BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Laclede Gas Company to Transfer an Asset to Spire Pipeline, Inc.	)))	Case No. GM-2017-0018

MOTION TO COMPEL

COMES NOW the Office of the Public Counsel ("OPC") and for its Motion to Compel Laclede Gas Company's ("Laclede") answer to an OPC data request, pursuant to 4 CSR 240-2.090(8), states:

1. This case involves Laclede's application to sell an eight-mile pipeline ("Line 880") to a Laclede affiliate, Spire STL Pipeline LLC ("Spire Pipeline"). The sale is part of Spire Pipeline's plan to build a 59-mile pipeline to provide Laclede with a second access point to the REX interstate pipeline. Laclede justifies the sale by stating it will give Laclede's customers "enhanced access to low cost natural gas supplies" and will improve reliability because the proposed pipeline "will not traverse the New Madrid Seismic Zone" and "will be less exposed to damage from potential earthquakes."

2. On February 16, 2017, Laclede filed a Motion to Stay Proceedings, which stated Spire Pipeline is "exploring" and "considering" other routes, and "may" cease its pursuit of Laclede's pipeline. Laclede's request also asked the Commission to stay Laclede's obligation to answer any pending discovery.

3. OPC has one outstanding discovery request to Laclede that OPC hereby moves the Commission to compel Laclede to answer, regardless of whether the Commission grants Laclede's request for a stay. OPC submitted the discovery request to

Laclede on February 1, 2017, and Laclede's overdue answer was due February 21, 2017. OPC Data Request Number 1 ("OPC DR 1") asks:

> Regarding Spire's 2017 Q1 earnings call, Spire's slide deck at page 7 states, "Laclede Gas signed precedent agreement to be foundation shipper with commitment of 350 MMcf/d", please provide a copy of the agreement and all attachments. Please also provide all correspondence (including all e-mail correspondence) sent and all correspondence received (including all e-mail correspondence) by Laclede Gas regarding this agreement.

4. OPC's authority to request documents from a regulated public utility is found in Section 386.450 RSMo, which states that at the request of the public counsel and upon good cause shown, the commission shall require any public utility to produce any books, accounts, papers or records. OPC's authority to request the production of Laclede's records is clear should good cause be shown. Good cause supports an order compelling Laclede to produce the precedent agreement requested by OPC as follows.

5. OPC DR 1 seeks the Laclede/Spire Pipeline "precedent agreement" for transportation service whereby Laclede has entered into a twenty (20) year long-term commitment as a "foundation shipper."[1] Per this precedent agreement, Laclede committed to transport 87.5% of the capacity on its affiliate's proposed pipeline. Spire Pipeline describes the agreement in its application for a certificate filed with the Federal Energy Regulatory Commission ("FERC") to operate the pipeline as follows:

[1] A "precedent agreement" is an agreement between a gas purchaser and the owner of a proposed gas pipeline to buy gas transportation capacity contingent upon the pipeline being approved and put into service. A "foundation shipper" is a party that commits to a large portion of a pipeline's proposed gas transportation capacity.

> Spire has entered into a Precedent Agreement with one Foundation Shipper, Laclede, for a binding commitment to purchase 350,000 dekatherms per day ("Dth/d") of firm transportation service for a twenty-year primary term. This subscription level represents 87.5 percent of the Project's total capacity of 400,000 Dth/d of year-round firm transportation service. The target in-service date for the Project facilities is November 1, 2018, which is the commencement date for service to the Foundation Shipper.

OPC DR 1 asks for a copy of this agreement and communication surrounding the agreement to better understand the terms and circumstances under which Laclede entered into this significant long-term affiliate transaction commitment.

6. The precedent agreement is relevant to this case because it is between the two parties to the proposed sale of Line 880 and directly involves the purpose of Spire Pipeline acquiring Line 880 - which is to provide transportation service to Laclede. This agreement is material to Spire Pipeline's purchase of Line 880, and it is material to the reasons Laclede seeks to sell Line 880 to its affiliate. Without Laclede's commitment, Spire Pipeline would have no reason to acquire Line 880. In fact, throughout Spire Pipeline's application with the FERC, Spire Pipeline repeatedly references the precedent agreement with Laclede as justification for its requested certificate of service. A copy of Laclede's FERC application is attached to this motion.

7. The terms of Laclede's twenty-year affiliate gas transportation commitment is also relevant in the interest of transparency towards the captive customers that will be required to pay for the gas Laclede has committed to transport on its affiliate's pipeline, and whether such commitments are consistent with the Commission's affiliate transaction rules, 4 CSR 240-40.015. The lawfulness of Laclede's affiliate

transactions are relevant to determining whether granting the application for transfer is in the public interest.

8. On February 14, 2017, Laclede formally objected to OPC DR 1 and argued two points as to why Laclede believes it should not be required to answer. Neither point has merit. First, Laclede argues OPC DR 1 “seeks information that is not reasonably calculated to lead to the discovery of admissible evidence relevant to the specific request in this case; namely, whether the sale of Line 880 to Spire STL Pipeline is detrimental to the public interest.” Paramount to an understanding of whether the public interest is served is an understanding of the agreement itself which is central to the financial viability of Spire Pipeline’s plans to acquire and operate Line 880. To the extent the agreement includes terms that are not in the public interest, such as terms that would unnecessarily and unjustly increase gas transportation costs for Laclede’s ratepayers, the precedent agreement is clearly implicated in any determination as to whether allowing Laclede to sell Line 880 to Spire Pipeline is in the public interest. If the agreement is not in the public interest, neither is the proposed sale.

9. In Laclede’s second point in its February 14, 2017 objection to OPC DR 1, Laclede argues “it is not seeking decisional prudence of its contract with Spire STL Pipeline” and “the prudence of any decision it has made to enter into a transportation contract with Spire STL Pipeline will be reviewed in the appropriate ACA proceeding.” It should first be stated that OPC is not requesting the precedent agreement for the purpose of conducting an ACA prudency review. But it should be clear from Laclede’s objection to providing the affiliate agreement that Laclede wants to conceal the terms of the transportation agreement until long after Laclede has paid its affiliate for

transportation service under whatever terms are contained within the agreement, and to instead require OPC and the Commission's Staff to be left fighting an after-the-fact prudence challenge should the agreement, and the sale of Line 880, be against the public interest. It is a far better process for Laclede's ratepayers and the Commission to understand Laclede's long-term commitments up front, rather than after the fact during a prudency review whereby concerns can only be raised after the affiliate transactions are already completed. Moreover, if there are public interest concerns with the Laclede commitment, it is better that those concerns be understood and addressed now than in a prudency review whereby Laclede could argue the agreement is presumed to be prudent. If the Laclede/Spire Pipeline twenty-year gas purchasing commitment is in the public interest, Laclede should have no issue with providing that agreement to OPC.

10. Laclede's current interest in selling Line 880 for the purpose of contracting with its affiliate to transport gas from the REX Pipeline is also concerning in light of Laclede's past opposition to a non-affiliated entity seeking to enter into a transportation contract with Laclede for the same purpose. In Case Number GC-2011-0294, Laclede actively opposed entering into a transportation agreement with a proposed eleven-mile pipeline that Laclede argued would provide "redundant pipeline access to the same gas supplies that Laclede can already access through the CenterPoint-MRT East line."[2] Hopefully, the terms of the precedent agreement will shed light on why Laclede now finds such redundancy to be appropriate.

11. Laclede's recent efforts to impede the rate-paying public's ability to review Laclede's books and records are concerning. As shown in Laclede's last Infrastructure System Replacement Surcharge ("ISRS") petitions, Laclede responded on

average to OPC data requests *beyond* the required twenty-day due date, whereas Laclede responded on average to Staff data requests in less than a week. In this case, the Staff issued eighty-four (84) data requests to Laclede, and Laclede has not objected to a single one of Staff's data requests. OPC DR 1, to which Laclede objects, is just one of only six (6) data requests issued by OPC in this case.

12. Laclede has not dismissed this case, and it is possible Spire Pipeline will not find an alternative route and this case will continue. The public interest would be best served by allowing the public, through OPC, to continue its investigation since this case may still go forward.

13. Counsel for OPC complied with Commission rule 4 CSR 240-2.090(8)(A) by conferring or attempting to confer in good faith with Laclede counsel on February 13, 14 and 22, 2017 regarding OPC DR 1, and by requesting and participating in a discovery conference with Laclede counsel and the regulatory law judge on February 23, 2017.

WHEREFORE, the Office of the Public Counsel respectfully requests the Commission issue an order compelling Laclede to promptly answer OPC DR 1.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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[2] Case No. GC-2011-0294, *Laclede Gas Company's Response to Staff's Report*, p. 2.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 23rd day of February 2017.

/s/ Marc Poston

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Spire STL Pipeline LLC	**)**	**Docket No. CP17-___-000**

APPLICATION OF
SPIRE STL PIPELINE LLC
<u>FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY</u>

Pursuant to Section 7(c) of the Natural Gas Act ("NGA"), 15 U.S.C. § 717f(c) (2012), and Parts 157 and 284 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"), 18 C.F.R. Parts 157 and 284 (2016), Spire STL Pipeline LLC ("Spire") hereby submits this application for Certificates of Public Convenience and Necessity to construct, own, and operate a new interstate natural gas pipeline and to provide interstate natural gas transportation and transportation-related services subject to the jurisdiction of the Commission under the NGA ("Certificate Application"). Spire respectfully requests that the Commission grant the following certificates and approve the related authorizations and waivers:

(1) a Certificate of Public Convenience and Necessity pursuant to Part 157, Subpart A of the Commission's regulations authorizing Spire (a) to construct, own, operate, and maintain a new natural gas pipeline system in the States of Illinois and Missouri for the purpose of transporting natural gas in interstate commerce ("Project"), and (b) to acquire and make minor modifications to an existing approximately 7-mile natural gas pipeline for use as part of the Project;

(2) a blanket certificate pursuant to Part 157, Subpart F of the Commission's regulations authorizing certain routine construction, operation, and abandonment activities;

(3) a blanket certificate pursuant to Part 284, Subpart G of the Commission's regulations authorizing Spire to provide transportation service pursuant to an open access tariff and acceptance of Spire's *pro forma* FERC gas tariff ("Tariff");

(4) pre-approval of Spire's proposed terms of service afforded to the Project's Foundation Shipper that are not found in Spire's *pro forma* Rate Schedule FTS Service Agreement; and

(5) such other authorizations and waivers of certain regulatory requirements, including an extension of time to comply with certain North American Energy Standards Board ("NAESB") standards, as may be necessary to allow Spire to undertake the activities described in this Certificate Application.

