

Exhibit No.:
Issue: WNAR Tariff
Witness: Robin Kliethermes
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case Nos.: GO-2019-0058 and
GO-2019-0059
Date Testimony Prepared: December 20, 2018

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

ROBIN KLIETHERMES

SPIRE MISSOURI, INC. d/b/a SPIRE

CASE NOS. GO-2019-0058 and GO-2019-0059

Jefferson City, Missouri
December 2018

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **ROBIN KLIETHERMES**

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

5 **CASE NOS. GO-2019-0058 and GO-2019-0059**

6 Q. Please state your name and business address.

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

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

10 A. I am employed by the Missouri Public Service Commission (“Commission”)
11 as the Rate and Tariff Examination Manager of the Tariff and Rate Design Department of the
12 Operation Analysis Department of the Commission Staff. A copy of my credentials and case
13 experience is attached as Schedule RK-r1 to this testimony.

14 Q. What is the purpose of your testimony?

15 A. The purpose of my testimony is respond to the Direct Testimony of
16 Scott A. Weitzel.

17 Q. On page 11 of his direct testimony, Mr. Weitzel states, “Based on discussions
18 with Staff, it appears this ranking approach is designed to reduce the daily variation between
19 Actual and Normal usage that was captured in the WNAR, rather than reduce the financial
20 impact that weather variation caused relative to the determinants, rates and revenues agreed to
21 in the most recent rate case.” Is this an accurate characterization of the design?

22 A. No. This is inaccurate in several aspects. First, this implies that Staff’s
23 method does not reduce the financial impact of weather variation relative to the determinants

1 and revenues agreed to in the most recent rate case, while in fact Staff's method better
2 correlates actual billing months during the WNAR period to the billing months that were the
3 basis for the determinants and revenues in the rate case. Second, Mr. Weitzel's statement
4 fails to capture that reducing the daily variation between Actual and Normal usage that was
5 captured in the WNAR is what causes the alignment of billing cycles within the billing month
6 from those studied in the rate case with those that occurred in the period covered by the
7 WNAR. Finally, the alignment of the HDD per billing month during the period covered by
8 the WNAR is what enables the WNAR adjustment to reduce the financial impact of weather
9 variation relative to the determinants and revenues agreed to in the most recent rate case.

10 Q. How does reducing the daily variation between Actual and Normal usage that
11 was captured in the WNAR cause the alignment of billing cycles within the billing month
12 from those studied in the rate case with those that occurred in the period covered by
13 the WNAR?

14 A. It is first important to understand the relationship between billing cycles and
15 billing month. Using the May billing month as an example, the May 2018 billing month
16 actually includes some billing cycles that start on April 1, 2018, and some billing cycles that
17 start on April 26, 2018. Similarly, the last day of May billing Cycle 1 is April 30, 2018, while
18 the last billing cycle doesn't end until May 29, 2018. The start and end dates of all 18 billing
19 cycles for the month of May 2018 are provided below.

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23 *Continued on next page*

1

Cycle Name	Start Date	Days in Cycle	Read Date
1	4/1/2018	29	4/30/2018
2	4/2/2018	29	5/1/2018
3	4/3/2018	29	5/2/2018
4	4/4/2018	29	5/3/2018
5	4/5/2018	32	5/7/2018
6	4/8/2018	30	5/8/2018
7	4/10/2018	29	5/9/2018
8	4/11/2018	29	5/10/2018
9	4/12/2018	31	5/13/2018
10	4/15/2018	30	5/15/2018
11	4/16/2018	30	5/16/2018
12	4/17/2018	30	5/17/2018
13	4/19/2018	31	5/20/2018
14	4/22/2018	30	5/22/2018
15	4/23/2018	30	5/23/2018
16	4/24/2018	30	5/24/2018
17	4/25/2018	33	5/28/2018
18	4/26/2018	33	5/29/2018

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This spread of the May billing month across the entire months of April and May means that the relationship of normal HDD experienced for the first day of May to the actual HDD experienced on the first day of May 2018 is as important (or possibly more important) than the total number of HDD experienced in the Month of May under normal weather versus actual weather.

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Q. Do the start and end dates within the actual billing month of May, 2018, line up with the start and end dates of the billing cycles that were the basis for the determinants and revenues agreed to in the most recent rate case?

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A. No. There are a couple of days' discrepancies in the cycle end dates for Billing Month May 2016 versus May 2018.

