

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Spire )  
Missouri Inc. to Transfer Certain Assets to )  
Saint Louis University )

**File No. GM-2020-0292**

## ORDER DIRECTING NOTICE AND SETTING DEADLINES FOR INTERVENTION APPLICATIONS AND STAFF'S RECOMMENDATION

Issue Date: March 24, 2020

Effective Date: March 24, 2020

On March 18, 2020, Spire Missouri Inc. applied for authority to transfer to Saint Louis University six sections of Spire-owned gas distribution pipeline on the university's St. Louis campus.

Spire's application does not address the notice requirement of 20 CSR 4240-4.017 or seek a waiver of that requirement.

The Commission will direct notice be given and set a deadline for intervention applications. The Commission will direct Spire to supplement its application to address 20 CSR 4240-4.017. The Commission will also direct Staff to file a recommendation with regard to Spire's application.

### THE COMMISSION ORDERS THAT:

1. The Commission's data center shall provide notice of this order and Spire Missouri Inc.'s application to the Board of Aldermen for the city of St. Louis.
2. The Commission's Public Policy and Outreach Department shall provide notice of Spire Missouri Inc.'s application to the news media and members of the General Assembly representing residents of the city of St. Louis.

3. No later than April 28, 2020, Spire Missouri Inc. shall supplement its application to address the notice requirement of 20 CSR 4240-4.017 and any request for waiver under the rule.

4. Applications for intervention shall be filed no later than April 28, 2020. Any such filing shall be submitted through the Commission's electronic filing and information system or delivered to:

Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

5. No later than June 22, 2020, the Commission's Staff shall file either a recommendation regarding Spire Missouri Inc.'s application or a status report advising when it expects to file a recommendation.

6. This order shall be effective when issued.



**BY THE COMMISSION**

A handwritten signature in dark ink, reading "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Jana C. Jacobs, Regulatory Law Judge,  
by delegation of authority pursuant to  
Section 386.240, RSMo (2016).

Dated at Jefferson City, Missouri,  
on this 24th day of March, 2020.

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

In the Matter of the Application of Spire                     )  
Missouri Inc. to Transfer Certain Assets to                 ) Case No. GM-2020-  
Saint Louis University   )

**VERIFIED APPLICATION OF SPIRE MISSOURI INC.  
FOR AUTHORITY TO TRANSFER ASSETS**

**COMES NOW** Spire Missouri Inc. (“Spire” or “Company”) and, pursuant to Sections 20 CSR 4240-2.060 and 20 CSR 4240-10.105 of the Commission’s rules, files this application for authority to transfer and otherwise dispose of certain assets in its Spire East service territory to Saint Louis University (“SLU”). In support thereof, Spire respectfully states as follows:

**INTRODUCTION**

1. Spire is a public utility incorporated under the laws of the State of Missouri, with its principal office located at 700 Market Street, St. Louis, Missouri 63101. A Certificate of Good Standing evidencing Spire's standing to do business in Missouri is attached herein as Exhibit A. The information in such Certificate is current and correct.

2. Spire is engaged in the business of distributing and transporting natural gas to customers in Missouri as a gas corporation subject to the jurisdiction of the Commission. It’s operating unit, Spire East, provides gas service in eastern Missouri to customers in the City of St. Louis and the Counties of St. Louis, St. Charles, Crawford, Jefferson, Franklin, Iron, St. Genevieve, St. Francois, Madison, and Butler. Spire is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

3 Communications in regard to this Application should be addressed to the persons below:

Matthew Aplington  
General Counsel  
Spire Missouri Inc.  
700 Market Street, 6th Floor  
St. Louis, MO 63101  
314-342-0785 Office  
314-421-1979 Fax  
[matt.aplington@spireenergy.com](mailto:matt.aplington@spireenergy.com)

Goldie T. Bockstruck  
Director, Associate General Counsel  
Spire Missouri Inc.  
700 Market Street  
St. Louis, MO 63101  
314-342-0533 Office  
[Goldie.Bockstruck@spireenergy.com](mailto:Goldie.Bockstruck@spireenergy.com)

4. Other than cases that have been docketed at the Commission, Spire has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court which involve customer service or rates within the past three years of the date of this Application.

