Exhibit No:	
Issue:	One Spire Missouri – Cost of
	Service
	Bill Affordability/Bill Impact
	SGS/LGS Switching
	Tariff Changes
	Miscellaneous Charges
	Keeping Families Warm Tariff
	Prior Rate Case Matters
Witness:	Julie Johnson
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Spire Missouri Inc.
Case Nos.:	GR-2025-0107
Date Prepared:	November 25, 2024

SPIRE MISSOURI INC.

GR-2025-0107

DIRECT TESTIMONY

OF

JULIE JOHNSON

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DIRECT TESTIMONY OF JULIE JOHNSON

1		I. <u>INTRODUCTION</u>
2	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
3	A.	My name is Julie Johnson, and my business address is 700 Market Street, St. Louis, Missouri
4		63101.
5	Q.	WHAT IS YOUR PRESENT POSITION?
6	A.	I am employed by Spire Missouri Inc. ("Spire Missouri" or the "Company") as the Manager
7		of Tariffs and Rates.
8	Q.	PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY
9		DESCRIBE YOUR RESPONSIBILITIES.
10	A.	I have been the Manager of Tariffs and Rates since January 2022. In this role, I am responsible
11		for administration of tariffs and rates for Spire Missouri, evaluating and overseeing tariff
12		programs to ensure compliance with Orders and Stipulations and Agreements. I also oversee
13		and manage the preparation and filing of Spire Missouri's regulatory mechanisms, including,
14		but not limited to, the Purchased Gas Adjustment ("PGA"), Actual Cost Adjustment ("ACA"),
15		and Weather Normalization Adjustment Rider ("WNAR"). Additionally, I lead and assist in
16		rate case efforts.
17	Q.	WHAT WAS YOUR PROFESSIONAL EXPERIENCE PRIOR TO ASSUMING
18		YOUR CURRENT POSITION?
19	A.	I have worked for Spire Missouri for over 24 years in several departments. Prior to my
20		current position, I was the Manager of Customer Experience Operations. In this role, I
21		managed the internal contact center and partnered with our third-party call centers to ensure
22		we were providing high quality, effortless customer interactions for all inbound and

1 outbound customer service contacts. Before the Customer Experience position, I was the 2 Manager of the Community Services Department for over 8 years. In that position, I 3 managed the various funding programs Spire Missouri offers along with the federal, state, 4 and local funding Spire Missouri receives. In this department, my team also worked 5 escalated complaints that come through organizations such as the Missouri Public Service 6 Commission ("Commission"), Better Business Bureau, and the Attorney General. I have 7 also led teams in the Financial Reporting Department and worked as an analyst in the Gas 8 Accounting Department.

9

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

10 A. I earned my Bachelor of Science – Business Administration degree from University of
 11 Missouri - St. Louis and my Master of Business Administration degree from Missouri Baptist
 12 University.

13 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS COMMISSION?

- 14 A. Yes, I filed testimony in case GR-2021-0108.
- 15

II. <u>PURPOSE OF TESTIMONY</u>

16 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

17 A. The purpose of my testimony is to discuss Spire's consolidation of its Cost of Service between

18 the East and West regions, SGS/LGS switching concerns, miscellaneous tariff changes,

- 19 Miscellaneous Charges changes, Spire Missouri's proposed Keeping Families Warm tariff,
- and prior rate case matters as stipulated in GR-2022-0179.

21 Q. WILL YOU BE SPONSORING ANY SCHEDULES?

A. No, I will not be sponsoring any schedules.

III. ONE SPIRE MISSOURI AND COST OF SERVICE

Q. PLEASE DISCUSS THE CURRENT OPERATION OF THE TWO SPIRE MISSOURI OPERATING UNITS.

A. Currently, Spire Missouri has separate rate tariffs for Spire Missouri East and Spire Missouri
West with different rate structures. All of the bill components are currently calculated
separately for Spire Missouri East and West including delivery charges, Infrastructure System
Replacement Surcharge ("ISRS"), WNAR, and PGA.

