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Witness:	Stephen M. Mills
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SPIRE MISSOURI INC.

GR-2027-0075

DIRECT TESTIMONY

OF

STEPHEN M. MILLS

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DIRECT TESTIMONY OF STEPHEN M. MILLS

I. INTRODUCTION

Q. Would you please state your name and business address for the benefit of the Missouri Public Service Commission ("Commission")?

A. My name is Stephen M. Mills, and my business address is 700 Market Street, St. Louis, MO 63101.

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

A. I am Senior Vice President and President of Spire Missouri Inc. ("Spire Missouri" or the "Company").

Q. How long have you held that position and what are your responsibilities?

A. I have held this role since July 2023. I am responsible for financial, operational, and external performance of Spire Missouri. I oversee business and economic development, field operations, community affairs, governmental affairs, and operations support. I am responsible for focused collaboration between the business units and shared services leadership in an effort to deliver operational excellence. At the end of the day, I am accountable for ensuring that Spire Missouri delivers safe, reliable, and affordable natural gas service to approximately 1.2 million customers across the state.

Q. What roles have you held prior to your current role?

A. I joined Spire Inc. in 2014 as Manager, Employee Relations. Over the next several years, I progressed through the Company in roles of increasing responsibility, including Director, Employee Experience & Human Resources Operations in 2016, and Managing Director, Employee Relations & Inclusion in 2019. In March 2020, I became Vice President & General Manager for Spire Missouri West, where I had direct responsibility for Spire

Missouri West's utility operations. In July 2023, I transitioned to my current role, as described previously.

Q. What is your educational background?

A. I graduated from Illinois State University in 1990 with a Bachelor of Science in Finance. I later obtained my Master of Business Administration in 1993 from University of Illinois-Springfield.

Q. Have you previously testified before the commission?

A. No, but I have regularly engaged with the Commission and other stakeholders.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide an overview of Spire Missouri, and its request in this proceeding. I describe the Company's operations and its commitment to providing safe, reliable, and affordable natural gas service to its customers and the communities in which it operates. I then summarize the Company's request for rate relief, including the use of a future test year, and explain the primary drivers of that request. I also discuss the steps Spire Missouri has taken to mitigate rate increases and prioritize customer affordability. Finally, I introduce the Company's proposals to address revenue recoverability concerns.

III. OPERATIONS OF SPIRE MISSOURI

Q. Please describe Spire Missouri and its business.

A. Spire Missouri is an investor-owned gas utility providing retail gas service to large portions of Missouri. As stated above, Spire Missouri serves approximately 1.2 million customers in and around St. Louis, Kansas City, Joplin, Poplar Bluff, St. Joseph, and other

communities in Missouri, and is the largest natural gas provider in the state. Spire Missouri supports safety, customers, and investment with approximately 2,300 Missouri employees. Spire Missouri is a subsidiary of Spire Inc., a Missouri-based energy holding company with over 3,800 employees across its subsidiaries.

Q. Please describe Spire Missouri's core values as a natural gas utility.

A. The cornerstone of the modern natural gas utility is providing safe, reliable, and affordable service. Spire Missouri is no different, with the safety of our employees, customers, and communities at the forefront of every decision.

Q. Please discuss the importance of safety for Spire Missouri.

A. Of course. The natural gas industry is built on safety at its core. The industry moves a huge volume of energy every year with very few incidents. Spire Missouri expects the highest level of safety for our customers and communities, and that every employee goes home safely at the end of every day. Safety is instilled at every level of the Company, from technicians to leadership. Every employee has the right and responsibility to stop work for any issue they consider unsafe, while management reviews each safety-related event in detail to ensure our processes, procedures, and training reduce safety risks. The Company recognizes that there is always room for improvement across every facet of our operations and will continue to adhere to best practices while exploring and implementing new processes and technology to stay on the forefront of providing safe natural gas service to our customers.

