

Exhibit No.:  
Issues: Revenue Requirement/Rate of Return  
Witness: Greg R. Meyer  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Missouri Industrial Energy Consumers  
Case No.: GR-2025-0107  
Date Testimony Prepared: June 30, 2025

**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 Area**)  
\_\_\_\_\_)

Surrebuttal Testimony of

**Greg R. Meyer**

On behalf of

**Missouri Industrial Energy Consumers**

**REDACTED VERSION**

June 30, 2025



**BEFORE THE PUBLIC SERVICE COMMISSION  
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In the Matter of Spire Missouri Inc. d/b/a Spire's  
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Case No. GR-2025-0107

STATE OF MISSOURI

COUNTY OF ST. LOUIS

SS


**Affidavit of Greg R. Meyer**

Greg R. Meyer, being first duly sworn, on his oath states:

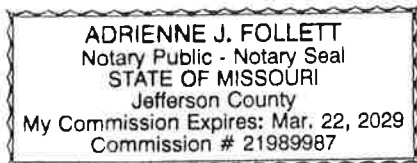
1. My name is Greg R. Meyer. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Missouri Industrial Energy Consumers in this proceeding on their behalf.

2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. GR-2025-0107.

3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.

  
\_\_\_\_\_  
Greg R. Meyer

Subscribed and sworn to before me this 30<sup>th</sup> day of June, 2025.



  
\_\_\_\_\_  
Notary Public

**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 Area )**

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**BRUBAKER & ASSOCIATES, INC.**

**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 Area )**

1 **I. INTRODUCTION AND SUMMARY**

2 **Q WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

3 A My testimony will address the following issues for Spire Missouri Inc's ("Spire" or  
4 "Company") operations.

- 5 ➤ The annualization of Spire Residential revenues based on customer bills.  
6 ➤ My recommendation to disallow discrete adjustments from Spire's cost of service.  
7 ➤ I discuss Spire's payroll and payroll-related adjustments.  
8 ➤ My request to file Supplemental Surrebuttal Testimony in the true-up phase of the  
9 case after reviewing the Missouri Public Service Commission ("Commission")  
10 Staff's ("Staff") updated Accounting Schedules.

11 My silence regarding any position taken by any other party in their Direct  
12 Testimony or other filings in this proceeding does not indicate tacit endorsement of that  
13 position.

14 **II. RESIDENTIAL REVENUES**

15 **Q HAVE YOU READ THE REBUTTAL TESTIMONY OF SPIRE WITNESS**  
16 **TRISHA E. LAVIN ADDRESSING RESIDENTIAL REVENUES?**

17 A Yes, I have.

18 **Q PLEASE SUMMARIZE MS. LAVIN'S REBUTTAL OF YOUR REVENUE**  
19 **ANNUALIZATION.**

20 A Ms. Lavin argues that there are several flaws with the methodology I used to annualize  
21 Residential revenues. I have listed Ms. Lavin's concerns:

- 22 ➤ The use of customers instead of customer bills overstates the annualization of  
23 revenues;  
24 ➤ The use of the December 2024 level of customers overstates Residential revenues;  
25 and

- 1 ➤ The use of the 30-year weather normalization period is not reasonable, and a  
2 shorter time period should be adopted.

