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| Exhibit No: | — |
| Issue: | Revenue Deficiency Minimum Filing Requirements Tariff Proposals |
| Witness: | Michelle Antrainer |
| Type of Exhibit: | Direct Testimony |
| Sponsoring Party: | Spire Missouri Inc. |
| Case No.: | GR-2022-0179 |
| Date Testimony Prepared: | April 1, 2022 |

SPIRE MISSOURI INC.

CASE NO. GR-2022-0179

**DIRECT TESTIMONY
OF
MICHELLE ANTRAINER**

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DIRECT TESTIMONY OF MICHELLE ANTRAINER

I. INTRODUCTION

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Michelle Antrainer. My business address is 700 Market Street, St. Louis, MO 63101.

Q. WHAT IS YOUR PRESENT POSITION?

A. I am presently employed as Manager of Rates and Planning at Spire Missouri Inc. (“Spire Missouri” or “Company.”)

Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.

A. I have been in my present position since January 2022. In my current position, I am responsible for managing the creation and filing of rate and regulatory matters. Prior to that, I was a Lead Regulatory Analyst responsible for the research, assessment, development, and implementation of Spire Missouri’s rate/regulatory analysis.

Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE AT SPIRE MISSOURI.

A. I joined Spire Missouri Inc. (Laclede Gas) in 1993 as a corporate accountant. Since that time, I have worked in various positions within the Finance and Operations area of Spire Missouri along with working on teams that implemented several IT software solutions.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I have a Bachelor of Science in Business Administration, with an emphasis in Accounting from the University of Missouri – St. Louis.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION (“COMMISSION”)?

A. Yes, I testified in Spire Missouri’s most recent rate case, Case No. GR-2021-0108.

1 **II. PURPOSE OF TESTIMONY**

2 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

3 A. My direct testimony first will support Spire Missouri’s revenue requirements, including
4 the primary factors driving Spire Missouri’s need for an increase in rates. In order to
5 continue to provide safe and reliable natural gas service to our customers, Spire Missouri
6 is requesting a gross revenue increase of approximately \$151.9 million. Spire Missouri’s
7 revenue deficiency is supported by Schedules MLA-D1 and MLA-D2, which consist of
8 sub-schedules A through G for both Spire Missouri East and Spire Missouri West,
9 respectively, which are attached to this testimony. My testimony will also reflect an
10 application of the update approach being proposed in this proceeding, and I will discuss
11 the revenue requirement components that will remain unchanged and those items that are
12 being updated. My testimony will emphasize certain components of the update in
13 increased detail, including revenue, rate base, amortizations, depreciation, overheads, cash
14 working capital, property taxes, and income taxes. Next, my testimony will explain the
15 cost-of-service allocation being proposed by Spire Missouri. I will also sponsor the
16 minimum filing requirements required by Commission Rule 20 CSR 4240-3.030, as well
17 as the proposed tariff sheets necessary to collect the proposed increase.

18 **Q. WHEN DID SPIRE MISSOURI LAST FILE FOR A GENERAL RATE**
19 **INCREASE?**

20 A. Spire Missouri filed its most recent rate case on December 11, 2020. Spire Missouri’s
21 current rates, as approved by the Commission in its Amended Report and Order (“2021
22 Order”) on November 12, 2021, in Case No. GR-2021-0108, became effective on
23 December 23, 2021. The test year for that case was the 12-month period ending September

1 30, 2020, and was trued-up for known and measurable revenue, rate base, and expense
2 items through May 31, 2021.

