

**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 a Variance)
Of its Tariff Rules and Regulations for) **Case No. GE-2023-0393**
Resale of Natural Gas)

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, and for its *Staff Recommendation*, states as follows:

1. On May 19, 2023, Spire Missouri Inc. d/b/a Spire (“Spire Missouri”) filed an application (“*Application for Variance*”) requesting a variance from the resale provision of its tariff rules and regulations, specifically Sheet No. R-8, 8. Resale provision applicable to the resale of natural gas. The variance involves the City of Kansas City, Missouri (“City”), which has been joined as a party to the case; specifically, the variance would apply to a specific situation in the newly constructed terminal at Kansas City International Airport (“KCI”).

2. On May 24, 2023, the Commission entered an Order directing the Commission Staff to file a recommendation with regard to Spire’s application.

3. On June 30, 2023, KCI filed an *Application to Intervene* in this matter under 20 CSR 4240-2.075, which was granted by the Commission on July 13, 2023.

4. Staff has filed a series of Status Reports and Motions for Extensions. The latest was filed on April 26, 2024, in which Staff noted it was continuing discovery into this matter; asking additional data requests of Spire and the City; requesting clarification from Spire and KCI on a number of issues; and working on its own analysis.

5. On April 29, 2024, the Commission issued an order granting Staff's motion for an extension of time to file its recommendation and directing Staff to file a Recommendation or a Status Report no later than June 28, 2024.

6. As further described in the attached *Memorandum*, Staff reviewed the Company's *Application for Variance*, conducted discovery, reviewed applicable Commission rules and prior orders, and requested a formal interpretation from PHMSA regarding federal pipeline safety rule definition of a Master Meter System in 49 C.F.R. § 191.3 as related to the City's gas distribution system.

7. The City has not provided sufficient documentation for Staff to conclude that it is in compliance with the requirements of Commission rules 20 CSR 4240-40.030(4), (6)(G) and (6)(H), and sufficient evidence exists to assert that the City is not in compliance with Commission rules 20 CSR 4240-40.020(11)(A), and 20 CSR 4240-40.030(9), (10), (12)(C), (12)(D), (12)(H), (12)(J), (12)(K)10., (12)(P)6. and (12)(S).

8. For the reasons set forth in its attached Memorandum, Staff recommends the Commission deny Spire Missouri's Application for a waiver from the resale provision of its tariff rules and regulations, specifically Sheet No. R-8, 8. Resale provision applicable to the resale of natural gas as filed, in that the City, Spire's customer and operator of its system is not in compliance with Commission rules regarding pipeline safety.

9. Specifically, Staff recommends the Commission order Spire and the City to take actions to comply with the Commission's requirements set forth in 20 CSR 4240-40.020(11)(A), and 20 CSR 4240-40.030(4), (6)(G) and (H), (9), (10), (10)(J), (12)(C), (D), (H) and (12)(P)6., and (12)(S)1. and 2., as outlined in the attached *Memorandum*.

10. Staff recommends that the City of Kansas City take the following actions:
 - a. Take steps necessary to comply with the applicable Commission Rules listed and requirements set forth in 20 CSR 4240-40.020(11)(A), and 20 CSR 4240-40.030(4), (6)(G) and (H), (9), (10), (12)(C), (12)(D), (12)(H), (12)(J), (12)(K)10., (12)(P)6., and (12)(S)1. and 2., as outlined in the attached *Memorandum*;
 - b. Work with the operator of the Local Distribution Company (LDC), Spire, to replace the master meter system with individual service lines installed and operated by the LDC; and/or
 - c. Replace the gas appliances with electrical appliances, eliminating the need for and abandoning the master meter system piping.

11. Spire's *Application for Variance* also contained a request that the Commission waive the 60-day filing notice required by 20 CSR 4240-4.017(1).

12. Spire's *Application for Variance* provided a verified declaration that it had not had communication with the office of the Commission (as defined by 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issues likely to be in this case, and, therefore, Staff agrees good cause exists, pursuant to 20 CSR 4240-4.017(1)(D), to waive the 60-day notice requirement.

WHEREFORE, Staff respectfully submits its *Staff Recommendation* and the attached Memorandum for the Commission's information and consideration and hereby recommends the Commission deny Spire's *Application for Variance* of its tariff rules and regulations, specifically Sheet No. R-8, 8. Resale provision applicable to the resale of

natural gas, as filed, order Spire to take actions to comply with Commission's requirements set forth in 20 CSR 4240-40.020 and 20 CSR 4240-40.030, as set forth above, waive the 60-day notice requirement, and for such other orders and relief as is just under the circumstances.

Respectfully submitted,

/s/ Carolyn H. Kerr

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**ATTORNEY FOR STAFF OF THE
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 28th day of June, 2024.

/s/ Carolyn H. Kerr