

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

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Spire STL Pipeline LLC) **Docket No. CP17-40-007**
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**SPIRE MISSOURI INC.’S INITIAL COMMENTS IN SUPPORT OF THE
APPLICATION OF SPIRE STL PIPELINE LLC FOR A TEMPORARY EMERGENCY
CERTIFICATE, OR, IN THE ALTERNATIVE, LIMITED-TERM CERTIFICATE**

Spire Missouri Inc.¹ (“Spire Missouri”) respectfully submits these initial comments in support of the “*Application of Spire STL Pipeline LLC For A Temporary Emergency Certificate, Or, In the Alternative, Limited-Term Certificate*” filed on July 26, 2021 (“Spire STL Emergency Application”), in accordance with the Notice issued in the above-referenced docket on August 6, 2021. For the reasons set forth below, and in the Spire STL Emergency Application,² Spire Missouri submits that the Federal Energy Regulatory Commission (“Commission”) should expeditiously approve the Spire STL Emergency Application to ensure that Spire Missouri can continue to reliably provide energy to the 650,000 households and businesses that it serves in Eastern Missouri, and to avoid other potentially severe consequences, including curtailment of, and loss of service to, natural gas service to many of its customers in the upcoming 2021-2022 winter heating season.

¹ On August 30, 2017, Laclede Gas Company changed its name to Spire Missouri Inc.; however, the utility and its interests in this proceeding are unchanged from the original intervention in this proceeding, which was filed on February 27, 2017.

² In the Spire STL Emergency Application, Spire STL Pipeline LLC (“Spire STL”) attached the Affidavit of Scott Carter, President of Spire Missouri, *see* Spire STL Emergency Application, Exhibit Z-1 (“Carter Aff.”), which Spire Missouri had provided at Spire STL’s request. Mr. Carter detailed both the substantial benefits that the STL Pipeline provides to Spire Missouri and its customers, as well as the severe consequences that would result from a cessation of operations due to a loss of certificate authority.

I. BACKGROUND

On August 3, 2018, the Commission issued Spire STL a certificate of public convenience and necessity to construct and operate the STL Pipeline. *See Spire STL Pipeline LLC*, 164 FERC ¶ 61,085 (2018)(“Certificate Order”), *order amending certificate*, 169 FERC ¶61,074, *order on reh’g*, 169 FERC ¶ 61,134 (2019)(collectively, “Certificate Orders”), *pet. for review granted in part, vacating decision sub nom., Env’tl. Def. Fund*, No. 20-1016, 2021 WL 2546672 (June 22, 2021). The Environmental Defense Fund (“EDF”) did not seek a stay of the Certificate Orders.

Following issuance of the Certificate Orders, the Spire STL pipeline was placed in service in November 2019. Once the STL Pipeline was placed into service, it provided Spire Missouri with 350,000 Dth/day of new firm pipeline capacity. Because of this new firm capacity, Spire Missouri undertook several steps to optimize its natural gas supply portfolio, which resulted in replacing preexisting sources, and maximizing the benefits of the new pipeline connection as explained below and in the Carter Affidavit.

On June 22, 2021, the United States Court of Appeals for the District of Columbia’s Circuit’s (“D.C. Circuit”) issued a decision in *Env’tl. Def. Fund v. FERC*, ___ F.4th ___, No. 20-1016, 2021 U.S. App. LEXIS 18503 (D.C. Cir. June 22, 2021) (“*EDF v. FERC*”), vacating the Certificate Orders. On July 26, 2021, Spire STL filed the Spire STL Emergency Application. Spire STL has requested that the Commission issue a Temporary Emergency Certification for the STL Pipeline to ensure that it can continue to operate while the Commission considers an order on remand following *EDF v. FERC*.

