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Design, Revenue*
Witness: *Robin Kliethermes*
Sponsoring Party: *MoPSC Staff*
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Case No.: *GR-2021-0108*
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

ROBIN KLIETHERMES

SPIRE MISSOURI INC., d/b/a SPIRE

**SPIRE EAST and SPIRE WEST
GENERAL RATE CASE**

CASE NO. GR-2021-0108

*Jefferson City, Missouri
June 2021*

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CASE NO. GR-2021-0108

Q. Please state your name and business address.

A. My name is Robin Kliethermes, and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

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

A. I am employed by the Missouri Public Service Commission (“Commission”) as the Regulatory Compliance Manager of the Tariff/Rate Design Department in the Industrial Analysis Division.

Q. Are you the same Robin Kliethermes who filed supplemental direct testimony?

A. Yes I am.

Q. What is the purpose of your testimony?

A. The purpose of my rebuttal testimony is to address the Company’s apparent change in test periods for purposes of calculating revenue adjustments, such as weather normalization, conservation, and growth; the Company’s proposed tariff sheets and the Company’s calculation of rate switchers. I will also respond to MIEC and Vicinity’s witness Brian C. Collins regarding Class Cost of Service (CCOS).

1 **RESPONSE TO COMPANY TEST PERIOD**

2 Q. What time period did the Company use as its test period in its direct filed case?

3 A. The Company used the 12-months ending September 30, 2020 as the test period.

4 Q. Did Staff use the same 12-month time period for its test period for its direct filed
5 Cost of Service Report?

6 A. Yes. However, Staff updated the test period through December 31, 2020 for
7 revenues and expenses. This means that an adjustment was made to test year revenues and
8 expenses to update the amount of revenues and expenses Staff included in the Company's
9 revenue requirement up to December 31, 2020. For purposes of weather normalization, Staff
10 used the 12-months ending September 30, 2020, similar to the Company, and then utilized
11 customer growth to calculate rate revenue through December 31, 2020 to match expenses.

12 Q. Does Staff normally update its test year calculation to include an update for
13 known and measurable changes?

14 A. Yes. Staff normally updates expenses and revenues to a date that is closer to the
15 operation of law date to help reduce regulatory lag.

16 Q. Did the Company also update its test period through December 31, 2020?

17 A. It is unclear. The Company did not provide any supplemental testimony or
18 workpapers describing any change in test periods other than the information provided with the
19 Company's direct filed testimony. However, the Company provided a rate case model
20 worksheet to Staff in mid-March that indicated that revenue adjustments had changed compared
21 to the revenue adjustments attached to Company witness Wesley E. Selinger's direct testimony.
22 The table below provides the revenue adjustments as attached to Mr. Selinger's
23 direct testimony.

Rebuttal Testimony of
Robin Kliethermes

1

Spire Missouri									
Twelve Months Ending September 30, 2020									
Revenue Adjustments									
Main Account/Revenue Class									
No.	Description	Residential Gas Sales	Small General Service	Large General Service	Large Volume, SL, LP, VF	Transportation Revenues	Service Charges and Other		Total
1	Test Year Revenue	\$857,970,216	\$106,688,075	\$127,215,937	\$9,250,824.15	\$32,794,580	\$3,866,000	\$35,374,396	\$1,173,160,028
2	Disconnection Normalization	(\$513,356)							(\$513,356)
3	Weather Normalize	\$2,378,772	\$281,500	\$355,685		\$0			\$3,015,957
4	Rate Switching Adjustments (SGS/LGS)		227,273	(1,567,000)					(\$1,339,727)
5	Conservation Adjustment	0							\$0
6	Lost Disconnect/Late Payment Fees						(2,683,817)		
7	Customer Growth Annualization	930,715	98,243						\$1,028,958
8	Rate switching Adjustments (Other)		(4,335)	(103,971)	(27,851)	33,900			(\$102,256)
9	Total Adjustments	2,796,131	602,682	(1,315,286)	(27,851)	33,900	(2,683,817)	0	(594,242)
10	As Adjusted Test Year	\$860,766,347	\$107,290,756	\$125,900,652	\$9,222,973	\$32,828,480	\$1,182,183	\$35,374,396	\$1,172,565,787

2

3

The table below provides the revenue adjustments as provided by the Company in mid-March.