3 **Q PLEASE DISCUSS MS. LAVIN'S FIRST ARGUMENT THAT THE USE OF**  
4 **CUSTOMER NUMBERS IS NOT APPROPRIATE.**

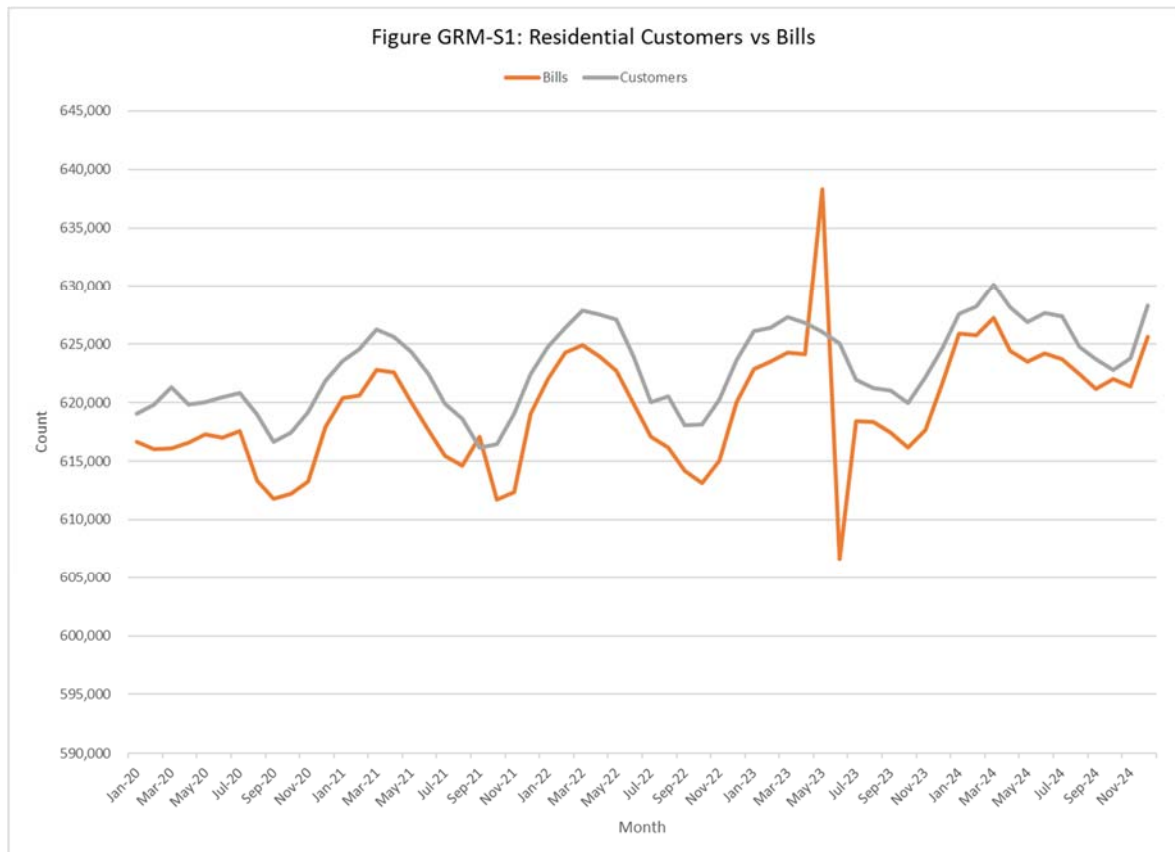
5 A Ms. Lavin argues that customer bills should be used to annualize Residential revenues  
6 to eliminate the effect of multiple customers at one billing address during periods of  
7 customer prorations. Upon further analysis, I agree with Ms. Lavin that the use of  
8 customers could overstate the annualization of Residential revenues. I am, therefore,  
9 revising my Residential revenue annualization to use customer bills instead of  
10 customer counts.

11 **Q IN YOUR ANALYSIS DID YOU FIND THERE WAS A CORRELATION BETWEEN**  
12 **CUSTOMER COUNTS AND CUSTOMER BILLS?**

13 A Yes. I have included an analysis in graphic form to show the relationship between  
14 customer counts and customer bills.<sup>1</sup>

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<sup>1</sup>Company's Response to Data Request MIEC 4.1.



1 As can be seen from Figure GRM-S1 above, there is a close correlation  
 2 between customer counts versus customer bills. Historically, customer bills are less  
 3 than customer counts but follow the same growth/seasonality trends as customer  
 4 counts.

5 **Q HAVE YOU TRACKED CUSTOMER BILLS ON A HISTORIC BASIS?**

6 **A** Yes. We were able to retain customer bill counts from the Company's Response to  
 7 Data Request MIEC 4.1 and the Company's Response to Staff Data Request 109. I  
 8 have included that analysis in Table GRM-S1.

