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Issue(s): Revenue
Witness: Nancy L. Harris
Sponsoring Party: MoPSC Staff
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Case No.: GR-2022-0179
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

NANCY L. HARRIS

SPIRE MISSOURI INC., d/b/a SPIRE

CASE NO. GR-2022-0179

Jefferson City, Missouri
October 2022

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **NANCY L. HARRIS**

4 **SPIRE MISSOURI INC., d/b/a SPIRE**

5 **CASE NO. GR-2022-0179**

6 Q. Please state your name and business address.

7 A. My name is Nancy L. Harris. My business address is 200 Madison Street,
8 Jefferson City, MO 65102.

9 Q. By whom are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission (“Commission”) as
11 an Auditor in the Tariff and Rate Design Department of the Industry Analysis Division.

12 Q. Are you the same Nancy L. Harris that filed revenue requirement direct
13 testimony in this case?

14 A. Yes.

15 Q. What is the purpose of your rebuttal testimony?

16 A. The purpose of my rebuttal testimony is to address discrepancies and issues
17 Staff observed in the revenue data provided by Spire Missouri in this case, and to recommend
18 the Commission order that original, adjusted, and net volume gas usage be provided in future
19 rate cases.

20 Q. Please describe the discrepancies and issues Staff encountered with the revenue
21 data provided by Spire Missouri.

Rebuttal Testimony of
Nancy L. Harris

A. Concerning Spire Missouri’s workpaper,¹ “Billing Determinant Summary”, Staff is concerned with Spire Missouri’s beginning revenue data. The workpaper indicates beginning data is from the last rate case GR-2021-0108. However, Staff notes discrepancies in Spire Missouri’s data compared to the final Stipulation and Agreement from the case. Please see variances for Spire East and Spire West in the comparison below.

Spire Beginning Billing Determinants for Proposed Revenues v. GR-2021-0108 Stipulation & Agreement						
MO East	A	B	C	D	E	F
Rate Class	Spire Beginning Usage (Ccf)	Final Stip & Agree GR-2021-0108 Usage (Ccf)	Variance	No. of Customers	Final Stip & Agree No. of Customers	Variance
Residential Service	481,636,215	481,636,215	0	617,236	617,236	0
Small General Service	70,358,797	69,957,778	401,019	35,100	35,100	0
Large General Service	140,957,384	137,629,536	3,327,848	5,597	5,597	0
Large Volume Service	5,370,024	5,370,024	(0)	39	39	0
Unmetered Gaslight	7,316	7,316	0	72	72	0
Transportation Services	21,373	21,373	(0)	36	36	0
Transportation LVTS	178,274,254	179,484,309	(1,210,055)	157	157	0
	876,625,363	874,106,551	2,518,811	658,237	658,237	0
MO West						
Rate Class	Spire Beginning Usage (Ccf)	Final Stip & Agree GR-2021-0108 Usage (Ccf)	Variance	No. of Customers	Final Stip & Agree No. of Customers	Variance
Residential Service	373,731,544	373,731,544	(0)	493,298	493,298	0
Small General Service	59,030,952	55,086,950	3,944,002	30,210	30,210	0
Large General Service	67,482,676	67,482,676	0	3,023	3,023	0
Large Volume Service	3,436,243	3,436,243	0	14	20	(6)
Unmetered Gaslight	4,320	4,320	0	24	24	0
Transportation Services	12,210,876	12,210,876	0	225	225	0
Transportation LVTS	281,392,272	281,392,273	(1)	439	439	0
	797,288,884	793,344,882	3,944,002	527,233	527,239	(6)

In general, Spire Missouri’s number of customers agrees with the Stipulation and Agreement as shown in columns D-F. There are, however, significant variances between Spire Missouri’s beginning usage (Ccf) and the Stipulation and Agreement in columns A-C. Spire East usage in column A for the SGS, LGS, and LV Transport classes differs from the Stipulation and Agreement usage in column B. These differences shown in column C include a LGS class variance of over 3.3 million Ccf and a LVTS class variance of over 1.2 million Ccf.²

¹ Spire Missouri provided workpaper from Michelle Antrainer.

² All Spire East usage from the Stipulation and Agreement was adjusted by a conversion factor of 1.02 which converts “therm units” (British Thermal Units) to Hundred Cubic Feet (Ccf).

1 A Partial Stipulation and Agreement was ordered on July 30, 2021 which made
2 some adjustments to Spire West’s final billing determinants in the SGS, LGS, and LV Services
3 rate classes. Spire West’s beginning LGS and LV Service usage matches the Partial Stipulation
4 and Agreement while the SGS class usage varies by 3.9 million Ccf.

