

Exhibit No.:
Issues: Cost of Service; Rate Design
Witness: Brian C. Collins
Type of Exhibit: Rebuttal Testimony
Sponsoring Parties: MIEC and Vicinity
Case No.: GR-2022-0179
Date Testimony Prepared: October 7, 2022

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

**In the Matter of Spire Missouri Inc.'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**
)
)

Rebuttal Testimony of

Brian C. Collins

On behalf of

**Missouri Industrial Energy Consumers
and Vicinity Energy Kansas City, Inc.**

October 7, 2022



Project 11293

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_____)

Case No. GR-2022-0179

STATE OF MISSOURI)

) SS

COUNTY OF ST. LOUIS)

Affidavit of Brian C. Collins

Brian C. Collins, being first duly sworn, on his oath states:

1. My name is Brian C. Collins. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Missouri Industrial Energy Consumers and Vicinity Energy Kansas City, Inc. in this proceeding on their behalf.

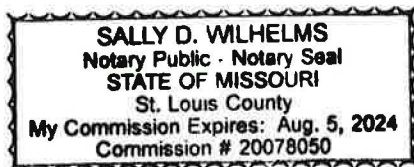
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. GR-2022-0179.

3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Brian C. Collins

Subscribed and sworn to before me this 7th day of October, 2022.





Notary Public

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Rebuttal Testimony of Brian C. Collins

1 I. Introduction

2 Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A Brian C. Collins. My business address is 16690 Swingley Ridge Road, Suite 140,
4 Chesterfield, MO 63017.

**5 Q ARE YOU THE SAME BRIAN C. COLLINS WHO FILED DIRECT TESTIMONY ON
6 SEPTEMBER 9, 2022 IN THIS CASE?**

7 A Yes, I am.

8 Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

9 A This testimony is presented on behalf of the Missouri Industrial Energy Consumers
10 (“MIEC”) and Vicinity Energy Kansas City, Inc. (“Vicinity”). The MIEC is a non-profit
11 corporation that represents the interests of industrial customers in matters involving
12 utility issues. Those interests include the interests of large industrial consumers of
13 Spire Missouri Inc. (“Spire” or “Company”). Vicinity is a “heating company” and a
14 “public utility” as those terms are defined in Sections 386.020(20) and 386.020(43).

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1 Vicinity, therefore, is not only a customer of Spire, but also a competitor with Spire.
2 Vicinity is one of the largest users and transporters of natural gas on the Spire system.

3 **Q WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

4 A The purpose of my rebuttal testimony is to respond to the positions of the Missouri
5 Public Service Commission ("MPSC") Staff contained in its class cost of service direct
6 testimony with respect to class revenue allocation.

7 My silence on any aspect of the Company's or Staff's filings should not be
8 construed as an endorsement of, or tacit agreement with, the Company's or Staff's
9 positions.

10 **Q PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS.**

11 A My conclusions and recommendations are summarized as follows:

- 12 1. Staff's proposals for across-the-board increases are inappropriate for the
13 transportation classes in both Spire East and Spire West in light of the stipulation
14 reached in the last rate case.
- 15 2. My corrections to Staff's class cost of service studies in my surrebuttal testimony in
16 the last rate case indicated that substantial decreases for the transportation classes
17 in both Spire East and Spire West were warranted.
- 18 3. The Company's surrebuttal class cost of service studies in the last rate case also
19 indicated a decrease for the Spire East Transportation class was necessary and
20 indicated a relatively small increase was needed for the Spire West Transportation
21 class.
- 22 4. Both the Company and MIEC/Vicinity class cost of service studies' results for the
23 transportation classes in the last rate case indicated that the agreed upon class
24 revenue allocation in the stipulation and approved by the Commission was a
25 reasonable compromise: no increase for the Spire East Transportation class and
26 an increase of \$115,000 for the Spire West Transportation class.
- 27 5. Staff has provided no reasonable evidence in this case indicating that an equal
28 percent increase for all classes is warranted or justified. Staff's proposals would
29 result in large unsubstantiated increases for the transportation classes in both Spire
30 East and Spire West.

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1 6. As a result, increases for the transportation classes in this rate case should be no
2 larger than the increases agreed upon and approved by the Commission in the last
3 rate case, which included no increase for the Spire East Transportation class and
4 a \$115,000 increase for the Spire West Transportation class.