### **BACKGROUND**

5. In January 2018, SLU contacted Spire regarding SLU's desire to consolidate the facilities serving it and assume more responsibility for its own gas supply. Essentially, SLU wants to upgrade from a commercial customer to a transport customer under Spire's tariff so that SLU may purchase its own gas at wholesale rates.

6. Several months of discussions between Spire and SLU ensued regarding the changes that would need to be made to effectuate SLU's proposal. For SLU to serve gas to its own facilities, it needs its own gas distribution system. Rather than SLU build an entirely new gas distribution system on its campus, Spire agreed, pending Commission approval, to transfer to SLU certain segments of Spire's gas distribution system used to serve SLU (the "Assets"). In order to

minimize the amount of service disruption on campus, work surrounding the transfer of Assets was divided into six phases. Currently phases 1-5 have been completed with construction on phase 6 scheduled to begin late spring.

7. The transfer of these Assets may be considered subject to Commission jurisdiction. Therefore, Spire is submitting this Application pursuant to 20 CSR 4240-2.060, which governs applications generally, as well as 20 CSR 4240-10.105 (“Rule 10.105”), which governs the filing requirements necessary to request approval for the authority to sell, assign, lease or transfer assets,.

### **THE PROPOSED TRANSFER**

8. Pursuant to the requirements of Rule 10.105, Spire provides the following information:

A. 10.105(1)(A) Description of the Property to Be Transferred.

Spire seeks authority from the Commission to sell and transfer the Assets to SLU, consisting of six separate sections of its gas distribution system currently owned and operated by Spire in its Spire East service territory. The facilities represent 7,346 feet of pipeline in total, and range in age from one year to over sixty years old. All six sections are located within SLU’s property and will only be used to serve the SLU campus. All maintenance associated with the Assets after the transfer will be the responsibility of SLU. A more detailed description of the Assets, and any associated permits or certificates, is set forth in the bills of sale (Exhibit B), which is attached hereto and incorporated herein for all purposes.

B. 10.105(1)(B) Sale Agreement

Spire proposes to sell, and SLU has agreed to purchase, in six separate bills of sale, the Assets “for good and valuable consideration.” Although an amount is not set forth in each respective bill of sale, the assets are being transferred to SLU in exchange for \$139,116, which

reflects the cost to Spire to cut and cap the mains. The cutting and capping of mains separates SLU's system from Spire's, thereby enabling SLU to serve itself. The amount paid by SLU to Spire to cut and cap the mains exceed the fair market value of the assets, which is \$92,284 as calculated in Exhibit C. The bill of sale associated with each asset provide that Spire will transfer its facilities to SLU "as is," without warranties. SLU accepts all risk with respect to future use.

C. 10.105(1)(C)      Authorizations

The transfer of assets was approved at Spire's March 9, 2019 Board of Directors Meeting. In addition, verification of proper authority for the proposed sale is set forth in the verified affidavit of Craig Hoeferlin, which is attached hereto and incorporated herein for all purposes.

D. 10.105(1)(D)      Reasons Transfer is not Detrimental to the Public Interest

The proposed transactions are not detrimental to the interest of Spire, SLU or the Company's other customers. SLU benefits from being able to qualify as a transport customer under Spire's tariff, enabling SLU to purchase its own gas at wholesale rates. SLU is also able to purchase portions of Spire's distribution system at a cost less expensive than installing a new system. Spire and Spire's customers benefit from the sale because SLU is covering the costs to cut and cap the mains; this is a cost that Spire would otherwise have to incur if SLU installed its own system rather than purchase the Assets. In addition, the amount SLU is paying for the Assets equals or exceeds the fair market value of the Assets, which is \$92,284. Spire and its customers will also benefit from having to forego future maintenance costs related to these assets. Spire's distribution charges under the new arrangement are roughly the same as its current distribution charges. Therefore, these transactions will result in no additional costs to ratepayers.

