Exhibit No.:	
Issue(s):	ISRS Performance Filing
	Weather Normalization
	Revenues
	CCNs
Witness:	Trisha E. Lavin
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	Spire Missouri Inc.
Case Nos.	GR-2025-0107
Date Prepared:	June 30, 2025

SPIRE MISSOURI INC.

CASE NO. GR-2025-0107

SURREBUTTAL TESTIMONY

OF

TRISHA E. LAVIN

JUNE 30, 2025

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SURREBUTTAL TESTIMONY OF TRISHA E. LAVIN

1		I. <u>INTRODUCTION</u>
2	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
3	А.	My name is Trisha E. Lavin, and my business address is 700 Market Street, St. Louis, MO
4		63101.
5	Q.	ARE YOU THE SAME TRISHA E. LAVIN THAT SUBMITTED DIRECT AND
6		REBUTTAL TESTIMONY IN THIS CASE?
7	A.	Yes, I submitted Direct and Rebuttal Testimony on behalf of Spire Missouri Inc. ("Spire
8		Missouri" or "Company") in this rate case.
9	Q.	WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?
10	A.	The purpose of my surrebuttal testimony is to respond to various issues, positions and
11		statements made in the rebuttal testimony of the Staff of the Missouri Public Service
12		Commission ("Staff"), the Office of Public Counsel ("OPC"), and the Consumers Council
13		of Missouri ("CCM") which was filed with the Commission on May 30, 2025. Specifically,
14		I will provide surrebuttal testimony responding to the following issues: the Infrastructure
15		System Replacement Surcharge ("ISRS"), weather normalization adjustment corrections,
16		and revenues. I will also briefly reiterate the Company's approach to two items related to
17		Certificates of Convenience and Necessity as discussed in my Direct.
18	Q.	ARE YOU SPONSORING ANY SCHEDULES WITH YOUR SURREBUTTAL
19		TESTIMONY?
20	A.	No.

II. <u>ISRS PERFORMANCE FILING</u> Q. IN HIS REBUTTAL TESTIMONY, CCM WITNESS CEBULKO RECOMMENDS THAT THE COMMISSION ORDER SPIRE MISSOURI TO MAKE AN ANNUAL ISRS PERFORMANCE FILING WITH CERTAIN PROGRAM PERFORMANCE INFORMATION. DO YOU AGREE WITH THIS TYPE OF FILING?

A. Not entirely. Witness Cebulko has recommended that the Commission require numerous,
additional reporting metrics on the Company's ISRS work, none of which are required by
statute or regulation. While the Company is open to discussions about specific metrics
mentioned in Mr. Cebulko's rebuttal, the Company believes that certain metrics proposed
would be unnecessary and overly burdensome. Spire Missouri also believes that these
metrics should be dealt with in an ISRS proceeding, through rulemaking or through
legislation.

THAT, 13 Q. MR. **CEBULKO** RECOMMENDS AT MINIMUM, THE Α 14 PERFORMANCE FILING SHOULD INCLUDE INFORMATION RELATING TO 15 LEAK RATES, **ECONOMIC METRICS**, AND **INFRASTRUCTURE** 16 REPLACEMENT PROGRESS. HOW DO YOU RESPOND TO THIS 17 **RECOMMENDATION?**

A. I think this recommendation is unnecessary and overly burdensome. Not only are the individual metrics that Witness Cebulko recommends very detail orientated, but Mr. Cebulko states that the most recent five years of data for each metric should also be provided. To meet this proposal, the Company would have to track many items that are either already in ISRS filings, permitted by legislation, or included in other reporting requirements such as U.S. Department of Transportation Pipeline and Hazardous Materials

1 Safety Administration ("PHSMA") reporting. Additionally, it should be noted that 2 historical data has already been reviewed and approved, both in ISRS proceedings as well 3 as general rate cases. To provide historical data for further scrutiny seems unnecessary and 4 overly burdensome and not in the customers' best interest. It should be noted that additional 5 reporting requirements impose additional work on the Company, which adds costs to 6 customers. Any decision to impose additional reporting on the Company should not be 7 taken lightly and the benefits must outweigh the additional work it creates.