8 Q. WHAT STEPS IS SPIRE MISSOURI PROPOSING TO CONTINUE ITS EFFORTS

0

9 TO UNIFY ITS OPERATING UNITS INTO ONE SPIRE MISSOURI?

A. Spire Missouri is proposing to consolidate its rate structures so that it will have customer
 classes and associated rate structures consistent between both its operating units, Spire
 Missouri East and Spire Missouri West.

Q. WHAT CHARGES WILL NOW BE THE SAME FOR BOTH SPIRE MISSOURI EAST AND WEST?

A. Spire Missouri is proposing to consolidate the customer charge and volumetric rate structure
for Spire Missouri East and Spire Missouri West as well as ISRS and the Distribution Service
Adjustment ("DSA") being proposed by Spire Missouri Witness David Yonce. However, in
the event the DSA mechanism is not approved, Spire Missouri would propose to have one
WNAR for both Spire Missouri East and Spire Missouri West.

20 Q. WHAT ARE THE BENEFITS TO SPIRE MISSOURI OF UNIFYING THE 21 RATES/TARIFFS?

A. The Company will benefit through increased efficiencies and anticipated cost savings, which
 in turn, will reduce costs for customers or allow resources to be deployed elsewhere to the
 benefit of customers. Customer service representatives will become more efficient at

answering customer questions based upon a consolidated rate structure, versus separate
 geographic rate structures. There will also be record keeping and administrative efficiencies
 that Spire Missouri can achieve.

4 Q. WHAT ARE THE CUSTOMER BENEFITS OF UNIFYING THE RATES/TARIFFS?

5 A. The movement towards single tariff pricing has multiple benefits for customers, including 6 equalized rates among customers of both Spire Missouri East and Spire Missouri West. 7 Implementing consistent rates for similarly situated customer classes regardless of the 8 customer's geographic location will allow the Company the ability to spread fixed costs over 9 a larger customer base and will result in customer charges that more accurately reflect the cost of service. This will ultimately reduce the impact that would otherwise be experienced with 10 11 two smaller rate classes. These changes will also result in more streamlined tariffs and 12 consistency in treatment across the state of Missouri. Having just one set of tariffs should help eliminate customer confusion. 13

14 Q. AS A RESULT OF THE IMPLEMENTATION OF SINGLE TARIFF PRICING, WILL

15 THERE BE ANY SUBSIDIZATION BETWEEN SPIRE MISSOURI EAST AND 16 WEST?

A. There will inevitably be some, but it should be minimal, especially in the long run. Spire
 Missouri East and Spire Missouri West customers largely rely on the same employees so the
 cost to serve customers in both regions is virtually the same, aside from the cost of purchasing
 gas, which is more specific based on geographic area.

Q. ARE THERE CERTAIN CIRCUMSTANCES WHERE SPIRE MISSOURI EAST AND SPIRE MISSOURI WEST WILL NOT UTILIZE CONSOLIDATED RULES OR TARIFFS?

A. Yes, there will be a few circumstances where sharing the same rates and tariffs will not be
 currently feasible for Spire Missouri.

3 Q. PLEASE EXPLAIN WHERE CONSOLIDATED TARIFFS WILL NOT BE USED.

4 The consolidated rate tariff structure will not apply to Transportation Service. Currently, the A. 5 Transportation Service thresholds vary significantly between Spire Missouri East and Spire 6 Missouri West. For Spire Missouri East, the threshold to become a Transportation Service 7 customer is usage of at least 300,000 Ccf annually. For Spire Missouri West, the threshold is 8 much lower, at 30,000 Ccf annually. Since Spire Missouri East and Spire Missouri West have 9 a large difference in eligibility thresholds, at this time it becomes too challenging to develop 10 rates with a single cost of service that would accurately represent fair cost sharing, as well as 11 mitigate any sort of subsidization. Spire Missouri's PGA tariffs will also remain separate for 12 Spire Missouri East and a Spire Missouri West rate due to the fluctuation of pricing on the pipelines that serve the specific geographic location. 13