Q. Can you comment on Spire Missouri's reliability?

A. Our customers, whether from the largest hospital to our average residential customer, have come to expect that our service will be there when they turn on their heat, hot water, or

cooktop. We are proud to be a trusted energy partner, and work every day to ensure the reliability of our system is 99.9%. This means the average customer would not experience an outage in their lifetime. Meanwhile, electric distribution systems have an average of one outage per year per customer[1]. Simply put, natural gas is one of the most reliable fuel sources in America.

Q. What goes into ensuring the system and service remains reliable?

A. Like safety, it is the daily efforts of our employees. Whether it is our gas supply team planning for winter or responding to winter events, our construction teams modernizing our piping and meters, or our teams responsible for surveying, investigating, and repairing leaks, the focus is on keeping our system ready for when customers go to use our product, and that they can do that safely.

Q. Please describe the role Spire Missouri plays in the communities it serves.

A. In addition to providing a critical utility service to its customers, Spire Missouri is active in the community. In 2026, Spire Missouri continued to support communities through over 133 organizations and initiatives across Missouri, donating over $2 million and more than 8,000 hours of community service. We have sponsored nearly 60 events in the community to discuss and help support programs and assistance to our customers. The Company has also committed approximately an additional $4 million dollars over the year from shareholders to support various tariff programs. These include the Payment Partner program, Critical Needs Program, and Limited Income Customer Charge Pilot Program. The continued commitment to its customers and communities has earned Spire Inc.

[1] AGA 2026 Playbook, Reliability, at 18.

national recognition as one of "America's Most Responsible Companies" for seven straight years. In order to further support the communities it serves, the Company also focuses on helping businesses in the region grow. We understand that businesses look to natural gas utilities, like Spire Missouri, for access to affordable, reliable energy, and we are dedicated to helping attract new business to grow Missouri. In 2026, Spire Missouri's economic development efforts to promote a diverse range of industries helped bring more than 1,400 jobs and more than $537 million in investments across Missouri in fields such as aerospace, consumer goods, data centers, food production, and research and development.

Q. DOES SPIRE MISSOURI CONTINUE TO GROW?

A. Absolutely. Natural gas is a fuel of choice, and every day, people and businesses in the state of Missouri are choosing our product. Developers are actively choosing our product when planning new subdivisions because buyers prefer natural gas for heating, cooking, and water heaters, and know that they will save money doing so. Additionally, industries are expanding their facilities in the state due to the competitive pricing and reliability of our product, growing the state's economy and creating new jobs. Among all of this, our own capital program to support this growth also creates and sustains jobs for Missouri contractors, suppliers, and our employees.

IV. SPIRE MISSOURI'S REQUEST

Q. When were Spire Missouri's current rates approved?

A. The Commission approved Spire Missouri's current base rates in Case No. GR-2025-0107 on September 3, 2025, with the rates effective on October 24, 2025. The rates were based on a historic test year ending September 30, 2024, with a true-up period through May 31, 2025.

Q. Has Spire Missouri recovered any investment since its last rate case?

A. Yes, but only for investments that are eligible for recovery through the Infrastructure System Replacement Surcharge ("ISRS"). Since the last rate case, the Commission has authorized ISRS revenues of approximately $38.7 million, and the Company plans to file its next ISRS petition in November 2026, with an estimated request of $18.8 million. Together, these ISRS revenues total approximately $57.4 million. As part of this rate case, the ISRS will be reset to zero and those amounts rolled into base rates.

Q. What is the test year in this proceeding?

A. In 2025, the Missouri Legislature passed Senate Bill 4, which amended Section 393.150, RSMo, to allow gas, water, and sewer utilities to use a future test year in rate cases filed on or after July 1, 2026. Therefore, in the present case, Spire Missouri has requested a future test year of October 1, 2027, through September 30, 2028, which lines up with the Company's fiscal year 2028. Company witness Bouselli supports the future test year forecast.

Q. **What are the benefits of a future test year?**

A. A future test year sets rates based on the costs the Company will actually be incurring while those rates are in effect, which should match revenues with the costs and expenses to provide our customers safe and reliable service. It also comes with real customer protections. At the end of the future test year, there is a review of actual rate base and certain expenses, and if those come in lower than projected, the difference goes back to customers. We look forward to working with Staff, OPC, and other parties as the Commission implements this new framework.

