

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at the Commission's office in Jefferson City on the 7th day of December, 2023.

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 Platte County, Missouri as an)
Expansion of its Existing Certificated)
Areas)

File No. GA-2023-0441

**ORDER GRANTING CERTIFICATE
OF CONVENIENCE AND NECESSITY**

Issue Date: December 7, 2023

Effective Date: December 17, 2023

On June 28, 2023,¹ Spire Missouri, Inc., d/b/a Spire, filed an application with the Commission seeking a certificate of convenience and necessity (CCN) to construct, install, own, operate, maintain, and otherwise control and manage a natural gas distribution system to provide gas service in Platte County, Missouri, as a further expansion of its existing certificated area. The application also included a request to waive the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1) and a request to waive the feasibility study requirement of Commission Rule 20 CSR

¹ Unless otherwise noted, all date references are to the year 2023.

4240-3.205(1)(A)5.² The Commission directed notice and established an intervention deadline. The Commission received no applications to intervene.

On August 7, Spire filed an amended application which corrected the legal description of the proposed area subject to the requested CCN.

In Commission File No. GA-2023-0110, The Empire District Gas Company (“EDG”) d/b/a Liberty filed an application for a CCN for six sections in Platte County. Spire claimed it had assets and customers located within a portion of the proposed area subject to EDG’s CCN application. The Staff of the Commission (Staff), EDG, and Spire entered into a Stipulation and Agreement to apportion the CCN area between EDG and Spire. Per terms of the Stipulation and Agreement, which was approved by the Commission on June 1,³ Spire’s application and subsequent amended application requests a CCN for the area apportioned to it.

On September 28, Staff filed a recommendation that a CCN should be granted for the service area described in the amended application, subject to certain conditions. Staff also agreed with Spire’s position that good cause exists to waive the 60-day notice requirement.

On October 2, Spire filed a proposed revised tariff sheet, bearing an effective date of November 1 and assigned Tracking No. JG-2024-0044, which purported to include the area subject to the CCN request.⁴ On October 9, Spire filed a response to Staff’s

² Commission Rule 20 CSR 4240-3.205(1)(A)5 states that applications for a CCN by a gas company for a service area shall include the following:

A feasibility study containing plans and specifications for the utility system and estimated cost of the construction of the utility system during the first three (3) years of construction; plans for financing; proposed rates and charges and an estimate of the number of customers, revenues and expenses during the first three years of operations;

³ *Order Approving Stipulation and Agreement and Amending Order Granting Certificate of Convenience and Necessity*, File No. GA-2023-0110, issued June 1, 2023, effective June 11, 2023.

⁴ P.S.C. MO. No. 9, First Revised Sheet No. 21.15, Canceling Original Sheet No. 21.15.

September 28th recommendation, stating that it agreed with all of Staff's recommended conditions, except for the condition requiring it to quantify the assets included in rate base located in the area subject to the CCN request.

As there was not agreement between Spire and Staff on all conditions to the granting of the CCN, on October 13, the Commission suspended Spire's proposed revised tariff sheet until December 31 and scheduled a prehearing conference.

On November 2, Spire and Staff filed a *Joint Filing to Amend Staff Condition and Request to Cancel Prehearing Conference*. The joint filing informed the Commission that the two parties had reached agreement on language for the condition requiring Spire to quantify the assets included in rate base located in the area subject to the CCN request.

The requirement for a hearing is met when the opportunity for hearing is provided and no proper party requests the opportunity to present evidence. No party requested a hearing in this matter; thus, no hearing is necessary.⁵

The Commission may grant a gas corporation a CCN to operate after determining that the construction and operation are "necessary or convenient for the public service."⁶ The Commission articulated criteria to be used when evaluating applications for CCNs in *In Re Intercon Gas, Inc.*⁷

The *Intercon* case combined the standards used in several similar certificate cases, and set forth the following criteria (often referred to as the Tartan Factors):⁸

⁵ *State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Comm'n of the State of Missouri*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

⁶ Section 393.170.3, RSMo.

⁷ 30 Mo P.S.C. (N.S.) 554, 561 (1991).

⁸ See Report and Order, *In re Application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a Certificate of Convenience and Necessity*, Case No. GA-94-127, 3 Mo. P.S.C. 3d 173 (September 16, 1994).

(1) there must be a need for the service; (2) the applicant must be qualified to provide the proposed service; (3) the applicant must have the financial ability to provide the service; (4) the applicant's proposal must be economically feasible; and (5) the service must promote the public interest.

The assets installed in the requested service area were installed by Missouri Gas Energy (MGE) in 1997 and 2004 and service was started in 2000 and 2011, respectively. Spire acquired the assets through its acquisition of MGE in 2013.⁹ The assets in the area have historically served four residential rate class customers and one industrial rate class customer.¹⁰ Given the current and future needs of those customers, there is a need for the service.

Spire is qualified to provide the service, as it already provides gas service to customers in 31 Western Missouri counties.¹¹ Spire has the financial ability to provide the service, as there is no purchase price involved with the CCN request and Staff has no concerns with Spire's financial risk profile.¹²

In requesting a waiver of the requirement of Commission Rule 20 CSR 4240-3.205(1)(A)5 for a feasibility study, Spire states in its amended application that the assets in the requested service area were installed in 1997 and 2004 and that "any plans, specifications, or estimates are no longer available" for the installed assets.¹³ Given this

⁹ *Amended Application for Certificate of Convenience and Necessity for Platte County and Request for Waiver*, p. 3 (filed August 7).

