

<b>Exhibit No.:</b>	
<b>Issue(s):</b>	<b>Depreciation Amortization O&amp;M Rate Base</b>
<b>Witness:</b>	<b>Eric Bouselli</b>
<b>Type of Exhibit:</b>	<b>Surrebuttal Testimony</b>
<b>Sponsoring Party:</b>	<b>Spire Missouri Inc.</b>
<b>Case Nos.</b>	<b>GR-2025-0107</b>
<b>Date Prepared:</b>	<b>June 30, 2025</b>

**SPIRE MISSOURI INC.**

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

**SURREBUTTAL TESTIMONY**

**OF**

**ERIC BOUSELLI**

**JUNE 30, 2025**

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**SURREBUTTAL TESTIMONY OF ERIC BOUSELLI**

**I. INTRODUCTION**

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

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

**Q. ARE YOU THE SAME ERIC BOUSELLI THAT SUBMITTED DIRECT AND REBUTTAL TESTIMONY IN THIS CASE?**

A. Yes, I submitted Direct and Rebuttal Testimony on behalf of Spire Missouri Inc. (“Spire Missouri” or “Company”) in this rate case.

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

A. The purpose of my surrebuttal testimony is to respond to various issues, positions and statements made in the rebuttal testimony of the Staff of the Missouri Public Service Commission (“Staff”) and the Office of Public Counsel (“OPC”), which was filed with the Commission on May 30, 2025. Specifically, I will provide surrebuttal testimony responding to the following issues: amortization, depreciation, payroll, operations and maintenance (“O&M”) expenses, and rate base.

**Q. ARE YOU SPONSORING ANY SCHEDULES WITH YOUR SURREBUTTAL TESTIMONY?**

A. No.

**II. RATE BASE IMPACTING ITEMS**

A. 391.950 Software Amortization

**Q. OPC WITNESS SCHABEN RECOMMENDS THE COMMISSION ORDER THE 391.950 SOFTWARE AMORTIZATION REMAIN AT 15 YEARS SINCE THE**

**SOFTWARE ASSETS IN THIS ACCOUNT ARE STILL IN SERVICE. HOW DO YOU RESPOND?**

A. It is true that the software assets in this account are still in service. However, the previously established amortization period of 15 years did not reflect the actual useful lives of many of the assets recorded to this account. The rapid change in the technology landscape logically leads to the fact that projecting 15-year lives for many of these applications is not practical. As noted in my Direct Testimony, two of the larger software assets in this account, Customer Care & Billing (“CC&B”) and Click applications, are set to be replaced in their current format in 2027. Shortening the amortization period for this account will prevent landing in a potential stranded asset situation.

**Q. DID STAFF WEIGH IN ON WHETHER SHORTENING THE AMORTIZATION PERIOD IS REASONABLE?**

A. Yes. Staff witness Smith stated in her direct testimony that, “Staff reviewed this claim and believes Spire Missouri’s request is appropriate.”<sup>1</sup>

B. Rate Base – Discrete Items

**Q. STAFF WITNESS MAJORS STATES THAT, FOR THE FORECASTED PLANT IN SERVICE, DEPRECIATION RESERVE, AND RELATED DEPRECIATION AND AMORTIZATION, EXPENDITURES PAST THE MAY 31, 2025 TRUE-UP DATE WILL NOT BE KNOWN AND MEASURABLE UNTIL THEY ARE CLOSED IN SOME SUBSEQUENT ACCOUNTING PERIOD AND SHOULD THEREFORE NOT BE INCLUDED IN THIS RATE CASE. HOW DO YOU RESPOND?**

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<sup>1</sup> Direct Testimony of Lindsay Smith, GR-2025-0107. Pg. 8.