On September 7, 2021, in *Environmental Defense Council v. FERC*, D.C. Cir. No. 20-1016, *et al.*, the D.C. Circuit issued two separate *per curiam* orders, one denying the joint petition of Spire STL and Spire Missouri for panel rehearing as to *EDF v. FERC*, and one denying the joint petition of Spire STL and Spire Missouri for rehearing en banc as to *EDF v. FERC* (“D.C. Circuit

Rehearing Denials”). Consequently, unless otherwise ordered, the mandate is due to issue within 7 days.

II. COMMENTS IN SUPPORT OF THE STL EMERGENCY APPLICATION

Spire Missouri fully supports Spire STL’s request that the Commission issue a Temporary Emergency Certificate to permit it to continue the current operations of the STL Pipeline. The firm natural gas supplies provided via Spire STL are essential in meeting Spire Missouri’s winter season and design peak needs, and they cannot be replaced before the 2021-2022 winter season (at a minimum). Consequently, it is vitally important to the residential, commercial and industrial customers served by Spire Missouri that Spire STL remain in service during the upcoming winter season, and beyond.

Spire Missouri also urges the Commission to issue the requested emergency certificate as promptly as possible. As the Data Requests that the Commission issued on August 2 reflect, the Commission understandably seeks to ensure that its decision is premised on a full set of facts;. At the same time, however, the D.C. Circuit Rehearing Denials may result in the issuance of the mandate in one week, potentially ending service on Spire STL. Even if the winter season, and very cold weather, do not commence until November, in the absence of an emergency certificate, Spire Missouri faces profoundly difficult decisions as to supply steps appropriate for its upcoming winter needs. If Spire STL is not operating because the mandate issues, and the Commission does not issue an order on the emergency application before late October/early November, Spire Missouri will have grave difficulty in planning to attempt to mitigate the impact of a cessation in service from Spire Missouri. A speedy Commission order is therefore critical, and Spire Missouri requests that the Commission issue an order approving the application as soon as is feasible.

A. Compelling evidence supports the issuance of a Temporary Emergency Certificate, to permit the STL Pipeline to continue in operation.

The importance and vital need for continued service from the STL Pipeline should be viewed in the context of its development, Spire Missouri’s steps to implement the STL Pipeline’s capacity in its portfolio, and the dramatically changed options that Spire Missouri has – or rather, does not have – as the 2021-2022 winter season approaches.

Spire Missouri serves approximately 650,000 households and businesses in Eastern Missouri.³ Spire Missouri was historically highly dependent on the Enable Mississippi River Transmission (“MRT”) system to supply Eastern Missouri and also relied heavily on the ability to use direct injected propane on peak days. In the normal course of the utility’s system planning efforts, Spire Missouri identified the MRT system as presenting a heightened supply diversity and reliability risk for Spire Missouri customers.⁴ Spire Missouri held discussions with developers to improve critical infrastructure for gas supply into the St. Louis region that could optimize opportunities to access new prolific supplies from the Appalachian Basin and allow Spire Missouri to remove its liquid propane peaking facilities from its supply stack.⁵ However, those discussions did not lead to any definitive agreements to construct new capacity.⁶ Consequently, Spire Inc. formed STL Pipeline and proposed a project that satisfied all of Spire Missouri’s critical infrastructure needs, *i.e.*, the STL Pipeline.

Once STL Pipeline was placed into service in 2019, it provided Spire Missouri with 350,000 Dth/day of new firm pipeline capacity.⁷ This new firm capacity allowed Spire Missouri

³ Carter Aff., ¶ 7.

⁴ *Id.*, ¶ 7.

⁵ *Id.*, ¶ 8.

⁶ *Id.*, ¶ 8.

