Exhibit No.: ________________
Issue(s): Response to Spire Missouri, Inc/ Decline in Usage Versus HDD/Inability to Recover Fixed Costs/Standard for an AAO
Witness/Type of Exhibit: Holdener/Rebuttal
Sponsoring Party: Public Counsel
Case No.: GU-2026-0225

REBUTTAL TESTIMONY

OF

GREG HOLDENER

Submitted on Behalf of the Office of the Public Counsel

SPIRE MISSOURI, INC.

FILE NO. GU-2026-0225

July 22, 2026

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OF

GREGORY R. HOLDENER

SPIRE MISSOURI, INC

CASE NO. GU-2026-0225

I. INTRODUCTION

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

A. Gregory R. Holdener, PO Box 2230, Jefferson City, Missouri 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Office of the Public Counsel ("OPC" or "Public Counsel") as a Research/Data Analyst.

Q. What is your work and educational background?

A. My educational background includes a Bachelor of Science degree in Computer Graphics and Interactive Media from the University of Dubuque in Dubuque, Iowa, which I received in 2001, I later received a Master of Business Administration degree from the University of Dubuque in 2003.

Prior to my current position with OPC, I was employed as a Security Compliance Specialist with IBM/Kyndryl. In this role I managed quality standards and automation-driven compliance programs. I led auditing and root-cause analysis investigations, ensured alignment with regulatory standards, and served as a liaison to external auditors (PwC, Ernst & Young).

Prior to my position with IBM/Kyndryl, I was employed as an Assistant Professor at the University of Dubuque. In this role I taught and advised students while researching and developing academic courses. I conducted internal audits of curriculum, outcomes, and documentation to identify quality gaps and support corrective actions and played a role in a 10-year accreditation review, validating data accuracy and institutional compliance.

Q. Have you previously provided testimony before the Missouri Public Service Commission?

A. No. This is my first opportunity to testify in front of the Missouri Public Service Commission ("Commission").

Q. What is the purpose of your rebuttal testimony?

A. I will be responding to the direct testimony of Spire Missouri, Inc ("Company" or "Spire") witness, David A. Yonce and Staff's recommendation. Specifically, I will be addressing the Company's request for an Accounting Authority Order ("AAO") as it relates to an alleged reduction in customer usage and subsequent reduction in revenue following the Company's recent rate case.

Q. What is the standard for an AAO?

A. The standard for an AAO is discussed in detail in the rebuttal testimony of OPC witnesses Manzell M. Payne and John S. Riley. For purpose of this testimony, I will utilize a shortened standard adopted from the Uniform System of Accounts, General Instruction No. 7: events subject to an AAO should be unusual in nature, infrequent in occurrence, and would not reasonably be expected to recur in the foreseeable future.

II. RESPONSE TO SPIRE MISSOURI, INC

Q. Why does Mr. Yonce claim the Company is seeking an AAO?

A. On page 3, lines 7 through 15, of his direct testimony, Mr. Yonce states that the Company is seeking this AAO to account for what he claims is an, "immediate usage decline" that occurred following the Company's last rate case, which Mr. Yonce further claims resulted in the Company being unable "to collect fixed costs that [the] Company has incurred and continues to incur."

Q. So, Mr. Yonce is claiming that the decline in usage is infrequent in occurrence, and would not reasonably be expected to recur in the foreseeable future?

A. Yes, but more specifically, Mr. Yonce is claiming that the decline in usage is "unprecedented" due to how it relates to the heating degree days that occurred over the same period. For example, on page 3, lines 17 through 19, of his direct testimony, Mr. Yonce states that, "[d]espite temperatures that were at or colder than normal during portions of the heating season, customer usage relative to heating degree day/s ("HDD") fell to the lowest levels ever recorded by the Company." Again, it is this relation between customer usage and HDD that Mr. Yonce's claim is predicated on.

Q. Before we proceed, could you provide some background on exactly what an HDD is?

A. Yes. As mentioned before, HDD stands for "heating degree day." An HDD is a measurement used to estimate the amount of heating usage. It is an important tool for measuring the fluctuations in the amount of heating energy needed to keep a home or building warm on a given day, based on how cold it was outside. I have included a whitepaper on weather normalization as Schedule GRH-R-1.

