

|                          |                                                                                                          |
|--------------------------|----------------------------------------------------------------------------------------------------------|
| <b>Exhibit No.:</b>      |                                                                                                          |
| <b>Issue(s):</b>         | <b>Incentive Compensation<br/>Rate Case Expense<br/>Weather Normalization<br/>DSA<br/>Propane Cavern</b> |
| <b>Witness:</b>          | <b>David A. Yonce</b>                                                                                    |
| <b>Type of Exhibit:</b>  | <b>Rebuttal Testimony</b>                                                                                |
| <b>Sponsoring Party:</b> | <b>Spire Missouri Inc.</b>                                                                               |
| <b>Case Nos.</b>         | <b>GR-2025-0107</b>                                                                                      |
| <b>Date Prepared:</b>    | <b>May 30, 2025</b>                                                                                      |

**SPIRE MISSOURI INC.**

**GR-2025-0107**

**REBUTTAL TESTIMONY**

**OF**

**DAVID A. YONCE**

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**REBUTTAL TESTIMONY OF DAVID A. YONCE**

**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

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

**Q. ARE YOU THE SAME DAVID A. YONCE THAT SUBMITTED DIRECT TESTIMONY IN THIS CASE?**

A. Yes, I am.

**Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

A. The purpose of my rebuttal testimony is to address various issues and positions taken by Staff of the Missouri Public Service Commission (“Staff”) witnesses Sydney Ferguson, Keith Majors, and Michael J. Abbott, Missouri Office of the Public Counsel (“OPC”) witness Lena M. Mantle, and Missouri Industrial Energy Consumers (“MIEC”) witnesses Greg R. Meyer and Chris C. Walters. Specifically, my testimony focuses on recommendations made by the foregoing witnesses relating to Spire Missouri Inc.’s (“Spire Missouri” or the “Company”) operation and maintenance expenses, weather normalization, the proposed Distribution Service Adjustment (“DSA”), conservation, and treatment of propane cavern revenues and cost. Additionally, my rebuttal testimony addresses certain recommendations relating to Spire Missouri’s Weather Normalization Adjustment Rider Tariff raised by OPC witness Mantle in her Class Cost of Service and Rate Design direct testimony filed on May 7, 2025.

1                                    **II.     OPERATIONS AND MAINTENANCE (“O&M”)**

2    **Q.     STAFF WITNESS FERGUSON RECOMMENDS USING THE SAME**  
3           **TREATMENT OF RATE CASE EXPENSE AS IN SPIRE MISSOURI’S PRIOR**  
4           **RATE CASE, CASE NO. GR-2022-0179, WHICH IS TO INCLUDE A 50% SHARE**  
5           **OF THE AVERAGE INCREMENTAL EXTERNAL RATE CASE EXPENSE**  
6           **FROM THE TWO MOST RECENT SPIRE MISSOURI RATE CASES. DO YOU**  
7           **AGREE WITH STAFF WITNESS FERGUSON’S RECOMMENDED**  
8           **TREATMENT OF RATE CASE EXPENSE?**

9    **A.**     No. As explained in my direct testimony, the expenses incurred to prepare, file, and resolve  
10           a rate case are necessary, just, and reasonable for a prudent utility operator to incur and are  
11           necessary to provide safe, reliable, and affordable service to customers. Similar to other  
12           expenses that are prudently incurred for utility operations, 100% of these expenses should  
13           be recoverable.

14   **Q.**     **STAFF WITNESS FERGUSON RECOMMENDS USING A THREE-YEAR**  
15           **PERIOD TO RECOVER RATE CASE EXPENSE. ARE YOU IN AGREEMENT**  
16           **WITH THE THREE-YEAR TIME PERIOD?**

17   **A.**     No. In the past Spire Missouri has usually filed a case about every three years. However,  
18           with increasing costs, a challenge to recover margin established in rate cases, and a future  
19           test year that can be utilized in July 2026, Spire Missouri will likely be in a two-year cycle  
20           moving forward. The Company will likely file its next rate case in the second half of 2026,  
21           unless there is something out of the ordinary that impacts the Company or regulatory  
22           construct.

1 **Q. MISSOURI INDUSTRIAL ENERGY CONSUMERS WITNESS MEYER ASKS ON**  
2 **PAGE 16 OF HIS TESTIMONY, “IF SPIRE [MISSOURI] HAS INITIATED AN**  
3 **EMPLOYEE REDUCTION PROGRAM IN 2024 THAT WILL SAVE SPIRE**  
4 **[MISSOURI’S] CUSTOMERS TENS OF MILLIONS OF DOLLARS, WHY IS**  
5 **SPIRE [MISSOURI] EAST’S PAYROLL INCREASING BY OVER \$10**  
6 **MILLION?” HOW DO YOU RESPOND TO MR. MEYER’S QUESTION?**

7 A. This is not really an apples-to-apples comparison. The employee reduction program did  
8 result in savings that will continue into the future. The increase in payroll in this case  
9 accounts for those savings, and thus, without the employee reductions that occurred in  
10 2024, the payroll increase would be even higher in this case.

11 **Q. ON PAGE 18 OF HIS TESTIMONY, MR. MEYER INQUIRES, “WHY HAS**  
12 **ANNUALIZED PAYROLL INCREASED BY APPROXIMATELY \$10.7**  
13 **MILLION” IN SPITE OF THE EMPLOYEE REDUCTION PROGRAM SPIRE**  
14 **MISSOURI INITIATED DURING THE TEST YEAR IN THIS CASE. HOW DO**  
15 **YOU RESPOND TO MR. MEYER’S INQUIRY?**

16 A. As stated previously, the employee reduction program did result in savings, and, without  
17 the employee reductions that occurred, the annualized payroll expense would have  
18 increased by more. Additionally, part of the payroll increase is due to the Company’s use  
19 of a three-year average for O&M percentage given the fact that it has been lower than  
20 normal due to the advanced meter deployment program in Spire Missouri East during the  
21 test year. Using this average O&M rate will better align with expected conditions when  
22 new rates go into effect.

1 **Q. IN SEVERAL PLACES IN HIS TESTIMONY, MR. MEYER QUESTIONS WHY**  
2 **SPIRE MISSOURI WILL NEED TO HIRE 117 ADDITIONAL EMPLOYEES**  
3 **RIGHT AFTER INITIATING A WORKFORCE REDUCTION PLAN. HOW DO**  
4 **YOU RESPOND TO THIS CONCERN?**

5 A. Again, this is not an apples-to-apples comparison. Approximately half of the 117  
6 employees to be hired are field operations employees. The employees who were impacted  
7 by the workforce reduction were part of a planned reduction in workforce and the  
8 elimination of specific jobs that the Company deemed were no longer needed. There were  
9 other functions where the Company deems it necessary to add positions. The ultimate  
10 number of employee additions will be reflected in the headcount and normalized payroll at  
11 the time of true-up.