**Table GRM-S1**

**Monthly Customer Bills**

<b>Month</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
January	616,659	620,393	622,026	622,844	625,891	
February	616,036	620,624	624,263	623,500	625,762	
March	616,124	622,813	624,892	624,307	627,249	
April	616,589	622,603	623,942	624,155	624,432	
May	617,286	620,028	622,708	638,319	623,513	
June	617,043	617,674	619,913	606,643	624,246	
July	617,556	615,458	617,086	618,456	623,705	
August	613,328	614,635	616,142	618,330	622,430	
September	611,816	617,078	614,219	617,433	621,197	
October	612,187	611,746	613,127	616,191	622,025	
November	613,260	612,382	615,029	617,674	621,362	
December	617,925	619,064	620,032	621,517	625,650	
Average	615,484	617,875	619,448	620,781	623,955	
Difference Prior Dec.		(50)	384	749	2,438	

Source:

Company Response to Data Request MIEC 4.1 and Staff 109.

1                    Table GRM-S1 reveals that customer bills are growing, similar to my conclusion  
2                    relying on customer counts.

3    **Q        BASED ON YOUR ANALYSIS OF CUSTOMER BILLS, DO YOU STILL BELIEVE A**  
4                    **RESIDENTIAL CUSTOMER BILL REVENUE ADJUSTMENT IS JUSTIFIED?**

5    **A        Yes, I do.**



1   **Q     PLEASE COMMENT ON THE USE OF DECEMBER 2024 CUSTOMER BILLS TO**  
2   **ANNUALIZE RESIDENTIAL REVENUES.**

3   A     In her Rebuttal Testimony, Ms. Lavin argues that the use of December customer bills  
4         reflects a high month of customer bills during the calendar year because of the  
5         seasonality of gas use during the winter. I generally agree with Ms. Lavin that  
6         December levels of customer bills are higher when comparing to the average customer  
7         bills for its calendar year. December levels of customer bills will be generally higher  
8         because more customers rely on space heating and want the availability of space  
9         heating during the winter months.

10                 However, what Ms. Lavin fails to recognize is that the customer base of Spire  
11         East is growing. I have demonstrated in Table GRM-S1 that the level of customer bills  
12         in December will be exceeded in the following year's (12 months) customer bills.<sup>2</sup> In  
13         other words, customer growth on the Spire East system will outpace the level of  
14         customer bills recorded in December of the previous year. For example, the customer  
15         bill count for December 2023 was 621,517, or an annualized customer bill count  
16         of 7,458,201. The total customer bill count recorded for 2024 was 7,487,463, or a  
17         growth of 29,262 over the December 2023 annualized customer bills. I, therefore,  
18         continue to advocate for the use of December 2024 customer bills to annualize  
19         Residential revenues.

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<sup>2</sup>It should be noted that 2020's December customer bills are only slightly below the average customer bills for 2021. This was the only observed exception.

1   **Q     PLEASE COMMENT ON THE USE OF A 30-YEAR NORMALIZATION PERIOD FOR**  
2   **WEATHER NORMALIZING REVENUES.**

3   A     In my Direct Testimony, I supported the use of thirty years to normalize revenues. I  
4         suggested that if the Commission wants to decrease the period, it could take an  
5         incremental step, moving down to 20 years.

6   **Q     DO YOU HAVE OTHER CONCERNS WITH MOVING FROM THIRTY YEARS FOR**  
7   **NORMALIZING REVENUES?**

8   A     Yes, weather normalization applies to both electric and gas usage. It is unfair for the  
9         Staff and other parties to have to argue with a gas utility to establish a weather  
10        normalization period and then have to argue with the electric utility for a different  
11        weather period. Gas usage needs to be weather normalized to account for the  
12        temperature variations in the winter months and the associated gas usage during that  
13        time period. Typically, the colder the winter weather the more gas a customer uses to  
14        heat their home. Similarly, electric usage needs to be weather normalized for electric  
15        usage during the summer months. Typically, the summer weather dictates the use of  
16        electricity for cooling homes. If summer weather is warmer than normal, then  
17        customers will use more electricity to cool their homes.

