Exhibit No.: _____
Issue(s): Blue River WWTP RNG Project/CCN
Witness/Type of Exhibit: Schaben/Rebuttal
Sponsoring Party: Public Counsel
Case No.: GA-2026-0121

REBUTTAL TESTIMONY

OF

ANGELA SCHABEN

Submitted on Behalf of the Office of the Public Counsel

SPIRE MISSOURI, INC.

FILE NO. GA-2026-0121

** _____ **
Denotes Confidential Information that has been redacted.

July 31, 2026

PUBLIC

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REBUTTAL TESTIMONY

OF

ANGELA SCHABEN

SPIRE MISSOURI INC.

CASE NO. GA-2026-0121

INTRODUCTION

Q. Please state your name, title, and business address.

A. Angela Schaben, Senior Utility Regulatory Auditor, Office of the Public Counsel ("OPC" or "Public Counsel"), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. What are your qualifications and experience?

A. My educational background includes an MBA from Columbia College and a Bachelor of Science degree in Accounting from Lincoln University. Prior to joining the Office of the Public Counsel ("OPC") in December 2021, I was employed by the State in various roles that included duties encompassing audit, budget, grants management, procurement, accounts payable, expenditure/revenue tracking and reporting, information technology, etc. Since joining OPC I have attended several NARUC and NASUCA training courses, as well as various additional trainings related to utility regulation.

Q. Have you testified before the Missouri Public Service Commission?

A. Yes. Please refer to the Schedule ADS-R-1 attached hereto.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to respond to Spire Missouri ("Spire", "Spire West") witness Eric Bouselli and Staff's Recommendation regarding the Renewable Natural Gas ("RNG") project. Ultimately, for various reasons, I agree with Staff that the project is not in the public interest.

Spire's Request

Q. What is Spire requesting in this case?

A. This case is a consolidation of two different cases, GA-2026-0121 ("this case") and GO-2026-0122. Spire filed this case requesting the Commission approve a CCN for a RNG generation facility, along with infrastructure to connect the generation facility to existing infrastructure. Spire then filed a separate case requesting the Commission approve a renewable natural gas program under RSMo. Section 386.895. Therefore, Spire is requesting (1) authorization to build, own, and operate RNG infrastructure and (2) authorization to establish and RNG program.

Q. Is this the first time that the Commission has ever been asked to approve an RNG program under RSMo. Section 386.895?

A. Yes. Neither Spire nor any other regulated gas utility has previously filed an application for a RNG program under that statute.

Q. What do you consider the appropriate standard for the Commission to apply when reviewing the application for an RNG program under section 386.895?

A. While I am not a lawyer, I note that the plain language of section 386.895.5 reads: "[a]ny costs incurred by a gas corporation for a qualified investment that are prudent, just, and reasonable may be recovered by means of an automatic rate adjustment clause." Based on that language, I believe that the Commission should approve an RNG program only if it finds the program to result in costs that are "prudent, just, and reasonable." I read this language as being a legislative adoption of the general prudence standard that the Commission applies in nearly all cases when determining whether specific costs should be recoverable for a utility. I further note that this appears to be the same, or else very similar, to the standard the Commission generally applies when setting rates. For example, the language in section 386.895 is directly comparable to the

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language found in RSMo. Section 393.130.1 which reads, in part, thus: "[a]ll charges made or demanded by any such gas corporation . . . for gas . . . or any service rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order or decision of the commission." (emphasis added).

Q. What is the standard that the Commission has applied in the past when considering a request for a CCN?

A. In prior requests for new CCNs the Commission has applied the Tartan criteria factors, which contemplate 1) the need for service; 2) the utility's qualifications; 3) the utility's financial ability; 4) the economic feasibility of the proposal; and 5) promotion of the public interest.[1]

Q. Can you please provide a basic overview of the overall project that Spire is requesting both through the CCN and RNG program applications?

