

Exhibit No.:
Issue(s): *Tariff modifications*
Witness: *J Luebbert*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Direct Testimony*
Case No.: *GR-2022-0179*
Date Testimony Prepared: *September 9, 2022*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

DIRECT TESTIMONY

OF

J LUEBBERT

SPIRE MISSOURI, INC., d/b/a Spire

CASE NO. GR-2022-0179

Jefferson City, Missouri
September 2022

1
2
3
4
5
6
7
8

**TABLE OF CONTENTS OF
DIRECT TESTIMONY OF
J LUEBBERT
SPIRE MISSOURI, INC., d/b/a Spire
CASE NO. GR-2022-0179**

Spire Missouri West Vehicular Fuel Language.....2
Spire Missouri East Clarifying Language.....4
Tariff context of CNG sales.....5

1 A. The purposes of this testimony are to,

- 2 1. Recommend tariff language modifications to simplify the currently
- 3 effective rate schedules for service to the Spire Missouri West rate district
- 4 related to the sale of natural gas for use as a vehicular fuel,
- 5 2. Recommend reproducing this clarifying language in relevant rate schedules
- 6 for service in the Spire Missouri East rate district.

7 Note, these are two distinct issues that were also addressed in the direct testimony of Staff
8 witness Lisa M. Ferguson. The first issue relates to modifying the tariff for consistency between
9 Spire East and West regarding the sale of natural gas to those customers who then themselves
10 compress and use or sell the Compressed Natural Gas (“CNG”) and the second issue is the
11 compression and sales/use of CNG by Spire Missouri itself. Based upon legal guidance
12 provided by Staff Counsel, it is Staff’s position that sale of CNG by itself is not an activity
13 regulated by the Commission, but if a utility fails to substantially keep its CNG operations
14 separate and apart from its regulated operations, the Commission does have authority to
15 exercise oversight over the CNG activity. Sales of CNG are not currently authorized by the
16 Commission, nor addressed in any effective or suspended rate schedule in either Spire East’s
17 or Spire West’s tariffs. I will provide further information on this issue below.

18 **SPIRE MISSOURI WEST VEHICULAR FUEL LANGUAGE**

19 Q. Regarding the Spire Missouri West rate schedules, what language is currently
20 included concerning the sale of natural gas to a customer for that customer to then compress
21 and sell/use as vehicular fuel?

1 A. The following language is currently included under the Availability
2 section of Spire Missouri West's rate schedules for Small General Service ("SGS"),
3 Large General Service ("LGS"), Large Volume Service ("LV"), and Large Volume
4 Transportation Service ("LVT"):

5 Compression of natural gas for use as a fuel in vehicular combustion
6 engines-CNG

7 Applicable to gas service provided under contract to retail
8 distributors for the sole purpose of compressing natural gas for use
9 as a fuel in vehicular internal combustion engines.

10 Service under these schedules shall be through one or more meters
11 at the option of the Company, provided they are located at the same
12 premise. Service for any end use of gas other than the compression
13 of natural gas for vehicle use, such as space heating, water heating,
14 processing or boiler fuel use, is not permitted under these schedules
15 as provided.

16 When more than one meter or metering facility is set at a single
17 location for customer's convenience, a separate customer charge will
18 be applicable for each meter or metering facility installed.

19 The service provided under this rate schedule does not include the
20 provision of compression services or facilities.

21 Note, due to an obvious scrivener's error in the currently published tariff, for SGS and
22 LGS, the indentation reflected above was omitted, thus apparently limiting the applicability of
23 those rate schedules to only allow service of customers that intend to compress natural gas for
24 vehicular use and not allow service under those rate schedules for other common end uses such
25 as space heating, water heating, processing or boiler fuel use.

26 Q. Why is this language included in the SGS, LGS, LV, and LVT rate schedules?

1 A. In Spire Missouri's most recent general rate case,¹ Staff was a signatory to
2 a stipulation and agreement² that eliminated the Vehicular Fuel (VF) rate class, and
3 migrated those existing VF customers to the appropriate rate schedule based upon the
4 customers' annual usage.

5 Q. Is it necessary to retain this language in its entirety now that the customer
6 migration has occurred?

7 A. No. At this time, the only language necessary is as follows:

8 Service provided under this rate schedule does not include the provision
9 of compression services or facilities.

10 Service shall be through one or more meters at the option of the
11 Company, provided they are located at the same premise. When more
12 than one meter or metering facility is set at a single location for
13 customer's convenience, a separate customer charge will be applicable
14 for each meter or metering facility installed.
15

16 Q. Is any particular heading for this language or formatting of this language
17 necessary?

18 A. No, this language is applicable to the entirety of customers served on the SGS,
19 LGS, LV, and LVT rate schedules.

