

**Exhibit No.:**

**Issue(s):** Rate Case Expense-Depreciation Study  
Recovery/Meters/Discrete Adjustments/  
General Plant Amortization

**Witness/Type of Exhibit:** Robinett/Surrebuttal

**Sponsoring Party:** Public Counsel

**Case No.:** GR-2025-0107

## **SURREBUTTAL TESTIMONY**

**OF**

**JOHN A. ROBINETT**

Submitted on Behalf of the Office of the Public Counsel

**SPIRE MISSOURI, INC.**

FILE NO. GR-2025-0107

June 30, 2025

## TABLE OF CONTENTS

<b><u>Testimony</u></b>	<b><u>Page</u></b>
Rate Case Expense/Depreciation Study Recovery	2
Meters	3
Discrete Adjustments	6
General Plant Amortization	8
Composite Rates	13

**SURREBUTTAL TESTIMONY**

**OF**

**JOHN A. ROBINETT**

**SPIRE MISSOURI**

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

**Q. What is your name and what is your business address?**

A. John A. Robinett, PO Box 2230, Jefferson City, Missouri 65102.

**Q. Are you the same John A. Robinett who filed direct and rebuttal testimony on behalf of the Missouri Office of the Public Counsel (“OPC”) in this proceeding?**

A. Yes.

**Q. What is the purpose of your surrebuttal testimony?**

A. The purpose of this testimony is to respond to:

- Spire Missouri witness Eric Bouselli’s rebuttal testimony related to depreciation and rate case expense, specifically his testimony related to the recovery of the depreciation study;
- The rebuttal testimony of Staff Witness Ms. Claire M. Eubanks P.E. related to the stranded meter asset;
- The rebuttal testimony of Staff witness Mr. Malachi Bowman related to his depreciation recommendations;
- Staff witness Mr. Keith Majors’ statements related to discrete adjustments; and
- The rebuttal testimonies of Spire Missouri witnesses Mr. John J. Spanos and Ms. Shelly Antrainer related to depreciation issues and return disallowances for Encoder Receiver Transmitters (“ERT”) for Spire Missouri East.

**Rate Case Expense/ Depreciation Study Recovery**

**Q. What did Spire Missouri witness Mr. Eric Bouselli say about your recommendation regarding rate case expense and recovery of the depreciation study?**

A. At page 23 of Mr. Bouselli's rebuttal testimony he states that Spire is seeking recovery of rate case expense including the cost of the depreciation study over two years because it better aligns with Spire Missouri's future plans for filing rate cases.

**Q. Should Spire Missouri's future plan for filing rate cases be the driving factor for recovery of the depreciation study costs?**

A. No.

**Q. What recovery period do you recommend for the depreciation study provided by Spire Missouri in this rate case?**

A I recommend that the Commission deny Spire Missouri's request to recover the costs of the depreciation study over two years. Instead, the Commission should order recovery of the costs over a five-year period.

As I described in my direct testimony, Commission rule 20 CSR 4240-40.090 *Submission Requirements for Gas Utility Depreciation Studies* provides the Commission's requirements for the submission of natural gas utility depreciation studies. The Commission requires natural gas utilities to file a depreciation study, depreciation data base, and property unit catalog every five years. Therefore, commensurate with the filing requirements in the Commission rule the recovery period should be five years.

**Meters**

**Q. What is Staff's position on stranded meters?**

A. Staff calculated a negative reserve balance of \$49 million as of September 30, 2024. Given that retirement of diaphragm meters was ongoing and not fully reflected in Staff or Spire's depreciation study, Staff agrees with my recommendation that an amortization related to meter replacement in Spire Missouri East is warranted. Staff recommends a 20-year amortization consistent with my direct recommendation.

**Q. Did Ms. Eubanks discuss lives of meters as part of her rebuttal testimony?**

A. Yes. In her rebuttal testimony Ms. Eubanks discussed the life of the meters account recommendations from the last two rate cases and issues related to continuing property records for meters.<sup>1</sup> For instance, Ms. Eubanks states that Spire Missouri's external depreciation consultant, Mr. Spanos, recommended a thirty-five-year depreciation rate for meters in Case Number GR-2021-0108<sup>2</sup>. She points out that in his supplemental direct testimony in this case he has now reduced his recommendation to a twenty-six-year average service life for meters that are not ultrasonic. I would like to point out that in his rebuttal testimony in this case, Mr. Spanos corrected his non-ultrasonic meters average service life to twenty-eight years.