A. Spire is proposing the "construction of a biogas upgrading facility with a meter and regulation interconnect at the Blue River WWTP."[2] The Blue River WWTP is owned by the City of Kansas City, Missouri ("Kansas City") through its Water Services Department ("KC Water").[3] The upgrade facility will use the biogas generated by the digestion process that occurs at the facility and then, once capture and cleaned, can be used as RNG.[4] According to Spire's witness Mr. Bouselli, the Company expects the facility to generate over 175,000 MMBtu of pipeline quality gas per year, which "is enough to supply approximately 2,500 residential customers in Spire Missouri's western service territory."[5] In addition to the upgrade facility, Spire "will also

[1] Case Nos. GA-2026-0121and GO-2026-0122 - Staff Recommendation for Denial of Certificate of Convenience and Necessity and Denial of Renewable Natural Gas Program, Page 13-14 of 18.
[2] Wastewater Treatment Plant; Direct testimony of Eric Bouselli, page 6 of 19.
[3] Direct testimony of Eric Bouselli, page 6 of 19.
[4] Direct testimony of Eric Bouselli, page 6 of 19
[5] Direct testimony Bouselli, page 7 of 19.

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construct 1,200 feet of 6-inch steel to connect the new biogas upgrading facility to Spire Missouri's existing distribution infrastructure."[6]

Q. How did the relationship between Spire and KC Water develop?

A. According to Mr. Bouselli, Spire responded to a KC Water request for proposal for the utilization of biogas generated by the Blue River WWTP. Of the multiple parties that responded to KC Water's requests, Spire was awarded the contract in October 2023.[7]

Q. Based on your review of the information currently available, do you believe that Spire's proposed RNG program will result in costs that are prudent, just, and reasonable?

A. No. It appears the costs associated with the proposed RNG program greatly exceed the possible benefits, rendering the RNG program imprudent. Therefore, charging all customers these costs that only produce minimal benefits for a very small number of customers is unjust and unreasonable.

Q. Does the application meet the Tartan Criteria standard for granting a CCN?

A. No. The RNG program does not meet the need for service criteria as it is unnecessary for Spire to maintain reliability or safety. Furthermore, Spire's proposal fails to meet economic feasibility criteria because the costs are greater than the economic advantages for ratepayers. Spire's application fails both the service and economic feasibility criteria, and consequently, the public interest standard. The expectation that all Spire ratepayers would pay the costs of a project that does not benefit them does not promote public interest.

[6] *Id*.
[7] Direct testimony of Eric Bouselli, page 6-7 of 19.

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Lack of Project Need

Q. In what way does Spire argue that the proposed project meets a need for the Company?

A. Mr. Bouselli's testimony raises several arguments related to need. First, he makes several claims regarding the need that KC Water saw for the project. These arguments are already addressed by the OPC's witness Jill Wade, P.E., so I will not discuss them any further than pointing out that the need for KC Water is not the basis for the Tartan Criteria standard. It is the need for the utility that the Commission should be considering.

Q. Does Mr. Bouselli address the need for Spire as a regulated gas utility to have this project?

A. On page 13 of his direct testimony, Mr. Bouselli states this:

> For Spire Missouri and its customers, this Project enhances the overall system resiliency and reliability of Spire Missouri's western distribution system with the addition of approximately 175,000 MMBtu coming online, all generated within its service territory and behind the citygate.

Elsewhere in his testimony he claims that "[t]his amount of upgraded gas is enough to supply approximately 2,500 residential customers in Spire Missouri's western service territory."[8]

Q. Do you agree with Mr. Bouselli's arguments regarding need?

A. No. Mr. Bouselli is drastically overstating the benefits of this program. This becomes immediately apparent when numbers behind his claims are examined.

[8] Direct testimony Bouselli, page 7 of 19.

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Q. How much would the 175,000 MMBtu that Mr. Bouselli references be as a percentage of Spire Missouri West's overall natural gas consumption?

A. The 175,000 MMBtu of pipeline gas that Mr. Bouselli references is roughly equivalent to 1,687,560 Ccf of natural gas.[9] Spire Missouri must secure around 485,357,270 Ccf for Spire Missouri West's customers in one year.[10] Therefore the Blue River WWTP would only produce 0.35%, or 35/10,000, of the yearly amount of gas Spire Missouri West must secure and transport for its customers. This means that the 175,000 MMBtu is substantially less than one percent of the amount of natural gas that Spire must procure.

Q. Given how small that percentage is, will this amount do much to enhance "the overall system resiliency and reliability of Spire Missouri's western distribution system" as Mr. Bouselli is claiming?

A. No. The amount of gas that will be procured through this program will have almost no impact on Spire's overall system resiliency and reliability.