20 **SPIRE MISSOURI EAST CLARIFYING LANGUAGE**

21 Q. Do you recommend incorporating the language above into the comparable rate
22 schedules for service to Spire Missouri East customers?

¹ Case No. GR-2021-0108.

² Partial Stipulation and Agreement filed in Case No. GR-2021-0108 on July 30, 2021.

1 A. Yes. This language should be included in the rate schedules SGS, LGS, LV, and
2 TS for territories served as Spire Missouri East.³

3 **TARIFF CONTEXT OF CNG SALES**

4 Q. Do any currently effective tariff sheets permit Spire Missouri to refine and
5 compress natural gas for further sale to third parties as part of the Company's regulated utility
6 operations?

7 A. No.

8 Q. You have mentioned the term third parties as opposed to ratepayers that purchase
9 CNG. Is there a reason for this distinction?

10 A. Yes. Spire Missouri is a regulated natural gas utility that is subject to
11 Commission jurisdiction with a specified service territory. The ratepayers of Spire Missouri
12 are captive in that they are subject to the rates set by this Commission in Spire Missouri's tariff
13 and do not have the ability to choose their natural gas service provider. Third parties that
14 purchase CNG do not have the same limitations as Spire Missouri's ratepayers and have choices
15 for meeting their CNG needs. The third parties are open to purchase CNG from a variety of
16 sources and may choose to do so for a variety of reasons. As discussed by Ms. Ferguson,
17 Spire Missouri is not selling the CNG based upon a Commission approved rate as evidenced
18 by the lack of a Commission approved tariff and rate that specifies the compression and sale of
19 CNG as regulated activity on the part of Spire Missouri as a service to its customers.

³ Schedule JL-d2 attached, includes redline edits of the SGS tariff sheets in accordance with the Staff recommendations for Spire Missouri East and West. The edits contained therein should be substantially similar for the other rate classes discussed within this testimony.

1 Q. Is it possible that CNG sales are included as a regulated service under other
2 existing rate schedules, such as SGS, LGS, or LV?

3 A. No. Rule 20 CSR 4240-10.030 (16) Standards of Quality includes the
4 following language:

5 (16) Except by special authority from the commission for the delivery of a
6 higher service pressure, gas shall be furnished at not less than equivalent to four
7 inches (4") water column nor more than two pounds per square inch gauge
8 (psig) pressure measured at the inlet of the consumer's piping downstream from
9 the meter; provided, that with respect to any consumer whose rate of
10 consumption, based upon designed capacity of installed equipment, reaches or
11 exceeds four hundred fifty (450) cubic feet per hour, a utility, without obtaining
12 special permission, may furnish gas to the consumer at a maximum pressure
13 greater than two (2) psig if the utility shall determine that a greater pressure is
14 available and is desirable to effect economy in delivery or efficiency in
15 utilization of gas by the consumer. In those instances where the delivery
16 pressure to the consumer is greater than an equivalent to fourteen inches (14")
17 of water column, a regulator shall be required ahead of all gas consuming
18 equipment. The maximum pressure on any one (1) day at the inlet of the
19 consumer's piping downstream from the meter shall never exceed twice the
20 minimum pressure at that point on that day. At the time a utility establishes gas
21 service to any applicant a leakage test shall be made at the intended delivery
22 pressure to the consumer to insure that the applicant's fuel line is in a safe
23 condition; provided, however, if the maximum delivery pressure exceeds two
24 (2) psig then the customer's piping system shall be tested at one and one-half
25 (1 1/2) times the maximum delivery pressure. Service shall not be established
26 until the utility determines that this test has been properly made.

27 Rule 20 CSR 4240-10.030 (9) Standards of Quality includes the following language:

28 (9) When gas is to be tested under this rule, a cubic foot of gas shall be
29 taken to be that amount of gas which occupies the volume of one (1)
30 cubic foot when saturated with water vapor and at a temperature of sixty
31 degrees Fahrenheit (60°F) and under a pressure above zero (0) of thirty
32 inches (30") of mercury. For the purpose of measurement of gas to a
33 consumer at the stated delivery pressure, a cubic foot of gas shall be
34 taken to be the amount of gas which occupies a volume of one (1) cubic
35 foot under the conditions existing in the consumer's meter as and where
36 installed; provided, the meter is not subject to abnormal temperature
37 conditions. In cases where gas is supplied to customers through orifice
38 or positive displacement meters at other than stated delivery pressure, a
39 cubic foot of gas shall be defined to be that volume of gas which, sixty
40 degrees Fahrenheit (60°F) and at absolute pressure of 14.73 pounds per
41 square inch (psi) (thirty inches (30") of mercury) occupies one (1) cubic

1 foot; except that in cases where different bases that are considered by
2 the commission to be fair and reasonable are provided for in gas
3 sales contracts or in rules or practices of a utility, these different bases
4 shall be effective.

