

**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 18<sup>th</sup> day of July, 2024.

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

**File No. GA-2024-0257**

**ORDER GRANTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY**

Issue Date: July 18, 2024

Effective Date: August 17, 2024

On March 22, 2024,<sup>1</sup> 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 Newton 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 June 6, 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 certain

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<sup>1</sup> Unless otherwise noted, all dates refer to the year 2024.

conditions. Staff also agreed with Spire's position that good cause exists to waive the 60-day notice requirement. On June 17, Spire filed a response regarding Staff's recommendation in which it agreed to 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.<sup>2</sup>

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

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):<sup>5</sup> (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. Three potential commercial customers and three potential residential customers contacted Spire requesting service in the proposed

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<sup>2</sup> *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).

<sup>3</sup> Section 393.170.3, RSMo.

<sup>4</sup> 30 Mo P.S.C. (N.S.) 554, 561 (1991).

<sup>5</sup> 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).

service area.<sup>6</sup> In addition, a current commercial customer contacted Spire requesting service for an expansion of its business that would include two warehouses.<sup>7</sup> 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.<sup>8</sup> Spire has the financial ability to provide the service, as the project would be completed using internal funds.<sup>9</sup> There would be no alterations to 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.<sup>10</sup>

Staff analyzed the impact of the proposed addition of assets on the revenue requirement based on the revenue requirement determined in Spire's most recent rate case proceeding, Commission File No. GR-2022-0179, and concluded that the return for this project is greater than the overall return allowed in File No. GR-2022-0179. Therefore, no customer contribution would be required for this project.<sup>11</sup> Staff's analysis found that the effect on the revenue requirement indicates that the impact of authorizing this CCN will not be detrimental to the new customers or Spire's general body of ratepayers as Spire's expected revenues materialize.<sup>12</sup> Thus, Staff concluded that the project appears economically feasible.<sup>13</sup>

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<sup>6</sup> *Application for Certificate of Convenience and Necessity for Newton County and Request for Waiver*, p. 4 (filed March 22).

<sup>7</sup> *Application for Certificate of Convenience and Necessity for Newton County and Request for Waiver*, p. 3 (filed March 22).

<sup>8</sup> *Application for Certificate of Convenience and Necessity for Newton County and Request for Waiver*, p. 2 (filed March 22).

<sup>9</sup> *Staff Recommendation*, Appendix A, pp. 3-4 (filed June 6).

<sup>10</sup> *Staff Recommendation*, Appendix A, p. 4 (filed June 6).

<sup>11</sup> *Staff Recommendation*, Appendix A, p. 3 (filed June 6).

<sup>12</sup> *Staff Recommendation*, Appendix A, p. 6 (filed June 6).

<sup>13</sup> *Staff Recommendation*, Appendix A, p. 6 (filed June 6).

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 was requested by several potential commercial and residential customers.

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 Commission 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 Newton County, Missouri described in its application as Section 16 and Section 17, Township 26 North, Range 33 West of Newton County.
2. Spire's CCN is subject to the following conditions:
  - a. Spire shall continue working on the internal audit report of its processes and procedures regarding compliance with Commission Rule 20 CSR

4240-3.205 Filing Requirements for Gas Utility Applications for Certificates of Convenience and Necessity to ensure all of its regulated area of operation has been certified by the Commission.

- 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 Section 16 and Section 17, Township 26 North, Range 33 West of Newton County as part of its certificated area.
3. All ratemaking determinations regarding the revenue requirement impact of the extension of the service area granted by this CCN are reserved until Spire's next general ratemaking proceeding.
4. The 60-day notice of case filing requirement is waived for this application pursuant to Commission Rule 20 CSR 4240-4.017(1)(D).
5. This order shall become effective on August 17, 2024.



**BY THE COMMISSION**

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

Nancy Dippell  
Secretary

Hahn, Ch., Coleman, Holsman  
Kolkmeier, and Mitchell CC., concur.

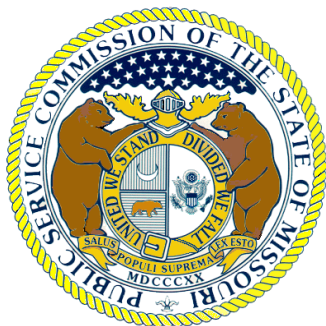
Seyer, Regulatory Law Judge

**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 18<sup>th</sup> day of July 2024.**



*Nancy Dippell*  
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**Nancy Dippell**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**July 18, 2024**

**File/Case No. GA-2024-0257**

**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**

Tracy Johnson  
200 Madison Street  
Jefferson City, MO 65101  
tracy.johnson@psc.mo.gov

**Spire**

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

**Spire**

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

**Spire**

Sreenivasa Dandamudi  
700 Market Street  
St. Louis, MO 63101  
sreenu.dandamudi@spireenergy.com

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

**Sincerely,**



**Nancy Dippell  
Secretary**

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