

Exhibit No.:

Issue(s):

Affordability

**Advanced Leak Detection
Tracker**

DSA

**WNAR and Weather
Normalization**

Conservation Adjustment

**Propane Cavern Revenue
and Expense**

Revenue

Witness:

David A. Yonce

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

DAVID A. YONCE

JUNE 30, 2025

TABLE OF CONTENTS

SURREBUTTAL TESTIMONY OF DAVID A. YONCE	1
I. INTRODUCTION.....	1
II. AFFORDABILITY	2
III. ADVANCED LEAK DETECTION TRACKER	3
IV. DISTRIBUTION SERVICE ADJUSTMENT (“DSA”).....	6
V. WNAR AND WEATHER NORMALIZATION.....	11
VI. CONSERVATION ADJUSTMENT	21
VII. PROPANE CAVERN REVENUE AND EXPENSE	22
VIII. REVENUE.....	23
IX. CONCLUSION	24

1 **SURREBUTTAL TESTIMONY OF DAVID A. YONCE**

2 **I. INTRODUCTION**

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

4 A. My name is David A. Yonce, and my business address is 700 Market Street, St. Louis, MO
5 63101.

6 **Q. ARE YOU THE SAME DAVID A. YONCE THAT SUBMITTED DIRECT AND**
7 **REBUTTAL TESTIMONY IN THIS CASE?**

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

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

11 A. The purpose of my surrebuttal testimony is to respond to various issues, positions and
12 statements made in the rebuttal testimony of the Staff of Missouri Public Service
13 Commission (“Staff”) and the Office of Public Counsel (“OPC”) which was filed with the
14 Commission on May 30, 2025. Specifically, I will provide surrebuttal testimony
15 responding to the following issues: affordability, the Advanced Leak Detection Tracker,
16 the Distribution Service Adjustment (“DSA”), the Weather Normalization Adjustment
17 Rider (“WNAR”) and weather normalization, the Conservation Adjustment, the Propane
18 Cavern, and Revenue.

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

21 A. No.

1 **II. AFFORDABILITY**

2 **Q. OPC WITNESS MARKE DISCUSSES THE POSSIBILITY OF SPIRE**
3 **MISSOURI'S MOST VULNERABLE CUSTOMERS EXPERIENCING SEVERE**
4 **HARDSHIP IF FEDERAL SUBSIDIES ARE MINIMIZED AND A LARGE RATE**
5 **INCREASE GOES INTO EFFECT. HOW DO YOU RESPOND?**

6 A. I agree that a reduction of federal subsidies will likely impact vulnerable customers, but
7 Spire Missouri has an obligation to provide safe and reliable service to all of its customers,
8 and this rate case is largely driven by the need to recover capital costs that we've invested
9 to do just that. Dr. Marke proposed a program that would assist the most vulnerable
10 customers with the customer charge portion of their bill and the Company is open to further
11 discussions regarding that program and the parameters that must be set around it to ensure
12 it is effective, reasonable, and prudent.

13 **Q. OPC WITNESS SCHABEN URGES THE COMMISSION TO REVIEW ALL**
14 **CUSTOMER COMMENTS AND KEEP AFFORDABILITY IN MIND AS IT**
15 **REVIEWS THE EVIDENCE IN THIS CASE. HOW DO YOU RESPOND?**

16 A. Affordability is always top of mind for Spire Missouri, especially when we're proposing a
17 rate increase as part of a rate case. As mentioned above, the major driver of the relief
18 requested in this case is the recovery of capital costs that Spire Missouri has invested to
19 provide safe and reliable service to all of its customers. We manage all of our expenses
20 very closely to ensure we're able to provide safe and reliable service at just and reasonable
21 rates. I agree that the Commission should always review all evidence in a case when
22 making a decision and would encourage them to do the same in this case.

1 **Q. HOW DO YOU RESPOND TO OPC WITNESS SCHABEN'S ASSERTION THAT**
2 **RECENT RATE INCREASE REQUESTS EXCEED THE COST OF INFLATION**
3 **AND LIMITS OF RATEPAYER AFFORDABILITY?**

4 A. I cannot speak specifically to the rate requests proposed or implemented by other utilities,
5 but in this case Spire Missouri has proposed a roughly 15% increase for the average
6 residential customer, and this request comes after not having filed a case in approximately
7 3 years. Spire Missouri's bills are also made up of two parts, the cost of the natural gas,
8 and the cost to deliver that natural gas to homes and businesses. It should be noted that in
9 November of 2024, Spire Missouri lowered the natural gas portion of its customers' bills
10 (the Purchased Gas Adjustment or PGA) by approximately 15%. Assuming current market
11 conditions, even with the proposed increase in this rate case, due to the rate decrease in
12 November 2024, overall customer bills will continue to be slightly lower or unchanged
13 compared to what customers paid in 2024 when new rates take effect for this case in Fall
14 2025.

15 **III. ADVANCED LEAK DETECTION TRACKER**

16 **Q. STAFF WITNESS MAJORS STATES THAT STAFF GENERALLY DISFAVORS**
17 **TRACKERS, BUT STATES THE REQUESTED ADVANCED LEAK DETECTION**
18 **TRACKER PROPOSED IN THIS CASE IS JUSTIFIED. HOW DO YOU**
19 **RESPOND?**

20 A. I generally agree with this. I do not believe trackers should be used for everything. I think
21 there are certain types of activities that warrant trackers, such as Advanced Leak Detection
22 given the circumstances surrounding the impending requirements as discussed in my direct

1 testimony. I am in agreement with Mr. Majors that the Advanced Leak Detection tracker
2 proposed by Spire Missouri in this case is justified.

