

Exhibit No.:	—
Issues:	CNG Stations Gas Bill Affordability Customer Charges Critical Medical Needs General Service Accuracy Transportation
Witness:	Julie Trachsel
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Sponsoring Party:	Spire Missouri Inc.
Case No.	GR-2022-0179
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SPIRE MISSOURI INC.

CASE NO. GR-2022-0179

DIRECT TESTIMONY

OF

JULIE TRACHSEL

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REBUTTAL TESTIMONY OF JULIE TRACHSEL

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Julie Trachsel, and my business address is 700 Market Street, St. Louis,
3 Missouri 63101.

4 **Q. WHAT IS YOUR PRESENT POSITION?**

5 A. I am employed by Spire Missouri Inc. (“Spire” or “Company”) as the Manager of Tariffs
6 and Rates.

7 **Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND**
8 **BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

9 A. I have been the Manager of Tariffs and Rates since January 2022. I manage and oversee
10 the tariff programs, making sure Spire is in compliance with tariffs, rules and regulations,
11 including stipulations and commission orders. I also oversee and manage the preparation
12 of various filings, including WNAR (“Weather Normalization Adjustment Rider”), PGA
13 (“Purchased Gas Adjustment”), and ACA (“Actual Cost Adjustment”).

14 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
15 **PROFESSIONAL EXPERIENCE PRIOR TO YOUR CURRENT POSITION.**

16 A. I earned my Bachelor of Science – Business Administration degree from the University of
17 Missouri-St. Louis and my Master of Business Administration degree from Missouri
18 Baptist University. I have worked for Spire for over 22 years in several departments. Prior
19 to my current position, I was the Manager of Customer Experience Operations for two
20 years. In this position, I managed the internal call center and partnered with our third-party
21 call centers to ensure we are providing high quality, effortless customer interactions for all
22 inbound and outbound customer service contacts. Prior to managing the call center, I
23 managed the Community Services Department for over eight years. In that position, I

1 managed the various customer assistance funding programs Spire offers, along with the
2 federal, state, and local funding Spire receives. In this department, my team also worked
3 escalated complaints that come through organizations such as the Missouri Public Service
4 Commission (“Commission”), Better Business Bureau, and the Attorney General. I have
5 also led teams in the Financial Reporting Department and worked as an analyst in the Gas
6 Accounting Department.

7 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS COMMISSION?**

8 A. Yes. I filed testimony in Case No. GC-2019-0331 and in Spire’s last rate case, GR-2021-
9 0108.

10 **I. PURPOSE OF TESTIMONY**

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. The purpose of my testimony is to respond to the direct testimony filed by witnesses
13 Jacqueline Hutchinson, who filed testimony on behalf of Consumers Council of
14 Missouri (“Consumers Council”) regarding gas bill affordability, related charges,
15 critical medical needs registry, and general service accuracy; Lisa Ferguson, who filed
16 direct testimony on behalf of the Staff of the Commission relating to Spire’s Compressed
17 Natural Gas (“CNG”) fueling stations; and Sarah Lange, who filed direct testimony on
18 behalf of the Staff of the Commission regarding general service accuracy issues.

19 **Q. WHAT SCHEDULES ARE YOU ATTACHING TO YOUR TESTIMONY?**

20 A. No schedules are attached to my testimony.

21 **II. COMPRESSED NATURAL GAS FUELING STATIONS**

22 **Q. DOES SPIRE OWN PUBLIC-FACING CNG FUELING STATIONS? PLEASE**
23 **DESCRIBE.**

1 A. Yes. Spire owns three CNG fueling stations in its service territory. Two are located in
2 Missouri East territory—the St. Ann Airport public station and the Shrewsbury CNG
3 station. The station in Missouri West territory is in St. Joseph, MO.

