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Energy Efficiency Asset/Payroll
Enterprise Software/Affordability

Witness/Type of Exhibit:

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Sponsoring Party:

Public Counsel

Case No.:

GR-2025-0107

REBUTTAL TESTIMONY

OF

ANGELA SCHABEN

Submitted on Behalf of the Office of the Public Counsel

SPIRE MISSOURI, INC.

FILE NO. GR-2025-0107

**

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Denotes Confidential Information that has been redacted.

May 30, 2025

PUBLIC

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REBUTTAL TESTIMONY

OF

ANGELA SCHABEN

SPIRE MISSOURI INC.

CASE NO. GR-2025-0107

INTRODUCTION

Q. Please state your name, title, and business address.

A. Angela Schaben, Utility Regulatory Auditor, Office of the Public Counsel (“OPC” or “Public Counsel”), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. Are you the same Angela Schaben who filed direct testimony for the OPC in this case?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to respond to Missouri Industrial Energy Consumers (MIEC) witness Dave Meyer and the accounting schedules filed in this case by the Staff of the Public Service Commission (“Staff”). In particular, I am responding to the revenue requirement calculated in the accounting schedules that fails to make necessary adjustments related to Spire’s payroll expense and energy efficiency regulatory asset expenses. Furthermore, my response includes a section regarding the effects on affordability of each aforementioned topic in Spire’s filed rate case.

ENERGY EFFICIENCY ASSET

Q. Does Spire administer an Energy Efficiency Program?

A. Yes. Spire administers an Energy Efficiency Program. The expenditures incurred from this program are recovered in a regulatory asset.

Q. Please describe a regulatory asset.

A. A regulatory asset is a regulatory mechanism that represents or tracks certain costs that a utility may then seek to recover from ratepayers through rates in a future rate case. Once the utility files a rate case, the total uncollected amount in the regulatory asset at the true-up date is usually then amortized over a specific number of years. From a utility perspective, a regulatory asset is ideal because each dollar tracked within the asset may be fully recovered without fear of being lost due to “regulatory lag.”

Q. Does Staff’s accounting schedules account for any prudence adjustment applied to Spire’s energy efficiency regulatory asset?

A. No. Staff appeared to evaluate Spire’s energy efficiency regulatory asset balances and amortization period. However, there is no evidence to suggest Staff performed a prudence review of individual transactions charged to Spire’s energy efficiency asset.

Q. Is the Energy Efficiency Program Spire administers similar to energy efficiency programs administered by Missouri’s regulated electric utilities?

A. There are similarities. However, there are notable differences. Missouri’s investor-owned (“IOU”) electric utilities engage in energy efficiency programs under the purview of Missouri Statute RSMo. 393.1075, which is known as the Missouri Energy Efficiency Investment Act (“MEEIA”).

Q. What differences exist between Spire’s energy efficiency program and MEEIA?

A. As far as I am aware, there is no RSMo. 393.1075 equivalent for Missouri’s IOU natural gas utilities. Additionally, the MEEIA surcharge is a bill rider, meaning a separate charge is found on a customer’s electric utility bill, whereas the Spire Energy Efficiency program costs are held in a regulatory asset that is baked into base rates and amortized over time. MEEIA program expenditures are also subject to periodic prudence reviews and required to submit an annual

1 report to the Commission that documents program expenditures and energy savings impacts.
2 Spire's energy efficiency program expenditures do not appear to undergo regular prudence
3 reviews as required by the MEEIA statute.

4 **Q. Is there language from a prior rate case describing how expenditures incurred under the**
5 **concept of energy efficiency should be treated?**

6 A. Yes. Page ten of the Partial Stipulation and Agreement in rate case numbers GR-2017-0215
7 and GR-2017-0216 filed on December 13, 2017, states:

8 "Subject to any applicable prudence review, all program expenditures shall be
9 deferred and treated as a regulatory asset. Subject to any applicable prudence
10 review, such deferred expenditures shall be amortized in rates over a ten-year
11 period and included in the Company's rate base..."