4

The revenue adjustments that changed from the Company's direct filed testimony are

5

highlighted:

6

Spire Missouri									
Twelve Months Ending September 30, 2020									
Revenue Adjustments									
Main Account/Revenue Class									
No.	Description	Residential Gas Sales	Small General Service	Large General Service	Large Volume, SL, LP, VF	Transportation Revenues	Service Charges and Other	OSS/CRC, Incidental Oil Sales, Rent from Gas Properties	Total
1	Test Year Revenue	\$857,970,216	\$106,688,075	\$127,215,937	\$ 9,250,824	\$32,794,580	\$3,866,000	\$35,374,396	\$1,173,160,028
2	Disconnection Normalization	\$0							\$0
3	Weather Normalize	(\$84,483)	(\$281,500)	(\$355,685)		\$0			(\$721,668)
4	Rate Switching Adjustments (SGS/LGS)		227,273	(1,567,000)					(\$1,339,727)
5	Conservation Adjustment	(2,007,037)							(\$2,007,037)
6	Lost Disconnect/Late Payment Fees						(2,683,817)		(\$2,683,817)
7	Customer Growth Annualization	1,390,711	145,965						\$1,536,676
8	Rate switching Adjustments (Other)		(4,335)	(103,971)	(27,851)	33,900			(\$102,256)
9	Total Adjustments	(700,809)	87,403	(2,026,656)	(27,851)	33,900	(2,683,817)	0	(5,317,829)
10	As Adjusted Test Year Revenue	\$857,269,407	\$106,775,478	\$125,189,282	\$9,222,973	\$32,828,480	\$1,182,183	\$35,374,396	\$1,167,842,199

7

8

As shown in the table, the Company changed its weather normalization adjustments,

9

growth adjustment, added a conservation adjustment and eliminated its disconnection

10

normalization. The Company's total weather normalization adjustment went from

11

approximately \$3 million to approximately (\$720,000), which is an approximate increase in

1 revenue requirement of \$3.7 million from the Company's direct filed case. Further, the
2 Company added a conservation adjustment that increases the Company's revenue requirement
3 by approximately \$2 million from the Company's direct filed case.

4 Q. Did the Company provide any workpapers or supplemental direct testimony to
5 explain how the new adjustments were calculated?

6 A. Not that I am aware of.

7 Q. Did the Company provide notice in the rate case docket that the Company was
8 updating its test period?

9 A. No.

10 Q. Does Staff have concerns with the Company's adjustments?

11 A. Yes. Not only are the adjustments not supported by testimony or workpapers,
12 but the magnitude of the change in the weather normalization adjustment and the addition of an
13 adjustment for conservation are especially concerning.

14 Q. Why is the magnitude of the change in the Company's proposed weather
15 normalization adjustment as filed in direct compared to the Company's updated adjustment
16 provided in mid-March concerning?

17 A. As discussed in more detail in Staff witness Joel McNutt's rebuttal testimony,
18 Staff's weather normalization adjustment was within approximately \$53,000 of the Company's
19 direct filed weather normalization adjustment. The value of Staff's adjustment and the
20 Company's direct filed adjustment are similar because Staff and the Company used the same
21 test period and the same weather input. Since the Company's weather normalization adjustment
22 changed by \$3.7 million and the Company did not request an update of its weather input from
23 Staff, Staff assumes the Company is using a different weather input to update its weather

1 normalization adjustment as well as using a different, and most concerning, an unknown time
2 period. Since there are no workpapers to support the adjustment, Staff can not verify the weather
3 input, the time period used or even if the Company is using the same methodology as filed
4 in direct.

5 Q. Why is the Company's conservation adjustment concerning?

6 A. There are three reasons why this unexpected conservation adjustment is
7 concerning. First, the Company's conservation adjustment is concerning because the Company
8 provided limited testimony regarding an adjustment to usage due to conservation in its direct
9 testimony. Second, the Company provided no workpapers to support its updated calculation.
10 Third, the Company is proposing a rider in this case to account for changes in usage due to
11 conservation.

12 Q. What is the extent of the Company's direct filed testimony regarding a
13 conservation adjustment?

14 A. The entirety of direct filed testimony supporting the Company's adjustment to
15 billed usage due to conservation and energy efficiency is provided below:

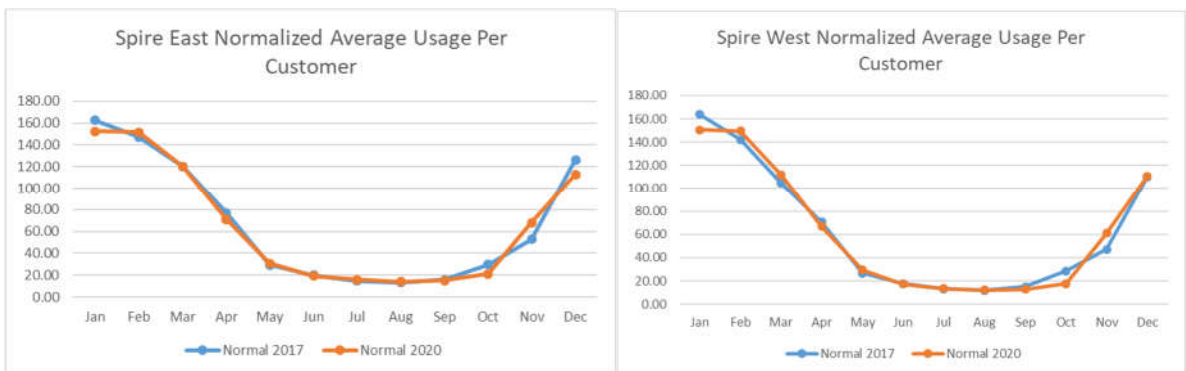
16 **Q. HAS THE COMPANY MADE ANY ADDITIONAL**
17 **REVENUE ADJUSTMENTS RELATED TO ENERGY**
18 **EFFICIENCY AND CONSERVATION?**

19 A. Yes. Sub-schedule H2-Rev2 of Schedule WES-1 contains an
20 adjustment for the normalization of base revenues due to
21 customer implementation of energy efficiency and conservation
22 measures. The Company's average annual use per customer has
23 continued to decline and the Company would like to explore the
24 normalization of this variable on revenue during this proceeding.
25 Spire has included an adjustment of zero as a placeholder but will
26 explore this idea further throughout this case.

