assessment amount in excess of the allowance
3 that was provided in rates, as well as the nearly \$1 million in rate case expenses
4 that were disallowed. As a result, the Company will have effectively been
5 required to absorb an amount of litigation expenses associated with 2017/18 rate
6 cases that is greater than the entire amount it spent on those cases, while the OPC
7 and Staff will have recovered every dime of what they spent. If the Commission
8 is truly interested in preventing a financial advantage from accruing to parties in
9 the rate case process, it should remedy this substantial and inequitable disparity, at
10 least partially, by approving the Company's AAO request.

11 **Q. WERE THERE OTHER REASONS GIVEN BY THE COMMISSION FOR**
12 **ITS RATE CASE EXPENSE ADJUSTMENT IN THE COMPANY'S**
13 **RECENT RATE CASES THAT ALSO BEAR ON THE PROPRIETY OF**
14 **THE COMPANY'S AAO REQUEST?**

15 **A.** Yes. Another reason given by the Commission for making such an adjustment is
16 that it would provide the Company with an "incentive" to manage its rate case
17 expense. That raises the question, of course, of why it is only the utility that
18 requires an incentive to manage its rate case expenses properly. During its most
19 recent rate cases, the Company was faced with an unprecedented number of
20 proposed adjustments from the Staff, OPC and other parties, many of which
21 sought to introduce new or novel concepts that the Company had to spend
22 significant resources to fend off. To the Company's knowledge, there is no
23 incentive or other mechanism, like that applied to the utility, that seeks to hold

1 either Staff or OPC accountable for pursuing issues that are ultimately rejected by
2 the Commission. To the contrary, the current paradigm seems to grant these
3 parties a license to pursue whatever issues and positions they deem appropriate,
4 knowing that all expenditures incurred in doing so will be fully paid by someone
5 else and perhaps even entirely paid by their adversary in the litigation process.
6 Clearly, if incentives are needed to ensure that litigation expenses are managed
7 appropriately, they would appear to be needed under these kinds of
8 circumstances.

9 **Q. WOULD GRANTING THE COMPANY'S AAO REQUEST PROVIDE**
10 **SUCH AN INCENTIVE?**

11 A. Although approval of the Company's AAO requested would not replicate the
12 same financial incentives that are currently applied to utilities to manage their
13 litigation expenses, it would at least provide an open and transparent method for
14 keeping track of the level of expenditures being made by Staff and OPC.

15 **RESPONSE TO OPC WITNESS ROTH**

16 **Q. WHAT IS YOUR UNDERSTANDING OF OPC WITNESS ROTH'S**
17 **REBUTTAL TESTIMONY?**

18 A. Like Staff witness Oligschlaeger, Ms. Roth opposes the Company's AAO
19 request for many of the same reasons articulated by Mr. Oligschlaeger in his
20 rebuttal testimony. Rather than simply repeat the arguments I made in response
21 to Mr. Oligschlaeger's rebuttal testimony, they should be considered as also
22 responding to the similar contentions raised by Ms. Roth. There are several
23 arguments made by Ms. Roth in her rebuttal testimony, however, that merit a

1 separate response. One involves Ms. Roth's contention at page 9 of her rebuttal
2 testimony that the inability to predict or control an expense is irrelevant to
3 whether an AAO should be granted.

4 **Q. I TAKE IT YOU DISAGREE WITH THIS CONTENTION?**

5 A. Yes. As I established in my direct testimony, the inability to accurately estimate
6 what a particular expense will be, or to exercise control over that expense, are
7 two factors that have previously been relied upon to justify the granting of
8 AAOs. Ms. Roth is simply wrong on this point.