¹⁰ *Staff Recommendation for Approval of Certificate of Convenience and Necessity*, Appendix A, p. 4 (filed September 28).

¹¹ *Amended Application for Certificate of Convenience and Necessity for Platte County and Request for Waiver*, p. 2 (filed August 7); *Staff Recommendation for Approval of Certificate of Convenience and Necessity*, Appendix A, p. 7 (filed September 28).

¹² *Staff Recommendation for Approval of Certificate of Convenience and Necessity*, Appendix A, p. 5 (filed September 28).

¹³ *Amended Application for Certificate of Convenience and Necessity for Platte County and Request for Waiver*, pp. 3, 5 (filed August 7).

limitation and given that Staff does not object to waiver of the feasibility study requirement, the Commission finds good cause to grant waiver of the requirement for this application. Furthermore, given that the assets in the service area are already installed and are not being purchased, the Commission finds that the addition of the requested certificated service area is economically feasible.

The Commission finds that Spire's application promotes the public interest by continuing to provide service to its existing customers in the requested service area.

Based on the amended application and Staff's recommendation, the Commission concludes that the factors for granting a certificate of convenience and necessity have been satisfied. The Commission further finds Spire's provision of gas service to the area, as described in its amended application and subject to the conditions agreed to by Spire and Staff, is necessary and convenient for the public service. Thus, the Commission will grant Spire a CCN to provide gas service within the area set out in the amended application, subject to the conditions recommended by Staff and agreed to by Spire.

The Commission will grant Spire's request for waiver of the 60-day case filing notice requirement under 20 CSR 4240-4.017. The Commission finds good cause exists for waiver based on Spire's verified declaration that it had no communication with the Commission regarding substantive issues likely to arise in this file within 150 days before filing its application.

Finally, so that service may continue to the customers and the revised tariff sheet can become effective on December 31, the Commission finds it reasonable for this order to be effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. Spire is granted a certificate of convenience and necessity, subject to the conditions set out below, to construct, install, own, operate, maintain, and otherwise control and manage a natural gas distribution system to provide gas service for the area in Platte County, Missouri described in its amended application as follows:

All of Section 1 Township 52 North Range 34 West.

All of Section 2, Township 52 North, Range 34 West except the following: Beginning at the Northwest Corner of Section 2 Township 52 North Range 34 West then south approximately 50', then east approximately 2,000' then north approximately 50', then west approximately 2,000' to point of beginning.

Part of the Southeast Quarter of the Southeast Quarter of Section 35, Township 53 North, Range 34 West: beginning at the southeast corner of the southeast quarter then west approximately 795', then north approximately 980', then then east approximately 795', then south approximately 980' to point of beginning.

2. Spire's CCN is subject to the following conditions:
- a. Spire shall initiate an internal audit of its processes and procedures regarding compliance with Commission Rule 20 CSR 4240-3.205 to ensure all of its regulated area of operation has been certificated by the Commission. The report shall also include steps taken to avoid constructing and/or operating in uncertificated areas in the future.
 - b. Spire shall provide its internal audit report to the Commission prior to filing for its next general rate case.
 - c. Spire shall file an updated tariff sheet incorporating the apportioned area.
 - d. Spire shall quantify the cost of the assets, as available in its financial records, included in rate base located in the area subject to the CCN request by using estimates of the cost of assets using the available information, such as averages of vintage years of 1997 and 2004, and project footages, as appropriate.
 - e. Spire shall hold ratepayers receiving service outside of the requested CCN area harmless from any expenses in excess of billed non-gas revenues.

3. No later than December 18, 2023, the Staff of the Commission shall file a recommendation on Spire's proposed revised tariff sheet, filed on October 2, 2023, and assigned Tracking No. JG-2024-0044.

4. The requirement to file a feasibility study pursuant to Commission Rule 20 CSR 4240-3.205(1)(A)5 is waived for this application.

5. The 60-day notice of case filing requirement is waived for this application.

6. This order shall become effective on December 17, 2023.



BY THE COMMISSION

A handwritten signature in black ink that reads "Nancy Dippell".

Nancy Dippell
Secretary

Rupp, Chm., Coleman, Holsman, Kolkmeyer
and Hahn CC., concur.

Seyer, Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 7th day of December 2023.



Nancy Dippell

Nancy Dippell
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

December 7, 2023

File/Case No. GA-2023-0441

MO PSC Staff

Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

**Office of the Public Counsel
(OPC)**

Marc Poston
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opc@opc.mo.gov

MO PSC Staff

Carolyn Kerr
200 Madison Street
Jefferson City, MO 65101
carolyn.kerr@psc.mo.gov

Spire

Matthew Aplington
700 Market Street
Saint Louis, MO 63101
matt.apl@spireenergy.com

Spire

J. Antonio Arias
700 Market Street, 6th Floor
St. Louis, MO 63101
antonio.arias@spireenergy.com

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Nancy Dippell
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.