

Exhibit No.:
Issue: *Spire STL Pipeline*
Witness: *David M. Sommerer*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *GR-2021-0127*
Date Testimony Prepared: *June 16, 2023*

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

PROCUREMENT ANALYSIS

SURREBUTTAL TESTIMONY

OF

DAVID M. SOMMERER

SPIRE MISSOURI, INC.

CASE NO. GR-2021-0127

Jefferson City, Missouri
June 2023

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1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **DAVID M. SOMMERER**

4 **SPIRE MISSOURI, INC.**

5 **CASE NO. GR-2021-0127**

6 Q. Please state your name and business address.

7 A. David M. Sommerer, 200 Madison Street, Jefferson City, MO. 65101.

8 Q. Are you the same David M. Sommerer that has filed Direct and Rebuttal Testimony
9 in this case?

10 A. Yes.

11 **EXECUTIVE SUMMARY**

12 Q. What is the purpose of your surrebuttal testimony?

13 A. My surrebuttal testimony will address points of disagreement with the rebuttal
14 testimony filed by Spire Missouri, Inc. (“Spire Missouri” or “Company”) witness Scott A. Weitzel.
15 I would emphasize that silence on any particular point raised in the Company’s rebuttal testimony
16 does not necessarily mean agreement from Staff. I have chosen to identify the most relevant
17 points of disagreement in my surrebuttal testimony.

18 **SURREBUTTAL TO COMPANY WITNESS WEITZEL.**

19 Q. Please discuss your primary point of disagreement with Mr. Weitzel’s rebuttal
20 testimony.

21 A. On page 6, lines 6 through 8 of his Rebuttal Testimony, Mr. Weitzel takes exception
22 with my Direct Testimony statement that “the Company had effectively placed nearly all of its
23 eggs in one basket” by “placing a heavy reliance on the full availability of Spire STL Pipeline.”

1 (Sommerer Direct page 5). Mr. Weitzel elaborates on his disagreement in his answer on pages
2 6 and 7 of his Rebuttal Testimony.

3 Q. Please explain.

4 A. Mr. Weitzel's primary point is that the "Legacy St. Louis Market" was even
5 more reliant on one pipeline than the "St. Louis Market with Spire STL". In other words, by
6 comparing city-gate capacity (interstate pipeline connections to the St. Louis area) pre and post
7 Spire STL, Mr. Weitzel concludes that "all the 'eggs' were not in the Spire STL pipeline 'basket'"
8 (page 8, lines 2 and 3 of Mr. Weitzel's Rebuttal). I take no exception with Mr. Weitzel's
9 mathematical comparison of the interstate pipeline St. Louis area delivery pro-rata capacities
10 before and after the Spire STL capacity addition. The point I was making in my Direct Testimony
11 was that it was self-evident based upon the concerns that unfolded after the D.C. Circuit Court of
12 Appeals issued its decision in June of 2021 and prior to the FERC's December 13, 2021 decision
13 issuing a temporary certificate, that Spire STL had become an indispensable part of the new gas
14 portfolio. It was during this time of uncertainty that the Company itself characterized the lack of
15 availability of Spire STL Pipeline as potentially resulting in an "uncontrolled loss of service to
16 households and other high priority consumers" (Page 2 of Affidavit of Scott Carter filed in
17 FERC Docket CP17-40 on July 21, 2021).

18 Q. Please continue.

19 A. Though it is possible, in the context of the pre-Spire STL Pipeline portfolio, that a
20 loss of Mississippi River Transmission (MRT) capacity could have been equally as devastating,
21 such an event never took place. In my opinion, the risk of losing Spire STL Pipeline's capacity
22 was greater than the risk of losing MRT capacity in the Legacy St. Louis Market due to the reliance

1 placed upon a single affiliated precedent agreement in the Spire STL Pipeline scenario. There was
2 no such scenario or historical event with regard to MRT.

3 Q. Are there other points not yet emphasized in this proceeding that are relevant to
4 this issue?

5 A. Yes. A comparison of MRT's historical service to service from Spire STL Pipeline
6 is not really an "apples to oranges" comparison when it comes to possible lack of reliability
7 that might result from a lack of pipeline or supply diversity. The MRT system has compression
8 to re-pressure gas under transportation. Spire STL Pipeline does not. MRT has a certain amount
9 of looped and reticulated pipeline (multiple pipeline paths). Spire STL Pipeline does not. MRT
10 had multiple city-gate delivery points, Spire STL Pipeline does not. In my view, the pre-Spire
11 STL Pipeline portfolio had more potential redundancy assuming the availability of the propane
12 peaking plant, assuming a working Line 880, and the availability of the historical Chain of Rocks
13 city-gate connection with MRT. Thus, taking into account Spire STL Pipeline's "all or nothing"
14 pending certificate risk, and one-pipe configuration, there was a potential over-reliance on Spire
15 STL Pipeline.

16 Q. Are you equating this potential over-reliance on the full availability of Spire STL
17 Pipeline by Spire Missouri as essentially having "too many eggs in one basket"?

18 A. Yes. It has become clear that there was a corporate decision by Spire Missouri to
19 move forward with only one precedent agreement with an affiliate as the underpinning for the
20 entire project's market support. This decision was predicated upon the risk that any FERC
21 approval received for the affiliated agreement would survive further legal challenge in the courts.

22 Q. Does this conclude your Surrebuttal Testimony?

23 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 (East) Purchased Gas)
Adjustment (PGA) Tariff Filing) Case No. GR-2021-0127

AFFIDAVIT OF DAVID M. SOMMERER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW DAVID M. SOMMERER and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of David M. Sommerer*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

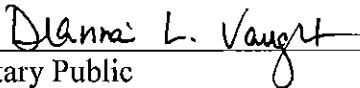


DAVID M. SOMMERER

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 15th day of June, 2023.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires July 18, 2023
Commission #: 15207377



Notary Public