14 Q. HAS SPIRE MISSOURI MADE ANY RECENT CHANGES IN HOW IT OPERATES?

A. Yes. Recently Spire Missouri reorganized to streamline operations statewide. Spire Missouri
had a Vice President and General Manager for Spire Missouri East and another one for Spire
Missouri West. We now just have one Vice President and General Manager for operations
for the entire state. The director who oversees our ISRS program now oversees ISRS
replacement for the entire state, whereas previously held by two directors for each side of the
state. Moving towards one tariff rate is more reflective of how we run our business.

21 IV. BILL AFFORDABILITY/BILL IMPACT SGS/LGS SWITCHING

22 Q. PLEASE EXPLAIN WHAT IS MEANT BY SGS/LGS SWITCHING?

1 A. Currently, the eligibility requirements for the Spire Missouri East and Spire Missouri West 2 Small General Service ("SGS") and Large General Service ("LGS") differ, so that customers 3 must use more gas to be eligible for LGS. Specifically, for SGS, the rate schedule is available 4 to commercial or industrial customers whose annual consumption is less than 10,000 Ccf. For 5 LGS, the rate schedule is available to commercial or industrial customers whose annual 6 consumption is greater than or equal to 10,000 Ccfs. The Company reviews usage of the SGS 7 and LGS customers annually and moves these customers to the appropriate rate based on their 8 fiscal year usage.

- 9 Q. WHY DOES THIS PRESENT AN ISSUE?
- 10 A. This allows customers to take advantage of switching between rate classes when warmer than
 11 normal weather has caused a decline in the customer's usage.

12 Q. WHAT CHANGES IS SPIRE MISSOURI PROPOSING TO THE SGS AND LGS 13 RATE CLASSES?

A. Spire Missouri is proposing to increase the SGS volumetric rates to create less of a gap in
rates.

16 Q. WHY IS SPIRE MISSOURI PROPOSING THIS?

17 A. In the past, we have found that due to variations in weather, SGS and LGS usage fluctuates

- 18 year over year. Due to these fluctuations, customers can bounce between SGS and LGS every
- 19 other year. Both customers and Spire Missouri are better served when the rate class that
- 20 customers are eligible for is more predictable from year-to-year.

21 Q. WHAT PARTICULAR ISSUES CAN MISALIGNED RATES CAUSE?

1	A.	Because of this issue, customers could have budgeting issues when they switch between rate
2		classes. Also, by aligning the rates, the revenues associated with these rate classes will not be
3		as adversely affected when these changes occur annually.

V. <u>EXPLANATION OF TARIFF CHANGES</u>

5 Q. PLEASE SUMMARIZE THE CHANGES TO TARIFFS THAT SPIRE MISSOURI IS 6 PROPOSING.

A. Please refer to the Minimum Filing Requirements for a complete list of tariff sheet changes. For noted changes beyond minor mistakes and typos (i.e. extra letters or repeated words), I

- 9 will discuss in further detail below the change and the Company's reasoning for the change.
- 10

VI. <u>CUSTOMER CHARGE</u>

11 Q. WHY IS SPIRE MISSOURI INCREASING THE CUSTOMER CHARGE?

A. Spire Missouri is adding certain amortizations into the customer charge. These amortizations are customer program amortizations including Energy Efficiency, Energy Affordability Program, PAYS®, and Red Tag Program.

15 Q. PLEASE EXPLAIN THE REASONING FOR ADDING AMORTIZATIONS TO THE 16 CUSTOMER CHARGE.

A. Spire Missouri is proposing adding energy efficiency program amortizations to the customer
 charge since these are known costs, and are not subject to change as agreed upon through our
 energy efficiency tariffs. By adding these costs into the customer charge, Spire Missouri is
 adding recovery certainty to these costs. Simply put, these costs remain the same from year to- year and do not vary based on the volumetric use of gas.