12 **Q. MR. MEYER TESTIFIES THAT THE QUESTIONS RAISED IN HIS**  
13 **TESTIMONY RELATING TO SPIRE MISSOURI'S REQUESTED INCREASE IN**  
14 **PAYROLL EXPENSE (DISCUSSED ABOVE) "NEED TO BE ADDRESSED**  
15 **BEFORE ANY REQUESTED INCREASE IN PAYROLL EXPENSE IS**  
16 **APPROVED." DO YOU BELIEVE YOUR TESTIMONY SUFFICIENTLY**  
17 **ADDRESS MR. MEYER'S CONCERNS REGARDING PAYROLL EXPENSE?**

18 A. Yes, I believe that my testimony above regarding the need for both an increase in payroll  
19 expense and the workforce reduction plan sufficiently addresses Mr. Meyer's concerns.

20 **Q. ON PAGE 18 OF HIS TESTIMONY, MR. MEYER RECOMMENDS**  
21 **"RECOGNIZING ONLY EMPLOYEES HIRED PRIOR TO THE TRUE-UP**  
22 **DATE" IN THE LEVEL OF LABOR EXPENSE INCLUDED IN SPIRE**  
23 **MISSOURI'S OPERATIONS. DO YOU AGREE?**

1 A. I agree with this recommendation.

2 **III. DECOUPLING**

3 **Q. DID YOU REVIEW STAFF WITNESS ABBOTT’S TESTIMONY REGARDING**  
4 **DECOUPLING MECHANISMS?**

5 A. Yes.

6 **Q. DOES STAFF SUPPORT DECOUPLING MECHANISMS, GENERALLY?**

7 A. No, Staff does not support decoupling as it believes that only the utility benefits from  
8 decoupling. Staff argues that while the utility will be guaranteed to earn its revenue  
9 requirement, risk is shifted from investors to customers, and customers are no longer able  
10 to control their utility bill.

11 **Q. DO YOU AGREE WITH STAFF THAT RISK IS SHIFTED FROM INVESTORS**  
12 **TO CUSTOMERS?**

13 A. No. As explained in my direct testimony, decoupling only serves to ensure that a utility  
14 will recover its authorized revenues, and if the utility does not operate efficiently, it will  
15 still not earn its authorized return. This proposed mechanism is no different than the  
16 existing weather normalization adjustment rider (“WNAR”) mechanism (if operating  
17 effectively), but is a much more straightforward approach to accomplish essentially the  
18 same thing.

19 **Q. DO YOU AGREE WITH STAFF THAT CUSTOMERS LOSE THE ABILITY TO**  
20 **CONTROL THEIR UTILITY BILL WITH DECOUPLING?**

21 A. No. There are two parts to a customer’s bill. The first is the cost of the natural gas itself,  
22 and the second is the cost to deliver that natural gas to customers. While decoupling ensures  
23 that the cost to deliver natural gas to customers is fully recovered, customers may still

1 control their bills by reducing the natural gas portion of their bill. Additionally, it should  
2 be noted, the cost for the Company to deliver natural gas to its customers does not change  
3 if customers simply use less due to warmer-than-normal weather. As a utility operator, we  
4 have to plan for and be prepared to serve our customers during peak weather conditions.

5 **Q. WHY SHOULD UTILITIES BE ABLE TO RECOVER THE FULL COST TO**  
6 **DELIVER NATURAL GAS TO ITS CUSTOMERS?**

7 A. As stated above, regardless of actual customer usage, utilities must be ready to provide safe  
8 and reliable service to customers at peak demand and should be able to recover the costs  
9 needed to do so.

10 **Q. DO CUSTOMERS BENEFIT FROM DECOUPLING?**

11 A. Yes. In receiving full recovery of its revenue requirement, the financial health of the utility  
12 ensures that investors see the Company as a reliable investment, and the Company  
13 continues to have access to capital to maintain and improve its natural gas system and  
14 continue to provide safe and reliable service to our customers. Also, with the decoupling  
15 mechanism being proposed, if the Company recovers more revenue than authorized, those  
16 dollars will be returned to customers. Furthermore, as stated above, customers should  
17 essentially be agnostic to the DSA mechanism, because it is simply designed to allow the  
18 Company to recover its cost to serve, regardless of effects of weather, which is no different  
19 than what the existing WNAR mechanism is intended to do.

20 **Q. IF THE COMMISSION DOES NOT APPROVE THE COMPANY'S PROPOSED**  
21 **DECOUPLING MECHANISM, WHAT ALTERNATIVES WOULD YOU**  
22 **PROPOSE?**

23 A. I propose changes to the existing WNAR, which are described fully below. I also propose

1 a conservation adjustment as more fully described below.

2 **Q. HAS STAFF PREVIOUSLY SUPPORTED A MECHANISM THAT ACCOUNTS**  
3 **FOR BOTH WEATHER AND CONSERVATION?**

4 A. Yes. In Staff's direct class cost of service testimony in case GR-2021-0108, Staff proposed  
5 a mechanism that would account for weather and conservation and anchor back to billing  
6 determinants set in the case. According to Staff's cost of service report, "this design  
7 insulates the company from sales fluctuations associated with deviations in weather-related  
8 sales from what is normal, whether driven by the actual weather or by conservation efforts  
9 related to weather" (Case No. GR-2021-0108 Staff CCOS Report, p. 39, lines 5-8).

10 **Q. SPIRE MISSOURI DID NOT PROPOSE A SPECIFIC DOLLAR AMOUNT FOR**  
11 **THE CONSERVATION ADJUSTMENT IN DIRECT. DO YOU HAVE A**  
12 **SPECIFIC DOLLAR AMOUNT CALCULATED NOW?**

13 A. Yes. As provided in response to DR 270, the Company has calculated a conservation  
14 adjustment of \$3,368,350 for Spire Missouri.

15 **Q. IS THIS TYPE OF ADJUSTMENT ALLOWED BY STATUTE?**

16 A. Yes, this is authorized in Section 386.266 RSMo. That statute provides: ". . . any gas or  
17 electrical corporation may make an application to the commission to approve rate  
18 schedules authorizing periodic rate adjustments outside of general rate proceedings to  
19 adjust rates of customers in eligible customer classes to account for the impact on utility  
20 revenues of increases or decreases in residential and commercial customer usage due to  
21 variations in either weather, conservation, or both."

