

Exhibit No. 40

Exhibit No.:
Issue: Rule Changes
Witness: Scott A. Weitzel
Type of Exhibit: Supplemental Direct
Testimony
Sponsoring Party: Spire Missouri Inc.
Case No: GR-2021-0108
Testimony Date: March 12, 2021

SPIRE MISSOURI INC.

CASE NO. GR-2021-0108

SUPPLEMENTAL DIRECT TESTIMONY

OF

SCOTT A. WEITZEL

SUPPLEMENTAL DIRECT TESTIMONY OF SCOTT A. WEITZEL

RULE CHANGES

1 **Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

2 A. My name is Scott A. Weitzel and my business is 700 Market Street, St. Louis, Missouri
3 63101.

4 **Q. WHAT IS YOUR CURRENT POSITION AT SPIRE MISSOURI INC.?**

5 A. I am the Managing Director of Regulatory and Legislative Affairs for Spire Missouri Inc.
6 (“Spire” or “Company”).

7 **Q. HAS THE COMPANY PROPOSED ANY MODIFICATIONS TO THE RULES**
8 **AND REGULATIONS?**

9 A. Yes. The Company proposed several clean up edits and updates throughout the Rules and
10 Regulations filed with its Direct Testimony on December 11, 2020. Several of these edits
11 were to simply bring outdated language current, either from an economic standpoint or to
12 reflect changes in customer rate classes. Many of Spire’s proposed modifications were
13 made to create consistency throughout the document and to finish transitioning language
14 from the two legacy companies into one Spire Missouri Inc. Additionally, some of these
15 proposed changes were meant to make the Rules and Regulations, consistent, clear, and
16 aligned with the language found in Commission Rule 20 CSR 4240-13 (“Chapter 13”).
17 Finally, some of these proposed changes provide more flexibility for the Company to
18 continue to provide excellent customer service and benefit the consumer with more clear
19 rules and regulations. See the summary table below for the list of rule changes included in
20 my supplemental direct testimony:

21

22

23

Tariff Sheet Title and No.	Paragraph	Name of Tariff /General Provision
R-6.3, R-6.4	B	Rendering and Payment of bills
R-7	7	Automated Meter Reading Opt-Out Choice (formerly Adjustment for Heat Content)
R-8, 8.3	9, 11	Resale, Meter Testing and Billing Adjustments, Piping Equipment
R-9		Customer Liability
R-11.4	G	Discontinuance of Service
R-13	A	Reconnection and Company Inspection of Customer Premises
R-15.1	D	Extension of Distribution Facilities
R-17	21.1	Curtailment
R-18	23	Meter Reading, Collection Trip and Non- Access
R-19		Insulation Financing Program
R-23	A(1)	Promotional Practices
R-24		Budget Billing Plan
R-25	30	Usage Estimation Procedure
R-30.12		Conservation and Energy Efficiency Programs
R-32, 32.1		Economic Development Rider
R-33		Negotiated Gas Service Rider

24

25 **Q. WHY IS THE COMPANY FILING SUPPLEMENTAL DIRECT TESTIMONY**
 26 **CONCERNING ITS PROPOSED MODIFICATIONS TO THE RULES AND**
 27 **REGULATIONS?**

28
 29 A. During recent discussions with the Commission Staff regarding the Company’s proposed
 30 Combined Heat and Power (“CHP”) and Carbon Neutral programs, along with related
 31 discovery, we felt that the provision of supplemental direct testimony concerning Spire’s
 32 proposed modifications to its Rules and Regulations would result in a more comprehensive
 33 record in this proceeding.