4 **Q. WHEN DID SPIRE BEGIN OPERATING ITS CNG FUELING STATIONS?**

5 A. The St. Ann CNG station began operating in December 2014 when it was part of Spire
6 CNG Inc., f/k/a Laclede Venture Corp. Spire Missouri purchased the station in December
7 2020 and after that, began operating the station as a utility asset. The Shrewsbury CNG
8 station has been in operation for over 25 years. Spire installed a new compressor in 2017
9 and continues to operate the station. The St. Joseph CNG station was part of the Missouri
10 Gas Energy acquisition, approved in Case No. GM-2013-0254, and it is my understanding
11 that the in-service date of this station was sometime in 2013.

12 **Q. ARE THESE STATIONS ACCESSIBLE TO THE GENERAL PUBLIC?**

13 A. All three of the CNG stations are accessible to the general public.

14 **Q. HOW DOES SPIRE PRICE GAS AT THESE STATIONS?**

15 A. There is no formal process to set the price for these CNG fueling stations. Variable costs
16 were previously reviewed, and price was set above variable costs and in line with other
17 local CNG stations. Price has not changed since December 2020 and is not actively
18 managed. Spire is reviewing the current process in order to develop a more formalized
19 procedure for calculating the price to charge at the pump.

20 **Q. PLEASE SUMMARIZE STAFF’S TESTIMONY REGARDING SPIRE’S CNG’S**
21 **PUBLIC-FACING FUELING STATIONS.**

1 A. Staff Witness Lisa Ferguson testified that Staff recommends that all revenue, natural gas
2 costs, and operating expense and investment related to sales of CNG to the general public
3 at Spire’s fast-fill CNG stations should be excluded from rates.¹

4 **Q. WHAT IS YOUR RESPONSE TO MS. FERGUSON’S RECOMMENDATION**
5 **REGARDING PUBLIC ACCESS FAST-FILL CNG FUELING STATIONS?**

6 A. I disagree with Ms. Ferguson that the revenue, costs, operating expense, and investment
7 related to sale of CNG to the public at the fast-fill stations should be excluded from rates.
8 Public access stations are also used to fill Spire CNG vehicles. Spire currently has 65 CNG
9 vehicles that use the stations. Replacing all of these vehicles with gasoline vehicles would
10 cost several million dollars. Given our densely populated service territory, use of these
11 public stations by our CNG vehicles is a business necessity. Spire understands the need for
12 the match between expenses and revenues received, but due to the use of the stations for
13 utility functions, the revenues, expenses, and investment should be included in rates. The
14 Shrewsbury and St. Joseph stations have been included in rates for the past several rate
15 cases. There have been no changes in the operations of those facilities during this time.

16 **Q. WHAT “BEHIND THE FENCE” CNG FACILITIES DOES SPIRE OWN AND**
17 **OPERATE?**

18 A. Spire operates three stations that have “behind the fence” functions. The Shrewsbury
19 station is used to fill Spire vehicles, Grunsky bottles, and carts. The St. Joseph station is
20 used to fill Grunsky bottles, and the Joplin facility is used to fill cascades (carts). The
21 Joplin facility does not have public access and is only used by Spire.

¹ Ferguson Direct, p. 26.

1 **Q. WHAT DOES MS. FERGUSON RECOMMEND REGARDING SPIRE’S “BEHIND**
2 **THE FENCE” CNG OPERATIONS?**

3 A. Staff witness Lisa Ferguson testified that Spire’s behind the fence CNG operations may be
4 recoverable in rates so long as all costs are reasonable, prudently incurred, and properly
5 accounted.

