

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

In the Matter of the Application of Spire)
Missouri, Inc.'s d/b/a Spire to Revise)
Transportation Service Tariffs.) **File No. GO-2024-0242**

STAFF RECOMMENDATION TO APPROVE TARIFFS

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and files its *Staff Recommendation to Approve Tariff Sheets* and states as follows:

1. On March 6, 2024, Spire Missouri, Inc., d/b/a Spire (“Spire” or the “Company”) filed an Application to Revise Transportation Tariffs and Request for Waiver from the 60-Day Notice Rule (“Application”), pursuant to 20 CSR 4240-2.060(1) and 20 CSR 4240-4.017(1), and 37 proposed tariff sheets (nos. 9 through 9.31 and 25 through 25.4) to revise its Transportation Service Tariffs for gas service. The tariff sheets (Tracking No. JG-2024-0124) had a proposed effective date of April 5, 2024.

2. On March 12, 2024, the Commission ordered Staff to file its recommendation regarding Spire’s revised tariff sheets no later than July 11, 2024.

3. On March 21, 2024 the Commission suspended the effective date of Spire’s tariff sheets until August 3, 2024, or until otherwise ordered by the Commission.

4. On July 8, 2024, Spire filed two substitute tariff sheets.

5. As noted in the attached Staff Memorandum, and incorporated herein, Staff has reviewed the tariff sheets filed under Tariff Tracking No. JG-2024-0124 on March 6, 2024, and as substituted on July 8, 2024, and recommends the Commission approve them or allow them to go into effect for service on and after August 3, 2024.

6. Staff has verified that Spire is not delinquent on any assessment and has filed its Annual Report. Furthermore, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

WHEREFORE, for the reasons stated above and in Staff's attached Memorandum, Staff recommends the Commission either issue an order approving the tariff sheets filed in this matter, and as substituted on July 8, 2024, under Tariff Tracking No. JG-2024-0124 or allow the same tariff sheets and as substituted to go into effect by operation of law for service on and after August 3, 2024.

Respectfully submitted,

/s/ Carolyn H. Kerr

Missouri Bar Number 45718

Senior Staff Counsel

Missouri Public Service Commission

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Attorney for Staff of the

Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all parties and/or their counsel of record this 11th day of July, 2024.

/s/ Carolyn H. Kerr

MEMORANDUM

TO: Missouri Public Service Commission
File No. GO-2024-0242, Tariff Tracking No. JG-2024-0124
Spire Missouri, Inc., d/b/a Spire (“Spire”)

FROM: Anne M. Crowe - Procurement Analysis Department
Michael Stahlman - Tariff/Rate Design Department

/s/ Anne M. Crowe July 11, 2024
Lead Senior Utility Regulatory Auditor

SUBJECT: Staff Recommendation for Approval of Spire Missouri, Inc., d/b/a Spire (“Spire”) Proposed Changes to its Transportation Service Tariffs

DATE: July 11, 2024

Case Background

On March 6, 2024, Spire Missouri, Inc., d/b/a Spire (“Spire” or the “Company”), filed an Application (“Application”), testimony, and 37 proposed tariff sheets to revise its Transportation Service Tariffs and Request for Waiver from the 60 Day Notice Rule with the Missouri Public Service Commission (“Commission”).

On March 11, 2024, Staff requested additional time to file its recommendation and for the Commission to suspend Spire’s tariff sheet Nos. 9 through 9.31 and 25 through 25.4 which bear an effective date of April 5, 2024.

On March 12, 2024, the Commission ordered Staff to file its recommendation regarding Spire’s revised tariff sheets no later than July 11, 2024. On March 21, 2024 the Commission suspended the effective date of Spire’s tariff sheets until August 3, 2024, or until otherwise ordered by the Commission.

On July 8, 2024, Spire filed two substitute tariff sheets.

Discussion

Spire’s Transportation Service tariffs were revised in its most recent general rate case¹ as part of the *Full Unanimous Stipulation and Agreement*. Transportation customers arrange to buy their own natural gas supply and transport it on interstate pipelines to Spire’s Citygate.² A majority of

¹ Case No. GR-2022-0179

² A Citygate is the interconnection point where gas is transferred from the interstate pipeline to the local distribution company.

transportation customers contract with a third-party Retail Gas Marketer (“RGM”) to buy their gas supply and transport it on their behalf to Spire’s distribution system. Transporters pay Spire to deliver their gas supply through the distribution system to their facilities.

