BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Spire Missouri, Inc. d/b/a Spire for a Certificate of Convenience and Necessity to Construct, Install, Own, Operate, Maintain, and Otherwise Control and Manage a Natural Gas Distribution System to Provide Gas Service to a Single Customer in Barton County as an Expansion of its Existing Certificated Areas

Case No. GA-2019-0226

RESPONSE TO STAFF REPORT AND RECOMMENDATION

COMES NOW the Office of the Public Counsel ("OPC") and for its *Response* to the *Report and Recommendation* filed by the Staff of the Public Service Commission on February 15, 2019, in the above styled case, states as follows:

1. On February 5, 2019, Spire, Inc. ("Spire") filed its verified application in the above styled case seeking a Certificate of Convenience and Necessity ("CCN") permitting it to provide service to a single customer in Barton County.

2. As part of that application, Spire requested expedited treatment of the case.

3. On February 6, 2019, the Public Service Commission ("Commission") issued an *Order Directing Filing* that instructed its staff ("Staff") to file a recommendation in the above styled case no later than February 8, 2019.

4. Spire filed an amended application on February 7, 2019.

5. Staff filed a *Response* to the Commission's *Order Directing Filing* on February 8, 2019, indicating that it required additional information from Spire and anticipated that it would be able to file its recommendation on February 13, 2019.

6. On February 13, 2019, Staff filed a *Follow-up Response* stating that because of changes Spire had made to its application, Staff required additional time to file a recommendation and indicated that it would file on February 15, 2019.

7. Staff filed its *Report and Recommendation* on February 15, 2019.

8. As laid out in the *Report and Recommendation* and the attached and incorporated *Memorandum*, Staff recommended that the Commission approve Spire's request for a CCN subject to three conditions which are as follows:

- Reserve all rate making determinations regarding the revenue requirement impact of this service area extension request until the Company's next general rate making proceeding.
- Require Spire to file to update Tariff Sheet No. 20.1 incorporating the requested Sections for Barton County provided above.
- The Company shall file a certified copy of the document granting the Company the necessary consent or franchise or an updated affidavit by the Company attesting that it has received the necessary county consent for the requested service territory expansion, consistent with Commission Rule 4 CSR 240-3.205(1)(D) and 240-3.205(2).

9. The OPC does not oppose Staff's recommendation that the Commission approve Spire's request for a CCN subject to the three conditions set forth in Staff's *Report and Recommendation* and the attached and incorporated *Memorandum*.

10. The OPC wishes to make clear that this position is completely dependent on the three conditions set forth in Staff's *Report and Recommendation*

and the attached and incorporated *Memorandum*, which the OPC considers integral to resolving the outstanding issues it has with Spire's application.

11. In particular, the OPC notes the statement in Staff's attached *Memorandum* that "[b]ecause no additional service area extending the requested line beyond serving the prospective customer's irrigation need is being sought at this time and no potential customers or revenues have been provided the requested CCN does not appear to be an economically feasible extension of the Company's service area."

12. The OPC concurs with Staff's assessment that this proposed project does not appear economically feasible¹ and expects to raise this issue as part of the rate making determinations regarding the revenue requirement impact of this service area extension request in Spire's next general rate making proceeding.

WHEREFORE, the Office of the Public Counsel respectfully submits the forgoing *Response to Staff Report and Recommendation* for the Commission's consideration and requests such relief as appropriate.

Respectfully submitted, OFFICE OF THE PUBLIC COUNSEL

By: /s/ John Clizer John Clizer (#69043) Associate Counsel P.O. Box 2230 Telephone: (573) 751-5324 Facsimile: (573) 751-5562 E-mail: john.clizer@ded.mo.gov

¹ This is not the only concern that the OPC has regarding the economic feasibility of Spire's proposal. For example, the OPC also has concerns regarding the proper diameter of pipe that Spire should be using and the impact of that decision on the economic feasibility of the project. However, the OPC is willing to withhold these arguments until Spire's next general rate making proceeding.

CERTIFICATE OF SERVICE

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this 15th day of February, 2019.

/s/ John Clizer