18           I would recommend that the Commission establish a workshop for the Staff,  
19        electric utilities, gas utilities, and other interested parties to discuss the proper weather  
20        normalization period for normalizing gas and electric revenues. Since both electric and  
21        gas revenues are affected by weather normalization periods, it is appropriate that all  
22        affected utilities and other parties have a voice in determining the proper weather  
23        normalization period. All interested parties should meet, discuss, and build a  
24        consensus on a uniform weather normalization period.

1    **Q        WOULD YOU PROPOSE OTHER ITEMS BE DISCUSSED IN THAT WORKSHOP?**

2    A        Yes, for those service territories that serve several gas and electric customers, an  
3               agreement should be reached on the proper weather station to annualize revenue. For  
4               example, many of the Spire East customers also receive electric service from Ameren  
5               Missouri. There should be an agreement on what weather station or stations are used  
6               to normalize weather, so that there is a consistent approach. Agreeing to a weather  
7               normalization period and a weather station will eliminate bias a gas or electric utility  
8               would have over its customers who take both gas and electric service in Missouri.

9    **Q        YOU MENTIONED EARLIER THAT YOU STILL BELIEVE A RESIDENTIAL**  
10           **REVENUE ADJUSTMENT IS APPROPRIATE FOR THE SPIRE EAST**  
11           **OPERATIONS. PLEASE DISCUSS THE REVENUE ANNUALIZATION YOU**  
12           **PROPOSE.**

13   A        I recommend that the customer bill total in December 2024 be used to annualize Spire  
14               East revenues. I have previously demonstrated that the use of these customer bill  
15               counts will better reflect the customer growth that will be experienced during the next  
16               year. I propose to use the usage per customer bill level proposed by Ms. Lavin that is  
17               contained in her Exhibit TEL-R1. Using those billing determinants produces a revenue  
18               adjustment of approximately \$1.4 million for Spire East.<sup>3</sup> I have based this adjustment  
19               on the billing determinants contained in Ms. Lavin's Exhibit TEL-R1. It is my belief that  
20               the Rebuttal Testimony of Ms. Lavin now proposes to reflect the level of Residential  
21               revenues contained in the revenue requirement. If that assumption is not correct, then

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<sup>3</sup>A similar adjustment for Spire West would result in a revenue requirement adjustment of approximately \$2.1 million.

1 the adjustment I have proposed would need to be modified to reflect the annualized  
2 level of revenues proposed by Spire East.

### 3 **III. DISCRETE ADJUSTMENTS**

4 **Q HAVE YOU READ THE REBUTTAL TESTIMONY OF SPIRE WITNESS**  
5 **ERIC BOUSELLI AS IT PERTAINS TO DISCRETE ADJUSTMENTS?**

6 **A** Yes, I have.

7 **Q DO YOU AGREE THOSE ADJUSTMENTS SHOULD BE INCLUDED IN COST OF**  
8 **SERVICE FOR THIS CASE?**

9 **A** No, I continue to recommend that the Commission reject these discrete adjustments  
10 except for those adjustments to amortizations that expire before the Operation of Law  
11 Date ("OLD") in this rate case. As I have previously stated in my Direct Testimony, I  
12 do not accept the argument that expiring amortizations constitute discrete adjustments  
13 as part of a rate case. I will discuss this in more depth later in my Surrebuttal  
14 Testimony.

15 **Q IN HIS TESTIMONY, MR. BOUSELLI LISTS THREE CRITERIA THE COMMISSION**  
16 **HAS RELIED ON FOR APPROVING DISCRETE ADJUSTMENTS. PLEASE**  
17 **RESPOND TO THOSE CRITERIA.**

18 **A** Mr. Bouselli presented these three conditions that the Commission has relied upon in  
19 past cases:

20 (1) known and measurable,

21 (2) [promotes] the proper relationship of investment, revenues, and expenses, and

1 (3) [are] representative of conditions anticipated during the time the rates will be in  
2 effect.

3 In his Rebuttal Testimony, Mr. Bouselli claims all three of the criteria have been  
4 met for the discrete adjustments proposed by Spire.

