

# Exhibit No. 800

Exhibit No.:  
Issues: Revenue Requirement  
Witness: Greg R. Meyer  
Type of Exhibit: Direct Testimony  
Sponsoring Parties: MIEC and Vicinity  
Case No.: GR-2021-0108  
Date Testimony Prepared: May 12, 2021

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

\_\_\_\_\_  
In the Matter of Spire Missouri Inc.'s d/b/a Spire )  
Request for Authority to Implement a General )  
Rate Increase for Natural Gas Service Provided )  
in the Company's Missouri Service Areas )  
\_\_\_\_\_ )

**Case No. GR-2021-0108**

Direct Testimony and Schedule of

**Greg R. Meyer**

On behalf of

**Missouri Industrial Energy Consumers  
and Vicinity Energy Kansas City, Inc.**

May 12, 2021



Project 11068

**BEFORE THE PUBLIC SERVICE COMMISSION  
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Case No. GR-2021-0108

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

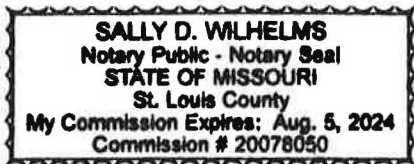
**Affidavit of Greg R. Meyer**

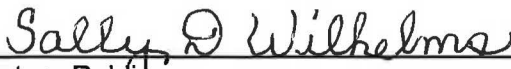
Greg R. Meyer, being first duly sworn, on his oath states:

1. My name is Greg R. Meyer. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Missouri Industrial Energy Consumers and Vicinity Energy Kansas City, Inc. in this proceeding on their behalf.
2. Attached hereto and made a part hereof for all purposes are my direct testimony and schedule which were prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. GR-2021-0108.
3. I hereby swear and affirm that the testimony and schedule are true and correct and that they show the matters and things that they purport to show.

  
\_\_\_\_\_  
Greg R. Meyer

Subscribed and sworn to before me this 12<sup>th</sup> day of May, 2021.



  
\_\_\_\_\_  
Notary Public

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Spire Missouri Inc.’s d/b/a Spire Request for Authority to Implement a General Rate Increase for Natural Gas Service Provided in the Company’s Missouri Service Areas	) ) ) ) ) )	Case No. GR-2021-0108
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**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

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**In the Matter of Spire Missouri Inc.’s d/b/a Spire  
Request for Authority to Implement a General  
Rate Increase for Natural Gas Service Provided  
in the Company’s Missouri Service Areas**

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**Case No. GR-2021-0108**

**Direct Testimony of Greg R. Meyer**

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

2   A     Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,  
3     Chesterfield, MO 63017.

4   **Q     WHAT IS YOUR OCCUPATION?**

5   A     I am a consultant in the field of public utility regulation and a Principal with the firm of  
6     Brubaker & Associates, Inc., energy, economic and regulatory consultants.

7   **Q     PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

8   A     This information is included in Appendix A to this testimony.

9   **Q     ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

10  A     This testimony is presented on behalf of the Missouri Industrial Energy Consumers  
11     (“MIEC”) and Vicinity Energy Kansas City, Inc. (“Vicinity”). The MIEC is a non-profit  
12     corporation that represents the interests of industrial customers in matters involving  
13     utility issues. Those interests include the interests of large industrial consumers of  
14     Spire Missouri Inc. (“Spire” or “Company”). Vicinity is a “heating company” and a “public  
15     utility” as those terms are defined in Section 386.020(20) and 386.020(43). Vicinity,

**Greg R. Meyer  
Page 1**

1           therefore, is not only a customer of Spire, but also a competitor with Spire. Vicinity is  
2           one of the largest users and transporters of natural gas on the Spire system.

3   **Q       PLEASE PROVIDE AN OVERVIEW OF THE RATE CASE FILED BY SPIRE.**

4   A       On December 11, 2020, Spire Missouri Inc. (“Spire”)<sup>1</sup> filed an application with the  
5           Missouri Public Service Commission (“Commission”) seeking to increase its base  
6           margin revenues by \$111 million, or 19.5%. Spire filed the direct testimony of 12  
7           witnesses supporting the proposed rate increase.