5 Q. Does Staff have concerns about the reliability of Spire Missouri’s data provided
6 for revenue calculations?

7 A. Yes, Staff is concerned that Spire Missouri’s starting point for revenue
8 calculations and proposed rate increases on Spire Missouri’s provided workpaper
9 “Billing Determinant Summary” does not agree with ending Stipulation and Agreement
10 numbers from the GR-2021-0108 rate case which conflicts with the testimony of Spire Missouri
11 witness Michelle Antrainer.

12 Additionally, the data in Data Request (DR) Nos. 0076 and 0076.1 should agree but
13 Staff did find discrepancies between the two data sets. Staff and Spire Missouri have discussed
14 variances between these two data requests.³ Spire Missouri has provided explanations for the
15 variances. Staff accepts these explanations and will be making adjustments for these variances
16 in true-up. For Spire West Residential and LGS classes, block 2 usage was not converted from
17 therms to Ccfs for June through September 2021, overstating usage⁴. Spire Missouri is also
18 working to gather data on West LV usage inadvertently excluded as well. Staff will include
19 this in true-up adjustments as well.

20 Also in these same two data sets, Spire West SGS has no Block 2 usage in the 12 months
21 ending May 31, 2022. However, data provided in the response to DR No. 0245.1 does show

³ Staff witness Hari K. Poudel, PhD also discussed Spire Missouri’s data issues in his direct testimony.

⁴ Email on 9/30 from Michelle Antrainer.

1 some Spire West SGS customers with monthly usage over 5,000 Ccf, the tariff threshold for
2 Block 2. Spire Missouri's work paper "Billing Determinants Summary" also includes some
3 Block 2 usage as ordered by the Partial Stipulation and Agreement referenced above. Staff has
4 recently sent DR No. 0076.3 questioning the lack of Block 2 usage for the Spire West SGS
5 class and will update Staff's revenue calculations accordingly in true-up direct testimony once
6 the data is available.

7 Q. Does Staff have concerns with Spire Missouri's data and its accuracy?

8 A. Yes, the two billing determinant data sets covering the same timeframe
9 had enough discrepancies to indicate possible accuracy problems. Staff is working with
10 Spire Missouri currently to resolve all issues, however, the negative gas volume sold for an
11 entire month, as pointed out by Staff witness Sarah L.K. Lange,⁵ is still a concern that
12 Spire Missouri has not fully explained and must correct moving forward as part of this rate case.

13 Q. How does the issue of negative usage impact the calculation of revenue in the
14 context of this rate case?

15 A. Adjustments or rebills which cause negative usage cause a misrepresentation of
16 true gas usage in a given month. This would lead to revenue being understated and also
17 potentially reported in an incorrect month. If this type of misrepresentation crosses a seasonal
18 billing month it causes revenue to be calculated at incorrect rates, at summer versus winter rates.

19 Q. How does Staff recommend this issue be resolved on a going forward basis?

20 A. The Commission should order Spire Missouri to continuously maintain actual
21 usage reporting which shows original monthly usage, adjustments, and then rebilled usage as
22 well as a net usage per month and doing so should resolve most issues.

⁵ Revenue Requirement Direct Testimony, page 4.

Rebuttal Testimony of
Nancy L. Harris

1 Q. Could you please summarize your testimony?

2 A. Yes. As Staff has worked with data provided by Spire Missouri to calculate
3 revenue in this case, a number of discrepancies have been observed and pointed out by Staff in
4 testimony. Spire Missouri has provided two sets of billing determinant/revenue data that do
5 not agree with each other. The explanation provided by Spire Missouri for these variances will
6 require review and analysis and possibly true-up adjustments. Also, Spire Missouri provided
7 the “Billing Determinant Summary” workpaper which begins with usage data that disagrees
8 with the last case’s ending billing determinants prescribed in the Stipulation and Agreement
9 and the Partial Stipulation and Agreement which conflicts with the direct testimony of
10 Spire Missouri witness Michelle Antrainer. In conclusion, Staff is concerned about the
11 reliability of the current revenue data provided by Spire Missouri in this rate case and the
12 Commission should order Staff’s proposed changes to the data being maintained as described
13 in this testimony⁶ to improve the accuracy going forward.

14 Q. Does this conclude your rebuttal testimony?

15 A. Yes.

⁶ Id. at page 5 lines 1-3.

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-2022-0179

AFFIDAVIT OF NANCY L. HARRIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW NANCY L. HARRIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Nancy L. Harris*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



NANCY L. HARRIS

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 5th day of October 2022.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070



Notary Public