

Exhibit No.:	_____
Issue:	Stipulation Items Stranded Asset Customer Normalization
Witness:	Michelle Antrainer
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Spire Missouri Inc.
Case No.:	GR-2025-0107
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SPIRE MISSOURI INC.

CASE NO. GR-2025-0107

DIRECT TESTIMONY

OF

MICHELLE ANTRAINER

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DIRECT TESTIMONY OF MICHELLE ANTRAINER

I. INTRODUCTION

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Michelle Antrainer, and my business address is 700 Market Street, St. Louis, MO 63101.

Q. WHAT IS YOUR PRESENT POSITION?

A. I am presently employed as Manager of Rates and Planning at Spire Missouri Inc. (“Spire Missouri” or the “Company”).

Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.

A. I have been in my present position since January 2022. In my current position, I am responsible for managing the creation and filing of rate and regulatory matters. Prior to that, I was a Lead Regulatory Analyst responsible for the research, assessment, development, and implementation of Spire Missouri’s rate/regulatory analysis.

Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE AT SPIRE MISSOURI.

A. I joined Spire Missouri Inc. (Laclede Gas) in 1993 as a corporate accountant. Since that time, I have worked in various positions within the Finance and Operations area of Spire Missouri along with working on teams that implemented several IT software solutions.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I have a Bachelor of Science in Business Administration, with an emphasis in Accounting from the University of Missouri – St. Louis.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION (“COMMISSION”)?

1 A. Yes, I filed testimony in Case Nos. GR-2021-0108, GR-2022-0179, and GO-2022-0339.

2 **II. PURPOSE OF TESTIMONY**

3 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

4 A. My direct testimony will first address the progress of items required per the Stipulation and
5 Agreement in GR-2022-0179 (“2022 Stipulation”). Next, my testimony will explain the
6 diaphragm meter cost recovery proposed by Spire Missouri in this case. Finally, I will
7 provide support for an adjustment to reflect a normalized customer count.

8 **III. SPIRE MISSOURI’S STIPULATION ITEMS**

9 **Q. PLEASE EXPLAIN SPIRE MISSOURI’S RESPONSE TO THE REQUIREMENTS**
10 **FROM THE 2022 STIPULATION.**

11 A. As explained in more detail by Company Witness Julie Johnson, in the 2022 Stipulation
12 Spire Missouri agreed to update the Missouri Public Commission Staff and the Office of
13 Public Council on a quarterly basis about the Continuing Plant Records (“CPR”) audit and
14 the diaphragm meter replacement program. In accordance with the 2022 Stipulation, on a
15 quarterly basis, the Company provides a report to the parties summarizing the progress
16 made since the last report along with any planning or resource changes made by the
17 Company.

18 **Q. WHAT ITEMS ARE YOU ADDRESSING FROM THE 2022 STIPULATION?**

19 A. I will address the following items from the 2022 Stipulation: Item 30 Meters (Parts a, b, c,
20 and e), Item 31 Data Collection and Retention (Parts a, d, and e) and Items 35-44
21 Continuing Plant Records Audit. Company Witness Julie Johnson addresses the remaining
22 2022 Stipulation terms.

1 **Q. PLEASE EXPLAIN THE ACTIONS SPIRE MISSOURI HAS TAKEN TO**
2 **COMPLY WITH THE TERMS OF THE 2022 STIPULATION REQUIREMENT**
3 **REGARDING METERS.**

4 A. To comply with the 2022 Stipulation requirement related to meters (Item 30), the Company
5 has defined a process to identify customer savings separately for labor and non-labor. In
6 addition, Spire Missouri submits quarterly progress updates for the meter replacement
7 program for both the Spire Missouri East and West service territories to the Staff of the
8 Missouri Public Service Commission and Office of Public Counsel. Finally, Spire Missouri
9 is in the process of validating all financial assets.

10 **Q. PLEASE DESCRIBE SPIRE MISSOURI'S ACTIONS REGARDING THE DATA**
11 **COLLECTION AND RETENTION REQUIREMENT IN THE 2022**
12 **STIPULATION.**

13 A. To address the Data Collection and Retention (Item 31), Spire Missouri is working towards
14 gathering daily customer usage in a data warehouse. The daily usage currently comes from
15 multiple types of measurement devices; however, the data will need to reflect consistent
16 structures to provide the ability to summarize customer data not only for specific rate
17 classes but also on a consolidated basis. Until all measurement devices are updated and
18 provide this consistent data, the Company will not be able to provide the daily usage by
19 customer data for class cost of service calculations.

20 **Q. PLEASE DESCRIBE SPIRE MISSOURI'S ACTIONS REGARDING THE**
21 **CONTINUING PLANT RECORDS AUDIT.**

22 A. Per the 2022 Stipulation, the Company was required to confirm all assets included in the
23 financial records are being utilized for Company operations. Spire Missouri's financial

1 assets were split into two groups for review by either an independent consultant or internal
2 resource. Main, service, and meter assets would be audited by an independent consultant
3 while the remaining asset types would be reviewed by internal resources.

