

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

In the Matter of the Application of Summit Natural Gas of Missouri Inc., 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 to One Property in Lawrence County as an Expansion of its Existing Certificated Areas )  
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) **File No. GA-2018-0396**  
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**STAFF REPLY TO SPIRE MISSOURI INC.'S RESPONSE TO  
STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission and for this Staff Reply (“Reply”) to Spire Missouri Inc.’s Response to Staff Recommendation states as follows:

1. On August 6, 2018, Spire Missouri Inc. (“Spire Missouri” or “Company”) filed Spire Missouri Inc.’s Response to Staff Recommendation (“Response”). Staff had filed its Recommendation on July 27, 2018.

2. As stated in Staff’s Recommendation, this case involves Summit Natural Gas of Missouri, Inc.’s (“Summit”) request for a certificate of convenience and necessity (“CCN”) to provide gas service to one property in Lawrence County, Missouri, as an expansion of its existing certificated area, and a request by Summit for certain variances and waivers. One of the requested variances is from a portion of the Commission-approved stipulation and agreement in File No. GA-2007-0168. Summit’s CCN application states that “an order granting [Summit] a variance from the stipulation in Case No. GA-2007-0168 and authorizing [Summit] to provide the requested service will be necessary in order for [Summit] to provide gas service to the subject property.

**In all other respects, the Stipulation and Agreement approved by the Commission in Case No. GA-2007-0168 will remain in full force and effect.”** (Emphasis added)

3. Paragraph 2 of the stipulation and agreement in File No. GA-2007-0168 provides that “SMNG [Summit’s predecessor] hereby voluntarily **waives any right to seek a certificate of public convenience and necessity** to provide natural gas service in any sections for which MGE [Spire Missouri West’s predecessor] has already received a certificate of convenience and necessity from the Commission.” (Emphasis added)

4. In its Response, Spire Missouri has presented the Commission with a Catch-22 situation. First, Spire Missouri states it does not object to Summit receiving a CCN to provide gas service to the one property in question. Second, however, Spire Missouri then goes on to request that the Commission defer approval of the requested variance pending, or condition approval of the variance on, a solution reasonably acceptable to Spire Missouri.<sup>1</sup> In other words, Spire Missouri does not object to the CCN but objects to the granting of the variance which makes the CCN possible. According to the stipulation and agreement in GA-2007-0168, Summit’s predecessor waived its right to even seek – much less receive – a CCN in this area without the requested variance to which Spire Missouri objects.

5. Spire Missouri then goes on to describe generally what it terms as a “potential solution” to its stated concern, which would involve Summit’s establishment of a transportation service on its pipeline to allow Spire Missouri to transport natural gas

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<sup>1</sup> “Conditioning” the Commission’s approval on Spire Missouri’s potential future acquiescence would effectively give Spire Missouri veto power over the Commission’s order and amount to a usurpation of Commission authority by Spire Missouri and abdication of the Commission’s responsibility.

on Summit's pipeline for resale by Spire Missouri to potential future customers. This would necessitate, at minimum, a new tariff filing by Summit to provide the service and the establishment of rates for such service. Spire Missouri's proposal would have all of this take place outside the context of a general rate case proceeding where the Commission, and other parties, could examine all relevant factors.

6. Establishment of new service offerings, and rates for such services, such as that proposed by Spire Missouri should only be addressed in a general rate case where all relevant factors affecting service, revenue recovery, system capacity, and billing can be examined and considered by the Commission. Staff does not believe tariff changes such as those proposed by Spire Missouri can be made outside of a general rate case. Furthermore, it must be remembered that Spire Missouri is proposing such changes not for its system, but for Summit's system, so that Spire Missouri can act as a transporter on Summit's system.

7. As stated in Summit's application, the owners of the property in question first requested service from Spire Missouri, but determined that it would be cost prohibitive to receive service from Spire Missouri. The owners then requested service from Summit. In fact, Spire Missouri may have suggested to the property owners that they contact Summit.

8. As stated in Staff's Recommendation, normally Staff would not support granting a CCN to serve only one piece of property, or for a location in the certificated service area of another Commission-regulated public utility of the same type. However, due to the highly unusual facts and procedural history of this case, Staff has recommended that Summit's CCN application be granted, along with the requested

waiver and variances. But Staff cannot support Spire Missouri's proposal in the context of this case.

**WHEREFORE** Staff respectfully requests the Commission issue an order as set forth in the Staff Recommendation filed July 27, 2018, and reject Spire Missouri's request to defer approval of the requested variance pending, or condition approval of the variance on, a solution reasonably acceptable to Spire Missouri.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 13<sup>th</sup> day of August, 2018.

**/s/ Jeffrey A. Keevil**