1 A. In order to allow Staff and other parties sufficient time to review any post true-up plant in  
2 service additions, I noted in my rebuttal testimony that the Company had narrowed the  
3 discrete plant in service additions to include a list of larger projects/investments anticipated  
4 to be in service after the date of true-up but before the end of July 2025. The largest  
5 component of this limited scope of discrete items is advanced meter installations. The total  
6 additional plant in service for this limited list is expected to be approximately \$26 million  
7 with a required return impact of approximately \$2 million and depreciation expense impact  
8 of approximately \$800 thousand. This will allow the parties to challenge and confirm these  
9 plant additions at or by the True-up Hearings August 14-15, 2025.

10 **Q. STAFF WITNESS MAJORS STATES THAT, IF THE COMMISSION PERMITS**  
11 **INCLUSION OF DISCRETE PLANT ADDITIONS PLACED IN SERVICE BY**  
12 **THE EFFECTIVE DATE OF RATES, STAFF RECOMMENDS THAT ANY**  
13 **DEPRECIATION EXPENSE AND RETURN ON PLANT NOT IN PLACE BY THE**  
14 **EFFECTIVE DATE OF RATES BE REFUNDED TO CUSTOMERS EITHER AS A**  
15 **BILL CREDIT OR THROUGH A DEFERRAL IN THE NEXT RATE CASE. DO**  
16 **YOU AGREE?**

17 A. I agree that Staff Witness Majors's position is reasonable.

18 **Q. OPC WITNESS ROBINETT RECOMMENDS THAT, SHOULD THE**  
19 **COMMISSION GRANT THE DISCRETE PLANT ADDITIONS FOR SPIRE**  
20 **MISSOURI BETWEEN SEPTEMBER 30, 2024 AND OCTOBER 24, 2025, IT**  
21 **SHOULD MAKE DISCRETE ADJUSTMENTS TO REFLECT RETIREMENTS,**  
22 **DISCRETE SALVAGE AND COST OF REMOVAL, AND IMPACTS TO THE**

1           **ACCUMULATED DEPRECIATION RESERVE BALANCES DURING THE**  
2           **NOTED TIME FRAME. HOW DO YOU RESPOND?**

3    A.    I want to first note that plant in service and the accumulated depreciation reserve balances  
4           will be updated for true-up through May 31, 2025. This is a common exercise that occurs  
5           in all Missouri general rate cases. As noted previously, Spire Missouri has put forth a  
6           limited number of larger projects/investments anticipated to be in service after the date of  
7           true-up but before the end of July to be considered as discrete adjustments. The Company  
8           does not believe it would be appropriate or necessary to reflect retirements, salvage and  
9           cost of removal, and additional accumulated depreciation due to Spire Missouri  
10          significantly lowering the list of projects it is putting forth as discrete plant in service  
11          adjustments. Running all of those items forward would be appropriate if Spire Missouri  
12          had maintained its initial direct position of capturing all plant in service additions through  
13          the date of effective rates. In fact, Spire Missouri included those same offsets in our discrete  
14          plant adjustment estimates in our initial filing.

15                   **III.    OPERATING INCOME IMPACTING ITEMS**

16    A.    Depreciation Study Cost Recovery

17    Q.    **OPC WITNESS ROBINETT AGAIN RECOMMENDS THAT THE COST OF**  
18           **MISSOURI’S DEPRECIATION STUDY BE RECOVERED OVER A FIVE-YEAR**  
19           **PERIOD, WHICH HE ARGUES IS CONSISTENT WITH 20 CSR 4240-40.090.**  
20           **WOULD YOU LIKE TO EXPAND ON THE RESPONSE YOU PROVIDED ON**  
21           **PAGE 23, LINES 11-13 OF YOUR REBUTTAL TESTIMONY IN RELATION TO**  
22           **MR. ROBINETT’S RECOMMENDATION?**

1 A. Yes. Spire Missouri believes that these costs should be recovered over two years given  
2 Spire Missouri's next anticipated general rate case filing. The Commission rule cited by  
3 OPC Witness Robinett states that a depreciation study should be submitted 1) upon the date  
4 of five years from the last time the Commission Staff received a depreciation study or 2)  
5 upon submission of a general rate increase request. The resolution of depreciation rates to  
6 use in this case as well as any changes in actual conditions impacting depreciable lives of  
7 assets prior to the filing of our next general rate case will ultimately determine the  
8 frequency of future depreciation studies.