6 **Q. WHAT IS YOUR RESPONSE TO MS. FERGUSON’S TESTIMONY REGARDING**
7 **SPIRE’S “BEHIND THE FENCE” CNG OPERATIONS?**

8 A. I agree with Ms. Ferguson that all of Spire’s behind the fence CNG operations should be
9 recoverable in rates as they relate to our daily operations. Doing so ensures continuity of
10 our field operations dependent on the CNG vehicles and sites. Spire’s sixty-five CNG
11 vehicles also make use of the behind-the-fence, time-fill equipment. Spire also fills
12 Grunsky bottles and carts behind the fence, which Spire uses to maintain gas service to
13 customers during both emergency repairs and routine meter changes. The vehicle filling
14 and bottle filling process is not possible without the CNG stations, which is why I disagree
15 with Staff’s exclusion of this equipment from their revenue models. The equipment is
16 needed for normal operations of the Company, and these assets should be included in rate
17 base.

18 **III. GAS BILL AFFORDABILITY**

19 **Q. HOW DOES SPIRE ADDRESS GAS BILL AFFORDABILITY FOR ITS**
20 **CUSTOMERS?**

21 A. Spire offers several programs to its limited-income customers to help ease their energy
22 burden. Those programs include the Registered Customer Program, which provides extra
23 disconnection protection during November through March; the Medical Emergency

1 Certification Program, which stops disconnection for households experiencing a certified
2 medical crisis; and the Extended Due Date Program, which allows a longer period of time
3 to make a payment before a late fee is assessed. Spire also assists customers using the
4 Payment Partner Program funds, DollarHelp funds, and the Cold Weather Payment
5 Arrangement. Spire engages in continued customer outreach events in order to educate
6 customers about Spire’s programs. In 2021, Spire held thirty-seven outreach events, and as
7 of September 30, 2022, Spire held 117 outreach events. During these events, Spire
8 personnel educate agency employees and customers on the various programs that Spire
9 offers and provides education on the Low-Income Home Energy Assistance Program
10 (“LIHEAP”). Spire works with its customers to find the appropriate programs for each
11 customer’s situation. There are other proactive measures that Spire completes for our
12 Limited-Income customers, including outbound calls to reconnect services using
13 DollarHelp funds, reaching out to agencies to pledge crisis funds on accounts that are in
14 threat of disconnection, and offering assistance with filling out LIHEAP applications.

15 **Q. PLEASE DESCRIBE SPIRE’S PAYMENT PARTNER PROGRAM.**

16 A. Spire’s Payment Partner Program is provided to customers whose incomes are at or below
17 200% federal poverty level (“FPL”) in order to assist these customers with their bills. Each
18 customer enrolled in the program receives a monthly bill credit of \$35 year-round, as well
19 as matching payments to their arrearage balance when payments are made to the arrearage.
20 Late fees do not occur if a customer misses one payment although the customer will be
21 charged for missing two consecutive payments. If two consecutive payments are missed,
22 the customer must pay all amounts owed under the program to avoid losing eligibility to
23 remain on the program.

1 **Q. PLEASE SUMMARIZE MS. HUTCHINSON'S TESTIMONY REGARDING**
2 **SPIRE'S AFFORDABILITY PROGRAM?**

3 A. Ms. Hutchinson testified that the Consumers Council supports the concept of Spire's
4 Affordability Program.² However, she testified that Spire's current practice of enrolling
5 customers based on LIHEAP applications should be discontinued because enrollment
6 occurs sometimes without the consent or understanding of the program by the customer.³
7 She also recommended that Spire change the eligibility for receiving benefits to 300% of
8 the federal poverty level.⁴

9 **Q. WHAT IS YOUR RESPONSE?**

10 A. I do not agree with Ms. Hutchinson's recommendation and believe it is premature. In the
11 relevant Stipulation agreement reached in GR-2021-0108, Spire raised the eligibility from
12 185% to 200% of the FPL with the caveat that the Limited Income Collaborative group—
13 which includes representative stakeholders from Spire, Office of Public Counsel, Missouri
14 Public Service Commission, Consumers Council of Missouri, Renew Missouri and Legal
15 Services of Eastern Missouri—will review this arrangement each year and make
16 recommendations on it. This change went into effect on December 23, 2021—less than
17 ten months ago. Not enough time has passed to see if the change implemented in the last
18 rate case has provided the desired support, or if an increase in federal poverty level
19 percentage should be made. These discussions will continue in the collaborative meetings.
20 The Limited Income Collaborative group last met on September 29, 2022, to review energy
21 burden data and the effectiveness of the Payment Partner program. Data is currently being

² Hutchinson Direct, p. 14.