3 **Q. PLEASE EXPLAIN SPIRE MISSOURI'S RATE RELIEF REQUEST IN THIS**
4 **CASE.**

5 A. As explained in more detail by Company Witness Scott A. Weitzel, since the 2021 Order
6 was issued, the Company has received negative credit outlooks which jeopardize Spire
7 Missouri's ability to access the capital necessary to provide safe and adequate service to
8 customers. Additionally, while the 2021 Order resulted in new rates, unfortunately those
9 rates do not reflect the Company's actual cost of service, nor do they allow the Company
10 to earn a reasonable return on investments it has made to benefit customers. The 2021
11 Order also directed Spire Missouri and Staff to take action on tens of millions of dollars
12 that would need to be adjusted or reconciled at the next rate case. These realities have
13 caused Spire Missouri to file this proceeding. This case is not framed as a traditional rate
14 case due to the short time that has transpired since the effective date of the 2021 Order.
15 Instead, Spire Missouri is proposing an update approach for this proceeding which avoids
16 starting from scratch and developing new *pro forma* amounts for each revenue and expense
17 element. For the most part, Spire Missouri is starting with the Commission's Staff
18 recommendation for implementing the approved rates in Case No. GR-2021-0108 with
19 adjustments for major drivers of this case. The below chart reflects the magnitude of the
20 Company's proposed update in this proceeding.

| | | | |
|-----------------------------------|-----------|--------------|---------------|
| Rate Base Related Increase | \$ | 33.83 | 22.27% |
| O&M, Tax, and Revenues | \$ | 73.03 | 48.09% |
| Cost of Capital | \$ | 45.02 | 29.64% |

*In Millions

1 **III. SPIRE MISSOURI'S REVENUE DEFICIENCY**

2 **Q. WHAT TEST YEAR DID THE COMPANY USE IN DETERMINING ITS**
3 **REVENUE REQUIREMENT?**

4 A. The test year in Case No. GR-2021-0108 was 12-month period ending September 30, 2020,
5 adjusted for known and measurable rate base and expense items through May 31, 2021.
6 Spire Missouri proposes that the majority of Spire Missouri's expense items will still be
7 based on that period. However, certain elements that have changed materially, or that Spire
8 Missouri is approaching differently based on findings in the 2021 Order, will be updated
9 using a test year ending December 31, 2021.

10 **Q. WILL SPIRE MISSOURI BE REQUESTING THAT THE UPDATES TO THE**
11 **TEST YEAR BE "TRUED-UP"?**

12 A. Yes. Spire Missouri is requesting the test year be trued-up through September 30, 2022,
13 in this case. Spire Missouri proposes to "true-up" only the items that are being updated.
14 The test year "true up" process will be consistent with the process used in prior Spire
15 Missouri rate cases. This approach will provide a relatively current time period of actual
16 cost experience on which to base rates, while providing an opportunity for the Commission
17 Staff and other parties to audit the actual cost details. Company Witness Scott A. Weitzel
18 proposes a potential true-up period of June 30 if the parties can agree on an accelerated
19 procedural schedule.

20 **Q. PLEASE DESCRIBE SPIRE MISSOURI'S MAIN DRIVERS IN THIS**
21 **PROCEEDING.**

22 A. Since December 23, 2021, the date of implementation of rates approved in Case No. GR-
23 2021-0108, Spire Missouri is no longer authorized to recover a significant portion of the

1 Administrative and General overheads through capital or expense. Spire Missouri has
2 worked with Staff since the 2021 Order to assist Staff in their audit of Spire Missouri's
3 overhead capitalization. On March 18, 2022, in Case No. GR-2021-0108, Staff filed a
4 report recommending capitalization percentages based on the results of completed time
5 studies.¹ Company Witness Eric Bouselli goes into further detail on the collaboration with
6 Staff in his direct testimony. The Commission, to date, has not yet approved Staff's
7 recommendation.² While this filing supports Spire Missouri resuming the capitalization of
8 overheads, the remaining amounts that will be charged to expense have not been addressed
9 and are not part of Staff's Report. Spire Missouri is proposing to defer the total variance
10 to a regulatory asset with an amortization period established during this case. Additionally,
11 the inclusion of short-term debt in the Company's cost of capital calculation greatly reduces
12 Spire Missouri's ability to recover the actual costs of capital invested in the utility.
13 Furthermore, the Company's return on equity does not allow the Company to earn a fair
14 return on its investment.