1                                    **IV.     IMPACT OF DSA ON RETURN ON EQUITY**

2    **Q.     MISSOURI INDUSTRIAL ENERGY CONSUMERS WITNESS WALTERS**  
3           **STATES SENATE BILL 4 WILL REDUCE SPIRE MISSOURI'S COST OF**  
4           **EQUITY. DO YOU AGREE?**

5    A.     I believe it is too early to tell. I also think it is premature to discuss the impact of Senate  
6           Bill 4 as part of this rate case which is not based on Senate Bill 4. The future test year  
7           provision for water and gas utilities cannot be used until July 2026.

8    **Q.     MISSOURI INDUSTRIAL ENERGY CONSUMERS WITNESS WALTERS**  
9           **ARGUES THAT THE DSA BEING PURSUED BY SPIRE MISSOURI, IF**  
10          **APPROVED, WOULD FURTHER INSULATE THE UTILITY FROM**  
11          **VOLUMETRIC RISK ASSOCIATED WITH WEATHER VOLATILITY AND**  
12          **CUSTOMER CONSERVATION – TWO OF THE PRIMARY DRIVERS OF**  
13          **REVENUE SHORTFALLS FOR SPIRE MISSOURI IN RECENT YEARS. HOW**  
14          **DO YOU RESPOND?**

15   A.     I agree with this. As referenced in my direct testimony, this mechanism would be consistent  
16           with what is authorized in Section 386.266 RSMo. That statute provides: “. . . any gas or  
17           electrical corporation may make an application to the commission to approve rate  
18           schedules authorizing periodic rate adjustments outside of general rate proceedings to  
19           adjust rates of customers in eligible customer classes to account for the impact on utility  
20           revenues of increases or decreases in residential and commercial customer usage due to  
21           variations in either weather, conservation, or both.” The DSA mechanism, as  
22           acknowledged by Walters, would address the impacts from volumetric risk associated with  
23           weather volatility and customer conservation.

## V. WEATHER NORMALIZATION

**Q. OPC WITNESS MANTLE ARGUES THAT THE COMMISSION SHOULD NOT CONTINUE SPIRE MISSOURI'S WNAR WITHOUT A REDUCTION IN ITS RATE OF RETURN FOR THE REDUCTION OF RISK OF REVENUE COLLECTION ASSOCIATED WITH THE WNAR MECHANISM. HOW DO YOU RESPOND?**

A. I disagree with this. The returns contemplated in this case already reflect an effective WNAR mechanism, so I would actually argue that the rate of return should be higher unless the DSA mechanism is approved, or modifications are made to the WNAR mechanism to make it more effective. In its current state, the WNAR mechanism is not accounting for all the effects of weather, particularly in the Spire Missouri West service territory. Also, some gas utility jurisdictions have some sort of decoupling mechanism or rate stabilization tariff in place which is factored into S&P Global's trailing 12-month ended March 31, 2025 national average ROE of 9.73% for gas utilities.

**Q. ON PAGE 14 OF HER TESTIMONY, OPC WITNESS MANTLE STATES THAT IF THE COMMISSION REDUCES THE RATE OF RETURN TO REFLECT THE REDUCTION OF RISK TO SPIRE MISSOURI, “THERE ARE TWO COMPONENTS OF THE CURRENT WNAR THAT SHOULD BE UPDATED: (1) THE B COEFFICIENTS; AND (2) THE WEIGHTED RESIDENTIAL VOLUMETRIC RATES (‘WRVR’),” WHICH WILL BE UPDATED WITH NEW RATES AND BILLING DETERMINANTS FROM THIS RATE CASE. HOW DO YOU RESPOND?**

1 A. I agree that the coefficients and the WRVR need to be updated. However, I also believe  
2 additional changes, as described below, need to be made if the DSA mechanism proposed  
3 in my direct testimony is not approved.

4 **Q. IN HER CLASS COST OF SERVICE AND RATE DESIGN DIRECT TESTIMONY**  
5 **FILED ON MAY 7, 2025, OPC WITNESS MANTLE REQUESTS THAT IF THE**  
6 **COMMISSION DOES NOT ADOPT OPC’S GENERAL RECOMMENDATION**  
7 **THAT SPIRE MISSOURI’S CURRENT WNAR BE DISCONTINUED, THE**  
8 **COMMISSION SHOULD ORDER THAT THE \$0.05 PER CCF CAP ON THE**  
9 **WNAR RATE SPECIFIED ON SHEET NO. 13.1 FOR SPIRE MISSOURI EAST**  
10 **AND SHEET NO. 13.4 FOR SPIRE MISSOURI WEST BE APPLIED<sup>1</sup>. AS A**  
11 **RESULT, SPIRE MISSOURI EAST’S CURRENT WNAR RATE OF \$0.07577 PER**  
12 **CCF AND SPIRE MISSOURI WEST’S CURRENT WNAR RATE OF \$0.05493**  
13 **WOULD BOTH BE REDUCED TO \$0.05 PER CCF. HOW DO YOU RESPOND?**

14 A. I disagree with Ms. Mantle’s interpretation of the tariff. The tariff states that “there shall  
15 be a limit of \$0.05 per ccf on upward adjustments for the WNAR.” My interpretation of  
16 this is that the WNAR cannot increase (i.e., move upward) by more than 5 cents, and it has  
17 not. The WNAR is an annual filing, and the rate adjusts upward or downward depending  
18 on the tracking throughout the year and the balances in the respective accounts. The tariff  
19 simply caps the amount by which that rate can increase. Furthermore, I am strongly  
20 opposed to a true cap on the WNAR mechanism, especially given the fact that the balances  
21 have grown significantly over the years due to warmer-than-normal temperatures. For

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<sup>1</sup> Ms. Mantle notes this \$0.05 per Ccf cap is found in Case Nos. GR-2017-0215 and GR-2017-0216, *Amended Report and Order*, pages 85 – 86.

1 example, in FY2024, Spire Missouri's annual WNAR filing was approximately \$50  
2 million. This amount is excessive and partially the result of using a 30-year weather pattern  
3 as opposed to a 10-year weather pattern. To put this in context, a \$50 million WNAR filing  
4 represents nearly 20% of Spire Missouri's total volumetric revenue requirement; meaning,  
5 Spire Missouri under-recovered its volumetric revenue requirement by 20% due to warmer-  
6 than-normal weather. Placing a true cap on the WNAR would further limit Spire Missouri's  
7 ability to recover its volumetric revenue requirement and potentially put it in a situation  
8 that it would effectively never recover it.