³ *Id.*

⁴ *Id.*

1 analyzed, and the collaborative discussed modifying the current program to make it more
2 effective. Spire supports this approach.

3 **Q. IN HER DIRECT TESTIMONY, MS. HUTCHINSON CITES A 2015**
4 **RESIDENTIAL ENERGY CONSUMPTION SURVEY REGARDING THE**
5 **ENERGY BURDEN OF MIDWEST RESIDENTIAL CUSTOMERS.⁵ HAS SPIRE**
6 **CONDUCTED A MORE RECENT ENERGY BURDEN STUDY?**

7 A. Yes. Based on the Stipulation agreement in docket GR-2021-0108, Spire hired a third party
8 to complete an energy burden study. Results of that study were presented to the Limited
9 Income Collaborative group on September 29, 2022. Data was presented to show the
10 relative effectiveness of Spire’s Payment Partner Program. It was determined from the
11 data that the complexity of the program makes it less effective. During discussions in the
12 September 29, 2022 meeting, it was suggested that the Limited Income Collaborative group
13 work towards revising the current Limited Income tariff. Spire supports this approach.

14 **Q. DO YOU AGREE WITH MS. HUTCHINSON’S RECOMMENDATION TO**
15 **INCREASE THE FUNDING OF SPIRE’S AFFORDABILITY PROGRAM FROM**
16 **\$2.3 MILLION TO \$3.5 MILLION?**

17 A. Potentially, but not at this time. The Stipulation agreement from Spire’s last rate case
18 increased funding for this program to \$2.3 million from \$1.65 million. Not enough time
19 has passed to determine if the newly allocated funding will be fully utilized or if an increase
20 is justified. The Limited Income Collaborative group discussed using the data from its
21 recently completed energy burden study to revise the current program. I believe that Ms.
22 Hutchinson’s concerns about this program and its funding are being appropriately

⁵ *Id.* at 8.

1 discussed and addressed through that forum. If we develop a successful program that
2 reaches more customers, the Company would be open to increased funding.

3 **Q. WHAT OTHER ADDITIONAL REPORTING REQUIREMENTS DOES MS.**
4 **HUTCHINSON RECOMMEND FOR SPIRE?**

5 A. Ms. Hutchinson recommends that Spire track and report energy burden data, number of
6 cut-offs, collection actions, and other data by zip code and in a manner that is useful to the
7 general public.

8 **Q. WHAT IS YOUR RESPONSE TO HER REPORTING RECOMMENDATIONS?**

9 A. As I mentioned, Spire has already completed an energy burden study. The study was in
10 progress when Ms. Hutchinson filed her direct testimony, and on September 29, 2022, the
11 results of the study were presented to the Limited Income Collaborative. A dashboard was
12 created to depict census data along with disconnection data, pledge data and program
13 participation data. Spire is also working with Office of Public Counsel and other utilities
14 in AW-2020-0148 to provide disconnection data consistent across all utilities. In my view,
15 additional reporting beyond that is not necessary at this time.

16 **Q. WHAT WERE THE RESULTS OF THE ENERGY BURDEN STUDY?**

17 A. The Energy Burden study synthesizes census data with disconnect data, pledge data, and
18 program participation data. A mapping tool was created by the vendor who performed the
19 study that enables Spire to easily identify areas with the highest energy burden. Spire
20 intends to use this data to expand and target outreach efforts to help the customers with the
21 greatest need.