15 **Q. PLEASE EXPLAIN SCHEDULE MLA-D1 ATTACHED TO YOUR TESTIMONY.**

16 A. Schedule MLA-D1 details Spire Missouri's revenue requirement/revenue deficiency for
17 the test year ending December 31, 2021, for Spire Missouri East service territory. The
18 schedule details rate base, rate of return, net operating income, adjusted net operating
19 income, an estimate of the September 30, 2022 "true-up" items, and the revenue deficiency.
20 Sub-schedule A summarizes Spire Missouri East's revenue deficiency at December 31,
21 2021, as adjusted for known and measurable changes. The total revenue deficiency for
22 Spire Missouri East shown on Sub-schedule A is approximately \$73.9 million.

¹ Staff Report-Confidential, March 18, 2022, GR-2021-0108.

² Order Denying Applications for Rehearing and Providing Clarification, GR-2021-0108, pg. 2.

1 **Q. PLEASE SUMMARIZE THE DIFFERENT SUB-SCHEDULES OF SCHEDULE**
2 **MLA-D1 ATTACHED TO YOUR DIRECT TESTIMONY.**

3 A. Schedule MLA-D1 contains the Accounting Schedules supporting the requested rate
4 increase for Spire Missouri East.

5 • Sub-Schedule A summarizes Spire Missouri East’s revenue deficiency at
6 December 31, 2021.

7 • Sub-Schedule B summarizes and supports the various rate base items and offsets.

8 • Sub-Schedule C summarizes and supports plant in service.

9 • Sub-Schedule D summarizes and supports reserve for depreciation.

10 • Sub-Schedule E summarizes the capital structure and rate of return.

11 • Sub-Schedule F summarizes and supports the operating income statement and
12 provides a detailed summary of adjustments.

13 • Sub-Schedule G summarizes by account the revenue and expense adjusted test year
14 totals.

15 • Appendix A attached to this testimony provides additional detailed information
16 regarding the components underlying sub-schedules A through G for both service
17 territories.

18 • Appendix B attached to this testimony includes Current and Proposed Billing
19 Determinants by Rate Class and Service Territory.

20 **Q. PLEASE EXPLAIN SCHEDULE MLA-D2 ATTACHED TO YOUR TESTIMONY.**

21 A. Schedule MLA-D2 details Spire Missouri’s revenue requirement/revenue deficiency for
22 the test year ending December 31, 2021, for Spire Missouri West service territory. The
23 schedule details rate base, rate of return, net operating income, adjusted net operating

1 income, an estimate of the September 30, 2022 “true-up” items, and the revenue deficiency.
2 Sub-schedule A summarizes Spire Missouri West’s revenue deficiency at December 31,
3 2021, as adjusted for known and measurable changes. The total revenue deficiency for
4 Spire Missouri West shown on Sub-schedule A is approximately \$78.0 million.

5 **Q. PLEASE SUMMARIZE THE DIFFERENT SUB-SCHEDULES OF SCHEDULE**
6 **MLA-D2 ATTACHED TO YOUR DIRECT TESTIMONY.**

7 A. Schedule MLA-D2 contains the Accounting Schedules supporting the requested rate
8 increase for Spire Missouri West.

- 9 • Sub-Schedule A summarizes Spire Missouri West’s revenue deficiency at
10 December 31, 2021.
- 11 • Sub-Schedule B summarizes and supports the various rate base items and offsets.
- 12 • Sub-Schedule C summarizes and supports plant in service.
- 13 • Sub-Schedule D summarizes and supports reserve for depreciation.
- 14 • Sub-Schedule E summarizes the capital structure and rate of return.
- 15 • Sub-Schedule F summarizes and supports the operating income statement and
16 provides a detailed summary of adjustments.
- 17 • Sub-Schedule G summarizes by account the revenue and expense adjusted test year
18 totals.