4 **Q. PLEASE EXPLAIN THE PROCESS UTILIZED BY THE COMPANY TO**
5 **COMPLETE THE INTERNAL FINANCIAL ASSET REVIEW.**

6 A. On April 30, 2024, a meeting was held with department managers to discuss the review
7 requirements for all assets used within their area. Each manager received a list of the Spire
8 Missouri financial asset details and was tasked with verifying that the item is used and
9 useful. After the department manager's review, the file was returned to Finance with any
10 necessary asset retirements or asset transfers identified.

11 **Q. PLEASE SUMMARIZE THE ADJUSTMENTS MADE RELATED TO THE**
12 **INTERNAL ASSET REVIEW.**

13 A. Approximately \$18.2 million of plant assets were identified by the internal Spire Missouri
14 asset review for retirement and were mostly retired during the test year. The remaining
15 retirements identified were completed in October 2024 and will be recognized as part of
16 the true up process. The plant accounts that were adjusted as a result of the review include
17 compressor station equipment, information technology equipment, measuring and
18 regulating equipment, office furniture, and vehicles and equipment.

19 **Q. WHAT CHANGE IS THE COMPANY IMPLEMENTING TO IMPROVE THE**
20 **ACCURACY OF PLANT ACCOUNTING RECORDS?**

21 A. The Company is working to implement an annual asset review process similar to the
22 departmental asset verification recently completed. This annual review will remind

1 department managers that any asset changes need to be provided to Finance to ensure
2 accurate plant balances.

3 **Q. PLEASE EXPLAIN THE PROCESS UTILIZED BY THE THIRD PARTY ASSET**
4 **AUDITOR TO COMPLETE THE ASSET REVIEW.**

5 A. Grant Thornton LLP was engaged to perform an independent audit of Spire Missouri's
6 main, service, and meter financial assets. For a sample meter population, the vendor
7 performed visits to customer premises to verify the meter existed. For the main and service
8 assets, the consultant selected a project sample that was provided to Engineering resources
9 to provide asset data from both the Maximo (physical asset management system) and GIS
10 (geographic spatial) systems. In addition to the specific asset validations, Grant Thornton
11 LLP reviewed the procedures related to plant addition and retirement processes and met
12 with the Spire Missouri internal audit department to discuss results of previous internal
13 data reviews.

14 **Q. PLEASE SUMMARIZE THE ADJUSTMENTS MADE TO REFLECT THE**
15 **RESULTS OF THE VENDORS ASSET AUDIT.**

16 A. No adjustments are reflected in the Company's filing position because the vendor audit is
17 still ongoing. Spire Missouri anticipates receiving the audit results in the next few months
18 and will complete any plant asset adjustments as part of the "true up" process and discuss
19 changes in subsequent testimony filing.

20 **Q. PLEASE EXPLAIN WHAT IMPACT THE CONTINUING PROPERTY**
21 **RECORDS AUDIT RESULTS MAY HAVE ON THIS CASE?**

22 A. The results of the Grant Thornton LLP asset audit may require the Company to adjust net
23 plant account balances (plant original cost less accumulated depreciation reserve). Based

1 on this adjustment, the depreciation study sponsored by Company Witness John Spanos of
2 Gannett Fleming may need to be updated to reflect the adjusted plant balances.

3 **IV. STRANDED ASSET TREATMENT**

4 **Q. PLEASE EXPLAIN THE COST RECOVERY ISSUE FOR DIAPHRAGM**
5 **METERS.**

6 A. The historical depreciation rates for diaphragm meters were based on a 35-year service life,
7 while the average field life experienced was closer to 18 to 20 years. The expected life
8 variance has led to under recovered diaphragm meter costs.

9 **Q. IS THIS A NEW ISSUE ARISING IN THIS CASE?**

10 A. No. This issue was addressed in previous rate cases but, prior to any solution being
11 discussed, was deferred.

12 **Q. WHY IS THIS STRANDED ASSET ISSUE IMPACTING SPIRE MISSOURI EAST**
13 **TO A GREATER EXTENT THAN SPIRE MISSOURI WEST?**

14 A. Spire Missouri East utilizes the Landis & Gyr (“L&G”) network and technology to receive
15 customer’s monthly billing meter reads. In July 2020, L&G notified Spire Missouri that
16 the current network is at the end of its useful life and since Spire Missouri is the only
17 company using this network it would not be cost effective to update the system. Spire
18 Missouri reviewed the options and determined that moving Spire Missouri East to the same
19 meter reading platform as the other Company utilities provided the most benefit. The
20 expiration date of the L&G contract in April 2025 accelerated the timeframe for the
21 Missouri East meter replacement program.

22 **Q. WHAT SOLUTION DID SPIRE MISSOURI IMPLEMENT TO RESOLVE THE**
23 **METER TECHNOLOGY ISSUE?**

1 A. Spire Missouri determined the installation of advanced meters provided the most benefits
2 for its customers, employees and the community served while addressing the monthly
3 meter reading billing requirement.