34 **Q. WILL YOU PLEASE EXPLAIN HOW YOUR SUPPLEMENTAL DIRECT**
 35 **TESTIMONY IS ORGANIZED?**

36
 37 A. Yes. The Company’s proposed modifications to its rules generally fall into four categories:
 38
 39 (1) Rule modifications that provide clarity, consistency or flexibility to the consumer;
 40 (2) Rule modifications to ensure Spire maintains compliance with Chapter 13;

41 (3) Rule modifications to continue the Company’s efforts to consolidate its legacy
42 MGE and Laclede tariffs into one Spire; and

43 (4) Rule modifications to either update rules to reflect current economics or to reflect
44 changes to Spire’s rate classes.

45 To the extent a proposed rule modification would fall into more than one of the above
46 categories, that will be noted in the discussion below.

47
48 **I. Rule Modifications to Provide Clarity, Consistency or Flexibility to**
49 **Consumers**

50
51 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 3.**

52 A. In Sheet No. 3, Section 1, “Definitions”, the Company proposed adding definitions for
53 “business day” and “working day” defining both as “Monday through Friday, excluding
54 holidays,” and the proposal makes these terms interchangeable. This change provides
55 clarity and allows consistent application when working with customers or managing
56 scheduling within the Company. These changes are reflected on Sheet Nos. R-3. and R-
57 3.3.

58
59 The Company also proposed editing the definition of “Due Date” on Sheet No. R-3.1 to
60 add, “This is the same as delinquent date.” Commission Rule 20 CSR 4240-13.020(9)
61 requires the due date and delinquent date, if different. Spire wants to have one date on a
62 customer’s bill and prefers the term “delinquent date” to be on the bill, so this proposed
63 change adds to the definition of “due date” to make it clear that those dates are the same,
64 as permitted by Chapter 13.

65

66 The Company has also proposed an edit to the definition of “Extension Agreement” on
67 Sheet No. R-3.1 by removing the reference to “due date” and the fifteen-day limitation,
68 while leaving “delinquent date” in place. As explained above, the Company plans to use
69 delinquent date, so use of the term due date is unnecessarily duplicative. The other
70 proposed modifications allow the Company greater flexibility to work with customers
71 based on each customer’s specific situation with a hard timeline.

72 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 5.**

73 A. On Sheet No. R-5, “Applications,” the Company proposed deleting, “The customer will
74 elect which of the applicable rates is best suited to his requirements. Upon request, the
75 Company will assist the customer in making such election.” This proposal was made
76 because the language is not required by any of the Commission Rules. The Company’s
77 rate classes has been reduced over time and as a result, the Company has made adjustments
78 to its rate classes. During the Company’s last rate case there were provisions put in several
79 rate tariffs specifying volumes and a corresponding rate class offering. This is adjusted
80 annually. This proposed modification removes the burden of selection from the consumer
81 and places it back on the Company. The Company can then utilize the requirements set
82 forth in its tariff to prescribe the appropriate rate class to its customers..

83 **Q. DID THE COMPANY MAKE ANY OTHER MODIFICATIONS TO RULE 5?**

84 A. Yes. In the “Deposits” section the Company proposed a few changes. On Sheet No. R-5.1
85 (3), the Company proposes to delete “724 or below” and to add “lower than an acceptable
86 score with the Company’s credit scoring agency or its own internal payment scoring
87 system.” Commission Rule 20 CSR 4240-13.030 (1)(c) permits a utility to require a deposit
88 or other guarantee as a condition of new residential service if the applicant is unable to
89 establish an “acceptable credit rating under standards contained in the utility's commission-

90 approved tariff." The current language includes a very specific Equifax Advanced Energy
91 Risk Score, which is not required under Commission Rules. The Company's proposal
92 provides a more general description of that score and one that allows for flexibility for the
93 Company and customers while maintaining compliance with Chapter 13.

94
95 Under Section D (1) Sheet No. 5.2, the Company added "two (2) times the highest bill or"
96 because that language is used in Commission Rule 20 CSR 4240-13.030 (4)(A). Similarly,
97 on Sheet No R-5.3, Section (D)(6), the Company added "within five (5) years following
98 the date that the customer is due for a deposit return" to make the Company's language
99 consistent with Commission Rule 20 CSR 4240-13.030(4)(G). Finally, on Sheet No. R-
100 5.3 (8), the Company added "because of prior unauthorized interference or diversion of
101 service" to better incorporate Commission Rule 20 SR 4240-13.030(I) into the Company's
102 Rules and Regulations.