19 **Q. IS SPIRE MISSOURI PRESENTING A COMBINED CASE THAT INCLUDES**
20 **BOTH THE EAST AND WEST SERVICE TERRITORIES?**

21 A. Yes. We are presenting a combined case for all of Spire Missouri, but Spire Missouri has
22 provided separate schedules for the two separate service territories as agreed upon in the
23 last rate case proceeding. Therefore, there are two Schedules to support the combined

1 numbers included in my testimony. The total revenue deficiency for the combined Spire
 2 Missouri is approximately \$151.9 million.

3 **Q. WHAT ELEMENTS OF THE REVENUE REQUIREMENTS ARE BEING**
 4 **UPDATED IN THIS CASE?**

5 A. Spire Missouri is proposing to update the following elements of its rate base and revenue
 6 requirement: capital structure, return on equity, overhead costs, plant in service, cash
 7 working capital, inventory balances, regulatory assets, employee salary and benefits,
 8 amortization, depreciation, and taxes. Figure 1 below summarizes the updated components
 9 and their impact:

10 Figure 1:

| Adjustment Description | East | West | Missouri |
|--|--------------------|--------------------|--------------------|
| Rate Base Change | 196,531,602 | 312,620,622 | 509,152,224 |
| Net Plant in Service | 186,244,745 | 216,214,499 | 402,459,244 |
| RB Add - Change in Inventories | 12,152,242 | 37,349,534 | 49,501,776 |
| RB Add - Change in Regulatory Assets | 1,647,945 | 15,232,884 | 16,880,830 |
| RB Subtract - Cash Working Capital | (16,018,724) | (19,045,026) | (35,063,750) |
| RB Subtract - Taxes - Deferred | 19,238,776 | (18,489,937) | 748,839 |
| RB Subtract - GM-2013-0254 Stipulation | - | (6,902,372) | (6,902,372) |
| RB Subtract - Other Rate Base Offsets | 293,278 | 613,630 | 906,908 |
| Change in Net Operating Income | (5,018,933) | 17,726,334 | 12,707,401 |
| Revenue increase from GR-2021-0108 | 22,027,931 | 50,176,073 | 72,204,003 |
| Less: Overheads | 13,995,295 | 9,530,910 | 23,526,205 |
| Less: Payroll | 3,717,552 | 2,844,978 | 6,562,529 |
| Less: Meter Capitalization Adjustment | 547,400 | - | 547,400 |
| Less: Depreciation Expense | 719,307 | 2,483,321 | 3,202,629 |
| Less: Amortization Expense | 9,619,730 | 9,086,897 | 18,706,627 |
| Less: Property Tax Expense | (959,202) | 4,379,949 | 3,420,746 |
| Less: Income Tax | (593,218) | 4,123,684 | 3,530,466 |

11
 12 **Q. PLEASE SUMMARIZE THE RETURN ON EQUITY UPDATED COMPONENT.**

13 A. Sub-schedule E of MLA-D1 and MLA-D2 detail the required Spire Missouri return on
 14 equity of 10.5%. Company Witness Adam Woodard provides more detail regarding the
 15 updated return on equity component.

16 **Q. PLEASE SUMMARIZE THE CAPITAL STRUCTURE UPDATE COMPONENT.**

1 A. Sub-schedule E of MLA-D1 and MLA-D2 also detail the elements of Spire Missouri's
2 capital structure and calculate certain embedded costs for the various kinds of capital used
3 to finance the Company's provision of utility service. Sub-schedule E contains an updated
4 two component capital structure with 55% common equity and 45% long-term debt and
5 the resultant weighted average cost of capital. Short-term debt was removed from the
6 capital structure based on the exclusion of construction work in progress, regulatory assets
7 for property tax deferrals, AAO COVID-19 cost deferral, interest rate swaps, and deferred
8 Gas Costs subject to Purchase Gas Adjustment ("PGA") carrying costs not being included
9 in rate base. Short term debt is not financing long term assets. Company Witness Woodard
10 provides more detail regarding the updated capital structure component.