Q. How is an HHD calculated?

A. An HDD is calculated by comparing the daily mean temperature against a base temperature. The standard base temperature is 65°F (18°C) – the point below which most buildings need heating to stay comfortable. When performing the calculation to determine customer response to cold weather, HDD begin when the daily mean temperature falls below the base temperature. For each degree the daily mean temperature falls below the base, one heating degree day is added. If the daily mean temperature is above the base temperature, the HDD calculation is zero.

The exact equation for calculating an HDD is:

$$HDD = Base\ Temperature - Daily\ Mean\ Temperature$$

Remember, the HDDs are only counted when the daily mean temperature is <u>below</u> the base temperature. Otherwise, the HDD is zero.

The daily mean temperature is calculated by adding the daily high and daily low temperatures and dividing the sum by 2. The exact equation is:

$$Daily\ Mean\ Temperature = \frac{High\ Temperature + Low\ Temperature}{2}$$

Q. Can you provide an example calculation of an HDD?

A. Yes. Assume the daily high temperature recorded for a given day was 44°F and the daily low was 36°F. Based on these two numbers, the daily mean temperature for that day is 40°F:

$$\frac{(44°F + 36°F)}{2} = 40°F$$

The HDD for that day would then be 25:

$$65°F - 40°F = 25\ \text{HDD}$$

While HDD is calculated based on the difference between temperatures, the number itself is generally provided without units. Also, bear in mind that if the daily mean temperature is 65°F or higher, that day contributes 0 HDD (no heating needed).

Q. **Returning to the argument, do you agree with Mr. Yonce's claims?**

A. No. I disagree with Mr. Yonce on the following three points:

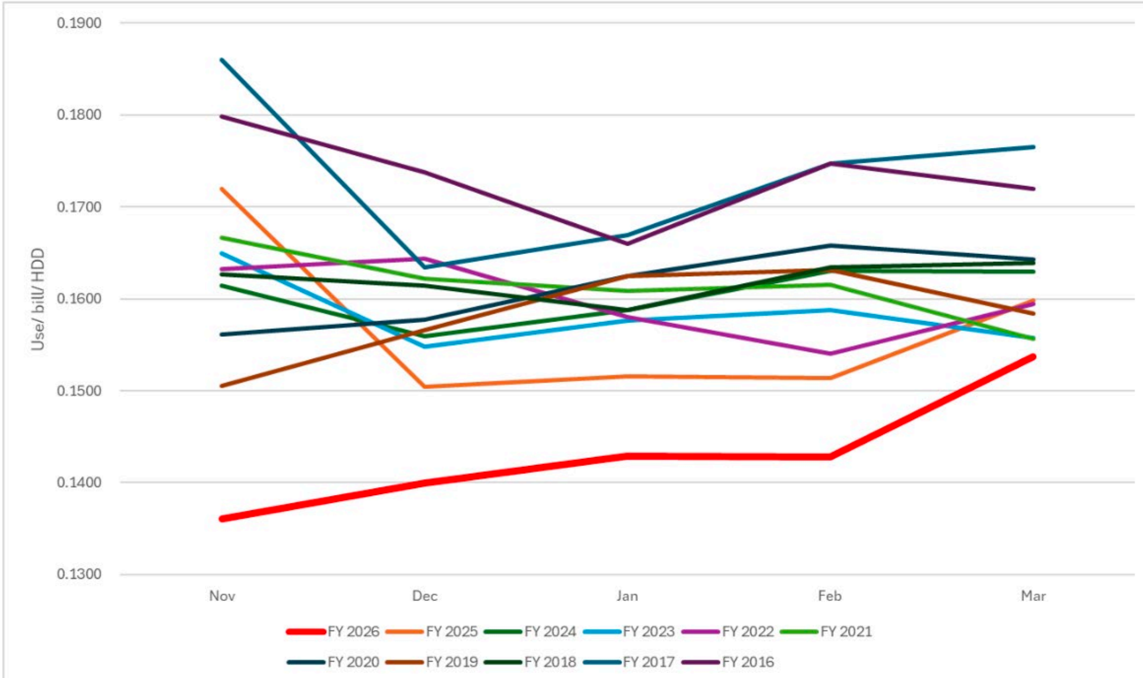
1. I am not convinced that the Company has indeed seen a significant decline in usage relative to HDD
2. Except for one month, the decline the Company is claiming does not appear to have impacted the Company's ability to successfully recover its fixed costs
3. Even if the first two claims are correct, I do not believe that the Company has demonstrated that the cause of these events meets the standards of an AAO.