22 **IV. FIXED CUSTOMER CHARGE**

1 **Q. DO YOU AGREE WITH MS. HUTCHINSON’S RECOMMENDATION TO**
2 **REDUCE THE FIXED RESIDENTIAL CUSTOMER CHARGE FOR**
3 **CUSTOMERS TO \$15?**

4 A. No. Currently, Spire’s fixed customer charge is \$20 for MO West customers and \$22 for
5 MO East. Changing that to \$15, per Ms. Hutchinson’s recommendation, is a significant
6 reduction to the current customer charges. This could be \$5 or \$7 reduction per month for
7 a customer, or approximately 30% reduction of the customer charge. However, Spire
8 believes the current customer charges for its residential customers is an appropriate
9 amount, especially since customers enrolled in the payment partner program can get a \$35
10 budget credit each month. Further, lowering the customer charge would result in an
11 increase in the volumetric rate, an impact that would be felt by customers during the winter
12 when demand is at its peak and gas bills are at their highest. This would only create more
13 strain for our most vulnerable customers.

14 **V. RECONNECTION CHARGES AND LATE FEES**

15 **Q. MS. HUTCHINSON RECOMMENDS ELIMINATION OF ALL RECONNECTION**
16 **CHARGES, COLLECTION TRIP CHARGES, AND LATE FEES. WHAT IS YOUR**
17 **RESPONSE?**

18 A. I disagree with her recommendations. Spire encourages customers in those situations to
19 contact our offices so that Spire can help address any problems, challenges, or difficulties
20 they are experiencing. Sometimes customers do not call until they see additional charges
21 on their bill and that call allows Spire to share the programs and assist the customers who
22 clearly need help. Without those charges it is possible those customers would not receive
23 benefits they are eligible to receive. This communication helps Spire assist its customers

1 and helps them take full advantage of the many programs Spire offers to help in certain
2 situations. These types of charges also allow the Company to offset costs associated with
3 visits.

4 **VI. CRITICAL MEDICAL NEEDS REGISTRY**

5 **Q. WHAT IS YOUR RESPONSE TO MS. HUTCHINSON’S RECOMMENDATION**
6 **THAT SPIRE DEVELOP A CRITICAL MEDICAL NEEDS REGISTRY?**

7 A. Not only do I agree with Ms. Hutchinson’s testimony, but I am happy to share that Spire
8 has been working with Ameren, the Office of Public Counsel (“OPC”), and United Way
9 and is already well underway towards creating and finalizing this process. In September
10 2021, Spire presented to the collaborative group on its intention to develop a critical needs
11 registry. After that meeting, Geoff Marke of the OPC shared that United Way had already
12 developed a similar program/registry. United Way’s program is a rapid response program
13 that utilizes a community-based resource network to quickly connect medically vulnerable
14 customers with available assistance resources. Navigators have been identified at various
15 organizations to assist in determining the medical need. Since then, Spire has collaborated
16 with United Way, Ameren, and the OPC to refine the requirements for the program. A soft
17 launch of this program is scheduled for December 2022, that will utilize current resources
18 with a full program launch scheduled for the beginning of 2023.

19 **VII. GENERAL SERVICE ACCURACY**

20 **Q. PLEASE SUMMARIZE STAFF WITNESS SARAH LANGE’S TESTIMONY**
21 **REGARDING “NEGATIVE USAGE.”**

1 A. Ms. Lange testified that Staff is concerned with apparent billing errors or rebills by Spire
2 Missouri.⁶ She describes “negative usage” as what may result when corrections or
3 adjustments to Ccf usage from prior period bills are shown on a customer’s current period
4 as negative, and the adjustments bring the amount billed in the current period below zero.⁷
5 She testified that the inclusion of a negative usage in this situation creates an inaccuracy,
6 which impedes the reliability of weather normalization and revenue calculation.⁸