11 **Q. CAN YOU ADDRESS THE OPERATING INCOME ASPECT OF THE REVENUE**
12 **REQUIREMENT?**

13 A. As described above, this case is significantly driven by the change in practice related to
14 overheads that resulted in expenses not being recovered, costs related to a changing capital
15 structure, and the amortization of regulatory asset balances. Along with the major drivers,
16 Spire Missouri will update the Company's capital investment and other related expenses.
17 Operating revenue is calculated for usage related to a "normal" weather pattern. Spire
18 Missouri updated the 30-year average degree days as part of Case No. GR-2021-0108 and
19 included any adjustments as part of that revenue requirement. Therefore, the only update
20 to operating revenue in this proceeding is to reflect the additional revenue approved in Case
21 No. GR-2021-0108 as detailed by customer class within Sub-schedule G of Schedules
22 MLA-D1 and MLA-D2.

1 **Q. PLEASE PROVIDE AN OVERVIEW OF THE EXPENSE PORTION OF THE**
2 **REVENUE REQUIREMENT.**

3 A. The test year expenses are based on the final Staff EMS run from Case No. GR-2021-0108.
4 These amounts include Staff adjustments to remove the following employee expense items:
5 earnings-based AIP, long term incentive compensation, severance payments and certain
6 officer benefits and expenses. Also, Staff adjusted the following distribution and sales
7 expenses: locates, hydrostatic testing, dues and donations, credit card processing fees,
8 advertising, alcohol and ticket expenses. These adjustments are included in the test year
9 amounts and Spire Missouri is not proposing to update these amounts. Sub-schedule F
10 summarizes the total revenue and expense adjustments as well as an adjustment summary
11 by major driver. Expense updates by FERC account are detailed on Sub-schedule G of
12 Schedules MLA-D1 and MLA-D2, and include the pro forma impact of overhead changes,
13 pro forma increases in amortization expense, depreciation expense, property tax expense,
14 meter installation adjustment and payroll-related expense as of December 31, 2021.

15 **Q. PLEASE SUMMARIZE THE UPDATED OVERHEAD COSTS COMPONENT.**

16 A. On March 18, 2022, Staff filed a report recommending capitalization percentages based on
17 the results of completed time studies. Company Witness Eric Bouselli provides more detail
18 regarding the results of Staff's audit, its report, and the recommended adjustments to
19 overhead expense and capitalization components.

20 **Q. PLEASE EXPLAIN SPIRE MISSOURI'S PROPOSAL FOR THE CASH**
21 **WORKING CAPITAL UPDATE.**

22 A. Spire Missouri's proposed revenue requirement in this proceeding includes the Company's
23 proposed adjustment to zero-day lag for income tax expense in the Company's cash

1 working capital computation. Company Witness Charles Kuper provides more detail
2 regarding this adjustment, the reasons why it is appropriate, and a discussion of the
3 proposal's interplay with the Internal Revenue Service's normalization rules.

4 **Q. PLEASE EXPLAIN THE PAYROLL RELATED ADJUSTMENTS.**

5 A. The payroll adjustment is detailed on Sub-schedule G-1 of Schedules MLA-D1 and MLA-
6 D2 along with the associated adjustments to the Company's match to employee 401K
7 contributions and payroll taxes. The first part of the adjustment annualizes payroll based
8 on the actual December 31, 2021 employee levels and pay rates. The second part of the
9 adjustment multiplies the average Company match percentage and the current payroll tax
10 rate by the results of the initial calculation. Also included on Sub-schedule G-1 are the
11 insurance expense related to the December 31, 2021 employee levels.