I will discuss each of these three points in turn.

III. DECLINE IN USAGE VERSUS HDD

Q. What information does Mr. Yonce provide to illustrate the decline in usage versus HDD?

A. On page 4 of his direct testimony, Mr. Yonce included a graph for Residential East, copied below as Figure 1. The chart "illustrates the last 10 fiscal year ("FY") heating seasons compared to FY 2026 (the bolded, red line)."

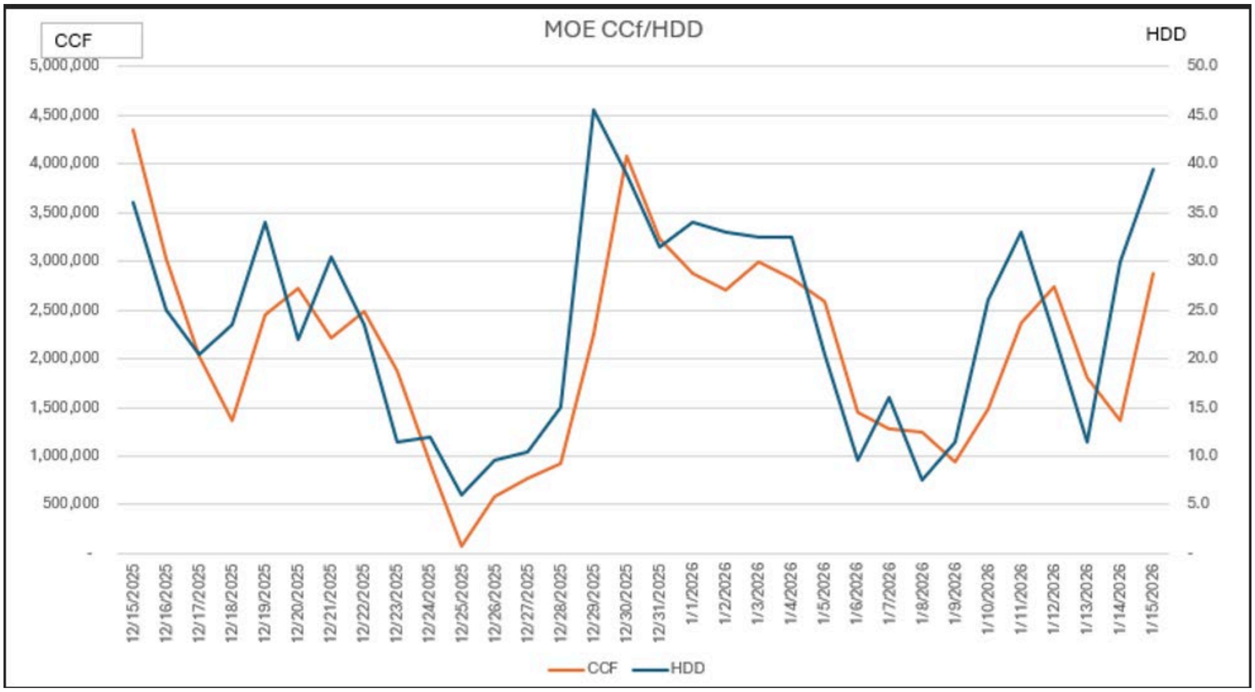


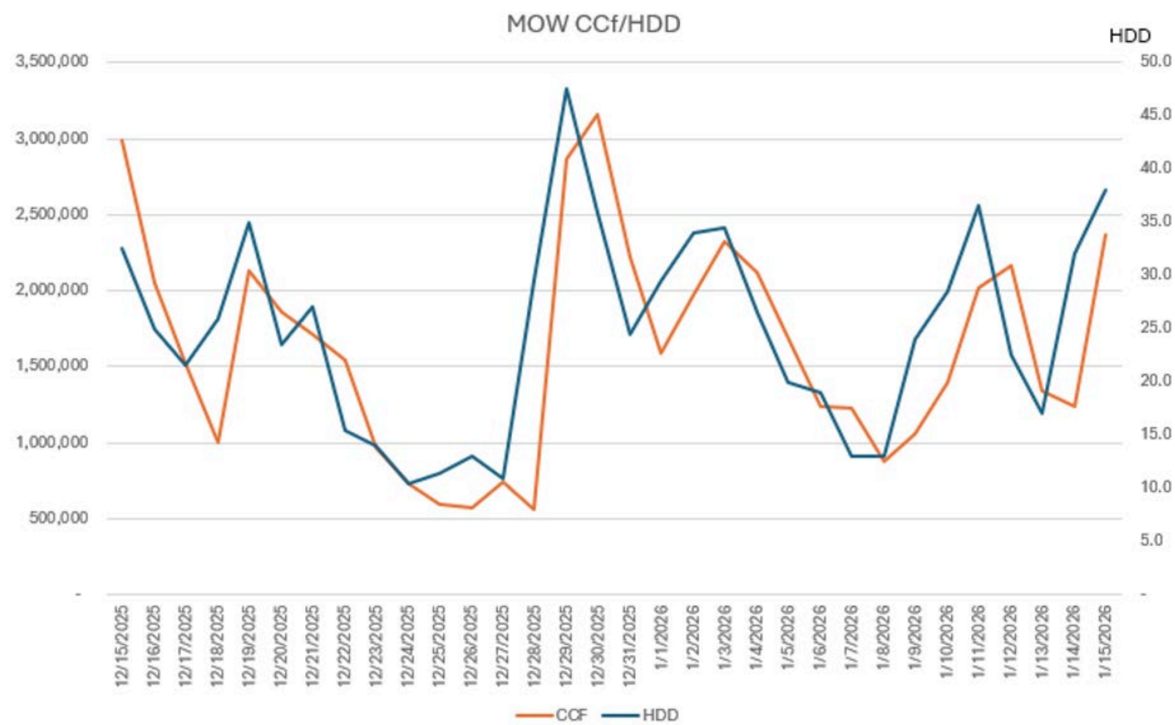
Q. The graph does seem to show a significant decline in usage versus HDD, why do you say that you are not convinced?

A. Looking closely at the chart, the decline in customer usage relative to HDD for the period of greatest impact on revenue, December 15, 2025, to January 15, 2026, the discrepancy between FY 2025 and FY2026 is only 0.01. The identified discrepancy does not appear to represent a significant decline in customer usage. To the extent that the chart does indicate a decline, it also illustrates the potential beginning of a trend of falling customer usage per bill relative to HDD. If this is true, which it appears to be, it would be best addressed in a rate case, not an AAO, to accurately align billing determinants with potential future weather trends and how the trend would impact the Company's revenue expectations.

Q. Are there any other reasons you remain unconvinced?

A. Yes. I attended a technical conference with the Company regarding this case in April. Following the technical conference, the Company sent the OPC a copy of two charts which were part of the conference presentation. The two charts are shown below as Figure 2 and 3.





These charts depict residential customer usage (in Ccf) versus HDD over the period from December 15, 2025, to January 15, 2026, for Missouri East (MOE) and Missouri West (MOW), respectively. As we see in the charts, customer usage stayed relatively in line with

HDD, which appears to directly contradict the Company's claim that there was a significant decline in usage versus HDD.

It should be noted that the December into January timeframe is the period that the Company claims the largest discrepancy between actual and expected revenues due to the supposed decline, as addressed further below. It looks normal from this perspective.

Q. Are those charts the only other reason you are not convinced?

A. No. Another reason is the fact that no other regulated natural gas utility appears to be having the same issue presented in this AAO request. If the Company is correct, and the weather was so unusual as to cause such a dramatic impact on customer usage versus HDD, it would only be reasonable to assume that the other natural gas providers in the state of Missouri would also be requesting an AAO. However, this is not the case, the only natural gas provider requesting an AAO is Spire.