Q. What impact would supplying service to "2,500 residential customers in Spire Missouri's western service territory" have for Spire?

A. According to its 2025 annual report, Spire Missouri West served an average of 545,348 customers in 2025.[11] If the project is only able to provide service to 2,500 customers out of approximately 545,348 total customers, then it is only providing service to about 0.46% of all Spire West's residential customers. Yet all Spire West customers would be expected to pay for this investment even though they would not be served by it. This result is unjust and unreasonable.

[9] Calculated based on a conversion factor of 100 cubic feet (1 Ccf) of natural gas being equal to 103,700 Btu according to the U.S. Energy Information Administration. USEIA, *Frequently Asked Questions (FAQs)*, https://www.eia.gov/tools/faqs/faq.php?id=45 (last visited July 24, 2026).
[10] Direct testimony Bouselli, page 14 of 19.
[11] Spire Missouri West amended 2025 annual report submitted May 28, 2026, page 11.

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Q. Would the Blue River WWTP project be more cost effective for Spire MO West's ratepayers if the contract was awarded to a non-utility RNG developer?

A. I believe so. As pointed out earlier in this testimony, Mr. Bouselli stated that multiple parties replied to KC Water's bid request. Had a non-utility RNG developer been selected by KC Water instead of Spire, ratepayers outside of the Kansas City limits, who are not served by KC Water, would not be expected to pay for infrastructure to meet city goals that do not apply to them.

Q. Are there other benefits for captive ratepayers if a non-utility RNG developer were awarded the Blue River WWTP contract?

A. Yes. Non-utility RNG developers operating in a competitive market face high risk exposure and must develop efficiencies in order to remain profitable. Competitive RNG developers have to compete through cost efficiencies and invest at their own risk, receiving no ratepayer subsidies. Alternatively, a regulated monopoly utility, such as Spire, operates in a lower risk environment with the ability to pass on infrastructure and expense costs to captive ratepayers, thereby all but eliminating the necessity of pursuing infrastructure and/or operational efficiencies, as capital costs can be recovered through rate base.

Economic Prudence of the RNG project

Q. Does Spire's projected Blue River WWTP lifetime gas costs align with Staff's?

A. No. Staff's estimated levelized average cost of gas costs is ** ____ ** per MMBtu,[12] which exceeds Spire's estimated average of life total gas costs of ** ___ ** per MMBtu.

[12] Case Nos. GA-2026-0121and GO-2026-0122 - Staff Recommendation for Denial of Certificate of Convenience and Necessity and Denial of Renewable Natural Gas Program, Page 16 of 18.

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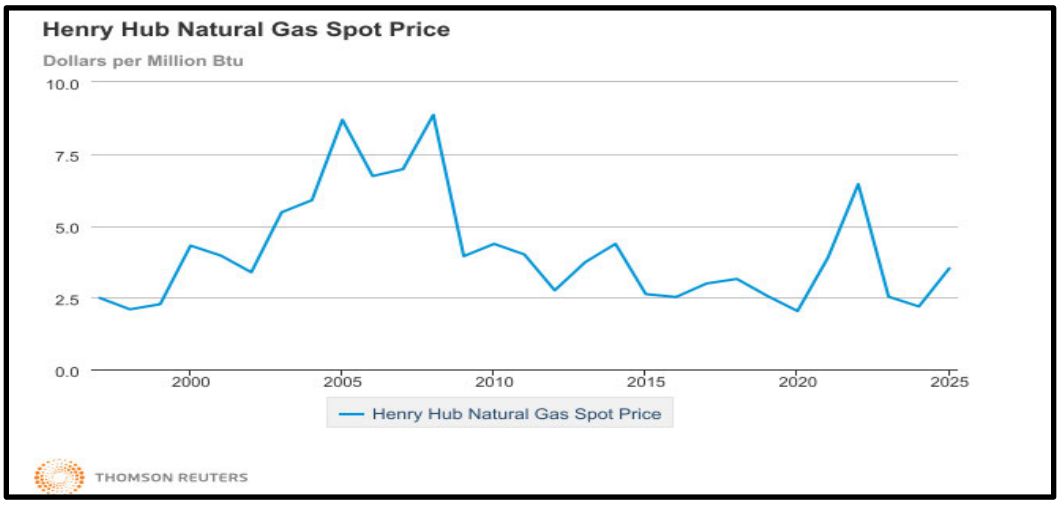
Q. Would either of the projected Blue River WWTP lifetime gas costs developed by Spire or Staff be a "prudent" cost when compared to the average yearly natural gas spot price?