9 B. Payroll and Allocations

10 **Q. OPC WITNESS SCHABEN TESTIFIES IN SUPPORT OF LIMITING SPIRE**  
11 **MISSOURI'S RECOVERY OF PAYROLL COSTS IN THIS CASE. HOW DO YOU**  
12 **RESPOND?**

13 A. In support of this assertion, OPC Witness Schaben cites Missouri Industrial Energy  
14 Consumer's ("MIEC") witness Meyer, which was based on a flawed analysis. Ms. Schaben  
15 also created a headcount comparison table that does not reflect Spire Missouri's GR-2022-  
16 0179 or current GR-2025-0107 headcount for which the Company sought or is seeking  
17 recovery of payroll costs. Finally, Ms. Schaben ignores Spire Missouri's compliance with  
18 the Unanimous Stipulation and Agreement in GR-2022-0179 surrounding indirect or  
19 generally allocated wage cost from Spire Services Inc.

20 **Q. WILL YOU ELABORATE ON EACH OF THOSE ITEMS, BEGINNING WITH**  
21 **THE REFERENCE TO THE FLAWED ANALYSIS CONTAINED IN MIEC**  
22 **WITNESS MEYER'S TESTIMONY?**

23 A. Yes. MIEC witness Meyer produced a table which appears to show payroll only at Spire  
24 Missouri East increasing by \$10.7 million, which he largely attributed to planned increases

1 in headcount. This is really an apples-to-oranges comparison. MIEC issued DR 5-1 after  
2 rebuttal testimony was provided, and the Company's response clarifies what is driving the  
3 increase in O&M payroll cost recovery sought in this case. The basis for the response is  
4 found in the response to Staff DR 44, which includes Spire Missouri's workpapers for its  
5 payroll normalization estimates. I want to first note that the normalized O&M payroll  
6 expense for existing employees was essentially flat and was actually \$0.5 million lower  
7 than the test year. This is consistent with the testimony of Mr. Weitzel and Mr. Yonce  
8 regarding payroll cost savings due to layoffs and voluntary employee separation that  
9 occurred in the test year. The largest driver in the requested O&M payroll increase in our  
10 initial filing and upcoming in our true-up filing is attributable to Spire Missouri's use of a  
11 three-year O&M percentage for union wages. My direct testimony laid out the case of why  
12 this is reasonable to use, but is largely driven by the fact that the Company's current O&M  
13 percentage is artificially low because of the focus on its advanced meter deployment  
14 program, which is coming to a close by the conclusion of this case. The second largest item  
15 at the time of our initial filing was for estimated headcount additions; however, based on  
16 true-up headcount information that adjustment appears to be negligible.

17 **Q. WHAT IS WRONG OR MISLEADING ABOUT OPC WITNESS SCHABEN'S**  
18 **HEADCOUNT COMPARISON TABLE?**

19 A. Ms. Schaben put together a table using DR 44 responses in both GR-2022-0179 and GR-  
20 2025-0107, and this resulted in a net employee difference of 222 fewer employees across  
21 the Spire organization in this case. While Ms. Schaben is looking at the correct data  
22 response, she is using data that does not align with information used by the Company to  
23 estimate O&M payroll cost recovery in those cases. Spire Missouri's true-up response to



1 DR 44 in GR-2022-0179 shows an estimate of 2,446 total employees at September 30,  
2 2022, that charge all or a portion of payroll to Spire Missouri East or West. The same data  
3 as of September 30, 2024, and May 31, 2025, presented in DR 44 responses in the current  
4 case show 2,431 and 2,442 employees, respectively, that charge all or a portion of their  
5 payroll to Spire Missouri East or West. This indicates that the net employees charging some  
6 portion of payroll to Spire Missouri did decrease by a net four heads between general rate  
7 cases, which is significantly less than the reduction of 222 employees put forth by Ms.  
8 Schaben.