Spire's Project will serve the energy needs of residential, commercial, and industrial customers in the eastern portion of Missouri, including the St. Louis metropolitan area and surrounding counties. Spire must commence construction of the Project facilities by January 2018 in order for the Project to be placed into service on November 1, 2018, the service commencement date set forth in Spire's Precedent Agreement with its Foundation Shipper, Laclede Gas Company ("Laclede"). Spire accordingly requests that the Commission issue a final Certificate Order approving the Project by December 1, 2017.

In support of this Certificate Application, and pursuant to the Commission's applicable regulations and guidelines, Spire respectfully states the following:

I. EXECUTIVE SUMMARY

The Project is a new interstate pipeline designed to provide incremental firm pipeline capacity and access to competitively-priced and productive supply basins to serve homes and businesses in the St. Louis metropolitan area and surrounding counties in eastern Missouri. The Project will enhance reliability and supply security; reduce reliance upon older natural gas pipelines; reduce reliance upon mature natural gas basins (which are connected to the older pipelines), which are subject to increased competition for their supplies and price risk; and eliminate reliance on propane peak-shaving infrastructure. Spire has entered into a Precedent Agreement with one Foundation Shipper, Laclede, for a binding commitment to purchase 350,000 dekatherms per day ("Dth/d") of firm transportation service for a twenty-year primary term. This subscription level represents 87.5 percent of the Project's total capacity of 400,000 Dth/d of year-round firm transportation service. The target in-service date for the Project facilities is November 1, 2018, which is the commencement date for service to the Foundation Shipper.

The Project consists of approximately 59 miles of greenfield 24-inch-diameter pipeline facilities (the "24-inch pipeline") originating at an interconnection with the Rockies Express Pipeline LLC ("REX") pipeline in Scott County, Illinois, extending southward through Greene and Jersey Counties in Illinois, then crossing the Mississippi River and extending east in St. Charles County, Missouri. The 24-inch pipeline then crosses the Missouri River and ties into an existing natural gas pipeline facility in St. Louis County, Missouri that is currently owned and operated by Laclede and referred to herein as "Line 880." Subject to Laclede's receipt of approval from the Missouri Public

Service Commission ("MPSC"), Spire will purchase Line 880 from Laclede, including its appurtenant and ancillary facilities, and modify that line before placing it into interstate service contemporaneously with the 24-inch pipeline. Line 880 consists of approximately 7 miles of existing 20-inch-diameter natural gas pipeline located in St. Louis County, Missouri, including appurtenant and ancillary facilities, and it will connect the 24-inch pipeline to the existing Enable Mississippi River Transmission, LLC ("Enable MRT") interstate natural gas pipeline along the western bank of the Mississippi River in St. Louis County, Missouri. The total length of the Project will be approximately 66 miles.

Spire held an Open Season for the Project from August 1, 2016 to August 19, 2016, and has executed a binding Precedent Agreement with Laclede for firm transportation service for an initial term of twenty (20) years for 350,000 Dth/d, which represents 87.5 percent of the Project's total capacity. Spire has also received expressions of interest from other prospective shippers, and is hopeful that additional precedent agreements will be executed as the Project progresses through the regulatory approval process.

Spire is a new company and has not previously provided natural gas pipeline transportation service in interstate commerce. Therefore, in addition to requesting a Certificate of Public Convenience and Necessity pursuant to Part 157, Subpart A of the Commission's regulations, Spire requests an open-access blanket certificate under Part 284, Subpart G of the Commission's regulations, as well as approval of its *pro forma* Tariff, included in Exhibit P-1 hereto. Spire also requests a blanket construction certificate under Part 157, Subpart F of the Commission's regulations and pre-approval of two non-conforming terms of service afforded to the Project's Foundation Shipper, Laclede. Finally, Spire requests such other regulatory authorizations and waivers, including an extension of time to comply with certain NAESB standards, as may be necessary to allow Spire to undertake the activities described in this Certificate Application.

The Project will provide the St. Louis metropolitan area with firm access to new supplies of natural gas. This will provide substantial benefits to residential, commercial, and industrial consumers, gas utilities, and electric generators in the region, as the Project will both enhance competition and supply diversification and improve reliability to a region that is currently constrained with respect to pipeline capacity. The Project will connect the St. Louis region to the most competitively-priced and productive natural gas supply areas in the eastern and western United States. Specifically, the Project will directly interconnect to the REX pipeline, which offers direct and substantial access to supply basins in the Rocky Mountains as well as the Appalachian Basin. This new, firm access to competitively priced natural gas supplies will create new commercial and industrial development opportunities for the greater St. Louis metropolitan area, and will offer the potential for future natural gas service in southwest Illinois.

Consistent with the Commission's desire for early input by potential stakeholders, Spire began meeting with key stakeholders across the project area in May 2016. To further identify and address environmental and landowner concerns early in the certificate process, Spire participated in the Commission's National Environmental Policy Act ("NEPA") Pre-filing process in Docket No. PF16-9-000. Spire has participated in numerous meetings with public officials and non-governmental organizations in which it has educated those constituencies about the Project, received feedback, and addressed and resolved various concerns to the greatest extent practicable. In addition, Spire held five open house meetings in August 2016 and hosted informational sessions for impacted landowners with updated information regarding the Project's development and changes based on input received. In November 2016, the Commission Staff hosted three public scoping sessions to receive input from the public and interested agencies on the Project; Spire has continued, following all those meetings, to refine its Project route and plans and address concerns raised.

Spire appreciates the feedback received and is continuing to work with affected stakeholders to avoid impacts, maintain open lines of communication, and demonstrate its commitment to be a good neighbor in the communities where the Project will be located. In light of the substantial work completed to date through the Pre-filing process, including the feedback from open houses and scoping sessions, public comments filed with the Commission, and comments from Commission Staff regarding Spire's draft Resource Reports, the final versions of which are found in Exhibit F-I, and the environmental analysis contained therein, many potential issues have been resolved prior to filing this Certificate Application.

As demonstrated herein, the Project satisfies the criteria for approval under the Commission's Statement of Policy on the Certification of New Interstate Natural Gas Pipeline Facilities.[1] Granting Spire the authorizations requested herein is fully consistent with Commission policy and is required by the public convenience and necessity.

[1] *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999) ("1999 Certificate Policy Statement"), *clarified,* 90 FERC ¶ 61,128 ("Order on Clarification of 1999 Certificate Policy Statement"), *further clarified,* 92 FERC ¶ 61,094 (2000).

Spire respectfully requests favorable Commission action on this Certificate Application by December 1, 2017. An order by that date will allow for the timely commencement of construction in January 2018, which is critical for Spire to comply with seasonal construction limitations and meet the Project's in-service date of November 1, 2018.

II. CORRESPONDENCE AND COMMUNICATIONS

Communications regarding this Certificate Application should be directed to the following:

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III. APPLICANT

The exact legal name of the applicant is Spire STL Pipeline LLC. Spire is a new limited liability company formed under the laws of the State of Missouri to construct, own, operate, and maintain the Project. Spire's principal place of business is 700 Market Street, St. Louis, MO 63101.

Spire is an indirect wholly-owned subsidiary of Spire Inc. (NYSE: SR). Spire Inc. (formerly The Laclede Group, Inc.) is the fifth largest publicly-traded natural gas utility holding company in the country and, through its gas utilities, provides service to approximately 1.7 million customers in Alabama, Mississippi, and Missouri. Through its St. Louis-area gas utility, Laclede, Spire has nearly 160 years of experience providing safe and reliable natural gas service to residential, commercial, and industrial customers.

Spire does not currently own any existing interstate natural gas pipeline facilities and is not engaged in any FERC-jurisdictional natural gas transportation or storage operations. Upon Commission approval of the authorizations requested in this Certificate Application, and after completing construction of the proposed Project and commencement of pipeline operations, Spire will be engaged in the transportation of natural gas in interstate commerce and, accordingly, a "natural-gas company" subject to the jurisdiction of the Commission under NGA Section 1(b).

IV. PROJECT NEED

Spire designed the Project to help serve the energy needs of residential, commercial, and industrial natural gas end-users in the eastern portion of Missouri, particularly the St. Louis metropolitan area and surrounding counties. Specifically, the Project will (a) provide eastern Missouri – and the Project's Foundation Shipper, Laclede, in particular – with access to competitively-priced natural gas from the prolific Appalachian Basin; (b) enhance natural gas supply reliability and security through the creation of a large new firm pipeline transportation path from prolific natural gas supply basins to the eastern Missouri region; and (c) create new commercial and industrial development opportunities for the greater St. Louis metropolitan area.