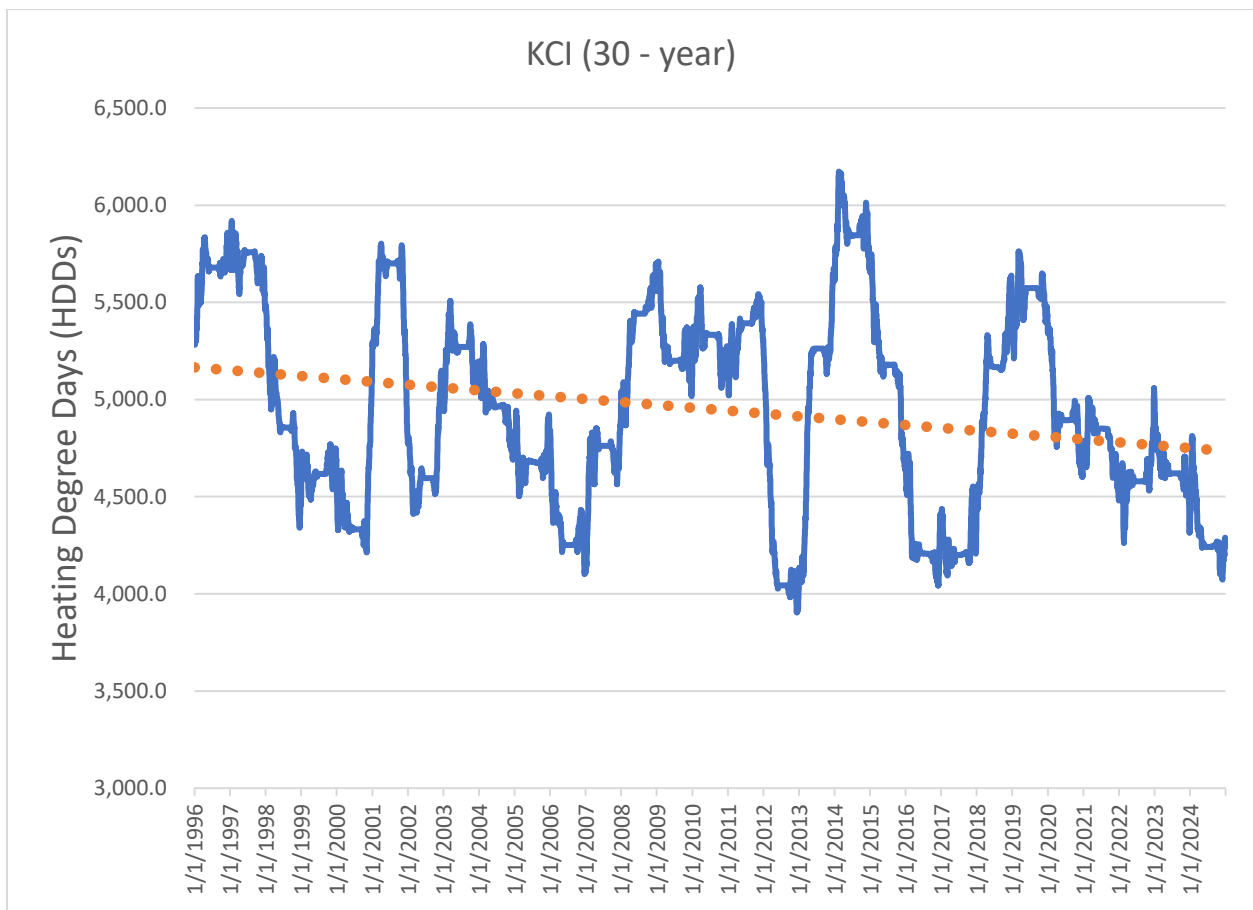
9 **Q. ARE THERE OTHER CHANGES THAT SHOULD BE MADE TO THE WNAR IF**  
10 **THE DSA IS NOT APPROVED BY THE COMMISSION?**

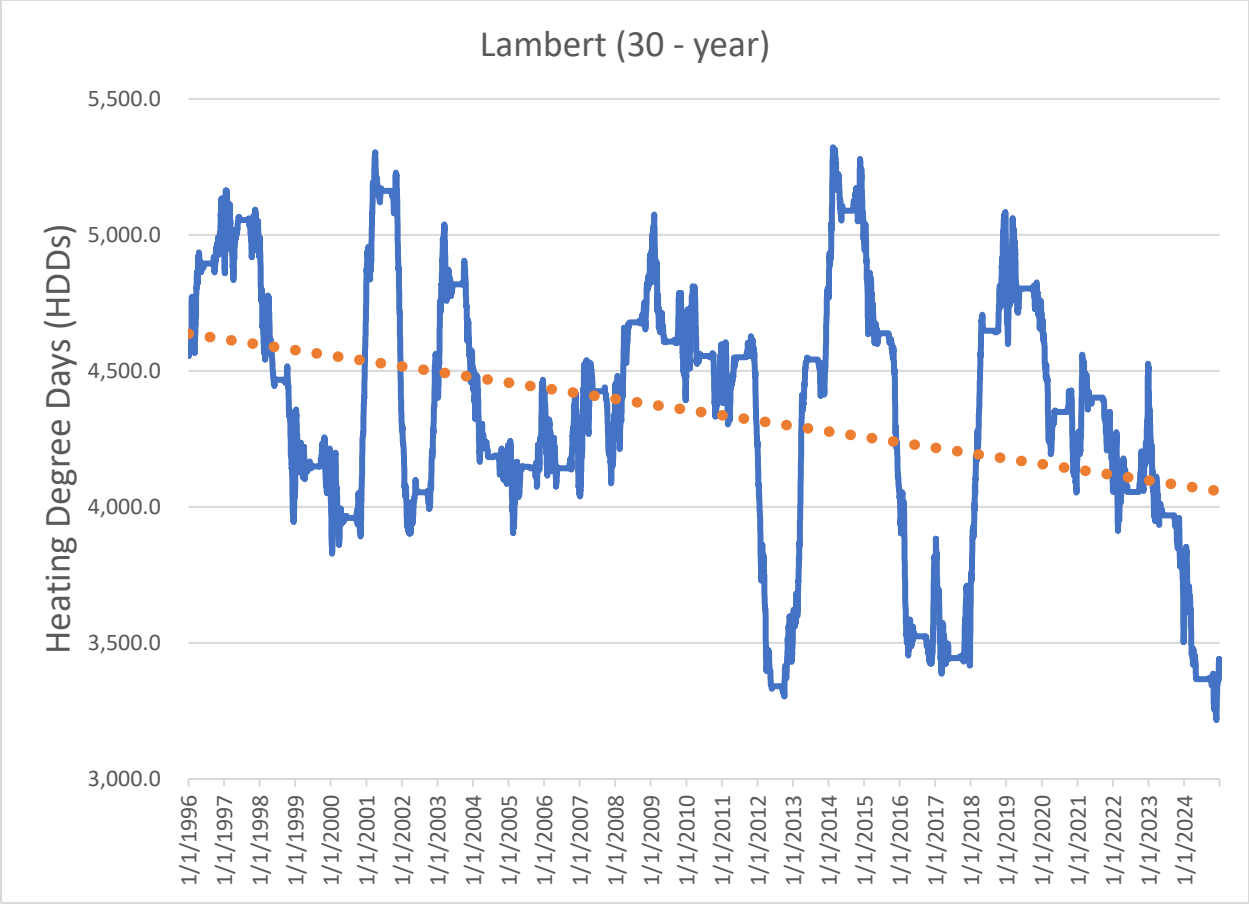
11 A. Yes. The Small General Service class should be added to the WNAR tariff. This is allowed  
12 under Section 386.266 RSMo. Small general service classes have also been part of MPSC-  
13 approved WNAR tariffs for Liberty Utilities Midstates (MNG) and Liberty Empire  
14 District.  
15