Rebuttal Testimony of
Robin Kliethermes

1 Q. Has Staff observed a decline in average use per customer, as mentioned on
2 page 8 in the direct testimony of Spire witness Alicia Mueller?

3 A. No. Staff reviewed the average use per customer for the Residential class from
4 Spire's previous rate case and the current rate case.¹ Below are graphs showing a comparison
5 of the actual and normalized average use per customer between Spire's last rate case and the
6 current rate case.



11 Staff found that some months are higher and some months are lower, but it did not observe a
12 downward trend in average use per customer since Spire's last rate case.

¹ Based on the Company's updated revenue adjustments, the Company made a conservation adjustment only to the Residential class.

1 Q. If a downward trend in average use per customer was observed, is an adjustment
2 necessary in the case?

3 A. No. First, if a downward trend was observed, it would have to be verified
4 and the magnitude of the trend attributable to conservation and energy efficiency would need
5 to be quantified. Spire, to date, has not provided any workpapers or any testimony, beyond a
6 single paragraph, that identifies, verifies or quantifies any change in usage due to energy
7 efficiency or conservation. A downward trend in average usage per customer may not be
8 due to energy efficiency and conservation, but rather due to lower than average usage
9 customers coming onto the system. For example, if more individually metered multifamily
10 housing properties come onto the system compared to single-family housing, then the average
11 usage per customer would decrease. Further, the Company is proposing a rate normalization
12 adjustment rider (RNA) in this case to adjust for changes in conservation and energy efficiency
13 outside of the rate case. Staff is also recommending an alternative RNA, addressed by Staff
14 witness Michael L. Stahlman that would account for changes in usage due to energy efficiency
15 and conservation.

16 Q. What is Staff's recommendation regarding the Company's conservation
17 adjustment?

18 A. Staff does not recommend the Company's proposed conservation adjustment
19 because it is unsupported by testimony and workpapers, is not necessary and, if the Commission
20 approves Staff's proposed alternative RNA, the RNA will capture changes in conservation and
21 energy efficiency.

22 **RESPONSE TO COMPANY PROPOSED TARIFFS**

23 Q. How many tariff sheets did the Company file in this rate case?

1 A. The Company filed with the Commission 68 tariff sheets that had proposed new
2 rates and 121 rules and regulations tariff sheets that proposed changes in various rules and
3 regulations, for a total of 189 tariff sheets.

4 Q. How many tariff sheets were listed in the Company's minimum filing
5 requirements?

6 A. The Company listed 19 tariff sheets in Spire Exhibit Number 1 of its minimum
7 filing requirements. The Company's transmittal letter that was filed in YG-2021-0133 with the
8 tariff sheets lists 19 rate tariff sheets and 33 rules and regulations tariff sheets.

9 Q. Did the Company have substantive changes to its 121 rules and regulations
10 tariff sheets?

11 A. Yes. The Company had substantial changes to its line extension tariff sheets,
12 Economic Development Rider (EDR) tariff, Negotiated Gas Service Rider (NGSR) tariff, usage
13 estimation procedures, curtailment procedures, customer responsibility, sale or resale provision,
14 taxes, energy efficiency tariff sheets, and several changes to tariff sheets regarding Chapter 13
15 rule provisions.

16 Q. Did the Company provide testimony supporting these tariff changes in its direct
17 filing on December 11, 2020?

18 A. For the most part, no. Staff submitted Data Request (DR) Nos. 0144 and 0246
19 in this case after Staff identified that the Company made several substantive changes to its
20 tariffs that were not mentioned in the Company's direct filed testimony or minimum filing
21 requirements. The Company then filed supplemental direct testimony, briefly mentioning the
22 tariff changes submitted by Staff in DR Nos. 0144 and 0246.

Rebuttal Testimony of
Robin Kliethermes

1 Q. Does Staff have a general recommendation regarding the proposed tariff
2 changes?

3 A. Yes. Staff recommends that the Commission reject all possible tariff changes
4 that Spire is proposing. Further, Staff recommends that any intended changes to Spire's rate
5 tariff sheets and Spire's rules and regulations tariff sheets be specifically stated in any
6 Commission Order approving rates in this case.