Based upon the load profile of the Foundation Shipper, and in advance of Spire's subscription of additional customers, approximately 70 percent of the natural gas transported by Spire will be consumed by residential end-users for heating and other domestic purposes, and the remaining 30 percent will be consumed by commercial and industrial end-users for heating and various commercial and industrial applications and other purposes. Currently, the St. Louis area is constrained in terms of interstate natural gas pipeline capacity that provides sufficient access to growing natural gas supplies, particularly from the most competitively-priced and productive natural gas supply areas in both the eastern and western United States. The St. Louis market is served primarily by older pipelines that provide gas supplies from similarly mature natural gas supply basins in Kansas, Oklahoma, Texas, and the Gulf Coast area. Because these mature supply basins are also located near developing new markets for natural gas consumption and export, increased competition for supply out of these regions is expected to further increase natural gas price risk to the St. Louis market absent the introduction of new sources and new transportation paths to access those new sources. Moreover, current transportation paths to the St. Louis area generally require service across multiple pipelines and, as a consequence, "rate stacking" on expensive upstream pipelines must occur in order to access the aforementioned traditional supply sources. As those older supply basins decline over time, markets such as the St. Louis metropolitan area need access to newer and growing supply basins located in other regions of the country to ensure affordable and reliable supply.

As further discussed in Section VIII below, the Project is also designed to provide a transportation path into the St. Louis market area that avoids an area of known seismic activity, and in so doing provides an additional measure of supply security to the region. Moreover, the Project is intended to allow the Foundation Shipper to end its historical reliance on the use of propane as peaking supply, in light of the increasingly negative operational, cost, and availability issues associated with that peaking strategy.

After identifying the needs of its Foundation Shipper, Laclede, and commencing negotiations, Spire held an Open Season for all interested shippers from August 1, 2016 through August 19, 2016.[2] Following the Open Season, Spire entered into a binding Foundation Shipper Precedent Agreement with Laclede for 350,000 Dth/d of firm transportation service – the substantial bulk of the 400,000 Dth/d total capacity of the Project.[3] In addition, Spire received expressions of interest from other prospective shippers during and after the Open Season and is hopeful that additional precedent agreements will be executed as the Project progresses through the regulatory approval process.[4] Accordingly, 87.5 percent of the anticipated firm capacity from the Project is committed to the Foundation Shipper and the remaining 12.5 percent is unsubscribed.

V. DESCRIPTION OF THE PROPOSED FACILITIES

A. FACILITIES AND OPERATION

The Project consists of approximately 59 miles of greenfield 24-inch-diameter pipeline originating at an interconnection with REX in Scott County, Illinois, and extending southward through Greene and Jersey Counties in Illinois before crossing the Mississippi River and extending east through St. Charles County, Missouri. The 24-inch pipeline then crosses the Missouri River and ties into the existing Line 880, a natural gas

[2] A copy of Spire's Open Season announcement is included in this Certificate Application in the public portion of Exhibit I.

[3] A copy of the executed Precedent Agreement between the Foundation Shipper and Spire is included in the confidential version of this filing at Volume IV, Exhibit I.

[4] Spire will make a supplemental Exhibit I filing that includes copies of any additional precedent agreements. Because Spire will be a new pipeline, without existing customers, Spire did not conduct a reverse open season to solicit capacity turnback.

pipeline facility in St. Louis County, Missouri that is currently owned and operated by Laclede.[5] The terminus of Line 880, and therefore of the new Spire pipeline, is at the existing interconnection between Line 880 and Enable MRT's interstate natural gas pipeline system.

As part of the proposed Project, and subject to Laclede's receipt of approval from the MPSC and Spire's receipt of the authorizations requested herein, Spire plans to purchase Line 880, including its appurtenant and ancillary facilities, from Laclede and operate it as part of the Project. Line 880 is an approximately 7-mile, 20-inch diameter steel natural gas pipeline located in St. Louis County, Missouri. Following its acquisition, Spire will modify Line 880 for its use in interstate service as an extension of the 24-inch pipeline. Inclusion of Line 880 in its new interstate pipeline system will allow Spire to make deliveries at delivery points located along that line and will further allow it to connect the 24-inch pipeline to the Enable MRT interstate pipeline along the western bank of the Mississippi River in St. Louis County, Missouri. Modifications to Line 880 will include (a) replacement of syphon drips, mainline valves, and other associated pipeline safety and minor integrity-related replacement work; and (b) relocation of a portion of the line at an existing stream crossing, also for pipeline safety/integrity management purposes. No change in the maximum allowable operating pressure or capacity of Line 880 is presently contemplated. Additional information regarding the proposed acquisition of Line 880 is included in Section V.C., below.

Once completed, the Project will have a receipt point interconnect with REX, to be located at the start of the proposed 24-inch pipeline in Scott County, Illinois. The

[5] A map detailing the location of the Project is included herein as Exhibit F.

Project's terminus, the interconnection of Line 880 with Enable MRT at a point called MRT/Chain of Rocks, which is currently a delivery point into Line 880 on the Laclede system, will be a second physical point of receipt into the Spire pipeline. Spire also plans to make the Chain of Rocks point bi-directional, allowing gas to be delivered by Spire into Enable MRT or by Enable MRT into the Spire pipeline system. Based on discussions with Enable MRT, Spire anticipates that any reconfiguration/reconstruction necessary to convert the Chain of Rocks point to a bi-directional point would be minimal in nature.

The Project as currently designed and proposed will also have two physical delivery points into Laclede's local distribution company ("LDC") system, one at Laclede's Lange Delivery Station (located at the interconnect between the 24-inch pipeline and Line 880) and the other at Laclede's Redman Station (located on Line 880), both of which are located in St. Louis County, Missouri. The Foundation Shipper firm transportation service agreement will reference these two points together as "Laclede Aggregate," and primary delivery rights at Laclede Aggregate will be 350,000 Dth/d, which is equal to the Maximum Daily Transportation Capacity under the Foundation Shipper service agreement.

The total length of the proposed Project is approximately 66 miles. The Project includes construction of four minor aboveground facilities. These are (1) the new REX Receipt Station, (2) a new Laclede/Lange Delivery Station, (3) the new MRT Bi-directional Station, and (4) reconstruction of the existing Redman Station. Pig launchers/receivers will also be installed at each metering and regulating station of the Project other than the Redman Station. No compression will be required or is proposed for the Project. The overall design capacity of the Project is 400,000 Dth/d.

B. COST

The total cost of the proposed Project facilities is estimated to be approximately $220.3 million. A detailed cost estimate is included in Exhibit K. The allowance for funds used during construction ("AFUDC") included in Exhibit K is calculated in compliance with the Commission's AFUDC policy.[6]

C. ACQUISITION OF LINE 880

As required by Section 157.15 of the Commission's regulations, Spire submits the following additional information regarding its proposed acquisition from Laclede of Line 880:

(a) The exact legal name of the seller is Laclede Gas Company. Laclede is a public utility incorporated under the laws of the State of Missouri with its principal office located at 700 Market Street, St. Louis, Missouri 63101. Laclede is engaged in the business of distributing and transporting natural gas to customers in the City of St. Louis and the Counties of St. Louis, St. Charles, Crawford, Jefferson, Franklin, Iron, St. Genevieve, St. Francois, Madison, and Butler in Eastern Missouri. Its rates and service are subject to regulation by the MPSC.

(b) Laclede does not currently hold any individually issued certificates issued by this Commission.[7] Its facilities, including Line 880, are subject to the jurisdiction of the MPSC. It thus does not require any abandonment authority from this Commission.

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[6] *See Southern Natural Gas Co.*, 130 FERC ¶ 61,193 (2010) (setting forth the Commission's AFUDC policy).

[7] As a state-regulated local gas distribution company, Laclede makes occasional wholesale sales pursuant to the Commission's blanket certificate authority issued to non-pipeline sellers (18 C.F.R. Part 284, Subpart L) and also occasionally engages in temporary releases of interstate pipeline capacity pursuant to blanket certificate authority granted by the Commission in Order No. 636.

(c) Following receipt of the necessary authority from the MPSC and this Commission, as well as other authorizations necessary for the Spire Project to proceed, Laclede will transfer ownership of Line 880 to Spire pursuant to an asset sale and purchase agreement. The sale price will be the net book value of Line 880 as of the date of the ownership transfer, which is proposed for inclusion in the total capital cost of the Project, consistent with general Commission policy.[8] That amount is currently estimated to be $31,327. The estimated costs associated with the minor construction activities described and proposed herein to modify the line for interstate service as well as the estimated sales price are included in the estimate for the Project's transmission facilities included at Exhibit K.

(d) Line 880 is a 20-inch diameter welded steel natural gas pipeline that runs from the Chain of Rocks interconnection with Enable MRT in north St. Louis County, in a northwesterly direction to Laclede's distribution system underground storage facility, also located in north St. Louis County. The line was constructed and commissioned in 1961 for the purpose of injecting natural gas into Laclede's storage facility. The current maximum allowable operating pressure ("MAOP") of Line 880 is 880 pounds per square inch gauge ("psig"); this MAOP will not change as the result of the minor facility modifications undertaken by Spire. There is one regulator station off the line approximately half way between the Chain of Rocks interconnection with Enable MRT known as the Redman Station. The purpose of that regulator station is to regulate

[8] *See, e.g.*, *Az. Pub. Serv. Co.*, 156 FERC ¶ 61,006 at P 40 (2016) (stating FERC's "longstanding precedent" in facility acquisitions is that the seller's depreciated original cost is included in cost-of-service calculations, with limited exceptions); *El Paso Natural Gas Co., L.L.C.*, 152 FERC ¶ 61,039 at P 173 (2015) (enumerating the benefits of original cost methodology); *Arkla Energy Res.*, 61 FERC ¶ 61,004 at 61,037–38 (1992) (holding that the Commission, with only limited exception, recognizes the net book value of purchased jurisdictional pipeline facilities).

transmission feeder pressure (880 psig) on Line 880 down to supply feeder (300 psig) pressure as it delivers gas into Laclede's distribution system facilities; those distribution facilities will remain under Laclede's ownership and operation following the transfer of Line 880.