⁷ *Id.*, ¶ 9.

to optimize its natural gas supply portfolio, which resulted in replacing preexisting firm natural gas supply sources, and to maximize the benefits of the new pipeline connection in several ways.⁸

The specific details of the beneficial changes to Spire Missouri’s supply portfolio are more fully explained in paragraphs 9 through 14 of the Carter Affidavit. In summary, the changes to Spire Missouri’s supply portfolio and infrastructure that resulted from the STL Pipeline being placed into service (a) improved service reliability and (b) access to cost-competitive supply, resulting in a radical change to its distribution operations and supply situation. However, in the absence of deliveries over the STL Pipeline, Spire Missouri would experience dramatic shortfalls in natural gas supply that would completely eliminate these benefits and place its customers at severe risk of harm.

The significant shortfalls that Spire Missouri would face during the winter heating season in the absence of STL Pipeline’s firm, high pressure deliveries into its distribution are severe.⁹ The winter season increases demand for natural gas during a time where it is critically needed by Spire Missouri’s customers, including households, businesses, hospitals, nursing homes, schools, and others.¹⁰

The potentially dire impacts to Spire Missouri’s customers from a cessation of operations over the STL Pipeline were fully explained by Mr. Carter.¹¹ Utilizing its planning process (developed consistent with industry standards and audited by the Missouri Public Service Commission), Spire Missouri projected outages and the potential impacts of such outages using an industry-leading hydraulic model that was maintained by its system planning department¹².

⁸ *Id.*, ¶ 9.

⁹ *See id.*, ¶¶ 15-29.

¹⁰ *Id.*, ¶ 15.

¹¹ *See id.*, ¶¶ 15-29.

¹² *See id.*, ¶ 21 and Appendix A “Missouri East Projected Outages” or “Outage Map.”

Spire Missouri’s projections demonstrate that loss of STL Pipeline service on a peak day would result in outages to as many as 175,000 customers. Furthermore, its projections demonstrate that loss of STL Pipeline service on a peak day when Spire Missouri’s Lange underground storage is depleted would result in outages to as many as 400,000 customers.

Spire Missouri customers that would be impacted by such an outage include households, more than 320 schools, approximately 20 hospitals, as well as nursing homes, churches and government facilities.¹³ Moreover, consistent with research showing that energy costs in St. Louis are a higher burden on poor communities and communities of color, the impacts of the STL Pipeline being out of service will disproportionately impact these communities.¹⁴

The Staff of the Missouri Public Service Commission (“MoPSC”) has investigated the need for the Spire STL Pipeline this winter.¹⁵ The MoPSC Staff Report found, “[a]s a result of the significant alteration of Spire Missouri’s distribution system to accommodate the Spire STL capacity, there is a real risk of natural gas outages during the winter of 2021-2022 absent the availability of Spire STL capacity from both a flow and pressure standpoint.”¹⁶

Restoring lost natural gas service to Spire Missouri’s customers as a result of such outages would also present formidable challenges and hazards for Spire Missouri, its employees and its customers.¹⁷ If occurring in the winter heating season, the impacts could, therefore, result in a loss of life and property similar to, or worse than, those seen in Texas during Winter Storm Uri in 2021.¹⁸

¹³ *Id.*, ¶ 27.

¹⁴ *Id.*, ¶ 29. See http://www.stlamerican.com/news/columnists/guest_columnists/st-louis-needs-the-stl-pipeline/article_d179c458-0b44-11ec-996c-5771797743ac.html.

¹⁵ “Staff Investigation Report,” *Spire STL Pipeline*, File No. GO-2022-0022, issued August 16, 2021. (“MoPSC Staff Report”).

¹⁶ MoPSC Staff Report at 9.

¹⁷ *Id.*, ¶¶ 23-25.

¹⁸ See *id.*, ¶ 26.

