

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 30<sup>th</sup> day of December, 2019.

In the Matter of the Application of Spire Missouri, )  
Inc. d/b/a Spire for Permission and Approval and a )  
Certificate of Convenience and Necessity to )  
Construct, Install, Own, Operate, Maintain, and )  
Otherwise Control and Manage a Natural Gas )  
Distribution System to Provide Gas Service in )  
Newton County as an Expansion of its Existing )  
Certificated Areas )

**File No. GA-2020-0105**

**ORDER GRANTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY**

Issue Date: December 30, 2019

Effective Date: January 9, 2020

**Procedural History**

On October 14, 2019, Spire Missouri, Inc. d/b/a Spire (Spire) applied for a certificate of convenience and necessity (CCN) to serve a poultry operation in Newton County, Missouri. Spire also requested a waiver of the Commission's 60-day notice requirement found in Commission Rule 20 CSR 4240-4.017(1). Spire further requested expedited treatment, specifically seeking a Commission decision at the Agenda scheduled for December 30, 2019.

The Commission set a deadline of November 5, 2019, to intervene in the case. No requests to intervene were received. The Staff of the Commission (Staff) co-filed its Report and Recommendation, with its supporting Memorandum, on December 13, 2019. No other responses to the application or Staff Recommendation were received.

## **Discussion**

Staff recommends that the Commission grant the certificate, subject to two conditions. Spire filed no objections to the conditions or the Recommendation. The conditions are that the Commission should:

- reserve all rate making determinations regarding the revenue requirement impact of this service area extension request until the Company's next general rate making proceeding.
- require Spire to file an updated tariff sheet incorporating the requested Section for Newton County provided above.

Commission Rule 20 CSR 4240-2.080(13) states that parties have ten days to respond to pleadings unless otherwise ordered. The parties here were not otherwise ordered. Ten days have elapsed since Staff filed its recommendation. No party has objected to the recommendation. The Commission will consider the application, and recommendation with the recommended two conditions unopposed.

Spire intends to extend service to the poultry operation, but the line will also serve between one and four existing customers, as well as future customer growth. Staff found that the main and service line extension needed to meet the poultry operation's demand is a two-inch line. However, Spire recommends installation of a six-inch line due to potential growth opportunities from the project. Staff questioned the economic feasibility of the six-inch line, but did not oppose its installation. Staff will examine the revenue requirement impacts of Spire's investment in the next rate case and may propose adjustments at that time to remove any imprudent costs, consistent with its proposed condition to reserve all rate making determinations regarding Spire's service area extension until the company's next rate case. Spire intends to finance this project with

internal funds, which will not affect its capital structure. Staff stated that Spire has sufficient financing authority even if this project is added to three prior projects.<sup>1</sup>

### **Decision**

Spire is a gas corporation and a public utility subject to Commission jurisdiction.<sup>2</sup> The Commission may grant a gas corporation a certificate of convenience and necessity to operate after determining that the construction and operation are either “necessary or convenient for the public service.”<sup>3</sup> The Commission has stated five criteria that it will use to make this determination:

- 1) There must be a need for the service;
- 2) The applicant must be qualified to provide the proposed service;
- 3) The applicant must have the financial ability to provide the service;
- 4) The applicant’s proposal must be economically feasible; and
- 5) The service must promote the public interest.<sup>4</sup>

Based on the verified pleadings and Staff’s Recommendation and Memorandum, the Commission finds the application for a certificate of convenience and necessity to provide gas service meets the above listed criteria, when subject to the conditions recommended by Staff. No party has objected to Spire being granted a CCN, subject to the recommended conditions, nor has any party requested a hearing.<sup>5</sup> The application will be granted, subject to the conditions recommended by Staff.

---

<sup>1</sup> GA-2019-0226, GA-2019-0214, and GA-2019-0210.

<sup>2</sup> Section 386.020(18) and (43), RSMo 2016.

<sup>3</sup> Section 393.170, RSMo 2016.

<sup>4</sup> *In re Tartan Energy Company*, 3 Mo. P.S.C. 173, 177 (1994).

<sup>5</sup> The requirement for a hearing is met when the opportunity for hearing is provided and no proper party requests the opportunity to present evidence. No party requested a hearing in this matter; thus, no hearing is necessary. *State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Comm’n of the State of Missouri*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

Spire requested a waiver of the 60-day notice of case filing requirement rule. Commission Rule 20 CSR 4240-4.017(1)(D) states that a waiver may be granted for good cause, which includes “a verified declaration from the filing party that it has had no communication with the office of the commission within the prior 150 days regarding any substantive issue likely to be in the case”. Spire has had no communication with the office of the Commission within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed of record. Accordingly, for good cause shown, the Commission waives the 60-day notice requirement.

Section 386.490, RSMo 2016, states all Commission orders become effective 30 days after issuance unless otherwise provided. This order will be effective in less than 30 days: to meet the immediate and seasonal needs of the poultry farm at issue; because the application and recommended conditions are unopposed; and because the Commission does not wish to cause undue delay.

**THE COMMISSION ORDERS THAT:**

1. The 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1) is waived.
2. Spire Missouri, Inc. d/b/a Spire is granted permission, approval, and a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a natural gas distribution system as more particularly described in its application, subject to the conditions set out in Staff’s Recommendation.
3. Nothing in this *Order* shall be considered a finding by the Commission of the value for ratemaking purposes of the properties, transactions, and expenditures

related to this natural gas distribution system service area expansion. The Commission reserves the right to consider any ratemaking treatment to be afforded the properties, transactions, and expenditures in a later proceeding.

4. No later than January 29, 2020, Spire Missouri, Inc. d/b/a Spire shall update the appropriate Tariff Sheet to incorporate service to the newly approved section in Newton County.

5. This order shall become effective on January 9, 2020.

**BY THE COMMISSION**



A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, CC., concur.

Hatcher, Regulatory Law Judge