

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

In the Matter of Spire Missouri, Inc.	)	
d/b/a Spire (East) Purchased Gas Adjustment (PGA	)	File No. GR-2021-0127
Tariff Filing	)	Tariff No. YG-2021-0110
	)	
In the Matter of Spire Missouri, Inc.	)	
d/b/a Spire (West) Purchased Gas Adjustment (PGA)	)	File No. GR-2021-0128
Tariff Filing	)	Tariff No. YG-2021-0111

**SPIRE MISSOURI INC’S RESPONSE TO MOTION OF PUBLIC COUNSEL,  
ENVIRONMENTAL DEFENSE FUND, MECG, AND CCM’S MOTION FOR  
PROCEDURAL SCHEDULE, AND REPLY IN SUPPORT OF STAFF’S RESPONSE  
THERE TO, AND RESPONSE TO STAFF’S RECOMMENDATION**

COMES NOW, Spire Missouri Inc., on behalf of its operating units, Spire East and Spire West (“Spire” or “the Company”) and for its Response in Opposition to the Motion of Public Counsel (“OPC”), the Environmental Defense Fund (“EDF”), Midwest Energy Consumers Group (“MECG”), and Consumers Council of Missouri (“CCM”) to establish a procedural schedule, and for its Reply in Support of Staff’s Response to the same, and for its Response to Staff’s Recommendations in the above cited cases, states as follows:

1. On November 9, 2020, Staff filed its Recommendations in these cases, approving the tariff sheets filed by the Company on an interim basis, subject to refund.
2. Also, on November 9, 2020, OPC, EDF, MECG, and CCM filed Comments thereon, and a Motion to Establish a Procedural Schedule in these cases.
3. On November 10, 2020, Staff filed its Response to the Comments and Motion of OPC, EDF, MECG and CCM. Staff’s response opposes the entry of a procedural schedule in these cases, and notes that there will be ample opportunity to explore the issues raised in OPC, EDF, MECG, and CCM’s filing once Staff files its final ACA report and recommendation on December 15, 2021.

### **The Commission Should Not Issue a Procedural Schedule at This Time**

4. While Spire understands the desire to obtain additional information surrounding the PGA costs associated with Spire STL Pipeline, setting a procedural schedule at this time is premature and inconsistent with Commission practice in these cases. As noted in Staff's Response, Staff has a long-standing practice and procedure for reviewing gas companies' PGA and ACA costs. The Company agrees that the Commission should withhold the ordering of a procedural schedule in these cases until such time as Staff has had the opportunity to initiate comprehensive discovery and to perform its duty to review and analyze Spire's gas purchasing decisions for the 2019-2020 ACA period and to submit its final report and recommendations to the Commission in December 2021. The discovery process that includes Spire STL Pipeline service will begin in January 2021, through the normal ACA review process. Again, given the fact that it will take Staff just over a year to complete its review and recommendation in these cases, setting a procedural schedule at this point would be premature.

5. Spire STL Pipeline charges were first filed in October 2019 and were part of the November 2019 Spire Missouri East PGA. The November 2019 PGA rates that included Spire STL Pipeline reservation charges resulted in a decrease in the PGA from \$0.45672 to \$0.41274. The reduction in PGA continued in the Company's most recent October 2020 filing. As Staff notes, many factors go into the PGA calculation, including over/under recovery, hedging, gas costs, pipeline costs, storage costs, and demand charges. PGA tariff rates that go into effect are on an interim basis subject to refund.

6. A gas utility needs to evaluate several inputs when planning gas supply outside of pipeline reservation price. The parties seeking a procedural order focus has been on pure pipeline or reservation costs. Basis price or regional gas prices need to be factored into an

overall delivered price, including fuel, commodity charges, and pipeline reservation charges to Spire Missouri's city gate. Changing supply and market conditions need to be factored. Operations and pressures on interstate pipelines and how that impacts Spire's system operations and pressures need to be factored. Supply diversity and grid resiliency need to be taken into account as well as peaking facilities and storage. Such qualitative factors must be considered by a natural gas utility when planning its supply portfolio.

7. EDF, OPC, MECG and CCM request that the Commission require Spire to file full support for its decision to enter into an affiliate transaction for new pipeline capacity with Spire STL Pipeline, and to justify its reasonableness. However, pursuant to paragraph 18.c of the Commission-approved Stipulation and Agreement in Case No. GM-2013-0254, Spire already provided a comprehensive report on the decision to transport on Spire STL to Staff and OPC on December 18, 2019. Much of EDF, OPC, MECG and CCM's Motion is devoted to re-litigating arguments already raised by EDF at the Federal Energy Regulatory Commission ("FERC"), relating to the need for the Spire STL Pipeline project. FERC considered and rejected these arguments in issuing a certificate for the project under the Natural Gas Act. EDF continues to press those arguments even now, in its appeal of FERC's decision currently pending at the United States Circuit Court of Appeal for the D.C. Circuit, (EDF v. FERC, Case Nos. 20-1016 and 20-1017 (Consolidated)). The Missouri Public Service Commission is not an appropriate venue to further litigate FERC's decisions, which are already subject to ongoing federal court review.

8. EDF, OPC, MECG and CCM also state that "The Company has never before sought to recover the costs of an interstate, affiliate transportation agreement through the Purchased Gas Adjustment/Actual Cost Adjustment ("PGA/ACA") tariff" (p.3). But the

Company has been recovering affiliated interstate transportation rates through the PGA for decades via its propane transportation agreements with Spire NGL Inc. f/k/a Laclede Pipeline Company, a FERC-regulated affiliate of Spire Missouri. These rates have continued to be reviewed and approved as part of the PGA process.

9. As Staff notes, Staff should be given the first opportunity to fully explore these and other questions relating to the inclusion of Spire STL Pipeline transactions in Spire's PGA filings.

**WHEREFORE**, Spire Missouri respectfully requests the Commission withhold the ordering of a procedural schedule in these cases until such time as Staff has had the opportunity to initiate comprehensive discovery and to perform its duty to review and analyze Spire's gas purchasing decisions for the 2019-2020 ACA period and to submit its final report and recommendations to the Commission in December 2021.

Respectfully submitted,

/s/ **Matt Aplington**  
Matthew Aplington MoBar #58565  
General Counsel  
Spire Missouri Inc.  
700 Market Street, 6<sup>th</sup> Floor  
St. Louis, MO 63101  
(314) 342-0785 (Office)  
Email: matt.aplington@spireenergy.com

/s/ *Goldie T. Bockstruck*  
Goldie T. Bockstruck MoBar #58759  
Director, Associate General Counsel  
Spire Missouri Inc.  
700 Market Street, 6th Floor  
St. Louis, MO 63101  
314-342-0533 Office (Bockstruck)  
314-421-1979 Fax  
Email: Goldie.Bockstruck@spireenergy.com

**ATTORNEYS FOR SPIRE MISSOURI INC.**

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing Response was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 12<sup>th</sup> day of November 2020 by hand-delivery, fax, electronic or regular mail.

*/s/ Goldie T. Bockstruck* \_\_\_\_\_

Goldie T. Bockstruck