

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

In the Matter of Spire Missouri, Inc. d/b/a)
Spire (East) Purchased Gas Adjustment) **Case No. GR-2021-0127**
(PGA) Tariff Filing)

**JOINT LIST OF ISSUES, STIPULATION OF UNDISPUTED FACTS,
AND ORDER OF OPENINGS, WITNESSES AND CROSS-EXAMINATION**

COME NOW Spire Missouri, Inc. d/b/a Spire (“Spire Missouri” or “Company”), the Staff of the Public Service Commission (“Staff”), Midwest Energy Consumers Group (“MECG”), Consumers Council of Missouri (“CCM”), Environmental Defense Fund (“EDF”), and the Office of the Public Counsel (“OPC”), collectively the “Parties,” and provide their *Joint List of Issues, Stipulation of Undisputed Facts, and Order of Openings, Witnesses and Cross-Examination*, as follows:

ISSUES

The parties have been unable to reach an agreement as to how the issues for Commission decision should be described. Staff and Spire Missouri, propose that the issues be described as follows:

1. Was Spire Missouri’s decision to enter into a firm transportation contract with Spire STL Pipeline LLC prudent?
2. If not, should the Commission order a disallowance of gas costs for the Spire Missouri East 2019-2020 Actual Cost Adjust period based on that decision?
3. If so, what disallowance of gas costs should be ordered?

OPC, EDF and CCM propose that the issues be described as follows:

1. Was it reasonable and prudent for Spire Missouri, Inc. d/b/a Spire (East), in managing its gas supply and pipeline capacity, to have relied on obtaining service from Spire STL

Pipeline prior to the latter having received a non-appealable certificate of public convenience and necessity from FERC?

2. If the answer to the foregoing question is negative, what action should the Commission take?

STIPULATION OF UNDISPUTED FACTS

The Parties provide the following Stipulation of Undisputed Facts:

1. Spire Missouri conducts business as a “gas corporation” and a “public utility” as those terms are defined at §386.020, RSMo, Spire Missouri employs two purchased gas adjustment clauses (PGA), one for Spire Missouri West and another for the Spire Missouri East service areas, to ensure that there is no over- or under-recovery of costs incurred to purchase the natural gas necessary to serve customers over a twelve-month period. The Actual Cost Adjustment (ACA) provision of the PGA clause accomplishes this by comparing the actual gas costs incurred to the revenues billed to the Company’s customers for those gas costs and either crediting or charging customers of Spire Missouri, depending on whether the PGA over- or under-collects costs. Interest is computed on the ACA account balance based on a rate equal to the currently effective prime lending rate minus 2%. (Tariff Sheet 11.3).

2. Spire Missouri East serves approximately 650,000 residential, commercial, and industrial customers in the St. Louis metropolitan area and surrounding counties.

3. On October 30, 2020, Spire Missouri filed its Actual Cost Adjustment (ACA) for the 2019-2020 ACA period. This ACA review period will reconcile the actual gas costs Spire Missouri incurred from October 1, 2019 to September 30, 2020.

4. On January 6, 2023, Spire Missouri and Staff filed a *Partial Stipulation and Agreement* to resolve all monetary issues between Staff’s Report and Spire Missouri including,

without limitation, disputes regarding the Asset Management Agreement transaction entered into during the 2019-2020 ACA period. The OPC, EDF, CCM, and MECG did not object to the *Partial Stipulation and Agreement*. The Commission approved the *Partial Stipulation and Agreement* in an order effective February 24, 2023. The issues identified above are the only remaining issues in this case for Commission decision.

5. Spire Missouri entered into a precedent agreement with Spire STL Pipeline, LLC (Spire STL Pipeline) in January of 2017 for the purpose of providing gas supply firm transportation service to Spire Missouri East. Spire Missouri and Spire STL Pipeline agreed to a rate cap below the FERC-approved rates. It includes a discounted daily reservation rate of \$0.23 per dekatherm (“Dth”) with a daily adjustment of no more than \$0.02/Dth, amounting to a \$0.25/Dth cap. Spire STL Pipeline’s current FERC-approved transportation rate is \$0.357/Dth. Further, Spire STL Pipeline does not assess commodity charges other than the ACA surcharge, and the transportation agreement sets the fuel retention rate to 0.25%, adjusted annually, by incorporating Spire STL Pipeline’s FERC-approved tariff.

