

Exhibit No.:	
Issues:	ISRS
Witness:	Bradley Cebulko
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Consumer Council
of Missouri	
Case No.:	GR-2025-0107
Date Prepared:	May 30, 2025

CONSUMER COUNCIL OF MISSOURI
REBUTTAL TESTIMONY

OF

BRADLEY T. CEBULKO

May 30, 2025

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1 **I. Introduction**

2 **Q. Please state your name, business name, and address.**

3 A. My name is Bradley Cebulko. My business address is 2900 E Broadway Blvd Suite 100
4 #780, Tucson, AZ, 85716.

5 **Q. Are you the same Bradley Cebulko that submitted direct testimony in this proceeding.**

6 A. Yes.

7 **Q. On whose behalf are you appearing?**

8 A. I am presenting testimony on behalf of the Consumers Council of Missouri.

9 **Q. What is the purpose of your testimony?**

10 A. The purpose of my testimony is discuss the opportunity for gathering more data and
11 information on Spire Missouri Inc’s (“Spire” or “the Company”) Infrastructure System
12 Replacement Surcharge (“ISRS”).

13 **Q. What are your recommendations to the Missouri Public Service Commission?**

14 A. I recommend that the Commission order Spire to make an annual ISRS performance
15 filing that provides the Commission with information for assessing the program’s
16 performance in rate cases and ISRS filings. At a minimum, the filing should include the
17 metrics I identified in my testimony, the most recent five years of data for each metric,
18 and an explanation for how the Company determines whether a project is worn out or is
19 in deteriorated conditions, as required by statute. The Company should make its first
20 ISRS performance filing within 90 days of the Commission issuing its order in this rate
21 case. The Company should make its second filing alongside its next ISRS filing or rate
22 case, whichever comes first. Subsequent filings should occur every 12 months after the
23 Company files its second annual ISRS performance review. In the alternative, subsequent
24 filings could occur with each ISRS filing or rate case.

1 **II. ISRS**

2 **Q. What is ISRS?**

3 A. The ISRS is a program established by statute that allows gas utilities, such as Spire, to
4 recover costs for certain eligible gas plant.¹ The statute identifies several types of gas
5 utility plant projects, including cast iron or steel facilities, or other pipeline system
6 components that have worn out or are in deteriorated conditions.² The statute also defined
7 eligible gas utility plant projects as those that:

- 8 (a) Do not increase revenues by directly connecting the infrastructure
9 replacement to new customers;
10 (b) Are in service and used and useful;
11 (c) Were not included in the gas corporation's rate base in its most recent general
12 rate case; and
13 (d) Replace or extend the useful life of an existing infrastructure.

14
15 **Q. Is the Company seeking to recover ISRS costs in base rates in this rate case?**

16 A. Yes. Witness Yonce testifies that approximately \$53.6 million of the Company's
17 proposed \$289.5 million increase to gross revenue are the ISRS costs moving from a
18 separate billing mechanism and into base rates.³

19
20

¹ § 393.1009(5), RSMo.

² § 393.1009(5), RSMo.

³ Direct Testimony of David A. Yonce, at 3.

1
2 **Q. Does the Company provide program details and proposed budgets in the rate case?**

3 A. No. To the best of my knowledge, since the inception of the ISRS, Spire has made
4 separate filings for Commission review and approval. Spire made its most recent ISRS
5 filing on January 17, 2025, in Docket GR-2025-0206.

6 **Q. What type of information does Spire include as part of its ISRS filing?**

7 A. In its application, Spire files a recommended revenue requirement with supporting
8 calculations for both Spire East and Spire West,⁴ as well as a list of projects that it states
9 are eligible under statute.⁵ The Company also submitted brief testimony from a Senior
10 Regulatory Analyst, who provided a general overview of the ISRS request, testified to the
11 competitive bidding process for replacements performed by contractors, and the
12 Company's handling of incremental costs.⁶

13 **Q. What is your understanding of the purpose of the ISRS program?**

14 A. I understand the Spire's ISRS program to be related to the 2011 U.S. Department of
15 Transportation and the Pipeline and Hazardous Materials Safety Administration's
16 (PHMSA) "Call to Action" to accelerate the repair, rehabilitation, and replacement of
17 higher risk pipe.⁷ PHMSA issued its Call to Action following several pipeline incidents.

⁴ Docket GR-2025-0206, *In the Matter of the Application of Spire Missouri Inc. to Change its Infrastructure System Replacement Surcharge in its Spire Missouri East and West Service Territories*. Verified Application and Petition of Spire Missouri Inc. to Change its Infrastructure System Replacement Surcharge for its Spire Missouri East and West Service Territories, and Request for Waiver from 60 Day Notice Rule, January 17, 2025. At 3.

⁵ *Id* at 4.

⁶ Docket GR-2025-0206, Direct Testimony of Trisha E. Lavin, at 4.

⁷ U.S. Department of Transportation Pipeline Hazardous Materials Safety Administration, "Pipeline Replacement Background." Available at: <https://www.phmsa.dot.gov/data-and-statistics/pipeline-replacement/pipeline-replacement-background>.

1 PHMSA identified cast and wrought iron and bare steel pipe as among the pipelines that
2 pose the highest risk. In the years to follow, states across the country, often through
3 legislative directive, instructed gas utilities to develop programs that accelerated the
4 repair, rehabilitation, and replacement of higher risk pipe.