3 **Q. STAFF WITNESS MAJORS STATES THAT STAFF CONTINUES TO**
4 **RECOMMEND THAT THE COMMISSION AUTHORIZE SPIRE MISSOURI'S**
5 **PENSION AND OPEB TRACKERS. HOW DO YOU RESPOND?**

6 A. I agree.

7 **Q. DO YOU AGREE WITH STAFF WITNESS MAJORS'S RECOMMENDATION**
8 **THAT THE ADVANCED LEAK DETECTION TRACKER SHOULD BE**
9 **LIMITED TO THE TIME PERIOD BETWEEN THE CONCLUSION OF THIS**
10 **RATE CASE AND THE NEXT GENERAL RATE CASE, AND LIMITED TO NON-**
11 **LABOR EXPENSES?**

12 A. I do not agree. Spire Missouri proposes to track the following O&M costs related to the
13 tracker deferral mechanism:

- 14 • All third-party costs to perform emission quantification surveys, investigate
15 indications, grade the leaks, continually monitor any leaks found, and repair the leaks
16 when needed;¹ and
- 17 • personnel costs associated with the positions of Manager – Advanced Leak Detection
18 Program and Analyst – Advanced Leak Detection.

19 These are incremental costs that Spire Missouri will necessarily incur as part of the
20 Advanced Leak Detection Program in order to prepare for and eventually comply with the
21 U.S. Department of Transportation's Pipeline and Hazardous Materials Safety

¹ The Company notes that in response to OPC DR 1214, costs related to monitoring and repair leaks was not included, however, the Company does in fact propose to track these costs. As expected, advanced leak detection may result in more leaks identified than current leak surveys, requiring additional leak monitoring and repair costs that should be included in the proposed tracker.

Administration's ("PHMSA") Federal Leak Detection and Repair ("LDAR") Rule, once it is final. These costs could fluctuate and are appropriately included in a tracker as opposed to base rates.

Q. OPC WITNESS PAYNE RECOMMENDS THE COMMISSION NOT APPROVE AN ADVANCED LEAK DETECTION TRACKER, ARGUING THAT SPIRE MISSOURI IS ATTEMPTING TO ISOLATE AND TRACK COSTS BASED ON THE ASSUMPTION THAT PHMSA'S LDAR RULE WILL BE FINAL. HOW DO YOU RESPOND?

A. I disagree. The LDAR rule has been sent to the Federal Register and is pending final adoption. Promulgation of an LDAR rule is also a requirement of Section 114 of the federal Protecting Our Infrastructure of Pipelines and Enhancing Safety ("PIPES") Act of 2020. As a prudent utility operator, the Company must be prepared to be in compliance with all federal regulations and has proposed this tracker to ensure its able to do just that. Additionally, regardless of the pending rule, moving toward new technology for leak detection is to the benefit of our customers.

Q. MR. PAYNE ALSO ARGUES THAT THE COMPANY DOES NOT HAVE ACTUAL COST ESTIMATES THAT WOULD BE INCLUDED IN ITS TRACKER THAT WOULD FALL UNDER THE FINAL LDAR RULE. HOW DO YOU RESPOND?

A. A cost estimate was not provided in direct testimony, but information was provided in response to DR 1204 referencing a presentation provided in response to DR 1200.

Q. OPC WITNESS PAYNE STATES THAT GRANTING THE ADVANCED LEAK DETECTION TRACKER COULD OPEN THE DOOR FOR PREEMPTIVE COST

1 **RECOVERY FOR EXPENSES BEFORE THERE IS ACTUAL REGULATORY**
2 **CLARITY. HOW DO YOU RESPOND?**

3 A. I disagree. This is not preemptive cost recovery. The intent of any tracker is to track costs
4 for future recovery. Trackers are not appropriate in all instances, but are very common in
5 utility rate-making, particularly where the costs are driven by federal mandates that are
6 outside of the utility's control and where the costs fluctuate.

7 **IV. DISTRIBUTION SERVICE ADJUSTMENT ("DSA")**

8 **Q. STAFF WITNESS ABBOTT RECOMMENDS THAT THE COMMISSION**
9 **REJECT SPIRE MISSOURI'S REQUEST FOR A DSA IN THIS PROCEEDING**
10 **BASED ON CLAIMED NEGATIVE IMPACTS ON CUSTOMERS. HOW DO YOU**
11 **RESPOND?**

12 A. I do not agree with this. As stated in my rebuttal testimony, customers should essentially
13 be agnostic to the DSA mechanism, because it is simply designed to allow the Company
14 to recover its cost to serve, regardless of effects of weather, which is no different than what
15 the existing WNAR mechanism is intended to do. If the Company earns more than its
16 authorized revenue requirement, the excess is returned to customers. If the Company earns
17 less than its authorized revenue requirement, the shortfall is collected by the Company. The
18 reason a revenue requirement is determined in a case is because that is the amount of
19 revenue that the Commission determines should be collected by the Company to ensure
20 safe and reliable service is provided to all customers. To suggest the Company should not
21 be able to fully collect that revenue requirement from its customers, which is what the DSA
22 mechanism is designed to do, significantly undermines the outcome of the rate case
23 process.