8 Q. MR. CEBULKO ALSO RECOMMENDS THE COMPANY BE REQUIRED TO

9 PROVIDE AN EXPLANATION FOR HOW IT DETERMINES WORN OUT OR

10 DETERIORATED CONDITION ON ISRS PROJECTS. HOW DO YOU 11 RESPOND?

12 A. The Company has already addressed this with intervening parties in past ISRS dockets.

13 House Bill 2120, which went into effect August 2020, clearly expanded on the worn out or

- 14 deteriorated condition issue. New language was added within the legislation that states,
- 15 "...as replacements for existing facilities that have worn out or are in 16 deteriorated condition or *that can no longer be installed under currently* 17 *applicable safety requirements* or any cast iron or steel facilities including 18 any connected or associated facilities that, *regardless of their material, age,* 19 *or condition,* are replaced as part of a qualifying replacement project in a 20 manner that adds no incremental cost to a project compared to tying into or 21 reusing existing facilities."
- 23 (Emphasis added). Since the effective date of that legislation, providing support for
- 24 whether assets in the ground that are replaced with the ISRS mechanism are worn out or
- 25 deteriorated has not been required by law or the Commission.

22

26 Q. WHAT DO YOU THINK OF WITNESS CEBULKO'S RECOMMENDED FILING 27 CADENCE FOR AN ANNUAL ISRS PERFORMANCE FILING, IF APPROVED?

A. Witness Cebulko recommends that the Company make its first ISRS performance filing
within 90 days of the Commission Order in this general rate case, then make a second
performance filing with its next ISRS filing or rate case, and then subsequent filings should
occur every 12 months after the second annual performance filing. I again think this is
overly burdensome.

6 Q. PLEASE EXPLAIN WHY YOU BELIEVE THIS FILING CADENCE IS OVERLY 7 BURDENSOME.

A. The Company may make an ISRS filing two times within a twelve-month period, as long as the Company has had a rate case decision in the previous three years pursuant to § 393.1012.2, RSMo. Currently, the Company includes six months' worth of capital projects and data in its ISRS filings. The capital included in an ISRS filing is audited and scrutinized on a project level, thus resulting in a more detailed audit process. To add another reporting requirement on top of an already detailed audit would be both unnecessary and potentially costly.

Q. DOES THE COMPANY HAVE AN ALTERNATIVE TO THE RECOMMENDED PERFORMANCE FILING BY WITNESS CEBULKO?

A. Yes. As an alternative, the Company proposes filing an annual report that includes some of the metrics recommended by witness Cebulko. Specifically, the Company is open to including:

- 20 miles of main by material type and diameter replaced through the ISRS
- 21 total footage of service lines replaced through the ISRS
- loaded and unloaded average cost of main replacement per foot
- loaded and unloaded average cost of service replacement

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Spire Missouri is also open to any other discussions with CCM regarding its ISRS program. 2 Q. WITNESS CEBULKO STATES THAT HE REVIEWED THE COMPANY'S MOST 3 **RECENT ISRS FILING, GR-2025-0206, AND DID NOT FIND ANY EVIDENCE OF** 4 PERFORMANCE METRICS. HOW DO YOU RESPOND?

5 First, Witness Cebulko said that he has not found or seen performance metrics that would A. 6 provide information to the Commission and the public about the success of the Company's 7 ISRS program¹. The term success, when applied to the ISRS program, is purely subjective. 8 Through its ISRS program, the Company makes its distribution system more reliable and 9 safer by making replacements to comply with state and federal safety requirements or 10 extending the useful life or enhancing the integrity of our pipeline system components to, 11 once again, comply with safety requirements. In that regard, the Company considers the 12 use of the ISRS successful.