12 **Q. What treatment has Spire requested for its energy efficiency asset?**

13 A. Spire is requesting a five-year amortization.¹

14 **Q. What is Staff's proposed treatment of Spire's energy efficiency asset?**

15 A. Staff is proposing a ten-year amortization.²

16 **Q. Did Staff propose any disallowances related to Spire's energy efficiency asset in this case?**

17 A. Not that I am aware. As I mentioned above, Staff's case appears to amortize the same level of
18 energy efficiency expenditures that Spire proposed.

¹ Direct testimony Eric Bouselli, page 16.

² Direct testimony of Antonia Nieto, page 3.

1 **Q. Do you agree with Staff and Company’s proposed level of expenditures in Spire’s energy**
2 **efficiency regulatory asset?**

3 A. No.

4 **Q. Why not?**

5 A. I have reviewed a sample of Spire’s energy efficiency asset expenditures. Of the receipts I
6 have requested, several were incomplete, showing only a total amount spent and not line-item
7 receipts even though totals exceeded \$75. The Company’s policy requires itemized receipts
8 for expenditure totals of \$75 and above. Additionally, tens of thousands of dollars were spent
9 for “business entertainment” and at least one of the receipts showed over **_____**

10 **Q. Is there a possibility that several of the absent receipts possessed alcohol purchases?**

11 A. I believe so. Several of the receipts are for large dollar amounts, the establishments provide
12 alcohol on the menu and are similar in nature to the receipt showing alcohol purchases.

13 **Q. You mentioned that several thousands are classified as “business entertainment”**
14 **expenses. Did this amount increase or decrease since the last rate case?**

15 A. Several categories, particularly administrative, have increased since the last rate case as Table
16 1 shows below:

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Q. Are there additional reasons to raise concern over these increases?

A. An internal Spire audit report dated October 3, 2024, attached as Schedule ADS-R-1, shows findings related to **

Q. Should Spire's Energy Efficiency program expenditures undergo more scrutiny to lessen the probability of wasteful spending?

A. I believe so. Scrutiny is even more imperative as Spire's energy efficiency expenditures are recovered in a regulatory asset, meaning expenses are recovered dollar for dollar. Since this asset is recovered fully, there's no incentive from the Company to manage costs or find efficiencies. This regulatory asset is a prime example of all that could go wrong with cost trackers and regulatory assets. For all the statute and Commission rule language ensuring protections for ratepayers, that language is only relevant if actual regulating takes place. There's no guarantee regulatory oversight pertaining to the prudent administration of trackers or regulatory assets will occur. In face of limited resources and increasingly favorable legislation regarding cost trackers and regulatory assets, and now future test year, the path of least regulatory resistance involves accepting what the utility submits at face value without truly determining if there's a benefit to captive ratepayers.

1 **Q. You have provided testimony regarding the noticeable increase in administrative,**
2 **particularly business entertainment, expenses charged to Spire's energy efficiency asset.**
3 **Are the increased expenditures in this category the subset of a larger issue?**

4 A. I believe so. The energy efficiency asset subledger expenditures⁴ increased from \$5,660,817
5 in GR-2022-0179 to \$11,600,155 in this case, an increase of over 100%.

6 **Q. Can you provide potential reasons why Spire's energy efficiency asset expenditures**
7 **would increase by such a large amount?**

8 A. While various possibilities could exist for Spire's increased energy efficiency spending, the
9 most apparent reason is load growth building of natural gas fueled appliances in new
10 residences. Spire's response to OPC data requests, in this case, show a large number of
11 'business entertainment' expenses were geared toward natural gas contractor gatherings. By
12 cultivating relationships with contractors and developers, Spire's energy efficiency rebates for
13 natural gas heat pumps, and other eligible natural gas appliances placed in new homes,
14 essentially guarantees rate base growth. New home owners purchasing said houses are more
15 likely to keep natural gas fueled appliances, since retrofitting for electric fueled appliances can
16 be costly. Residential rebates increased by over 100% for both Spire East and Spire West
17 between GR-2022-0179 and GR-2025-0107.