Laclede has historically operated this line to receive gas from Enable MRT. Following the transfer of Line 880 and its inclusion in the Project, Spire will continue to operate the line to receive physical deliveries from Enable MRT, and Laclede has contracted, under its proposed Foundation Shipper service agreement on Spire, to receive primary receipt point rights at Chain of Rocks up to the maximum primary point capacity at that point of 150,000 Dt/d, which will replicate its current utilization of that line. Spire will also use the line to make deliveries of gas transported on its own pipeline from the REX interconnect to various points of delivery on Line 880, including the point of delivery to be reconstructed at the Redman Station. Once transferred to Spire, Line 880 will continue to provide valuable firm service to the Laclede LDC system as part of the Foundation Shipper transportation agreement, and its transfer will have no adverse effect on the operation by Laclede of its LDC system.

(e) As noted above, Laclede requires the approval of the MPSC in order to transfer Line 880 to Spire. Laclede submitted its application for authority to sell Line 880 to its affiliate, Spire, on October 31, 2016 in MPSC Case No. GM-2017-0018, and that case is presently pending before the MPSC.

VI. <u>BLANKET CERTIFICATE REQUEST PURSUANT TO PART 157, SUBPART F</u>

Spire hereby requests a blanket certificate authorizing it to engage in the activities specified in Part 157, Subpart F of the Commission's regulations, including the performance of certain routine construction, operation, and abandonment activities. Spire certifies that, in accordance with Section 157.204(d)(2) of the Commission's regulations, it will comply with the applicable terms, conditions, and procedures specified in the Commission's regulations in Part 157, Subpart F, as they may be amended from time to time. Spire also certifies that it will comply with all pipeline safety regulations applicable to the facilities for which a blanket certificate is requested herein. Issuing this blanket certificate will enable Spire to respond quickly and efficiently to facility maintenance and operational effectiveness issues, pipeline safety regulatory changes, and future market conditions such as requests for new delivery points, and is required by the present and future public convenience and necessity.

VII. BLANKET CERTIFICATE REQUEST PURSUANT TO PART 284, SUBPART G

Spire also requests a blanket certificate of public convenience and necessity pursuant to Section 284, Subpart G of the Commission's regulations that will enable it to provide open access transportation service on behalf of others in interstate commerce, on a self-implementing and non-discriminatory basis, with pre-granted abandonment. Spire certifies that it will comply with Section 284.221(c), thereby subjecting its blanket certificate to the conditions of Part 284, Subpart A of the Commission's regulations. This authority will allow Spire to provide firm and interruptible open access transportation service on a non-discriminatory basis to all parties requesting such service, consistent with the terms and conditions prescribed in Spire's proposed Original Volume No. 1 FERC NGA Gas Tariff (attached as Exhibit P-1).

VIII. PUBLIC CONVENIENCE AND NECESSITY

A. THE PROJECT SATISFIES THE REQUIREMENTS OF THE COMMISSION'S 1999 CERTIFICATE POLICY STATEMENT.

The Commission's 1999 Certificate Policy Statement established criteria for evaluating proposals to construct new interstate natural gas pipeline infrastructure. As the Commission recently explained in a certificate order applying the 1999 Certificate Policy Statement criteria:

> Under this policy, the threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, or landowners and communities affected by the route of the new facilities. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test. Only when the benefits outweigh the adverse effects on economic interests will the Commission proceed to complete the environmental analysis where other interests are considered.[9]

As demonstrated by the following discussion, the Project is consistent with and fulfills the goals of the 1999 Certificate Policy Statement and should be approved by the Commission through the issuance of the requested certificates.

1. The Project Meets the Threshold No-Subsidy Requirement.

As noted above, Spire is a new pipeline company that does not have any existing customers. As such, the threshold requirement prohibiting subsidization from existing

[9] *Millennium Pipeline Company, L.L.C.*, 157 FERC ¶ 61,096 at P 25 (2016). The Commission's application of the 1999 Certificate Policy Statement criteria in orders certificating new gas pipeline infrastructure has been upheld by reviewing courts in many appellate review proceedings. *See, e.g.*, *Myersville Citizens for a Rural Cmty., Inc. v. FERC*, 783 F.3d 1301 (D.C. Cir. 2015); *Minisink Residents for Envtl. Pres. & Safety v. FERC*, 762 F.3d 97 (D.C. Cir. 2014); *S. Coast Air Quality Mgmt. Dist. v. FERC*, 621 F.3d 1085 (9th Cir. 2010).

customers is not applicable to Spire.[10]

2. The Project Will Have No Cognizable Adverse Effects on Existing Pipelines and Their Captive Customers.

The Project will result in no impacts to existing Spire customers because Spire is a new pipeline company that has no existing customers. In addition, there are no known or cognizable adverse effects on other existing pipelines or the captive customers of those pipelines. As discussed above and in more detail below, the Project is designed to meet the needs of the Foundation Shipper and the St. Louis area market for diversity of supply access as well as reliability and security of a transportation path and as an alternative to propane peak shaving. The Project's stated purpose does not include the bypass of any existing pipelines in the region, nor will it affect the existing contract rights and obligations of those pipelines or their shippers. Further, Laclede's contractual commitments will be unaffected by approval of the Project.

Whether the Foundation Shipper may, in the future, reduce its contract entitlements on other pipelines, pursuant to contract rights it holds to do so, is not known at this time and conjecture would be inappropriate. As a regulated LDC, Laclede is obliged to review its gas supply and transportation portfolio regularly and make adjustments as appropriate to maintain the optimal mix of entitlements to provide service to its retail customers on a safe, secure, and lowest reasonable cost basis. Whether or to what extent Laclede might adjust its portfolio following the introduction of the Project is

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[10] *See, e.g.*, *ETC Tiger Pipeline, LLC*, 131 FERC ¶ 61,010 at P 18 (2010) (finding that ETC Tiger Pipeline, LLC, as a newly-formed entity, had no risk of subsidization by existing customers); *Fayetteville Express Pipeline LLC*, 129 FERC ¶ 61,235 at P 18 (2009) (concluding that, as a new natural gas pipeline with no existing customers, Fayetteville Express Pipeline LLC's project met the threshold test that its existing customers not subsidize the project); *Ruby Pipeline, L.L.C.*, 128 FERC ¶ 61,224 at P 19 (2009) (holding that, as a new interstate pipeline, Ruby Pipeline, L.L.C. satisfied the threshold requirement that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers).

unknown and speculative at this time. Further, the extent of any resulting loss of contracted capacity for the incumbent pipelines that they are not able to make up with other subscriptions is likewise speculative.

The introduction of Spire as a new pipeline resource and any subsequent adjustment is not a cognizable adverse effect for other pipelines under Commission policy in any event. The 1999 Certificate Policy State specifies that "[t]he Commission's focus is not to protect incumbent pipelines from the risk of loss of market share to a new entrant[.]"[11] The Commission clarified this statement, moreover, as follows: "[g]enerally, this means that construction of a pipeline whose rates are unsubsidized will not be considered to have an adverse effect on an existing pipeline."[12]

In cases applying its Policy Statement, the Commission has emphasized its commitment to "allowing the market to determine which projects are best suited to serve the infrastructure needs of an area"[13] and it has consistently rejected arguments by incumbent pipelines that a new Project would cause them adverse effects, finding that so long as a proposal was the product of fair competition, any effect on existing pipelines and their customers would be competitive in nature and therefore not considered adverse as contemplated by the 1999 Certificate Policy Statement.[14] The Spire Project is, likewise, the result of a fair process undertaken by the Foundation Shipper to examine competitive alternatives and select the one that would best meet its needs. Any residual effects on that Shipper's other pipeline service providers is the result of fair competition,

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[11] 1999 Certificate Policy Statement at 61,750.

[12] Order on Clarification of 1999 Certificate Policy Statement at 61,397.

[13] *Islander East Pipeline Company, L.L.C.*, 100 FERC ¶ 61,276 at P 50 (2002).

[14] *See, e.g., Ruby Pipeline, L.L.C.*, 128 FERC ¶ 61,224 at P 37; *Guardian Pipeline, L.L.C.*, 91 FERC ¶ 61,285 at 61,977 (2000).

and far outweighed by the many important benefits the Project will provide, as discussed in greater detail below.

3. *Spire's Project Minimizes Any Adverse Impacts on Landowners and Other Stakeholders.*

The Commission has recognized that every pipeline construction project will cause some short-term impacts to landowners.[15] However, as detailed in the Resource Reports attached in Exhibit F-I, the Project has been designed, and will be constructed, in a manner that minimizes impacts on landowners, other stakeholders, and the environment while providing the benefits of new sources of natural gas supply to the St. Louis region, including greater reliability, supply security, and lower prices, as well as the opportunity to reduce or eliminate dependence on an inferior peaking supply.[16] Furthermore, Spire is committed to working cooperatively with homeowners, landowners, and other stakeholders to address their concerns and minimize and/or mitigate adverse impacts wherever practicable. Spire's goal is to negotiate mutually acceptable agreements with any impacted landowners or other stakeholders.

The Commission granted Spire's request to use the Commission's Pre-filing process for its Project in Docket No. PF16-9-000.[17] As described in detail in Part XI below, as a part of the Pre-filing process, Spire initiated an extensive public and agency outreach effort early in the planning phase of the Project. The information and feedback gathered in this outreach effort have enabled Spire to reduce or eliminate adverse impacts to landowners and communities along the proposed route.

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15 1999 Certificate Policy Statement at 61,747–48.

16 *See* Resource Report 1 at §§ 1.1.1, 1.3; Resource Report 8 at § 8.1; Resource Report 10 at §§ 10.3, 10.4.

17 *Spire STL Pipeline LLC,* Docket No. PF16-9-000 (July 22, 2016) (delegated letter order approving pre-filing request).