8   **Q       WHAT TEST YEAR DID SPIRE UTILIZE?**

9   A       Spire’s test year was the 12-month period ended September 30, 2020.

10  **Q       PLEASE PROVIDE THE HISTORIC RATE INCREASES SPIRE HAS**  
11  **IMPLEMENTED.**

12  A       Table 1 shows the different rate cases and the increase in revenues authorized by the  
13  Commission.

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<sup>1</sup>Spire Missouri has two operating divisions: Spire East (formerly the Laclede Gas service territory) and Spire West (formerly the Missouri Gas Energy service territory). In this direct testimony, Spire East and Spire West also will be referred to as MOE and MOW, respectively.

<b>TABLE 1</b>			
<b><u>Historic Spire Margin Rate Increases</u></b>			
<b>(\$Million)</b>			
<b><u>Case No.</u></b>	<b><u>Division</u></b>	<b><u>Revenue Increase</u></b>	<b><u>Effective Date</u></b>
GR-2009-0355	MGE	\$16.2	Feb. 20, 2010
GR-2010-0171	Laclede	\$31.4	Aug. 18, 2010
GR-2013-0171	Laclede	\$14.8	July 8, 2013
GR-2014-0007	MGE	\$7.8	May 1, 2014
GR-2017-0215	Laclede	\$18.0	March 17, 2018
GR-2017-0216	MGE	<u>\$15.0</u>	March 17, 2018
Total		\$103.2	

1 As can be seen from Table 1, Spire has been authorized to increase its margin rates  
2 by approximately \$103 million since the beginning of 2010.

3 **Q PLEASE DESCRIBE BOTH MIEC'S AND VICINITY'S INVOLVEMENT IN THIS RATE**  
4 **CASE.**

5 A In addition to this testimony, the MIEC and Vicinity will file the direct testimony of my  
6 colleague, Brian Collins. I will discuss several areas addressing the revenue  
7 requirement of Spire. Mr. Collins will file direct testimony on May 26 addressing rate  
8 design, class cost of service and revenue allocation.

1 Q **HAVE YOU PERFORMED A COMPREHENSIVE REVIEW OF SPIRE'S REVENUE**  
2 **REQUIREMENT?**

3 A No. The MIEC and Vicinity are relying on the comprehensive review that the  
4 Commission Staff typically performs in the course of its audit. We will review the direct  
5 Staff filing and anticipate providing further support on additional issues in our rebuttal  
6 testimony. Therefore, the silence on any specific issue herein should not be considered  
7 an endorsement of that position by either the MIEC or Vicinity.

8 Q **WHAT IS THE REVENUE REQUIREMENT IMPACT FROM THE ADJUSTMENTS**  
9 **YOU ARE PROPOSING?**

10 A Table 2 lists each adjustment I am sponsoring and the value of that adjustment. In  
11 total, I am recommending that Spire's revenue requirement be decreased by  
12 \$5.4 million.<sup>2</sup>

<b>TABLE 2</b>	
<b>MIEC/Vicinity Adjustments to Spire's Revenue Requirement</b>	
<b>Issue Description</b>	<b>Value (\$Million)</b>
Research & Development Funding	\$1.0
Revenues	\$3.6
Uncollectibles	(\$0.7)
Insurance Premiums/Injuries & Damages Expense	\$1.5
Total Reduced Spire Revenue Requirement	\$5.4

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<sup>2</sup>Total adjustments include both Spire East and West operating divisions.



1 **Research and Development Funding**

2 **Q HAS SPIRE PROPOSED TO INCREASE ITS EXPENSES TO CONDUCT**  
3 **RESEARCH AND DEVELOPMENT?**

4 A Yes. Spire witness Wesley E. Selinger proposes to increase expenses to provide an  
5 allowance for research and development funds.

6 **Q ARE YOU OPPOSED TO THE ALLOWANCE FOR RESEARCH AND**  
7 **DEVELOPMENT FUNDS?**

8 A Yes.

9 **Q WHAT IS YOUR RATIONALE FOR NOT ALLOWING FUNDS FOR RESEARCH AND**  
10 **DEVELOPMENT?**

11 A I have several reasons. First, Mr. Selinger dedicates a total of four lines of testimony  
12 explaining why the research and development funds should be granted. I have included  
13 the following lines of Mr. Selinger’s direct testimony supporting funds for research and  
14 development:

15 **“Q. HAS SPIRE INCLUDED AN ALLOWANCE FOR RESEARCH**  
16 **AND DEVELOPMENT IN RATES?**

17 A. Yes. Schedule H-18 includes an allowance for research and  
18 development funds of \$1 million to be included in base rates. This  
19 equates to less than \$1 per customer per year. The Company is  
20 continuing to explore innovative technologies that will deliver  
21 benefits for our customers. This type of allowance has been  
22 approved in over 30 jurisdictions across the U.S.”