Q. Given those concerns, do you have any idea what might have caused this decline in usage?

A. There may be many possible causes to explain this decline, for example, another potential explanation could be that the parties incorrectly increased the amount of gas the Company's customers were expected to use in the last rate case and the Company's customers are still using roughly the same amount of gas as they did in the past. There could also be other reasons based on information of which I am not yet aware.

Q. What is your overall conclusion regarding the Company's claimed decline in customer usage versus HDD?

A. While there does appear to be a slight decline in customer usage versus HDD, it does not appear to be unusual in nature (extraordinary) for Missouri. Furthermore, since Mr. Yonce is claiming the decline was caused by weather, which is variable, it is reasonable to expect this event to recur in the foreseeable future. Therefore, this event does not satisfy the standard for an AAO and should instead be addressed in a rate case.

IV. INABILITY TO RECOVER FIXED COSTS

Q. As you previously indicated, Mr. Yonce claims that the Company has been unable to recover all of its fixed costs for the period of the requested AAO. What data has the Company provided to show this?

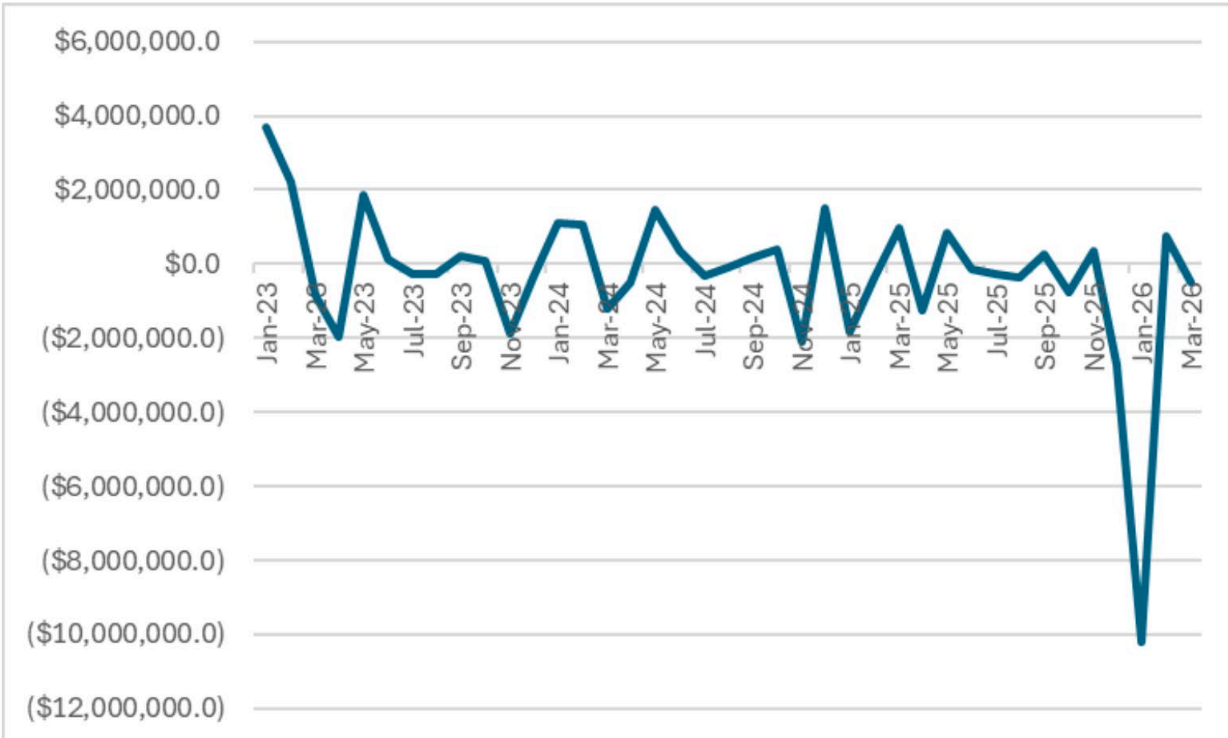
A. The Company provided updated workpapers to the OPC that showed the calculated difference between what the Company believes it should have made for each month of the requested AAO period and what it actually recovered through billing (including the WNAR). A copy is included as Schedule GRH-R-2, sheet Spire Original Summary.