Spire has also taken efforts to make sure that SLU is aware of the responsibilities associated with owning the Assets. Spire has had discussions with representatives of SLU regarding the maintenance associated with the distribution system, and has shared with SLU the relevant Commission safety rules, as exhibited in Exhibit D.

E. 10.105(1)(E) Balance Sheet and Income Statement

SLU is not subject to the Commission's regulatory jurisdiction; therefore, this Application does not include a balance sheet or income statement showing the impact of the proposed purchase on SLU.

F. 10.105(1)(F) Tax Revenue Impact

It is not anticipated that the transfer of the assets will have any material impact on the tax revenues of the political subdivisions in which the assets are located.

9. Spire will furnish any items required under Rule 10.105 that are unavailable prior to requesting final authorization for the sale of the Assets.

WHEREFORE, for the foregoing reasons, Spire respectfully requests that the Commission issue its Order authorizing the sale of its SLU assets on the terms and conditions set forth herein.

Respectfully Submitted,

/s/ Goldie T. Bockstruck

Goldie T. Bockstruck  
Director, Associate General Counsel  
Spire Missouri Inc.  
700 Market Street  
St. Louis, MO 63101  
314-342-0533 Office  
[Goldie.Bockstruck@spireenergy.com](mailto:Goldie.Bockstruck@spireenergy.com)

/s/Matthew Aplington

Matthew Aplington #58565  
General Counsel  
Spire Missouri Inc.  
700 Market Street, 6th Floor

St. Louis, MO 63101  
314-342-0785 Office  
314-421-1979 Fax  
[matt.aplington@spireenergy.com](mailto:matt.aplington@spireenergy.com)

**Certificate of Service**

I hereby certify that copies of the foregoing have been emailed to Staff and Public Counsel on this 18<sup>th</sup> day of March, 2020.

/s/ Goldie T. Bockstruck



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

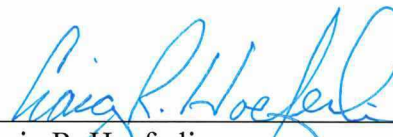
In the Matter of the Application of Spire                     )  
Missouri Inc. to Transfer Certain Assets to                ) Case No. GM-2020-  
Saint Louis University   )

**AFFIDAVIT OF CRAIG R. HOEFERLIN**

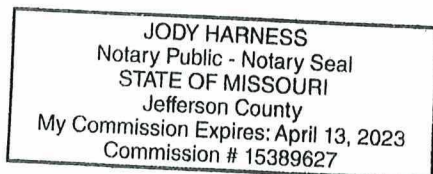
STATE OF MISSOURI   )  
  )       SS.  
CITY OF ST. LOUIS   )


Craig R. Hoeflerlin, of lawful age, being first duly sworn, deposes and states:

1. My name is Craig R. Hoeflerlin. I am the Chief Engineer for Spire Missouri Inc. My business address is 700 Market St., St. Louis, Missouri, 63101.
2. I affirm as an officer of Spire Missouri Inc., I have the proper authority to sign the attached Bills of Sale which are incorporated as part of the *Verified Application of Spire Missouri Inc. for Authority to Transfer Assets*, and to bind Spire Missouri to those Agreements.
3. I hereby swear and affirm that the statements contained herein and in the *Verified Application of Spire Missouri Inc. for Authority to Transfer Assets* are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Craig R. Hoeflerlin

Subscribed and sworn to before me this 16<sup>th</sup> day of March 2020.



  
\_\_\_\_\_  
Notary Public

**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 24<sup>th</sup> day of March 2020.**



  
**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**March 24, 2020**

**File/Case No. GM-2020-0292**

**Missouri Public Service  
Commission**

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**

Marc Poston  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
opc@psc.mo.gov

**City of St. Louis, Missouri**

Board Of Alderman  
City Hall  
1200 Market St  
St. Louis, MO 63103

**Missouri Public Service  
Commission**

Jamie Myers  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
jamie.myers@psc.mo.gov

**Spire**

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

**Spire**

Goldie Bockstruck  
700 Market Street  
St. Louis, MO 63101  
goldie.bockstruck@spireenergy.com

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

**Sincerely,**



**Morris L. Woodruff  
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.