5 **Q. Does Spire include any ISRS performance metrics in its cost recovery filings or in**
6 **this rate case?**

7 A. I have not found nor seen performance metrics that would provide information to the
8 Commission and the public about the success of this program. The Company's testimony
9 on the ISRS in this case appears to be limited to noting that it was folding ISRS costs into
10 base rates.⁸ In my review of the most recent ISRS filing in Docket GR-2025-0206,
11 neither the Company's application nor testimony provides performance metrics. I do not
12 have access to the discovery that was submitted in that case, so I do not know everything
13 that was asked by intervening parties. But in my review of the Commission Staff's
14 comments, I did not see a discussion of the success of the program to mitigate leaks,
15 improve safety, nor did I see an assessment of the cost-effectiveness of the Company's
16 performance.

17 **Q. What type of performance metrics would you expect to see included in a filing or a**
18 **rate case seeking to recover ISRS costs?**

19 A. The Commission is an economic and safety regulator. I would expect to see economic
20 and safety performance metrics. For example, I would expect to see metrics including,
21 but not limited to:

⁸ Direct Testimony of David A. Yonce, at 3, Direct Testimony of Scott A. Weitzel, at 7.

1 (1) Leak Rates

2 (a) Annual leaks per mile of main by material type, broken out by leak grade

3 (e.g., Grade 1, 2, or 3).

4 (b) Annual service line leaks by material type, broken out by leak grade.

5 (c) The number of main leaks repaired or eliminated, by leak grade, per year.

6 (d) The number of service line leaks repaired or eliminated, by leak grade, per
7 year.

8 (2) Economic Metrics

9 (a) Annual ISRS spending projections and authorized revenue requirements.

10 (b) Subsequent actual total spending and associated revenue requirements.

11 (c) Loaded and unloaded average cost of main replacement per foot.

12 (d) Loaded and unloaded average cost of service replacement.

13 (e) Loaded and unloaded average cost of main repair per foot.

14 (f) Loaded and unloaded average cost of service line repair per foot.

15 (g) Forecast of next year's cost to replace a main per foot.

16 (h) Forecast of next year's cost to replace a service line per foot.

17 (i) Forecast of next year's cost to repair a main per foot.

18 (j) Forecast of next year's cost to repair a service line per foot.

19 (k) ISRS bill impact per residential customer.

20 (3) Infrastructure Replacement Progress

21 (a) Total miles of mains by material types and pipeline diameter.

22 (b) Total number service lines, and feet of service lines, by material types and
23 pipeline diameter.

(c) Miles of main, by material type and pipeline diameter, Spire considers to be ISRS-eligible.

(d) An explanation of the attributes Spire uses for determining a project is ISRS-eligible.

(e) Miles of mains replaced per year.

(f) Miles of mains repaired per year.

(g) Feet of service lines replaced per year.

(h) Feet of service lines repaired per year.

(i) Percentage of ISRS-eligible miles replaced per year.

(j) Percentage of ISRS-eligible miles repaired per year.

Q: Is there anything else that you would expect to see in a filing alongside the performance metrics?

A: Yes. I would expect that the Company would provide each metric for a five- to ten-year period, so that the Commission, intervening parties, and the public can contextualize annual information and assess performance trends over time. The Commission and public need metrics like leaks per mile for determining if Spire is achieving the public policy goals articulated in Missouri statute. I would also expect that the utility would provide an explanation for how it determines whether gas plant asset is worn out or is in deteriorated conditions, as required by statute.⁹

Q. Why is it important for the Company to measure and publicly report on ISRS performance?

⁹ § 393.1009(5), RSMo.

1 A. It is the Commission's responsibility as the gas utility regulator to ensure that utility
2 service is safe, reliable, and affordable. The Commission needs information for assessing
3 Spire's performance, and ensure it is prudently spending ratepayer money. The metrics
4 will also enable data-driven oversight by the Commission., such as whether the program
5 is improving safety outcomes. Metrics on leak reduction and cost will also allow the
6 Commission to evaluate whether the program is progressing efficiently, if costs are
7 trending upward or downward, and whether mid-course corrections are needed. Through
8 the regular reporting of performance metrics, the Commission can assess whether Spire is
9 delivering value for the money spent.

10 **Q. What is your recommendation to the Commission?**

11 A. I recommend that the Commission order Spire to make an annual ISRS performance
12 filing that provides the Commission with information for assessing the program's
13 performance in rate cases and ISRS filings. At a minimum, the filing should include the
14 metrics I identified in my testimony, the most recent five years of data for each metric,
15 and an explanation for how the Company determines whether a project is worn out or is
16 in deteriorated conditions, as required by statute. The Company should make its first
17 ISRS performance filing within 90 days of the Commission issuing its order in this rate
18 case. The Company should make its second filing alongside its next ISRS filing or rate
19 case, whichever comes first. Subsequent filings should occur every 12 months after the
20 Company files its second annual ISRS performance review. In the alternative, subsequent
21 filings could occur with each ISRS filing or rate case.

22 **Q. Does that conclude your testimony?**

23 A. Yes.

**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.)

File No. GR-2025-0107

AFFIDAVIT OF BRAD CEBULKO

I, the undersigned, being duly sworn, states that my name is Brad Cebulko, and that the foregoing Direct Testimony of Brad Cebulko, including attachments, was prepared by me on behalf of the Consumers Council of Missouri. This testimony was prepared in written form for the purpose of its introduction into evidence in the above utility case at the Missouri Public Service Commission.

I hereby swear and affirm that the attached testimony is true and correct to my best knowledge, information, and belief, and I adopt said testimony as if it were given under oath in a formal hearing.



Brad Cebulko

Subscribed before me on this 29 day of May, 2025:

State of: Washington
County of: King
The foregoing instrument was acknowledged
before me 29 day of May, 2025
Dale Greenfeld
Your Name Here, Notary Public
My Commission Expires 04/17/2026