103
104 On Sheet No. R-5.4, the Company added "two (2) times the highest bill or" because that
105 language is used in Commission Rule 20 CSR 4240-13.030(4)(A) and the Company
106 believes it provides more guidance to the customer and the Company. Finally, under
107 "Interest Rate", the Company deleted "Only 3% per annum" and added "equal to the prime
108 lending rate minus two percentage points, but not less than zero, as published in the Wall
109 Street Journal for the last business day of the preceding calendar year, compounded
110 annually." This language allows the interest rate to be more current with economic times
111 and gives a direct source and support for using that interest rate. This provision is also in
112 the PGA tariff Sheet 11.8.

113 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 8.**

114 A. In Sheet No. Rule 8, paragraph 9, the Company is proposing to change “shall to “may” and
115 added “or (2) gas resold or sub-metered at no mark-up, with prior consent of the Company.”
116 The Company has had requests from real estate developers or multi-family dwelling
117 building managers to permit the sub-metering of natural gas. This rule change allows the
118 Company to accommodate natural gas usage in certain multi-family developments where
119 it is only practical to have one meter. The added language ensures that such installations
120 occur only with the Company’s permission, where they can be accomplished safely, and
121 also ensures that end users are not charged any mark-up on the re-metered gas. These
122 requests are infrequent and may only apply to a couple of unique cases. In practice, the
123 Company does not want to encourage or promote resale or sub meter at no mark up. In
124 Sheet No 8.3, paragraph 11, the Company proposed to change “shall” to “may” in order to
125 give the Company discretion as to when to perform work on customer piping and
126 equipment. This change allows for scheduling flexibility, discretion as to the amount of
127 work involved, and credit approval of the customer.

128 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 9.**

129 A. On Sheet No. R-9, the Company is proposing to add language to provide that at least
130 annually, the Company shall attempt to secure an actual meter reading from customers
131 reporting their own usage, and if customer fails to report usage to the company, the
132 Company will obtain a meter reading at least annually. This language is consistent with
133 Commission Rule 20 CSR 4240-13.020(3). The additional proposed language to Sheet R-
134 9 provides that the Customer shall be solely responsible for the operation, maintenance,
135 and repair of his piping and appliances beyond the meter outlet, and the Company shall
136 have no liability to Customer or any third party for operation, maintenance or repairs

137 beyond the meter outlet. This additional language more explicitly informs customers that
138 the Company's piping maintenance obligations, and corresponding legal duties, are
139 determined by facility ownership. The Company believes this clarification will help
140 reinforce the importance for Customers to maintain their customer-owned piping and
141 appliance.

142 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 11.**

143 A. In Sheet No 11.3 and 11.4, the Company changed "from 48 hours to 96 hours" to "at least
144 24 hours." This change was made based, in part, on language found in Commission Rule
145 20 CSR 4240-13.050(5) and (8). This language gives the Company more flexibility to give
146 earlier notice of a potential disconnection. The Company believes 24 hours' notice may be
147 appropriate in some situations, however, as an alternative, the Company proposed
148 amending the language in Sheet No 11.4. The proposed amendments state, "The Company
149 will mail, to all residential customers whose account is in jeopardy of termination on the
150 disconnection date, a notice mailed so that normal postal delivery will be made to the
151 customer at least 48 hours preceding potential discontinuance of service."