1		VII. <u>MISCELLANEOUS CHARGES</u>
2	Q.	WHAT MISCELLANEOUS CHARGES IS SPIRE MISSOURI PROPOSING TO
3		MODIFY?
4	A.	Spire Missouri is proposing changes to the following Miscellaneous Charges: (i) Tariff Sheets
5		19 (Reconnection Charges, Meter Reading Non-Access Charge and Collection Trip Charge),
6		(ii) Tariff Sheet 19.1 (Service and Meter Relocation Charges), and (iii) and Tariff Sheet 19.3
7		(Schedule of Other Charges).
8	Q.	WHAT ARE THE PRIMARY DRIVERS BEHIND THESE PROPOSED TARIFF
9		REVISIONS?
10	A.	Some of the charges listed in Tariff Sheets 19-19.3 no longer accurately reflect the actual costs
11		to Spire Missouri to provide those specific services. The proposed tariff revisions bring these
12		charges more closely in line with Spire Missouri's actual costs to provide the noted services.
13		Spire Missouri is also standardizing more of its processes to align across the state, so separate
14		charges by region are no longer needed.
15	Q.	PLEASE DESCRIBE THE PROPOSED CHANGES TO SHEETS 19-19.3.
16	A.	Spire Missouri is proposing the following changes to Tariff Sheets 19-19.3:
17		• Reconnection Charge – Tariff Sheet 19 includes an increase to the reconnection
18		charge for a residential customer from \$65.00 to \$70.00.
19		• Meter Reading Non-Access Charge – Tariff Sheet 19 removes the \$10.00 charge
20		for non-access. Spire Missouri will continue to adhere to the guidelines in R-
21		6.1 if the Company is unable to obtain an actual meter reading.
22		• Collection Trip Charge – Tariff Sheet 19 removes the \$9.00 collection trip
23		charge. Spire Missouri's process in Spire Missouri West is changing to no

longer accept payments at a customer's premises. This change will align Spire Missouri West's process with Spire Missouri East's process.

- 3 Service and Meter Relocation Charges - Tariff Sheet 19.1 removes the 4 residential 'move inside meter to outside' and 'move inside meter to a new 5 inside location' charges of \$250 and \$100 respectively. Spire Missouri prefers 6 and encourages customers to request to move their gas meter outside, so Spire 7 Missouri does not want to charge customers to do so. Spire Missouri is also proposing to change charges for 'relocate outside meter assembly', 'adjust 8 9 height of meter assembly due to a grade change', 'temporarily disconnect 10 service line,' and 'relocate or extend a service line -0 to 10 feet' to time and 11 material charges. Along with this change, Spire Missouri is recommending 12 charges be applicable to all Spire Missouri residential customers, instead of just Spire Missouri East customers. 13
- 14 Schedule of Other Charges - Tariff Sheet 19.3 removes all of the charges on this 15 sheet.

16 VIII. **OTHER MISCELLANEOUS TARIFF CHANGES**

IS THE COMPANY PROPOSING ANY OTHER MISCELLANEOUS TARIFF 17 Q. **CHANGES?** 18

- 19 Yes. I have outlined those changes below: A.
- 20

1

- Tariff Sheet 1.3 Table of Contents updated. •
- 21 Tariff Sheet 2 – Customer charge and rates are updated. DSA is added. • 22
 - Language changed to clarify Charge for Gas Delivery.