Q. Based on Schedule GH-R2, why have you concluded that the Company's claimed decline does not appear to have impacted the Company's ability to successfully recover its fixed costs?

A. If I remove the delta between claimed and expected revenue for January (which appears in cells E5, E14, E24, and E32), an example of which is included in Schedule GRH-R-2, sheet Spire Summary Less Jan, the total delta for the Company (cell E39) becomes a positive $4,970,231. This means that, absent January, the Company earned nearly $5 million more than it anticipated in total over the identified heating season.

Q. Is there anything in Mr. Yonce's testimony that supports your observation?

A. Yes, Mr. Yonce provided the chart shown below as Figure 4 illustrating the delta between Billed Revenue and Rate Case Billing Determinants for Missouri East Residential.



If we remove the January drop from the graph above, the other points line up with the other historical values provided.

Q. Why does the fact that removing January means the delta for the remaining months becomes positive matter?

A. The Company is claiming that the decline in usage over the entire heating season has caused it to fail to recover its fixed costs. But if January is removed, it becomes clear that the Company did recover its fixed costs, and more, for the remaining months despite this claimed decline in usage.

Q. Does this information not suggest that January 2026 really was an outlier?

A. Maybe, but we still do not know the cause, and since we do not definitively know what is causing the issue it does not rule out the fact that billing determinants or other potential accounting errors may be at play.

V. THE COMPANY STILL HAS NOT MET THE STANDARD FOR AN AAO

Q. Why is the fact that the Company cannot explain what might have caused January mean that the Company should not get an AAO?

A. The Company appears to have identified the result of an event or other factors, but not exactly what those were. Without knowing what caused the revenue deltas, this is no basis to conclude that it is truly, unusual in nature, infrequent in occurrence, and would not reasonably be expected to recur in the foreseeable future.

Q. Is there any evidence to suggest that what the Company claims is unusual in nature may be setting a new normal?

A. Yes, as explained above with regards to Figure 1, there appears to be the potential for a trend of warmer weather during the heating season in the coming years.

In addition, the Company provided an update to the workpapers that is included as Schedule GRH-R-3. An excerpt of that update is shown below as Figure 5.

East - RES	**Case Revenue**	**Billed Revenue (incl. WNAR)**	**Delta**
Oct	$ 4,678,512	$ 3,915,246	$ (763,266)
Nov	$ 14,197,618	$ 14,534,030	$ 336,412
Dec	$ 36,374,309	$ 33,659,907	$ (2,714,402)
Jan	$ 47,907,091	$ 37,683,375	$ (10,223,716)
Feb	$ 45,453,084	$ 46,206,239	$ 753,155
Mar	$ 32,369,021	$ 31,889,372	$ (479,649)
Apr	$ 22,270,649	$ 19,112,879	$ (3,157,770)
May	$ 11,322,432	$ 9,258,485	$ (2,063,947)
June	$ 6,003,328	$ 4,682,631	$ (1,320,697)
July	$ 3,993,857		
Aug	$ 3,967,787		
Sept	$ 4,599,671		
			$ (19,633,882)

West - RES	**Case Revenue**	**Billed Revenue (incl. WNAR)**	**Delta**
Oct	$ 3,355,257	$ 3,427,899	$ 72,642
Nov	$ 11,813,437	$ 13,946,471	$ 2,133,034
Dec	$ 32,151,329	$ 32,173,934	$ 22,605
Jan	$ 43,387,110	$ 37,867,471	$ (5,519,639)
Feb	$ 41,796,825	$ 44,879,823	$ 3,082,998
Mar	$ 28,634,413	$ 31,071,057	$ 2,436,644
Apr	$ 19,790,062	$ 18,226,328	$ (1,563,734)
May	$ 8,879,629	$ 8,319,240	$ (560,389)
June	$ 4,632,188	$ 3,978,766	$ (653,422)
July	$ 3,331,938		
Aug	$ 3,226,461		
Sept	$ 3,772,575		
			$ (549,262)
		Total MO - RES	$ (20,183,144)

While, the Company is requesting an AAO for the 2025-2026 heating season (Nov-Mar) and has claimed that this is a result of an unusual in nature (extraordinary) shift in customer usage relative to HDD, the included months following the heating season (Apr-Jun), highlighted above, also show a negative delta between actual and expected revenues outside of the heating season.