1 **Q. STAFF WITNESS ABBOTT ARGUES THAT THE DSA WOULD ALLOW SPIRE**
2 **MISSOURI TO INCREASE CHARGES TO CUSTOMERS IF ITS APPROVED**
3 **REVENUE REQUIREMENT IS NOT ACHIEVED. HOW DO YOU RESPOND?**

4 A. The DSA mechanism will account for the impacts from energy efficiency and conservation,
5 which is actually one of the reasons Spire Missouri proposed this mechanism, as it is
6 authorized in Section 386.266, RSMo. That statute provides: “. . . any gas or electrical
7 corporation may make an application to the commission to approve rate schedules
8 authorizing periodic rate adjustments outside of general rate proceedings to adjust rates of
9 customers in eligible customer classes to account for the impact on utility revenues of
10 increases or decreases in residential and commercial customer usage due to variations in
11 either weather, conservation, or both.” The Company has a cost to serve regardless of
12 energy efficiency and conservation measures taken by customers. The DSA will allow
13 Spire Missouri to recover its fixed costs and earn a fair return, providing financial stability
14 even when energy consumption decreases. Moreover, given that Spire Missouri’s bills are
15 made of two components – the cost of the natural gas and the cost to deliver the gas – the
16 customer will benefit from lowering the natural gas cost portion of their bill if they choose
17 to undertake energy efficiency or conservation measures.

18 **Q. IS MR. ABBOTT CORRECT THAT CUSTOMERS WHO CANNOT AFFORD TO**
19 **MAKE ENERGY EFFICIENCY INVESTMENTS OR FURTHER REDUCE**
20 **USAGE MAY SEE THEIR BILLS RISE BETWEEN RATE CASES DUE TO THE**
21 **EFFORTS OF OTHER CUSTOMERS TO LOWER THEIR BILLS?**

22 A. This will ultimately happen regardless of whether the DSA is implemented, and the only
23 difference is timing. Ultimately, rate design should be based on cost causation, and

1 therefore, if a customer takes measures to reduce their usage, then by design, their overall
2 cost would ultimately go down, and customers whose usage remains unchanged would
3 ultimately bear those costs. Again, this effect is no different under the DSA than the current
4 rate-making treatment. The DSA would just allow this to occur each year rather than only
5 during a rate case. One could argue that smoothing this impact year-to-year would actually
6 benefit customers as opposed to them experiencing this impact all at once during a rate
7 case.

8 **Q. STAFF WITNESS ABBOTT STATES THAT SPIRE MISSOURI'S PROPOSED**
9 **DSA MAY SIGNIFICANTLY REDUCE OR ELIMINATE CUSTOMERS' COST**
10 **SAVINGS, UNDERMINING SPIRE MISSOURI'S PROMOTION OF ENERGY**
11 **EFFICIENCY AND CONSERVATION PRACTICES CONDUCTED BY**
12 **CUSTOMERS. HOW DO YOU RESPOND?**

13 A. I disagree. As stated above, customers will still benefit from energy efficiency and
14 conservation measures. The cost of the natural gas itself makes up roughly 50% of a
15 customer's bill. Reducing that portion of their bill is a big incentive to take part in energy
16 efficiency and conservation measures.

17 **Q. STAFF WITNESS ABBOTT ARGUES THAT THE DSA SHOULD BE REJECTED**
18 **BECAUSE IT WOULD NEGATIVELY IMPACT CUSTOMERS AND TRANSFER**
19 **RISK FROM SPIRE MISSOURI. HOW DO YOU RESPOND?**

20 A. I disagree. I do not believe the DSA mechanism would cause negative impacts to
21 customers. I think the impact of the mechanism is very similar to the existing WNAR
22 mechanism but would include conservation, which as explained above, is allowed by

statute. Nor is risk transferred from the Company, as it must still operate its business in an efficient manner as it still can only recover the revenue requirement authorized.

Q. STAFF WITNESS ABBOTT STATES THAT, IF SPIRE MISSOURI'S PROPOSED DSA IS APPROVED, THE COMMISSION SHOULD REDUCE SPIRE MISSOURI'S RETURN ON EQUITY ("ROE") TO REFLECT THE REDUCTION IN BUSINESS RISK THE DSA WOULD PROVIDE. HOW DO YOU RESPOND?

A. As stated above, I do not agree that this mechanism significantly reduces business risk for the Company and therefore do not agree that an adjustment should be made to the ROE if this mechanism is approved. However, this mechanism is mostly a simpler way to accomplish effectively the same thing as the existing WNAR mechanism currently approved and in effect.

Q. MR. ABBOTT ALSO SUGGESTS THAT, IF THE DSA IS APPROVED, THE COMMISSION COULD APPROVE A CAPITAL STRUCTURE REFLECTING THE LOWER COST OF DEBT THAT THE DSA MAY PROVIDE DUE TO LOWER RISK. HOW DO YOU RESPOND?

A. I do not agree for the same reasons stated above. I also do not agree with artificially manipulating the actual capital structure of a utility in rate-making.

Q. STAFF WITNESS ABBOTT STATES THAT, IF THE COMMISSION APPROVES THE DSA, THE COMPONENT REVENUE REQUIREMENT SHOULD BE SPECIFIC TO THE REVENUE REQUIREMENT FOR APPLICABLE CUSTOMER CLASSES. HOW DO YOU RESPOND?

A. I agree with this.

1 **Q. STAFF WITNESS ABBOTT ALSO RECOMMENDS THAT SPIRE MISSOURI'S**
2 **PROPOSED DSA ADJUSTMENT OR OVER- OR UNDER-RECOVERIES ONLY**
3 **ASSOCIATE WITH THE VOLUMETRIC COMPONENTS OF THE CUSTOMER**
4 **BILL. HOW DO YOU RESPOND?**

5 A. I agree with this.

6 **Q. OPC WITNESS MANTLE RECOMMENDS THAT THE COMMISSION NOT**
7 **APPROVE THE DSA REQUESTED BY SPIRE MISSOURI BECAUSE THE DSA**
8 **WOULD RECONCILE MORE THAN JUST THE IMPACT ON REVENUES DUE**
9 **TO WEATHER AND CONSERVATION. HOW DO YOU RESPOND?**

10 A. I am not aware of what those other impacts would be. Ultimately, the Company has a cost
11 to serve, and the Commission acknowledges that cost to serve when setting a revenue
12 requirement in a rate case. This mechanism is simply intended to ensure that the Company
13 is able to recover its cost to provide its customers safe and reliable service.