In light of the substantial work completed to date through the Pre-filing process, including the feedback from open houses, scoping sessions, and the scoping comments filed during the Pre-filing process, many potential issues have been identified and addressed prior to the filing of the Application. Spire believes its use of the Pre-filing process for the Project has been successful in keeping stakeholders informed and developing strategies to minimize impacts to homeowners, landowners, and the environment. Spire based its routing on existing land use, the location of populated areas, surface topography, geologic considerations, and environmental factors not only to minimize adverse impacts on landowners and other stakeholders, but also to ensure that any such adverse impacts are temporary, where possible. Spire will seek to limit the use of eminent domain to the greatest extent possible by negotiating permanent and temporary workspace easements necessary to construct and maintain the Project.[18] Spire will continue to work cooperatively with all affected landowners and stakeholders and endeavor to address their concerns and minimize any adverse impacts the Project may have.

4. *The Benefits of the Project Outweigh Any Potential Adverse Impacts.*

When determining whether a proposed project is needed and will serve the public interest, the Commission balances the public benefits to be achieved by the project against its residual adverse effects. The Project has been designed, and will be operated to avoid or to minimize adverse effects. While it is not possible to completely eliminate

[18] *See Tennessee Gas Pipeline Co.*, 92 FERC ¶ 61,142 at 61,519–20 (2000) (noting that a goal in new pipeline construction is to avoid the unneeded exercise of eminent domain).

all adverse effects of the Project, the public benefits provided by the Project will vastly outweigh any such residual adverse effects.

As noted above, Spire has signed a binding Precedent Agreement with Laclede as the Foundation Shipper for the bulk of the pipeline capacity on the Project. The Commission's policy is to accept the existence of firm, long-term contracts for a Project's capacity as sufficient evidence of need, including in instances where the project shippers are affiliated with the pipeline project.[19] Nevertheless, as Spire explains below, there are abundant benefits associated with this Project that illustrate the purpose and need it fulfills for the intended market.

In terms of benefits, the Project will provide additional firm pipeline capacity and access to additional supply basins to serve homes and businesses in the St. Louis metropolitan area and surrounding counties. The Project's presence as a new transportation path for gas to the St. Louis region will provide several immediate and direct benefits in linking that region to prolific new natural gas supply basins.

First, Spire's Project will offer a direct firm transportation path to the REX pipeline – one of the newest and largest pipeline systems in the United States, with substantial capacity spanning supply basins in the Rocky Mountains all the way to the Appalachian Basin in the Eastern United States. This is particularly valuable given that REX has (1) initiated a series of construction projects to enable its interstate pipeline system to source and deliver gas bi-directionally in order to provide firm deliveries from

[19] *See Florida Southeast Connection, LLC*, 154 FERC ¶ 61,080 at P 84 (2016) ("[E]xecute[d] firm contracts for the capacity" place shippers at risk for the subscribed capacity, and pipelines are financially "at risk for any unsubscribed capacity"); *Eastern Shore Natural Gas Co.*, 132 FERC ¶ 61,204 at PP 27–31 (2010) ("[T]he Commission gives equal weight to contracts between affiliates and non-affiliates."); *Millennium Pipeline Co., L.P.*, 100 FERC ¶ 61,277 at P 57 (2002) (holding that the fact that customers are affiliated with the project sponsor does not lessen the customers' need for the new capacity or their obligation to pay for it under the terms of their precedent agreements and subsequently executed contracts).

prolific supply basins in the eastern United States to markets as far west as central Illinois[20] and (2) agreed to make minor modifications so that REX can make deliveries from the east at the proposed new Spire interconnect on a primary firm basis.[21] As a result, Spire's shippers will receive the substantial economic benefit associated with multiple sourcing options. Through multiple sourcing options shippers are able to obtain lower realized prices through a more competitive supply bidding process and are often able to avoid temporary high prices that may occur out of particular supply regions resulting from severe weather and other unforeseen events. In addition, over the longer term, as transportation contracts expire, the availability of multiple pipeline alternatives will create a more competitive bidding process for renewal of future pipeline capacity resulting in a lower overall cost of gas for the consumer.

Second, the Project will provide diversification benefits that will enhance overall natural gas supply security and affordability in the region. Currently, 87 percent of the firm pipeline transportation capacity into the St. Louis market area is provided by a single pipeline. Spire's Project will significantly enhance the overall supply security of natural gas in the St. Louis region and surrounding communities by providing an additional firm physical transportation path for flowing supply to the region. The introduction of more competitively priced natural gas supplies to the region is also anticipated to enhance the economic viability of additional natural gas conversions for some large end users in the region.

[20] *See, e.g.*, *Rockies Express Pipeline LLC*, 150 FERC ¶ 61,161 (2015), *reh'g denied*, 155 FERC ¶ 61,018 (2016) (authorizing Zone 3 East-to-West Project); *Rockies Express Pipeline LLC*, 154 FERC ¶ 61,139 (2016) (authorizing Zone 3 East-to-West Expansion Project).

[21] As described in Resource Report 1, REX will perform yard and station piping modifications at an existing compressor station pursuant to 18 C.F. R. § 2.55(a) (2016) of the Commission's regulations.

Third, the introduction of a new firm transportation path for flowing gas supply to the St. Louis region will also eliminate Laclede's current reliance on propane facilities behind its city gate to meet critical peak system requirements during limited periods when demand exceeds Laclede's flowing supply and storage withdrawal capabilities. As discussed in Resource Report 1, this peaking service has increasingly negative environmental and operational impacts (specifically, incompatibility with certain end use applications of natural gas, such as environmentally beneficial compressed natural gas use for vehicular fuel purposes). The cost of propane, as well as its intermittent scarcity in the region, also compares unfavorably to natural gas during those high-demand periods when needed for peaking supply. The Project will thus fulfill Laclede's need to replace this propane peak shaving operation with firm supplies of natural gas.

Fourth, the Project will also help provide critical infrastructure that will help solidify reliability and supply diversity. In the event of a planned or unplanned service outage on the current pipelines delivering into the region, Laclede and other Spire shippers in the area will be in a substantially better position to protect their system operations. Supply diversity has been and continues to be a significant concern for the St. Louis region as a major portion of existing supply comes from the south and crosses an area of seismic activity referred to as the New Madrid Seismic Zone (the "New Madrid Fault"). According to the United States Geological Survey, the New Madrid Fault is the most active seismic area in the United States east of the Rocky Mountains.[22]

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[22] *See* USGS, EARTHQUAKE HAZARD IN THE NEW MADRID SEISMIC ZONE REMAINS A CONCERN 2 (Aug. 2009), *available at* http://pubs.usgs.gov/fs/2009/3071/pdf/FS09-3071.pdf. That publication reported that, based on its review of earthquake data in the region, the U.S. Geological Survey estimated that the chance of having an earthquake as powerful as the historic 1811–12 earthquakes (measured at magnitude 7-8) was "about 7 to 10 percent, and the chance of having a magnitude 6 or larger earthquake in 50 years is 25 to 40 percent." *Id.*

In fact, Laclede has previously sought to diversify its pipeline transportation service paths by contracting with an additional pipeline transporter whose geographic path to Laclede's system avoids the seismic concerns associated with the New Madrid Fault, but that alternative only serves a small and geographically isolated portion of the LDC's system. By providing another transportation path into the St. Louis region from the north, the Project avoids the New Madrid Fault for significantly greater volumes, increasing supply diversity and reliability generally and specifically in the event of major seismic activity from the New Madrid Fault.

In addition to these immediate benefits, the Project will provide natural gas transportation infrastructure to support potential growth in demand for natural gas in the industrial and power generation sectors. As projected by the U.S. Energy Information Administration ("EIA"), the demand for natural gas is expected to rise steadily over the next several decades, and particularly so in the electric power sector, where the EIA expects increased demand spurred by the environmental benefits of natural gas versus coal in electric generation. The pipeline infrastructure associated with this Project can help meet this expected demand, particularly in Missouri, which remains heavily dependent upon coal-fired power generation.[23]

The Project's environmental advantages of natural gas compared to other fossil fuels offer other important benefits for the region. In July 2016, the U.S. Environmental Protection Agency ("EPA") finalized its 2010 primary National Ambient Air Quality Standard ("NAAQS") designations for sulfur dioxide, which identified Alton Township, Illinois – a town along the Project's proposed route – as one of several nonattainment

[23] *See Missouri*, EIA, http://www.eia.gov/state/?sid=MO (stating that coal "fueled 83% of Missouri's net electricity generation in 2014 and 78% in 2015") (last visited Jan. 17, 2017).

areas for sulfur dioxide in the nation.[24] Furthermore, the EPA has designated St. Charles and St. Louis Counties, Missouri, which are located within the Project's Air Quality Control Region, as nonattainment areas for the 2008 8-Hour Ozone NAAQS and the 1997 Annual $PM_{2.5}$ NAAQS.[25] According to a study conducted by researchers at Carnegie Mellon University, switching all coal plants in the United States to natural gas could reduce sulfur dioxide emissions by more than 90 percent, nitrogen oxide emissions by more than 60 percent, and particulate matter emissions by 40 percent.[26] That study estimates that the change could reduce total national health costs by $20–$50 billion per year.[27] The Project will offer the opportunity for Alton Township and other locations along the Project's route, as well as coal-fired power plants that serve the region and that could more readily access natural gas through either the Project or one of the other pipelines in the region that may have capacity become available following the introduction of this new transportation path, to convert more environmentally impactful fuel sources to cleaner-burning natural gas, potentially offering significant environmental and health benefits to the region.

Finally, the Project will provide natural gas transportation infrastructure to help support future commercial and industrial growth opportunities and the potential for future residential natural gas service in new franchise areas in southwest Illinois.

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[24] Air Quality Designations for the 2010 Sulfur Dioxide (SO_2) Primary National Ambient Air Quality Standard—Round 2, 81 Fed. Reg. 45,039, 45,047 (July 12, 2016). An area is designated as a "nonattainment area" if it fails to meet the NAAQS or contributes to a nearby area that does not meet the NAAQS. *Id.* at 45,039.