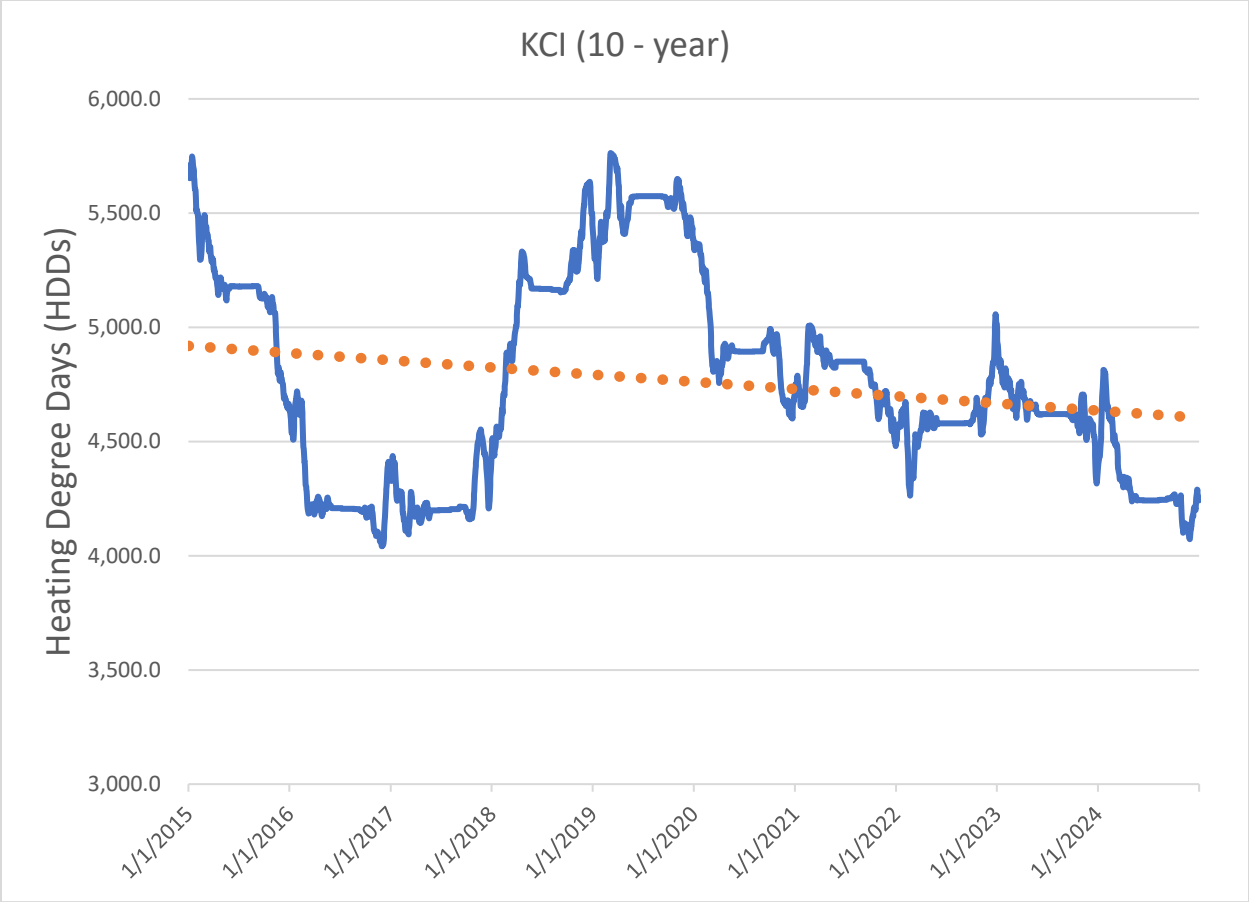
16  
17 **Q. MISSOURI INDUSTRIAL ENERGY CONSUMERS WITNESS MEYER ARGUES**  
18 **THIRTY YEARS SHOULD BE USED AS THE WEATHER NORMALIZATION**  
19 **PERIOD. STAFF ALSO USED THIRTY YEARS IN THEIR ANALYSIS. HOW DO**  
20 **YOU RESPOND?**

21 A. I disagree. The historical weather data that is used to determine normal should accurately  
22 reflect normal weather, and analysis suggests that a 10-year normal is more statistically  
23 accurate than a 20-year or a 30-year. Furthermore, as shown in the charts below, it is  
24 undeniably getting warmer. The total annual heating degree days ("HDDs") are declining  
25 over the 30-year period. In fact, I've also included the 10-year data below, and the HDDs