23 Half of that explanation justified the cost because it would equate to less than \$1 per  
24 customer. A single sentence is dedicated to the apparent justification of the \$1 million  
25 of research and development funds:

1                   “The Company is continuing to explore innovative technologies that will  
2                   deliver benefits for our customers.”

3                   This is simply inadequate justification to require customers to fund such an endeavor.

4                   Second, Mr. Selinger fails to distinguish the benefits Spire receives from dues  
5                   in organizations that also undertake the same or similar type of work, namely the  
6                   American Gas Association and Gas Technology Institute. It is my understanding that  
7                   Spire’s current and proposed rates include the membership dues, that include research  
8                   and development, in these organizations.

9                   At this time, there is simply no justification for allowing this funding. I, therefore,  
10                  am opposed to funding additional, stand-alone research and development costs for  
11                  Spire at \$1 million annually. In my opinion, Spire failed to meet its burden in direct  
12                  testimony to substantially support inclusion and recovery of these costs. Further, Spire  
13                  should not be allowed to bolster its inadequate direct case in subsequent rounds of  
14                  testimony, long after the opportunity for Staff and intervenors to conduct discovery on  
15                  the Company’s direct filing has passed.

16                  **Revenues**

17                  **Q     HAVE YOU REVIEWED THE REVENUE WORKPAPERS AND ADJUSTMENTS**  
18                  **INCLUDED IN THE RATE CASE?**

19                  A     Yes, I have reviewed both the revenue workpapers and the adjustments proposed by  
20                  Spire.

21                  **Q     PLEASE SUMMARIZE THE ADJUSTMENTS PROPOSED BY SPIRE.**

22                  A     Spire proposed to annualize residential (“RES”) and small general service (“SGS”)  
23                  revenues for the impact of customer growth and the effects of normal weather.

1 Q PLEASE LIST THE ADJUSTMENTS THAT SPIRE PROPOSED FOR THE EFFECTS  
2 OF NORMAL WEATHER.

3 A Table 3 lists the adjustments Spire proposed to normalize the effects of weather.

<b><u>Spire's Revenue Adjustments</u></b>	
<b><u>Revenue Class</u></b>	<b><u>Adjustment</u></b>
RES-MOE - Weather Normalization	\$1,055,801
RES-MOW - Weather Normalization	<u>\$1,322,971</u>
Total RES Weather Normalization	<b>\$2,378,772</b>
SGS-MOE - Weather Normalization	\$ 134,308
SGS-MOW - Weather Normalization	<u>\$ 147,192</u>
Total SGS Weather Normalization	<b>\$ 281,500</b>

MOE - Spire East  
MOW - Spire West

4 I was able to trace these adjustments from the Spire workpapers to Schedule WES-1  
5 H2-Rev-2. At this time, I do not have any concerns or proposed revisions to these  
6 adjustment amounts.

7 Q PLEASE LIST THE ADJUSTMENTS SPIRE PROPOSED TO REFLECT CUSTOMER  
8 GROWTH.

9 A Spire proposed two adjustments for each operating division (Spire East and West).  
10 One adjustment was for customer growth during the test year ended September 30,

1 2020 and the other adjustment was to grow customers from September 2020 through  
2 May 2021. Table 4 lists the adjustments proposed by Spire.

<b>Revenue Class</b>	<b>Adjustment</b>
RES-MOE - Customer Growth in Test Year	\$ 676,299
RES-MOE - Customer Growth Beyond Test Year	\$ 878,364
RES-MOW - Customer Growth in Test Year	\$ 1,124,449
RES-MOW - Customer Growth Beyond Test Year	<u>\$ 1,489,937</u>
Total Residential Customer Growth	<b>\$ 4,169,049</b>
SGS-MOE - Customer Growth in Test Year	\$ 135,086
SGS-MOE - Customer Growth Beyond Test Year	\$ 193,062
SGS-MOW - Customer Growth in Test Year	\$ (68,460)
SGS-MOW - Customer Growth Beyond Test Year	<u>\$ (88,782)</u>
Total	<b>\$ 170,906</b>