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13

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Cycle	May-16	May-18
1	02-May-16	30-Apr-18
2	03-May-16	01-May-18
3	04-May-16	02-May-18
4	05-May-16	03-May-18
5	06-May-16	07-May-18
6	09-May-16	08-May-18
7	11-May-16	09-May-18
8	12-May-16	10-May-18
9	13-May-16	13-May-18
10	16-May-16	15-May-18
11	17-May-16	16-May-18
12	18-May-16	17-May-18
13	20-May-16	20-May-18
14	23-May-16	22-May-18
15	24-May-16	23-May-18
16	25-May-16	24-May-18
17	26-May-16	28-May-18
18	27-May-16	29-May-18

2

3 Q. How many May 2018 billing cycles included April 19, 2018, the first day that
4 the tariffs implementing the WNAR took effect?

5 A. In 2018, 13 of the May billing cycles included customer usage for
6 April 19, 2018.

7 Q. How many May 2016 billing cycles included April 19, 2016?

8 A. For the May 2016 billing month, 12 billing cycles include customer usage
9 occurring on April 19, 2016.

10 Q. How would Staff's interpretation and the company's interpretation apply the
11 WNAR adjustment for April 19, 2018?

12 A. On April 19, 2018, Spire East experienced 19.5 HDD. Under Staff's
13 interpretation of the ranking method, for April 19, 2018, Staff compared this to the "normal"

1 HDD for the 12th coldest day in April of 10.6 HDD.¹ Under Spire’s interpretation, those 19.5
2 HDD for April 19, 2018, the 12th coldest day in April, 2018 would be compared to 0 HDD,
3 based on the warmest-coldest rank of April 19, 2016.²

4 It is reasonable to assume that customers used more gas on April 19, 2018, than
5 customers used on April 19, 2016. April 19, 2018, had the 12th most HDD/day in the month
6 of April, 2018. Under Staff’s interpretation of the ranking provision, there is a difference of
7 8.5 HDD for April 19, 2018, to be applied to 13 billing cycles. However, April 19, 2016 is
8 tied with seven (7) other days for the fewest HDD in April 2016. Under the Company’s
9 proposed method, mixing and matching billing cycle start dates from calendar year 2018 with
10 the HDD rankings for that date from 2016, a difference of 19.5 HDD would be included in
11 13 billing cycles for the May billing month, reflecting April 19, 2018 usage.

12 In short, although customers almost certainly used more gas on April 19, 2018 than is
13 reflected in the determinants, rates, and revenues agreed to in the most recent rate case,
14 Spire’s method would *increase* the amount of revenue Spire is due for that date.³

15 Q. How does this example demonstrate the reducing the daily variation between
16 Actual and Normal usage that was captured in the WNAR aligns billing cycles within the
17 billing month from those studied in the rate case to those that occurred in the period covered
18 by the WNAR?

19 A. It may be helpful to think of billing months within a billing cycle as a
20 rhombus, with a leading “head” and a trailing “tail,” with few if any days in a given calendar

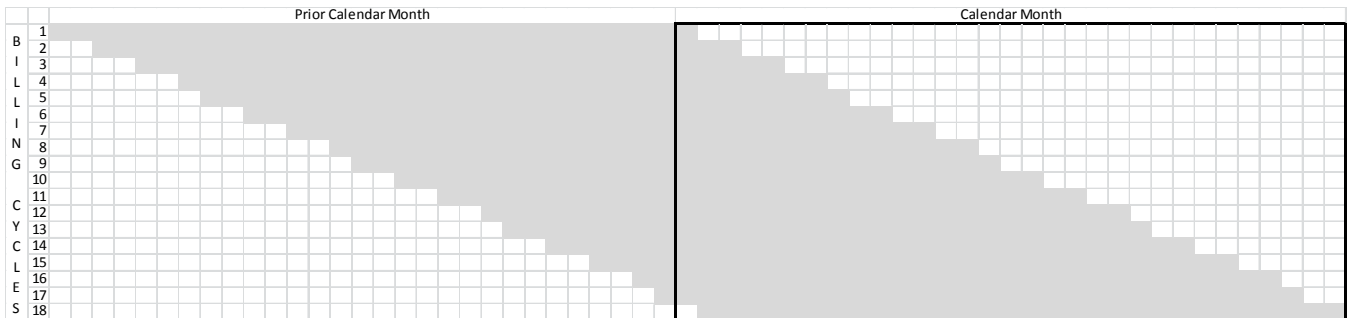
¹ See Dr. Seoungjoun Won Direct for an explanation of Staff’s interpretation of the ranking provision.

² See the Rebuttal Testimony of Dr. Seoungjoun Won for a more detailed discussion of the relationship between 2016 ranking and 2018 actual weather, at page 5.

