

Exhibit No.:

Issues:

**Grow Missouri, No-
Cost Line Extension,
Miscellaneous
Charges,
Payroll/Transition
Costs, Meters &
Service Cost
Allocations, Call
Center Staffing,
Weather**

Witness:

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Date Testimony Prepared: July 14, 2021

**Michelle Antrainer
Surrebuttal Testimony
Spire Missouri Inc.
GR-2021-0108**

SPIRE MISSOURI INC.

CASE NO. GR-2021-0108

SURREBUTTAL TESTIMONY

OF

MICHELLE ANTRAINER

JULY 14, 2021

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1 **SURREBUTTAL TESTIMONY OF MICHELLE ANTRAINER**

2 **I. INTRODUCTION**

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

4 A. My name is Michelle Antrainer and my business address is 700 Market Street, St. Louis,
5 Missouri 63101.

6 **Q. ARE YOU THE SAME MICHELLE ANTRAINER WHO PREVIOUSLY FILED**
7 **DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?**

8 A. Yes, I submitted Direct and Rebuttal Testimony on behalf of Spire Missouri Inc. (“Spire”
9 or “Company”) in this rate case.

10 **II. PURPOSE OF TESTIMONY**

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

12 A. The purpose of my testimony is to respond to various arguments and statements made in
13 the rebuttal testimony of the Missouri Public Service Commission Staff (“Staff”), and the
14 Office of Public Counsel, which was filed with the Commission on June 17, 2021.
15 Specifically, I will provide surrebuttal testimony on the following issues: (1) Spire’s Grow
16 Missouri program; (2) no-cost line-extension recommendations; (3) miscellaneous charges
17 adjustments; (4) payroll and transition costs; (5) meters and service cost allocators; (6) call
18 center staffing; (7) weather normalization; (8) residential “Customer Choice”; and (9) meter
19 opt-out.

20 **III. GROW MISSOURI**

21 **Q. OPC WITNESS GEOFF MARKE CRITICIZES SPIRE’S GROWING MISSOURI**
22 **TARIFF PROGRAM AS A RATEPAYER-FUNDED SUBSIDY. (MARKE**

1 This is very clearly stated in the Company’s tariff sheet R-15.2 under paragraph E “Main
2 and Service Pipe Extensions Beyond the Free Allowance.”

3 **Q. PLEASE DISCUSS THE COMPANY’S DISCRETION WHEN IT COMES TO THE**
4 **PROVISION OF FREE EXTENSIONS IN TARIFF R-15.2, PARAGRAPH D.**

5 A. This verbiage is part of Spire’s existing tariff, but currently it is limited to prospective
6 customers whose annual consumption exceeds 6,000 therms/Ccf. By proposing to remove
7 this limitation from Spire’s tariff, the Company is able to better address mixed-use
8 developments that combine both residential and commercial aspects of the tariff. The
9 discretion referenced in the tariff provides the Company with the ability to utilize the
10 economic model, instead of relying only on the fixed main and service footage allowance.
11 This model considers the specific project costs, customer usage and corresponding
12 revenues to determine the rate of return, which is then compared to the Company’s
13 threshold and allows the Company to determine if a customer contribution is needed.

14 **V. MISCELLANEOUS CHARGES**

15 **Q. DOES STAFF WITNESS HARRIS SUPPORT CONSOLIDATION OF SPIRE**
16 **EAST AND SPIRE WEST MISCELANEOUS CHARGES?**

17 A. Yes. Spire appreciates Staff’s support of consolidation for Spire East and Spire West
18 miscellaneous charges.

19 **Q. STAFF WITNESS HARRIS OPPOSES SPIRE’S PROPOSAL TO INCREASE**
20 **CERTAIN MISCELLANEOUS CHARGES IN THIS CASE AND RECOMMENDS**
21 **THAT THERE BE NO INCREASES TO MISCELLANEOUS CHARGES AT THIS**
22 **TIME. (HARRIS REBUTTAL, PG. 7-9). WHAT IS SPIRE’S RESPONSE?**

1 A. While Staff supports consolidation of Spire East and Spire West miscellaneous charges,
2 Staff's opposition to an increase in certain miscellaneous charges makes consolidation
3 more challenging because Spire cannot accomplish the first objective without increasing
4 miscellaneous charges for one service area or the other. To do otherwise would result in
5 disparate rates between Spire East and Spire West. In some cases, Spire has not updated its
6 miscellaneous charges in over a decade, if not longer. It is time to align the actual cost of
7 current services with current expenses.