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<sup>1</sup> Case Number GR-2025-0107 Rebuttal Testimony of Staff Witness Ms. Claire M. Eubanks, P.E. Page 2 lines 3-17.

<sup>2</sup> Mr. Spanos' depreciation life recommendation for meters in this case is longer than the lives Spire Missouri experienced for meters prior to the transition to ultrasonic meters, as identified in Case Number GR-2021-0108. In that case, Spire Missouri indicated that the experienced lives for meters was 18.8 years for Spire Missouri East and 22.1 years for Spire Missouri West. (Response to OPC data request 8521, Case Number GR-2021-0108, attached as Schedule JAR-S-1).

1 **Q. What life did Staff recommend for non-ultrasonic meters in this case?**

2 A. Staff witness Mr. Bowman recommended an average service life of thirty-two years in his  
3 direct testimony and a corrected average service life of twenty-nine years in his rebuttal  
4 testimony.

5 **Q. Do you have concerns related to the recommended average service lives and treatment**  
6 **of meters provided by Staff and Spire Missouri?**

7 A. Yes. The lives recommended by Staff and Spire Missouri are not consistent  
8 with Spire Missouri's current expected outcomes for meters. The accelerated replacement  
9 of meters in Spire Missouri East is completely different from the replacement occurring in  
10 Spire Missouri West. In Spire Missouri West, the existing system can read the new meters  
11 being placed into service. The existing system did not and does not require the rapid  
12 replacement that has occurred and that is perhaps still occurring in Spire Missouri East.

13 In addition, Spire Missouri East had added ERT to existing diaphragm meters that  
14 are under ten years old and plans to continue to depreciate the meters under the same  
15 twenty-eight-year life as all other non-ultrasonic meters for both Spire Missouri East and  
16 Spire Missouri West.

17 **Q. What concerns do you have related to the treatment of meters in this case?**

18 A. In this case Staff and Spire Missouri are proposing to consolidate the treatment of meters  
19 for Spire Missouri East and Spire Missouri West. I oppose this.

1 **Q. What is your rationale for keeping the depreciation rates for Spire Missouri East and**  
2 **West separate and different?**

3 A. Dating back to 2018, Spire Missouri East and Spire Missouri West have been experiencing  
4 different average service lives for replacement meters. Spire Missouri East has accelerated  
5 retirements and replacements for residential customer meters. Spire Missouri West has not.  
6 Additionally, each of the districts currently have very different replacement strategies for  
7 residential meters. Spire Missouri East has not replaced all of the diaphragm meters during  
8 the transition necessitated by the expiration of the Landis & Gyr contract. Rather, they  
9 have elected to swap ERTs for meters that have not reached ten years old which is the  
10 testing age for residential meters. Spire Missouri West is on a replacement as needed or if  
11 the opportunity arises basis and is not on an accelerated timeline.

12 **Q. Do you have recommendations related to the treatment of meters in this case?**

13 A. Yes. As I discussed in my rebuttal testimony, Spire Missouri East has been transitioning to  
14 ultrasonic meters and away from diaphragm meters. This is due to the Landis & Gyr  
15 contract that expired in April 2025. Landis & Gyr had previously provided meters and the  
16 network for reading the usage of the meters. For residential meters less than 10 years old,<sup>3</sup>  
17 a 10.00% depreciation rate should be applied. For the large meters, Spire Missouri  
18 responded to OPC data request number 8526 that the useful life is 49.98 years. Therefore,  
19 a depreciation rate of 1.94% should be applied to these meters utilizing Spire's  
20 recommended salvage rate of 3% and 50-year life.

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<sup>3</sup> These meters' Encoder Receiver Transmitters ("ERTs") have been replaced but not the meters themselves.

**Discrete Adjustments**

**Q. What concerns do you have related to Staff's recommendations related to discrete adjustments?**

A. First, I am concerned about whether Staff will perform in its true-up accounting schedules the isolated adjustments it has recommended in this case. As is discussed below it would not be the first time Staff supported isolated adjustments and then did not include them as part of the true-up in a case. My second concern relates to Staff's position that plant-in-service depreciation accruals are not known and measurable after the true-up cutoff date of this case. In my opinion, they will be known and measurable.

**Q. Do you agree with Mr. Majors' characterization of Staff's recommended isolated adjustments related to rate base and the retirement of the Asbury generating plant in Case Number ER-2019-0374?**

A. In part, Staff's cost of service report in Case Number ER-2019-0374 stated at pages 105 through 107 that isolated adjustments for Asbury were appropriate and would be included in the surrebuttal/true-up accounting schedules.<sup>4</sup>

However, the true-up accounting schedules in Case Number ER-2019-0374 did not take into account the retirement of Asbury. The excerpt of Ms. Bolin's portion of the Staff Cost of service report related to isolated adjustments is attached as Schedule JAR-S-2.