A. No. As shown below in Figure 1, Henry Hub natural gas spot prices in 2025 averaged around $3.53. The most recent natural gas spot price according to the EIA via FRED was $2.63 per MMBtu as of July 27, 2026[13]. Furthermore, Figure 2 shows that 2026 and 2027 are estimated to average $3.67 and $3.49 respectively:

Figure 1: 2025 Henry Hub natural gas prices[14]



[13] https://fred.stlouisfed.org/series/DHHNGSP.
[14] https://www.eia.gov/dnav/ng/hist/rngwhhdm.htm.

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Figure 2: Historical and Forecated Fuel Prices[15]

Overview

	2024	2025	2026	2027
Brent crude oil (dollars per barrel)	81	69	*82*	*65*
Gasoline retail price (dollars per gallon)	3.31	3.10	*3.64*	*3.09*
U.S. crude oil production (million barrels per day)	13.2	13.6	*13.8*	*14.0*
Natural gas spot price (dollars per million BTU)	2.19	3.53	*3.67*	*3.49*
U.S. LNG exports (billion cubic feet per day)	11.9	15.1	*17.4*	*18.6*

Regardless of whether the Commission accepts Spire's ** ___ ** per MMBtu or Staff's ** _____ ** per MMBtu, the projected Blue River WWTP lifetime gas costs are more than ** _____ ** what Spire should expect to be able to pay on the market for gas. To pay such an extreme premium for gas would be imprudent.

[15] https://www.eia.gov/outlooks/steo/; **Forecast overview:** Natural gas prices. Record U.S. natural gas production helps meet rising demand, putting moderate downward pressure on natural gas prices. The Henry Hub spot price averages close to $3.70 per million British thermal units (MMBtu) in 2026 before declining below $3.50/MMBtu next year.

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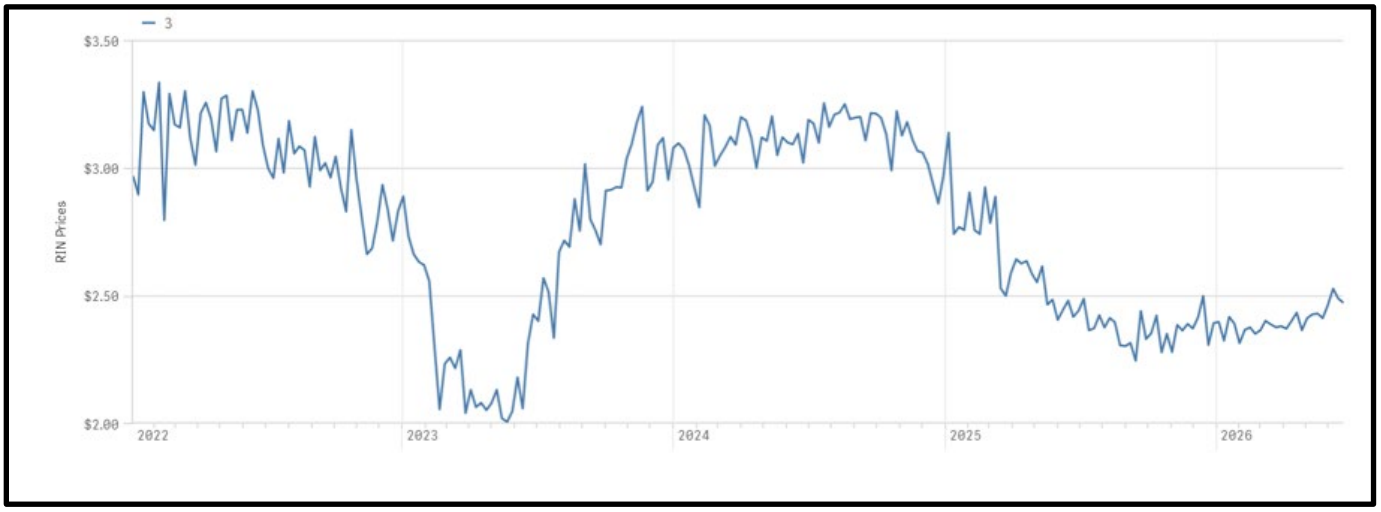
Q. Does Mr. Bouselli's projected Blue River WWTP lifetime gas costs include EPA RIN[16] pricing assumptions?