3 **Q ARE THESE ADJUSTMENTS AS THEY APPEAR IN THE SPIRE WORKPAPERS**  
4 **REFLECTED IN THE REVENUE SCHEDULE YOU REFERENCED EARLIER**  
5 **(SCHEDULE WES-1 H2-REV-2).**

6 **A** No. I could not match the adjustments listed above to the revenue schedule. For  
7 example, for RES growth, Spire lists \$930,715 as an adjustment to test year residential  
8 revenues on Schedule WES-1-H2-REV-2 for inclusion in adjusted test year operating

1 results. As can be seen from the above table, the RES revenue growth total is  
2 \$4,169,049, an amount exceeding \$930,715 by approximately \$3.2 million. For the  
3 SGS class, the difference is an understatement of approximately \$73,000 (\$170,906-  
4 \$98,243) as listed on the same schedule.

5 **Q DO YOU AGREE WITH THE ANNUALIZED TOTALS OF THE REVENUE GROWTH**  
6 **ADJUSTMENTS?**

7 A No. I believe Spire has understated the revenue adjustments to reflect customer growth  
8 during the test year. Based on my review of Spire's workpapers, I would assert that  
9 Spire only included 11 months of customer growth to annualize revenues. Spire took  
10 the growth in customers from a 12-month period. For example, in the Spire East  
11 Residential class, customer growth was measured in the following way:<sup>3</sup>

12	Spire Residential Customers at January 2019	613,679
13	Less Spire Residential Customers at January 2020	616,659
14	Customer Growth in One Year	2,980
15	Monthly Customer Growth	248 (2,980/12)

16 However, when Spire annualized for the monthly customer growth, it only grew  
17 customers for 11 months instead of 12. This annualization method would understate  
18 revenues when there was positive or overstate revenues for negative (loss of  
19 customers) customer growth.

20 **Q WHICH DIVISIONS EXPERIENCED CUSTOMER GROWTH AND WHICH DIVISIONS**  
21 **LOST CUSTOMERS?**

22 A Table 5 shows the customer growth or losses for purposes of annualizing revenues.

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<sup>3</sup>MOE Regression Weather and Cust. Annual Adj. Test Year; 3-Cust Ann.

<b>TABLE 5</b>	
<b>Customer Growth/Loss by <u>Operating Division and Customer Class</u></b>	
<b><u>Customer Class/ Operating Division</u></b>	<b><u>Annual Customer Growth/Loss</u></b>
Res/MOE	2,980
Res/MOW	6,277
SGS/MOE	313
SGS/MOW	(227)

1 Overall, Table 5 shows that Spire’s RES and SGS classes are growing. Given Spire’s  
 2 revenue annualization methodology, annualized revenues are understated and, thus,  
 3 Spire’s additional revenue request is overstated.

4 **Q HAVE YOU ESTIMATED THE TOTAL AMOUNT OF REVENUES THAT YOU**  
 5 **BELIEVE ARE UNDERSTATED BY CUSTOMER CLASS?**

6 A Yes. I contend that the RES revenues are understated by approximately \$295,000,  
 7 and the SGS revenues are understated by approximately \$10,000. These additional  
 8 revenues would lower the required additional revenues Spire is requesting in this rate  
 9 case.

10 **Q HAVE YOU CALCULATED THE TOTAL REVENUE IMPACT FOR THE RES AND**  
 11 **SGS CLASSES?**

12 A Yes. Summing the different adjustments I have described results in a RES revenue  
 13 increase of approximately \$3.5 million and an SGS revenue increase of approximately

1           \$82,000. Therefore, the total revenue adjustment for both the RES and SGS classes  
2           would be approximately \$3.6 million.<sup>4</sup>

3    **Uncollectibles/Bad Debt Expense**

4    **Q     HAVE YOU REVIEWED THE UNCOLLECTIBLE/BAD DEBT ADJUSTMENT**  
5       **PROPOSED BY SPIRE?**

6    A     Yes, I have.

7    **Q     DO YOU AGREE WITH THE PROPOSED ADJUSTMENT?**

8    A     No.

9    **Q     WHAT LEVEL OF BAD DEBT EXPENSE DO YOU RECOMMEND?**

10   A     In the last round of rate cases (Case Nos. GR-2017-0215 and GR-2017-0216), the  
11       annualized level of bad debt expense included in customer rates was \$12,685,019.  
12       Table 6 lists the bad debt expense for the last three years.