152 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 19.**

153 A. The Company has proposed to add "vermin infestation in the attic that affects the integrity
154 of the improvements" as part of Sheet No. 19 "Insulation Financing Program." The
155 language around financing for remediation of vermin infestation in the attic was added
156 because of the effects on the integrity of the insulation improvements. The Company
157 added this language after hearing direct feedback from some of our Natural Gas Contractor
158 Network partners which provide insulation financing to our customers. The Company added
159 this because this is an issue that would impact the energy efficiency of customers making
160 this investment in their homes. The attic has an important role in regulating the heating, as

161 well as cooling, comfort levels of a customer’s home. If vermin compromise this space, a
162 customer’s energy efficiency and comfort levels become compromised as well. A
163 customer could see larger energy bills due to losing the efficiency achieved by the
164 insulation for not correcting this issue during the installation. Permitting this work to be
165 financed by the customer offers greater flexibility to the customer and clarifies that any
166 work financed to address vermin infestation is intended to not exceed the scope of a minor
167 repair.

168 **Q. PLEASE EXPLAIN THE PROPOSED CHANGES TO RULE 23.**

169 A. The Company proposed to add, “or landlords renting to residential and commercial
170 customers of the Company” and added “tenant” and “plumbers” to the language of Rule
171 23, the EnergyWise Dealer Program. The Company added the landlord and tenant
172 language to clarify that the EnergyWise Program provides financing to eligible residential
173 and commercial owners of premises served by the Company, regardless of whether the
174 owner occupies that premise. It is common for a gas account to be in the name of the
175 tenant, rather than the landlord, so the Company proposed these changes to provide further
176 clarification on eligibility for the program.

177 **Q. PLEASE EXPLAIN THE PROPOSED CHANGES TO RULE 25.**

178 A. In R-25, the Company deleted a large portion of the Usage Estimating Procedure because
179 it was complex in its wording and the formula was not helpful in implementation. The more
180 streamlined version the Company proposed is easier for customers to understand and
181 calculate and offers flexibility to the Company. The proposed changes also align with 20
182 CSR 4240-13.020(2)(C)(1), which requires that a utility that has an estimating procedure
183 in its filed and commission-approved tariffs shall follow that estimating procedure, so the
184 Company proposed such a procedure in its filing.

185 **Q. PLEASE EXPLAIN THE PROPOSED CHANGES TO RULE 30.**

186 A. The Company proposed several changes in this tariff to Rule 30. Spire witness Shaylyn
187 Dean provided explanation of this in his direct testimony, pages 3-6. Based on discussions
188 with Staff during the discovery process, the Company is providing additional information
189 in support of these modifications. The Company has proposed changes to the Conservation
190 and Energy Efficiency Programs, Sheet No. R-30.7 and Sheet No. R-30.12. The changes
191 to Sheet No. 30.7 are designed primarily to help our C&I customers move forward with
192 both custom and audit projects. After a discussion with our 3rd party implementer Applied
193 Energy Group (AEG) we decided to reduce the payback requirement and project buydown
194 from two years to one year to help our C&I customers that are considering energy
195 efficiency projects. Reducing the payback period aligns with the Ameren Missouri C&I
196 custom program which also calls for a simple payback to be greater than a 12-month
197 period. The Company is proposing the energy audit changes to make it easier for Non-
198 Profit and all other C&I customers to pursue professional energy audits of their buildings
199 by increasing the audit incentive and then providing a bonus once customers take action
200 and complete a rebate qualifying energy efficiency recommendation from the audit. In
201 R-30.12, the Company is proposing “any unspent or carryover energy efficiency program
202 portfolio funds will be made available for current and/or new programs in the following
203 years.”

204
205 Currently, the Company can only roll over unspent funds from the Multi-Family Low
206 Income Program sub-budget in the following year. Expanding the use of unspent funds to
207 the entire suite of energy efficiency programs provides the Company with an opportunity
208 to develop and fund new programs for the following year, which should provide more

209 flexibility and benefit to the consumer. The energy efficiency budget is calculated by
210 looking at the rolling average of the Company's gross operating revenues for the previous
211 three years, such that, in some years, the budget is reduced. Any new programs would still
212 need regulatory approval for implementation. Successful programs currently in operation
213 would have access to additional funds and be protected from the same potential budget
214 constraints.