13 Second, Witness Cebulko said that he did not see an assessment of the cost-effectiveness of the Company's ISRS.² Spire Missouri is not required, by statute, to prove that ISRS 14 15 projects are cost-effective. The purpose of the ISRS mechanism is to improve the safety 16 and reliability of the distribution system for our customers. That being said, costs to 17 ratepayers are considered. The Company provides engineering analyses on ISRS projects 18 that add any incremental cost to customers. If an incremental cost is associated with a 19 project, that incremental cost is backed out, and Spire does not seek recovery for it as part 20 of the ISRS filing. The legislation also requires that no less than twenty-five percent of the 21 expenditures are performed by contractors under a competitive bidding process approved

¹ Rebuttal, page 4, lines 7-8

² Rebuttal, page 4, line 15

1 by Staff and the Commission. Finally, as stated above, every ISRS application and included 2 capital project is heavily scrutinized by Staff prior to approval by the Commission. 3 As discussed above, the purpose of the ISRS program is to replace aging and outdated 4 infrastructure for the benefit of our customers. The Company is filing its ISRS applications 5 in accordance with applicable laws and regulations, and these applications are reviewed by 6 Staff and approved by the Commission. Any performance metrics that Mr. Cebulko is 7 looking for has never been a requirement, but the Company is open to some of the 8 additional reporting that he proposed.

9 III. <u>WEATHER NORMALIZATION</u>

10Q.HOW DO YOU RESPOND TO THE ERRORS IN STAFF'S WEATHER11NORMALIZATION ANALYSES FLAGGED BY STAFF WITNESS REYNOLDS?

A. Spire Missouri was aware of the initial errors made by Staff to the weather normalization
analyses that were presented in their direct filing. The Company is under the impression
that Staff has corrected the errors, and the corrections were reflected in Staff's rebuttal
workpapers.

16Q.STAFF WITNESS REYNOLDS STATES THAT STAFF'S CORRECTED17NORMALIZED REVENUES ARE \$407,210,256 FOR SPIRE MISSOURI EAST18AND \$317,002,392 FOR SPIRE MISSOURI WEST. DO YOU AGREE WITH19THESE NORMALIZED REVENUES?

A. No. The Company does not believe the normalized revenues presented by Staff should be
 accepted at this time. Both Spire Missouri and Staff are working together to find the most
 appropriate customer counts, which will impact two of the larger adjustments to revenues,
 the weather normalization adjustment and the customer annualization adjustment. Spire

Missouri and Staff are also still not in agreement on the normal weather pattern that should
 be used for normalizing revenues.

3 Q. DOES THE COMPANY AGREE WITH STAFF'S PROPOSED WEATHER 4 NORMALIZATION ADJUSTMENTS FOR THE RES, SGS, AND LGS RATE 5 CLASSES?

- A. No. Staff continues to use a 30-year normalization for their weather normalization
 adjustment. The use of a 30-year normal impacts the normalized usage in the RES, SGS,
 and LGS rate classes, which, in the Company's opinion, results in an overstated annual
 normal usage per customer in each respective rate class. The Company does not agree with
 this application and therefore disagrees with the weather adjustments made by Staff.
- 11 **Q**. STAFF WITNESS STAHLMAN RECOMMENDS THE COMMISSION USE 12 STAFF'S RANKED 30-YEAR NORMAL WEATHER, RATHER THAN THE 10-YEAR NORMAL WEATHER PROPOSED IN YOUR DIRECT AND REBUTTAL 13 14 TESTIMONY, CLAIMING THAT THIS IS LESS VOLATILE AND MORE 15 REFLECTIVE OF ACTUAL WEATHER, RESULTING IN FEWER 16 **ADJUSTMENTS. HOW DO YOU RESPOND?**

A. Although the Company continues to advocate and recommend using a 10-year normal, the Company has applied Staff's ranking methodology to 10 years of weather data and supplied those results to all parties in this proceeding. By applying the ranking methodology to the proposed 10-year weather data, Spire Missouri believes it has avoided the volatility and lack of actual weather representation concerns brought up by Witness Stahlman. However, the Company does not agree that utilizing 30-year weather data is best representative of normal weather. As OPC witness Mantle states in her rebuttal, the only sure thing about

weather is that it will never be "normal."³ Witness Mantle is also in agreement with the
 Company that there are warming trends, and the 30-year "normal" does not reflect a 50/50
 balance of potentially warmer and potentially cooler weather.⁴

