

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

In the Matter of the Application of Summit Natural Gas)
of Missouri Inc., for Permission and Approval and a)
Certificate of Convenience and Necessity to Construct,)
Install, Own, Operate, Maintain, and Otherwise Control) File No. GA-2018-0396
and Manage a Natural Gas Distribution System to)
Provide Gas Service in Lawrence County as an)
Expansion of its Existing Certificated Areas)

SPIRE MISSOURI INC.’S RESPONSE TO STAFF RECOMMENDATION

COMES NOW Spire Missouri Inc. (“Spire Missouri” or “Company”) and, pursuant to the Commission’s July 30, 2018 Order Granting Intervention in this case, files this response to the Staff’s July 27 Recommendation, stating as follows:

1. On July 27, Staff made two recommendations in this case. First, Staff recommended approval of Summit’s request for a CCN to serve one particular property in Spire Missouri West service territory in Lawrence County, Missouri. Second, Staff recommended that the Commission grant Summit’s request for a variance from its obligation under a Stipulation and Agreement (the “Agreement”) between the predecessors of Summit and Spire Missouri in Case No. GA-2007-0168. The Agreement prohibits Summit from serving customers in Spire Missouri West territory.

2. In its Recommendation, Staff also noted Spire Missouri’s position in its Motion to Intervene (“Motion”) that Spire Missouri could support a variance for Summit under certain conditions. Staff stated that Spire Missouri did not specify those conditions.

3. In the Motion, Spire Missouri observed that, for more than a year, it has supported the one customer at issue in this case obtaining gas service at the family’s property, even though that service would be provided by Summit and not Spire Missouri. Spire Missouri continues to

support relief that will enable that family to obtain the benefits of natural gas service, and therefore does not object to Staff's first recommendation above.

4. As to the second recommendation, Spire is keenly interested in Summit's compliance with the Agreement, an issue that has become a matter of some concern. In a previous case, Staff disclosed that it had discovered five customers who were improperly receiving service from Summit in Spire Missouri territory. (See Staff Recommendation dated November 16, 2016 in Case No. GA-2017-0216) This does not include Summit's commitment to serve the property that is the subject of this case. (see Case No. GC-2017-0199)

5. Spire Missouri has been very cooperative with Summit and the customers Spire Missouri has lost, despite these transgressions. Spire Missouri would, however, like to resolve these issues in this case and avoid any future recurrence. Spire Missouri has suggested one potential solution that it believes could benefit future customers and both companies.

6. Therefore, Spire Missouri requests that the Commission defer approval of the requested variance pending, or condition approval of the variance on, a solution reasonably acceptable to Spire Missouri. A potential solution would involve the establishment of a transportation service on Summit's intrastate pipeline traversing Spire Missouri West service territory. Spire Missouri could use this transportation service when necessary to serve future customers from Summit's line. Under this solution, Spire Missouri West will be able to provide natural gas service to potential customers near Summit's pipeline, and Summit will be able to obtain revenue from providing a transport service while at the same time ensuring compliance with the Agreement.

7. Spire Missouri has preliminarily discussed this solution with Summit, and Summit has indicated a willingness to consider it. Spire Missouri requests that the variance requested by

Summit in this case be conditioned upon a long-term solution reasonably acceptable to Spire Missouri, such as the successful completion of the transportation tariff described above.

WHEREFORE, Spire Missouri respectfully requests that the Commission either defer approval of the variance requested by Summit, or grant the variance subject to approval of a solution reasonably acceptable to Spire Missouri as set forth above, and that the Commission grant Spire Missouri such other and further relief to which it may be entitled.

Respectfully requested,

SPIRE MISSOURI INC.

By: /s/ Rick Zucker

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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the parties to this case on this 6th day of August, 2018, by hand-delivery, e-mail, fax, or United States mail, postage prepaid.

/s/ Marcia Spangler