Mr. Carter further demonstrated the actual, and substantial, benefits provided by the STL Pipeline during Winter Storm Uri in February 2021, without which Spire Missouri's customers would have likely experienced gas service outages and, even if such outages were to be avoided, far higher costs.¹⁹ Critically, Spire Missouri estimated that without the STL Pipeline, Winter Storm Uri would have resulted in up to 133,000 customers being without gas service. Alternatively, total gas costs for St. Louis-area customers would have increased by up to \$300 million (assuming Spire Missouri would even have been able to serve all of its customers).²⁰ On an individual customer basis, this means that each of Spire Missouri's customers could have saved up to \$345 in 2021 as a result of the service provided by STL Pipeline during Winter Storm Uri.²¹

These disastrous impacts were avoided by Spire Missouri as a direct result of its access to STL Pipeline's more diverse supplies.²² Although natural gas production declined during Winter Storm Uri, primarily driven by declines in Arkansas, Oklahoma, Texas, and Louisiana, the Appalachian Basin that the STL Pipeline accessed saw little to no impact.²³ As a result, Spire Missouri was able to provide reliable gas service to its customers with minimal cost impact during this weather event. Without the STL Pipeline, Spire Missouri expects that customers would have lost gas service on eight of the nine days from February 11, 2021 to February 19, 2021, with a peak of roughly 133,000 customers without service on February 15, 2021.²⁴

Furthermore, the significant risks associated with the loss of natural gas due to a cessation of STL Pipeline service cannot be addressed by Spire Missouri attempting to reverse the changes to its supply portfolio, system, and operations leading up to and since STL Pipeline commenced

¹⁹ *Id.*, ¶¶ 30-35.

²⁰ *Id.*, ¶ 31.

²¹ *Id.*, ¶ 31.

²² *Id.*, ¶ 32.

²³ *Id.*, ¶ 32.

²⁴ *Id.*, ¶ 33.

service.²⁵ Mr. Carter fully explained that any attempts by Spire Missouri to replace STL Pipeline with pre-existing alternatives would involve numerous risks and costs if such attempts could even be completed. Crucially, however, Spire Missouri cannot implement adequate alternatives in time for the upcoming 2021-2022 heating season.²⁶

Spire Missouri is attempting to make contingency plans to ensure customers have continued access to affordable, reliable gas supply in the event STL Pipeline is taken out of service, including discussions with Enable MRT, MoGas, Southern Star Central, and other pipelines regarding available capacity. But today, and for the 2021-2022 winter season, there currently is no viable alternative to replace the supply delivered to St. Louis by STL Pipeline to ensure reliable service to customers. For these reasons and those discussed in the Carter Affidavit in detail, if STL Pipeline ceases service, Spire Missouri does not have sufficient natural gas supply to meet the demands of the St. Louis region during the upcoming winter season, and Spire Missouri faces the prospect of major losses in natural gas service during cold weather events, with attendant hardships to the residents of Missouri – particularly the most vulnerable – including a significant potential for loss of life.

Therefore, Spire Missouri submits these Comments in Support of the Temporary Emergency Certificate Application of Spire STL and strongly supports the issuance of a Temporary Emergency Certificate to permit the STL Pipeline to continuing operating for the upcoming 2021-2022 winter heating season and beyond, as necessary.

²⁵ See *id.*, ¶¶ 36-47.

²⁶ See *id.*, ¶¶ 38-46.

B. The severe negative impacts of a cessation of operations over the STL Pipeline are further illuminated by the comments of other entities involved in the greater St. Louis region.

As of September 3, 2021, a number of other affected entities have submitted letters and pleadings in support of the approval of the Spire STL Emergency Application, showing the breadth of support for the STL Pipeline and illuminating the need for continued service. Those supporting entities include: the MoPSC, the state agency charged with regulating natural gas utility service in Missouri;²⁷ an interstate natural gas pipeline serving Missouri natural gas markets, including Spire Missouri;²⁸ another natural gas utility serving regional markets (and which had earlier opposed the original certificate application);²⁹ regional essential and emergency service providers;³⁰ the airport authority for the St. Louis international airport;³¹ the Governor of Missouri and Missouri Lieutenant Governor;³² a community service organization;³³ national³⁴ and regional trade associations,³⁵ union organizations,³⁶ a natural gas marketer serving more than 50 commercial and

²⁷ “Response of the Public Service Commission of the State of Missouri to the Application of Spire STL Pipeline LLC for a Temporary Emergency Certificate, or, in the Alternative, Limited-Term Certificate,” filed July 29, 2021 (“MoPSC Comments”).

