

*Exhibit No.:*  
*Issue(s):* Stranded Meters  
*Witness:* Claire M. Eubanks, P.E.  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Rebuttal Testimony  
*Case No.:* GR-2025-0107  
*Date Testimony Prepared:* May 30, 2025

**MISSOURI PUBLIC SERVICE COMMISSION**  
**INDUSTRY ANALYSIS DIVISION**  
**ENGINEERING ANALYSIS DEPARTMENT**

**REBUTTAL TESTIMONY**  
**OF**  
**CLAIRE M. EUBANKS, P.E.**

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

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

*Jefferson City, Missouri*  
*May 2025*

**REBUTTAL TESTIMONY**

**OF**

**CLAIRE M. EUBANKS, P.E.**

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

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

Q. Please state your name and business address.

A. My name is Claire M. Eubanks and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

Q. Are you the same Claire M. Eubanks who filed direct testimony in this case?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to Spire Missouri Inc., d/b/a Spire (“Spire Missouri”) witness Michelle Antrainer, Spire Missouri witness John Spanos, and the Office of Public Counsel (“OPC”) witness John Robinett regarding the proposed stranded meter amortization.

## STRANDED METERS

Q. Please explain Spire Missouri's proposed stranded meter amortization.

A. Spire Missouri witness Michelle Antrainer recommends a new regulatory asset to recover the cost of diaphragm meters and associated installation costs that are now being replaced with ultrasonic meters.<sup>1</sup> Ms. Antrainer recommends a 15-year amortization of the “under recovered diaphragm meter costs”. Spire Missouri’s proposal is limited to Spire East

<sup>1</sup> Direct testimony of Michelle Antrainer, page 8 lines 14-17.

1 meters sized from 250 cubic feet per hour (“CFH”) to 400 CFH.<sup>2</sup> Further, Spire Missouri is not  
2 seeking a return on the asset.<sup>3</sup>

3 Q. Why is Spire Missouri proposing to recover these meter costs through a  
4 regulatory asset?

5 A. Ms. Antrainer argues the historic depreciation rates were based on a 35-year  
6 service life that is inconsistent with the average field life experienced. As previously discussed  
7 in my direct testimony, in Spire Missouri’s last rate case Staff raised concerns regarding Spire  
8 Missouri’s meter replacements and its continuing property records. Per the stipulation and  
9 agreement in GR-2022-0179, Spire Missouri contracted a third-party audit of its Continuing  
10 Property Record related to meters. The findings and additional Staff recommendations are  
11 presented in my direct testimony. Ultimately, the audit highlights various past issues  
12 \*\* [REDACTED] \*\*. Thus, data  
13 used by Spire Missouri, and other parties, relied on Spire Missouri’s inaccurate records as the  
14 basis in recommending depreciation rates. Even Spire Missouri’s own witness in case  
15 GR-2021-0108 proposed depreciation rates based on a 35-year average service life for the meter  
16 account.<sup>4</sup> In this case, Mr. Spanos recommends a depreciation rate based on a 26-year average  
17 service life for the meter account.<sup>5</sup>

18 However, Ms. Antrainer also points to an expiring contract with Landis and Gyr as a  
19 reason for accelerating the Spire East meter replacement program. Given the necessity to

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<sup>2</sup> Direct testimony of Michelle Antrainer states up to 400 CFH, however, Ms. Antrainer’s response to DR 296 indicates she utilized the following retirement units: \*\* [REDACTED]

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<sup>3</sup> Direct testimony of Michelle Antrainer, page 8, line 17.

<sup>4</sup> GR-2021-0108, rebuttal testimony of John Spanos, Schedule JJS-R2, 2020 Depreciation Study, page VI-5

<sup>5</sup> Supplemental direct testimony of John Spanos, Schedule JJS-2s, page VI-5.

1 replace Spire East meters, Staff is supportive of a non-rate base asset to address the reserve  
2 deficiency, limited to Spire East meters sized from 250 CFH to 374 CFH.