**Q. Did Staff follow through on its cost of service report and record Asbury as retired in its true-up accounting schedules?**

A. No, Staff did not make the adjustments in its true-up accounting schedules that Ms. Bolin stated Staff would make. Attached as Schedule JAR-S-3 are the true-up accounting

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<sup>4</sup> This portion of the Staff cost of service report is attributed to Ms. Kimberly Bolin.



1 schedules from Case Number ER-2019-0374. Review of page 1 of accounting schedule 03  
2 shows \$236,297,653 of Missouri Jurisdictional plant-in-service balances for the Asbury  
3 facility with zero adjustments for any of the plant accounts 310 through 316.

4 Next, page 1 of accounting Schedule 05 indicates that Staff built into rates  
5 \$11,179,375 for depreciation expense for the Asbury Generating Facility. Staff witness Ms.  
6 Ashley Sarver, in her true-up testimony in that case,<sup>5</sup> discusses Staff's use of a 5-year  
7 average for operations and maintenance expense for the Asbury generating facility.<sup>6</sup>

8 **Q. How does Staff's actions related to Asbury affect this case?**

9 A. Similar to its position in Case Number ER-2019-0374, in this case, Staff is making a similar  
10 claim that certain isolated adjustments should be made. My concern is that the isolated  
11 adjustments that Staff is talking about in this case take place double the amount of time  
12 after the true-up cutoff date of this case (True-up cutoff May 31, 2025 to lease ending July  
13 31, 2025—61 days) as compared to the Asbury retirement and its true-up cutoff date (True-  
14 up cut off January 31, 2019 to Asbury retirement March 1, 2019—29 days). In Case  
15 Number ER-2019-0374, Staff did not make the isolated adjustments related to Asbury.  
16 Therefore, I am concerned that Staff will overlook the isolated adjustments again in the  
17 true-up of this case.

18 **Q. With regards to plant-in-service and depreciation reserve, do you agree with Mr.**  
19 **Majors that they are not known and measurable after May 31, 2025, the true-up date**  
20 **of this case?**

21 A. No, I do not agree.

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<sup>5</sup> Attached as Schedule JAR-S-4

<sup>6</sup> ER-2019-0374 True-up Testimony of Staff witness Ms. Ashley Sarver page 6 lines 13-17 show the yearly O&M expense from 2015 through 2019.

1 **Q. Do you agree that this should lead to the exclusion of depreciation accrual before the**  
2 **effective date of rates in this case?**

3 A. No. At the very least, Spire Missouri's books for June through August should be closed  
4 before the effective date of new rates in this case. It is my opinion that Mr. Majors' real  
5 issue is not that it will not be known and measurable, but that Staff does not have the time  
6 to audit and verify this information prior to the effective date of rates.

7 **Q. What is your recommendation for discrete adjustments?**

8 A. I recommend updating plant-in-service and accumulated depreciation reserves through the  
9 effective date of new rates. If the Commission is not comfortable ordering plant and  
10 reserves updated through the effective date of rates, since the accounting books of Spire  
11 Missouri may not be closed for September 2025 and will not be closed for October 2025  
12 prior to the effective date of new rates in this case of October 24, 2025, the Commission  
13 should update plant-in-service and accumulated depreciation reserves through August of  
14 2025 as the accounting books will be closed prior to the effective date of new rates. I will  
15 provide an updated calculation from my rebuttal testimony in true-up direct testimony to  
16 be filed July 18, 2025.

17 **General Plant Amortization**

18 **Q. Did Staff make recommendations related to your direct testimony requesting, if the**  
19 **Commission authorizes general plant amortization, that plant exceeding the**  
20 **amortization period be retired and ordered retired by the Commission?**

21 A. Yes, at page 7 of his rebuttal testimony Mr. Bowman agreed with my direct position that  
22 if the Commission authorizes general plant amortization for Spire Missouri that retirements  
23 need to be made for all assets that exceed the amortization period.

**Q. Did Staff provide a listing or identify the amounts that should be retired for each account Spire requested general plant amortization be utilized for?**

A. No.

**Q. For each account Spire Missouri requests general plant amortization be applied to, what is the oldest vintage of asset that should still be considered in-service?**

A. The following table displays the plant accounts, the amortization period, and the oldest date for assets to remain as plant-in-service for the account.