7 Q. Which rules and regulations tariff sheet changes will you address in
8 this testimony?

9 A. I will address the following changes to Spire's rules and regulations in
10 this testimony:

11

Tariff Sheet No.	Paragraph	General Provision	Change
R-6.3	A	Rendering and Payment of Bills	added, "property" and "(which may be combined into one line item for "taxes")" to "License, occupation, gross receipts, franchise and sales taxes; and"
R-8		9 Resale	changed "shall" to "may" and added "or (2) gas resold or submetered at no mark-up, with prior express consent of the Company"
R-9		Customer's Liability	added "The Customer shall be solely responsible for the operation, maintenance, and repair of his piping and appliances beyond the meter outlet, and Company shall have no liability to Customer or any third party arising out of or relating thereto"
R-17		21.1 Curtailment	changed steps of curtailment. Transportation customers were moved to be curtailed after schools. Deleted, "Step 2. All sales service to both firm sales customers and firm transportation customers with alternate fuel capabilities is to be curtailed to the extent of such alternate fuels."
R-25		30 Estimation Procedure	deleted the majority of the "Usage Estimating Procedure"

12

13 Other Staff witnesses addressing tariff issues are Sarah L.K. Lange, Nancy L. Harris,
14 Claire M. Eubanks, PE, Keenan B. Patterson, PE and Kory J. Boustead.

15 Q. What tariff change did the Company make to its rules and regulations regarding
16 property tax?

17 A. As referenced in the table above, the Company added "property" to the list of
18 taxes such as gross receipts and franchise taxes that are itemized on customers' bills.

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1 Q. What is the impact of this tariff change?

2 A. If the Commission approves this tariff change, the Company would be able to
3 add a line item to customers' bills for the recovery of property taxes. Further, the Company is
4 also proposing to add language to lump all the various taxes together in one line item on
5 customers' bills labelled "taxes," instead of listing individual line items for each tax, as
6 currently billed. Therefore, with this change customers will be unaware of which taxes they are
7 billed for, including the addition of property taxes.

8 Q. Is the Company also recommending to recover property taxes through
9 base rates?

10 A. Yes. The Company's revenue requirement in this case, recovered through
11 non-gas base rates, includes recovery of the Company's property tax expense. If property taxes
12 are recovered through a separate line item, as well as recovered through base rates, then the
13 Company will double recover its property tax expense from ratepayers.

14 Q. Did the Company provide testimony regarding the addition of property tax
15 recovery as a separate line item on customers' bills?

16 A. No. The Company did not mention this tariff change in its direct filed testimony
17 or the supplemental direct testimony of Scott Weitzel. It wasn't until Staff identified the tariff
18 change that the Company acknowledged that the tariffs, as the Company proposed in this case,
19 include an additional recovery mechanism for property taxes.

20 Q. Since the Company's direct filing, has Staff received further update regarding
21 this tariff change?

1 A. Yes. At the June 9th technical conference the Company indicated that it is no
2 longer recommending to add “property” in the list of taxes to be recovered as a line item on a
3 customer’s bill listed on tariff sheet R-6.3.

4 Q. What tariff change did the Company make to its rules and regulations regarding
5 the provision for the resale of natural gas?

6 A. The Company is proposing to modify its tariff language to allow the Company
7 to sell gas to customers who intend to resell the gas to tenants at no mark up. This is commonly
8 called submetering.

9 Q. What are Staff’s concerns with this tariff change?

10 A. Staff has several concerns with this proposed tariff change; however, Staff’s
11 main concern is that neither Missouri law nor the Commission’s rules permit this. The
12 relationship described in Missouri law and the Commission’s rules between the utility and the
13 end user does not allow submetering. Spire presumes to have the authority to create and rate
14 regulate small gas utilities at its discretion. Staff is also concerned about the interests of tenants
15 that would otherwise be Spire customers and subject to the Commission’s Rules, which would
16 be subject to the rules and regulations – whatever they may be – of the Spire customer reselling
17 gas. Spire provided no tariff provisions that describe how it will ensure that tenants are
18 receiving gas from the Spire customer at no mark up. Also, Spire does not indicate whether the
19 customers reselling gas will be served on Residential or non-Residential rates.

20 Every regulated natural gas utility and electric utility in Missouri has a tariff
21 provision that prohibits the sale of natural gas or electricity to customers for the intended
22 purpose of resale.

23 Q. What is the Company’s explanation for the tariff change?

Rebuttal Testimony of
Robin Kliethermes

1 A. Company witness Scott A. Weitzel simply states in his supplemental direct
2 testimony that the Company is proposing to change the resale language to address requests from
3 real estate developers and multi-family building managers to permit the submetering and resale
4 of natural gas. Further, Mr. Weitzel states that the change allows for the Company to
5 accommodate natural gas usage in certain multi-family developments where it is only practical
6 to have one meter.

7 Q. Is the Company's proposed tariff language sufficient to limit the Company's
8 discretion to certain multi-family developments where it is only practical to have one meter?

9 A. No. The tariff language only requires prior express consent of the Company.
10 Essentially, the Company is requesting unfettered discretion to allow the resale of natural gas
11 to customers of its choosing.