215 **Q. PLEASE EXPLAIN THE PROPOSED CHANGES TO RULE 32.**

216 A. The Company has proposed updates to the Economic Development Rider, including
217 changing rate discount percentages. The Company has proposed the following in regard
218 to Rate Discount: "With respect to the qualified volumes, the commodity or volumetric
219 margin of the sales or transportation rate will be discounted by an average annual amount
220 of 40% (currently 20%), provided that such discount shall not exceed 50% (currently 30%)
221 during any contract year." These incentives were designed to encourage program
222 participation. These modifications also bring the program threshold requirements in line
223 with Spire Missouri's peer electric utilities. Please see Union Electric Company tariff sheet
224 86.2 The Company currently has very limited participation in the program and believes
225 adjusting these requirements will make the program more viable and more attractive to its
226 customers. This rider still has the same revenue limitations or "caps" for this rider as stated
227 in proposed Sheet 32.1 section D, part 3: "The total dollar amount of the incentives
228 provided under this rider EDR shall not exceed one percent (1%) of the Company's
229 jurisdictional gross revenues during each calendar year; provided, however, the Company
230 shall have the right at any time and for good cause shown to seek a modification of this
231 limitation upon application to the Commission."

232

233 **II. Rule Modifications to Maintain Compliance with Commission Rule 20 CSR 4240-13**

234

235 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 6?**

236 A. Consistent with the rationale for the deletion of the term “due date” in other Rules, as
237 discussed herein, throughout Sheet No. R-6, “Rendering and Payment of Bills,” the
238 Company deleted the term “due date”, since the Company plans to use “delinquent date”
239 on its bills. Under Section A (2)(c) the Company deleted “under no circumstances shall”
240 and added “shall not” so that this language is consistent with Commission Rule 20 CSR
241 4242-13.020(c)(3). The Company also proposed adding “except by agreement with the
242 customer” to create an exception that allows the Company to better meet the needs and
243 desires of its customers on an individual basis. This proposed rule change therefore
244 provides more flexibility for the consumer and permits the Company to maintain
245 compliance with the Commission’s rules.

246

247 On Sheet No. R-6.3, the Company proposed to add language to the type of taxes included
248 and to allow flexibility for billing. The Company also removed the phrase “requires
249 supervisory approval” for modification of questionable meter readings. Similarly, on Sheet
250 No. R-6.4, the Company removed the requirement of supervisory approval to promote
251 efficiency and flexibility in serving the customers. The Company further proposed clean
252 up language regarding notice on the bill. Finally, the Company removed a paragraph that
253 discussed a third modification, which stated that such modification was prohibited.

254

255 The Company proposed these modifications because it wanted to eliminate a manual
256 review process. Previously, the representative would review an account, enter an office

257 estimate (modification), and then the account/office estimate would then need to be
258 reviewed by a supervisor prior to transitioning back to the representative to bill the
259 customer. The process proposed by the Company is far more efficient. The deleted
260 paragraph is not required by Chapter 13, and since third modifications are not allowed by
261 this paragraph the Company believed it was better to remove it from the Rule altogether.

262 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 18.**

263 A. The Company changed “will” to “may” in paragraph 23, Sheet No. R-18, Collection Trip
264 Charge. This change is consistent with 20 CSR 4240-13.050(12) which provides that a
265 utility may charge the customer a reasonable fee for restoration of service if permitted in
266 the utility’s tariff. This language provides flexibility to both the Company and to the
267 customers.

268 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 22.**

269 A. The Company made changes to Rule 22 “Cold Weather Maintenance” in order to be
270 consistent with Chapter 13 and within the Company’s Rule. These changes included
271 adding “registered elderly or disabled” to Sheet No. 22 and changing Missouri Family
272 Support Division to Division of Family Services on Sheet No. 22.1, to better match 20 CSR
273 4240-13.055 (3)(E).