5 The pressures associated with CNG greatly exceed the ranges discussed in Rule 20 CSR
6 4240-10.030 (16); and there has not been an order by the Commission that sales of CNG are
7 fair and reasonable, as required under Rule 20 CSR 4240-10.030 (9).

8 Finally, the rate schedules for both Spire Missouri East and Spire Missouri West
9 contemplate the sale of natural gas to a defined customer, with all applicable rate schedule
10 charges payable by that defined customer on a monthly basis. Spire's tariff does permit a
11 customer of Spire Missouri to sell compressed natural gas to others, where that gas has been
12 compressed by a Spire customer past the Spire metering point; however there is nothing within
13 the existing Spire Missouri tariff that contemplates compression of gas into a CNG product for
14 sale by Spire Missouri to a direct customer of Spire Missouri.

15 Q. Does this conclude your direct testimony?

16 A. Yes it does.

**Case Participation of
J Luebbert**

Case Number	Company	Issues
EO-2015-0055	Ameren Missouri	Evaluation, Measurement, and Verification
EO-2016-0223	Empire District Electric Company	Integrated Resource Planning Requirements
EO-2016-0228	Ameren Missouri	Utilization of Generation Capacity, Plant Outages, and Demand Response Program
ER-2016-0179	Ameren Missouri	Heat Rate Testing
ER-2016-0285	Kansas City Power & Light Company	Heat Rate Testing
EO-2017-0065	Empire District Electric Company	Utilization of Generation Capacity and Station Outages
EO-2017-0231	Kansas City Power & Light Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2017-0232	KCP&L Greater Missouri Operations Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0038	Ameren Missouri	Integrated Resource Planning Requirements
EO-2018-0067	Ameren Missouri	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0211	Ameren Missouri	Avoided Costs and Demand Response Programs
EA-2019-0010	Empire District Electric Company	Market Protection Provision
GO-2019-0115	Spire East	Policy
GO-2019-0116	Spire West	Policy
EO-2019-0132	Kansas City Power & Light Company	Avoided Cost, SPP resource adequacy requirements, and Demand Response Programs
ER-2019-0335	Ameren Missouri	Unregulated Competition Waivers and Class Cost Of Service
ER-2019-0374	Empire District Electric Company	SPP resource adequacy
EO-2020-0227	Evergy Missouri Metro	Demand Response programs
EO-2020-0228	Evergy Missouri West	Demand Response programs
EO-2020-0262	Evergy Missouri Metro	Demand Response programs
EO-2020-0263	Evergy Missouri West	Demand Response programs

Case Number	Company	Issues
EO-2020-0280	Evergy Missouri Metro	Integrated Resource Planning Requirements
EO-2020-0281	Evergy Missouri West	Integrated Resource Planning Requirements
EO-2021-0021	Ameren Missouri	Integrated Resource Planning Requirements
EO-2021-0032	Evergy	Renewable Generation and Retirements
GR-2021-0108	Spire Missouri	Metering and Combined Heat and Power
ET-2021-0151	Evergy	Capacity costs
ER-2021-0240	Ameren Missouri	Market Prices, Construction Audit, Smart Energy Plan, AMI
ER-2021-0312	Empire District Electric Company	Construction Audit, Market Price Protection, PISA Reporting
EO-2022-0193	Empire District Electric Company	Retirement of Asbury
EO-2022-0129	Evergy Missouri Metro	MEEIA annualization
EO-2022-0130	Evergy Missouri West	MEEA annualization, Schedule SIL revenue and incremental costs
EF-2022-0155	Evergy Missouri West	Customer event balancing
EC-2022-0315	Evergy Missouri West	Compliance with Stipulation and Agreement, Commission Order, and Schedule SIL

Spire Missouri Inc. d/b/a/ Spire

For: Spire Missouri East

SMALL GENERAL GAS SERVICE (Spire East)
SGS

AVAILABILITY

This rate schedule is available for all gas service rendered by the Company to commercial or industrial customers, including space heating service, whose annual consumption, as described below, is less than 10,000 Ccf*.