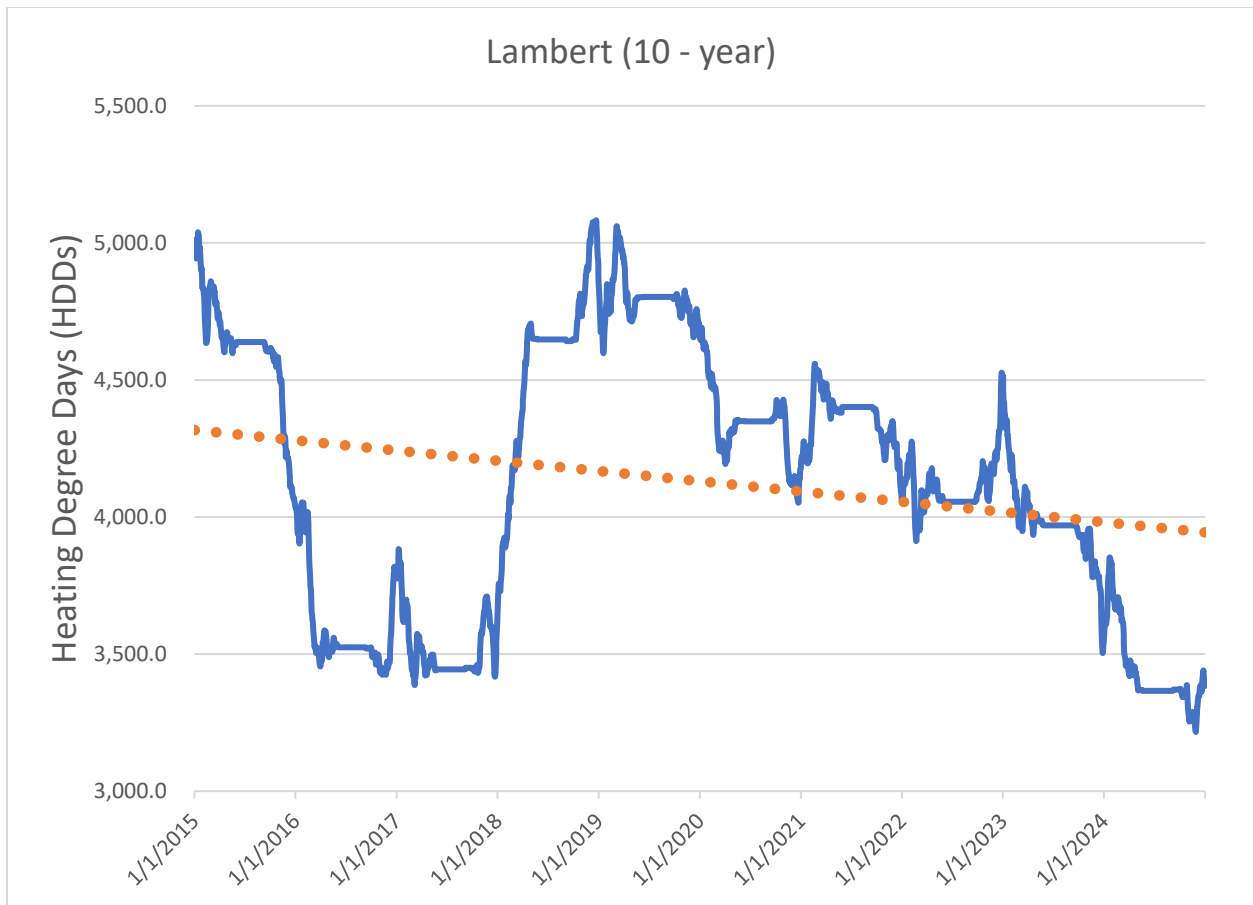
are even declining over the 10-year dataset. Each of these charts plots the trailing 365-day total HDDs over the representative time period and includes a trendline produced by Microsoft Excel which shows the declining nature of the HDDs over each time period. Declining HDDs represent warmer weather. This data provides compelling support that a 10-year weather pattern is the most appropriate reflection of the current normal and will ensure the weather normalization, and WNAR is most effective for customers and the Company.







1



**Q. DID YOU REVIEW STAFF’S WEATHER FILES?**

A. Yes.

**Q. WHAT RECOMMENDATIONS WOULD YOU MAKE TO STAFF’S WEATHER FILES?**

A. I would make four recommendations:

1. Utilize a 10-year weather pattern as discussed above.
2. Update the weather through calendar year 2024.
3. Use a different ranking method.
4. Change the weather station from the Kansas City International (“KCI”) Airport to the Kansas City Downtown Airport.

**Q. WHY DO YOU RECOMMEND A 10-YEAR WEATHER PATTERN?**

1 A. As discussed and shown on the charts included above, a 10-year weather pattern for  
2 calculating normal weather is the most appropriate and is more reflective of normal  
3 weather. These charts very clearly show it is warming, as reflected by the trendlines. This  
4 was more fully discussed in direct testimony filed by Trisha Lavin, including a report from  
5 a weather consultant.

6 **Q. WHY DO YOU RECOMMEND UPDATING THE WEATHER THROUGH 2024?**

7 A. Staff only utilized weather data up through 2022 to calculate normal weather. My  
8 recommendation is to use all of the data available to be most reflective of the most recent  
9 weather experienced. 2024 was a particularly warmer-than-normal year and should not be  
10 excluded from the dataset.

11 **Q. WHAT IS THE RANKING METHOD YOU MENTIONED?**

12 A. Staff utilizes a ranking method to match actual weather with normal weather. Given the  
13 variability in weather, the intent of this is to match more similar actual weather with more  
14 similar normal weather. I understand the desire to use a ranking methodology, but I do not  
15 agree with the approach Staff takes with its ranking. Given the way Staff ranks the normal  
16 weather data against the actuals, the entire 30-year dataset is not reflective in each  
17 individual day's normal weather calculation. For example, Staff's file looks at the actual  
18 HDDs experienced on January 1, 2024 at KCI. It then ranks this day against the rest of  
19 January 2024. For the normal weather, the file ranks all 30 years of data for each month.  
20 So for January, it ranks 930 days (31 days in January multiplied by 30 years of data). Staff  
21 then matches the actual ranked day to the most similar 30 days out of the 930 days in the  
22 normal data. In this particular instance, for January 1<sup>st</sup>, only 16 of the 30 years are  
23 represented. See data below that presents the years represented to calculate normal for

January 1<sup>st</sup>. Many years are used more than once, and in several instances back-to-back days in the same month and year are used. From my perspective, it is not accurate to say that this is a 30-year normal because not all 30 years are represented.