Table 1

Plant Amortization Periods and Retirement Prior to Date

	Amortization Period (years)	Retire Assets Prior to
391.00 Office Furniture and Equipment	20	1/2005
391.10 Data Processing Software/Systems	5	1/2020
391.20 Mechanical Office Equipment	15	1/2010
391.30 Data Processing Equipment	10	1/2015
391.95 Enterprise Software	10	1/2015
391.96 Enterprise Hardware	10	1/2015
393.00 Stores Equipment	30	1/1995
394.00 Tools, Shop and Garage Equipment	25	1/2000
395.00 Laboratory Equipment	20	1/2005
397.00 Communication Equipment	15	1/2010
397.10 Communication Equipment – ERT	15	1/2010
397.20 Communication Equipment - AMR	7.5	7/2017
398.00 Miscellaneous Equipment	20	1/2005

<sup>7</sup> Amortization periods taken from Mr. John J Spanos' Supplemental Direct testimony, Schedule JJS-Supplemental Page V-4. Retire prior to date is a calculation using 2025 as a starting date and subtracting amortization period.

**Q. Have you identified the assets that need to be retired because they exceed general plant amortization periods for the requested accounts?**

**A.** The following table is a summation of the amounts that need to be retired from each account that Spire has requested general plant amortization method be applied.

Table 2  
Amounts to be Retired  
Spire East

Spire Missouri East		
Account	Assets to Retire	Amount to Retire
391.00 Office Furniture and Equipment	9360	160,109.69
391.10 Data Processing Software	40	4,682,230.41
391.10 Data Processing Systems- Computers	728	7,385,736.49
391.20 Mechanical Office Equipment	531	-
391.30 Data Processing Equipment	203	1,915,005.17
391.4 Data Processing Equipment	1	32,947.48
391.95 Enterprise Software	48	83,670,982.16
391.96 Enterprise Hardware	0	-
393.00 Stores Equipment	117	83,024.15
394.00 Tools, Shop and Garage Equipment	7142	2,788,166.51
395.00 Laboratory Equipment	207	82,386.08
397.00 Communication Equipment	185	118,401.84
*397.20 Communication Equipment - AMR	0	-
398.00 Miscellaneous Equipment	870	68,168.45

<sup>8</sup> \*Note the AMR assets in account 397.2 are vintage year 2017; a month is not given for in-service. This account has a 7.5-year life so anything in service prior to July 2017 would need to be retired. This asset is worth \$16,624,219.88 based on Spire Missouri's Response to OPC data request number 8524.

<sup>9</sup> Information is compiled from Spire Missouri's responses to OPC data requests 8513 through 8525. I made all asset line items that exceed the amortization period for the account in yellow and summed the value for each account and district.

Table 3  
Amounts to be Retired  
Spire West

Spire Missouri West		
Account	Assets to Retire	Amount to Retire
391.00 Office Furniture and Equipment	5603	164,280.20
391.10 Data Processing Software	14	890,135.80
391.10 Data Processing Systems- Computers	151	456,176.52
391.20 Mechanical Office Equipment	0	-
391.30 Data Processing Equipment	6	52,672.02
391.4 Data Processing Equipment	9	97,845.28
391.95 Enterprise Software	0	-
391.96 Enterprise Hardware	0	-
393.00 Stores Equipment	401	227,616.41
394.00 Tools, Shop and Garage Equipment	5639	1,681,348.34
395.00 Laboratory Equipment	17	-
397.00 Communication Equipment	1316	2,374,846.45
397.10 Communication Equipment – AMR/ERT	21	8,881,931.59
398.00 Miscellaneous Equipment	191	363,860.53

**Q. Does Mr. Bowman oppose general plant amortization?**

A. No. Mr. Bowman states at page 7 of his rebuttal testimony that Staff does not oppose general plant amortization provided that the Federal Energy Regulatory Commission conditions are met, and that Spire retires general plant that exceeds the amortization period.

<sup>10</sup> Information is compiled from Spire Missouri's responses to OPC data requests 8513 through 8525. I made all asset line items that exceed the amortization period for the account in yellow and summed the value for each account and district.

1 **Q. Did Staff support general plant amortization in the previous Spire general rate case,**  
2 **Case Number GR-2021-0108?**

3 A. No. Staff witness Mr. David T. Buttig, PE as part of his surrebuttal testimony discussed his  
4 concerns related to a potential over-recovery utilizing Spire's depreciation rates in GR-  
5 2021-0108. This was one of the rationales and findings of why the Commission denied  
6 Spire Missouri's request for general plant amortization in its *Report and Order* in that case.