Q. Why is this important?

A. It appears to be a new trend or potentially a new normal. The fact that there is still a delta between actual and expected revenue outside of the heating season further reduces the likelihood that customer usage was directly tied to abnormal weather, as claimed by the Company, and again, more likely to have been driven by other factors.

Q. What else could have caused this?

A. Factors that could have caused this are billing determinants, issues with the billing system, errors with WNAR, or other potential accounting errors all of which would be best addressed in a rate case.

Q. Does this data raise a concern that the Company might not meet its revenue requirement?

A. Potentially, but we cannot determine with certainty whether that will happen at this point; there are many other factors that need to be considered. Regardless, no utility is ever guaranteed to meet their revenue requirement, and the Company has a ready recourse in that it can file a new rate case if it believes it is necessary.

Q. Does Mr. Yonce provide any explanation to explain what he believes is causing the declining customer usage behavior?

A. Yes. On Page, 7, lines 5 through 6, of his direct testimony Mr. Yonce claims, "[t]he significant usage decline relative to HDD is being driven by abnormal weather patterns and historically unprecedented customer behavior."

Q. Does this make sense?

A. No. First, Mr. Yonce's second "cause" (which he characterizes as "unprecedented customer behavior") is just another way of saying what the Company claims is happening. The claimed decline in customer usage is the "unprecedented customer behavior," so "unprecedented customer behavior" cannot cause the decline in usage.

As to his first claimed cause, his argument is almost a paradox. The issue being claimed is that people are using less gas to heat their home, "[d]espite temperatures that were at or colder than normal during portions of the heating season." The implication is that the cause is a disassociation between temperature and customer usage; however, weather's impact on customer usage is primarily driven by changes in temperature (i.e., colder weather means lower temperature and, therefore, more usage). So how would abnormal weather cause a disassociation between temperature and usage? That does not make any sense.

Q. Does Mr. Yonce address this apparent paradox?

A. To a degree. On page 10, lines 9 through 15, Mr. Yonce states:

> Climate variability has materially increased both the frequency and severity of extreme temperature events. Weather normalization was developed based on the assumption of relatively stable historical climate patterns, an assumption that is no longer valid Deviations from historical weather trends now have severe impacts on utility metrics that rely on normalization techniques, driving utilities to develop new techniques to model and plan for future weather. In other words, the definition of "normal weather" itself is shifting over time.

However, this creates a new problem for the Company, if what he states above is true, then this is recurring. The Company cannot have it both ways, if it is recurring then it does not satisfy the AAO standard and as such confirms that the issue in this case should be addressed in a rate case.

VI. CONCLUSION

Q. Should the Commission grant an AAO?

A. No, the Company has not identified an event that satisfies the Commission standard for granting an AAO. The identification of a results or hypothesis does not point to a clear event or cause of the deltas between actual versus expected revenue. I agree with Staff's recommendation that this request, "is not appropriate as customer usage and revenues are routine and ongoing in nature, and neither are associated with the type of rare, catastrophic or unanticipated events for which AAOs have been and should be used."[1]

Q. Does this conclude your rebuttal testimony?

A. Yes.

[1] Case No. GU-2026-0225, Initial Staff Recommendation C, issued April 8, 2026, page 7.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Spire Missouri Inc. d/b/a Spire's Application for an Accounting Authority Order	))	Case No. GU-2026-0225

AFFIDAVIT OF GREG HOLDENER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Greg Holdener, of lawful age and being first duly sworn, deposes and states:

1. My name is Greg Holdener. I am a Research/Data Analyst for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my rebuttal 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.

Greg Holdener
Research/Data Analyst

Subscribed and sworn to me this 20th day of July 2026.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.