274 **III. Proposed Modifications to Continue the Transition to One Spire Missouri**

275 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 7.**

276 A. As discussed in depth in the Company’s application in this proceeding, in Spire’s last rate
277 case for legacy Laclede and MGE (GR-2017-2015) Spire began the transition to one Spire
278 Missouri Inc. As such, there was a consolidation of rules and regulations for both service
279 territories. The Company proposed changing the name of Sheet No. R-7 from “Adjustment
280

281 for Heat Content (formerly applicable to Spire East Only)” to “Automated Meter Reading
282 Opt-Out Charge.” This change further brings the Rules and Regulations under one Spire
283 Missouri Inc. Further, this Rule allows residential customers the option to refuse the
284 installation of remotely-read metering, or to request the removal of previously installed
285 remotely-read metering. In these circumstances, standard metering equipment will be
286 installed that requires a manual meter read. The proposed modifications to Rule 7 provide
287 a mechanism for the Company to bill customers who desire a manual meter read. The
288 Company also proposed a modification to this Rule to no longer adjust BTUs. The
289 Company is proposing to use CCF as the unit of measure. This proposal is similar to opt-
290 out provisions currently approved by the Missouri Public Service Commission for electric
291 utilities.

292 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 13.**

293 A. On Sheet No R-13, the Company proposes to delete paragraph 16 A: “When gas is being
294 supplied to any customer, and Company receives notice that such customer intends to
295 vacate the premises occupied, the Company shall promptly, but in no event later than four
296 days (excluding Sundays and holidays) following such vacation, or if said notice of
297 vacation is received by Company after date of vacation, Company shall promptly, but in
298 no event later than four days (excluding Sundays and holidays) following date of said
299 notice, shut off the gas supply to the premises; provided, however, that Company may
300 continue gas supply to the premises if requested by the succeeding customer. The owner
301 or other person in charge of such premises shall make access to the premises available to
302 Company at all hours between 8:00 a.m. and 5:00 p.m. or at any time in case of emergency,
303 so that such cut off may be made. Also, in the former paragraph 16 B, the Company
304 proposes to delete, “at all hours between 8:00 a.m. and 5:00 pm.”

305 Legacy MGE did not have the current Sheet No. R-13, 16 A provisions included under
306 “Company Inspections”, which further supports the Company’s proposed modification.
307 Another reason the Company removed 16A is because it is not applicable to the Company’s
308 inspections. The Rule was therefore not appropriate for this section of the Rules and
309 Regulations. The Company deleted the specific hours to match the changes in R-3
310 definitions of “work day” and “business day” and this deletion allow more flexibility to
311 serve the customers. The Company has found through experience that the legacy MGE
312 rule results in fewer unnecessary shut-offs. This provides significant additional
313 convenience for customers, and reduced cost to the Company

314 **IV. Proposed Modifications to More Accurately Reflect Current Economics or**
315 **Revisions to Rate Classes**

316
317 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 15.**

318 A. In Sheet No. R-15.1, Section 19 C, the Company proposed to delete, “Overhead
319 construction costs include administrative and general salaries and expenses, charges for
320 injuries and damages, pensions, and other fringe benefits. Overheads transferred to
321 construction are determined based on the percentage that construction payroll bears to total
322 payroll and are distributed to construction work orders on a percentage allocation basis.”
323 The Company proposed to add, “Variable indirect costs include vehicle and equipment
324 charges, materials handling charges and other costs that increase due to increased
325 construction activity.” The Company, in Section 19 D, changed “175 feet” to “250 feet”
326 and changed “\$1,000 per customer” to \$2,000 per customer.”