7 **Q. Did the Commission order general plant amortization in its *Report and Order* in Case**  
8 **Number GR-2021-0108?**

9 A. No. The findings of the Commission from the *Report and Order* are as follows:

10 The Commission finds that Spire Missouri's proposal for amortization of  
11 the general plant accounts is not appropriate as General Plant account  
12 amortization threatens the ability to perform any sort of prudence review of  
13 plant added into these accounts because it fails to track retirement units and  
14 original costs. It is also inappropriate as weighted average values for  
15 depreciation rates, as opposed to amortization rates, do not over-recover.  
16 An over-recovery would happen with Spire Missouri's proposed  
17 amortization as the Company does not have an account set up for the assets  
18 that have fully accrued, thus those asset amounts would still be included in  
19 the amortized values. And it is inappropriate as General Plant Amortization  
20 will only produce historical data for depreciation that matches the  
21 amortization period for the selected account. This is a problem because the  
22 amortization periods may or may not match the useful life of the assets. In  
23 other words, the data will only show the retirements booked in strictly dollar  
24 amounts and will not show retirement of any actual physical assets.<sup>11</sup>

25 **Q. So, what has changed for Staff to not oppose Spire Missouri's request in this case?**

26 A. I don't know. The only thing that I am aware that has changed is the Staff witness  
27 responsible for testifying on depreciation.

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<sup>11</sup> Amended Report and Order File Number GR-2021-0108, pages 62-63.

1 **Q. Is there another factor you think the Commission should consider?**

2 A. Yes. In Case Number GR-2022-0179, Spire Missouri agreed to a third-party audit related  
3 to Staff and OPC's concerns with meters and mains. That report identifies  
4 recommendations for Spire to implement changes and new policies and procedures related  
5 to plant accounting and inventory. Attached to Spire Missouri witness Ms. Michelle  
6 Antrainer's rebuttal testimony is Spire's response to Staff data request number 0229.1 that  
7 provides a description of some of the third party recommendations and Spire's response on  
8 actions towards implementation. The Commission should consider whether it should  
9 reward Spire Missouri with general plant amortization based on the findings of that third  
10 party external audit or continue with the status quo that was ordered in the 2021 rate case.

11 **Q. What is your recommendation related to general plant amortization?**

12 A. I recommend the Commission deny Spire Missouri's request for general plant amortization  
13 for the reasons discussed above. If the Commission nevertheless authorizes general plant  
14 amortization, it should order Spire Missouri to keep recording the original cost and  
15 associated retirement units for all additional assets to the relevant accounts and retire all  
16 general plant that exceeds the amortization period.

17 **Composite Rates**

18 **Q. What is Mr. Spanos' recommendation for general plant account amortizations?**

19 A. Mr. Spanos is recommending dual sub-accounts for general plant amortization accounts,  
20 one for assets that are fully accrued at a 0.00% depreciation rate and a second sub-account  
21 for not fully amortized assets, at a composite depreciation rate weighted for assets that have  
22 no depreciation expense and that still need to be depreciated.

1 **Q. Do you have concerns with Mr. Spanos' composite rate recommendation and dual**  
2 **sub-account recommendation?**

3 A. Yes. Mr. Spanos' recommendation for a composite rate would require Spire to make a  
4 transfer from the not fully depreciated sub-account into a different sub-account each time  
5 an asset reaches fully accrued status. This is as opposed to simply retiring assets that are  
6 fully recovered and that exceed the amortization period. The whole point of general plant  
7 amortization is not tracking the presence of the asset. It doesn't make sense to (1) leave the  
8 assets in plant-in-service but transfer them to a sub-account to stop depreciating them and  
9 (2) potentially under depreciate the assets that still need to be fully recovered by utilizing  
10 a weighted composite rate. I see two potential issues. First is potential over accrual if fully  
11 amortized assets are not transferred to a new sub-account or not timely retired from  
12 accounts. Second, the weighting of the depreciation rate based on a fully accrued and not  
13 fully accrued sub-account creates the potential of under recovery due to a reduced rate  
14 when considering the portion of assets fully accrued.

15 **Q. What is your recommended solution?**

16 A. If the Commission decides to order implementation of general plant amortization the  
17 depreciation rates to be ordered should be the rates recommended for the not fully accrued  
18 assets as opposed to the composite weighted depreciation rate. Additionally, Spire Missouri  
19 should be ordered to retire all assets that exceed the amortization period.



