

Exhibit No.:
Issue: WNAR Tariff
Witness: Michael L. Stahlman
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case Nos.: GO-2019-0058 and
GO-2019-0059
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MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

MICHAEL L. STAHLMAN

SPIRE MISSOURI INC. d/b/a SPIRE

CASE NOS. GO-2019-0058 and GO-2019-0059

Jefferson City, Missouri
December 2018

staff Exhibit No. 203
Date 1-15-19 Reporter Bjt
File No. GO-2019-0058
GO-2019-0059

Rebuttal Testimony of
Michael L. Stahlman

1 determined in the most recent rate case. The tariff language was written thus because Staff's
2 ranking method requires the normal weather to be ranked consistent with the actual weather
3 of the period. This is further discussed by Staff witness Dr. Won.

4 Mr. Weitzel continues to ignore that clause when faulting the tariff language for not
5 being more specific.²

6 Q. Does Mr. Weitzel use a ranking method in calculating the WNAR tariff rate in
7 this case?

8 A. Yes. Mr. Weitzel is using a ranking method, but maintaining a rank developed
9 from 2016 actual weather rather than 2018 actual weather.

10 Q. Do you agree with Mr. Weitzel that Spire Missouri, Inc. d/b/a Spire ("Spire")
11 did not have advanced notice of Staff's interpretation of the tariff prior to this filing?³

12 A. No. As Mr. Weitzel notes on page 7 lines 9 through 14 of his
13 Direct Testimony, Staff discussed the use of the ranking method with the Company prior to
14 this filing in August. Additionally, the method was also discussed, albeit briefly, during the
15 hearing.⁴

16 Q. Do you agree with Mr. Weitzel's characterization of how the WNAR tariff
17 language was developed on pages 6 through 8 of his testimony?

18 A. No. I think there is some confusion in Mr. Weitzel's testimony regarding the
19 origins of the WNAR tariff sheets.⁵ In the rate cases,⁶ Spire proposed a revenue
20 stabilization mechanism (RSM) that did not conform to the authorizing statute. In Rebuttal, I

² Direct Testimony of Scott A. Weitzel, p. 5 l. 21 – p. 6 l. 12.

³ Direct Testimony of Scott A. Weitzel, p. 7, ll. 1 – 14.

⁴ "And the concept is, you would take the -- using Staff weather method, you would compute the normal heating degree days and subtract the actual heating degree days of the applicable weather station" (Transcript Volume 21 (Evidentiary Hearing - December 15, 2017), p. 2434).

⁵ Specifically, p. 6 l. 13 – p. 7 l. 14.

⁶ File Nos. GR-2017-0215 and GR-2017-0216

Rebuttal Testimony of
Michael L. Stahlman

1 had recommended against the RSM, but stated that if a mechanism was to be approved, it
2 should be limited to weather only and provided examples of tariffs from other states. To my
3 surprise, Spire maintained its position in Surrebuttal that the RSM did conform to the
4 authorizing statute. The first WNAR tariff sheets were presented during the hearing which
5 were modeled off of the example tariffs attached to my Rebuttal.⁷ Spire was allowed by the
6 Commission to review and respond to these first WNAR tariff sheets in true-up.⁸ In response
7 to the WNAR tariff sheets, Spire witness Mr. Buck submitted an affidavit with three proposed
8 changes; however, none of the three proposed changes by Mr. Buck addressed the matter at
9 issue in this case,⁹ nor do I recall any request by Spire to discuss the proposed WNAR tariff
10 between the hearing and filing of briefs. The Commission then ordered the WNAR tariff
11 sheets to go into effect with one of Spire's proposed modifications.¹⁰ Therefore, the WNAR
12 tariff, which includes Staff's method of calculating weather normals, is an issue that has been
13 litigated and decided by the Commission. Staff witness Dr. Won also discusses the litigation
14 around Staff's method.

15 Q. Mr. Weitzel also claims that Staff's method is inconsistent with other
16 adjustment mechanisms.¹¹ Do you agree?

17 A. No. First, Liberty Utilities has a WNAR tariff that is very similar to Spire's,
18 and they used Staff's method of calculating normal weather.¹² Secondly, Mr. Weitzel's
19 comparison to other non-WNAR adjustment mechanisms is entirely irrelevant. In his
20 comparisons, Mr. Weitzel ignores a complete clause of the WNAR tariff, "based upon Staff's

⁷ Transcript Volume 21 (Evidentiary Hearing - December 15, 2017), starting at p. 2432, line 16.

⁸ See "Exhibit No. 63 - Affidavit Regarding Weather Normalization Adjustment Rider" filed January 9, 2018 and "Statement of Position of Laclede Gas Company" filed January 2, 2018.

⁹ See "Exhibit No. 63 - Affidavit Regarding Weather Normalization Adjustment Rider" filed January 9, 2018.

¹⁰ Report and Order for File Nos. GR-2017-0215 and GR-2017-0216, Issued 2/21/2018.

¹¹ Direct Testimony of Scott A. Weitzel, p. 8 l. 11 – p. 10 l. 12.

¹² See File No. GO-2019-0060.

Rebuttal Testimony of
Michael L. Stahlman

1 daily normal weather as determined in the most recent rate case”, that is not present in the
2 non-WNAR tariffs.

3 Q. Mr. Wietzel also claims that Staff’s method is inconsistent with the goals of
4 the WNAR tariff.¹³ Do you agree?

5 A. No. First, the tariff specifies using Staff’s normal weather, so it’s unclear how
6 the method specified by the tariff can be inconsistent with itself. Second, my direct testimony
7 in this case demonstrated that using Spire’s method will result in errors; Mr. Wietzel provides
8 no analysis substantiating his claims that Staff’s method would create unpredictable
9 variations. In fact, Staff’s method should result in less variation, as shown in my
10 direct testimony.

11 Q. Would Staff be open to examining other methods of mitigating the impacts of
12 weather on Spire’s revenue requirement?

13 A. Yes in the context of a rate case. However, in this filing Staff is looking to
14 enforce the terms of the Commission-ordered tariff. Staff’s interpretation of the tariff in this
15 case is consistent with Staff’s interpretation of Liberty’s similarly designed WNAR tariff. It
16 is inappropriate to reexamine the terms of this tariff in this context.

17 Q. Please summarize your rebuttal testimony.

18 A. Mr. Weitzel’s testimony is premised on ignoring the clause “based upon
19 Staff’s daily normal weather as determined in the most recent rate case,” or assertions without
20 evidence or analysis. Other parts of his testimony are attempting to re-litigate matters that
21 were already decided in the rate case. Staff’s interpretation of the WNAR tariff is consistent
22 with Staff’s interpretation of Liberty similarly designed WNAR tariff that had rates approved
23 in File No. GO-2019-0060. Therefore Staff continues to recommend that the Commission

¹³ Direct Testimony of Scott A. Weitzel, p. 10 l. 13 – p. 11 l. 23.

Rebuttal Testimony of
Michael L. Stahlman

1 order Spire to file the appropriate WNAR rates of \$(0.00050) and \$0.00084 for Spire
2 Missouri East and Spire Missouri West, respectively and to use Staff's ranked method for
3 calculating WNAR rate adjustments in future WNAR filings, to be consistent with the WNAR
4 tariff language.

5 Q. Does this conclude your testimony?

6 A. Yes it does.