[25] *See* 40 C.F.R. § 81.326 (2016).

[26] Roger Lueken et al., *The Climate and Health Effects of a USA Switch from Coal to Gas Electricity Generation*, 109 ENERGY 1160, 1163 (2016).

[27] *Id.*

B. THE PROJECT SERVES THE PRESENT AND FUTURE PUBLIC CONVENIENCE AND NECESSITY.

Spire submits that the Project serves the present and future public convenience and necessity. The Precedent Agreement between Spire and Laclede demonstrates that the capacity that will be made available through the Project is required to meet the needs of the market. Furthermore, as demonstrated above, the Project satisfies the Commission's 1999 Certificate Policy Statement. The Project's public benefits will more than outweigh any potential residual adverse impacts that result from constructing the facilities, particularly once Spire takes the steps identified in this Application and the accompanying Resource Reports to minimize any adverse impacts. Accordingly, the Project is in the public interest and should be accepted by the Commission.

IX. TARIFF

Exhibit P-1 to this Certificate Application contains Spire's proposed Tariff, including the proposed rates, rate schedules, General Terms and Conditions that will govern all transportation services provided by Spire, and forms of service agreement. Spire developed its Tariff to be compatible with those of interconnecting pipelines in the region as well as consistent with the Commission's most recent policies, procedures, and precedents as reflected in its regulations and in tariffs recently accepted by the Commission. After the Commission approves the authorizations requested herein, Spire will file to make the Tariff effective upon the in-service date.

A. PROPOSED TRANSPORTATION SERVICES

Consistent with Commission policies and precedent, Spire will provide its transportation services on an unbundled, open-access basis under terms and conditions that are not unduly discriminatory and offered at both recourse and negotiated rates. Spire's

Tariff includes firm transportation service under Rate Schedule FTS and interruptible transportation service under Rate Schedule ITS. Spire will also offer an interruptible parking and lending service under Rate Schedule PALS. Spire's interruptible transportation and PALS services will only be available to the extent that capacity is available from day-to-day and from time-to-time during the gas day, and will be provided in accordance with the allocation and scheduling provisions set forth in Spire's Tariff.

B. RATES

Spire's recourse rates are set forth in Section 4 of the proposed Tariff. Spire has developed the proposed recourse rates pursuant to the Commission's policy implementing straight fixed-variable rate design.[28] Specifically, Spire proposes recourse transportation rates based on the estimated cost of service for the first full year of operations. The annualized billing determinants are 4,800,000 Dth based on the use of the full system capacity of 400,000 Dth/d. The Spire's monthly maximum recourse reservation rate for Rate Schedule FTS service is $9.1092 per Dth, and its maximum recourse usage rate for firm service is $0.000 per Dth/d.

The maximum volumetric interruptible transportation recourse rate is $0.2995 Dth/d. Spire developed rates for interruptible service under Rate Schedule ITS based on a 100 percent load factor derivative of Rate Schedule FTS rates, consistent with Commission precedent.[29] Spire has based its proposed Rate Schedule PALS interruptible park and loan service rate to be equivalent to the Rate Schedule ITS recourse rate. Spire's proposed

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[28] *See Northern Natural Gas Co.*, 105 FERC ¶ 61,299 at P 14 (2003) (stating that the Commission prefers a straight fixed-variable rate design).

[29] *See Natural Gas Pipeline Co. of America*, 120 FERC ¶ 61,050 (2007); *Rockies Express Pipeline LLC*, 116 FERC ¶ 61,272 (2006).

recourse rates are further supported by the financial information included in Exhibits K, L, N, and O.

Currently, the only shipper on the Project that has executed a binding Precedent Agreement with Spire is Laclede, and that Precedent Agreement includes a negotiated rate agreement governing the rates applicable to Laclede's firm transportation service. The terms of Spire's negotiated rate authority are detailed in Section 6.18 in the GT&C of Spire's Tariff.

In the event that Spire files to amend its certificate authorization to increase its initial maximum recourse rate due to construction costs in excess of its initial estimates prior to the in-service date, and the Commission approves such increase, Spire's negotiated rate agreement with Laclede allows it to also increase Laclede's negotiated reservation rate by the same percentage increase as the recourse rate, subject to a cap. In this way, Spire and the Foundation Shipper have allocated between themselves the risks associated with cost overruns, consistent with Commission policy.[30]

The overall annual cost of service used to design Spire's proposed rates is $43,924,018. In order to meet the Commission's policy on recognition and treatment of interruptible transportation revenues, Spire has included an ITS revenue credit of $200,000 to the overall cost of service.[31]

For the recourse rates proposed, Spire has assumed a 50 percent debt and 50 percent equity capital structure. Spire also proposes an overall rate of return of 10.5 percent that

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[30] *See, e.g., Tractebel Calypso Pipeline, LLC*, 103 FERC ¶ 61,106 at P 35 (2003) ("The [1999 Certificate] Policy Statement asserts that the risks of construction cost overruns should be apportioned between the pipeline and the new customers in their service contracts. Thus, in pipeline contracts for service on newly constructed facilities, pipelines . . . should reach agreement with new shippers concerning who will bear the risks of cost overruns associated with new construction.").

[31] *See, e.g., Gulf Crossing Pipeline Co. LLC,* 123 FERC ¶ 61,100 at PP 47–48 (2008) (certificate order approving pipeline's allocation from overall cost of service to interruptible service).

incorporates a return on equity of 14 percent and a cost of debt of 7 percent. Spire's proposed debt/equity ratio and capital structure is consistent with recent Commission precedent involving a greenfield pipeline project[32] and appropriately reflect the business risks of the Project. Spire has adopted a fifty year depreciable life, which is also consistent with the depreciation rate the Commission has approved for similar projects.[33] Spire proposes to apply a straight line depreciation rate of 2.0 percent for accounting purposes. The proposed depreciation rate is described and supported in Exhibit O.

Spire's Tariff Section 4 specifies the Fuel Use and Lost Gas percentages that will initially apply to Rate Schedules FTS and ITS. The Project does not include any compression, and the proposed Fuel Use and Lost Gas percentages are accordingly calculated to be 0 percent and 0.25 percent, respectively. These percentages are representative of a newly-constructed straight-line pipeline with no compression, and comparable to the initial percentages approved for other new pipelines without compression.[34] As detailed in Tariff Section 20, the initial Fuel Use and Lost Gas percentages will be tracked and subject to a true-up mechanism after Spire has gathered actual fuel and loss volume data. Going forward, Spire will then use actual fuel and loss volumes to calculate the fuel use and lost gas adjustment to be used in Tariff Section 4, which will be trued-up and updated through an annual filing to be made with the Commission.

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[32] *See UGI Sunbury, LLC*, 155 FERC ¶ 61,115 at PP 20–23 (2016).

[33] *See, e.g.*, *Cameron Interstate Pipeline LLC*, 129 FERC ¶ 61,178 at P 5 (2009) (granting a pipeline's proposal to adopt a fifty-year depreciable life); *ONEOK WesTex Transmission, L.P.*, 111 FERC ¶ 61,346 at P 7 (2005) (finding that a fifty-year depreciable life is consistent with Commission policy).

[34] *UGI Sunbury, LLC*, 155 FERC ¶ 61,115 at P 25 & n.20.

C. NAESB REQUEST FOR EXTENSIONS OF TIME FOR COMPLIANCE

Spire respectfully requests extensions of time to comply with (1) certain NAESB standards, including those related to Electronic Data Interchange ("EDI") and Electronic Data Management ("EDM"), (2) NAESB standards governing pooling, and (3) NAESB standards related to index based capacity releases. Spire is a small pipeline with currently only one shipper. Accordingly, Spire believes its operational and market circumstances warrant an extension of time to comply with certain NAESB standards.

With regard to NAESB's EDI/EDM standards, Spire requests an extension of time to comply with such standards, postponing implementation of the EDI/EDM standards until one hundred fifty (150) days following the receipt of a bona fide request from a Spire shipper to implement EDI or send information via EDM. As a small new interstate pipeline that is not affiliated with an existing interstate gas pipeline system, and therefore has no prior experience or infrastructure in place to manage and maintain the electronic systems necessary for compliance with the Commission's electronic data requirements for interstate gas pipelines, Spire will rely heavily on a third-party software provider to help manage its informational postings website and to obtain data translation services. Spire submits that complying with the EDI/EDM standards at this time, when it only has one or a very small number of customers, would be unnecessarily burdensome while providing little or no benefit to Spire's shipper(s). Spire plans to work with its small shipper community to develop the most efficient and effective alternative forms of communication, such as electronic mail, in lieu of EDI/EDM, and its proposed Tariff specifies that such communications may be electronic or by other means agreeable to the parties. Spire has discussed this approach with its sole prospective shipper and that shipper has raised no objection or concerns.

This request is similar to other small pipelines' requests for deferral of the EDI/EDM standards, where those pipelines have not received requests to send information via EDI/EDM and do not expect such requests, and where the Commission has granted such requests.[35] Spire confirms that its website will support and implement the NAESB standards related to informational postings that the Commission has required of other small pipelines and that its website will include links to capacity information, the index of customers, notices, organizational charts, its Tariff and transactional reporting.

Spire also requests an extension of time to comply with the NAESB standards related to pooling. Spire will be a small pipeline system with very few receipt and delivery points. As such, Spire expects that any pooling activity will occur upstream of the interconnection between Spire's pipeline and REX or Enable MRT. The Commission has granted such time extension to other pipeline systems with similar characteristics.[36] Accordingly, Spire requests a limited extension of time to postpone implementation of the pooling standards until one hundred fifty (150) days following receipt of a bona fide shipper's request for such service.