9 **Q. DOES OPC WITNESS SCHABEN HAVE ISSUES WITH SPIRE MISSOURI'S**  
10 **ASSIGNMENT OF PAYROLL COST IN THIS CASE?**

11 A. Ms. Schaben has a critique of the three-factor and payroll allocation factors used to assign  
12 costs to Spire Missouri East and West. These factors have been used to allocate Spire  
13 Services Inc. costs to subsidiaries for many years and have been challenged by OPC in past  
14 cases. However, the Company and OPC made strides to address OPC's concerns in both  
15 its last rate case, Case No. GR-2022-0179 and its CAM docket, Case No. GO-2022-0327.  
16 Ignoring these past cases, Ms. Schaben again puts forward a recommendation that shared  
17 services payroll be allocated using pre-allocated payroll dollars. This does not reflect the  
18 reality that a large portion of pre-allocated costs are charged to shared services. She fails  
19 to address this.

20 **Q. IS STAFF SUPPORTIVE OF THE COMPANY'S METHODOLOGY?**

1 A. Yes, Staff is generally supportive of adopting allocation rates used in the test year and this  
2 case is no exception. In fact, Staff Witness Majors “recommends utilizing annualized  
3 allocation factors currently in effect for fiscal year 2024.”<sup>2</sup>

4 **Q. HOW DID OPC WITNESS SCHABEN IGNORE SPIRE MISSOURI’S EFFORTS**  
5 **AND COMPLIANCE WITH THE UNANIMOUS STIPULATION AND**  
6 **AGREEMENT IN GR-2022-0179 SURROUNDING INDIRECT OR GENERALLY**  
7 **ALLOCATED WAGE COST FROM SPIRE SERVICES INC.?**

8 A. At the conclusion of the last case, GR-2022-0179, all parties entered into a Full Unanimous  
9 Stipulation and Agreement, which included requirements around allocated payroll.  
10 Paragraph 33 of that agreement focuses on the direct assignment of costs and lays out  
11 conditions which Spire Missouri has met, which I discussed in my direct testimony. That  
12 paragraph states:

13 Spire Missouri will work towards increasing the Company’s direct assignment of  
14 shared services costs and will provide the level of direct assignment versus indirect  
15 allocation for each cost category identified in its annual CAM report as part of its  
16 annual CAM reports. Also, in the next rate case, any indirectly or generally  
17 allocated Spire Services Inc. salaries and wages costs assigned to Spire Missouri in  
18 excess of 50% of total Spire Services Inc. salaries and wages costs assigned to Spire  
19 Missouri in the next general rate case test year will be disallowed.

20 Spire Missouri met with Staff and OPC in April 2023 and walked them through the  
21 progress the Company had made to increase transparency in allocated costs, including the  
22 various factors used to allocate payroll which includes the three factor and payroll factors.

23 **Q. WERE THE ALLOCATION FACTORS REVIEWED AND INCLUDED IN ANY**  
24 **OTHER DOCKET?**

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<sup>2</sup> Direct Testimony of Keith Majors, GR-2025-0107. Pg. 27.

1 A. Yes. After the conclusion of GR-2022-0179, the Company, OPC, and Staff reached a  
2 resolution on the Company's Cost Allocation Manual ("CAM"), in Case No. GO-2022-  
3 0327. Incorporated into the CAM were Spire Missouri's cost allocation methodologies and  
4 the list of the specific allocators that the Company currently has in place, including the  
5 three-factor and payroll allocators.