5 **Q PLEASE DISCUSS YOUR INTERPRETATION OF THE KNOWN AND**  
6 **MEASURABLE STANDARD.**

7 A The event must be known to occur, and the impact from the occurrence of that event  
8 must be measurable. Herein lies the problem with Mr. Bouselli's arguments. The  
9 current Procedural Schedule does not allow time for the Staff and other interested  
10 parties to audit the event's occurrence to meet the measurable standard. Just because  
11 an event is known and measurable by the utility, it should not qualify until a third party  
12 (i.e., Staff) has the opportunity to verify the impacts from the event. This would be  
13 especially true when addressing the non-union merit increase that will not occur until  
14 after the OLD in the current case. This event fails completely for the known and  
15 measurable standard since the event does not take place before new rates are  
16 established in this rate case.

17 **Q PLEASE DISCUSS THE CRITERION OF WHETHER DISCRETE ADJUSTMENTS**  
18 **PROMOTE THE PROPER RELATIONSHIP OF INVESTMENT, REVENUES, AND**  
19 **EXPENSES.**

20 A This criterion is a fundamental concept of ratemaking especially when addressing a  
21 historic test year. In a historic test year, the goal of the audit is to create the proper  
22 relationship between investment, revenues, and expenses that the regulator expects  
23 will be present during the year rates are in effect. Note, I did not say that the audit was  
24 to address the investment, revenues, and expenses that the regulator expects to be

1 present during the year rates are in effect from the current rate case, but that the  
2 relationship of those three components must be found to be actually present, just, and  
3 reasonable. When proposing discrete adjustments, all aspects of the rate case need  
4 to be analyzed to determine whether the relationship of investments, revenues, and  
5 expenses generate just and reasonable rates. Generally discrete adjustments of this  
6 nature should not be ordinary events like capital additions, payroll increases, etc.

7 **Q WHY SHOULD ORDINARY EVENTS LIKE CAPITAL ADDITIONS, PAYROLL**  
8 **INCREASES, ETC. BE DISALLOWED FOR DISCRETE ADJUSTMENT**  
9 **CONSIDERATION?**

10 A If these normally occurring events create significant increases to the cost of service,  
11 the utility should file a more timely rate case that would consider such events in the  
12 period available to audit those events within the normal rate case process. Simply  
13 including them as discrete adjustments should not relieve the utility of timely rate case  
14 filings to consider all major cost increases/decreases of the utility.

15 **Q PLEASE DISCUSS THE CRITERION ON WHETHER DISCRETE ADJUSTMENTS**  
16 **ARE REPRESENTATIVE OF CONDITIONS ANTICIPATED DURING THE TIME**  
17 **RATES WILL BE IN EFFECT.**

18 A This criterion is not applicable to historic test years. If the regulator is seeking to  
19 establish the level of investment, revenues, and expenses that will exist during the year  
20 rates are in effect, the use of a future test year would accomplish such goal. In this  
21 case, the historic test year requires the regulator establish the proper relationship  
22 between the investment, revenues and expenses that can be actually measured and is  
23 known to have occurred, as I discussed previously.

1    **Q     DO YOU BELIEVE AMORTIZATIONS THAT EXPIRE BEFORE THE OLD IN A RATE**  
2    **CASE SHOULD BE CLASSIFIED AS A DISCRETE ADJUSTMENT?**

3    A     No, I do not. Amortizations are another special regulatory tool that allow a utility to  
4     spread out the recovery of certain unusual expenses over a multi-year period.  
5     Generally, amortizations are for the benefit of both the utility and customers. Utilities  
6     benefit from amortizations as they allow for recovery of unusual expenses over a  
7     multi-year period instead of current recovery in a rate case. Customers benefit from  
8     amortization in that the costs are spread out over a longer period of time, thus,  
9     minimizing significant rate volatility. Amortizations are established to recover only the  
10    agreed to cost and not to collect in excess of that cost from customers. Amortizations  
11    should be audited in each rate case to determine if certain amortizations will be fully  
12    recovered prior to the new rates going into effect from the current rate case. If it is  
13    found that an amortization will become fully collected before the OLD, that amortization  
14    should be removed from cost of service regardless of the presence of other proposed  
15    adjustments.