A. Yes.

Q. Would the value of these RINs be considered variable?

A. I believe so. Spire assumed a D3 RIN value of $2.50 in the project calculation.[17] However, based on Figure 3, below, the variable nature of RINs would make it difficult to accurately determine where the RIN market will trend over the life of the project:

Figure 3: D3 RIN Values from 2022 through 2026[18]



[16] Renewable Identification Numbers.
[17] Direct Testimony of Eric Bouselli, page 18 of 19.
[18] https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rin-trades-and-price-information

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Q. On page 17 of his direct testimony, Mr. Bouselli makes an argument that seeks to compare this RNG program with other public utilities. Can you please summarize Mr. Bouselli's argument?

A. Mr. Bouselli is seeking to compare the cost of this project to the cost of electric utility generation resources. To do this, he uses US EIA data regarding the levelized cost of energy for various electrical generation types across the entire United States, then used a conversion factor to change that levelized energy cost into a levelized cost per MMBtu.[19]

Q. Should the Commission pay any attention to this argument?

A. No. This is a meaningless apples to bananas comparison. First, electric utilities in Missouri participate in Regional Transmission Organization markets whose prices depend on both fuel and capacity availability. This is why "the Commission has deemed this fuel diversity to be reasonable" in reference to the multiple generation types of Missouri electric utilities, as Mr. Bouselli states.[20] That same logic does not apply to regulated gas distribution companies, like Spire, who do not share the same need to coordinate between multiple different energy sources that are subject to significant fluctuations in availability on an hourly basis. And even if it did, a project the size of Blue River WWTP will have effectively no impact on reliability because the project will only produce enough gas to serve approximately 0.46% of Spire Missouri West's ratepayers. Therefore, this comparison is not reasonable.

Second, arguing that the levelized cost of electricity is more expensive than the cost of energy equivalent volume of natural gas presents absolutely no justification for paying a premium on gas. Spire's argument can be summarized to be simply "if electric companies incur even higher costs to provide an equivalent amount of heating energy, then we should be allowed to procure gas at multiple times the market rate." This makes no sense. It is equivalent to arguing that

[19] Direct Testimony of Eric Bouselli, Schedule EAB-D-5
[20] *Id.*

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paying two times the Kelly Blue Book value for an SUV is reasonable because the "cost per passenger" of the SUV at that price is still less than the "cost per passenger" of flying a private jet aircraft. Again, electricity being more expensive than natural gas does not justify paying a premium on natural gas.

Conclusion

Q. Does Spire Missouri's proposed RNG project meet the Tartan Criteria for issuing a CCN?

A. No. Spire's proposed RNG project fails three of the five Tartan Criteria. Therefore, this project does not meet the Tartan standards.

Q. Regardless of whether the Tartan Criteria are met, should the Commission issue an order approving the Company's request for an RNG program?

A. No. Prudency must be established before the approval of Spire's RNG project and program requests. The evidence provided in the record is clear that Spire's RNG proposal is not prudent.

Q. Can you summarize your overall recommendation?

A. I recommend the Commission not approve Spire's request for the Blue River WWTP project or CCN. This project is not necessary for reliability nor is it in the public interest. The Blue River WWTP project will only produce enough natural gas to serve approximately 2,500 Spire West customers, only about 0.46% of Spire West's average customer base. Additionally, the City of Kansas City environmental initiatives are city, not State, goals, and therefore would not apply to Spire West's customers residing outside the Kansas City limits.

Q. Does this conclude your testimony?

A. Yes.

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Spire Missouri Inc. d/b/a Spire for Approval of a Certificate of Convenience and Necessity to Construct and Operate Renewable Natural Gas Infrastructure in Kansas City, Missouri	)))))	Case No. GA-2026-0121

AFFIDAVIT OF ANGELA SCHABEN

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Angela Schaben, of lawful age and being first duly sworn, deposes and states:

1. My name is Angela Schaben. I am a Senior Utility Regulatory Auditor 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.

Angela Schaben
Senior Utility Regulatory Auditor

Subscribed and sworn to me this 30th 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.