

**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 Permission and Approval and 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)
In Barry County, Missouri as an Extension of its Existing)
Certificated Areas)

File No. GA-2021-0216

**RESPONSE TO STAFF’S RECOMMENDATION
AND MEMORANDUM REGARDING SPIRE’S APPLICATION**

COMES NOW Spire Missouri Inc., d/b/a Spire (“Spire” or “Company”) and submits this response to the Recommendation and Memorandum filed by the Staff of the Missouri Public Service Commission (“Staff”) in the above captioned matter on April 19, 2021. In support thereof, Spire states as follow:

1. On April 19, 2021, the Staff filed its Recommendation and Memorandum (hereinafter “Staff Recommendation”) relating to its review of Spire’s application in the proceeding. In its Recommendation, Staff recommends the Commission approve the requested CCN in order for the Company to serve a poultry farm that requested gas service. Staff also recommends the Commission not approve the component of Spire’s application requesting a CCN for the remaining areas of Barry County, outside of the city of Wheaton.

POULTRY FARM CCN

2. The Company appreciates the Staff’s review of this project and is pleased that Staff is in favor of approval for this portion of the Company’s application. This is consistent with recent history, where the Company has applied for, and the Commission has approved, multiple CCNs for similar operations providing significant benefit to the requesting customers.

ADDITIONAL REQUEST FOR BARRY COUNTY

3. On pages 2 and 3 of its recommendation, Staff discusses several issues it has with the portion of the Company’s application for a CCN for the remainder of Barry County, outside of the city of Wheaton. Staff’s issues stem from what is known as the “Tartan” Factors set forth in the Tartan Energy Case¹ – criteria upon which the Commission has previously relied upon in determining whether or not an application is “necessary or convenient” for public service. These factors, include in sum:

- * a need for the facilities and service;
- * whether the applicant is qualified to own, operate, control and manage the facilities and provide the service;
- * the applicant has the financial ability for the undertaking;
- * proposal is economically feasible; and
- * the facilities and service promote the public interest.

While the Tartan Factors are criteria that the Commission may consider in making its determination, the Commission is not bound by past precedent and may consider other factors within its discretion in making this determination.

Economic Feasibility

Staff’s primary reasoning for recommending the Commission not approve this portion of the Company’s application is that it cannot determine the economic feasibility of the request. Regarding the poultry farm portion of the Company’s application, the Staff recommends approval of the CCN but makes it clear that it reserves all rights to make adjustments in a future rate case regarding the economic feasibility of this project. Staff has come to the same conclusion in all of Spire’s recent CCN cases. The Company has agreed with Staff on this in prior cases and continues

¹ In Re Tartan Energy, GA-94-127, 3 Mo.P.S.C. 3d 173, 177 (1994)

to agree that any projects would be subject to review in future general rate case. It is unclear why the Staff would not take a similar approach to the Company's additional Barry County request.

The Company has been expanding its service territory in Southwest Missouri based on future customer requests and has filed multiple, individual CCN requests over the past two years². In each of those cases, Spire has demonstrated that it performs an economic analysis for each project. These analyses have been provided to Staff and show that in instances where a customer contribution is required, the Company has required one. As described below, this request is about meeting the needs of Missourians and supporting economic development by making the CCN approval process more efficient.

As shown in the Company's application and exhibits, there is significant interest in extending natural gas service throughout Barry County. The Company has been approached by local farmers, businesses, and County officials regarding potential gas service. This includes letters from these potential customers interested in receiving natural gas service from Spire which are included in this filing as Exhibits 6 and 7 in both public and confidential version. These projects are creating economic development in this region and saving customers thousands of dollars in energy costs. If this were not the case, the Company would not continue to receive these requests. Based on the multiple inquiries Spire has received in this area, a whole county CCN is appropriate for Barry County, Missouri and creates efficient use of time and resources for Staff, the Company, and the Commission. The alternative is individual applications for each farmer, business or county project that takes months to complete. The effect of this alternative is not only to delay reduced energy costs for customers, but also to create uncertainty and the additional burden of timing and coordinating these fuel transitions in order to limit adverse impacts to customer operations. In

² Case Nos. GA-2019-0210, GA-2019-0214, GA-2019-0226, GA-2020-0105, GA-2020-0235, GA-2020-0236, GA-2021-0010

some cases, this has resulted in increased energy costs as customers needed to acquire additional short-term fuel supplies.

Pipeline Capacity

The Staff also raises the issue of whether pipeline capacity is available to serve the potential additional loads in Barry County. In discovery in this case, the Company provided information on its available capacity to serve this area and explained that it had no concerns about meeting these needs. Spire has an ongoing duty to provide reliable service to its customers, and that entails ensuring sufficient capacity to meet customer needs. Staff provided no follow-up requests or discovery regarding the Company's response on this subject, so their concern with load capacity is surprising and unfounded.

Summit Line Certificate

Staff also raises the issue of the line certificate held in Barry County by Summit Natural Gas ("Summit"). As shown in its application to intervene in this case, Summit does not provide natural gas service to customers in Barry County. Spire's system currently serves approximately half of the county. Spire's system serves the city of Monett, moves south towards the city of Purdy, continues to move further south to the city of Cassville, and then moves west to supply the city of Exeter. It is logical for Spire to continue to expand, serve, and bring value to the citizens of Barry County. A whole county application is appropriate in Barry County since there are no competing regulated natural gas companies doing business in the same area or county. Spire has no doubts that any potential additions that would require coordination between the two utilities could be addressed adequately and in an efficient manner with both utilities.

CONCLUSION

4. As stated above, the Company is pleased with Staff's recommendation regarding the poultry farm portion of Spire's application but disagrees with Staff's recommendation regarding the additional Barry County request. The Company's application is an attempt to address this need more efficiently by including the entire county rather than a piecemeal approach with each project having its own, individual case that takes additional time and resources of Staff, the Company, and the Commission. This application was filed January 12, 2021, just over four months ago. The average time to process the Company's CCN requests that have been received over the past two years is 3 months, in some cases taking over 4 months. This delay impacts Missourians and at times results in increased energy costs as potential Spire customers have needed to acquire additional short-term fuel supplies. As stated above, the Company has no issue with parties reviewing these projects in subsequent proceedings, but it is clear that addressing service area extension in a region with such customer need is not efficient and is in fact stifling growth and placing undue burden on the consumer. The Company has clearly demonstrated a CCN for Barry County is both necessary and convenient for the public service. Therefore, the Company recommends the Commission approve the additional Barry County request in this proceeding.

WHEREFORE, the Company requests that the Commission accept this Response to the Staff Recommendation.

Respectfully Submitted,

/s/Rachel L. Niemeier

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**ATTORNEYS FOR
SPIRE MISSOURI INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the Staff and the Office of the Public Counsel, on this 28th day of April, 2021 by electronic mail.

/s/ Rachel L. Niemeier

**Appendix 6 has been marked
as Confidential pursuant
to Commission Rule 20 CSR 4240-2.135(2)(A)1**

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Table in Appendix 7 has been marked as
Confidential pursuant to Commission Rule 20
CSR 4240-2.135(2)(A)1