**Q. Utilizing Mr. John J. Spanos' schedule JJS-R4, how much general plant should be retired that is fully accrued?**

Spire Missouri Fully Accrued Values from Schedule JJS-R4	
Account	Amount to Retire
391.00 Office Furniture and Equipment	324,389.81
391.10 Data Processing Software/Systems	3.00
391.20 Mechanical Office Equipment	8,732,041.81
391.30 Data Processing Equipment	130,792.96
391.95 Enterprise Software	83,670,982.16
391.96 Enterprise Hardware	-
393.00 Stores Equipment	310,639.52
394.00 Tools, Shop and Garage Equipment	4,561,136.60
395.00 Laboratory Equipment	82,385.97
397.00 Communication Equipment	2,493,248.34
397.10 Communication Equipment – ERT	8,882,845.11
397.20 Communication Equipment - AMR	-
398.00 Miscellaneous Equipment	432,027.70
Total	109,620,492.98

**Q. Do you agree with Spire Missouri's witness Ms. Michelle Antrainer's statement that Mr. Spanos' recommended increased depreciation rate for cast iron mains will address the negative reserve balance?**

A. No. I presented in my rebuttal testimony the mathematical evidence showing how Spire Missouri East will not be able to recover the original plant-in-service balance plus the current negative reserve balance by Spire Missouri's projected end of the replacement of cast iron mains. As I also discussed in my rebuttal testimony, Mr. Spanos' recommended increased depreciation rate would not get close to fully recovering the assets when the recommended 150% cost of removal is added. Even in the best-case scenario, which exists

at Spire Missouri West, Spire would potentially recover only the original cost of cast iron mains. But again, as discussed in my rebuttal testimony, that calculation keeps the current plant-in-service value until the end of the replacement program. This is not what will happen. Based on the data from 2023 from the Pipeline and Hazardous Materials Safety Administration, Spire Missouri East had approximately 207 miles of cast iron mains still in-service, and Spire Missouri West had approximately 107 miles in-service. All of these cast iron mains will not retire at the same time at the end of the replacement program.

**Q. Did Spire Missouri's witness Ms. Michelle Antrainer provide any calculations that support her claim that the increased depreciation recommended by Mr. Spanos will address the negative reserve?**

A. No. During my review of the workpapers provided with Spire Missouri's rebuttal testimony I did not find a file that analyzed Ms. Antrainer's claims, nor did I find a file that included updated depreciation workpapers.

**Q. Do you agree with Spire Missouri's witness Ms. Michelle Antrainer's statement that cast iron mains are without an identified retirement date?**

A. No. Mr. Spanos' direct, supplemental direct, and rebuttal testimony all had the following note:<sup>12</sup>

MAINS							
376.10	STEEL	75-R2	(70)	648,127,993.08	14,654,174	2.26	307,776,209
376.21	CAST IRON - EAST	65-R2.5	** (150)	29,739,096.52	5,664,082	19.05	50,870,809
376.22	CAST IRON - WEST	65-R2.5	*** (150)	36,108,426.80	4,033,386	11.17	65,362,179
376.30	PLASTIC AND COPPER	65-R2	(50)	1,928,558,710.67	44,549,706	2.31	373,372,502
TOTAL ACCOUNT 376				2,642,534,227.07	68,901,348	2.61	797,381,699

\* PROPANE ASSETS TO BE CLASSIFIED AS NON-UTILITY  
\*\* CAST IRON REPLACEMENT PROGRAM TO CONTINUE THROUGH 12/2028.  
\*\*\* CAST IRON REPLACEMENT PROGRAM TO CONTINUE THROUGH 12/2030.

<sup>12</sup> Spanos Direct Testimony Schedule JJS-2 page VI-5 and VI-7  
Spanos Supplemental Direct Schedule JJS-Supplemental page VI-5 and VI-7  
Spanos Rebuttal Testimony Schedule JJS-R1 page 2 and 4-

1 This indicates an ending date for the replacement of cast iron main for Spire Missouri East  
2 and West. Additionally, I calculated and presented in rebuttal testimony rough calculations  
3 that matched 2029 and 2031 estimated completion dates for the cast iron replacement  
4 program, based on the average replacement for each district.