Q. What amount of rate relief is the Company seeking in this case?

A. Spire Missouri's proposed base rate revenue requirement is approximately $1,164.8 million, which is an increase of approximately $228.2 million over the $936.6 million revenue requirement authorized in Case No. GR-2025-0107. Taking into account the ISRS revenues of approximately $57.4 million at the time new base rates take effect, the incremental new revenue we are requesting is approximately $170.7 million over currently authorized and planned base revenues. Including gas costs, which we pass through to customers at cost, that equates to an overall increase of approximately 10.6%. Company witnesses David Yonce and Eric Bouselli describe the requested increase in more detail.

Q. Why is Spire Missouri seeking to increase base rates at this time?

A. Our customers count on us to keep their homes warm and their businesses running safely every day, and we take that obligation seriously. But providing natural gas service is not without cost. It requires significant ongoing capital investment and operating expense, and over the last several years we have been doing that work in an environment of higher inflation, higher interest rates, and declining use per customer. The largest driver of this case are the capital investments we are making to maintain, modernize, and expand our system.

Q. Please describe the investments Spire Missouri has made and plans to make.

A. Since our last rate case, Spire Missouri has invested nearly $807.6 million to maintain and modernize its Missouri natural gas system. Through the future test year, ending September 30, 2028, the Company will have invested nearly $2.0 billion in capital, with much of that investment being pipeline replacement. Company witness Bouselli describes the capital forecast in more detail.

Q. Are there other factors contributing to the requested rate relief?

A. Yes. While investment is the largest driver, the Company's operating costs have also increased. Payroll increases each year allow the Company to retain and attract skilled union and non-union employees, and payroll makes up roughly 40% of Spire Missouri's operating and maintenance expense. The filing also includes increased costs for line locates, advanced leak detection costs, and software costs related to customer service, gas supply, and other field operations. All of these costs are vital to the provision of safe and reliable service and discussed in further detail by Company witness Bouselli.

V. CUSTOMER AFFORDABILITY

Q. Why is it important for Spire Missouri to offer an affordable product?

A. Spire Missouri's product is natural gas, which as mentioned above, is a fuel of choice in Missouri. Most Missourians need electricity and water as necessities and use natural gas for heating, hot water, and cooking. While this can also be achieved through propane or electricity, natural gas is cleaner, more efficient, and more reliable in Missouri than those alternatives. These are all compelling benefits of our product, but delivered price is also critical. According to the American Gas Association natural gas customers will save nearly $1,030 a year using our product compared to customers with an all-electric home.[2] Since we are an energy of choice, we have a greater responsibility to manage cost and offer a product that brings value to our customers. In addition to offering customer assistance programs mentioned above, the Company actively evaluates how to reduce costs and mitigate rate increases.

Q. What has Spire Missouri done to mitigate rate increases to its customers?

[2] *Affordable Natural Gas Helps Families and Businesses*, AGA, https://www.aga.org/natural-gas/affordable/.

A. One significant action is the reshaping of Spire Inc.'s business to focus on regulated natural gas utilities. That includes the acquisition of Piedmont Natural Gas Company's Tennessee distribution system, which closed March 31, 2026, and the sale of Spire Inc.'s gas marketing and storage businesses and Spire Mississippi. Company witness Yonce provides additional background on these transactions. One direct benefit for Missouri customers is that Spire Missouri now carries a smaller share of shared services costs. Further detail on the allocation of shared service costs is provided by Company witness Bouselli.