16   **Q     PLEASE SUMMARIZE YOUR ARGUMENTS FOR DISALLOWING SPIRE'S**  
17   **PROPOSED DISCRETE ADJUSTMENTS.**

18   A     I have discussed how the discrete adjustments (less expiring amortizations) proposed  
19    by Spire are not proper to consider in this rate case. I recommend that the Commission  
20    reject the discrete adjustments proposed by Spire. I continue to support reflecting the  
21    expiring amortizations in the calculation of cost of service in this rate case.

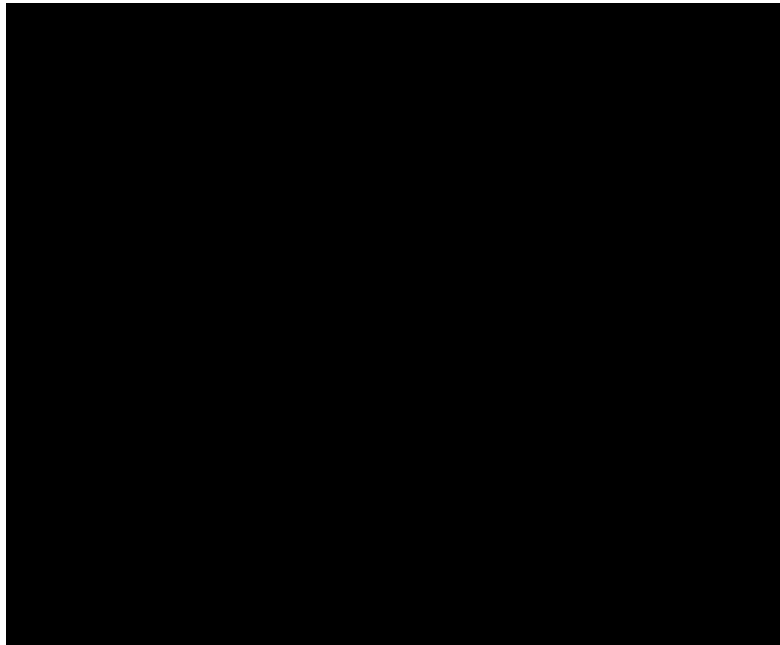
**IV. SPIRE PAYROLL**

**Q HAVE YOU REVIEWED SPIRE'S PROPOSED PAYROLL ADJUSTMENTS?**

**A** Yes, I have.

**Q PLEASE SUMMARIZE YOUR UNDERSTANDING FOR ANNUALIZING SPIRE  
PAYROLL FROM THE INFORMATION YOU HAVE REVIEWED.**

**A** In its Direct Testimony, Spire proposed several adjustments to annualize payroll and payroll related expenses. Those adjustments are listed below in Confidential Table GRM-S2.



As can be seen from Confidential Table GRM-S2 above, Spire has broken down its payroll annualization into two categories. One category for pay increase adjustments and the other category addresses additional headcounts or employees. When summed, Spire was proposing to increase payroll expense by approximately

\*\*\* [REDACTED] \*\*\*



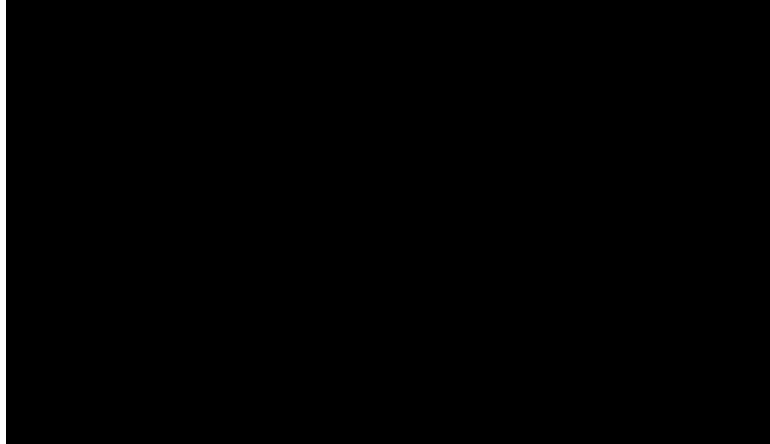
1           The pay increase adjustment amounts are supported by payroll increases at  
2           November 2024, August 1, 2025, and November 2025. Those payroll increases also  
3           affect the level of overtime expense in the payroll annualization. The payroll increases  
4           sought by Spire in 2025 have been classified by Spire as discrete adjustments. In  
5           addition to the above payroll increases, Spire is proposing to change the capitalization  
6           rate for payroll to reflect a three-year average capitalization rate.