9 **Q. MS. ROTH ALSO STATES AT PAGE 10, LINES 10-14 OF HER**
10 **REBUTTAL TESTIMONY THAT EVEN IF THESE FACTORS WERE**
11 **RELEVANT TO THE COMPANY'S AAO REQUEST, THE ANNUAL**
12 **ASSESSMENT IS NEVERTHELESS PREDICATABLE IN THAT "THE**
13 **SAME FORMULA IS USED EVERY YEAR, AND INCREASES CAN BE**
14 **ANTICIPATED IN YEARS FOLLOWING INCREASED CASE**
15 **ACTIVITY." DO YOU AGREE WITH THIS STATEMENT?**

16 A. No. Unlike Mr. Oligschlaeger who conceded at least some difficulty in
17 estimating future assessment levels, Ms. Roth seems to believe that mere access
18 to the statutory formula for how Commission expenses are to be assessed is
19 sufficient to derive an accurate estimate. The statutory formula, however, does
20 not provide any information on how much expense Staff and OPC actually
21 incurred working on a particular case or how that expense compares to the
22 expenses they incurred on other cases or regulatory matters. Even with that
23 information, however, Staff and OPC were apparently unable in the rate cases to

1 derive an estimate of the Company's expected Commission assessment that came
2 anywhere close to the actual assessment amount charged the Company a few
3 months later. Given this consideration, it is simply untenable to suggest, as Ms.
4 Roth does, that the Company, or any other utility, can accurately estimate this
5 expense item when they have *none* of this critical information to work with.

6 **Q. DO YOU HAVE ANY COMMENT TO MAKE REGARDING MS.**
7 **ROTH'S STATEMENT AT PAGE 6, LINES 17-19, THAT SECTION**
8 **386.370, RSMO, HAS AUTHORIZED THE COMMISSION TO COLLECT**
9 **AN ASSESSMENT FROM THE UTILITIES IT REGULATES SINCE 1947**
10 **AND THAT THERE IS NO REASON TO BELIEVE THIS WILL**
11 **CHANGE IN THE FUTURE?**

12 A. Yes. I am somewhat surprised that Ms. Roth referenced Section 386.370 to
13 support her point that the Commission assessment is a long-standing expense
14 item that can be expected to reoccur in the future. I went back and reviewed that
15 statute and did not see any reference authorizing the Commission to assess
16 utilities to pay for the operations and litigation activities of OPC. Despite the
17 absence of any such statutory language, however, the Company nevertheless saw
18 its FY 19 assessment includes \$330,587.14 to fund OPC's operations.

19 **Q HAS THE COMMISSION ALWAYS COLLECTED ASSESSMENT**
20 **MONEY TO FUND OPC'S OPERATIONS?**

21 A. No. I have been advised by legal counsel that for more than three decades
22 following the creation of OPC, the Commission did not attempt to collect
23 assessment money from utilities to fund the operation of OPC. I have also been

1 advised by legal counsel that legislation has been repeatedly introduced in the
2 General Assembly over the years that would have authorized assessment funding
3 for OPC, but that such language has never been enacted. As a non-lawyer, I do
4 not consider myself qualified to comment on the legality of the current
5 assessment process. I can state, however, that Mr. Roth's characterization of the
6 assessment process as imposing some kind of fixed, long-standing expense
7 obligation that never changes is not accurate and represents another reason why
8 her objections to the Company's AAO request should be rejected.

9 **Q. DOES THIS CONCLUDE YOUR SURREBUTAL TESTIMONY?**

10 A. Yes, it does.

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

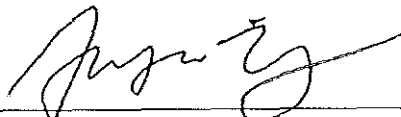
In the Matter of Spire Missouri Inc.'s)
Request for an AAO) File No. GU-2019-0011
)

AFFIDAVIT

STATE OF MISSOURI)
) SS.
CITY OF ST. LOUIS)


Scott A. Weitzel, of lawful age, being first duly sworn, deposes and states:

1. My name is Scott A. Weitzel. I am Manager, Tariffs and Rate Administration for Spire Missouri Inc. My business address is 700 Market St., St Louis, Missouri, 63101.
2. Attached hereto and made a part hereof for all purposes is my direct testimony on behalf of Spire Missouri Inc. for the above referenced case.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.



Scott A. Weitzel

Subscribed and sworn to before me this 15 day of November 2018.



Notary Public