6 **Q. OPC WITNESS SCHABEN PROPOSES AN ADJUSTMENT TO REMOVE**  
7 **PAYROLL ASSOCIATED WITH EXTERNAL AND GOVERNMENT AFFAIRS,**  
8 **BUSINESS DEVELOPMENT, AND INVESTOR RELATIONS IN ORDER TO**  
9 **REMAIN CONSISTENT WITH HER RECOMMENDATIONS FOR OTHER**  
10 **INVESTOR-OWNED UTILITY RATE CASE TESTIMONY BEFORE THE**  
11 **COMMISSION. HOW DO YOU RESPOND?**

12 A. I recommend that the Commission reject Ms. Schaben's proposals. Ms. Schaben states that,  
13 "excessive payroll in these particular areas is unnecessary... and should not be allowed."<sup>3</sup>  
14 I disagree with her assessment; and Staff's position on the matter is evident based on Staff's  
15 lack of adjustments other than those made by Spire Missouri. Spire Missouri already made  
16 a 50% reduction to governmental affairs employees to recognize that a portion of their time  
17 is spent on non-utility functions, such as lobbying. This adjustment is consistent with past  
18 treatment. Business development's focus is to generate additional customers, which will  
19 serve to lower the future cost impacts to existing customers. Additionally, Spire Missouri  
20 has historically received recovery of the direct and allocated payroll costs of the  
21 departments identified by Ms. Schaben.

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<sup>3</sup> Rebuttal Testimony of Angela Schaben, GR-2025-0107. Pg. 12.

1 C. Discrete Adjustments

2 **Q. STAFF WITNESS MAJORS STATES THAT STAFF IS NOT NECESSARILY**  
3 **OPPOSED TO LIMITED INCLUSION OF DISCRETE ADJUSTMENTS**  
4 **OCCURRING PAST THE TRUE-UP PERIOD IN COST OF SERVICE,**  
5 **PROVIDED THAT (1) THE ADJUSTMENT IS KNOWN AND MEASURABLE,**  
6 **AND (2) THE TIMING OF THE EVENT DOES NOT SKEW THE MATCHING**  
7 **PRINCIPLE IN RELATION TO OTHER COST OF SERVICE ITEMS. DO YOU**  
8 **AGREE?**

9 A. Yes, these criteria have been laid out by the Commission in other cases, and the Company  
10 believes that these criteria are reasonable.

11 **Q. REGARDING THE 800 MARKET LEASEHOLD IMPROVEMENTS, STAFF**  
12 **WITNESS MAJORS STATES THIS LEASE WILL NOT BE RENEWED WHEN**  
13 **THE TERM ENDS ON JULY 31, 2025, AND ARGUES IT WOULD BE**  
14 **APPROPRIATE TO REMOVE THE PLANT IN SERVICE, DEPRECIATION**  
15 **RESERVE, AND LEASE AT MAY 31, 2025. DO YOU AGREE?**

16 A. The Company can agree to this offset if Staff recognizes other discrete adjustments that the  
17 Company is proposing like union contract changes, management merit increases, and  
18 specific plant spend that will be known and measurable.

19 **Q. STAFF WITNESS MAJORS STATES THE FOREST PARK REGULATORY**  
20 **LIABILITY AND MERGER RATE BASE OFFSET ARE AMORTIZATIONS**  
21 **THAT WILL END PRIOR TO THE EFFECTIVE DATE OF RATES AND**  
22 **SHOULD THEREFORE NOT BE INCLUDED IN THIS RATE CASE. DO YOU**  
23 **AGREE?**

24 A. Yes. The Company made these same adjustments.

1 **Q. STAFF WITNESS MAJORS STATES STAFF WOULD BE SUPPORTIVE OF**  
2 **INCLUDING CONTRACTED UNION PAYROLL INCREASES ON ACTUAL**  
3 **HEADCOUNT AS OF MAY 31 AND ASSOCIATED PAYROLL LINKED**  
4 **BENEFITS AND PAYROLL TAXES BECAUSE THEY WOULD BE KNOWN AND**  
5 **MEASURABLE IN ADVANCE OF THE EFFECTIVE DATE OF RATES IN THIS**  
6 **CASE. HOW DO YOU RESPOND?**