327
328 The change to Section 19 C was made to clarify the section. The proposed language is
329 meant to update the tariff to reflect the actual costs associated with adding a new customers

330 and to align the tariff with the parameters included in the Company’s economic evaluation
331 model. The prior language included costs that will be incurred regardless of adding a new
332 customer. The changes to Section 19 D were made to increase the footage allowance up
333 to Spire’s internal 9.01% hurdle rate for 2” plastic. This analysis accounts for the increase
334 in cost per foot since the rule was first enacted. The move to \$2,000 is the investment level
335 that remains economic for a low use customer, and still meets the Company’s required
336 hurdle rate. This analysis has not been updated in many years.

337 **Q. PLEASE EXPLAIN THE PROPOSED MODIFICATIONS TO RULE 17.**

338 A. The Company proposed changes to Sheet No. R-17 and its Curtailment Steps. The
339 Company deleted “interruptible and basic transportation customers” in Step 1. The
340 Company proposed to delete Step 2, “All sales service to both firm sales customers and
341 firm transportation customers with alternate fuel capabilities to be curtailed to the extent
342 of such alternate fuels. In the former Step 5, now Step 4, the Company added transportation
343 customers. This language reflects the Company’s proposed changes to rate classes in this
344 rate case.

345 **Q. PLEASE EXPLAIN THE PROPOSED CHANGES TO RULE 24.**

346 A. In Rule 24, Budget Billing Plan, the Company deleted “commercial and industrial” and
347 “General Services, Seasonal Services or General L.P. Services rate schedules” and added
348 “general service and general L.P” to R-24 because the large commercial and industrial
349 customer classes have been removed. Historically, those customers have had limited
350 participation in the program.

351 **Q. PLEASE EXPLAIN THE PROPOSED CHANGES TO RULE 33.**

352 A. The Company proposed changes to Rule 33, Negotiated Gas Service Rider, which have
353 potential benefits to multiple entities. The Company proposed adding the following

354 sentence to Paragraph A, “Third, the tariff can also be used for grid resiliency, distributed
355 generation, and emergency back-up systems.” I discussed these themes in my direct
356 testimony, at pages 25-27. The Company believes promoting grid resiliency, distributed
357 generation, or emergency back-up systems is beneficial to the customer, Company, and the
358 State of Missouri because it contributes to the reduction in emissions and improving energy
359 resiliency. This additional tariff provision would allow for two scenarios. First, it would
360 assist in developing rates to support grid resiliency, distributed generation, and emergency
361 back-up systems. The second scenario would be the flip side to that and would offer
362 negotiated rates if customers were going to leave Spire as a customer or substantially
363 reduce their load with on site energy. The second scenario would fulfill the purpose of the
364 NGSR by allowing the Company to meet specific competitive threats, which if not
365 responded to would result in lost margin to the Company and its customers. These benefits
366 and costs need to be analyzed to see if a negotiated rate is justified.

367 **Q. IS THE COMPANY PROPOSING A CARBON NEUTRAL INITIATIVE**
368 **SPECIMEN TARIFF?**

369 A. Yes, originally in my direct testimony Spire proposed a carbon neutral initiative program .
370 After discussion with Staff, the Company and Staff concluded that a carbon neutral tariff
371 would be helpful in visualizing and analyzing the proposed program. Please see schedule
372 SAW-2 for the carbon neutral specimen tariff that is near identical to the carbon neutral
373 program proposed in my direct testimony.

374 **Q. DID THE COMPANY PROPOSE A COMBINED HEAT AND POWER PROGRAM**
375 **AS PART OF ITS INITIAL FILING?**

376 A. Yes. In my direct testimony, Spire proposed a combined heat and power program (“CHP”).
377 This program was included in the initial filing because the Missouri Department of Energy
378 proposed such a program late in the process of the Company’s last rate case and the
379 Commission demonstrated an interest in the parties continuing discussions on such a
380 program.