- Q. STAFF WITNESS STAHLMAN STATES THAT STAFF'S ANALYSIS USES A
 MORE RECENT 30-YEAR PERIOD, 1993-2022, THAN THE NATIONAL
 OCEANIC AND ATMOSPHERIC ADMINISTRATION'S ("NOAA") STATIC 30YEAR PERIOD, 1991-2020, WHICH SPIRE MISSOURI RELIES ON. HOW DO
 YOU RESPOND?
- 9 A. The Company believes the weather data should be updated with the most recent full year
 10 of data, which is 2024. The Company updated the years of data used through 2024 as that
 11 data is readily available on NOAA's and the Midwestern Regional Climate Center
 12 ("MRCC") website. Spire Missouri believes that using the most recent available data is the
 13 most accurate way of calculating normal weather.

14 Q. IN HIS REBUTTAL, STAFF WITNESS STAHLMAN CLAIMS THAT SPIRE 15 MISSOURI COULD NOT CALCULATE NOAA'S 30-YEAR OR 15-YEAR 16 CLIMATIC NORMAL. DO YOU AGREE?

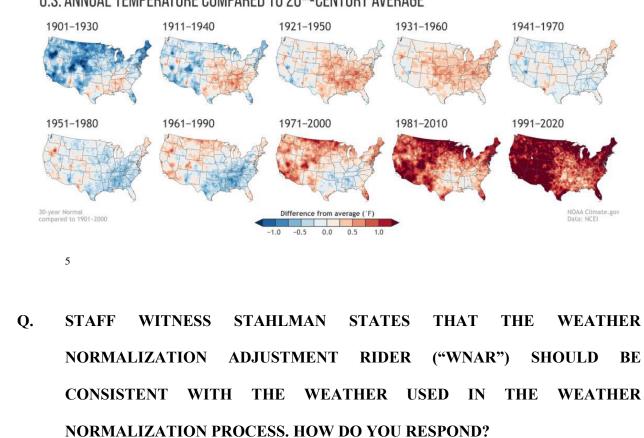
A. The Company is not interested in calculating these normals. Spire Missouri is utilizing
MRCC's raw data in order to calculate normal weather, just as Staff is for their analysis.

Q. STAFF WITNESS STAHLMAN STATES THAT NO TEMPERATURE NORMAL IS A GOOD PREDICTOR OF FUTURE TEMPERATURES, AND IT REMAINS TO BE SEEN WHETHER THE MOST RECENT YEARS IS A NEW TREND OR AN OUTLIER. HOW DO YOU RESPOND?

³ Rebuttal Testimony, page 9, line 2.

⁴ Rebuttal Testimony, page 9, lines 5-6.

1 A. While there may not be a temperature normal that is a good predictor of future 2 temperatures, experts have agreed that there is a warming trend. Since both the Company 3 and Staff are relying on NOAA-based data through MRCC, I would point to the graphic 4 below prepared by NOAA once again showing annual temperature comparisons from the early 1900s to the 20th century average. The places where normal annual temperatures are 5 1.25 degrees or warmer than the 20th century average are the darkest red. It is hard to argue 6 7 that warming temperatures are indictive of an outlier rather than an industry recognized 8 trend.



U.S. ANNUAL TEMPERATURE COMPARED TO 20th-CENTURY AVERAGE

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⁵ Initially retrieved November 20, 2024. <u>Climate change and the 1991-2020 U.S. Climate Normals | NOAA</u> <u>Climate.gov</u>

A. The Company agrees that the same normal weather data set should be used in both
 normalizing usage and in the calculation of WNAR.