12 Q. What is the Company's recommended tariff change regarding customer
13 liability?

14 A. The Company is proposing to add an additional paragraph to its tariff
15 essentially absolving itself of any liability for gas equipment specifically identified as the
16 customer's equipment.

17 Q. What are Staff's concerns with this tariff change?

18 A. First, tariff provisions already specifically identify facilities owned by the
19 customer and facilities owned by the utility. It appears that the proposed language would
20 reserve Company liability, even if appropriate system conditions were not maintained by the
21 utility. A court of competent jurisdiction should retain jurisdiction over determinations of
22 liability, including but not limited to, whether the utility maintained system conditions such as
23 gas quality or pressure.

1 Q. What is the Company's proposed changes to its tariff provisions regarding
2 curtailment?

3 A. The Company is recommending to change its order of curtailment. Provided
4 below are the four steps of curtailment that the Company is recommending in its proposed
5 tariffs in this case:

6 Curtailment Steps

7
8 Step 1. All sales service to seasonal customers is to be interrupted.

9
10 Step 2. Before implementing further curtailment steps, the Company shall request
11 voluntary load reduction of all customers.

12
13 Step 3. Curtail all schools using natural gas for heating to the lowest temperature
14 levels consistent with building protection and suspend operations of all industrial
15 customers with firm contracts with gas usage to be reduced to minimum volumes
16 essential only for dormant plant and product protection. Such curtailment shall not
17 be applicable to essential food processors and applications or uses required for
18 the maintenance of essential public services.

19
20 Step 4. Curtail remaining commercial, industrial, and transportation customers to
21 minimum building protection volumes. Such curtailment shall not be applicable to
22 hospitals, nursing homes, apartments, and other human needs applications.

23 Mr. Weitzel states in supplement direct testimony that the change is consistent with the
24 rate classes the Company is proposing in this case. However, because the Company does not
25 define seasonal customer, industrial customer, or whether a transportation customer is also an
26 industrial customer, the proposed language is unclear and implies that transportation customers
27 are curtailed after firm service sales customers, which is contradictory to Spire's currently
28 effective curtailment steps as provided below:

29 Curtailment Steps

30
31 Step 1. All sales service to seasonal, interruptible and basic transportation
32 customers is to be interrupted.

33
34 Step 2. All sales service to both firm sales customers and firm transportation
35 customers with alternate fuel capabilities is to be curtailed to the extent of such
36 alternate fuels.
37

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1 Step 3. Before implementing further curtailment steps, the Company shall request
2 voluntary load reduction of all customers.
3

4 Step 4. Curtail all schools using natural gas for heating to the lowest temperature
5 levels consistent with building protection and suspend operations of all industrial
6 customers with firm contracts with gas usage to be reduced to minimum volumes
7 essential only for dormant plant and product protection. Such curtailment shall not
8 be applicable to essential food processors and applications or uses required for
9 the maintenance of essential public services.
10

11 Step 5. Curtail remaining commercial and industrial customers to minimum
12 building protection volumes. Such curtailment shall not be applicable to hospitals,
13 nursing homes, apartments, and other human needs applications

14 Q. Is it reasonable for transportation customers to be curtailed after firm service
15 sales customers?

16 A. No. Transportation customers purchase gas from suppliers other than the
17 Company and use the Company's distribution system to transport their purchased gas to their
18 locations. If capacity concerns arise on the Company's distribution system, priority is given to
19 customers who have firm gas service from the Company.

20 Q. Since the Company's direct filing, has Staff received further update regarding
21 this tariff change?

22 A. Yes. At the June 9th technical conference the Company indicated that it does not
23 intend for the curtailment steps to reflect that transportation customers would be curtailed after
24 firm service sales customers.

25 Q. What is the Company's proposed change to its bill estimation procedures outline
26 in the tariff?

27 A. Below is the Company's usage estimation procedure outlined on tariff sheet 25
28 of the Company's Rules and Regulations tariffs.

29 Usage Estimating Procedure:

30 Whenever it is necessary to estimate a particular customer's monthly consumption, such
31 consumption shall be estimated by determining the actual usage at the customer's location in a
32 prior comparable period and then adjusting such usage to reflect weather differences. Where

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1 actual usage data at the customer's location is not available for a comparable period, the
2 estimation will be performed by determining actual usage at the customer's location in the
3 previous billing period, and then adjusting such usage to reflect weather differences. Where
4 actual usage data at the customer's location is not available for the previous billing period, the
5 estimation will be performed by determining the relationship of actual usage at the customer's
6 location to the average usage of comparable customers as determined by the Company in a
7 prior period, and applying that relationship to the average usage of comparable customers in the
8 estimation period. Specifically, usage for a customer's billing period for this last alternative will
9 be based on the following formula:

10
11 $(A / B) \times C \times \text{No. of days in current billing period}$; Where:
12 A= customer's actual use per day in a prior billing period;
13 B= the average use per customer per day for comparable customers using ending meter
14 reading dates closest to that of the prior billing period for the account being estimated;
15 C= the average use per customer per day for comparable customers using ending meter
16 reading dates closest to that of the current billing period for the account being estimated
17

18 Where actual usage data at the customer's location is not available, the customer's use will
19 be based on average usage for comparable customers.

