

Exhibit No.:
Issue(s): Payroll,
Payroll Taxes,
Employee Benefits,
401(k) Match Expense
Pensions, OPEBs
Witness: Jane C. Dhority
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: GR-2022-0179
Date Testimony Prepared: 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 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?

6 A. The calculations for these adjustments are based off of Spire Missouri's adjusted
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
23 total pension and OPEB cost.

Rebuttal Testimony of
Jane C. Dhority

1 Q. What impact will correcting this affiliate allocation error have on the revenue
2 requirement in this case?

3 A. For Spire East this adjustment will result in an approximate \$255,000 decrease
4 to the revenue requirement, and for Spire West this will increase the revenue requirement by
5 approximately \$1.4 million.

6 Q. Does this conclude your rebuttal testimony?

7 A. Yes it does.