7 A. This is the position put forth by the Company in our direct filing and continues to be our  
8 position.

9 **Q. STAFF WITNESS MAJORS STATES THE NON-UNION INCREASES WOULD**  
10 **TAKE EFFECT AFTER THE EFFECTIVE DATE OF RATES, AND THAT THESE**  
11 **INCREASES ARE NOT CONTRACTUAL AND WOULD NOT BE KNOWN AND**  
12 **MEASURABLE PRIOR TO THE EFFECTIVE DATE OF RATES AND**  
13 **THEREFORE SHOULD NOT BE INCLUDED IN THIS RATE CASE. DO YOU**  
14 **AGREE?**

15 A. I do not agree. The Company has put forth what it believes is a reasonable estimate of the  
16 O&M impact of the non-union discrete increase would be because we believe that these  
17 values are reasonably known and measurable. First, the estimated increase would be  
18 applied to the actual headcount as of May 31 supplied to Staff as part of the update to Staff  
19 DR 44. Second, as part of Spire Missouri's response to the update of Staff DR 46, the  
20 average non-union payroll increase over the past three fiscal years was 3.3% with the most  
21 recent increase being 3.6%. Spire Missouri proposed using a 3.5% increase in its estimate  
22 of this discrete adjustment, and the Company can commit to an increase no less than this  
23 amount. This would ensure that our customers are not paying for more costs than what is

1 being borne by the Company, and it would make the costs known and measurable. Finally,  
2 merit increases occur annually and typically go into effect in mid to late November. The  
3 FY25 non-union wage increases will be effective November 24, 2025, or about a month  
4 after rates become effective for this case. These rates are expected to be in effect for  
5 approximately two years based on our indication of filing another rate case in the second  
6 half of calendar 2026. It seems that including this reasonably known and measurable  
7 adjustment better promotes the proper relationship of revenues and expenses and will be  
8 representative of conditions anticipated during the time the rates will be in effect.

9 **Q. STAFF WITNESS MAJORS STATES THAT STAFF AGREES THE**  
10 **REAMORTIZATION OF THE COVID-19 REGULATORY ASSET FROM CASE**  
11 **NO. GU-2020-0376 IS A CHANGE TO MORE CLOSELY ALIGN RATE**  
12 **RECOVERY WITH RATE CASE TIMING. DO YOU AGREE?**

13 A. Yes. Staff is adopting the Company's position.

14 **Q. STAFF WITNESS MAJORS STATES THAT STAFF DOES NOT CONSIDER THE**  
15 **REDUCED CALL CENTER HOURS IDENTIFIED IN YOUR REBUTTAL**  
16 **TESTIMONY TO BE KNOWN AND MEASURABLE. HOW DO YOU RESPOND?**

17 A. The Company's filing position on this is that the cost savings associated with reduced call  
18 center hours will benefit customers and the reduction is representative of expected hours  
19 when rates are effective and thus is better representative of the ongoing level of cost. This  
20 adjustment was supported by MIEC witness Meyer in his direct testimony.

#### 21 **IV. CONCLUSION**

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

23 A. Yes.

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

**AFFIDAVIT**

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

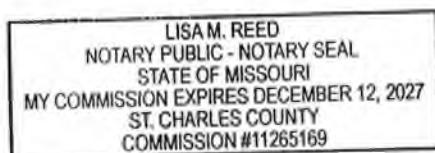
Eric Bouselli, of lawful age, being first duly sworn, deposes and states:

1. My name is Eric Bouselli. I am Manager, Regulatory Strategy and Forecasting for Spire Missouri Inc. My business address is 700 Market St., St. Louis, Missouri 63101.
2. This affidavit is attached to my surrebuttal testimony, which is filed on behalf of Spire Missouri Inc.
3. I hereby swear and affirm that my answers to the questions contained in my surrebuttal testimony are true and correct to the best of my knowledge, information, and belief.



Eric Bouselli

Subscribed and sworn to before me this 24 day of June 2025.



Notary Public