<b><u>Spire's Bad Debt Expense</u></b>	
<b><u>Year</u></b>	<b><u>Bad Debt Expense</u></b>
2018	\$12,712,886
2019	\$13,315,589
2020	\$ 9,796,925

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<sup>4</sup>\$3.6 million = \$3.2 million + \$295,000 + \$73,000 + \$10,000.

1 In 2018 and 2019, the level of actual uncollectibles was very close to the annualized  
2 level built into rates in Spire's 2017 rate cases.

3 **Q IN 2020, THE LEVEL OF UNCOLLECTIBLES IS MUCH LOWER. DO YOU HAVE**  
4 **AN EXPLANATION?**

5 A Yes. I believe the effects from the pandemic and utilities forgoing disconnecting  
6 customers from service led to a smaller amount of bad debts expense in 2020. I am  
7 also aware that Spire had authority to defer expenses above the amount included in  
8 the prior rate case per the Commission Order in Case No. GU-2020-0376. Therefore,  
9 I propose that Spire continue to record bad debt expenses from the level set in the last  
10 Spire rate case, or \$12,685,019.

11 **Q WOULD YOUR PROPOSAL INCREASE THE REVENUE REQUIREMENT OF**  
12 **SPIRE?**

13 A Yes, my proposal would increase the revenue requirement of Spire by approximately  
14 \$743,219. Spire has proposed to decrease bad debts expense compared to the level  
15 currently included in rates primarily because of the lower level in 2020 during the  
16 pandemic. I am not in favor of including the level of bad debts from an extraordinary  
17 event like the pandemic. Therefore, I am proposing no change in the level of bad debts  
18 from the last rate case. My proposed adjustment would raise the revenue requirement  
19 requested by Spire by \$743,219.



1 **Insurance Premiums/Injuries and Damages Expense**

2 **Q DID SPIRE PROPOSE TO ADJUST ITS INSURANCE AND INJURIES AND**  
3 **DAMAGES (“I&D”) EXPENSES?**

4 **A** Yes. Spire proposed to decrease Spire East’s insurance and I&D expenses by  
5 \$1.2 million. For Spire West, Spire proposed to increase expenses by \$2.3 million.

6 **Q CAN YOU PROVIDE A BREAKDOWN OF WHAT CONSTITUTES THE**  
7 **INSURANCE/I&D ADJUSTMENTS?**

8 **A** Yes. I have prepared Table 7 that shows the various adjustments proposed by Spire  
9 for the different types of insurance and I&D expenses.

<b>TABLE 7</b>		
<b><u>Spire's Insurance/I&amp;D Adjustments</u></b>		
<b><u>Insurance Type</u></b>	<b><u>Spire East Adjustment</u></b>	<b><u>Spire West Adjustment</u></b>
1. Claims		
Workers Compensation Paid		
Excess Liability Paid/Auto Claims Paid		
Total Claims Paid Adjustment	\$ (692,792)	\$ 946,246
2. Property Insurance*	\$ (145,476)	\$ 43,394
3. Excess Liability and Workers Comp.*	\$ (715,854)	\$1,175,271
4. D&O, Fiduciary, & Cyber*	<u>\$ 306,340</u>	<u>\$ 134,139</u>
Total Adjustments	\$ (1,247,782)	\$2,299,050

\*Adjustments after transfers to construction

1 Q DO YOU AGREE WITH THE ADJUSTMENTS PROPOSED BY SPIRE?

2 A No. Many of the adjustments proposed by Spire are not appropriate for calculating  
3 rates.

4 Q PLEASE DESCRIBE THE CONCERNS.

5 A I have two main concerns with the adjustments proposed by Spire. First, some of the  
6 adjustments proposed by Spire go beyond the test year in this rate case. Spire provided  
7 a workpaper that showed various insurance premiums due for renewal on March 2021.  
8 Spire proposed to increase the 2020 premium rates by an additional 10%. The  
9 Company's prospective adjustment clearly goes beyond the test year in this case. If  
10 Spire desires to provide the new March 2021 premiums in the context of its true-up  
11 audit, it can propose to update those premium rates and resulting costs in that phase  
12 of the pending rate case. Currently, those adjustments are pure speculation until the  
13 actual premiums are finalized.