8 **Q. MS. HARRIS RECOMMENDS THAT THE COMPANY ADJUST ITS REVENUE**
9 **REQUIREMENT - TO REFLECT THE ADDITIONAL REVENUE THAT WILL**
10 **BE COLLECTED FROM THE COMPANY'S PROPOSED INCREASE IN**
11 **MISCELLANEOUS SERVICE CHARGES. HOW DO YOU RESPOND? (HARRIS**
12 **REBUTTAL, PG. 8.)**

13 A. Spire's revenue requirement would need to be adjusted to reflect the impact of the increased
14 Reconnection Charge for Missouri East customers. For Missouri West customers, the
15 current tariff charges for Disconnection of \$24 and Reconnection of \$65 would be
16 combined for a total of \$89 and would offset the reduced Missouri West Service Initiation
17 charge, resulting in no impact to the revenue requirement. For Meter Reading non-access
18 charge and Meter Test fee increases, no jobs were billed in the test year period so these
19 increases would not be reflected in the revenue requirement.

20 **Q. WHICH MISCELLANEOUS SERVICE CHARGES DOES STAFF**
21 **SPECIFICALLY ADDRESS?**

22 A. Staff indicated concerns with Spire's proposed Collection Trip Charge and the Customer
23 Reconnection Charge. (Harris Rebuttal p. 9.)

1 **Q. WHAT DOES STAFF PROPOSE FOR THE COLLECTION TRIP CHARGE AND**
2 **CUSTOMER RECONNECTION CHARGE?**

3 A. Staff notes that Spire’s collection trip charge is currently a stand-alone charge of \$9.00 on
4 customer’s bills, but under Spire’s proposed revisions the Collection Trip Charge will be a
5 cost component of the Reconnection Charge. Staff argues that this is not transparent
6 customer billing. Staff recommends that the collection trip cost of \$14.26 be removed from
7 the customer reconnection charge so that the average cost to reconnect service is no higher
8 than \$82.48.

9 **Q. HOW DO YOU RESPOND TO STAFF’S PROPOSAL?**

10 A. Staff is mixing up two separate charges that Spire incurs - the collection charge and the
11 disconnection charge. The collection charge is applied when the Company representative
12 collects payment at the premise to avoid a disconnection. The Collection Trip Charge *is*
13 *not* a component of the Reconnection Charge. Spire is recommending a slight increase in
14 the Collection Trip Charge in this case to align with the current contract of the vendor. The
15 Disconnection Charge is applied when the Company representative terminates a
16 customer’s service. In this case, Spire is recommending that the disconnection and
17 reconnection charges be combined and asking for an increase in that charge.

18 **Q. DOES MS. HARRIS ACCURATELY REFLECT SPIRE’S PROPOSAL FOR EFV**
19 **INSTALLATION CHARGES?**

20 A. No. Staff also incorrectly identifies the Company’s proposed EFV installation charge
21 increase of \$1200 to \$1500 as the service initiation charge. (Harris Rebuttal, pg. 8). The
22 service initiation charge will remain at \$25 for Missouri East new customers and reduce
23 from \$32 to \$25 for Missouri West new customers in Spire’s proposal.

1 **VI. PAYROLL AND TRANSITION COSTS**

2 **Q. STAFF WITNESS KAREN LYONS FILED TESTIMONY NOTING CERTAIN**
3 **CORRECTIONS TO ITS RECOMMENDED REVENUE REQUIREMENT BASED**
4 **ON ERRORS. WHAT WERE THE COMPANY’S FINDINGS ON SPIRE’S**
5 **REVENUE REQUIREMENT BASED ON THESE CORRECTIONS? (LYONS**
6 **REBUTTAL, PGS. 3-4.)**

7 A. Relevant to my Surrebuttal Testimony, Spire and Staff met and discussed an alternate
8 calculation to determine the O&M and Capital payroll percentages to apply when
9 allocating the true-up payroll amounts. It is my understanding that Staff is still reviewing
10 the calculation and determining the impact the adjustment will have to trueup payroll. For
11 MGE transition costs, Spire is waiting for Staff’s true-up models to verify the balance used
12 for calculating the amortization amount. Staff did not address either of the above items in
13 Rebuttal Testimony. Spire will continue to work with Staff and will analyze the result of
14 Staff’s true-up models, since the timing of this Surrebuttal Testimony is twelve days after
15 all of the true-up information was provided to Staff pursuant to the procedural schedule in
16 this case.