Q. In what specific ways has Spire Missouri made impactful efforts to prioritize customer affordability?

A. Spire Missouri has and continues to make efforts on several fronts to streamline its work processes and save money for its customers. For example:

- The Company is engaged in a work coordination program with the cities of Kansas City and St. Louis to schedule its work efforts to precede or coincide with the cities' planned efforts in street and pavement repair. These efforts either reduce or avoid costs of street and pavement repairs normally associated with Spire Missouri's delivery system work.
- The Company has leveraged third-parties to perform leak repairs, maintenance work, and disconnects, resulting in operations and maintenance cost reductions.
- The Company's infrastructure replacements have optimized its distribution system, enabling the consolidation and elimination of regulator stations and reducing long-term annual operation and maintenance costs.

- Spire Missouri has performed utilization analysis and vehicle validation visits to reduce its fleet by 158 net total assets in Missouri and avoid associated operations and maintenance expense, while still maintaining the Company's high standard of service.
- The Company has reorganized its Customer Contact Department with the goal of improving customer service quality while reducing operational costs. Not only have these efforts reduced operational costs, but increased support center efficiency, significantly reducing the average time needed to assist a customer.
- Local municipalities and cities have been changing their permitting process and fees to try get utilities and our customers to pay for their infrastructure and roads. It is not fair for our customers to pay for expanded roads or repairs if the Company did not cause or create a disruption in that area. Spire Missouri has engaged these communities and has had success in preventing or changing fees that would add substantial cost to our customers.
- The Company has undertaken a decade-long legal appeal of inflated property tax assessments of its distribution system in certain counties. These efforts were recently validated in the Company's position being affirmed by the Missouri Court of Appeals for the Western District in *Clay County v. Spire Missouri Inc*. (WD88614 and WD88615, opinion filed 10/27/26). As a result of this litigation, the Company anticipates returning millions of dollars of property tax refunds to customers in the near future via the property tax tracker mechanism previously approved by the Commission.

Q. What do these efforts mean for customers?

A. The Company's ongoing efforts have reduced costs for our customers by tens of millions of dollars.

VI. REVENUE RECOVERABILITY

Q. In addition to the requested revenue increase, what other relief is Spire Missouri seeking in this proceeding?

A. The Company is requesting to update the methodology utilized in estimating billing determinants, implement a Usage Stabilization Mechanism to replace the existing Weather Normalization Adjustment Rider, and increase the customer charge. These proposals are discussed in greater detail by Company witnesses John Taylor, David Yonce, Julie Johnson, and Samantha Johnson.

VII. CONCLUSION

Q. Could you summarize your testimony?

A. Yes. Spire Missouri is requesting an increase in its base rates to recover the capital investments that it has made since its last case, along with the capital investments that it is projecting to make through the end of the future test year ending September 30, 2028. These capital investments, totaling approximately $2 billion, ensure that the Company can continue providing safe and reliable service to our 1.2 million customers across the state. The request also includes the operations and maintenance costs and expenses that have increased since the last rate case and are expected to increase through the end of the future test year. The Company is cognizant of rate impacts to our customers and strives every day to ensure that the Company's service remains affordable, prioritizing cost savings to mitigate necessary rate increases. Finally, the Company has made proposals to update the billing determinant methodology, replace the WNAR with the USM, and increase the customer charge. I respectfully request that the Commission approve the Company's requested relief in this proceeding.

Q. Does this conclude your direct testimony?

A. Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION\
OF THE STATE OF MISSOURI**

In the Matter of the 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-2027-0075

AFFIDAVIT

STATE OF MISSOURI)
)
CITY OF ST. LOUIS)

I, Stephen M. Mills, of lawful age, being first duly sworn, deposes and states:

I. My name is Stephen M. Mills I am Senior Vice President and President of Spire Missouri Inc. My business address is 700 Market St., St. Louis, Missouri 63101.

II. This affidavit is attached to my direct testimony, which is filed on behalf of Spire Missouri Inc

III. I hereby swear and affirm that my answers to the questions contained in my testimony are true and correct to the best of my knowledge, information, and belief.

Stephen M. Mills

Subscribed and sworn to before me this 29 day of October, 2026.

SAMANTHA NATASHA JARVIS
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 29, 2028
ST LOUIS CITY
COMMISSION #24280747

Samantha Natasha Jarvis
Notary Public