Spire also seeks an extension of time to comply with the NAESB standards that require a pipeline to support index based capacity releases. Spire believes that its shippers

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[35] *See Missouri Interstate Gas, LLC*, 119 FERC ¶ 61,074 at PP 90–91 (2007); *Unocal Windy Hill Gas Storage, LLC*, 115 FERC ¶ 61,218 at P 48 (2006); *Rendezvous Gas Services, L.L.C.*, 112 FERC ¶ 61,141 at P 49 (2005).

[36] *See, e.g.*, *MoGas Pipeline LLC*, 157 FERC ¶ 61,036 at P 8 (2016) (granting an extension of time to comply with pooling standards until 180 days following receipt of request from shipper); *Standards for Business Practices of Interstate Natural Gas Pipelines*, 141 FERC ¶ 61,167 at P 16 (2012).

are unlikely to request such releases, and therefore the administrative and technical adjustments necessary to support such releases pose an unnecessary burden. Spire requests a limited extension of time to postpone implementation of the NAESB standards related to index based capacity releases until one hundred fifty (150) days following receipt of a bona fide shipper's request to implement an index based capacity release.

For the Commission's convenience, Spire has included a chart in Exhibit P-2 that specifies the actual NAESB standards for which Spire is hereby seeking extensions of time for compliance, with a description of the standard to which the extension would apply and a reference to the Commission's prior precedent in which analogous extensions were granted. As the Commission has previously determined on multiple occasions for certain small or limited purpose pipelines receiving certificate authorization, it would not be in the public interest to subject Spire to all of the NAESB standards applicable to interstate natural gas pipeline companies, particularly so long as no bona fide shipper on the Spire system seeks such compliance. Spire submits that the grant of such waivers in this situation is both consistent with the public interest and prior Commission precedent.

X. PRECEDENT AGREEMENT AND GAS TRANSPORTATION AGREEMENT

A. PRECEDENT AGREEMENT

The executed, binding Foundation Shipper Precedent Agreement with Laclede, which subscribes for the majority of transportation service to be made available by the Project, provides the firm contractual support needed for the Project to move forward. Reflecting its status as a Foundation Shipper, Laclede's Precedent Agreement includes certain incentives necessary for Laclede to make the substantial, binding commitment necessary to move forward with the Project.[37] Pursuant to the Precedent Agreement, Laclede will, upon the Project's receipt of the Commission's authorizations and satisfaction of other conditions precedent, enter into a Firm Transportation Service Agreement, the *pro forma* version of which is attached to the Precedent Agreement, for a term of twenty (20) years (the "FTS Agreement") and which is further subject to the negotiated rate agreement described above. Spire submits the executed Precedent Agreement with Laclede in the privileged portion of Exhibit I to this Certificate Application.

The Precedent Agreement with Laclede contains sensitive market information, the disclosure of which could competitively harm Spire and Laclede. For this reason, Spire respectfully requests confidential treatment of the accompanying executed Precedent Agreement. As required by the Commission's regulations, a form of protective agreement is included in this Certificate Application in Exhibit Z.

B. FOUNDATION SHIPPER RIGHTS

Spire and Laclede entered into negotiations regarding Spire's providing Laclede with certain rights as a "Foundation Shipper" on the proposed Project in exchange for Laclede's twenty-year commitment for 87.5 percent of the Project capacity. These Foundation Shipper rights include a unilateral extension right for up to two five (5)-year terms, a contractual right of first refusal ("ROFR"), the ability to obtain Foundation or Anchor Shipper status in the event of a future Spire project, and the ability to reduce Laclede's maximum daily transportation quantity if a firm customer of Laclede directly connects with Spire and terminates its customer relationship with Laclede.

[37] *See Midcontinent Express Pipeline LLC*, 124 FERC ¶ 61,089 at P 82 (2008).

Commission precedent has made clear that project sponsors may rely on a variety of incentives and benefits to induce potential customers to commit to a pipeline project and may distinguish among various shippers according to factors such as the size of the commitment, the timing of the commitment, the length of the contract, and elasticities of demand.[38] The Commission has approved these types of incentives for shippers to make large, long-term commitments to new projects.[39]

Consistent with Commission precedent, Spire conducted an open season in which the rate and contractual incentives offered to any qualifying Foundation Shipper were transparent and clearly defined, and all potential shippers had an opportunity to take advantage of these incentives. Therefore, Spire can offer these incentives to shippers on a number of grounds without them being unduly discriminatory, and respectfully requests that the Commission find that the rights offered by Spire to its potential Foundation Shippers through Spire's Open Season and accepted by Laclede are permissible.

C. NON-CONFORMING FIRM TRANSPORTATION SERVICE AGREEMENT WITH LACLEDE

Pursuant to Section 4 of the Precedent Agreement, Spire and Laclede will execute the FTS Agreement under Rate Schedule FTS of Spire's proposed Tariff, substantially in the form attached as Exhibit A to the Precedent Agreement. Spire and Laclede will also execute a negotiated rate agreement that will apply to the service Spire provides to Laclede under their executed FTS Agreement.

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38 *See, e.g.*, *Millennium Pipeline Co., L.L.C.*, 145 FERC ¶ 61,007 at PP 7–8 & n.8 (2013); *Bison Pipeline LLC*, 132 FERC ¶ 61,231 at P 2 (2010); *Revisions to the Blanket Certificate Regulations and Clarification Regarding Rates*, Order No. 686, FERC Stats. & Regs. ¶ 31,231 at PP 67–68 (2006).

39 *Rockies Express Pipeline LLC*, 116 FERC ¶ 61,272 at P 23 (2006).

In order to incorporate the rights afforded to Foundation Shippers, the FTS Agreement contains two non-conforming provisions from Spire's *pro forma* Agreement: Laclede's unilateral extension right for up to two five (5)-year terms and Laclede's ability to obtain Foundation or Anchor Shipper status in the event of a future Spire project. The remaining rights afforded to Laclede as a Foundation Shipper do not deviate from Spire's *pro forma* Agreement as set forth in its Tariff.[40]

With regard to the non-conforming provisions, as noted above, Spire offered such benefits to all interested shippers during the Open Season.[41] Furthermore, none of the non-conforming provisions identified above affect the actual terms or quality of service on Spire's proposed pipeline.[42] Because no other shippers are similarly situated to Laclede, which executed a binding Precedent Agreement with Spire for transportation service on the Project, there is no risk of undue discrimination.[43]

Spire requests a determination from the Commission in the certificate order that, although each identified contract provision may constitute a material deviation from the *pro forma* FTS Agreement, none of the deviations is unduly discriminatory and the

[40] The two remaining rights afforded Laclede as a Foundation Shipper are the contractual ROFR and the contract demand reduction provision which authorizes a reduction in Laclede's contract capacity demand in the event that Spire were to sign a contract with a customer of Laclede resulting in bypass of Laclede's system. Both of these provisions are consistent with FERC policy, and are also included as optional provisions in Spire's *pro forma* FTS Agreement, and therefore are not non-conforming provisions. *See id.* (approving a ROFR for the Foundation Shipper); *Kinder Morgan Interstate Gas Transmission LLC*, 125 FERC ¶ 61,236 at PP 3–4 (2008) (permitting a contract capacity reduction provision so long as the pipeline company offers the same right to other eligible shippers).

[41] *Enbridge Pipeline (S. Lights) LLC*, 144 FERC ¶ 61,044 at P 13 (2013) ("The Commission again confirmed that as all potential shippers had been afforded the opportunity to sign up for the Committed Rates, there was no issue of undue discrimination as between committed and uncommitted shippers.").

[42] *Trailblazer Pipeline Co. LLC*, 149 FERC ¶ 61,176 at P 5 (2014) ("A material deviation may be permissible if the Commission finds that such deviation does not constitute a substantial risk of undue discrimination.").

[43] *CenterPoint Energy Gas Transmission Co.*, 104 FERC ¶ 61,280 at P 7 (2003) (permitting non-conforming deviation reflecting "unique status of the shipper that does not affect its service or others" and permitting pipelines to negotiate non-conforming rates "so long as the shipper has the option of choosing recourse service from the pipeline").

deviations are approved by the Commission. Consistent with Commission policy and precedent, Spire has attached, under the public portion of Exhibit I of this Certificate Application, clean and marked versions of the form of FTS Agreement, with the marked version showing differences between the form of FTS Agreement attached as Exhibit A to the Spire/Laclede Precedent Agreement and the *pro forma* FTS service agreement included in Spire's proposed FERC NGA Gas Tariff included in Exhibit P-1. Spire confirms that, prior to the Project's in-service date, Spire will file the executed FTS Agreement reflecting the non-conforming language, along with a tariff record identifying the agreement as non-conforming.

XI. ENVIRONMENTAL MATTERS

By letter order dated July 22, 2016 in Docket No. PF16-9-000, the Commission granted Spire's request to use the Commission's Pre-filing process for its proposed Project. The Pre-filing process affords the Commission's Staff the opportunity to begin conducting its environmental analysis of this Project pursuant to NEPA at an early stage in the Project's development and permitting process. In addition, the process gives substantial opportunity for public engagement and education about the Project, as well as feedback and the opportunity to identify and resolve routing issues early in the Project's development.

Exhibit F-I contains the Environmental Report on Spire's proposed Project. Spire will incorporate the Commission's *Upland Erosion Control, Revegetation and Maintenance Plan* and *Wetland and Waterbody Construction and Mitigation Procedures* (May 2013 versions of both) into the Erosion and Sedimentation Control Plan to be used for the Project. In addition, Spire will incorporate standard environmental mitigation measures into its construction specifications.

Spire certifies that the Project's facilities will be designed, constructed, installed, inspected, tested, operated, replaced, and maintained in accordance with the Natural Gas Pipeline Safety Act of 1968, as amended and recodified, 49 U.S.C. §§ 60101–60128 (2012), and in compliance with the implementing regulations for that federal law promulgated by the Department of Transportation, 49 C.F.R. Part 192 (2016), and any other applicable safety standards.