Among the substantive changes, Spire proposes a May 1st notice requirement to switch from transportation service to sales service beginning October 1st, and that once the customer switches to sales service, the customer must stay on sales service for 12 months. Since transportation customers buy and transport their own supply, Spire does not include transportation customers’ usage in planning its natural gas portfolio. Requiring notice to Spire prior to switching to firm sales service allows Spire the time to incorporate the transporters’ usage in planning and acquiring gas supply and interstate pipeline capacity to serve its firm sales customers for the upcoming winter. Requiring the customer to remain on the firm sales service for 12 months prevents other customers from potentially absorbing additional interstate pipeline capacity costs associated with these customers.

Spire also proposes to add that a transportation customer must execute an RGM Addendum authorizing the RGM to act on the Customer’s behalf in nominating and managing the delivery of gas to the Company’s Citygate and interacting with the Company. Currently the Company requires an agent affidavit agreement for only the Spire West transportation customers. The proposed RGM Addendum will apply to both East and West transportation customers and make the agreements consistent for both operating divisions. The RGM Addendum has been added in proposed tariff sheet Nos. 25 through 25.4.

Currently, upon acceptance into the transportation class, the transporter, the RGM, and the Company agree on a Citygate for gas to be delivered during an Operational Flow Order (“OFO”)³. The Company proposes to determine this Citygate annually. The selection of the Citygate is a collaborative process between all the parties. Spire states it will only require a new contract and RGM Addendum if the Citygate location is changing. There may be instances where the RGM contracts for upstream interstate pipeline capacity for a term longer than one year and may need

³ Operational Flow Orders (OFO) may be issued to protect the operational integrity of the Company’s system or to ensure compliance with the requirements of an upstream interstate pipeline company. An OFO advises transportation customers to keep the amount of gas supply delivered to Spire’s system equivalent to the customers usage on a daily basis.

additional notice to change the Citygate. In response to Staff Data Request No. 0003, the Company acknowledges that there may be circumstances when the transportation customer and the RGM may need more than one heating season to change Citygate locations. In the event the transportation customer, RGM, and the Company cannot agree on the Citygate location, the tariff specifies the use of Alternative Dispute Resolution⁴.

Spire proposes to change the billing for unauthorized usage penalties so that RGMs are billed for these penalties rather than the individual transportation customers, unless the RGM becomes insolvent. RGMs are responsible for arranging gas supply, pipeline transportation, and making pipeline nominations⁵ on an aggregated basis on behalf of their transportation customers. Since RGMs make pipeline nominations for their customers on an aggregated basis, Spire does not have the information to compare an individual transportation customer's nomination with their usage to assess individual penalties to each transportation customer.

Due to Spire's proposed change of the RGMs being responsible for the payment of unauthorized usage penalties, Spire proposes to add credit requirements for RGMs to ensure the RGM has the ability to pay the unauthorized usage penalties if they are incurred. According to Spire's website, there are three marketers doing business in the Spire East service area. Two of these RGMs are privately owned companies and the other one is an affiliate, Spire Marketing. At this time, Staff does not have information to indicate that the credit provisions will give an unfair advantage to Spire Marketing. Spire states that the proposed creditworthiness provisions will not make any of the RGMs currently doing business with Spire ineligible⁶.

Spire proposes unauthorized use penalties be passed through the Purchased Gas Adjustment/Actual Cost Adjustment as a reduction to gas costs when they are collected instead of billed. This change goes along with the proposed change, making RGMs responsible for the payment of unauthorized usage penalties.

Spire proposes a revision to the tariff language to clarify the plus or minus 5% over or under-delivery tolerance level during an OFO and also clarifies usage will be compared to

⁴ 20 CSR 4240-2.125.

⁵ A nomination is a request, using the shipper's interstate pipeline contract, to transport a specific volume of gas from one location to another on the pipeline.

⁶ Data Request No. 0004

confirmed nominations to determine when penalties will be assessed. The proposed tariff changes clarify Spire’s current practice.