14 Spire also has claimed zero expense for certain premiums during the test year.  
15 Unless insurance coverage has been materially altered, dropped or restructured, the  
16 zero expense claim is hard to believe because premiums for certain lines of coverage  
17 have been incurred for several years and support for a zero expense amount appearing  
18 on the books of Spire has not been supplied. I will now discuss each premium and  
19 claim adjustment separately, identifying the adjustments that I believe are necessary  
20 for Spire's cost of service.

21 **Claims Paid**

22 Q WHAT ADJUSTMENT DID SPIRE PROPOSE FOR CLAIMS PAID?

23 A Spire proposed a three-year average of total claims paid.

1 Q DO YOU AGREE WITH THIS METHODOLOGY AND, IF NOT, WHY?

2 A No. I have prepared Table 8 that shows the breakdown of the claims for the last three  
3 years.

<b>TABLE 8</b>			
<b><u>Breakdown of Claims</u></b>			
<b><u>Claim Type</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b>Spire East</b>			
Workers Comp.	\$1,562,331	\$1,315,196	\$1,269,587
Excess Liability	\$ 646,716	\$ 826,243	\$ 297,464
Auto	<u>\$ 404,045</u>	<u>\$ 126,356</u>	<u>\$ 201,224</u>
Total	\$2,613,092	\$2,267,795	\$1,768,275
<b>Spire West</b>			
Workers Comp.	\$1,180,835	\$1,227,696	\$1,008,653
Excess Liability	\$ 689,847	\$1,048,827	\$ 386,974
Auto	<u>\$ 60,886</u>	<u>\$ 57,155</u>	<u>\$ 85,031</u>
Total	\$1,931,568	\$2,333,678	\$1,480,658

4 As can be seen from Table 8, Spire's claims paid in 2020 are reflective of the ongoing  
5 nature of paid claims except for excess liability claims. In 2020, excess liability claims  
6 paid for Spire East and West appear low. I, therefore, would propose using a three-  
7 year average for those claims paid and hold the other claims paid at the test year levels.  
8 This will result in annualized claims paid of \$2,060,952 for Spire East and \$1,802,233

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1 for Spire West.<sup>5</sup> These paid claim totals are \$155,435 and \$287,187 less than  
2 proposed by Spire.<sup>6</sup> These reduced claims paid will reduce the revenue requirement  
3 of Spire.

4 **Property Insurance**

5 **Q PLEASE DESCRIBE THE ADJUSTMENT YOU PROPOSE TO SPIRE'S PROPERTY**  
6 **INSURANCE ANNUALIZATION.**

7 A This was one of the annualizations I previously discussed wherein Spire projected  
8 increases in insurance premiums beyond the test year. In the area of property  
9 insurance, the premiums are renewed in March of each year. Spire has proposed to  
10 increase the premium rates for property insurance at March 2020 by 10% based on  
11 premiums that are due to be renewed in March 2021. I propose to include the  
12 annualized level of property insurance from the March 2020 renewal. This is the most  
13 current premium amount known at the time of Spire's direct filing and should be used  
14 to set Spire's cost of service. If Spire's March 2021 premiums have changed, it can  
15 propose to include those premiums in its true-up. My proposed adjustment would  
16 reduce Spire's adjustments by approximately \$35,000 for Spire East and \$18,000 for  
17 Spire West.

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<sup>5</sup>Spire East – (\$646,716 + \$826,243 + \$297,464) / 3 years + \$1,269,587 + \$201,224.  
Spire West – (\$689,847 + \$1,048,827 + \$386,974) / 3 years + \$1,008,653 + \$85,031.  
<sup>6</sup>Spire East – \$2,216,387 - \$2,060,952 = \$155,435.  
Spire West – \$2,089,420 - \$1,802,233 = \$287,187.

1 **Excess Liability and Workers Compensation**

2 **Q DID SPIRE PROPOSE THE ADJUSTMENT FOR EXCESS LIABILITY AND**  
3 **WORKERS COMPENSATION CONSISTENT WITH THE APPROACH USED FOR**  
4 **PROPERTY INSURANCE? IF YES, ARE YOUR ARGUMENTS THE SAME?**

5 **A** Yes, and my arguments are the same.