7   **Q     ARE YOU SUPPORTIVE OF ALL THE PAYROLL ADJUSTMENTS PROPOSED BY**  
8   **SPIRE?**

9   A     No. As I previously discussed, I am opposed to discrete payroll adjustments proposed  
10        by Spire. I am also aware from the response to MIEC Data Request 5-1 that the  
11        117 additional employees projected to be hired by Spire has been reduced to  
12        11 additional employees at the time of the Spire true-up (May 2025). I do not take issue  
13        with the payroll increase for non-union employees that went into effect in  
14        November 2024 and the corresponding increase in overtime.

15   **Q     HAVE YOU QUANTIFIED THE IMPACT FROM YOUR PAYROLL**  
16   **ANNUALIZATION?**

17   A     Yes. I would support a payroll increase listed below which is consistent with the  
18        Confidential Table GRM-S2 I previously provided.



1           As previously discussed, Confidential Table GRM-S3 reflects the non-union  
2 wage increase effective November 2024, and the increase from the three-year average  
3 capitalization rate. I would also note that in response to MIEC Data Request 5-1, Spire  
4 indicated the following:

5           Based on the true-up employee information, it is now estimated that the  
6 expected increase of \$6.1 million is approximately \$0.

7           Based on this information, I would believe that the true-up annualized level of  
8 payroll expense should reduce the payroll and payroll related increase of approximately

9 \*\*\* [REDACTED]

10 [REDACTED] \*\*\*

11   **Q     ARE YOU AWARE OF THIS REDUCED LEVEL OF ANNUALIZED PAYROLL**  
12   **EXPENSE AFFECTING OTHER EXPENSE ITEMS IN THE RATE CASE?**

13   **A     Yes.** I have also reflected the reduced level of annualized payroll expense when  
14 addressing payroll taxes and 401k expenses.

1    **Q     DO YOU BELIEVE THESE TOTALS WILL CHANGE AS A RESULT OF THE**  
2    **TRUE-UP PROCEEDING IN THIS CASE?**

3    A     Yes. My estimates for quantifying the payroll adjustments are based on Spire's direct  
4     rate case filing. I am sure the estimates I have discussed will change once Spire and  
5     the Staff file true-up numbers. I will review the true-up filing to determine the more  
6     precise annualized level of payroll expense based on my recommendations.

7                                    **V. STAFF'S REVENUE REQUIREMENT**

8    **Q     HAVE YOU BEEN PROVIDED AN UPDATED REVENUE REQUIREMENT**  
9    **CALCULATION FROM THE STAFF?**

10   A     No. It is my understanding that an updated revenue requirement calculation will be  
11     provided by the Staff as part of its Surrebuttal Testimony.

12   **Q     DO YOU HAVE CONCERNS WITH THE TIMING OF THAT CALCULATION?**

13   A     Yes, I do. I believe the MIEC and, for that matter, all parties to the case should be  
14     given an opportunity to review the current revenue requirement calculation and provide  
15     feedback during the true-up phase of this rate case.

16   **Q     DID THE MIEC FILE A MOTION WITH THE COMMISSION REQUESTING SUCH**  
17   **TREATMENT?**

18   A     Yes, on June 25, 2025, the MIEC filed a motion with the Commission requesting the  
19     authority to address any aspects of the Staff's updated revenue requirement filing in  
20     the surrebuttal phase of this rate case. I, therefore, request the ability to address any  
21     concerns I may have with the Staff's revenue requirement calculation as part of the  
22     true-up phase in this rate case.

1    **Q       DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

2    **A       Yes, it does.**