18 **Q. Who benefits from Spire's load growth generated through the energy efficiency**
19 **program?**

20 A. Promoting the installation of natural gas appliances in new development and the additional
21 capital investment required to build out into new development areas primarily benefits
22 Shareholders.

⁴ Subledger detail provided in response to OPC DR 1100 in GR-2025-0107 and Staff DR 189 in GR-2022-0179.

Q. Are there Commission rules that specifically address promotional practices?

A. Yes. 20 CSR 4240-14.020 pertains to prohibited promotional practices.

Q. What are potential outcomes of using energy efficiency funds to promote the installation of natural gas heat pumps in new developments?

A. Since heat pumps also run on electric power, electric utilities could provide rebates for heat pumps as well. The promotion of natural gas heat pumps and other natural gas appliances in new development removes the choice of energy efficient gas or electric heat pumps from new home owners. Energy efficient natural gas heat pumps and electric heat pumps are in direct competition, with the main difference being fuel source.

Q. What do you recommend?

A. I recommend a disallowance of approximately \$2.1 million from Spire's energy efficiency asset, to be allocated between Spire East and Spire West to account for (1) increased energy efficiency expenditures designed to promote natural gas appliances in new development and (2) the increase in administrative expenses in the form of business entertainment, gym memberships, meals, etc. since the last rate case. Several transactions I reviewed were lacking detailed receipts, and likely contained alcohol purchases. When considered in conjunction with a Spire Internal audit on employee expenses, it's clear that the internal controls over wasteful spending have not been effective, and the energy efficiency asset has become a means for entertaining employees and gas contractors on the ratepayer's dime. Ratepayers should not be treated as unlimited bank accounts to fund the employee entertainment of regulated utilities or promoted load growth building. Furthermore, I propose that Spire's policy of requiring detailed receipts only for purchases above \$75 be updated to \$50. Clearly, this change is necessary due to inattentive spending of ratepayer dollars that provide no real benefit to said ratepayers.

PAYROLL

Q. What is Missouri Industrial Energy Consumer (“MIEC”) witness Greg Meyer’s observation relating to Spire’s labor expenses?

A. Mr. Meyer states that Spire seeks to increase Spire East labor expenses by over \$10 million even though Spire just went through an employee reduction event. Mr. Meyer also points out the contradictory testimonies of Spire witnesses Mr. Weitzel and Mr. Bouselli.

Q. What are your thoughts on Mr. Meyer’s concerns regarding Spire East’s labor expenses?

A. Mr. Meyer raises a valid point. Table 2 below shows the difference between Spire employee headcounts between GR-2022-0179 and the current rate case⁵. **

**Table 1 shows a consistent reduction of unique employee positions from most business units, for an overall reduction of 222 unique positions since the last rate case.

⁵ As found in Spire’s response to Staff DRs 44 in both GR-2022-0179 and GR-2025-0107. Count is based on unique employee IDs by assigned business unit and does not account for allocations.

Q. Has the method by which payroll is distributed been modified since Spire's last rate case?

A. Somewhat. During GR-2022-0179, Spire provided testimony regarding a reorganization project designed to transfer shared service positions from the Spire Missouri East business unit to Spire Services. The employee reduction event briefly mentioned in this case occurred in conjunction with a shared services reorganization project.

Q. Have other payroll related updates occurred since Spire's last rate case?

A. Yes. According to Spire's response to Staff data request 42, Spire Missouri East employee benefit overhead rate increased from **_____** while Spire Missouri West's employee benefit overhead rate increased from **_____**.

Q. Do the shared service reorganization project and the employee reduction event appear effective in streamlining operations and achieving payroll efficiencies?

A. If Spire achieved operational efficiencies from its workforce reorganization and reduction, such efficiencies are not apparent from the payroll expenses included in its filed rate case. Indirect allocations aside, Tables 2 and 3 indicate that Spire Missouri East should have experienced a reduction in payroll expense rather than an over ten million dollar increase.

Q. Did you review Staff's payroll calculation workpapers?

A. Yes.

Q. Which allocation percentages did Staff apply when calculating Spire East and West payroll expenses?

A. Staff applied the wage allocation percentages Spire provided in its direct case, calculated for each business unit.

Q. How did Spire calculate the wage allocation percentage?

A. From what I have reviewed of Spire's response to Staff data request 17, Spire calculated each business unit's wage allocation percentage based on both direct and indirect costs.

