

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

In the Matter of Spire Missouri Inc.’s d/b/a)
Spire Request for Authority to Implement a) **File No. GR-2021-0108**
General Rate Increase for Natural Gas)
Service Provided in the Company’s)
Missouri Service Areas)

**APPLICATION TO INTERVENE OUT OF TIME OF
VICINITY ENERGY KANSAS CITY, INC.**

Comes Now Vicinity Energy Kansas City, Inc. (“Vicinity”), and pursuant to 20 CSR 4240-2.075(10), files its Application to Intervene Out of Time in the above referenced matter. In support of its Application, Vicinity states as follows:

A. Background and Introduction

1. Vicinity is a “Heating Company” and a “Public Utility” as those terms are defined in Sections 386.020(20) and 386.020(43). Vicinity is also the largest transportation customer on the Spire Missouri, Inc. (“Spire”) system.¹ Moreover, to a certain extent and under certain circumstances, Spire’s services and Vicinity’s services are substitutable, which makes Spire not only Vicinity’s service provider, but also a competitor. As such, Vicinity will be uniquely affected by the rate changes proposed in this case.

2. Spire filed its tariffs, testimony and Minimum Filing Requirements requesting a general rate increase on December 11, 2020. The Commission issued its “Order Giving Notice, Setting a Deadline to Intervene, Setting a Deadline to Respond to the Test Year, and Directing a Proposed Schedule” on December 23, 2020. That order set an intervention deadline of January 19, 2021, a somewhat shorter period than the default 30 day period in 20 CSR 4240-2.075(1), and one that encompasses three national holidays.

¹ Vicinity believes that it is the largest transportation customer, but even if it is not, it is certainly one of the largest.

3. 20 CSR 4240-2.075(3) generally sets forth the standards that the Commission will use when deciding to grant an application to intervene:

- (3) The commission may grant a motion to intervene or add new member(s) if—
 - (A) The proposed intervenor or new member(s) has an interest which is different from that of the general public and which may be adversely affected by a final order arising from the case; or
 - (B) Granting the proposed intervention would serve the public interest.

Although the rule sets forth two criteria, and meeting either one is sufficient to grant intervention, Vicinity's proposed intervention meets both. Vicinity is one of a very small number of Spire's customers that is itself a public utility regulated by this Commission and serving customers under this Commission's protection. Vicinity competes with Spire for space heating and industrial process customers. Vicinity is also a very large transportation customer; indeed it is so much larger than the average transportation customer that it will be uniquely – and very adversely – affected by one of Spire's proposed changes in this case. Thus Vicinity meets the criteria in 20 CSR 4240-2.075(3)(A). It also meets the criteria in 20 CSR 4240-2.075(3)(B). As a regulated public utility itself, Vicinity seeks intervention not only to protect its own interests, but the interests of its customers. Protecting the interests of these customers clearly would serve the public interest.

4. Because the intervention deadline set by the Commission in its December 23 order has passed, Vicinity must demonstrate good cause for its intervention to be allowed out of time pursuant to 4 CSR 240-2.075(10). The following section of this Application sets forth good cause for allowing intervention out of time.

B. Good Cause to Grant Application to Intervene Out of Time

1. As noted above, Vicinity believes that it is the largest transportation customer on Spire's system. Despite that standing, Vicinity did not get direct notice of the rate case filing from Spire. In fact, as of the time of filing this Application, Vicinity has received no information whatsoever from Spire about this rate case. Vicinity, in its last rate case (HR-2018-0341) provided

individual direct notice to every one of its customers. While not explicitly required by the Commission's rules, it is surprising that Spire has provided no notice and no information about this case to a customer like Vicinity. In addition, the Commission's December 23 order giving notice was not served on Vicinity. Vicinity only became aware of the case when it was approached by representatives of other Spire transportation customers.