12 **Q. WHAT DEPRECIATION RATES ARE SPIRE MISSOURI PROPOSING IN THIS**
13 **PROCEEDING?**

14 A. Spire Missouri is proposing to continue applying the depreciation rates as approved in Case
15 No. GR-2021-0108. These approved depreciation rates are applied to the updated plant in
16 service amounts to reflect the new depreciation expense.

17 **Q. ARE PROPERTY TAXES BEING UPDATED IN THIS PROCEEDING?**

18 A. The property tax amounts charged to the tracker mechanism from June 1, 2021, to
19 December 22, 2021, are included in the updated balances for the regulatory asset
20 established to recover the previous tracker amounts. Spire Missouri is proposing to
21 amortize this amount consistent with the time frame approved in Case No. GR-2021-0108.
22 In addition, Spire Missouri is proposing to update the property tax expense based on the
23 actual 2021 payment amounts.

1 **Q. ARE INCOME TAXES BEING UPDATED IN THIS PROCEEDING?**

2 A. Yes. As reflected on Sub-schedule A2, the calculation of the proper amount of income tax
3 expense is impacted by revised net operating income calculated as a result of the proposed
4 updates.

5 **Q. WHAT COST OF SERVICE ALLOCATIONS ARE BEING PROPOSED BY THE**
6 **COMPANY?**

7 A. Spire Missouri is proposing to allocate the revenue deficiency based on the cost of service
8 model for Spire Missouri East and Spire Missouri West used in the prior rate case. Spire
9 Missouri utilized Staff’s cost of service allocation for Case No. GR-2021-0108 and plans
10 to follow the same process for the calculating the proposed revenue requirement by rate
11 class. To account for the elimination of the transportation customers who no longer meet
12 the increased thresholds, Spire has assumed these customers will move to the large general
13 service (“LGS”) class and has calculated new rates accordingly. See Figure 2 in the
14 Minimum Filing Requirements testimony shown below to see the impact of the revenue
15 deficiency by rate class.

16 **IV. MINIMUM FILING REQUIREMENTS**

17 **Q. WHAT IS THE AGGREGATE ANNUAL INCREASE AND THE PERCENTAGE**
18 **OF INCREASE OVER CURRENT REVENUES WHICH THE TARIFF(S)**
19 **PROPOSE?**

20 A. In order to continue to provide the safe and reliable natural gas service our customers count
21 on, Spire Missouri is requesting a gross revenue annual increase of approximately \$151.9
22 million, representing a 10.29% increase over current revenues.

1 **Q. PLEASE NAME THE COUNTIES AND COMMUNITIES THE RATE CASE WILL**
2 **AFFECT.**

3 A. Spire Missouri anticipates all of the communities in its Eastern and Western service
4 territories will be affected by this rate case filing. This includes all certificated areas in
5 Andrew, Barry, Barton, Bates, Buchanan, Butler, Carroll, Cass, Cedar, Christian, Clay,
6 Clinton, Cooper, Dade, DeKalb, Greene, Henry, Howard, Jackson, Jasper, Johnson,
7 Lafayette, Lawrence, McDonald, Moniteau, Newton, Pettis, Platte, Ray, Saline, Stone, and
8 Vernon counties in Spire Missouri’s service territories. This also includes the City of St.
9 Louis and St. Louis County, Missouri, and all areas and communities served in St. Charles
10 County, Missouri. The portion of the Company's service area in St. Charles County south
11 of U.S. Highway 61 and Interstate Highway No. 70 excludes the following areas, all of
12 which are specifically defined in the Stipulation and Agreement in Case Nos. GA-99-107
13 and GA-99-236, Consolidated: part of Township 47 North, Range 1 East, part of Township
14 47 North, Range 2 East, part of Township 46 North, Range 1 East, and part of Township
15 46 North, Range 2 East. The portion of the Company's service area in St. Charles County
16 north of U.S. Highway 61 and Interstate Highway No. 70 includes all unincorporated areas,
17 certain incorporated areas and certain portions within the City of Wentzville along the main
18 that serves the General Motors Assembly Plant site as more specifically set forth in the
19 Commission's May 4, 1999 Order in the aforementioned cases.