Q. What concerns do you have with the method by which Spire is calculating its wage allocating cost allocator?

A. Based on responses to Staff DRs, Spire's three factor formula calculation, and the payroll allocator, includes distributed payroll costs resulting from utilizing a wage allocation method that already includes indirect payroll costs. Direct labor totals are one of the constant drivers of three factor allocation methods based on utility industry reviews. The problem here is that Spire includes allocated shared costs in its calculation of the three-factor allocation method in addition to direct costs.

Q. What is the problem with including allocated shared costs in the three-factor formula that determines how shared costs should be allocated?

A. Including allocated shared costs in the formula determining the general allocator by which shared costs will be distributed, overgeneralizes and inflates the amount of shared costs allocated to operating companies that already report greater totals of net assets, revenues, and wages. Applying an already overgeneralized corporate allocator further compounds inflated shared costs between affiliates which potentially subsidizes unregulated affiliate operations since the regulated operating companies report significantly more assets, revenues, and wages.

Q. Should payroll allocations be calculated using an allocator that includes indirect costs?

A. I don't believe so. Allocating indirect payroll using an allocator based partially on indirect costs results in a circular reference and further dilutes indirect costs.

Q. Is Spire aware of how circular references potentially affect calculated results?

A. As far as I can tell. According to Spire's response to Staff data request 83, Spire provides a perfect example of circular logic as "a logical dilemma where the result of an equation is being used to solve the equation."

Q. And does the act of including indirect costs in a wage allocator to determine how wages should be allocated create a circular logic dilemma?

A. That appears to be the case.

Q. Did you note any other issues with Staff's payroll allocation calculation in this case?

A. Yes. Staff allowed an unnecessary amount of payroll expenses related to External and Government affairs, Business and Economic Development, and Investor Relations. Excessive payroll in these particular areas is unnecessary for safe and reliable service at reasonable rates and should not be allowed.

Q. What is your recommendation to the Commission?

A. My recommendation is twofold. First, similar to the last rate case, I recommend utilizing shared service payroll allocation factors that align with pre-allocated payroll dollars. Post-allocation factors derived from both direct and indirect payroll totals dilute indirect allocations and result in "circular logic". Additionally, rather than allowing the proposed level of payroll expense Spire calculated in its direct case, I recommend only allowing payroll expense in line with historical levels granted in previous rate cases. Despite Spire's reorganization of shared services positions and its workforce reduction event, payroll expense for Spire Missouri East increased by over \$10 million. Until the Company can demonstrate that ratepayers have benefited from Spire's recent actions, no more than historical levels of payroll expense should be allowed into rates, at this time. My recommendation is subject to change for surrebuttal. Furthermore, I propose an adjustment to remove payroll associated with External and

Government affairs, Business Development, and Investor Relations in order to remain consistent with my recommendations for other investor-owned utility rate case testimony before the Commission.

SOFTWARE AMORTIZATION

Q. How is Spire proposing to change the amortization of Enterprise Software?

A. Spire is proposing to change 391.950 Enterprise Software account amortization to amortize the remaining net book value at October 1, 2025, over five years, which will impact the amortization expense of Spire Missouri East by approximately \$2.6 million and Spire Missouri West by approximately \$1.9 million.⁶

Q. Do you agree with updating the amortization period of USOA account 391.950 to five years?

A. No.

Q. Why not?

A. Spire's reasoning for shortening the amortization period of software not yet retired is unconvincing. From what I have found, the software assets are still in service, and the Company has not begun replacing them. Arbitrarily updating the 391.950 software amortization expense because "many" assets in this account "might not" achieve their useful life of 15 years is premature.

⁶ Direct testimony of Eric Bouselli, page 16.

Q. What do you recommend?

A. I recommend the Commission order the 391.950 software amortization remain at 15 years. Since the software assets in this account are still in service, shortening the amortization period is unnecessary.