14 **Q. HOW DO YOU RESPOND TO OPC WITNESS MANTLE'S**
15 **RECOMMENDATION THAT THE COMMISSION NOT APPROVE A**
16 **CONSERVATION ADJUSTMENT FOR RESIDENTIAL OR SMALL GENERAL**
17 **SERVICE ("SGS") CLASS IF IT DOES NOT APPROVE THE PROPOSED DSA?**

18 A. I do not agree. As stated above, the statute allows for the conservation adjustment and the
19 Company should not be penalized for doing the right thing and promoting energy efficiency
20 and conservation efforts. The Company has a cost to serve regardless of energy efficiency
21 and conservation efforts being taken by its customers. Having small general service in a
22 mechanism is permitted in Section 386.266, RSMo.

1 **V. WNAR AND WEATHER NORMALIZATION**

2 **Q. STAFF WITNESS ABBOTT STATES STAFF DOES NOT OPPOSE REVIEWING**
3 **AND POSSIBLY UPDATING THE METHOD FOR CALCULATING THE**
4 **COEFFICIENT IN THE WNAR MECHANISM, AND STAFF DOES NOT OPPOSE**
5 **THE INCLUSION OF THE SGS RATE CLASS IN THE WNAR TARIFF IF THE**
6 **PROPOSED DSA IS NOT APPROVED. HOW DO YOU RESPOND?**

7 A. I agree that the calculation of the coefficient for the WNAR mechanism should be
8 considered and am still in favor of using more billing cycle data rather than monthly data
9 as referenced in my rebuttal testimony. While I believe the DSA should be approved, I also
10 agree with Mr. Abbott that the SGS rate class should be included in the WNAR tariff if the
11 DSA is not approved.

12 **Q. DO YOU AGREE WITH OPC WITNESS MANTLE THAT THE COMMISSION**
13 **SHOULD REDUCE SPIRE MISSOURI'S RATE OF RETURN IF IT RETAINS**
14 **THE CURRENT WNAR TO REFLECT THE REDUCTION OF RISK TO SPIRE**
15 **MISSOURI?**

16 A. I do not agree. Spire Missouri currently has the WNAR mechanism and therefore the
17 existence of the mechanism is already factored into all rate of return analysis being
18 conducted by the rate of return witnesses in this case. It would not be appropriate to reduce
19 those returns because of the continuation of an existing mechanism.

20 **Q. OPC WITNESS MANTLE FURTHER RECOMMENDS THAT, IF THE**
21 **COMMISSION INCLUDES THE SGS CLASS IN THE WNAR, IT SHOULD**
22 **REDUCE SPIRE MISSOURI'S RATE OF RETURN. HOW DO YOU RESPOND?**

1 A. I disagree with Ms. Mantle. SGS should be included in the WNAR tariff, as it is very
2 clearly a weather-sensitive rate class, and there should not be an explicit reduction to Spire
3 Missouri's rate of return. The statute allows for the inclusion of the SGS rate class in the
4 WNAR mechanism, and other utilities in the state have recently been authorized to include
5 the class. Also, as I pointed out in my direct and rebuttal testimony, the SGS rate class was
6 included as part of MPSC-approved WNAR tariffs for Liberty Utilities Midstates (MNG)
7 and Liberty Empire District.

8 **Q. OPC WITNESS MANTLE RECOMMENDS THE COMMISSION ORDER THE**
9 **WNAR RATE ONLY BE APPLIED TO USAGE ON OR AFTER THE EFFECTIVE**
10 **DATE OF THE RATE. HOW DO YOU RESPOND?**

11 A. I agree that any changes to the WNAR rates should only be applied as of the effective date
12 of the tariffs.

13 **Q. OPC WITNESS MANTLE RECOMMENDS THAT THE COMMISSION ORDER**
14 **A CAP OF \$0.05 PER CCF ON THE WNAR RATE, WITH ANY ADJUSTMENT**
15 **THAT IS NOT RECOVERED DUE TO THE CAP TO BE DEFERRED FOR**
16 **RECOVERY IN THE NEXT RECOVERY PERIOD. HOW DO YOU RESPOND?**

17 A. I disagree with this recommendation. As stated in my rebuttal testimony, the tariff does not
18 currently include a cap, and there is no basis for it to include a cap in the future. A cap
19 would put the Company at significant risk and greatly increase regulatory lag on the
20 WNAR mechanism.

21 **Q. OPC WITNESS MANTLE RECOMMENDS THE COMMISSION APPROVE**
22 **SPIRE MISSOURI'S PROPOSED CHANGES TO ITS WNAR TARIFF SHEETS**

WITH THE ADDITIONAL CHANGES PROPOSED IN HER SCHEDULES LMM-R-2 THROUGH LMM-R-4. HOW DO YOU RESPOND?

A. I am not in agreement that all of these edits are needed and do not understand the intent of some of the changes.

- R-2: I do not agree with the change in paragraph three to calendar month from billing month as I do not understand why this is being proposed. I am not yet in agreement with the change from WRVR to GDC as I do not fully understand the purpose of this proposed change.

- R-3: As discussed above, I am not opposed to, but not yet fully in agreement with, the change from WRVR to GDC because I do not fully understand the purpose of the proposed change, but I'm open to considering it.

- R-4: I am not yet in agreement with the replacement of TRA with "billing month revenue adjustment" in the last paragraph as I do not fully understand the need for the change. I am also not in agreement with the newly defined term, "deferred amount", and changes made to the paragraph describing the limit of \$0.05 per Ccf on upward adjustments.