5 **Q WHAT ARE STAFF'S CLASS REVENUE ALLOCATION PROPOSALS IN THIS**
6 **CASE?**

7 A According to the direct testimony of Staff witness Sarah L.K. Lange, Staff proposes an
8 equal percent increase for all classes in Spire East. Like Ms. Lange, Staff witness
9 Francisco Del Pozo proposes an equal percent increase for all classes in Spire West.

10 Staff's class revenue allocation proposals would result in unjustified increases
11 of approximately \$3.0 million, or 19.9%, for the Spire East Transportation class and
12 approximately \$4.6 million, or 28.3%, for the Spire West Transportation class under the
13 Company's fully requested revenue increases.

14 **Q DID STAFF FILE CLASS COST OF SERVICE STUDIES FOR BOTH SPIRE EAST**
15 **AND SPIRE WEST IN THIS CASE TO SUPPORT ITS POSITIONS?**

16 A No, Staff did not file class cost of service studies in this rate case.

17 **Q WITH THE FILING OF YOUR SURREBUTTAL TESTIMONY IN THE LAST RATE**
18 **CASE, DID THE RESULTS OF STAFF'S CLASS COST OF SERVICE STUDIES**
19 **WITH YOUR CORRECTIONS INDICATE THAT TRANSPORTATION CLASSES**
20 **SHOULD RECEIVE RATE DECREASES?**

21 A Yes. My corrections to Staff's class cost of service studies in my surrebuttal testimony
22 for the allocation of income taxes and storage-related costs, along with the inclusion of
23 the Company's rebuttal mains allocator, resulted in decreases for the transportation
24 classes of \$5.5 million in Spire East and \$2.5 million in Spire West.

1 **Q DID THE COMPANY FILE CLASS COST OF SERVICE STUDIES IN ITS**
2 **SURREBUTTAL TESTIMONY IN THE LAST RATE CASE?**

3 A Yes. The Company's surrebuttal class cost of service studies' results sponsored by
4 Spire witness Timothy S. Lyons indicated that the Spire East Transportation class
5 deserved a large decrease of \$3,311,621, or 22.30%, and the Spire West
6 Transportation class deserved a small increase of \$627,870, or 3.37%.

7 **Q WHAT INCREASE FOR TRANSPORTATION CLASSES WAS REACHED IN THE**
8 **LAST RATE CASE AND APPROVED BY THE COMMISSION?**

9 A The stipulation approved by the Commission in the last rate case contained no increase
10 for the Spire East Transportation class and a \$115,000 increase for the Spire West
11 Transportation class. The stipulated increases for the transportation classes were a
12 reasonable compromise in light of my corrections to Staff's class cost of service studies
13 in my surrebuttal testimony, and the results of the Company's class cost of service
14 studies filed in its surrebuttal testimony in the last rate case.

15 **Q ARE STAFF'S PROPOSALS FOR AN EQUAL PERCENT INCREASE IN THIS CASE**
16 **FOR BOTH SPIRE EAST AND SPIRE WEST, WHICH WOULD APPLY TO THE**
17 **SPIRE EAST AND SPIRE WEST TRANSPORTATION CLASSES, REASONABLE?**

18 A No. Staff's class revenue allocation proposals would increase rates for the Spire East
19 Transportation class by approximately 19.9% and by approximately 28.3% for the Spire
20 West Transportation class. These unwarranted increases would erase the stipulation
21 agreed to and approved by the Commission a little over one year ago and would be
22 inconsistent with the results of my and the Company's class cost of service studies
23 results submitted in surrebuttal testimony in the last rate case.

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1 **Q WHAT IS YOUR RECOMMENDATION?**

2 A Staff has provided no reasonable evidence in this rate case that large increases are
3 warranted for the transportation classes in Spire East and Spire West. As a result, I
4 maintain my direct testimony recommendation to implement the class revenue
5 allocation agreed upon in the last rate case, which was no increase for the Spire East
6 Transportation class and a \$115,000 increase for the Spire West Transportation class.
7 This is also the Company's recommendation in its direct testimony in this case.

8 To the extent a reduced revenue requirement increase for Spire West is
9 approved by the Commission as compared to that requested by the Company, the
10 \$115,000 increase for the Spire West Transportation class would be reduced
11 proportionately.

12 **Q DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

13 A Yes, it does.

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