Spire also certifies that it will incorporate all environmental information and NEPA compliance requirements into contract bid documents and give appropriate instruction and training to contractors and inspectors in carrying out the Commission's guidelines. Additionally, Spire will continue to be in contact with appropriate stakeholders and authorities to explore additional ways in which Spire may, to the extent practicable, further mitigate any adverse environmental impacts along its route.

XII. LANDOWNER NOTIFICATION AND PUBLIC OUTREACH

Consistent with the Commission's desire for early input by potential stakeholders and with the Commission's endorsement of the use of collaborative procedures in developing new pipeline projects, Spire began meeting with key stakeholders across the Project area in May 2016. Since that time, Spire has worked with governmental agencies, public officials, affected landowners, and other stakeholders to identify issues and respond to them.

Consistent with the Commission's Pre-filing process, Spire initiated an extensive public and agency outreach effort early in the planning phase of the Project. Since the beginning of the Pre-filing process, Spire has met with and received input from Commission Staff, Federal, state and local agencies, and the public.

Detailed listings of the agencies and other stakeholders with whom Spire has consulted are contained in Tables 1.7-1 and Appendix 1-I of Resource Report 1, and Agency and Stakeholder Correspondence is included in Appendix 1-C of Resource Report 1. A list of applicable permits and approvals, responsible agencies, and the filing status and schedule of each authorization is also contained in Table 1.6-1 of Resource Report 1. Spire submits that, as demonstrated in the Resource Reports (and particularly Resource Report 10, Alternatives), its chosen location for the Project facilities is preferable to other potential construction and routing alternatives from an environmental, cost, effectiveness, and practicability perspective, and that Spire has worked diligently to achieve the most satisfactory location, to the extent practicable, for the affected stakeholders.

Open houses and other public meetings were held beginning in August 2016 at locations near the proposed 24-inch pipeline and near the existing Line 880 to inform the community of the Project and solicit feedback from homeowners, landowners, and other stakeholders regarding issues of concern and strategies to minimize or eliminate impacts to stakeholders. At the open houses, Spire representatives, including land, engineering, construction, environmental, and operations and safety personnel and consultants, were present to receive feedback and answer questions from homeowners, landowners, and other stakeholders. Spire participated in on-site meetings with Commission Staff to review the proposed route and the resources potentially affected by the Project.

Details regarding Spire's efforts to ensure that communities, homeowners, and landowners are aware of and informed about the Project are set forth in Resource Reports 1 and 8 in Exhibit F-I hereto. Included in the referenced reports and exhibit are copies of the information that Spire provided at open house meetings. Homeowners, landowners, and other stakeholders were notified of the open houses by individual notice and by publication of the notice in local news outlets.

To further facilitate stakeholder communications, Spire established a website (http://www.SpireSTLPipeline.com), a Project information line (1-844-885-7234), and an email address that stakeholders were invited to utilize to communicate with Spire about the Project (STLPipelineInfo@SpireEnergy.com).

On October 26, 2016, Commission staff issued a Notice of Intent to prepare an Environmental Assessment ("Scoping Notice") to examine the potential environmental impacts associated with Project's construction and operation. The Scoping Notice also scheduled in-person Scoping Sessions for the Project.[44] Three (3) public Scoping Sessions were held during the week of November 14, 2016 in strategic locations in proximity to the proposed pipeline route in St. Louis, Missouri and Dow and Carrollton, Illinois. Those sessions were organized and hosted by the Commission Staff, and included a court reporter who transcribed the verbal comments for their inclusion in the public record of the Pre-Filing proceeding. The Scoping Sessions offered interested parties an opportunity to provide comments on specific environmental issues and

[44] Notice of Intent to Prepare an Environmental Assessment for the Planned Spire STL Pipeline Project, Request for Comments on Environmental Issues, and Notice of Public Scoping Sessions, Docket No. PF16-9-000 (Oct. 26, 2016).

concerns that they believed should be addressed by the Commission Staff in its Environmental Assessment.

Overall, Spire has utilized several different approaches to provide information about its proposed Project and solicit input from all stakeholders, including landowners, the offices of the Governors of Illinois and Missouri; members of the MPSC Commission and Staff; state legislators in Illinois and Missouri whose districts are in the Project area; officials from each of the five counties on the proposed route; and congressional district offices for United States Representatives and United States Senators along the route. The Scoping Sessions held by the FERC allowed an additional opportunity to solicit input and address questions from those stakeholders that attended.

In addition, other parties have had an opportunity to submit comments on the Project to the Commission and to review the publicly filed drafts of Spire's Resource Reports in Docket No. PF16-9-000. To the extent practicable, these comments have been incorporated into or otherwise addressed in the proposed Project materials filed herewith, including the final Resource Reports submitted with this Certificate Application in Exhibit F-I.

Section 157.6(d) of the Commission's regulations requires applicants proposing to construct facilities to notify all affected landowners and certain other stakeholders.[45] A list of all affected landowners – including owners of properties that are directly affected by the proposed activity, owners of properties that abut the Project or the right-of-way associated with the Project, or any landowners with residences within 50 feet of the proposed construction work area – is provided as Appendix 1-G to the Resource Reports,

[45] *See* 18 C.F.R. § 157.6(d) (2016).

as required by Section 380.12(c)(10).[46] Pursuant to the Commission's regulations, Spire hereby certifies that it will serve all affected landowners with the required landowner notification letter within three (3) days after the Commission issues its Notice of this Certificate Application. Spire will also publish a notice of its filing in local newspapers of general circulation within 14 days after the date that a docket number is assigned to this Application.

XIII. RELATED APPLICATIONS

Spire does not have any other applications or filings pending before the Commission at this time that would directly affect this Certificate Application.

XIV. EXHIBITS

In accordance with Sections 157.14 and 157.16 of the Commission's Regulations, 18 C.F.R. §§ 157.14, 157.16 (2016), the following Exhibits are attached to this Certificate Application:

Exhibit A --	Articles of Incorporation and Bylaws. Attached.
Exhibit B --	State Authorizations. Attached.
Exhibit C --	Company Officials. Attached.
Exhibit D --	Subsidiaries and Affiliation. Attached.
Exhibit E --	Other Pending Applications and Filings. Omitted; there are no other pending applications under Sections 1, 3, 4 or 7 of the Natural Gas Act filed by Spire which directly and significantly affect this Certificate Application.
Exhibit F --	Location of Facilities. Attached in Volume II.
Exhibit F-I --	Environmental Report. Attached in Volume II.

[46] To protect the privacy of those individuals, the list of affected landowners is included in Volume IV of this Certificate Application, and is marked "Contains Privileged Information – Do Not Release."

Exhibit G --	Flow Diagrams Showing Daily Design Capacity and Reflecting Operation With and Without Proposed Facilities Added. Attached in Volume III.
Exhibit G-I --	Flow Diagrams Reflecting Maximum Capabilities. Omitted. Information reflected in Exhibit G attached in Volume III.
Exhibit G-II --	Flow Diagram Data. Attached in Volume III.
Exhibit H --	Total Gas Supply Data. Omitted; not applicable.
Exhibit I --	Market Data. Attached.
Exhibit J --	Federal Authorizations. Attached.
Exhibit K --	Cost of Facilities. Attached.
Exhibit L --	Financing. Attached.
Exhibit M --	Construction, Operation, and Management. Attached.
Exhibit N --	Schedule of Revenues, Expenses and Income. Attached.
Exhibit O --	Depreciation and Depletion. Attached.
Exhibit P --	Tariff. Attached as Exhibit P-1, along with a chart listing NAESB standards for which time extensions for compliance are sought (attached as Exhibit P-2).
Exhibit Q --	Effect of Acquisition on Existing Contracts and Tariffs. Omitted. There will be no changes to existing contracts or tariffs as the result of the acquisition of Line 880 by Spire. As a new pipeline, Spire's proposed FERC NGA Gas Tariff is attached at Exhibit P-1.
Exhibit R --	Acquisition Contracts. Attached.
Exhibit S --	Accounting. Attached.
Exhibit Z --	Form of Protective Agreement. Attached.

XV. NOTICE

A form of notice suitable for publication in the Federal Register is attached.

XVI. **REQUESTED AUTHORIZATIONS AND CONCLUSION**

WHEREFORE, in consideration of the foregoing, Spire respectfully requests that the Commission grant it, on or before December 1, 2017:

(a) a certificate of public convenience and necessity pursuant to Part 157, Subpart A of the Commission's regulations, authorizing Spire to construct, own, operate, and maintain a new natural gas pipeline system for the purpose of transporting natural gas in interstate commerce;

(b) a blanket certificate, pursuant to Part 157, Subpart F of the Commission's regulations, authorizing certain routine construction, operation, and abandonment activities;

(c) a blanket certificate, pursuant to Part 284, Subpart G of the Commission's regulations, authorizing Spire to provide transportation service pursuant to an open access tariff and acceptance of its *pro forma* tariff; and

(d) such other authorizations, approvals, and waivers of certain regulatory requirements, including certain NAESB requirements, as may be necessary to allow Spire to undertake the activities described in this Certificate Application.

Respectfully submitted,

/s/ Michael C. Geiselhart

Michael C. Geiselhart
President
Spire STL Pipeline LLC

January 26, 2017

VERIFICATION

STATE OF MISSOURI)
) ss.
CITY OF ST. LOUIS)

Michael C. Geiselhart, being first duly sworn, states that he is the President of Spire STL Pipeline LLC; that he is authorized to execute this Verification; that he has read the foregoing application and is familiar with the contents thereof; and that all allegations of fact therein contained are true and correct to the best of his knowledge, information, and belief.

Michael C. Geiselhart

Michael C. Geiselhart
President

Subscribed and sworn to before me this 24th day of January, 2017.

Donna K Adcox

Notary Public

My Commission Expires:

DONNA K. ADCOX
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires: July 27, 2020
Commission #: 12411276

7/27/2020