5 **Q. What did Spire recommend for a depreciation rate related to cast iron mains in Case**  
6 **Number GR-2021-0108 and how does that compare to your recommendation in this**  
7 **case?**

8 A. Spire Missouri recommended a depreciation rate of 12.35% and a -150% cost of removal.  
9 This is the rate the Commission ordered in that case.<sup>13</sup> The Commission stated in its  
10 Amended Report and Order:

11 The Commission finds that 12.35% is the appropriate depreciation rate to  
12 be used for cast iron main account. Spire Missouri's proposed rate was the  
13 most reasonable, accounting for the legislation sunset, and remaining  
14 consistent on salvage costs. There was not enough evidence in the record  
15 for the Commission to fully evaluate OPC's proposed higher salvage  
16 costs.<sup>14</sup>

17 **Q. How does Spire's recommendation in this case compare to the 2021 case?**

18 A. Spire in this case has recommended a depreciation rate of 19.05% for Spire Missouri East's  
19 cast iron mains. This is an increase of 6.7% from the 12.35% recommended in the 2021  
20 rate case. This increase equates to a 54% increase in the depreciation rate from the 2021  
21 case and is an increase to Spire's revenue requirement.

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<sup>13</sup> In GR-2021-0108 I recommended a depreciation rate of 35.87% using the remaining life of 8 years consistent with the ISRS statute sunset date of 2029 and a negative-188% cost of removal for cast iron mains. This is to show how different my approach compared to Spire Missouri's was in the 2021 case and to point out that Spire Missouri's estimation was clearly wrong as they have requested increasing the depreciation rate in this case. Spire Missouri's recommendation in this case is still wrong based on the mathematics I have presented and will not recover everything that is needed.

<sup>14</sup> Amended Report and Order File Number GR-2021-0108, page 62.

1 **Q. Has the legislation sunset date of the natural gas ISRS referred to in the Commission**  
2 **Order changed since the 2021 case?**

3 A. No. The pertinent provisions of sections 393.1009 to 393.1015 RSMo have not changed.  
4 They will expire on August 28, 2029. This is the same sunset provision that was present  
5 in Spire Missouri's 2021 rate case.

6 **Q. Do you agree with the Commission's determination in the 2021 case that Spire**  
7 **Missouri's recommendation was the most reasonable accounting for the legislation**  
8 **sunset?**

9 A. No. Spire Missouri's approach was not the most reasonable accounting for the legislation  
10 sunset because it utilized remaining lives that are not consistent with the legislation sunset.  
11 One can calculate Spire Missouri's remaining life mathematically. The simplified  
12 depreciation equation is:

$$\text{depreciation rate} = (1 - \text{Net Salvage}) / \text{Average Service Life}$$

14 Where: Net Salvage = gross salvage less cost of removal.

15 In this case, the Average Service Life is the remaining life. So, taking the knowns from the  
16 last case - legislation sunset was 2029, the recommended depreciation rate for Spire was  
17 12.35% and putting this information into the above equation, one can calculate the  
18 remaining life:

$$0.1235 = (1 - (-150\%)) / \text{Remaining Life}$$

20 Using this formula, the remaining life is:

$$\text{Remaining Life} = 2.5 / 0.1235 = 20.24 \text{ years}$$

1 This means the remaining life utilized by Spire in the 2021 rate case was 20.24 years from  
2 2021. The same is true in this case. Using Spire's recommended depreciation rate of 19.05%  
3 we can calculate the remaining life.

$$19.05\% = (1 - (-150\%)) / \text{Remaining Life}$$

4  
5 And again, through the algebra, we can determine the remaining life,

$$6 \text{ Remaining Life} = 2.5 / 0.1905 = 13.12 \text{ years.}$$

7 So, using Spire's recommended depreciation rate, it is proposing a remaining life of 13.12  
8 years from 2024 for Spire Missouri East. Spire Missouri's recommended depreciation rate  
9 was not, and still is not, consistent with the natural gas Infrastructure System Replacement  
10 Surcharge statute's sunset of August 28, 2029, which is approximately 4 years away.

11 **Q. Do you agree with Ms. Antrainer that the reserve deficiency for meters will be**  
12 **prevented going forward due to Mr. Spanos' recommended shorter lives and**  
13 **increased depreciation rate?**

14 A. As it pertains to meters that had ERTs replaced, Mr. Spanos' recommendation will most  
15 certainly under recover for those meters. The longest any of the ERT replacement meters  
16 should last under Spire's replacement method would be less than ten years and is likely  
17 more in line with an eight-to-nine-year range. This is based on when the accelerated  
18 replacement process began with the expiring contract in Spire Missouri East.

19 **Q. Do you agree with Ms. Antrainer's characterization of your disallowance for 50% of**  
20 **the return on components for ultrasonic meters?**

21 A. No. Ms. Antrainer seems to imply that I am not allowing for recovery of the ultrasonic  
22 meters themselves, which is not the case. I have not recommended a disallowance of any  
23 of the meters' plant-in-service balances nor reduced depreciation expense related to the

1 ultrasonic meters. What I am asking the Commission to do is to order Spire Missouri to  
2 earn less of a profit on the meters.