6. The following is a timeline of significant events related to the Spire STL Pipeline:

- | | |
|-------------------------|--|
| <u>January 25, 2017</u> | Spire Missouri and Spire STL Pipeline, LLC enter precedent agreement |
| <u>January 26, 2017</u> | Application of Spire STL Pipeline LLC for Certificate of Public Convenience and Necessity under CP17-40; |
| <u>April 21, 2017</u> | STL files amendment to January 26, 2017 Application reflecting that STL would no longer purchase Line 880 from Spire Missouri and instead reconfigure Spire STL Pipeline to build a new line |

from Lange Storage to Enable Mississippi River Transmission (Enable MRT) and replace the original Chain of Rocks interconnect between Enable MRT and Spire Missouri with a new interconnect between Spire STL Pipeline, Spire Missouri and Enable MRT;

August 3, 2018 Received Federal Energy Regulatory Commission (FERC) 7C certificate;

August 31, 2018 The Missouri Public Service Commission, Enable Mississippi River Transmission, LLC, and Juli (Viel) Steck filed Motions for Rehearing of Certificate order at FERC;

September 4, 2018 EDF filed Motion for Rehearing of Certificate order at FERC;

October 1, 2018 FERC issues Order Granting Rehearing for Further Consideration

November 5, 2018 FERC's Office of Energy Projects issues the notice to proceed;

January 2019 Construction is commenced; and,

November 18, 2019 Natural gas started flowing on the Spire STL Pipeline (pipeline in service) with exception of the section of 24-inch-diameter pipeline to the Enable MRT interconnect.

November 21, 2019 FERC issues Order on Rehearing, denying rehearing

7. Subsequent to this ACA period, the following events have transpired in regard to the Spire STL Pipeline:

October 30, 2020 FERC Office of Energy Project's Authorizes the remaining portions of the STL Pipeline to go into service.

June 22, 2021 D.C. Circuit decision granting EDF appeal, vacating FERC Certificate, and remanding case;

September 14, 2021 FERC issues 90-day temporary certificate for the Spire STL Pipeline;

December 3, 2021 FERC issues temporary certificate for the Spire STL Pipeline to remain in effect until remand order;

December 15, 2022 FERC issues Order on remand and reissues Spire STL Pipeline certificate;

April 20, 2023 FERC issues Order Addressing Arguments Raised on Rehearing sustaining result in December 15, 2022 Order and

July 7, 2023 to date, no party has filed an appeal of the December 15 or April 20 FERC orders.

**ORDER OF OPENING STATEMENTS
AND LIST AND ORDER OF WITNESSES**

Tuesday, July 25, 2023:

9:00 A.M. Opening Statements

1. Spire Missouri
2. Staff
3. MECG
4. CCM
5. OPC
6. EDF

Testimony

Spire Missouri Witnesses:

Scott A. Weitzel

David A. Yonce

Staff Witnesses:

David M. Sommerer

Dennis J. Schumaker

EDF Witness:

Gregory M. Lander

Wednesday, July 26, 2023:

9:00 A.M. – Testimony continued if necessary.

ORDER OF CROSS-EXAMINATION

Spire Missouri Witnesses: Staff, MECG, CCM, OPC, EDF

Staff Witnesses: MECG, CCM, Spire Missouri, OPC and EDF

EDF Witness: OPC, CCM, MECG, Staff and Spire Missouri

WHEREFORE, the Parties submit their *Joint List of Issues, Stipulation of Undisclosed Facts, and Order of Openings, Witnesses and Cross-Examination.*

Respectfully submitted,

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**ATTORNEY FOR MIDWEST
ENERGY CONSUMERS GROUP**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served electronically on all counsel of record on this 7th day of July, 2023.

/s/ *Jamie S. Myers*