4
5 **Q. PLEASE SUMMARIZE THE BENEFITS OF ADVANCED METERS.**

6 A. Advanced meters main benefits address safety, accuracy and reliability. Safety benefits
7 include automatic shut off capability if the meter senses elevated temperatures or increased
8 flow rates. The temperature sensor is designed to activate the shut off valve when it detects
9 heat from a fire or explosion and prevents the natural gas from contributing to the situation.
10 The flow rate sensor activates the shut off valve when elevated flow rates occur for longer
11 than 10 seconds. This prevents a buildup of natural gas in the premise and reduces the
12 risks associated with this condition. Near field remote shut-off allows company resources
13 to activate the shut off valve utilizing a handheld device from up to 1,000 feet away. This
14 feature allows the employee to complete the job in the safest manner possible. The
15 accuracy and reliability benefits address the degradation issue experienced with diaphragm
16 meters. The advanced meter capabilities do not erode over the service life.

17 **Q. IS THE COMPANY REPLACING ALL DIAPHRAGM METERS WITH**
18 **ADVANCED METERS IMMEDIATELY?**

19 A. Advanced meters are replacing any diaphragm meter that is older than 10 years of age or
20 is located inside the customer premises. For meters that are located outside the customer
21 premises and less than 10 years of age, an electronic meter reading device is being installed
22 on the existing diaphragm meter. The outside meters with a compatible electronic device
23 will be replaced with an advanced meter when the diaphragm meter reaches the 10 years
24 of age threshold.

1 **Q. WHY IS THE COMPANY NOT REPLACING METERS YOUNGER THAN 10**
2 **YEARS OLD?**

3 A. In Case No. GR-2021-0108, the Commission ordered that it was not prudent to replace
4 meters that were younger than 10 years except for meter failures, other relevant operational
5 reasons, or when the company is able to provide evidence that the replacement is necessary.

6
7 **Q. HOW DOES THE COMPANY PROPOSE TO HANDLE THE UNDER**
8 **RECOVERED DIAPHRAGM COST ISSUE?**

9 A. Spire Missouri proposes that a regulatory asset be created for the Spire Missouri East
10 service territory to reflect the under recovered diaphragm meter costs related to the 250
11 CFH and 400 CFH sized meters being replaced by advanced meter technology. The
12 regulatory asset balance consists of both the meter purchase and meter installation charges.

13 **Q. WHAT RECOVERY IS THE COMPANY REQUESTING?**

14 A. The Company is requesting to amortize the new regulatory asset to recover the meter
15 purchase and meter installation costs associated with the diaphragm meters that were
16 replaced with advanced meter technology over 15 years. This regulatory asset will not be
17 included in rate base, therefore, no “return on” the asset is being sought.

18 **Q. WHY IS THIS RECOVERY APPROPRIATE?**

19 A. The 15-year recovery period reflects the remainder of the original service life used in the
20 calculation for the current approved depreciation rates and will allow Spire Missouri East
21 to recover the full cost of purchasing and installing the diaphragm meters, which were later
22 replaced with safer meter technology. Absent such recovery, the Company would be
23 required to write off the cost remaining unrecovered at the time of the asset retirement.

1 **Q. WILL THIS ISSUE OCCUR FOR THE SPIRE MISSOURI WEST SERVICE**
2 **TERRITORY?**

3 A. This same issue could impact the diaphragm meter plant accounts for the Spire Missouri
4 West service territory depending on the meter replacement schedule.

5 **Q. IS THE COMPANY RECOMMENDING ANY CHANGES TO MITIGATE THIS**
6 **ISSUE?**

7 A. Yes. The Company is recommending increasing the depreciation rate for these assets. This
8 rate increase is explained as part the Depreciation Study that is being sponsored by
9 Company Witness John Spanos of Gannett Fleming.

10 **V. CUSTOMER ADJUSTMENTS**

11 **Q. IS SPIRE MISSOURI PROPOSING TO ADJUST THE NUMBER OF**
12 **CUSTOMERS AS PART OF THIS PROCEEDING?**

13 A. Yes. Spire Missouri is proposing changes to the residential customer numbers. The
14 Company has resumed non-payment disconnection work due to the increasing customer
15 accounts receivable balances. Customer disconnections for non-payment were halted as
16 part of the COVID 19 pandemic response and continue to lag historical averages. These
17 adjustments incorporate the company's forecasted activities through the true up period.
18 Company Witnesses Trisha Lavin and Eric Bouselli will provide customer adjustment
19 details and the related impact to the revenue requirement.

20 **VI. CONCLUSION**

21 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

22 A. Yes, it does.
23

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

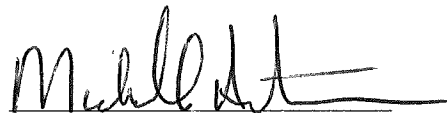
In the Matter of Spire Missouri Inc. d/b/a)
Spire’s Request for Authority to Implement)
A General Rate Increase for Natural Gas)
Service Provided in the Company’s Missouri)
Service Areas)
File No. GR-2025-0107

VERIFICATION OF MICHELLE ANTRAINER

STATE OF MISSOURI)
)
CITY OF ST. LOUIS)

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

- I. My name is Michelle Antrainer. I am the Manager, Rates and Planning 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.


Michelle Antrainer

November 25, 2024

Date