20 The Company is recommending that the usage estimation procedure be simplified to:

21 Usage Estimating Procedure:

22
23 Whenever it is necessary to estimate a particular customer's monthly consumption, such
24 consumption shall be estimated based on historical usage data for the customer location, if
25 available. Where historical usage data at the customer location is not available, the customer's
26 estimate will be based on average usage data for similarly situated customers.

27 Mr. Weitzel states in his supplemental direct testimony that the current procedures are too
28 complex and that the proposed language will provide the Company with flexibility.

29 Q. Is Staff concerned with the proposed change?

30 A. Yes. A residential customer's gas usage is generally very seasonal and
31 dependent upon winter heating needs. The Company's proposed language does not factor in
32 weather and simply relies on historical usage for the location for an unknown time period. For
33 example, the Company does not define if twelve months of historical usage will be used or six
34 months of historical usage or historical usage from a similar seasonal period.

35 The proposed language goes a step too far in simplifying the process by removing any
36 specific estimation procedure.

Rebuttal Testimony of
Robin Kliethermes

1 Q. What is Staff’s recommendation regarding the Company’s tariff changes to its
2 rules and regulations as mentioned above?

3 A. Staff recommends the Commission reject the Company’s proposed tariff
4 changes to taxes, sale for resale, customer liability, curtailment and usage estimation procedures
5 provided in the table below, and mentioned above for reasons stated above.

6

Tariff Sheet No.	Paragraph	General Provision	Change
R-6.3	A	Rendering and Payment of Bills	added, "property" and "(which may be combined into one line item for "taxes")" to "License, occupation, gross receipts, franchise and sales taxes; and"
R-8		9 Resale	changed “shall” to “may” and added “or (2) gas resold or submetered at no mark-up, with prior express consent of the Company”
R-9		Customer's Liability	added “The Customer shall be solely responsible for the operation, maintenance, and repair of his piping and appliances beyond the meter outlet, and Company shall have no liability to Customer or any third party arising out of or relating therto”
R-17		21.1 Curtailment	changed steps of curtailment. Transportation customers were moved to be curtailed after schools. Deleted, "Step 2. All sales service to both firm sales customers and firm transportation customers with alternate fuel capabilities is to be curtailed to the extent of such alternate fuels."
R-25		30 Estimation Procedure	deleted the majority of the “Usage Estimating Procedure”

7
8 Q. Does Staff have any other concerns with the Company’s proposed rules and
9 regulations tariff sheets?

10 A. Yes. The Company organizes its rules and regulations tariffs by tariff sheet
11 number listed with an “R” prior to the number of the sheet and by rule number. A copy of the
12 Company’s Rules and Regulations table of contents is attached as Schedule RK-r1. For
13 example, according to the table of contents, “Definitions” can be found in tariff sheet number
14 R-3, rule 1. However, the Company uses rule number and tariff sheet numbers interchangeably,
15 which creates an inaccurate reference within the Company’s tariffs. For example, the collection
16 trip charge as found on tariff sheet 16 of the Company’s rate tariffs is referenced to Rule
17 Number 18. However, according to the table of contents, Rule Number 18 is auxiliary service,
18 but collection trip charge can be found on tariff sheet number R-18. Staff recommends that the

1 Company review its proposed tariff sheets in this case and make the appropriate changes to
2 accurately reflect rule references either by rule number or tariff sheet number.

3 Q. Does Staff have concerns with the Company's proposed Seasonal Service tariff?

4 A. Yes. In addition to the concerns described by Staff witnesses Dave M. Sommerer
5 and Sarah L.K. Lange, Staff is concerned with the overall lack of tariff development regarding
6 the new service. Spire asserts that the service is only applicable to a customer's Purchased Gas
7 Adjustment (PGA) charge. The entirety of the tariff is provided below:

8 **SEASONALSERVICE**
9 **SS**

10 Availability – This rate schedule is available for Small General Service and Large
11 General Service customers during the six consecutive billing months of May through
12 October, provided that the quantity of gas used during such period represents 50% of the
13 customer's total annual usage

14 Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall
15 be subject to an adjustment per Ccf for increases and decreases in the Company's cost of
16 purchased gas, as set out on Sheet No. 11.

17 Surcharges and Riders- Service provided hereunder shall be subject to the Infrastructure
18 System Replacement Surcharge (ISRS) as set out on Sheet No. 12 and any license,
19 occupation or other similar charges or taxes as authorized by Sheet No. 14.

20 Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will
21 be added to the outstanding balance of all bills not paid by the delinquent date stated on
22 the bill. The late payment charge will not be applied to outstanding balances under \$2 or
23 to amounts being collected through a pre-arranged payment agreement with the Company
24 that is kept up-to-date.

25 Other Terms and Conditions - Service provided hereunder is subject to the Company's
26 General Terms and Conditions as approved by the Missouri Public Service Commission.

