

*Exhibit No.:*  
*Issue(s):* Short-term debt  
*Witness:* Kimberly K. Bolin  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Rebuttal Testimony  
*Case No.:* GR-2025-0107  
*Date Testimony Prepared:* May 30, 2025

**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL AND BUSINESS ANALYSIS DIVISION**

**REBUTTAL TESTIMONY**  
**OF**  
**KIMBERLY K. BOLIN**

**SPIRE MISSOURI INC.,**  
**d/b/a Spire**

**CASE NO. GR-2025-0107**

*Jefferson City, Missouri*  
*May 2025*

1

2

3

4

5

6

7

8

O

2

## 3

4

5

6

7

8

9

**RESPONSE TO TESTIMONY OF SPIRE MISSOURI WITNESS WOODARD**

Q. Do you agree with Mr. Woodard's analysis that the 12-month average of short-term debt \*\* [REDACTED] \*\*<sup>1</sup>?

A. No. Mr. Woodard's calculation includes items such as accounts receivable, accounts payable, and regulatory assets. Further in this testimony, I discuss why each of these items should not be included in the analysis. If you exclude those items, as of September 30, 2024, the 12-month average of short-term debt \*\* [REDACTED] [REDACTED] \*\* and as of December 31, 2024, the short-term debt \*\* [REDACTED] \*\*.

Q. In your direct testimony did you refer to 13-month averages instead of 12-month averages?

A. Yes. Staff is being consistent with the Amended Report and Order issued in Case No. GR-2021-0108, where the Commission determined it was appropriate to use the 13-month average of short-term debt in excess of short-term assets excluding short-term assets and short-term debt related to Winter Storm Uri.<sup>2</sup>

Q. What are the 13-month averages as of September 30, 2024 and December 31, 2024?

A. As of September 30, 2024, the 13-month average of short-term debt \*\* [REDACTED] [REDACTED] \*\* and as of December 31, 2024, the 13-month average of short term debt \*\* [REDACTED] \*\*.

Q. Is accounts receivable an item that should be assumed to be financed with short-term debt?

---

<sup>1</sup> Direct Testimony of Adam W. Woodard, Case No. GR-2025-0107, page 13, lines 9-10.

<sup>2</sup> Amended Report and Order, Case No. GR-2021-0108, page 96.

Rebuttal Testimony of  
Kimberly K. Bolin

1           A.     No. As I stated in my direct testimony, Staff includes in rate base an item called  
2     “cash working capital” (“CWC”). The cash inflow impact of payments received by  
3     Spire Missouri (accounts receivable) and the cash outflow impact of expenses paid by  
4     Spire Missouri (accounts payable) are analyzed for cash working capital purposes using a  
5     lead/lag study. Therefore, accounts receivable is reflected in the calculation of CWC, and  
6     thereby receive a return equal to the utility’s weighted average cost of capital like all other rate  
7     base items. Given this, there is no reason to assume that accounts receivable is financed with  
8     short-term debt for ratemaking purposes.

9           Q.     Do you agree with Spire Missouri’s decision to include accounts payable as an  
10    item financed using short-term debt?

11          A.     No. Accounts payable should not be included in the analysis for the same reason  
12    as accounts receivable since it is already accounted for in rate base via CWC.

13          Q.     Are there any other items Mr. Woodard included in his analysis that he should  
14    not have included?

15          A.     Yes. Mr. Woodard included regulatory assets and regulatory liabilities in his  
16    analysis. Except for the Weather Normalization Adjustment Rider regulatory assets and  
17    liabilities, these are not short-term assets or liabilities in that they are typically held for longer  
18    than one year. Staff’s position is that only true short-term assets should be considered in an  
19    analysis of Spire Missouri’s short-term debt financing needs.

20          Q.     If an item is not included in rate base, does that indicate that the item is being  
21    supported by short-term debt?

22          A.     No. Not all utility assets are included in rate base. For example, due to the  
23    nature of the costs included in an accounting authority order (“AAO”), an unamortized balance

1 of an AAO may not be included in rate base. Also, most of these non-rate base asset balances  
2 are amortized over several years, and thus are not a short-term operational need of the company.  
3 Therefore, the fact that a particular cost is excluded from utility rate base is not evidence that it  
4 is supported by short-term debt financing. In deciding whether an item is supported by  
5 short-term debt, the appropriate distinction is whether the asset is a short-term asset or a  
6 long-term asset, and not whether the asset will ultimately be reflected in rate base.

7 Q. Have you updated your analysis as of March 31, 2025?

8 A. Yes, I have. As of March 31, 2025, the 13-month average of short-term  
9 debt exceeded the 13-month average balance of short-term assets in the amount of  
10 \*\* [REDACTED] \*\*.

11 Q. At time does Staff recommend including short-term debt in Spire Missouri's  
12 capital structure?

13 A. Not at this time. Staff will reevaluate this issue as of May 31, 2025, in its  
14 true-up filing.

15 Q. Does this conclude your rebuttal testimony?

16 A. Yes, it does.

**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     )     Case No. GR-2025-0107  
Rate Increase for Natural Gas Service Provided     )  
in the Company's Missouri Service Areas     )

**AFFIDAVIT OF KIMBERLY K. BOLIN**

STATE OF MISSOURI     )  
                                      )     ss.  
COUNTY OF COLE     )

**COMES NOW KIMBERLY K. BOLIN** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Kimberly K. Bolin*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
**KIMBERLY K. BOLIN**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 23<sup>rd</sup> day of May 2025.



  
Notary Public