AFFORDABILITY

Q. What is the definition of affordability?

A. According to the Cambridge dictionary affordability is “the state of being cheap enough for people to be able to buy”

Q. Why is affordability a factor in this rate case?

A. Affordability should always be a factor when evaluating the rate increase request of a regulated utility company. A rate case is a time to assess prudent operation and maintenance (“O&M”) expenses and capital investments; but it is also a time to assess whether this necessary service is affordable to those that need it.

Q. Are customers concerned they will have to choose between food, medicine, or heat as a result of this rate case?

A. Based on several of the customer comments, I would say yes. Only a small sample of customers’ concerns are provided below:

P202501662 "The additional charges on my bill are ridiculous. The additional charges are more than my actual gas usage. \$82.51 in charges/fess and \$71.90 in gas usage! I am a senior citizen on a fixed income and this is really hard to keep up with. Please eliminate some of these fees."

1 P202502068 "I am a Spire customer who needs help with my outrageous bill in
2 which Spire is charging me double just for delivering the gas to the unit. Moreover,
3 they stated that this is smth that is regulated by your body which is allowing them to
4 rip me off. I am being charged double the charge for delivery plus other charges, taxes,
5 pipeline upgrades, WNAR and the actual gas. These charges are bogus and made to
6 take advantage of the general population and require the state to help me and stop this
7 extortion. If the public service commission has approved these outrageous fees then
8 they should never represent us the people or any consumer and should all be expelled
9 from this disgraceful institution."

10 P202502151 "I am writing to express my strong opposition to Spire Missouri's
11 proposed rate increase in case File No. GR-2025-0107. As a resident of MO, I am
12 deeply concerned about the financial burden this increase would place on consumers,
13 especially during these challenging economic times. Many Missourians are already
14 struggling with the rising costs of living, including housing, groceries, and healthcare.
15 The proposed rate increase would exacerbate these financial pressures, particularly for
16 households already burdened by high utility bills. The increase, which may seem
17 modest, can be significant for those already facing financial hardship. Given these
18 concerns, I urge the MPSC to consider the financial well-being of MO residents. Thank
19 you."

20 P202502161 "I would like to urge you to reconsider the significant increase that is
21 being proposed. An increase of 14% - 15% is well outside the range of what most
22 households are able to afford today. This is well beyond the current inflation rate, as
23 very far above the salary increase that most local customers have received. We are a
24 household of first responders, and our annual increases, if any, are never above 3%."

25 P202502163 "I'm responding to the rate increase proposal for Spire as I'm unsure I'll
26 be able to attend a public hearing. Based on my research, Spire reported net income of

1 ~\$236M in fiscal 2024. This reflects an increase over fiscal 2023 of \$34M. The
2 requested increase would seem to double their net income to almost \$500M, all other
3 variables held equal. Given Spire's strong financial position, a rate increase does not
4 seem justified. The citizens of Missouri should not be charged to increase shareholder
5 profits. I'm not in favor of a rate increase and am curious why the state would allow
6 this increase.”

7 P202502165 “Dear Public Counsel, This is too much of an increase for homeowners.
8 Please stay within normal wage increases of no more than 4 to 5%. Everyone knows
9 how much prices have gone up and wages have not kept up. It’s irresponsible for Spire
10 to request such a large increase. Furthermore, geopolitical reasons have already pushed
11 winter gas prices to new highs.”

12 P202502167 “I am submitting this communication to voice my non support of the
13 proposed increase by spire. I've grown weary of all the companies wanting to continue
14 to take money from the consumer as opposed to increased fiscal responsibility. I am
15 sure there's areas within the company that could stand some belt tightening. You can't
16 continually just keep taking. People like me that are retired and on a fixed income
17 cannot continue to bear all this burden.”

18 P202502169 “To Whom This May Concern: I am offended that Spire is requesting
19 a increase of 14%. These types of requests need to stop and they need to learn about
20 sticking to a budget. They can not always expect the public to bail them out by always
21 increasing our bills. The citizen's can not constantly approve an increase. I worked for
22 over 45 years and did with very minimum to no raises each year. I suggest they look
23 within their organization to find ways to save money to do the things that they need to
24 do. Thank you for listening.”