7 **Q. WHAT IS YOUR RESPONSE?**

8 A. I disagree with Ms. Lange’s assertion that the practice, which she terms “negative usage,”
9 creates inaccuracies. First, as discussed in its direct testimony, Spire is treating this case as
10 a true up and made no changes to the agreed upon billing determinants from the prior rate
11 case. In most cases, Spire identifies billing errors through various billing error reports and
12 is able to make the correction at that time. The usage that is billed and booked in the
13 General Ledger is what is shown in the monthly reports. In other cases—such as Ms.
14 Lange’s example, a customer requesting a rebill if they feel their usage is inaccurate—
15 Spire must make the correction retrospectively after the necessary research is completed.
16 Spire cannot re-open the ledger each time a rebill is completed to place the usage in the
17 correct month. If a rebill for the month of January occurs in the month of April, that would
18 be included in April information. This is the normal course of business for a utility. In the
19 billing system, the billing months that are adjusted are shown with the correct “rebilled”
20 usage. In our Financial Records, or the General Ledger, the usage is within the current

⁶ Lange Direct, pp. 3-4.

⁷ *Id.* at 3.

⁸ *Id.*

1 month. These adjustments are minimal compared to the overall volumes for the month and
2 would not materially affect weather normalization or the revenue calculation.

3 **Q. DOES MS. LANGE TESTIFY TO ANY OTHER CONCERNS OF STAFF**
4 **REGARDING USAGE DATA?**

5 A. Yes. Ms. Lange recommended that all non-residential, non-transport customers with
6 annual net consumption in excess of 10,000 Ccf that did not use more than 30,000 Ccf in
7 a single billing cycle be placed in the Large General Service (“LGS”) class through
8 enforcement of existing tariff language.⁹

9 **Q. WHAT IS YOUR RESPONSE?**

10 A. At the end of the fiscal year, an annual review of accounts is completed based on the
11 previous 12-months usage. Customers whose usage does not meet the requirements for the
12 Small General Service (“SGS”)/Large General Service (“LGS”) rate class are then moved
13 to the appropriate rate class based on their usage. This then gives us a year’s worth of usage
14 to review for the following year. At that time, if the correct rate is not being billed, we will
15 move the customer to the appropriate rate class.

16 **VIII. TRANSPORTATION**

17 **Q. WHAT DOES STAFF WITNESS MICHAEL STAHLMAN RECOMMEND**
18 **REGARDING SPIRE’S TRANSPORTATION CLASS CUSTOMERS?**

19 A. Mr. Stahlman testified that Staff recommends maintaining the rate structure established in
20 Case No. GR-2021-0108.¹⁰

⁹ *Id.* at 5.

¹⁰ Stahlman Direct, p. 2.

1 **Q. WHAT IS YOUR RECOMMENDATION REGARDING SPIRE'S**
2 **TRANSPORTATION CUSTOMERS?**

3 In order to create consistency, Spire is recommending changing the thresholds of
4 transportation customers to 150,000 statewide. This change will provide consistency
5 throughout the Spire Missouri territory. Spire will also commit to hold an annual customer
6 education workshop in both St. Louis and Kansas City at the beginning of each heating
7 season to ensure that customers in this class understand their responsibilities, the role of
8 their retail gas marketers, and any applicable limitations on service under this class.

9 **IX. CONCLUSION**

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes.

**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) **Case No. GR-2022-0179**
Company's Missouri Service Areas.)
)

AFFIDAVIT

STATE OF MISSOURI)
CITY OF ST. LOUIS) SS.
)

I, Julie Trachsel, of lawful age, being first duly sworn, deposes and states:

1. My name is Julie Trachsel. I am Manager of Tariffs and Rates for Spire Missouri Inc. My business address is 700 Market Street, St. Louis, Missouri 63101.
2. Attached hereto and made a part hereof for all purposes is my rebuttable testimony on behalf of Spire Missouri Inc.
3. Under penalties for perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

Julie Trachsel
Julie Trachsel (Oct 6, 2022 13:30 CDT)

Signature

Julie Trachsel
Printed Name

Dated: 10/06/2022