| Days used to calculate the normal for January 1st for KCI |      |       |     |      |      |           |      |  |  |
|-----------------------------------------------------------|------|-------|-----|------|------|-----------|------|--|--|
| DATE                                                      | YEAR | MONTH | DAY | MAX  | MIN  | AVG       | HDD  |  |  |
| 1/18/2022                                                 | 2022 | 1     | 18  | 55.0 | 36.0 | 45.5      | 19.5 |  |  |
| 1/13/2021                                                 | 2021 | 1     | 13  | 56.0 | 32.0 | 44.0      | 21.0 |  |  |
| 1/2/2020                                                  | 2020 | 1     | 2   | 52.0 | 38.0 | 45.0      | 20.0 |  |  |
| 1/20/2017                                                 | 2017 | 1     | 20  | 50.0 | 38.0 | 44.0      | 21.0 |  |  |
| 1/30/2017                                                 | 2017 | 1     | 30  | 61.0 | 27.0 | 44.0      | 21.0 |  |  |
| 1/19/2017                                                 | 2017 | 1     | 19  | 48.0 | 42.0 | 45.0      | 20.0 |  |  |
| 1/21/2017                                                 | 2017 | 1     | 21  | 54.0 | 37.0 | 45.5      | 19.5 |  |  |
| 1/30/2016                                                 | 2016 | 1     | 30  | 58.0 | 30.0 | 44.0      | 21.0 |  |  |
| 1/29/2016                                                 | 2016 | 1     | 29  | 64.0 | 26.0 | 45.0      | 20.0 |  |  |
| 1/31/2016                                                 | 2016 | 1     | 31  | 53.0 | 37.0 | 45.0      | 20.0 |  |  |
| 1/18/2015                                                 | 2015 | 1     | 18  | 59.0 | 30.0 | 44.5      | 20.5 |  |  |
| 1/17/2015                                                 | 2015 | 1     | 17  | 54.0 | 36.0 | 45.0      | 20.0 |  |  |
| 1/19/2015                                                 | 2015 | 1     | 19  | 64.0 | 26.0 | 45.0      | 20.0 |  |  |
| 1/12/2014                                                 | 2014 | 1     | 12  | 61.0 | 30.0 | 45.5      | 19.5 |  |  |
| 1/11/2007                                                 | 2007 | 1     | 11  | 60.0 | 31.0 | 45.5      | 19.5 |  |  |
| 1/24/2006                                                 | 2006 | 1     | 24  | 57.0 | 32.0 | 44.5      | 20.5 |  |  |
| 1/31/2006                                                 | 2006 | 1     | 31  | 63.0 | 28.0 | 45.5      | 19.5 |  |  |
| 1/3/2006                                                  | 2006 | 1     | 3   | 55.0 | 37.0 | 46.0      | 19.0 |  |  |
| 1/29/2006                                                 | 2006 | 1     | 29  | 56.0 | 36.0 | 46.0      | 19.0 |  |  |
| 1/2/2005                                                  | 2005 | 1     | 2   | 59.0 | 32.0 | 45.5      | 19.5 |  |  |
| 1/20/2005                                                 | 2005 | 1     | 20  | 59.0 | 32.0 | 45.5      | 19.5 |  |  |
| 1/16/2004                                                 | 2004 | 1     | 16  | 47.0 | 42.0 | 44.5      | 20.5 |  |  |
| 1/11/2004                                                 | 2004 | 1     | 11  | 55.0 | 35.0 | 45.0      | 20.0 |  |  |
| 1/9/2002                                                  | 2002 | 1     | 9   | 54.0 | 34.0 | 44.0      | 21.0 |  |  |
| 1/27/1999                                                 | 1999 | 1     | 27  | 59.0 | 30.0 | 44.5      | 20.5 |  |  |
| 1/27/1998                                                 | 1998 | 1     | 27  | 59.0 | 29.0 | 44.0      | 21.0 |  |  |
| 1/3/1998                                                  | 1998 | 1     | 3   | 63.0 | 28.0 | 45.5      | 19.5 |  |  |
| 1/31/1997                                                 | 1997 | 1     | 31  | 55.0 | 36.0 | 45.5      | 19.5 |  |  |
| 1/23/1994                                                 | 1994 | 1     | 23  | 52.0 | 36.0 | 44.0      | 21.0 |  |  |
| 1/24/1994                                                 | 1994 | 1     | 24  | 52.0 | 36.0 | 44.0      | 21.0 |  |  |
|                                                           |      |       |     |      |      | 44.880591 |      |  |  |

1 **Q. WHAT RECOMMENDATION WOULD YOU MAKE TO STAFF'S RANKING**  
2 **APPROACH?**

3 A. I am not opposed to ranking, but I believe all the years of the dataset (30, in Staff's case),  
4 should be represented when calculating the normal data for each day. I'm open to other  
5 suggestions, but my recommendation would be to calculate an unranked normal and then  
6 simply rank each normal day within the month to match to the daily actuals. This would  
7 ensure all years of the normal dataset are represented in each day's normal calculation.

8 **Q. WHAT WEATHER STATION DID STAFF USE FOR SPIRE MISSOURI WEST?**

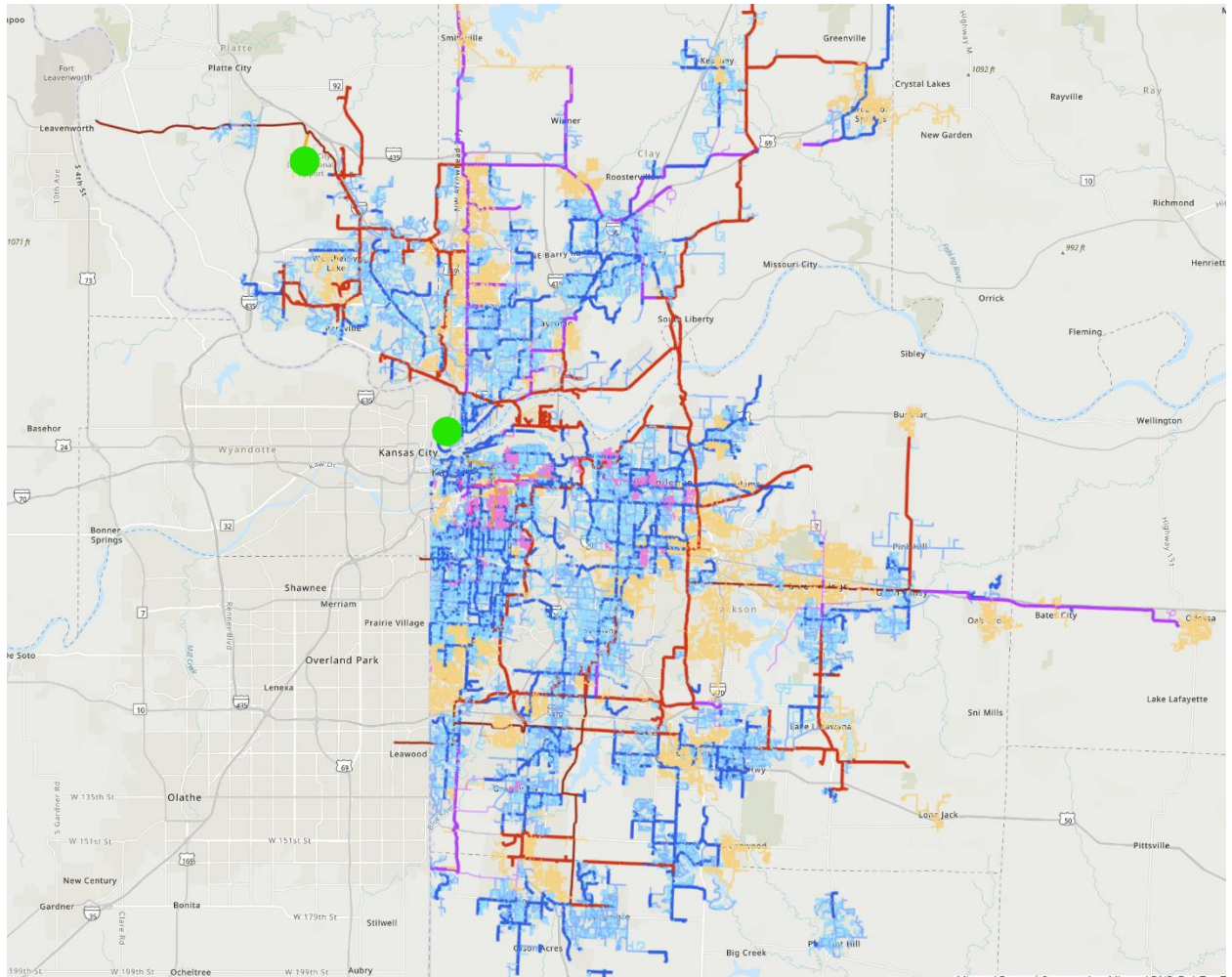
9 A. The KCI Airport.