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

A. I still believe a 10-year normal is the most appropriate normal weather to use, but I'm open to a 15-year normal instead. A 15-year normal is still much better than the current 30-year normal being used.

1 **Q. STAFF WITNESS REYNOLDS STATES THAT STAFF DISAGREES WITH MS.**
2 **MANTLE'S PROPOSED WNAR RATE CAP OF \$0.05/CCF, AS THE CAP**
3 **WOULD MEAN THAT, IN SOME SITUATIONS, SPIRE MISSOURI COULD NOT**
4 **RECOVER ALL LOST REVENUE ASSOCIATED WITH WNAR. DO YOU**
5 **AGREE?**

6 A. I agree with this.

7 **Q. STAFF WITNESS STAHLMAN STATES THAT, WHILE STAFF PROVIDES**
8 **UPDATED WEATHER FILES TO SPIRE MISSOURI AS A COURTESY,**
9 **NOTHING CURRENTLY PREVENTS SPIRE MISSOURI FROM UPDATING OR**
10 **MANAGING THE WEATHER FILE USED TO CALCULATE THE WNAR. HOW**
11 **DO YOU RESPOND?**

12 A. I appreciate this comment by Mr. Stahlman and would agree with him that there's nothing
13 that prevents Spire Missouri from updating and managing the file.

14 **Q. MR. STAHLMAN ALSO STATES THAT STAFF DISAGREES THAT SPIRE**
15 **MISSOURI OWNS DOCUMENTS DEVELOPED BY STAFF, AS THEY ARE**
16 **ALSO USED FOR OTHER NATURAL GAS UTILITIES. HOW DO YOU**
17 **RESPOND?**

18 A. I agree that Spire Missouri should not own Staff's file, but I would advocate that Spire
19 Missouri own and update its own weather file (not Staff's) for purposes of updating and
20 calculating its WNAR. Staff and other parties would then have an opportunity to review
21 and audit any filings, including the weather file, during the appropriate WNAR filing
22 process.

1 **Q. STAFF WITNESS STAHLMAN RECOMMENDS THE NORMAL WEATHER**
2 **NOT BE UPDATED. HOW DO YOU RESPOND?**

3 A. I agree that the normal weather should not be updated between rate cases. The point I was
4 making in my direct testimony is that it should be updated with every rate case so that it is
5 current. Spire Missouri's last rate case was effective in December 2022, and the weather
6 data used to calculate normal in that case and currently being used for WNAR is only
7 through 2018. That does not make sense to me and should have been updated through 2021
8 coming out of that case.

9 **Q. STAFF WITNESS STAHLMAN STATES THAT, IF THE COMMISSION USES A**
10 **DIFFERENT NORMAL WEATHER, THE WNAR SHOULD BE CONSISTENT**
11 **WITH THE WEATHER USED IN THE WEATHER NORMALIZATION**
12 **PROCESS. HOW DO YOU RESPOND?**

13 A. I agree with this. The normal weather used for normalization purposes and the WNAR
14 mechanism should be the same.

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

20 A. I agree with this. Transparency with all parties is extremely important. I also agree that the
21 weather file should be easily updated and managed. Spire Missouri has created its own
22 weather files and has shared those with all parties and has made itself available for any
23 questions.

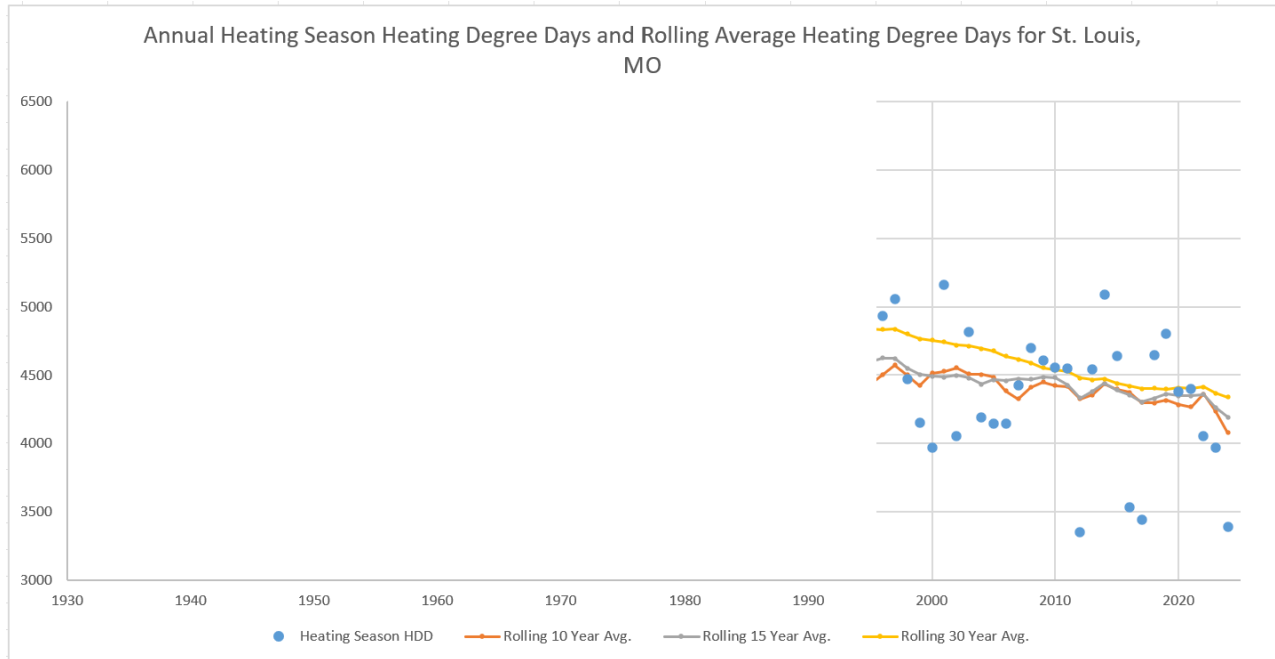
1 **Q. STAFF WITNESS STAHLMAN ARGUES THAT THE INFORMATION HE**
2 **PROVIDES ABOUT ANNUAL HEATING SEASON DEGREE DAYS AND**
3 **ROLLING AVERAGE HEATING DEGREE DAYS FOR ST. LOUIS, MO AND**
4 **KANSAS CITY, MO SUPPORT A 30-YEAR NORMAL. HOW DO YOU**
5 **RESPOND?**