³ Given the variation in the number of customers each of the 18 billing cycles, and the impact of customer growth or decline in a given calendar month, Spire’s interpretation of the ranking method also increases variation in what this difference in HDD per customer is multiplied by in valuing the overall adjustment.

Rebuttal Testimony of
Robin Kliethermes

1 month being captured within each and every billing cycle that is included in that billing
2 month. In the example below, each gray bar is a separate billing cycle, while the dark outline
3 is the calendar month that gives its name to the billing month.



4
5 Under the Company’s ranking approach, if a calendar month in 2016 started out cold
6 and ended warm, while the calendar month in 2018 started out warm and ended cold, the
7 usage included in the “head” and “tail” for that billing month will end up wrong. While those
8 differences will cancel out when multiple billing months are added together, it creates a
9 needless mismatch.⁴

10 However, under Staff’s ranking, the “head” and “tail” of HDD are aligned within the
11 month before the comparisons of Actual weather to normal weather is made, so there is better
12 billing month-to-billing month alignment from those studied in the rate case to those that
13 occurred in the period covered by the WNAR.

14 This consistency between actual HDD in a given billing month’s “head” or “tail” and
15 the comparison to normal weather for a calendar month reduces the daily variation between
16 Actual and Normal usage that was captured in the WNAR, which **reduces the financial**
17 **impact that weather variation caused relative to the determinants, rates and revenues**

⁴ As discussed in Mr. Stahlman’s Direct Testimony, Staff’s method will result in less variation than the Company’s interpretation of the ranking method. Mr. Stahlman also provides, in his Rebuttal Testimony, testimony that the Company has provided no analysis to support its claim that Staff’s method would create unpredictable variations.

1 **agreed to in the most recent rate case**, because the alignment of the HDD per billing month
2 during the period covered by the WNAR is what enables the WNAR adjustment to reduce the
3 financial impact of weather variation relative to the determinants and revenues agreed to in
4 the most recent rate case.

5 Q. Does this conclude your testimony?

6 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Spire Missouri, Inc.)
 d/b/a Spire's Request to Decrease WNAR)

Case No. GO-2019-0058

and

In the Matter of Spire Missouri, Inc.'s d/b/a)
 Spire's Request to Increase Its WNAR)

Case No. GO-2019-0059

AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI)
) ss.
 COUNTY OF COLE)

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*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

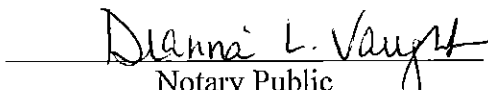


ROBIN KLIETHERMES

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 19th day of December 2018.

DIANNA L. VAUGHT
 Notary Public - Notary Seal
 State of Missouri
 Commissioned for Cole County
 My Commission Expires: June 28, 2019
 Commission Number: 15207377



 Notary Public

Robin Kliethermes

Present Position:

I am the Rate and Tariff Examination Manager of the Tariff and Rate Design Department, Commission Staff Division, of the Missouri Public Service Commission ("Commission"). I have held this position since July 16th, 2016. I have been employed by the Commission since March of 2012. In May of 2013, I presented on Class Cost of Service and Cost Allocation to the National Agency for Energy Regulation of Moldova ("ANRE") as part of the National Association of Regulatory Utility Commissioners ("NARUC") Energy Regulatory Partnership Program. I am also a member of the Electric Meter Variance Committee.

Educational Background and Work Experience:

I have a Bachelor of Science degree in Parks, Recreation and Tourism with a minor in Agricultural Economics from the University of Missouri – Columbia in 2008, and a Master of Science degree in Agricultural Economics from the same institution in 2010. Prior to joining the Commission, I was employed by the University of Missouri Extension as a 4-H Youth Development Specialist and County Program Director in Gasconade County.

Additionally, I completed two online classes through Bismarck State College: Energy Markets and Structures (ENRG 420) in December, 2014 and Energy Economics and Finance (ENRG 412) in May, 2015.