6 **Q WHAT IS THE VALUE IN YOUR ADJUSTMENT TOTAL TO SPIRE EAST AND**  
7 **WEST?**

8 **A** My proposed adjustments would lower Spire's East and West revenue requirements by  
9 \$411,699 and \$161,021, respectively.

10 **D&O, Fiduciary, and Cyber**

11 **Q WHAT CONCERNS DO YOU HAVE WITH THE ANNUALIZED LEVELS OF THESE**  
12 **PREMIUMS PROPOSED BY SPIRE?**

13 **A** I take no exception to the levels proposed by Spire. However, I am concerned with the  
14 claim by Spire that the test year level of expenses for these premiums is \$0. I cannot  
15 at this time accept that level of test year expense. The Company has claimed to have  
16 paid for these expenses dating back to 2011, in some instances. I will not divulge  
17 specific values of premiums paid, as Spire has classified that information as  
18 Confidential.

19 **Q WHAT LEVEL OF EXPENSE DO YOU PROPOSE TO INCLUDE FOR THE TEST**  
20 **YEAR LEVEL OF EXPENSES IN THIS INSTANCE?**

21 **A** I propose to include the level of test year expense listed in response to MIEC Data  
22 Request 4.7. This is the best estimate at this time what the true level of expense is for

1 these premiums. By including the test year level of premiums for these types of  
2 coverages, the adjustments proposed by Spire would be reduced for Spire East and  
3 Spire West by \$270,783 and \$118,711, respectively.

4 **Q PLEASE SUMMARIZE YOUR ADJUSTMENTS IN THIS AREA.**

5 A Table 9 will summarize the incremental adjustment values I am proposing relative to  
6 Spire's adjustments.

<b>Premium Type</b>	<b>Spire East Adjustment</b>	<b>Spire West Adjustment</b>
Claims Paid	\$ 155,435	\$ 287,187
Property Insurance	\$ 34,992	\$ 17,577
Excess Liability and Workers Comp.	\$ 411,699	\$ 161,021
D&O, Fiduciary, & Cyber	\$ 270,783	\$ 118,711
Total	\$ 872,909	\$ 584,496

7 **Property Taxes/Tracker**

8 **Q HAVE YOU REVIEWED THE PROPERTY TAX EXPENSES IN THIS RATE CASE?**

9 A Yes, I have.

10 **Q HOW WERE PROPERTY TAXES HANDLED IN THE LAST SPIRE RATE CASE?**

11 A In the last case during the hearings, the Staff, Spire and Office of Public Counsel  
12 reached an agreement to allow the continuation of a Kansas property tax tracker. It

1 was argued that Kansas property taxes could become volatile because gas inventory  
2 values are based on gas volumes and market prices at January 1 of the tax year.

3 During the hearing, the issue of the Tax Cuts and Jobs Act ("TCJA") was  
4 debated. The Commission decided that in exchange for allowing the ratemaking effects  
5 from the TCJA, it would also allow all property taxes payable by Spire to be tracked for  
6 purposes of that rate case. Since the last rate case, Spire has had the authority to track  
7 the property taxes it has paid against a level established by the Commission. In this  
8 rate case, Spire proposes to amortize the additional property taxes it paid over the  
9 amount established in rates over three years.

10 **Q IS SPIRE REQUESTING A PROPERTY TAX TRACKER IN THIS CASE?**

11 A Yes, it is. However, there is no specific request in direct testimony in this rate case.  
12 Spire witness Charles J, Kuper filed direct testimony on the issue pf property taxes.  
13 Nowhere in Mr. Kuper's testimony does he request a property tax tracker. The MIEC  
14 submitted Data Request No. 4.1 asking Spire if it was seeking a property tax tracker.  
15 Spire responded that it was indeed seeking to continue the property tax tracker. Spire's  
16 response to MIEC Data Request No. 4.1 is attached hereto as Schedule GRM-1.