6 A. I disagree. I appreciate Mr. Stahlman including these charts in his testimony because,
7 contrary to supporting a 30-year normal, I believe these charts very clearly support a 10-
8 year or 15-year normal.

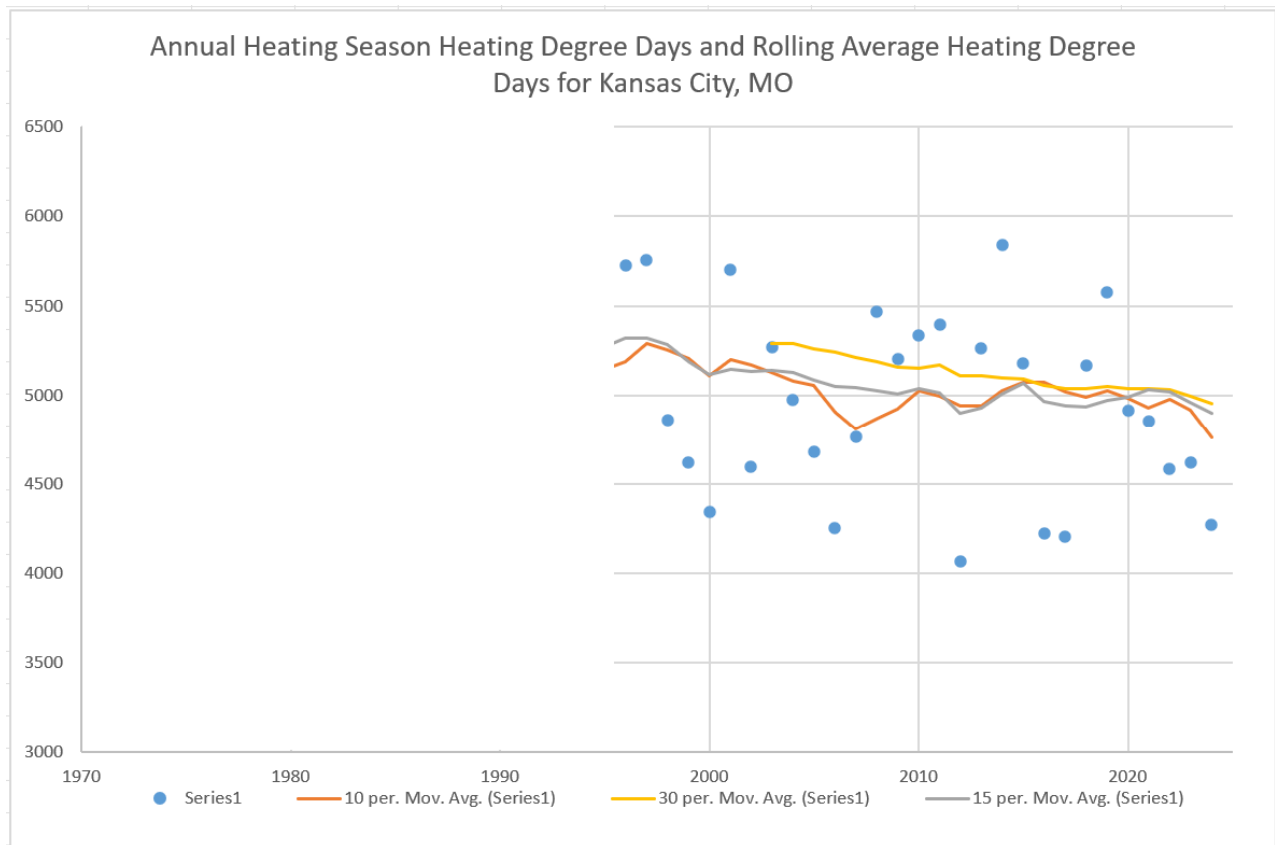
9 **Q. WHY DO YOU BELIEVE THE CHARTS PROVIDED IN MR. STAHLMAN'S**
10 **TESTIMONY SUPPORT A 10-YEAR OR 15-YEAR NORMAL?**

11 A. First of all, it should be noted that for some reason Mr. Stahlman included data for St. Louis
12 going all the way back to 1931, which is over 90 years, not just 30 years. And for Kansas
13 City he went back to 1973, which is over 50 years, not just 30 years. However, for purposes
14 of my testimony, I have hidden the years beyond 30 since we are focused on a 30-year
15 normal vs. a 10-year or 15-year normal. As you can see below, Mr. Stahlman's charts very
16 clearly demonstrate a warming trend over the 30-year period given the fact that all of his
17 rolling average lines, and especially the 30-year, are sloped downward, indicating less
18 heating degree days (warmer weather) over each of the respective time periods. These
19 charts are very compelling support for 10-year or 15-year normal weather.