Previous Testimony of Robin Kliethermes

Case No.	Company	Type of Filing	Issue
ER-2012-0166	Ameren Missouri	Staff Report	Economic Considerations
ER-2012-0174	Kansas City Power & Light Company	Staff Report	Economic Considerations
ER-2012-0175	KCP&L Greater Missouri Operations Company	Staff Report	Economic Considerations & Large Power Revenues
ER-2012-0345	Empire District Electric Company	Staff Report	Economic Considerations, Non-Weather Sensitive Classes & Energy Efficiency
HR-2014-0066	Veolia Kansas City	Staff Report	Revenue by Class and Class Cost of Service
GR-2014-0086	Summit Natural Gas	Staff Report	Large Customer Revenues
GR-2014-0086	Summit Natural Gas	Rebuttal	Large Customer Revenues
EC-2014-0316	City of O'Fallon Missouri and City of Ballwin, Missouri v. Union Electric Company d/b/a Ameren Missouri	Staff Memorandum	Overview of Case
EO-2014-0151	KCP&L Greater Missouri Operations Company	Staff Recommendation	Renewable Energy Standard Rate Adjustment Mechanism (RESRAM)
ER-2014-0258	Ameren Missouri	Staff Report	Rate Revenue by Class, Class Cost of Service study, Residential Customer Charge
ER-2014-0258	Ameren Missouri	Rebuttal	Weather normalization adjustment to class billing units
ER-2014-0258	Ameren Missouri	Surrebuttal	Residential Customer Charge and Class allocations
ER-2014-0351	Empire District Electric Company	Staff Report	Rate Revenue by Class, Class Cost of Service study, Residential Customer Charge

cont'd Previous Testimony of
Robin Kliethermes

Case No.	Company	Type of Filing	Issue
ER-2014-0351	Empire District Electric Company	Rebuttal & Surrebuttal	Residential Customer, Interruptible Customers
ER-2014-0370	Kansas City Power & Light Company	Staff Report	Rate Revenue by Class, Class Cost of Service study, Residential Customer Charge
ER-2014-0370	Kansas City Power & Light Company	Rebuttal & Surrebuttal	Class Cost of Service, Rate Design, Residential Customer Charge
ER-2014-0370	Kansas City Power & Light Company	True-Up Direct & True-Up Rebuttal	Customer Growth & Rate Switching
EE-2015-0177	Kansas City Power & Light Company	Staff Recommendation	Electric Meter Variance Request
EE-2016-0090	Ameren Missouri	Staff Recommendation	Tariff Variance Request
EO-2016-0100	KCP&L Greater Missouri Operations Company	Staff Recommendation	RESRAM Annual Rate Adjustment Filing
ET-2016-0185	Kansas City Power & Light Company	Staff Recommendation	Solar Rebate Tariff Change
ER-2016-0023	Empire District Electric Company	Staff Report	Rate Revenue by Class, CCOS and Residential Customer Charge
ER-2016-0023	Empire District Electric Company	Rebuttal & Surrebuttal	Residential Customer Charge and CCOS
ER-2016-0156	KCP&L Greater Missouri Operations	Staff Report	Rate Revenue by Class, CCOS and Residential Customer Charge
ER-2016-0156	KCP&L Greater Missouri Operations	Rebuttal & Surrebuttal	Data Availability, Energy Efficiency Revenue Adj., Residential Customer Charge
ER-2016-0179	Ameren Missouri	Rebuttal	Blocked Usage
ER-2016-0285	Kansas City Power & Light Company	Rebuttal & Surrebuttal	Clean Charge Network Tariff, Rate Design
GR-2017-0215	Spire (Laclede Gas Company)	Staff Report, Rebuttal & Surrebuttal	Tariff Issues, Rate Design and Class Cost of Service

cont'd Previous Testimony of
Robin Kliethermes

Case No.	Company	Type of Filing	Issue
GR-2017-0216	Spire (Missouri Gas Energy)	Staff Report, Rebuttal & Surrebuttal	Tariff Issues, Rate Design and Class Cost of Service
EC-2018-0103	Kansas City Power & Light	Staff Report	Customer Complaint
EO-2015-0055	Ameren Missouri	Rebuttal	Flex-Pay Program
GR-2018-0013	Liberty	Staff Report	Class Cost of Service and Rate Design Report
ER-2018-0145	Kansas City Power & Light	Staff Report & Rebuttal & Surrebuttal	Tariff Issues, Rate Design, Revenue, Class Cost of Service
ER-2018-0146	KCP&L Greater Missouri Operations	Staff Report & Rebuttal & Surrebuttal	Tariff Issues, Rate Design, Revenue, Class Cost of Service
EO-2018-0211	Ameren Missouri	Staff Rebuttal Report	MEEIA Margin Rates
GO-2019-0059	Spire Missouri West	Staff Recommendation	Weather Normalization Adjustment Rider (WNAR)
GO-2019-0058	Spire Missouri East	Staff Recommendation	Weather Normalization Adjustment Rider (WNAR)
ET-2018-0132	Ameren Missouri	Surrebuttal	Risk Sharing Mechanism