20 In addition, all areas and communities served in Butler, Iron, Jefferson, Madison,
21 St. Francois, and Ste. Genevieve Counties, Missouri plus the Franklin County District. The
22 Franklin County District Service Area Generally Consists of Eastern Franklin County and
23 Northeast Crawford County and is Set Out in Detail in the Revised Metes and Bounds

1 Description Filed by the Company on December 4, 1992, in its Application To Relinquish
2 Certificate of Convenience and Necessity. The Franklin County District also includes the
3 City of Sullivan, Oak Grove Village and certain unincorporated areas of Crawford County,
4 Missouri.

5 A list of all affected communities and counties is also included in Exhibit 2,
6 Schedule 2 of the Minimum Filing Requirements Package filed at the same time as the
7 Company's direct testimonies.

8 **Q. PLEASE EXPLAIN FIGURE 2, BELOW. HOW MANY CUSTOMERS WILL**
9 **SPIRE MISSOURI'S RATE INCREASE AFFECT WITHIN EACH RATE**
10 **CLASSIFICATION?**

11 A. Figure 2 below is intended to comply with the Minimum Filing Requirements described in
12 20 CSR 4240-3.030(3)(B)(3)-(5). The table illustrates Spire Missouri's East and West
13 customer count by rate class, and Spire Missouri anticipates all customers will be affected
14 by the proposed rate increase. The table also reflects, for each rate classification, the annual
15 usage, total gas costs, total current revenues, proposed rate increase, total proposed
16 revenues and the proposed percentage increase by rate class. Finally, the table includes the
17 proposed monthly bill increase per customer for each rate class.

1 Figure 2:

| East Service Territory | Average No. of Customers | Normalized Usage (Ccf) | Annual Gas Cost | Total Rate Revenues | Proposed Rate Increase | Proposed Rate Revenue | Proposed % Increase | Proposed Monthly Increase per Customer |
|---------------------------------|--------------------------|------------------------|--------------------|---------------------|------------------------|-----------------------|---------------------|--|
| Residential - RS | 62,187.6 | 485,256,859 | \$ 291,222,052 | \$ 294,409,143 | \$ 61,141,536 | \$355,550,680 | 10.44% | \$ 8.19 |
| Small General Gas Service - SGS | 36,068 | 72,299,176 | \$ 43,389,628 | \$ 31,203,095 | \$ 6,487,134 | \$37,690,230 | 8.70% | \$ 14.99 |
| Large General Gas Service - LGS | 4,873 | 122,723,840 | \$ 73,651,485 | \$ 29,242,535 | \$ 6,073,700 | \$35,316,235 | 5.90% | \$ 103.87 |
| Large Volume Service - LV | 37 | 5,094,638 | \$ 3,057,496 | \$ 1,071,983 | \$ 222,772 | \$1,294,756 | 5.39% | \$ 501.74 |
| Unmetered Gaslight Service - UG | 70 | 7,113 | \$ 4,269 | \$ 45,591 | \$ 7,821 | \$53,412 | 15.69% | \$ 9.31 |
| General L.P. Gas Service - LP | 32 | 18,998 | \$ 36,402 | \$ 13,235 | \$ 2,324 | \$15,559 | 4.68% | \$ 6.05 |
| Transportation Service - TS | 154 | 174,867,740 | \$ - | \$ 14,902,508 | \$ (702) | \$14,901,806 | 0.00% | \$ (0.38) |
| Totals | 663,110 | 860,268,364 | 411,361,332 | 370,888,090 | \$ 73,934,587 | 444,822,677 | | |