1



2



1 **Q. STAFF WITNESS STAHLMAN STATES THAT IT REMAINS TO BE SEEN**
2 **WHETHER THE MOST RECENT YEARS' WEATHER REFLECTS A NEW**
3 **TREND OR IS AN OUTLIER. HOW DO YOU RESPOND?**

4 A. I agree with Mr. Stahlman that it is difficult to predict the future. However, the Commission
5 should take into account the fact that there is indeed a new trend, which Mr. Stahlman
6 seems to acknowledge in his testimony. He simply questions whether it's here to stay or if
7 temperature patterns may revert back to what they were 30+ years ago. The good news is
8 that the normal weather being used for rate making purposes is evaluated and can be
9 changed in every rate case. Spire Missouri typically files a rate case every 1-3 years, and
10 therefore, if this "new trend" which Mr. Stahlman acknowledges is indeed an outlier, the
11 normal weather being used for future rate cases can be changed to something different if it
12 makes sense at that point in time. The Company and all the parties in this case should be
13 working to identify the most appropriate normal weather to use for this specific rate case
14 which is what will be in the best interest of all parties, including Spire Missouri's
15 customers. As of right now, a 10-year or 15-year normal makes the most sense and the data
16 very clearly supports that.

17 **Q. IS THERE ANY OTHER SUPPORT ACKNOWLEDGING THAT THERE IS**
18 **INDEED A NEW TREND AND THIS IS NOT AN OUTLIER?**

19 A. Yes. In fact, there are two additional data points that provide very compelling support that
20 there is a new trend and a 10-year or 15-year normal is more appropriate than 30-years.

- 21 • First and foremost, as Mr. Stahlman acknowledged in his testimony, the National
22 Oceanic and Atmospheric Administration ("NOAA") itself now publishes a 15-year
23 normal. NOAA acknowledges the reason for including a 15-year normal "is for those

1 needing a climatology representing a period closer to today.”² Mike Palecki, project
2 manager for NOAA’s 1991 to 2020 Climate Normals, stated “**these new Normals are**
3 **a better baseline for today’s climate**, helping inform activities in many economic
4 sectors.”³

- 5 • Second, a report in the Journal of Applied Meteorology and Climatology very clearly
6 concludes a 10-year temperature normal is most appropriate. The journal specifically
7 recommends an “optimal climate normal (OCN), which uses a shorter averaging period
8 **(10 years for temperature** and 15 years for precipitation) to better adapt to the
9 changing climate.”⁴

10 **Q. STAFF WITNESS STAHLMAN RECOMMENDS THE COMMISSION USE**
11 **STAFF’S RANKED 30-YEAR NORMAL WEATHER BECAUSE IT IS LESS**
12 **VOLATILE AND MORE REFLECTIVE OF ACTUAL WEATHER WHICH**
13 **RESULTS IN FEWER ADJUSTMENTS. HOW DO YOU RESPOND?**

14 A. I have seen no data to support this claim. In fact, I believe the data would suggest quite the
15 opposite. Most recently, in 2024, Spire Missouri’s weather normalization adjustment filing
16 (WNAR) which is designed to account for non-normal weather, was approximately \$50
17 million which was over 15% of Spire Missouri’s volumetric revenue in that year. That is
18 not appropriate, and WNAR should not be that high. Using the 30-year normal actually
19 created much more volatility for Spire Missouri’s customers in 2024 because \$50 million
20 of costs were deferred, with carrying costs, which increases costs for customers. Until we

² NOAA’s Updated U.S. Climate Data Will Establish “New Normal”, National Centers for Environmental Information (Feb. 10, 2021) <https://www.ncei.noaa.gov/news/Upcoming-NOAA-2020-Climate-Normals>.

³ *Id.*

⁴ Arguez et al., *ENSO Normals: A New U.S. Climate Normals Product Conditioned by ENSO Phase and Intensity and Accounting for Secular Trends*, 58 J. Applied Meteorology and Climatology 1381 (June 2019).

1 fix the normal weather being used, that dynamic will continue, and will compound over
2 time, creating more carrying costs, and building a larger balance for our customers to have
3 to pay back in the future. Shifting to a 10-year or 15-year normal weather pattern will not
4 do anything except shift dollars from the WNAR to Spire Missouri's volumetric base rates
5 to better reflect the actual weather. It's not going to create more revenue for Spire Missouri,
6 but rather provide more certainty to our customers and the Company so they're paying for
7 the service they receive when they receive it rather than it being deferred so they have to
8 pay for it later.

9 **Q. WHAT WEATHER STATIONS DOES STAFF WITNESS STAHLMAN**
10 **PROPOSE?**

11 A. I believe Mr. Stahlman is still proposing to use Lambert International Airport for Missouri
12 East and the Kansas City International ("KCI") Airport for Missouri West.

13 **Q. DO YOU AGREE WITH THE USE OF LAMBERT AND KCI FOR PURPOSES OF**
14 **CALCULATING NORMAL WEATHER?**

15 A. No. As very thoroughly discussed in my rebuttal testimony, the Kansas City Downtown
16 airport is much more appropriate than the KCI Airport for calculating normal weather for
17 the Company's Missouri West customers.