17 **Q DO YOU SUPPORT THE CONTINUATION OF A PROPERTY TAX TRACKER IN  
18 THIS CASE?**

19 A Absolutely not. Spire has not presented any testimony even requesting a property tax  
20 tracker. In addition, Spire has not presented any evidence that would support why a  
21 property tax tracker is needed. Just because a utility receives a special regulatory tool  
22 in one case does not mean that it should remain in effect in subsequent cases without  
23 the utility having to justify its continued use. Spire has failed to justify the continued

1 use of the property tax tracker. At least in the issue of requesting \$1 million for research  
2 and development, there was an attempt to provide brief direct testimony requesting the  
3 funding, although the testimony was wholly inadequate. Here, there is simply nothing  
4 in the record that even remotely supports the claimed need for a property tax tracker.  
5 This issue should be rejected by the Commission, as Spire has failed to adequately  
6 justify its request. Any attempt to introduce this issue in rebuttal should be dismissed  
7 as well. Spire has failed in its burden with this issue.

8 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

9 **A** Yes, it does.



## Qualifications of Greg R. Meyer

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

2    A     Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,  
3     Chesterfield, MO 63017.

4    **Q     PLEASE STATE YOUR OCCUPATION.**

5    A     I am a consultant in the field of public utility regulation and a Principal with the firm of  
6     Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

7    **Q     PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

8    A     I graduated from the University of Missouri in 1979 with a Bachelor of Science Degree  
9     in Business Administration, with a major in Accounting. Subsequent to graduation I was  
10    employed by the Missouri Public Service Commission. I was employed with the  
11    Commission from July 1, 1979 until May 31, 2008.

12            I began my employment at the Missouri Public Service Commission as a Junior  
13    Auditor. During my employment at the Commission, I was promoted to higher auditing  
14    classifications. My final position at the Commission was an Auditor V, which I held for  
15    approximately ten years.

16            As an Auditor V, I conducted audits and examinations of the accounts, books,  
17    records and reports of jurisdictional utilities. I also aided in the planning of audits and  
18    investigations, including staffing decisions, and in the development of staff positions in  
19    which the Auditing Department was assigned. I served as Lead Auditor and/or Case  
20    Supervisor as assigned. I assisted in the technical training of other auditors, which  
21    included the preparation of auditors' workpapers, oral and written testimony.

**Greg R. Meyer**  
**Appendix A**  
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1           During my career at the Missouri Public Service Commission, I presented  
2 testimony in numerous electric, gas, telephone and water and sewer rate cases. In  
3 addition, I was involved in cases regarding service territory transfers. In the context of  
4 those cases listed above, I presented testimony on all conventional ratemaking  
5 principles related to a utility's revenue requirement. During the last three years of my  
6 employment with the Commission, I was involved in developing transmission policy for  
7 the Southwest Power Pool as a member of the Cost Allocation Working Group.

8           In June of 2008, I joined the firm of Brubaker & Associates, Inc. as a Consultant.  
9 Since joining the firm, I have presented testimony and/or testified in the state  
10 jurisdictions of Florida, Idaho, Illinois, Indiana, Iowa, Maryland, Missouri, New Mexico,  
11 Utah, Washington, Wisconsin and Wyoming. I have also appeared and presented  
12 testimony in Alberta and Nova Scotia, Canada. In addition, I have filed testimony at  
13 the Federal Energy Regulatory Commission ("FERC"). These cases involved  
14 addressing conventional ratemaking principles focusing on the utility's revenue  
15 requirement. The firm Brubaker & Associates, Inc. provides consulting services in the  
16 field of energy procurement and public utility regulation to many clients including  
17 industrial and institutional customers, some utilities and, on occasion, state regulatory  
18 agencies.

19           More specifically, we provide analysis of energy procurement options based on  
20 consideration of prices and reliability as related to the needs of the client; prepare rate,  
21 feasibility, economic, and cost of service studies relating to energy and utility services;  
22 prepare depreciation and feasibility studies relating to utility service; assist in contract  
23 negotiations for utility services, and provide technical support to legislative activities.

24           In addition to our main office in St. Louis, the firm has branch offices in Phoenix,  
25 Arizona and Corpus Christi, Texas.

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**Greg R. Meyer**  
**Appendix A**  
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**Spire Missouri  
GR-2021-0108**

**Response to MIEC's Data Request 4.1**

**Request:** Please confirm that Spire is seeking to continue a property tax tracker beyond this rate case.

Requested by: Jaime Reifsteck ([jreifsteck@chgolaw.com](mailto:jreifsteck@chgolaw.com))

**Response:** Yes. Spire is seeking to continue the property tax tracker beyond this rate case.

Signed by: Wesley Selinger