| West Service Territory | Average No. of Customers | Normalized Usage (Ccf) | Annual Gas Cost | Total Rate Revenues | Proposed Rate Increase | Proposed Rate Revenue | Proposed % Increase | Proposed Monthly Increase per Customer |
|---------------------------------|--------------------------|------------------------|--------------------|---------------------|------------------------|-----------------------|---------------------|--|
| Residential - RS | 499,116 | 378,139,367 | \$ 299,902,332 | \$ 218,414,816 | \$ 65,563,697 | \$ 283,978,513 | 12.65% | \$ 10.95 |
| Small General Gas Service - SGS | 30,280 | 59,167,734 | \$ 46,925,930 | \$ 21,843,543 | \$ 6,557,041 | \$ 28,400,584 | 9.53% | \$ 18.05 |
| Large General Gas Service - LGS | 3,570 | 86,753,795 | \$ 68,804,435 | \$ 18,509,595 | \$ 5,556,211 | \$ 24,065,806 | 6.36% | \$ 129.70 |
| Large Volume Service - LV | 16 | 3,927,135 | \$ 3,114,611 | \$ 508,640 | \$ 152,649 | \$ 661,289 | 4.21% | \$ 795.05 |
| Unmetered Gaslight Service - UG | 24 | 4,320 | \$ 3,426 | \$ 1,575 | \$ 455 | \$ 2,030 | 9.10% | \$ 1.58 |
| Transportation Service - TS | 429 | 274,982,426 | \$ - | \$ 16,396,314 | \$ 115,473 | \$ 16,511,787 | 0.70% | \$ 22.43 |
| Totals | 533,435 | 802,974,776 | 418,750,734 | 275,674,484 | \$ 77,945,526 | \$ 353,620,010 | | |

2

3 **Q. DID SPIRE MISSOURI ISSUE ANY PRESS RELEASES PRIOR TO OR AT THE**
 4 **TIME OF THE FILING OF THIS RATE CASE?**

5 A. No.

6 **Q. DOES YOUR TESTIMONY INCLUDE A SUMMARY AND EXPLANATION OF**
 7 **THE REASONS SPIRE MISSOURI SEEKS THE ADDITIONAL RATES?**

8 A. My testimony, along with the testimony of Company Witness Scott Weitzel, provides an
 9 explanation why the Company is seeking the increase. Under the existing capital structure,
 10 Spire Missouri is unable to recover the actual costs of capital invested in the utility.
 11 Furthermore, the Company's return on equity does not allow the Company to earn a fair
 12 return on its investment. Upon the Company's implementation of the Staff recommended
 13 overhead capitalization percentages, Spire Missouri is not recovering the Company's
 14 actual cost of service and is required to file a new rate case to update the expense amounts
 15 to bridge this difference.

16 **V. TARIFF PROPOSALS**

17 **Q. IS SPIRE MISSOURI PROPOSING TO CHANGE ANY TARIFFS AS A RESULT**
 18 **OF THIS PROCEEDING?**

1 A. Yes. Spire Missouri is proposing changes to the Residential, Small General Service
2 (“SGS”), Large General Service (“LGS”), Large Volume, LP, Unmetered Gas Lights, and
3 Transportation Service tariffs. In addition to tariff changes reflecting the allocation of the
4 revenue deficiency among the rate classes, Spire Missouri is proposing a new Human
5 Needs Transport Program, which is described by Company Witness Kristina Embry.
6 Witness Embry also provides detail regarding the Transportation Service Tariff’s proposed
7 changes, as well as proposed changes to Company’s rules and regulations regarding
8 curtailment. Related changes also include repeal of the current Large Volume
9 Transportation Service and Transportation Provisions tariffs. Finally, if new ISRS rates
10 are approved as part of Case No. GO-2022-0171, these rates will be reset to zero upon
11 implementation and this rate case proceeding.

12 **VI. CONCLUSION**

13 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

14 A. Yes, it does.