²⁸ See Motion to Intervene Out-Of-Time of MoGas Pipeline LLC And Comments in Support, filed July 28, 2021. (“MoGas Comments”).

²⁹ Letter in support of Ameren Services Company, filed August 16, 2021.

³⁰ Letter of the St. Louis Sewer District, filed July 30, 2021 (“Sewer District Letter”); Letter of the Municipal League of Metro St. Louis, filed July 29, 2021 (“Municipal League Comments”).

³¹ Letter of the St. Louis Airport Authority and St. Louis Lambert International Airport, filed August 2, 2021.

³² Letter of the Hon. Michael L. Parson, Governor of Missouri, filed July 30, 2021; Letter of Missouri Lieutenant Governor Mike Kehoe, filed August 2, 2021.

³³ Letter of the United Way of Greater St. Louis, filed July 29, 2021 (“United Way Letter”).

³⁴ Comments of the American Gas Association, filed August 19, 2021;

³⁵ Letter of the Missouri Chamber of Commerce, filed July 30, 2021; Letter of Greater St. Louis, Inc., filed July 29, 2021; Letter of Associated Industries of Missouri, filed July 28, 2021; Letter of Missouri Grocers Association, filed July 29, 2021; Letter of Missouri Retailers Association, filed July 29, 2021.

³⁶ Letter of LiUNA Midwest Region, dated July 28, 2021, and Letter of LiUNA, Missouri and Kansans Laborers District Council filed July 29, 2021.

industrial customers behind Spire Missouri’s city gate;³⁷ other parties and customers;³⁸ the Missouri Department of Economic Development;³⁹ and numerous other elected local and state elected officials on behalf of their constituents.⁴⁰ Collectively, the statements made by these entities show the breadth of support for STL Pipeline, and illustrate the potential harmful impacts that would result if its operations were to cease due to a revocation of its certificate of public convenience. Spire Missouri notes in particular the comments filed by several of these entities.

Crucially, the MoPSC, which participated in the Dkt. No. CP17-40-000, et al. proceedings, urges the Commission to issue the emergency certificate in order to ensure continued service to Missouri consumers and businesses (MoPSC Comments at p. 1):

[T]he MoPSC requests the Commission take expedited action by granting a temporary emergency certificate, or, in the alternative, a limited-term certificate to Spire STL Pipeline LLC (Spire STL) for the STL Pipeline. Such action will allow Spire Missouri Inc. (Spire Missouri) to continue providing safe and adequate natural gas service to its retail customers as required by Missouri law, as the Commission proceeds with the matter of Spire STL’s certificate on remand.

These comments are bolstered by the conclusions of the MoPSC Staff Report, referenced above.

Spire Missouri submits that the support of the state regulator charged with ensuring continued secure natural gas service to consumers should carry substantial weight in this context.

³⁷ Motion to Intervene and Comments in Support of Symmetry Energy Solutions, LLC, filed August 23, 2021 (Symmetry serves “a combination of large and small commercial and industrial end-user customers, including primary and secondary schools, prisons, hospitals, critical infrastructure and industry users,” and also comments that it is familiar with a customer’s curtailment problems in using MRT for service to St. Louis).

³⁸ Letter of Louisa Food Products, Inc., filed July 29, 2021; Letter of Jost Chemical Co., filed July 21, 2021; Letter of Malinckrodt Specialty Generics, filed August 5, 2021; Letter of International Paper, filed August 3, 2021.

³⁹ Letter filed August 3, 2021.