Q. MR. STAHLMAN ALSO RECOMMENDS THE COMMISSION REQUIRE THAT ANY WEATHER FILE BE UPDATEABLE BY ALL INTERESTED PARTIES AND IDENTIFY WHAT DATA SOURCES ARE USED, WHAT WEATHER IS TO BE UPDATED, AND THROUGH WHAT TIME PERIODS. HOW DO YOU RESPOND?

8 A. The Company agrees with this recommendation.

9 Q. STAFF WITNESS STAHLMAN STATES THAT MANY OF SPIRE MISSOURI'S
10 EXCEL FILE WORKPAPERS INCLUDE HARD-CODED VALUES. HE ALSO
11 NOTES DISCREPANCIES IN THE DAILY ACTUAL DATA FROM NOAA. HOW
12 DO YOU RESPOND?

13 A. The initial weather workpapers provided by Spire Missouri were created by the Company's 14 outside weather consultant, AG2. However, once the discrepancies were identified by 15 Staff, Spire Missouri corrected the issues. The Company utilized raw data from NOAA, 16 and the data was downloaded and then copied over into its workpapers. These updated 17 workpapers were provided to Staff in Staff Data Request 233. The Company's workpapers 18 were once again updated and provided to the parties during rebuttal as the Company 19 applied Staff's ranking methodology to the corrected 10-years of weather data from 20 MRCC.

21 Q. OPC WITNESS MANTLE RECOMMENDS THAT ALL BACK BILLS IN THE 22 RESIDENTIAL BILLING DATA SHOULD BE REMOVED FROM THE

1 WEATHER NORMALIZATION ANALYSIS OF RESIDENTIAL USAGE. HOW 2 **DO YOU RESPOND?**

3 A. The Company is open to discussions on how best to capture the back billing issue and 4 appropriate customer annualization within the weather normalization analysis.

5 OPC WITNESS MANTLE RECOMMENDS USING 15 YEARS OF DAILY **Q**. HISTORY AND STAFF'S RANKING METHOD TO CALCULATE NORMAL 6 7 WEATHER. HOW DO YOU RESPOND?

8 A. The Company still believes that a 10-year weather normal is the appropriate application 9 for calculating normal weather. The Company is open to, and has already applied, Staff's 10 ranking methodology to 10 years' worth of historical daily weather data and supplied those 11 analyses to the parties. The Company also believes that a 15-year normal, as proposed by 12 Ms. Mantle, would be much better than the 30-year normal currently being proposed by 13 Staff. If the Commission does not select the Company's position of 10 years for weather, 14

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IV. **REVENUES**

then the Commission should support the 15-year weather normal as proposed by OPC.

16 Q. IN HER REBUTTAL TESTIMONY, STAFF WITNESS REYNOLDS STATES 17 THAT STAFF DOES NOT AGREE WITH THE CUSTOMER VARIANCE 18 ADJUSTMENT PROPOSED BY SPIRE MISSOURI FOR SEVERAL REASONS.

19

HOW DO YOU RESPOND?

20 A. At the time of the initial filing, Spire Missouri's customer variance adjustment was based 21 on projected disconnects and reconnects through the true up period. However, through 22 discussions with Staff, the parties are working on what the appropriate path is for the 23 customer annualization used in this proceeding.

Q. MS. REYNOLDS ALSO ARGUES THAT CUSTOMER DATA OVER THE PAST
 FIVE YEARS DEMONSTRATES THAT SPIRE MISSOURI'S RESIDENTIAL
 CUSTOMER LEVELS ARE GROWING, NOT DECLINING AS THE
 ADJUSTMENT PROPOSED BY SPIRE MISSOURI WOULD SUGGEST. HOW
 DO YOU RESPOND?

6 A. The Company does not believe that this is accurate. The Company has provided data 7 supporting its position that customer counts have remained steady or consistent, with the 8 exception of the standard seasonality impact. In GR-2021-0108, Staff mentioned in their 9 Class Cost of Service direct that they had concerns with Spire Missouri's growth and 10 attrition. Staff witness Lange mentioned that Spire Missouri's DR responses indicated a 11 pattern of continual new additions in support of new service while service is discontinued 12 at other locations⁶. In that proceeding, Staff questioned Spire Missouri's growth given the data indicating that an approximation of new meter installs and meters removed that 13 14 weren't replaced showed negative growth for Spire Missouri East and 0.6% growth for 15 Spire Missouri West.

