

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

In the Matter of the Application of Spire Missouri)
Inc. for a Certificate of Convenience and)
Necessity to Construct, Install, Own, Operate,)
Maintain, and Otherwise Control and Manage)
Natural Gas Distribution Systems in Cedar)
County, Missouri as an Expansion of its Existing)
Certified Areas.)

File No. GA-2025-0181

STAFF'S RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through the undersigned counsel, and for its Staff Recommendation, respectfully states as follows:

1. On December 10, 2024, Spire Missouri, Inc. d/b/a Spire filed an application requesting a Certificate of Convenience and Necessity ("CNN") to construct, install, own, operate, maintain and other wise control and manage a natural gas distribution system in Cedar County, Missouri, as an expansion of its existing certified areas and requesting a waiver from the notice provisions of the Commission. Additionally, Spire requested a waiver of the Commission's 60-day notice requirement under 20 CSR 4240-4.017(1). The Commission has set a due date of March 17, 2025, for Staff's Recommendation.

2. Staff has conducted a complete investigation. A Report of its investigation together with its findings and conclusions is attached as **Appendix A.**

3. Pursuant to § 393.170, of the Revised Statutes of Missouri ("RSMo"), no gas corporation shall provide service to consumers without first having obtained

approval from the Commission. In determining whether or not to grant such approval, the Commission has traditionally applied the five “Tartan Criteria”¹:

- (a) There must be a need for the service;
- (b) the applicant must be qualified to provide the service;
- (c) the applicant must have the financial ability to provide service;
- (d) the applicant’s proposal must be economically feasible; and
- (e) the service must promote the public interest.

4. The “term necessity does not mean essential or absolutely indispensable, but that additional service would be an improvement justifying its costs.”²

5. As explained in Staff’s Memorandum, Spire’s CCN application is to allow it to install 1,620 feet of plastic main and 760 feet of plastic service in order to provide natural gas service for a new manufacturing service located in the service area to be covered by the CCN. The proposed CCN service area is in Cedar County, Missouri. It does not abutt the service area of Empire District Gas Company (Empire), and Empire is not certified in Cedar County, Missouri. The area is adjacent to Spire’s certified area. Spire holds all necessary franchises and permits from municipalities, counties, or other authorities that are required.

6. Spire proposes to serve the customer under Spire’s currently effective Large General Service Tariff and apply its current rates as established in its most recent rate case, File GR-2022-0179. Staff attaches no rate base condition because no existing

¹ *In the Matter of Tartan Energy Company, et al.*, 3 Mo. PSC 3d 173, 177 (1994).

² *State ex rel. Intercon Gas, Inc. v. Public Service Com’n of Missouri*, 848 S.W.2d 593 (Mo. App. W.D. 1993).

asset exist in the area. Plant additions will be evaluated, as will rates, in Spire's next rate case.

7. Based on its investigation and findings, all as set out in its Memorandum, Staff concludes that the application meets the Tartan Factors.

8. Commission Rule 20 CSR 4240-4.017(1) provides, in part, as follows:

Any person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case. Such notice shall detail the type of case and issues likely to be before the commission and shall include a summary of all communication regarding substantive issues likely to be in the case between the filing party and the office of the commission that occurred in the ninety (90) days prior to filing the notice.

9. The rule provision specifically provides that good cause may be established by submitting a verified declaration that the filing party has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case.

10. Spire has attached the verified declaration of Trisha Lavin to its application that neither Spire nor any person or entity acting on behalf of the Company has had a communication with a member of the office of the Commission in the last 150 days regarding any substantive issues that are likely to arise in the case.

11. Staff recommends that the Commission grant the requested Rule 20 CSR 4240-4.017(1) waiver and the requested CCN, subject to the following conditions:

A. Spire shall file an updated tariff sheet incorporating Section 26, Township 36 North, Range 38 West of Cedar County.

- B. Spire shall hold ratepayers receiving service outside of the requested CCN area harmless from any expenses in excess of billed non-gas revenues.³
- C. Require Spire to create and keep financial books and records for plant-in-service, revenues, and operating expenses (including invoices) in accordance with the National Association of Regulatory Utility Commissioners (“NARUC”) Uniform System of Accounts; and
- D. Make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters in any later proceeding.

WHEREFORE, Staff requests that the Commission accept this Report and Recommendation as compliant with its orders.

Respectively Submitted,

/s/ Paul T. Graham

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 21st day of February 2025.

/s/ Paul T. Graham

³ The calculation of billed non-gas revenues should also exclude infrastructure system replacement surcharge (“ISRS”) revenues.