Spire proposes adding \$0.05 to the Texas Gas Zone 1 index price for OFOs. Spire states this was an oversight in the prior general rate case and makes the OFO index price consistent with the Cashout index price. Spire has not charged any OFO penalties since its last general rate case.

Based on Staff’s review of the proposed tariff changes, the Direct Testimony of Kristina Embry, and the data request responses, Staff is of the opinion the proposed transportation tariff changes are reasonable.

Staff Recommendation

Staff has reviewed the following tariff sheets, as filed on March 6, 2024, and as substituted on July 8, 2024, and recommends approval of the following tariff sheets to go into effect for service on and after August 3, 2024:

P.S.C. MO. No 9

<u>Filed</u>	<u>Canceling</u>
Second Revised Sheet No. 9	First Revised Sheet No. 9
Second Revised Sheet No. 9.1	First Revised Sheet No. 9.1
Second Revised Sheet No. 9.2	First Revised Sheet No. 9.2
Second Revised Sheet No. 9.3	First Revised Sheet No. 9.3
Second Revised Sheet No. 9.4	First Revised Sheet No. 9.4
First Revised Sheet No. 9.5	Original Sheet No. 9.5
First Revised Sheet No. 9.6	Original Sheet No. 9.6
First Revised Sheet No. 9.7	Original Sheet No. 9.7
First Revised Sheet No. 9.8	Original Sheet No. 9.8
First Revised Sheet No. 9.9	Original Sheet No. 9.9
First Revised Sheet No. 9.10	Original Sheet No. 9.10
First Revised Sheet No. 9.11	Original Sheet No. 9.11
Second Revised Sheet No. 9.12	First Revised Sheet No. 9.12
First Revised Sheet No. 9.13	Original Sheet No. 9.13
First Revised Sheet No. 9.14	Original Sheet No. 9.14
First Revised Sheet No. 9.15	Original Sheet No. 9.15
First Revised Sheet No. 9.16	Original Sheet No. 9.16
First Revised Sheet No. 9.17	Original Sheet No. 9.17
First Revised Sheet No. 9.18	Original Sheet No. 9.18
First Revised Sheet No. 9.19	Original Sheet No. 9.19
First Revised Sheet No. 9.20	Original Sheet No. 9.20
First Revised Sheet No. 9.21	Original Sheet No. 9.21
First Revised Sheet No. 9.22	Original Sheet No. 9.22

First Revised Sheet No. 9.23
First Revised Sheet No. 9.24
First Revised Sheet No. 9.25
First Revised Sheet No. 9.26
First Revised Sheet No. 9.27
First Revised Sheet No. 9.28
First Revised Sheet No. 9.29
Original Sheet No. 9.30
Original Sheet No. 9.31
Original Sheet No. 25
Original Sheet No. 25.1
Original Sheet No. 25.2
Original Sheet No. 25.3
Original Sheet No. 25.4

Original Sheet No. 9.23
Original Sheet No. 9.24
Original Sheet No. 9.25
Original Sheet No. 9.26
Original Sheet No. 9.27
Original Sheet No. 9.28
Original Sheet No. 9.29

Staff has verified that Spire is not delinquent on any assessment and has filed its Annual Report. Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

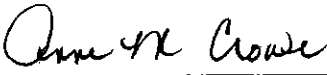
In the Matter of the Application of Spire)	File No. <u>GO-2024-0242</u>
Missouri Inc. d/b/a Spire to Revise)	Tracking No. JG-2024-0124
Transportation Service Tariffs)	

AFFIDAVIT OF ANNE M. CROWE

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW ANNE M. CROWE, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

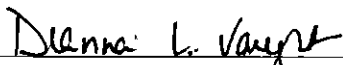


ANNE M. CROWE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 10th day of July 2024.

DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: July 18, 2027 Commission Number: 15207377



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI


In the Matter of the Application of Spire)
Missouri Inc. d/b/a Spire to Revise) File No. GO-2024-0242
Transportation Service Tariffs) Tracking No. JG-2024-0124

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MICHAEL L. STAHLMAN, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

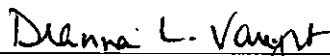
Further the Affiant sayeth not.



MICHAEL L. STAHLMAN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 9th day of July 2024.



Notary Public