381 **Q. IS THE COMPANY FILING A TARIFF FOR ITS PROPOSED CHP PROGRAM?**

382 A. No. After reviewing the list of Intervenors in this case and after discussions with Staff
383 about the proposed CHP program, the Company has discussed and analyzed its proposal
384 further. Ultimately, the Company believes this topic is more appropriate for a working
385 docket where all industry participants are able to actively participate and discuss whether
386 such a program can be successfully done in the state of Missouri.

387 **Q. IS THERE ANY FINANCIAL IMPACT AS A RESULT OF THE COMPANY
388 WITHDRAWING ITS PROPOSED CHP PROGRAM?**

389 A. No.

390 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

391 A. Yes, it does.

P.S.C. MO. No.

Specimen Tariff

SHEET No.

Spire Missouri Inc. d/b/a/ Spire

For: Spire Missouri

VOLUNTARY CARBON NEUTRAL INITIATIVE OFFERING
(CNI)

A. Purpose:

This Carbon Neutral Initiative (CNI) is a voluntary carbon offset program established to assist Spire's customers' efforts to participate in environmental sustainability and to meet the customers' desire to protect the environment. Because our customers have told us that the environment is important to them, Spire has decided to offer a voluntary carbon offset program for natural gas usage.

B. Description:

Primary Program:

Spire will partner with Forest ReLeaf of Missouri (ReLeaf), a non-profit organization in St. Louis, Missouri, to initiate this program because ReLeaf is a catalyst for restoring and sustaining our urban forests. ReLeaf operates the only nonprofit community-assisted tree nursery in the St. Louis region. The customer charges collected under this program will allow ReLeaf to plant trees in Missouri to offset a customer's approximate annual natural gas carbon footprint over the 30-year life of the trees. The proposed tree-based carbon sequestration will be verified by i-Tree, a state-of-the-art, peer-reviewed software suite from the United States Department of Agriculture Forest Service that provides urban and rural forestry analysis and benefits assessment tools. The i-Tree tools can help strengthen forest management and advocacy efforts by quantifying forest structure and the environmental benefits that trees provide.

Supplemental Programs:

The Company will only be allowed to charge customers a monthly rate identified in customer eligibility and charges identified below. If other carbon offset or technologies become economically viable or have the potential to help environmental efforts in Missouri, then the Company can use program funds to offset customers carbon footprint by investing in:

- Financial carbon offsets
- Investing in mechanical, filtration, chemical, facility bolt on, storage, or other technologies used to sequester or eliminate carbon output
- Direct air capture
- Land restoration
- Algae farms or microalgae
- Small scale renewable natural gas
- Other technologies not yet identified

C. Customer Eligibility and Charges:

This program is available to residential, commercial and industrial customers.

Residential customers:

Can elect to participate in CNI by checking a box on their bill, or by signing-up on the Spire MyAccount portal. The monthly customer charges for customers who elect to participate will be \$4 per month starting on the effective date of this program. The monthly charge includes the price of the trees, planting, and 20% in administration and marketing costs. Customers will be locked into program prices that follow the Company's fiscal year.

Customer charges could increase to \$6 per month in 2023, and \$10 per month in 2024 or until the Company's next general rate case due to material, inflation, or other cost increases. Any program increases will require customers to voluntarily re-enroll in the program.

Commercial and Industrial Customers:

Customized programs can be offered for commercial and industrial customers. Costs and program details will be filed with the Missouri Public Service Commission Staff ("Staff") and the Office of the Public Counsel ("OPC") 30 days prior to customer participation.

D. Reporting:

By December 31 of each year, the Company proposes to submit to Staff and OPC an annual report that includes: (i) the level of customer participation; (ii) the level of funds generated by the voluntary participants; (iii) type and amount of offset the investments made; and (iv) the amount of carbon offset resulting from program participation

DATE OF ISSUE:

DATE EFFECTIVE:

ISSUED BY: Scott Weitzel, Managing Director, Regulatory & Legislative Affairs
Spire Missouri Inc., St. Louis, MO. 63101