⁴⁰ Other elected commenters in support include: the Mayor of St. Louis, Tishaura Jones; Missouri State Senators Doug Beck, Mike Cierpiot, Karla Eslinger, Karla May, Cindy O’Laughlin, Robert F. Onder, Jr., Bill White; Missouri State Representatives Paula Brown, Travis Fitzwater, Trish Gunby, William Kidd, Ed Lewis, Tracy McCreery, and John Simmons; and St. Louis County Executive Sam Page.

MoGas Pipeline LLC (“MoGas”) corroborates important factual elements of the Carter Affidavit, and Mogas also provides the perspective of an interstate natural gas pipeline that is operationally interconnected with the STL Pipeline. As MoGas explains, prior to its 2020 interconnection with STL Pipeline, “MoGas’ system could not accommodate new load requests stemming from...substantial geographic demand shift to the counties west of St. Louis.”⁴¹ After MoGas placed its interconnection with STL Pipeline into service, MoGas experienced numerous benefits, and the importance of these system benefits was highlighted during the extreme cold weather events of February 2021.⁴² Furthermore, MoGas detailed the numerous negative consequences that it and its customers would experience if operations ceased over the STL Pipeline.⁴³ Notably, without the continued operation of Spire STL, MoGas could not continue to meet the needs of the growing natural gas market to the west of St. Louis. Although the loss of Spire STL service would harm MoGas by reducing its overall system pressure and diversity of supply, the impact on customers to the west of St. Louis would be particularly severe (MoGas Comments at 10, emphasis added):⁴⁴

If STL Pipeline goes out of service, there would be a variety of negative consequences for MoGas and its customers. Operationally, MoGas’ system would revert to pre-December 2020. *MoGas would lack the required line pressure on its east leg to service natural gas demand west of St. Louis. Those customers would lose service immediately upon STL Pipeline going out of service.*

As MoGas also explains, it would take years to restore that service.⁴⁵

Local essential and emergency service providers have also addressed the significant downstream impacts of a loss of service due to the cessation of the STL Pipeline. In the Sewer

⁴¹ MoGas Comments at 5.

⁴² *Id.* at 9.

⁴³ *Id.* at 10.

⁴⁴ *Id.* at 10.

⁴⁵ *Id.*

District Letter, the regional sewer authority describes in detail how loss of natural gas service would have cascading destructive impacts on its infrastructure and its ability to clean and manage wastewater, with results “catastrophic for environmental and public health in our region.” Loss of natural gas, which is required to heat and treat waste solids at water treatment plants, would require the shutdown of key plants and the discharge of untreated waste into the Mississippi River, among other serious harms. Spire Missouri urges the Commission to review these comments closely, because they represent one of what would be a number of interconnected, downstream consequences of loss of natural gas service in the greater St. Louis area. Similarly, the Municipal League Letter states that when residents lose essential utility services, the burden to deploy emergency services falls on local municipal governments, with potential “financial devastation” for the smaller municipalities.

The United Way Letter highlights the disparate impact of loss of service on the large number of distressed families in communities in the seven eastern Missouri counties that it serves (emphasis added):

Far too many of those we support struggle to meet their basic needs and face tough decisions every day, such as paying rent, buying food, affording life-saving medicine, or heating and cooling their homes. *In St. Louis City and County, more than 56 percent and 40 percent of households, respectively, do not have the monthly income to meet these basic expenses. Losing access to affordable natural gas could mean an extra financial burden on families* and more tough decisions, like whether a parent can give their child a warm bath or a senior can make a hot meal.

These comments provide compelling additional grounds for granting STL Pipeline’s requested relief, by demonstrating the critical importance of the STL Pipeline in providing a reliable supply of natural gas to Missouri.

III. CONCLUSION.

WHEREFORE, for the foregoing reasons, Spire Missouri requests that the Commission consider its comments in support of the issuance of the Temporary Emergency Certificate, and that the Commission expeditiously approve the Spire STL Emergency Application.

/s/ Christopher J. Barr

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