

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at the Commission's office in Jefferson City on the 30th day of August, 2023.

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 Johnson County, Missouri as an)
Expansion of its Existing Certificated)
Areas)

File No. GA-2023-0374

**ORDER GRANTING CERTIFICATE
OF CONVENIENCE AND NECESSITY**

Issue Date: August 30, 2023

Effective Date: September 29, 2023

On April 27, 2023, Spire Missouri, Inc., d/b/a Spire, filed an application with the Commission ("Application") seeking a certificate of convenience and necessity (CCN) to construct, install, own, operate, maintain, and otherwise control and manage a natural gas distribution system to provide gas service in Johnson County, Missouri, as a further expansion of its existing certificated area. The area subject to the CCN request is described as Section 16, Township 46 North, Range 25 West of Johnson County ("Section 16"). Section 16 is adjacent to Commission-approved certificated areas served by Spire.

In its Application, Spire stated that a potential customer operating in Section 16 approached Spire for natural gas service. In April 2018, Spire installed 2,170 feet of

six-inch plastic main and 985 feet of service line to the potential customer's building and began providing natural gas service. Spire had no prior assets in Section 16, has installed no additional assets in the section, and serves no other customers in the section.

In its Application, Spire requested that the 60-day notice provision of Commission Rule 20 CSR 4240-4.017(1) be waived. The Commission directed notice and established an intervention deadline. The Commission received no applications to intervene.

On August 14, 2023, the Staff of the Commission (Staff) filed a recommendation that a CCN should be granted for the service area described in the Application, subject to certain conditions. Staff also agreed with Spire's position that good cause exists to waive the 60-day notice requirement. Spire has not filed a response to Staff's recommendation.

Staff's recommendation addressed the fact that Spire placed the Section 16 main and service line in service prior to obtaining a CCN from the Commission to operate in Section 16. The revenue requirement impacts associated with the connection of the new customer are embedded in Spire's current tariffed rates, as approved in Spire's rate case, File No. GR-2022-0179. However, Staff estimates inclusion of the connection of the new Section 16 customer had an immaterial effect on the revenue requirement. Based on replies from Spire to Staff data requests, Staff concluded that Spire did not intentionally provide natural gas service outside of its certificated area and its actions did not detrimentally impact the public.

The Commission may grant a gas corporation a CCN to operate after determining that the construction and operation are either "necessary or convenient for the public

service.”¹ The Commission articulated criteria to be used when evaluating applications for CCNs in *In Re Intercon Gas, Inc.*²

The *Intercon* case combined the standards used in several similar certificate cases, and set forth the following criteria: (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.³

There is a need for the service, as the commercial customer approached Spire requesting a distribution extension to Section 16, and natural gas was – neither at that time nor currently – offered by another regulated or unregulated entity in Section 16.

Spire is qualified to provide the service, as it already provides gas service to customers in the City of St. Louis, St. Louis County, Jackson County, St. Charles County, Greene County, and 37 other Missouri counties. Spire has the financial ability to provide the service, as no external financing was used on the project and Staff has no concerns with Spire’s financial risk profile.

The Commission agrees with Staff’s assessment that the proposal is economically feasible in that the effect on the revenue requirement will not be detrimental to the new customer or Spire’s general body of ratepayers.

¹ Section 393.170.3, RSMo.

² 30 Mo P.S.C. (N.S.) 554, 561 (1991).

³ The factors have also been referred to as the “Tartan Factors” or the “Tartan Energy Criteria.” See Report and Order, *In re Application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a Certificate of Convenience and Necessity*, Case No. GA-94-127, 3 Mo. P.S.C. 3d 173 (September 16, 1994).

Further, the Commission finds that the proposal promotes the public interest by providing service to a previously unserved area and promotes economic development and growth.

Based on the Application and Staff's recommendation, the Commission concludes that the factors for granting a certificate of convenience and necessity have been satisfied. The Commission further finds Spire's provision of gas service to the area, as described in its Application, is necessary and convenient for the public service. Thus, the Commission will grant Spire a CCN to provide gas service within the area set out in the Application.

Finally, the Commission will grant Spire's request for waiver of the 60-day case filing notice requirement under 20 CSR 4240-4.017. The Commission finds good cause exists for waiver based on Spire's verified declaration that it had no communication with the Commission regarding substantive issues likely to arise in this file within 150 days before filing its application.

THE COMMISSION ORDERS THAT:

1. Spire is granted 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 for the area in Johnson County, Missouri described as Section 16, Township 46 North, Range 25 West of Johnson County, subject to the following conditions:

- a. Spire shall initiate an internal audit of its processes and procedures regarding compliance with Commission Rule 20 CSR 4240-3.205 Filing Requirements for Gas Utility Applications for Certificates of Convenience and Necessity to ensure all of its regulated area of operation has been certified by the Commission. The report shall also include steps taken to avoid constructing and/or operating in uncertified areas in the future. Spire

shall provide its internal audit report to the Commission prior to filing for its next general rate case.

- b. Spire will record an adjustment to reduce gross plant for Contributions in Aid of Construction (CIAC) (reduce rate base) by \$4,000. Spire will file documentation of its adjustment to reduce gross plant for CIAC in this case docket in EFIS and provide the documentation with their application in their next general rate case.
- c. Spire shall file an updated tariff sheet incorporating Section 16, Township 46 North, Range 25 West for Johnson County.

2. The sixty-day notice of case filing requirement is waived for good cause found pursuant to 20 CSR 4240-4.017(1)(D).

3. This order shall become effective on September 29, 2023.



BY THE COMMISSION

A handwritten signature in cursive script that reads "Nancy Dippell".

Nancy Dippell
Secretary

Rupp, Chm., Coleman, Holsman, Kolkmeyer
and Hahn CC., concur.

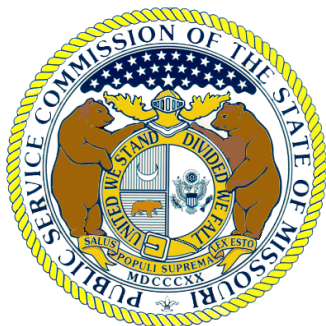
Seyer, Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 30th day of August, 2023.



Nancy Dippell

Nancy Dippell
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

August 30, 2023

File/Case No. GA-2023-0374

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Nancy Dippell
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.