Service provided under this rate schedule does not include the provision of compression services or facilities.

Service shall be through one or more meters at the option of the Company, provided they are located at the same premise. When more than one meter or metering facility is set at a single location for customer's convenience, a separate customer charge will be applicable for each meter or metering facility installed.

Rate – The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

Customer Charge – per month	\$37.31
Charge for Gas Used – per Ccf	\$0.22009

Minimum Monthly Charge – The Customer Charge.

Purchased Gas Adjustment – The charge for gas used as specified in this schedule shall be subject to an adjustment per Ccf for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 11..

Surcharges and Riders – Service provided hereunder shall be subject to the Infrastructure System Replacement Surcharge (ISRS) as set out on Sheet No. 12, and any license, occupation or other similar charges or taxes as authorized by Sheet No. 14.

Late Payment Charge – Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to outstanding balances under \$2 or to amounts being collected through a pre-arranged payment agreement with the Company that is current.

* Annual consumption for purposes of the "Availability" section above shall be based on the twelve months ended for the most recent fiscal year, except for new customers not connected to the Company's system during such period, in which case, the Company shall use estimated consumption, if the customer has not been connected to the Company's system for a full twelve months, or consumption for the first twelve month period in which the customer was connected to the Company's system. Such rate schedule shall be used for billing such customer until annual

DATE OF ISSUE:

DATE EFFECTIVE:

ISSUED BY: Scott A. Weitzel, Managing Director, Regulatory & Legislative Affairs
Spire Missouri Inc., St. Louis, MO. 63101

Spire Missouri Inc. d/b/a/ Spire

For: Spire Missouri East

consumption is re-determined by the Company, which redetermination shall be made annually, no later than December 31st each year. If such re-determined usage shows that the customer should receive service under a different rate schedule, the customer shall receive service under that new rate schedule until usage is again re-determined.

Other Terms and Conditions – Service provided hereunder is subject to the Company's General Terms and Conditions as approved by the Missouri Public Service Commission.

DATE OF ISSUE:

DATE EFFECTIVE:

ISSUED BY: Scott A. Weitzel, Managing Director, Regulatory & Legislative Affairs
Spire Missouri Inc., St. Louis, MO. 63101

Spire Missouri Inc. d/b/a/ Spire

For: Spire Missouri West

SMALL GENERAL GAS SERVICE (Spire West)
SGS

AVAILABILITY

To natural gas service supplied at one point of delivery to commercial customers and industrial customers whose natural gas requirements at a single address or location do not exceed 10,000 Ccf* in any one year. This rate is also applicable to U.S. Military Bases for redistribution without resale for normal domestic uses when individual housing facilities are utilized for base personnel, and where delivery of gas can be made through master metering installations for distribution through facilities provided, owned, and regularly maintained and operated by the Government.

Transportation service under this schedule is only available to schools receiving transportation service under the Experimental School Transportation Program (STP) tariff schedule on Sheet No 15.

~~Compression of natural gas for use as a fuel in vehicular combustion engines-CNG
Applicable to gas service provided under contract to retail distributors for the sole purpose of compressing natural gas for use as a fuel in vehicular internal combustion engines.~~

~~Service under these schedules shall be through one or more meters at the option of the Company, provided they are located at the same premise. Service for any end use of gas other than the compression of natural gas for vehicle use, such as space heating, water heating, processing or boiler fuel use, is not permitted under these schedules as provided.~~

When more than one meter or metering facility is set at a single location for customer's convenience, a separate customer charge will be applicable for each meter or metering facility installed.

~~The s~~Service provided under this rate schedule does not include the provision of compression services or facilities.

* Annual consumption for purposes of the "Availability" section above shall be based on the twelve months ended for the most recent fiscal year, except for new customers not connected to the Company's system during such period, in which case, the Company shall use estimated consumption, if the customer has not been connected to the Company's system for a full twelve months, or consumption for the first twelve month period in which the customer was connected to the Company's system. Such rate schedule shall be used for billing such customer until annual consumption is re-determined by the Company, which redetermination shall be made annually, no later than December 31st each year. If such re-determined usage shows that the customer should receive service under a different rate schedule, the customer shall receive service under that new rate schedule until usage is again re-determined.

DATE OF ISSUE:

DATE EFFECTIVE:

ISSUED BY:

Scott A. Weitzel, Managing Director, Regulatory & Legislative Affairs
Spire Missouri Inc., St. Louis, MO. 63101