1	• Tariff Sheets 3-3.3– Replaced Spire Missouri East with Spire Missouri.
2	Customer charge and rates are updated. DSA is added. Language changed to
3	clarify Charge for Gas Delivery. Detail added to the Availability section to be
4	consistent between both Missouri East and Missouri West regions. Tariff Sheet
5	3.2-3.3 are cancelled.
6	• Tariff Sheets 4-4.4 – Replaced Spire Missouri East with Spire Missouri.
7	Customer charge and rates are updated. Language changed to clarify Charge
8	for Gas Delivery. Detail added to the Availability section to be consistent
9	between both Missouri East and Missouri West regions. Tariff Sheet 4.2-4.4
10	are cancelled.
11	• Tariff Sheets 5-5.6 – Replaced Spire Missouri East with Spire Missouri.
12	Customer charge and rates updated, demand charge removed. Available
13	section updated. Additional meter charge is removed and Tariff Sheets 5.3-5.6
14	are cancelled.
15	• Tariff Sheets 6-6.3 – Replaced Spire Missouri East with Spire Missouri.
16	Customer charge and rates are updated. Tariff Sheets 6.2-6.3 are cancelled.
17	• Tariff Sheet 7 – Updated fixed monthly charge.
18	• Tariff Sheet 8 – Replaced Spire Missouri East with Spire Missouri, updated
19	customer charge and rates. Changed language to gallons delivered.
20	• Tariff Sheets 9.1, 9.14 and 9.31 – removed electronic gas measurement
21	("EGM") equipment charges and references.
22	• Tariff Sheets 9.11-9.13 – Updated customer charge and rates.

1	• Tariff Sheets 10-10.15 – Added the DSA tariff as discussed in Company
2	Witness Yonce's testimony. Tariff Sheets 10.2-10.15 are cancelled.
3	• Tariff Sheet 11.5 – Updated sales volumes and removed purchase volumes
4	since these are not used in the PGA calculation.
5	• Tariff Sheet 12 – Updated rates and removed Spire East and Spire West
6	headings.
7	• Tariff Sheets 13-13.9 – Clarification to the WNAR tariff is added. Tariff
8	Sheets 13.4-13.9 are cancelled.
9	• Tariff Sheets 17.1-17.2 – EGM equipment charges are removed and financing
10	language is removed.
11	• Tariff Sheets 20-20.3 – Replaced Spire Missouri West with Spire Missouri and
12	added in Spire Missouri East communities.
13	• Tariff Sheets 21-21.16 – Added Township, Ranges, Sections based on audit
14	findings as discussed in Company Witness Lavin's testimony.
15	• Tariff Sheets 22-22.1 – Removed the maps and changed Tariff Sheets to
16	Reserved for Future Use.
17	• Tariff Sheet R-2 – Updated Table of Contents.
18	• Tariff Sheet R-3.1 – Revised ebill definition.
19	• Tariff Sheet R-6.4 – Added language to the acceptable forms of payment.
20	• Tariff Sheet R-7 – Added language to the non-access meter reading charge.
21	• Tariff Sheet R-18 – Removed Rule 22 Meter Reading Non-Access charge and
22	Rule 23 Collection Trip Charge since we are no longer charging these.
23	• Tariff Sheet R-26 – Added language to owners of rental property section.

1		• Tariff Sheet R-29 – Added clarifying language, increased funding and limits
2		as can be seen in Company Witness Dean's testimony.
3		• Tariff Sheet R-30 – R-30.28 – Added rebates and updated rebate amounts.
4		The Home Comfort program has been eliminated. Added definitions and
5		enhancements as can be seen in Company Witness Dean's testimony.
6		• Tariff Sheet R-31 – Changed the Federal Poverty Level percentage.
7		• Tariff Sheet R-32 – Added administrative fee language and removed the
8		percentage of funding language.
9		• Tariff Sheet R-36 – Introduced new Keeping Families Warm program.
10		IX. <u>KEEPING FAMILIES WARM TARIFF</u>
11	Q.	IS SPIRE MISSOURI PROPOSING A NEW TARIFF IN THIS PROCEEDING?
12	A.	Yes, Spire Missouri is filing a Keeping Families Warm Program tariff as agreed to in the
13		Stipulation and Agreement filed in Case No. GR-2021-0127.
14	Q.	PLEASE DESCRIBE THE KEEPING FAMILIES WARM PROGRAM.
15	A.	The proposed Keeping Families Warm Program, set forth in Tariff Sheet No. R-36, is designed
16		to provide gas bill payment assistance to Spire Missouri customers meeting the eligibility
17		
		criteria. Participants in the program may choose a preferred due date at enrollment that
18		criteria. Participants in the program may choose a preferred due date at enrollment that matches the time they regularly receive income. Participants will also receive monthly heating
18 19		
	Q.	matches the time they regularly receive income. Participants will also receive monthly heating
19	Q. A.	matches the time they regularly receive income. Participants will also receive monthly heating bill credits when the participant makes payments on their account by the due date each month.
19 20		matches the time they regularly receive income. Participants will also receive monthly heating bill credits when the participant makes payments on their account by the due date each month. HOW DOES THE COMPANY PLAN TO FUND THIS PROGRAM?

