Exhibit No.: Issue(s): Witness: Sponsoring Party: Type of Exhibit: Case No.: Date Testimony Prepared:

Payroll, Payroll Taxes, Employee Benefits, 401(k) Match Expense Pensions, OPEBs Jane C. Dhority MoPSC Staff Rebuttal Testimony GR-2022-0179 October 7, 2022

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL & BUSINESS ANALYSIS DIVISION

AUDITING DEPARTMENT

REBUTTAL TESTIMONY

OF

JANE C. DHORITY

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

Jefferson City, Missouri October 2022

1		REBUTTAL TESTIMONY
2		OF
3		JANE C. DHORITY
4		SPIRE MISSOURI, INC., d/b/a SPIRE
5		CASE NO. GR-2022-0179
6	Q.	Please state your name and business address.
7	А.	My name is Jane C. Dhority and my business address is 111 North 7th Street,
8	Suite 105, St. Louis, MO 63101.	
9	Q.	By whom are you employed and in what capacity?
10	А.	I am employed by the Missouri Public Service Commission ("Commission") as
11	a Utility Regulatory Auditor.	
12	Q.	Are you the same Jane C. Dhority that filed direct testimony in this docket?
13	А.	Yes.
14	Q.	What is the purpose of your testimony?
15	А.	I discuss adjustments made to correct errors in Staff's direct position for payroll,
16	payroll taxes	, employee benefits, 401(k) match expenses, pension and OPEBs.
17	<u>Payroll, Pay</u>	roll Taxes, Employee Benefits, 401(k) Match Expense
18	Q.	What was the nature of the error in Staff's direct position?
19	А.	Staff inadvertently removed amounts from Spire Missouri's payroll for
20	employees whose termination date occurred outside of the May 31, 2022 update period for this	
21	case. Staff has made an adjustment to add back the cost of these employees. Staff will pick up	
22	all changes due to new hires and terminated employees during its true-up audit in order to	
23	maintain the	matching principle. In addition to this correction, the increase from adding back

1 the employees was offset by a restatement of the amended test year based upon a change in the 2 capitalized overhead issue. 3 Q. How did this change in adding back employees and using the actual amended 4 test year rather than an overhead adjusted test year affect Staff's position for payroll taxes, 5 employee benefits, and 401(k) match expense? The calculations for these adjustments are based off of Spire Missouri's adjusted 6 A. 7 payroll, therefore any changes in payroll amounts will cause these adjustments to change 8 as well. 9 Q. How will this correction change the revenue requirement? 10 A. Based on Staff's corrections, the change in revenue requirement will be 11 a decrease of approximately \$2.2 million for Spire East, and a decrease of approximately 12 \$1.0 million for Spire West. 13 Pensions & OPEBs 14 Q. Please explain this adjustment. 15 A. In a meeting with Spire Missouri, Staff was made aware of an error in its 16 calculations for pensions and other post-employment benefits regarding its transfer of costs to 17 its affiliates. 18 Q. What was the error? 19 A. Staff incorrectly applied each territory's allocation percentage to and from other 20 affiliates to the expense amounts specific to each territory. Staff amended its calculation to 21 apply the allocation percentages for Spire East and Spire West to the total pension and 22 OPEB expense amounts as these percentages are blended rates and should be applied to the total pension and OPEB cost. 23

Q. What impact will correcting this affiliate allocation error have on the revenue 1 2 requirement in this case? A. For Spire East this adjustment will result in an approximate \$255,000 decrease 3 4 to the revenue requirement, and for Spire West this will increase the revenue requirement by 5 approximately \$1.4 million. Does this conclude your rebuttal testimony? Q. 6 7 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 for Authority to)
Implement a General Rate Increase for	
Natural Gas Service Provided in the	Ĵ
Company's Missouri Service Areas	Ĵ

Case No. GR-2022-0179

AFFIDAVIT OF JANE C. DHORITY

STATE OF MISSOURI)) ss. COUNTY OF ST. LOUIS)

COMES NOW JANE C. DHORITY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Jane C. Dhority*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

JANE C. DHORIT

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the City of St. Louis, State of Missouri, at my office in St. Louis, on this ______ day of October 2022.

LISA M. FERGUSON Notary Public - Notary Seal State of Missouri Commissioned for St. Louis County My Commission Expires: June 23, 2024 Commission Number: 16631502