3 **Q. Please summarize your recommendations for this case to date.**

4 A. My direct and rebuttal testimonies include several recommendations for how the Commission  
5 should treat depreciation stranded investments in Spire Missouri East accounts and discrete  
6 adjustments prior to the operation of law date. Combined, those recommendations are as  
7 follows:

8 The Commission should order a 20-year amortization of the stranded asset created for  
9 Spire Missouri East's conversion to ultrasonic meters.

10 For Spire Missouri East the remaining nonconverted meters should be separated by  
11 size into different sub-accounts with the residential meters that got different ERT devices  
12 installed given a 10% depreciation rate. This is so because the longest those meters would  
13 remain is under 10 years.

14 For the large meters in that account, I recommend a depreciation rate 1.94% reflects  
15 the average age of the retirements and the 3% salvage value that Spire Missouri is seeing but  
16 potentially may need to be increased to account for the replacement of these for Spire  
17 Missouri's future network.

18 The Commission should deny Spire Missouri's request for general plant amortization.  
19 If the Commission nevertheless authorizes general plant amortization, it should order Spire  
20 Missouri to keep recording the original cost and associated retirement units for all additional  
21 assets in the relevant accounts. The Commission should order Spire Missouri to retire all  
22 plant assets in the requested amortization accounts that exceed the amortization period.

1           The cost of the depreciation study supplied in this case should be recovered over a  
2           five-year period. This is consistent with the filing requirements of a depreciation study  
3           found in Commission Rule 20 CSR 4240-40.090.

4           Spire Missouri should implement the recommendations of the independent audit  
5           related to meters and mains, if it has not already done so. In addition, all of the items that  
6           the author of the audit was not able to find and verify during the audit should be removed  
7           from the books and records of Spire Missouri.

8           Spire Missouri should be granted a non-rate base asset for the reserve deficiency  
9           related to the conversion to ultrasonic meters. This means Spire Missouri will be allowed  
10          to collect for the original cost of the meters but not be allowed to earn a return on the  
11          investment. At a minimum a 20-year amortization should be used based on the current  
12          balances discussed and the simple fact that reserve deficiency will only continue to grow  
13          until the transitions to ultrasonic AMI meters in Spire Missouri East is completed.

14          The Commission should also disallow the return on the investment in Spire  
15          Missouri East for account 397.1 Communication ERT/AMR. It is my opinion that Spire  
16          Missouri by its replacement actions will likely create a reserve deficiency by placing new  
17          modules on existing meters that are not yet 10 years old, as the modules will not reach their  
18          expected lives of 15 years before the meters reach the meter sampling testing date.

19          The Commission should also disallow 50% of the return on the ultrasonic meters  
20          in-service to date because Spire Missouri's customers have not seen the benefits that were  
21          promised by the conversion. Meters are still being read by van routes. Spire Missouri  
22          admits that the network to unlock the functions and interval reading of the meters has not  
23          been established.

1           A depreciation rate of 2.00% should be ordered for account 376.3 plastic mains  
2           which is calculated by using a 75-year average service life and -50% net salvage value.

3           The Commission should order the creation of a regulatory asset with non-rate base  
4           treatment and grant recovery of the negative reserve balance at December 31, 2024, for  
5           cast iron mains in Spire Missouri East. The regulatory asset would be approximately \$6  
6           million to bring the current reserve deficiency back to zero. I recommend a three-year  
7           amortization of that balance.

8   **Q.   Does this conclude your surrebuttal testimony?**

9   **A.   Yes, it does.**



**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Spire Missouri Inc. d/b/a Spire's )  
Request for Authority to Implement a General )  
Rate Increase for Natural Gas Service Provided in )  
the Company's Missouri Service Areas )


Case No. GR-2025-0107

**AFFIDAVIT OF JOHN A. ROBINETT**

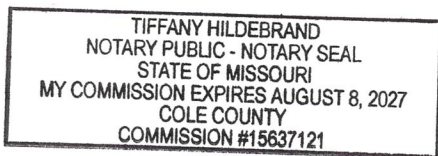
STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

John A. Robinett, of lawful age and being first duly sworn, deposes and states:

1. My name is John A. Robinett. I am a Utility Engineering Specialist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
John A. Robinett  
Utility Engineering Specialist

Subscribed and sworn to me this 24<sup>th</sup> day of June 2025.



My Commission expires August 8, 2027.

  
\_\_\_\_\_  
Tiffany Hildebrand  
Notary Public