Missouri waited until this rate case to propose the Keeping Families Warm Program, Spire Missouri has paid the previously mentioned \$200,000 for low-income assistance to the United Way's Critical Needs Program in 2023 and 2024. If the tariff is approved, this funding will be directed to the new program for the remainder of the 5 year stipulated period. Depending on when rates are effective in this case, this funding may only be available for this program for two or three years.

7

X. <u>PRIOR RATE CASE MATTERS</u>

8 Q. IN THE COMPANY'S MOST RECENT RATE CASE (GR-2022-0179), DID THE 9 COMPANY AGREE TO CERTAIN ITEMS AS PART OF THE STIPULATION AND 10 AGREEMENT?

A. Yes. There were several matters that the Company agreed to relating to meters, data collection
 and retention, and assets, among other issues.

13 Q. HAVE ALL AGREED TO ITEMS BEEN COMPLETED IN ACCORDANCE WITH

14 THE TERMS OF THE STIPULATION AND AGREEMENT?

15 A. All items have either been completed or are in the process of being completed.

16 Q. CAN YOU PROVIDE AN UPDATE ON THE STATUS OF SOME OF THOSE ITEMS

17 IN THE STIPULATION AND AGREEMENT?

18 A. Yes. Below is an update on the status of those items in the GR-2022-0179 Stipulation and

- 19 Agreement and Company witnesses that discuss each issue in their testimony:
- Item 30. Meters Spire Missouri is in the process of completing parts (a), (b),
- 21 (c), and (e). Refer to Company witness Michelle Antrainer's direct testimony.
- 22 For Part (d), the Company has developed a report based on meter type and
- 23 meter size by customer class.

1		• Item 31. Data Collection and Retention – Spire Missouri is in the process of
2		completing parts (a), (d), and (e). Refer to Company witness Michelle
3		Antrainer's direct testimony. For part (b), the Company has developed a rebill
4		report and is still in the process of testing this report for accuracy. For part
5		(c), the Company developed customer-level demand determinants for
6		Transportation, LV, LGS and SGS rate classes. For part (f), the Company
7		provides quarterly report updates.
8		• Item 32. Continuing Commitments from Prior Rate Cases – the Company has
9		completed parts (a), (b), (c), (d), (e), and (f).
10		• Item 35, 37, and 44. Continuing Plant Records ("CPR") Audit – Spire GR-
11		2022-0179 has split the audit into two parts, internal review and external
12		review. Company witness Michelle Antrainer discusses progress on this audit
13		in her direct testimony.
14		XI. CONCLUSION
14		XI. <u>CONCLUSION</u>
15	Q.	DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
16	A.	Yes, it does

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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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 Company's Missouri Service Areas

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File No. GR-2025-0107

VERIFICATION OF JULIE JOHNSON

STATE OF MISSOURI CITY OF ST. LOUIS

I, Julie Johnson, of lawful age, under penalty of perjury, and pursuant to Section 509.030, RSMo, state as follows:

I. My name is Julie Johnson. I am the Manager, Tariffs and Rates for Spire Missouri Inc. My business address is 700 Market St., St Louis, Missouri 63101.

II. My direct testimony on behalf of Spire Missouri Inc. is attached to this verification.

III. My answers to each question in the attached direct testimony are true and correct to the best of my knowledge, information, and belief.

Julie Johnson

November 25, 2024

Date