10 **Q. WHAT WEATHER STATION DO YOU RECOMMEND?**

11 A. I recommend using the Kansas City Downtown Airport weather station instead of KCI, as  
12 I believe it's more reflective of the actual weather the majority of our customers are  
13 experiencing in the Kansas City area.

14 **Q. WHY DO YOU RECOMMEND THE KANSAS CITY DOWNTOWN AIRPORT**  
15 **WEATHER STATION?**

16 A. The KCI airport is further north than the majority of our customers. More specifically,  
17 approximately 87% of our customers are south of the KCI airport. In contrast,  
18 approximately 70% of our customers are south of the KC Downtown airport. The maps  
19 below demonstrate the fact that more of our customers are closer to the KC Downtown  
20 airport than the KCI airport. The further north green dot is KCI and the further south green  
21 dot is KC Downtown. The map below depicts the Kansas City metropolitan area. Spire  
22 Missouri also serves the St. Joseph (further north) and Joplin (much further south) regions.



1  
2  
3 **Q. WHY IS THIS IMPORTANT?**

4 A. The weather station is used to track the actual temperatures and used to calculate the normal  
5 temperatures. It's important that the weather station used is most reflective of the  
6 temperatures actually experienced by our customers.

7 **Q. DID YOU REVIEW STAFF'S WEATHER NORMALIZATION ADJUSTMENT,**  
8 **AND DO YOU AGREE WITH THE ADJUSTMENTS BEING MADE?**

9 A. Yes, I reviewed Staff's workpapers, and aside from the comments I've already made  
10 pertaining to the weather files, and the comments in Trisha Lavin's rebuttal testimony, the

only other observations I have relate to the coefficients being used to calculate the normalization adjustment.

**Q. WHAT ARE THE COEFFICIENTS YOU'RE REFERRING TO USED FOR?**

A. The coefficients are used to explain the relationship between usage and weather. More specifically, the coefficients are used to calculate usage per HDD. These coefficients are calculated using a simple linear regression.

**Q. WHAT CHANGES DO YOU RECOMMEND WITH THE COEFFICIENTS?**

A. Historically, the coefficients have been calculated using monthly data (12 datapoints). In reviewing Staff's files, I suggest using billing cycle data to calculate the coefficient, which will represent more datapoints used in the calculation.

**Q. WHAT ARE THE BENEFITS OF USING THE BILLING CYCLE DATA TO CALCULATE THE COEFFICIENTS?**

A. Using the monthly aggregated data results in a regression analysis being performed on 12 datapoints. Using the billing cycle data results in a larger sample size of 216 (12 months times 18 billing cycles).

**Q. DO YOU HAVE ANY OTHER RECOMMENDATIONS REGARDING WEATHER?**

A. Yes. If it is determined that the DSA will not be adopted, I would recommend that an upper and lower cap be placed on the existing WNAR mechanism to ensure it is performing the way it should be.

**Q. PLEASE DESCRIBE THIS CAP AND HOW IT WOULD WORK.**

A. The WNAR mechanism is intended to address the impacts on usage from weather. More specifically, just like the test year usage in this rate case is normalized for weather, the

1 WNAR mechanism is intended to adjust usage for the effects of weather to get the  
2 Company back to those revenues. The cap would function as a floor for under-recovery  
3 and a ceiling for over-recovery of revenues from weather. As a hypothetical example, if  
4 volumetric revenues are set at \$150 million in this case and the Company realized \$125  
5 million in actual volumetric revenue and only \$23 million WNAR, the cap would serve to  
6 compensate for some portion of the \$2 million of lost revenue resulting from weather. A  
7 similar dynamic would exist for any over-recoveries. My recommendation would be to cap  
8 the under-recovery and over-recovery at \$1 million.

9 **Q. WHY IS THIS CAP NEEDED?**

10 A. This cap is necessary in the event the WNAR mechanism is ineffective. In fiscal year 2024,  
11 Spire Missouri West's volumetric revenue was down approximately \$7 million due to the  
12 effects of weather. If the weather adjustment and WNAR mechanism work effectively, the  
13 Company should earn its volumetric revenue requirement. A cap will place some risk on  
14 the Company but limit significant under-recovery.

15 **VI. PROPANE CAVERN REVENUE AND EXPENSE**

16 **Q. STAFF WITNESS MAJORS STATES STAFF'S POSITION WAS AND STILL IS**  
17 **THAT THE PROPANE CAVERN AND RELATED EQUIPMENT HAVE THE**  
18 **POTENTIAL TO PROVIDE REVENUE OPPORTUNITIES TO THE BENEFIT OF**  
19 **SPIRE MISSOURI EAST RATEPAYERS. DO YOU AGREE?**

20 A. I do agree with this, but as of right now, the cost of the assets to customers is greater than  
21 any revenue opportunities being received. While the asset may have the potential to  
22 provide revenue opportunities in the future, that is not known at this time and I do not think  
23 that is an appropriate reason to have our customers continue to pay for it.



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 ) File No. GR-2025-0107  
In the Company’s Missouri Service Areas )

STATE OF MISSOURI )  
 )  
 ) SS.  
CITY OF ST. LOUIS )

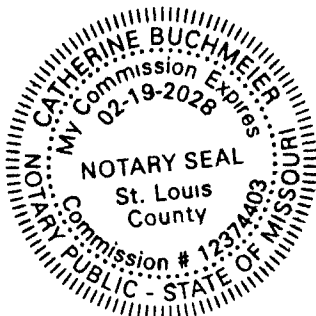
1. My name is David A. Yonce. I am Managing Director, Regulatory Affairs for Spire Missouri Inc. My business address is 700 Market St., St. Louis, Missouri 63101.

2. This affidavit is attached to my rebuttal testimony, which is filed on behalf of Spire Missouri Inc.

3. I hereby swear and affirm that my answers to the questions contained in my rebuttal testimony are true and correct to the best of my knowledge, information, and belief.

  
David A. Yonce

Subscribed and sworn to before me this 29 day of May 2025.



Catherine Buckner  
Notary Public