16 Q. HAVE THERE BEEN ANY OTHER DEVELOPMENTS THAT IMPACT 17 CUSTOMER COUNT?

A. Yes. The tornado that hit Spire Missouri's eastern service territory on May 16, 2025 impacted our current customer base. Several hundreds of homes and businesses of customers were damaged by this natural disaster and the Company has recognized that there are many of these customers that may not reconnect back onto our distribution system for the foreseeable future. The Company is not asking for an adjustment to customer counts

⁶ Staff COSS Report, page 36, lines 14-15.

at this time but wants to make the note that exogenous factors can impact normal customer
 counts at any given time and that those factors should not be reflected in a normalized
 period.

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Q. DOES THE COMPANY HAVE A PROPOSAL ON WHAT CUSTOMER COUNTS SHOULD BE USE FOR ANNUALIZATION?

A. Yes. Spire Missouri believes that using the test year customer counts, without applying a
growth factor, would most accurately represent the customer counts needed for the
customer annualization adjustment. For billing determinant purposes, the Company would
apply the average of test year customer numbers.

10 Q. PLEASE EXPLAIN WHY SPIRE MISSOURI BELIEVES THE TEST YEAR 11 CUSTOMER COUNTS ARE MOST ACCURATE.

A. Coupled with my answers discussed above, there have been many discussions about being able to capture all the back billing issues that impacted customer counts through the end of fiscal year 2024. Staff has argued that using the 12 months ending December 2024, coupled with a growth factor, is the best approach for representing the actual customer counts for the Company. However, by annualizing the 12 months ending December 2024, coupled with a growth factor, Staff is grossly overstating customer counts.

18 Q. DO YOU AGREE WITH STAFF'S UPDATED FIGURES FOR SPIRE 19 MISSOURI'S RATE SWITCHER ADJUSTMENT RESULTS?

A. The Company is comfortable with the adjustments Staff has made for the rate switching
adjustment for both Spire Missouri East and Spire Missouri West.

1		V. <u>CERTIFICATES OF CONVENIENCE AND NECESSITY</u>	
2	Q.	HAS THE COMPANY'S PROPOSAL TO HANDLE THE RESULTS OF THE	
3		ORDERED CCN AUDIT CHANGED DURING THE COURSE OF THIS	
4		PROCEEDING?	
5	A.	No. The Company still is proposing to update Tariff Sheet Nos. 21-21.16 to reflect the	
6		results of the internal audit.	
7	Q.	HAS THERE BEEN ANY FURTHER ADJUSTMENT TO ACCOUNT 105000	
8		STEMMING FROM STIPULATION AND AGREEMENT ITEM #25 IN GR-2021-	
9		0108?	
10	А.	No. The Company still only proposes to move the \$57,100, mentioned in my direct	
11		testimony, from Plant Account 105000 to Plant Account 101000.	
12	Q.	HAS ANY PARTY IN THIS CASE OFFERED AN OPINION OR	
13		RECOMMENDATION ON THESE ITEMS RELATING TO CCNS IN THEIR	
14		DIRECT OR REBUTTAL?	
15	А.	Not as of the time of this filing.	
16		VI. <u>CONCLUSION</u>	
17	Q.	DOES THIS CONCLUDE YOUR TESTIMONY?	
18	A.	Yes.	

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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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

File No. GR-2025-0107

AFFIDAVIT

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

Trisha Lavin, of lawful age, being first duly sworn, deposes and states:

1. My name is Trisha Lavin. I am the Senior Analyst, Regulatory Affairs 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.

Trisha Lavin

Sichm

Subscribed and sworn to before me this $2\ell_e$ day of June2025.



Notary Public

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