25 P202502173 “Please let the records show that both my wife & I are against the
26 proposed increase by Spire. This 15% increase by this fall is outrageous. We are both

1 retired seniors living on a tight fixed income. We use less gas than ever before in our
2 lives, but pay more more for gas than we ever did in our lives.”

3 P202502189 “My wife and I received a letter over the weekend discussing the
4 proposed 15% increase Spire is requesting for their services this fall. We are retired
5 and on a fixed income. We have not budgeted for “crazy” high increases like these.
6 While we understand their need to recover infrastructure investments, inflationary
7 costs, increased cost of service and weather impacts, we cannot afford to “bleed out”
8 these kinds of increases. With things continuing to increase, we ask that you do not
9 grant these wishes and keep the price increase at or below the going rate of inflation.
10 Thank you.”

11 P202502191 “I’ve recently moved to the downtown area of Saint Charles in the
12 Hidden Oaks subdivision. I’m curious what "infrastructure improvements" Spire has
13 identified that they need additional funding for. They've recently been blocking off
14 areas near the entrance to our neighborhood to do some sort of maintenance or
15 replacement of lines, and they've just been crudely filling in the previously cement
16 sidewalks they dig up with asphalt and spilling it everywhere. It looks atrocious and
17 it's already falling apart. I've seen many other spots around saint Charles this is
18 happening and if they can't put it back to at least the condition they found it in, frankly
19 they can't afford to make the repairs.”

20 P202502192 “I reside in Arnold, MO I’ve received notice Spire Missouri has filed
21 for a rate increase request of 14 % As you're aware this rate increase follows on the
22 heels of Ameren Missouri requesting a rate hike increase of 15.7 %. Collectively the
23 average resident would realize an increase of over \$30.00 per month. In the big scheme
24 of things \$30.00 per month seems like a manageable dollar amount, however for many
25 it is a lot. Spire revenue increased 13% in 2024 with a revenue of 110.5 million Ameren

1 revenue increased 4.9% in 2024 with revenue of 7.62 billion It is my hope your
2 commissions will deny both utilities requests.I feel they are doing OK.”

3 P202502196 "I think this is a bad time for the company to be asking for an increase
4 due to the economic climate. I have been in this area for 16 years and I don't see that
5 they've done any infrastructure in this area so for them to put those costs on the backs
6 of all customers; I am not for that. I am retired and on a fixed income."

7 P202502199 "I don't understand these catastrophic increases. How can they justify
8 them? Maybe don't take so much of a bon[us]!"

9 P202502201 "I hope they make accommodations for seniors especially ones that are
10 handicap. I am on a VERY fixed income. This will too much for the people. Many of
11 us are already concerned about having to give up food or turning the heat on."

12 P202502211 "Good morning! As a senior citizen the proposed increase is not
13 something we can easily manage. The \$14 increase may not seem much to some but
14 that's a lot to our older citizens. Can't they do better with money management?
15 Thanks"

16 P202502212 "I am a disabled combat veteran and on SSI and if things keep going
17 up, I will have to sell my house. I am very frustrated how everything is going up. I have
18 lived in my house for so long and now may lose my house. I fought for our country
19 and this is not right.”

20 P202502213 "All of these increases are going to kill of the senior citizens. They are
21 going to have to choose between meds, food, utilities, etc. This is getting out of hand.
22 14-15% increase?! I received \$33 increase in my social security but did I see it? No
23 with everything else increasing! When are they going to open their eyes?"

1 P202502215 "\$14/mo is too much. I am barely making it as it is! Spire has ZERO
2 ways of helping people that are struggling. I would like to rip them a new one and I
3 will do whatever it takes to make them stop"

4 P202502220 "This proposed increase of approximately 15% is well above the
5 inflation rate. Please examine the Spire administrative and executive salaries (and
6 bonuses) and ensure that those are reasonable."