17 **VII. METERS AND SERVICE COSTS**

18 **Q. STAFF WITNESS POSTON STATES THAT STAFF DISCOVERED THAT SPIRE**
19 **INCORRECTLY IMPORTED THE COSTS FOR METERS, METER**
20 **INSTALLATION, REGULATORS, AND SERVICES, THEREBY IMPACTING**
21 **SPIRE’S METER AND SERVICE RELATED ALLOCATION FACTORS FOR**
22 **THE RESIDENTIAL CLASS. (POSTON REBUTTAL, PG. 2.). DO YOU AGREE**
23 **WITH THESE FINDINGS?**

1 A. Mr. Poston brought this issue to Spire’s attention in March and a revised file was provided
2 to Staff in April with the formulas corrected. Overall, the increase allocated to Residential
3 customers was below the revised file threshold. For the mains allocator issues that Mr.
4 Poston refers to on page 3 of his Rebuttal Testimony, these items were discussed during
5 the April 13, 2021, meeting and corrections were made to formulas in the file to facilitate
6 Staff’s analysis. As a result of these corrections, I do not believe that Mr. Poston’s concerns
7 are still an issue in this case.

8 **VIII. CALL CENTER STAFFING**

9 **Q. MIEC/VICINITY WITNESS GREG MEYER ASSERTS THAT THE TRANSITION
10 TO HAVING MORE IN-HOUSE SPIRE EMPLOYEES TRANSITION TO CALL
11 CENTER OPERATIONS WILL INFLATE COSTS AND NOT REFLECT
12 ONGOING LEVELS. (MEYER REBUTTAL, PG. 7.) DO YOU AGREE?**

13 A. No. As additional internal Spire personnel assume call center staffing positions, there will
14 be a corresponding offsetting reduction in external call center staffing costs. This has
15 been accounted for in Spire’s Revenue Requirement model with an adjustment to reflect
16 the reduction of \$1.6 million related to external call center expenses.

17 **XI. WEATHER NORMALIZATION**

18 **Q. WHAT IS THE STATUS OF DEVELOPMENTS BETWEEN SPIRE AND STAFF
19 RELATING TO THE TEST PERIOD AND REVENUE ADJUSTMENTS?**

20 A. In Staff witness Robin Kliethermes’ Rebuttal Testimony, Ms. Kliethermes states that Staff
21 was unclear as to whether Spire updated its test year and what Spire changed in the
22 calculations utilized in Spire’s mid-March adjustments. (Kliethermes Rebuttal, pgs 2-7). Spire
23 has since provided Staff with workpapers that Spire believes clear up the calculations utilized

1 in the mid-March adjustments. To clarify, Spire has corrected the \$3.7M increase stemming
2 from Spire’s weather normalization adjustment noted by Ms. Kliethermes on pages 3 and 4 of
3 her rebuttal testimony. Spire also added back the disconnection normalization adjustment that
4 eliminates average usage for customers who in normal operating conditions would be
5 disconnected. As to the issue of the conservation adjustment listed by Ms. Kliethermes on
6 pages 4 through 6 of her rebuttal testimony, my colleague Scott Weitzel will address Spire’s
7 position in more detail.

8 **Q. DO YOUR ABOVE-LISTED ADJUSTMENTS CLARIFY THE DIFFERENCES SET**
9 **FORTH IN STAFF WITNESS JOEL MCNUTT’S TESTIMONY?**

10 A. Yes, they do. Mr. McNutt found that Staff’s and Spire’s weather normalization adjustments
11 were largely consistent, except that Staff’s regression model includes usage and heating
12 degree days (“HDD”) for each of Spire’s 18 billing cycles per month. (McNutt Rebuttal, pgs
13 2-4.) In contrast, Spire’s regression analysis averages the HDDs over the billing month to
14 create an average billing cycle HDD value. Mr. McNutt states that the difference between
15 Spire’s direct-filed weather normalization adjustment and Staff’s weather normalization
16 adjustment was only about \$53,000, but that it was inflated by Spire’s mid-March adjustment.
17 (McNutt Rebuttal pg. 4), As stated above, Spire has adjusted its calculations, and as a result,
18 the difference in Spire’s and Staff’s calculations should return to the \$53,000 differential.

19 **X. RESIDENTIAL “CUSTOMER CHOICE”**

20 **Q. ARE THERE FLAWS IN MS. LANGE’S EXAMPLE: IF ONE OR MORE**
21 **RESIDENTIAL CUSTOMERS CONNECTED TO THE SYSTEM WITH**
22 **PROJECTED CONSUMPTION OF 20,000 CCF PER YEAR, WITH EXPECTED**
23 **REVENUE IN THE NEIGHBORHOOD OF \$4,250 PER YEAR, SPIRE WOULD**