27 The only tariff provision not listed on all other rate tariff sheets is the Seasonal Service
28 "Availability" provision. The Company refers to the tariff as a rate schedule, but clarified in
29 Staff DR No. 0168 that the service is only a seasonal PGA rate and does not impact a customer's

1 non-gas rate schedule.² There are no provisions in the Seasonal tariff describing how the service
2 interacts with the customer's service on its non-gas tariff or the Company's other PGA tariffs.
3 There are also no rates listed in the tariff. Staff recommends the Commission reject the
4 Company's proposed Seasonal Service tariff because it lacks reasonable tariff provisions for
5 offering a new service.

6 Q. Does Staff have any other concerns with the Company's proposed rate tariff
7 sheets?

8 A. Yes. First, the Company's proposed rate tariff sheets consolidate the Spire West
9 and Spire East rate districts and Staff is not recommending consolidation. Second, the proposed
10 rate tariff sheets eliminate the Company's Intrastate Transportation tariff. The Intrastate
11 Transportation tariff serves the ** [REDACTED] **. Without this tariff, the Company can't
12 provide service to the customer. The Company has not provided testimony stating that service
13 to the customer has ended or will end upon the conclusion of this case. Staff recommends
14 that the Company's proposed rate tariff sheets be rejected and the Commission Order
15 approving rates in this case expressly state any approved changes to Spire's currently effective
16 rate tariff sheets.

17 **RESPONSE TO COMPANY'S ADJUSTMENT FOR RATE SWITCHERS**

18 Q. What adjustments did the Company make for rate switchers in this case?

19 A. The Company made two adjustments for rate switchers. The first adjustment
20 accounted for customers moving between non-residential rate schedules during the test period.
21 The other adjustment accounted for customers in the Small General Service (SGS) class that

² The Company's PGA tariffs are separate from the Company's proposed Seasonal Service rate schedule.

1 the Company expects to move to the Large General Service (LGS) upon effective date of rates
2 in this rate case, as well as customers moving from the LGS class into the SGS class upon
3 effective date of rates in this rate case.

4 Q. Are both adjustments for rate switchers necessary?

5 A. No. Staff has identified several customers within the Spire East and Spire West
6 SGS class that should be served on the Spire East or Spire West LGS rate schedule and vice
7 versa based on the size requirements of the rate schedule. The Company had similar issues with
8 the Spire West SGS and LGS classes in the last rate case and had also requested a rate switcher
9 adjustment for customers expected to switch upon the effective date of rates in that case.
10 In GR-2017-0215, Staff identified the customers that needed to be moved to the appropriate
11 rate class and included a revenue adjustment in the rate case. However, Staff found in this case
12 that 40 of the customers that the Company moved out of the Spire West LGS class and into the
13 Spire West SGS upon the effective date of rates in the last rate case were back in the Spire West
14 LGS class in this rate case and 173 customers that were moved out of Spire West SGS class
15 and into the Spire West LGS class were back in the Spire West SGS rate class in this case.
16 Some of the customers that switched back into their original rate class are of the appropriate
17 size to be in the rate schedule; however, some of them have once again been identified by the
18 Company to be moved into the same rate class that the Company moved the customer too in
19 the last rate case.

20 In the Company's last rate case, Spire East had three commercial service designations;
21 C1, CII and CII, that were consolidated into two service designations; SGS and LGS. In creating
22 the new service designations, Spire East used the same size requirements as Spire West SGS
23 and LGS rate classes. Of the customers identified to be in the new Spire East SGS class in the

1 last rate case, 1,644 were being served on the Spire East LGS class in this rate case. Of the
2 customer identified to be in the Spire East LGS in the last rate case 2,058 of them are currently
3 being served on the Spire SGS rate schedule.

4 It appears that the Company has a cyclical issue of rate switching between the SGS and
5 LGS rate classes. The Company fails to address this issue and instead seeks a rate switching
6 adjustment that increases the Company's overall revenue requirement for all customers.
7 Instead, Staff recommends the Commission reject the Company's rate switching adjustment for
8 customers anticipating to switch upon the implementation of rates in this case, and as discussed
9 in Staff's direct CCOS, Staff recommends realignment of the rates for the SGS, LGS and LVS
10 rate classes. This process will make the Company whole for any revenue deficiencies that result
11 from movement of customers within these classes at the implementation of rates in this case.

12 Q. How will Staff's recommended process keep the Company whole?

13 A. Staff recommends that prior to final rates being determined in this case, the
14 Company identify all of the SGS and LGS customers that are currently being served on the
15 wrong rate schedule so rates can be properly calculated for each rate schedule. If the
16 Commission approves Staff's recommendation to align the SGS, LGS and LVS rate classes,
17 the revenue impact of any inappropriate rate switching that may occur between rate classes will
18 decrease as compared to Spire's current rate design.

19 **RESPONSE TO MIEC AND VICINITY WITNESS BRIAN C. COLLINS**

20 Q. Did MIEC and Vicinity witness Brian C. Collins use the Company's CCOS
21 study to base his class revenue allocation recommendation on?