7 P202502221 "Please tell us how handing over every rate increase requested by utility
8 companies, who routinely make millions in profits. The PUBLIC gets no choice to buy
9 electricity or gas from those who hold these monopolies. People are struggling as
10 groceries are sky high, etc. So jacking up utility prices makes sense to the so-called
11 PSC?!"

12 P202502223 "I would like to urge you to reconsider the significant increase that is
13 being proposed. An increase of 14% - 15% is well outside the range of what most
14 households are able to afford today. This is well beyond the current inflation rate, as
15 very far above the salary increase that most local customers have received. We are a
16 household of first responders, and our annual increases, if any, are never above 3%. To
17 increase utilities by multiples of what most of us receive, not only puts our household
18 at a disadvantage, it also ignores any accountability on the part of the utility to
19 challenge their budgets as consumers are forced to do."

20 P202502224 "So Ameren is begging for more money, and now Spire is. Must be
21 nice to push the rate increases on the public rather than having the CEO and the other
22 executives of these money-hungry companies take a pay cut. Spires' CEO earns \$5
23 million dollars a year. Privilege at its best. Public hearings are just a formality, and the
24 rate increases will just be pushed through. It is a really sad world we live in....."

1 P202502226 "Please NO. Spire just had an increase. Old people like me are going to
2 have to choose between food and meds. I don't think they need another increase since
3 they just got a huge one."

4 P202502227 "I have received the notice of the proposed rate increase Spire is
5 requesting. I understand that Spire must increase rates \$236 million in order to stuff the
6 pockets of their CEO and top executives. They must really work hard to deserve a 14%
7 increase. I wonder how many of their customers have received a 14% increase to their
8 salary. I can tell you that all the other senior citizens on Social Security like myself
9 never get an increase like that. If this increase is approved I can guarantee you that
10 there will be an older senior citizen who will either turn their furnace down real low or
11 don't eat properly or can't afford their medicine just to pay the gas bill."

12 P202502253 "We just went through a rate increase and my average bill went up on
13 average \$30 a month from 2023 to 2024. I am sure it is easy to show they need it, but
14 do they really? Unless they show a lot of cost savings and reduce waste to improve their
15 financial situation they can't prove it. It's Time they have to really show what they are
16 doing to reduce cost before they should get an increase. I had to cut expenses in 2025
17 to pay my increase in all utilities and taxes to afford the utility companies increase, they
18 should to. My opinion is that the MO Public Service Commission should decline their
19 increase."

20 P202502269 "I am writing to express my strong concern regarding the proposed rate
21 increase by Spire Missouri Inc., Case No. GR-2025-0107. As a residential customer, I
22 find the suggested 14% increase — approximately \$14 more per month — to be
23 excessive, especially given that natural gas rates have already risen significantly in
24 recent years. In fact, over the past five years, natural gas bills for end consumers have
25 nearly doubled. Spire Missouri has already implemented substantial rate increases in

2022 or 2023. Adding another major hike now, during a period of inflation and economic pressure, will place an even greater burden on working families.”

Q. Several customer comments question Spire’s management of O&M and capital investment costs. Do the customers raise valid concerns?


A. Based on the expenses included in Spire’s energy efficiency regulatory asset, I believe so. Additionally, at this point in time, Spire has not provided the burden of proof validating that its reorganization of employee positions has created efficiencies while eliminating redundancy and waste. Spire’s incentive compensation goals also emphasize capital investment. While necessary capital investment is expected, emphasizing capital investment goals in order for employees to achieve bonuses could lead to unnecessary overinvestment and unreasonable rate increases.

Q. What do you recommend?

A. I urge the Commission to review all customer comments in this case and keep affordability in mind as they review the evidence related to all aspects of this case. Particularly, the extravagant spending of Spire employees classified as “energy efficiency”, employee incentive compensation designed to potentially enhance unnecessary capital investment, and disproportionate payroll allocations/ expenses, to name a few. Ratepayers have been besieged by an onslaught of unreasonable rate requests by each of their regulated utility providers and are voicing concerns now, more than ever, given utility rate increase requests greatly exceed the cost of inflation and the limits of ratepayer affordability.

Q. Does this conclude your testimony?

A. Yes.


Tiffany Hildebrand
Notary Public