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 21st day of December, 2023.

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 in Cass County, Missouri as an Expansion of its Existing Certificated Areas

File No. GA-2024-0100

ORDER GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY

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Issue Date: December 21, 2023

Effective Date: January 20, 2024

On September 22, 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 Cass 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). The Commission directed notice and established an intervention deadline. The Commission received no applications to intervene.

On December 7, the Staff of the Commission (Staff) filed a recommendation that a CCN should be granted for the service area described in the application, subject to

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

certain conditions. Staff also agreed with Spire's position that good cause exists to waive the 60-day notice requirement. Spire has not filed a response regarding Staff's recommended conditions.

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.²

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."³ The Commission articulated criteria to be used when evaluating applications for CCNs in *In Re Intercon Gas, Inc.*⁴

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):⁵ (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.

Natural gas service is not currently offered by another unregulated or regulated entity in the proposed service area. The developer of a subdivision contacted Spire about

² 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).

³ Section 393.170.3, RSMo.

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

⁵ 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).

extending Spire's natural gas distribution system in order to serve 50 lots for homes in the subdivision.⁶ Thus, there is a need for the service.

Spire is qualified to provide the service, as it already provides gas service to customers in the City of St. Louis and 41 counties throughout the state of Missouri.⁷ Spire has the financial ability to provide the service, as the project would be completed using internal funds and a contribution in aid of construction provided by the developer. There would be no changes in Spire's financial ratios and capital structure due to this CCN. Moreover, the proposed total cost of the project is less than 0.1% of Spire's annual capital expenditure average.⁸

Staff analyzed the impact of the proposed addition of assets on the revenue requirement based on the revenue requirement determined in Commission File No. GR-2022-0179 and concluded that the additional revenue requirement increase is immaterial and will not become a detriment to existing customers.⁹ In response to a Staff data request, Spire provided an economic model for rate revenues for 50 residential customers in a three-year scenario. Staff analyzed the model and concluded that the project appears economically feasible.¹⁰

The Commission finds that Spire's application promotes the public interest by serving an area where no other natural gas providers currently serve and in which service

⁶ Application for Certificate of Convenience and Necessity for Cass County and Request for Waiver, p. 3 (filed September 22).

⁷ Application for Certificate of Convenience and Necessity for Cass County and Request for Waiver, p. 2 (filed September 22).

⁸ Staff Recommendation for Approval of Certificate of Convenience and Necessity, Appendix A, p. 4 (filed December 7).

⁹ Staff Recommendation for Approval of Certificate of Convenience and Necessity, Appendix A, p. 3 (filed December 7).

¹⁰ Staff Recommendation for Approval of Certificate of Convenience and Necessity, Appendix A, p. 3 (filed December 7).

was requested of Spire by the developer of the proposed service area, who is providing a contribution in aid of construction.

Based on the 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 application and subject to the conditions recommended by Staff, and not objected to by Spire, 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 application, subject to the conditions recommended by Staff.

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.

THE COMMISSION ORDERS THAT:

1. Spire is granted a certificate of convenience and necessity (CCN), 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 Cass County, Missouri described in its application as Sections 24-25, Township 46 North, Range 32 West of Cass County and Section 30, Township 46 North, Range 31 West of Cass County.

- 2. Spire's CCN is subject to the following conditions:
 - a. Spire shall file an updated tariff sheet incorporating the additional certificated area granted by this CCN.

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- b. All rate making determinations regarding the revenue requirement impact of the extension of the service area granted by this CCN are reserved until Spire's next general rate making proceeding.
- 3. The 60-day notice of case filing requirement is waived for this application

pursuant to 20 CSR 4240-4.017(1)(D).

4. This order shall become effective on January 20, 2024.



BY THE COMMISSION

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 21st day of December 2023.



Wy Dippell

Nancy Dippell Secretary

MISSOURI PUBLIC SERVICE COMMISSION

December 21, 2023

File/Case No. GA-2024-0100

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

Office of the Public Counsel (OPC) Marc Poston 200 Madison Street, Suite 650 P.O. Box 2230 Jefferson City, MO 65102 opcservice@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

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

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

Sincerely,

Manay Dippell

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.