18 **Q. WHAT SPECIFICALLY IS SPIRE MISSOURI PROPOSING IN THIS CASE FOR**
19 **CALCULATING NORMAL WEATHER?**

20 A. Spire Missouri proposes to calculate a 10-year normal, using Staff's ranking method, for
21 both Spire Missouri East and Spire Missouri West. The Company proposes to use the
22 Lambert International Airport for Spire Missouri East and the Kansas City Downtown

1 Airport for Spire Missouri West. Workpapers supporting this specific recommendation will
2 be provided to Staff, OPC, and the other parties after the filing of this testimony.⁵

3 **VI. CONSERVATION ADJUSTMENT**

4 **Q. STAFF WITNESS ABBOTT STATES STAFF DOES NOT SUPPORT THE**
5 **CONSERVATION ADJUSTMENT BECAUSE ATTEMPTING TO PREDICT**
6 **FUTURE DECLINING USAGE IS AN UNNECESSARY ATTEMPT TO**
7 **GUARANTEE ADDITIONAL REVENUE BY BUILDING AN ADDITIONAL**
8 **BUFFER IN THE EXISTING REVENUE CALCULATIONS. DO YOU AGREE?**

9 A. I disagree. There is statistical evidence that has been produced in the context of this case
10 that supports the declining usage that Spire Missouri is experiencing year after year due to
11 energy efficiency and conservation efforts. The Company has a cost to serve its customers,
12 and the impacts of conservation do not reduce that cost to serve, at least in the short term.
13 The intent of this adjustment is to simply provide the Company an opportunity to earn its
14 revenue requirement produced in this case.

15 **Q. STAFF WITNESS ABBOTT ARGUES THAT THE ADDITION OF THE**
16 **"CONSERVATION ADJUSTMENT" TO ALREADY NORMALIZED USAGE IS**
17 **NOT WARRANTED. HOW DO YOU RESPOND?**

18 A. I disagree. Usage is normalized for weather. The normalization Mr. Abbott is referencing
19 is for weather and does not account for conservation impacts. This has been very clearly
20 demonstrated in workpapers provided in this case.

⁵ The Company has previously provided workpapers supporting a 10-year normal utilizing the Lambert International and KCI Airport weather stations. The workpapers referenced here will support a 10-year normal utilizing the Lambert International Airport and the Kansas City Downtown Airport weather stations.

1 **Q. STAFF WITNESS ABBOTT ALSO RECOMMENDS THE COMMISSION APPLY**
2 **AN ADJUSTMENT MAXIMUM CAP TO THE CONSERVATION ADJUSTMENT**
3 **TO REDUCE POTENTIAL RATE SHOCK IF THE CONSERVATION**
4 **ADJUSTMENT IS APPROVED. HOW DO YOU RESPOND?**

5 A. The proposal in this case is to determine the conservation adjustment as part of the rate
6 case to be reflected in the revenue requirement authorized in the case, and therefore, it will
7 be reevaluated at the next rate case. Given that dynamic, a cap would be unnecessary. With
8 that said, if the parties agree to implement a new mechanism that would account for
9 conservation effects outside of the rate case process, Spire Missouri is open to a cap.

10 **Q. STAFF WITNESS ABBOTT RECOMMENDS THAT SPIRE MISSOURI USE**
11 **RANK, 30-YEAR NORMAL WEATHER IN ITS DETERMINATION OF THE**
12 **CONSERVATION ADJUSTMENT, IF APPROVED BY THE COMMISSION. DO**
13 **YOU AGREE?**

14 A. I do not agree. Spire Missouri has proposed a 10-year ranked normal in this case and the
15 Office of the Public Counsel has proposed a 15-year ranked normal. Staff is the only party
16 in this case at this point in time that is not supportive of a shorter time period for normal
17 weather. There is significant support for the use of a 10-year or 15-year normal for weather,
18 and Spire Missouri continues to recommend the use of a 10-year normal for weather for all
19 aspects of this case.

20 **VII. PROPANE CAVERN REVENUE AND EXPENSE**

21 **Q. STAFF WITNESS MAJORS STATES STAFF DISAGREES WITH YOUR**
22 **RECOMMENDATION TO REMOVE ALL RATE BASE AMOUNTS**
23 **ASSOCIATED WITH PROPANE ASSETS AND INVENTORIES AND**

ASSOCIATED PROPANE REVENUE AND EXPENSES FROM THE COST OF SERVICE OF SPIRE MISSOURI EAST. HOW DO YOU RESPOND?

A. I disagree with this. The assets are no longer used and useful for our customers, and therefore it is my position that the assets should be removed from rate base and the corresponding revenues and expenses should be removed from the cost of service as well.

Q. OPC WITNESS RILEY ARGUES THAT THE PLANT, INVENTORY, AND OPERATIONS AND MAINTENANCE (“O&M”) EXPENSES RELATED TO THE PROPANE CAVERN SHOULD BE ELIMINATED FROM THE REVENUE REQUIREMENT. DO YOU AGREE?

A. I agree with Mr. Riley.

VIII. REVENUE

Q. STAFF WITNESS REYNOLDS STATES THAT, GIVEN THE DATA AVAILABLE AT THIS TIME, IT IS STAFF'S POSITION THAT THE CORRECT NORMALIZED REVENUES ARE \$407,210,256 FOR SPIRE MISSOURI EAST AND \$317,002,392 FOR SPIRE MISSOURI WEST. HOW DO YOU RESPOND?

A. I do not agree with these figures at this time. As witness Lavin references in her surrebuttal testimony, there are still open items which must be addressed. Additionally, the parties are still not all in agreement on which normal weather data should be used for normalizing revenues for weather, which will impact these figures.

Q. STAFF WITNESS REYNOLDS STATES THAT STAFF IS STILL WAITING FOR ACCURATE CUSTOMER AND USAGE DATA FROM SPIRE MISSOURI AS DISCUSSED IN YOUR SUPPLEMENTAL DIRECT TESTIMONY. HOW DO YOU RESPOND?

1 A. The Company is aware of this and has been continuing to work with Staff on cleaning up
2 the customer and usage data.

3 **IX. CONCLUSION**

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

5 A. Yes

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)

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

1. My name is David A. Yonce. I am the Managing Director, 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.


David A. Yonce

Subscribed and sworn to before me this 26th day of Jun 2025.

Samy L. Kerkay
Notary Public