3 Q. What is OPC's recommendation?

4 A. OPC witness John Robinett supports a non-rate base asset to address the reserve  
5 deficiency related to the conversion to ultrasonic meters. However, he recommends a 20-year  
6 amortization rather than Spire Missouri's 15-year proposal. Mr. Robinett points to the growing  
7 reserve deficiency as Spire Missouri completes its transition to ultrasonic meters for Spire East.<sup>6</sup>

8 Q. What is a reserve deficiency?

9 A. A reserve imbalance or reserve excess/deficiency is the difference between the  
10 book reserve and the calculated accumulated depreciation (or theoretical reserve). Calculated  
11 accumulated depreciation is defined as "an estimate of the balance which should be in the  
12 depreciation reserve today, considering the distribution of ages of existing property and  
13 assuming the correctness of the currently effective service life parameters and net  
14 salvage percentages."<sup>7</sup>

15 Q. What causes a reserve imbalance?

16 A. There are many possible causes of a reserve imbalance. This is because the life  
17 and salvage assumptions used in a depreciation model are estimates of future expectations. Any  
18 activity that differs from the assumptions in the depreciation model could be a cause of a reserve  
19 imbalance; for example, changes in service life estimates, early or late retirements, and changes  
20 in maintenance or operating policies.

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<sup>6</sup> Direct Testimony of John Robinett, page 32, lines 5-10.

<sup>7</sup> Public Utility Depreciation Practices, NARUC, 1996, page 23.

1 Q. Did Spire Missouri's depreciation witness address reserve deficiency in his  
2 depreciation study in this case?

3 A. Yes. Mr. Spanos' study is for combined Spire East and West. Mr. Spanos  
4 calculated a reserve imbalance of approximately -\$61 million for account 381 Meters  
5 and +\$22 million for account 382 Meter Installations<sup>8</sup> as of September 30, 2024.<sup>9</sup> However,  
6 he further notes, regarding reserve imbalances calculated for all accounts, that "[t]he  
7 amortization of this amount could occur over the remaining life of each account commencing  
8 with the effective date of customer rates based on this proceeding. However, utilizing the rates  
9 based on the service life and net salvage parameters in this study could correct the variance  
10 over time."

11 Q. Did Staff calculate a reserve imbalance for the meter account 381?

12 A. Yes. Staff's study is also for combined Spire East and West. Staff witness  
13 Malachi Bowman presents revised depreciation rates in his rebuttal testimony and he  
14 calculated a reserve imbalance of approximately -\$49 million as of September 30, 2024, for  
15 account 381 Meters and +23 million for account 382 Meter installations.

16 Q. What is Staff's recommendation?

17 A. Given that as of September 30, 2024, retirement of diaphragm meters was  
18 ongoing and thus not fully reflected in Mr. Spanos' or Staff's depreciation studies, Staff agrees  
19 with Spire Missouri and OPC that an amortization related to the diaphragm meter replacement  
20 for Spire East is warranted. However, Staff recommends a 20-year amortization to address the  
21 reserve deficiency related to the accelerated retirement of diaphragm meters.

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<sup>8</sup> For Spire East, meter installations are actually recorded in account 381 and there is not an account 382.

<sup>9</sup> Supplemental direct testimony of John Spanos, Schedule JJS-2S – 2024 Supplemental Depreciation Study, page VI-9.

Rebuttal Testimony of  
Claire M. Eubanks

1           Q.     Is Staff's recommendation reflected in Staff's rebuttal EMS run?

2           A.     Yes. Staff adjusted the plant and reserve balances for account 381 and estimates  
3 the 20-year amortization will be approximately \$3.2 million annually. However, the regulatory  
4 asset balance will be updated in true-up once all diaphragm meters are retired.

5           Q.     Does this conclude your rebuttal testimony?

6           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 CLAIRE M. EUBANKS, PE**

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

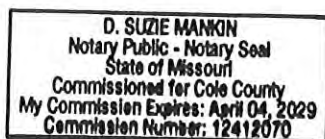
COMES NOW CLAIRE M. EUBANKS, PE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Claire M. Eubanks, PE*; and that the same is true and correct according to her best knowledge and belief.

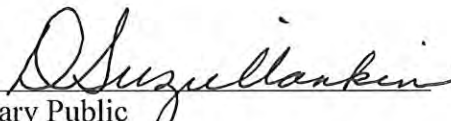
Further the Affiant sayeth not.

  
CLAIRE M. EUBANKS, PE

**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 29<sup>th</sup> day of May 2025.



  
Notary Public