2. Vicinity, formerly Veolia Energy Kansas City, Inc., has recently been through (and indeed is still going through) a major corporate reorganization. Vicinity has new owners and new senior management who were not with Vicinity during the last Spire rate case. Although Vicinity diligently examined the Spire filing once it became aware of it (on Friday Feb 12th), this turnover caused delays in analyzing and understanding the potential impact on Vicinity. Also, even though Vicinity is a very large customer in terms of throughput volume on Spire, it is a relatively small operation in terms of on-site personnel, and all corporate and regulatory personnel are located with the new management in Boston and Chicago. It does not have staff in-house dedicated to examining rate increase requests from its suppliers.

3. The potential impact of Spire's filing on Vicinity is very significant, but not readily apparent – another factor leading to the delay in seeking intervention. None of the public notifications (Spire's Minimum Filing Requirements ("MFRs"), the Commission's December 23 order) disclosed the impact. The MFRs note the overall increase and even the increase to the transportation class as a whole. But the real impact on Vicinity comes from Spire's proposal to change the transportation rates from two blocks to one, and this proposal is not addressed in any of the public notifications. It is not discussed in the testimony of either of the witnesses identified as addressing rate design issues (Wesley E. Selinger and Scott A. Weitzel). Witness Selinger has a cursory description of the proposed transportation rates at page 27 of his Direct Testimony, but no explanation of the changes being made.

4. Only through a thorough analysis of the proposed transportation rates and a comparison to the currently-effective transportation rates (which are not even labelled as “Transportation” rates, but as “Large Volume” rates) could Vicinity determine that it would be severely impacted by the proposal in this case. Because of the issues discussed above, and through no fault of Vicinity’s, it took some time before Vicinity even knew to perform this analysis and understand the impact that this case could have on its rates.

5. And that impact is huge. As noted above, Vicinity is currently billed through a two-block rate. Because it is such a large customer, almost all of its volumes are billed at the lower second-block rate. That second-block rate is now \$0.0430 per Ccf in the winter and \$0.0228 per Ccf in the summer. In this case, Spire proposes to collapse the two blocks into one, eliminate the summer/winter differential, and charge all volumes at \$0.0604 per Ccf. Without divulging customer-specific usage data in this public filing, the impact of such a proposed rate structure change on a customer like Vicinity that takes the vast majority of its volumes at the second-block rate of going from an unweighted average second block rate of \$0.03290 ($(\$0.0430 + \$0.0228)/2 = \0.03290) to a rate of \$0.0604 would be devastating. **Preliminary calculations show that the increase to Vicinity will be greater than 85%.** This 85% or greater increase would generally flow to Vicinity’s customers, which are already likely to be struggling with the impacts on their businesses from Covid 19.

6. Vicinity has not been lax or negligent about seeking to understand the potential ramifications of this case on Vicinity itself and its customers. As soon as Vicinity became aware of the proposed changes to the rates for transportation customers, it immediately took steps to understand the impact of those changes. Once that impact became clear, Vicinity expeditiously began to prepare this Application for filing. Any of the factors discussed in this section could reasonably be considered good case for seeking intervention out of time. Taken together, they irrefutably establish good cause.

C. Declarations Pursuant to 20 CSR 4240-2.075

1. Pursuant to 20 CSR 4240-2.075(2)(E), Vicinity states that its interests in the case and reasons for seeking intervention are as set forth above.

2. Pursuant to 20 CSR 4240-2.075(2)(F), Vicinity states that it opposes the proposed change to transportation rates discussed above, is unsure of the positions it will take on other issues in the case, and reserves the right to take positions on other issues as the case proceeds.

3. Pursuant to 20 CSR 4240-2.075(10), Vicinity states that it accepts the record established in this case, including the requirements of any orders of the commission, as of the date this Application is filed.

WHEREFORE, Vicinity Energy Kansas City, Inc. requests that it be granted intervention and be made a party to this case with all the rights and obligations attendant thereto.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties on the official service list for this case on this 16th day of February 2021.

/s/ Lewis Mills