22 A. Yes.

Rebuttal Testimony of
Robin Kliethermes

1 Q. Are you aware of errors in the Company's CCOS study that significantly change
2 the Company's results?

3 A. Yes. Staff witness Charles T. Poston, PE identified an error in the Company's
4 classification of meter installation costs per type and size of meter. Essentially, in its CCOS
5 study the Company assigned the installation cost applicable to an industrial meter to a
6 residential meter, creating a large amount of costs to be disproportionately allocated to the
7 Residential class.

8 Q. How does this impact Mr. Collins' direct filed testimony?

9 A. Mr. Collins' direct testimony states that the Company's CCOS results found that
10 only the Residential class needs a rate increase while every other rate class needs a rate decrease,
11 and specifically Mr. Collin recommends that the Transportation class receive a decrease of
12 approximately 18.5%. The correction to the Company's allocation of meters decreases the
13 revenue responsibility of the Residential class by approximately \$25 million. Below is the
14 Company's CCOS results of its direct filed CCOS study and the Company's corrected
15 CCOS study:

16

Direct filed CCoS		Residential	Small General Srv	Large General Srv	Transportation
Revenues at Equalized Rates of Return					
Rate of return	7.228%	7.228%	7.228%	7.228%	7.228%
Return requirement	200,737,548	164,414,032	14,400,362	11,304,377	10,618,776
Revenue required	682,013,298	589,116,333	44,131,017	24,344,961	24,420,986
Revenue deficiency	111,475,389	138,699,129	(2,261,206)	(19,365,973)	(5,596,562)
Percent increase required	19.5%	30.8%	-4.9%	-44.3%	-18.6%

17

18

Corrected CCoS		Residential	Small General Srv	Large General Srv	Transportation
Revenues at Equalized Rates of Return					
Rate of return	7.228%	7.228%	7.228%	7.228%	7.228%
Return requirement	200,737,548	159,893,833	16,012,664	13,441,772	11,389,278
Revenue required	682,013,298	564,071,309	54,271,319	35,353,010	28,317,660
Revenue deficiency	111,475,389	113,654,105	7,879,096	(8,357,924)	(1,699,888)
Percent increase required	19.5%	25.2%	17.0%	-19.1%	-5.7%

19

1 As shown above, the Company's corrected CCOS study shows an overall decrease to the
2 Transportation class of 5.7% instead of 18.6% as relied on by Mr. Collins for his
3 recommendation.³

4 Q. Is it reasonable to decrease the revenue responsibility of the Transportation class
5 by 18.6% (or 5.7%) as recommended by Mr. Collins?

6 A. No. First, Mr. Collins is relying on the Company's CCOS study which does not
7 address the revenue responsibility for the Spire West and Spire East rate districts separately.
8 The revenue responsibility and usage characteristics of the Spire East Transportation class are
9 not the same as the characteristics of the Spire West Transportation class. For example,
10 the usage requirement to be eligible for transportation service is lower for Spire West than for
11 Spire East, meaning that it is not reasonable to apply Spire's consolidated CCOS study results
12 to a stand-alone Spire West.

13 Further, CCOS studies are not perfect. Although Staff strives to make its CCOS study
14 as precise as possible, the allocation factors are based on Company data regarding customer
15 usage and costs at the time of the case filing. The usage characteristics of the customers within
16 a specific rate class at the time the CCOS study is filed will impact allocation factors and as a
17 result, they will also affect the level of costs allocated to the rate class. Also, as mentioned
18 above, a change in the overall recommended increase will influence the results of any CCOS
19 study. Finally, in general, Staff does not recommend decreasing the revenue responsibility of
20 any rate class in a general rate case that results in an increase.

³ Staff witness Charles T. Poston, PE, as discussed in his rebuttal testimony, identified an additional error in the Company's CCOS study that further impacts its results.

1 **RATE CONSOLIDATION**

2 Q. Does Staff recommend consolidating the rates of Spire East and Spire West rate
3 districts?

4 A. Not at this time. As mentioned in Staff's Class Cost of Service Report⁴ the rate
5 impact of consolidation on certain rate classes does not make consolidation a reasonable option
6 at this time. However, Staff is recommending slight changes in class rate structures to better
7 align the class rate structures across rate districts to facilitate potential consolidation in the
8 future, if and when appropriate.

9 Q. Does this conclude your testimony?

10 A. Yes.

⁴ Page 15 of Staff's Class Cost of Service report.

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)

Case No. GR-2021-0108

AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW ROBIN KLIETHERMES and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Robin Kliethermes*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

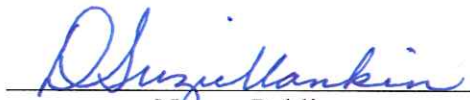


ROBIN KLIETHERMES

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 16th day of June 2021.

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

Spire Missouri Inc. d/b/a/ Spire

For: Spire Missouri East & West

RULES AND REGULATIONS

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Spire Missouri Inc., St. Louis, MO. 63101

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