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MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION
TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

SARAH L.K. LANGE

SPIRE MISSOURI, INC., d/b/a SPIRE
CASE NO. GR-2022-0179

Jefferson City, Missouri
October 2022

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OF
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SARAH L.K. LANGE
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1 **REVENUE ALLOCATION**

2 Q. Please summarize the recommendations under consideration in this case.

3 A. As discussed throughout my Rate Design Direct Testimony, due to the lack of
4 data necessary to conduct a reliable Class Cost of Service (CCoS) Study, Staff recommended
5 equal percentage increases to all rate elements of all non-transportation rate schedules. Spire
6 requested to effectively insulate transportation schedule customers from this increase, and
7 MIEC supports this request.

8 Q. How do MIEC and Spire Missouri propose the revenue requirement increase
9 awarded for each rate district be allocated?

10 A. Mr. Collin's testimony at page 5, providing Spire Missouri's response to
11 the indicated MIEC Data Requests as reproduced below, indicates that for Spire Missouri West
12 the Transportation class would receive an increase of more than 29% lower than other
13 customer classes, and for Spire Missouri East, the revenue requirement of the Transportation
14 class would decrease.

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23 *continued on next page*

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5 A Yes. Spire's proposed class revenue allocation for Spire West and Spire East are
6 shown below in Table 1 and Table 2, respectively.

TABLE 1
Spire West Proposed Class Revenue Allocation

Line	Rate Class	Total MO Normalized Revenue (1)	Rate Class Adjustment (2)	Increase (3)	% Increase (4)	Proposed Revenue (5)
1	Residential Service	\$ 218,414,816		\$ 65,563,703	30.0%	\$ 283,978,518
2	Small General Service	\$ 21,843,542		\$ 6,556,989	30.0%	\$ 28,400,531
3	Large General Service	\$ 16,535,406	\$ 1,974,188	\$ 5,556,205	33.6%	\$ 24,065,800
4	Large Volume Service	\$ 508,640		\$ 152,684	30.0%	\$ 661,324
5	Unmetered Gaslight	\$ 1,575		\$ 473	30.0%	\$ 2,048
6	Large General Service (Transport)	\$ 1,974,188	\$ (1,974,188)	\$ -	--	\$ -
7	Large Volume Service (Transport)	\$ 16,396,314		\$ 115,473	0.7%	\$ 16,511,787
8	Total	\$ 275,674,482		\$ 77,945,526	28.3%	\$ 353,620,008

Source: Spire's response to MIEC Data Request 1-3, Case No. GR-2022-0179.

TABLE 2
Spire East Proposed Class Revenue Allocation

Line	Rate Class	Total MO Normalized Revenue (1)	Rate Class Adjustment (2)	Increase (3)	% Increase (4)	Proposed Revenue (5)
1	Residential Service	\$ 294,409,143		\$ 61,146,538	20.8%	\$ 355,555,681
2	Small General Service	\$ 31,203,095	\$ (202)	\$ 6,480,645	20.8%	\$ 37,683,538
3	Large General Service	\$ 29,242,535		\$ 6,073,452	20.8%	\$ 35,315,986
4	Large Volume Service	\$ 1,071,983		\$ 222,643	20.8%	\$ 1,294,626
5	Unmetered Gaslight	\$ 45,591		\$ 9,469	20.8%	\$ 55,060
6	General LP	\$ 13,235		\$ 2,749	20.8%	\$ 15,984
7	Large Volume Transportation	\$ 14,902,508		\$ (702)	0.0%	\$ 14,901,806
8	Total	\$ 370,888,090		\$ 73,934,793	19.9%	\$ 444,822,681

Source: Spire's response to MIEC Data Request 1-3, Case No. GR-2022-0179.

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3 Q. Are these recommendations spelled out in Spire Missouri's testimony?

4

A. No. Mr. Weitzel testified at page 14 of his direct testimony that "[t]he revenue
5 increase will be allocated among the customer classes in accordance with the cost of service
6 methodology agreed upon and approved in Case No. GR-2021-0108. The proposed rate
7 increase by customer LP class is set forth in the minimum filing requirements."

8

Q. Was there a cost of service methodology agreed upon and approved in the last
9 rate case, and if so, what was it?

1 A. No methodology was agreed upon in Case No. GR-2021-0108, thus none was
2 approved in the last rate case. The parties to that case ultimately settled the revenue allocation,
3 but there was no “methodology” laid out in the stipulation nor was there a “methodology” laid
4 out in the stipulation to suggest any agreed-upon CCoS results or approaches to CCoS, nor any
5 indication of what revenue allocation the parties may consider reasonable for allocation of a
6 different revenue requirement in a different case. Neither Spire Missouri, MIEC, nor
7 Midwest Energy Consumers Group (MECG) has attempted to perform a CCoS in this case that
8 would allocate the cost of service calculated in this case to the classes as constituted in this case.
9 Rather, Spire Missouri simply applied the percentage increases agreed-to in the context of the
10 last rate case to achieve its desired revenue requirement increase in this case, and Mr. Collins
11 testified that because Transportation customers’ rates were not increased in the last case, they
12 should not be increased in this case.

13 Q. Did Mr. Collins file “direct” testimony in anticipation that Staff or some other
14 party would file a CCoS study in this case?

15 A. Yes. Without conceding that Mr. Collins’ testimony is proper direct testimony,
16 it appears to me that Mr. Collins’ testimony at pages 6 through 7 is an attempt to preemptively
17 re-argue issues from the last rate case, GR-2021-0108.

18 Q. Did Staff base its recommendation in this case on its CCoS study from the
19 GR-2021-0108 rate case?

20 A. No.

21 Q. Did Mr. Collins base his recommendation in this case on a CCoS study from the
22 GR-2021-0108 rate case?

1 A. No. Instead, Mr. Collins based his recommendation in this case on an isolated
2 provision of a stipulation from the GR-2021-0108 rate case.

3 Q. Does the stipulation from the GR-2021-0108 rate case state anything about it
4 being used in a future rate case?

5 A. Yes. The Commission issued an order approving the stipulation and
6 incorporated its terms by reference. One of those terms was at pages 15 through 16, and
7 provided that

8 Except as otherwise expressly specified herein, none of the signatories
9 to this Stipulation and Agreement shall be deemed to have approved or
10 acquiesced in any ratemaking or procedural principle, including, without
11 limitation, any method of cost determination or cost allocation....

12 Q. Does Mr. Collins provide any reasons why his concerns with Staff's CCoS study
13 in GR-2021-0108 is relevant to this rate case?

14 A. No.

15 Q. Are Mr. Collins' concerns with Staff's CCoS study in GR-2021-0108, at page 6,
16 line 16, to page 7, line 13, relevant to this case?

17 A. No.

18 Q. Do you agree with Mr. Collins' criticisms of the Staff CCoS study from the
19 GR-2021-0108 rate case?

20 A. No. Without conceding that Mr. Collins' testimony on this issue is relevant or
21 proper direct testimony, I will simply restate the lack of reasonable demand-day data that
22 prevented reasonable study in this case, and note that this necessary data was also absent from
23 the Company study in the last case. Further, there has been significant customer movement

1 from the classes as constituted in the CCoS in the last case and current class composition at
2 both Spire Missouri East and Spire Missouri West.

3 **CONCLUSION**

4 Q. Does this conclude your rebuttal testimony?

5 A. Yes it does.

