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Witness:	Eric Bouselli
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SPIRE MISSOURI INC.
CASE NO. GA-2026-XXXX

DIRECT TESTIMONY
OF
ERIC BOUSELLI

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DIRECT TESTIMONY OF ERIC BOUSELLI

I. INTRODUCTION

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Eric Bouselli, and my business address is 700 Market Street, St. Louis, Missouri 63101.

Q. WHAT IS YOUR PRESENT POSITION?

A. I am the Manager, Regulatory Strategy & Forecasting for Spire Missouri Inc. (“Spire Missouri” or the “Company”).

Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.

A. I have been in my present position since January 2022. In this role, I am responsible for the advancement of regulatory programs and constructs and the related forecasting and modeling. Before being promoted, I was a Lead in Financial Reporting with most of my time devoted to serving as the financial liaison with the regulatory group during the Spire Missouri GR-2021-0108 rate case process.

Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE AT SPIRE MISSOURI.

A. I joined Spire Missouri in 2013 as a financial analyst. Since that time, I have worked in various positions within the Finance organization along with working on teams that implemented several IT software solutions and identified process improvements.

Q. PLEASE BRIEFLY DESCRIBE YOUR PREVIOUS PROFESSIONAL EXPERIENCE PRIOR TO JOINING SPIRE MISSOURI.

A. Prior to being employed by Spire Missouri, I was employed by RubinBrown LLP as an Analyst. I performed detailed analyses pertaining to business valuation, litigation support,

1 and other miscellaneous financial projects. I worked directly with clients and was involved
2 in project strategy formation. Among other things, I was also responsible for preparing
3 detailed reports summarizing analyses performed and conclusions reached as a result of
4 those analyses.

5 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

6 A. I graduated from the University of Missouri Trulaske College of Business in 2007 with a
7 Masters in Accounting. I also am a licensed certified public accountant in the state of
8 Missouri.

9 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI
10 PUBLIC SERVICE COMMISSION (“COMMISSION”)?**

11 A. Yes. I filed testimony in Case Nos. GR-2022-0179, GO-2024-0180, and GR-2025-0107.

12 **II. PURPOSE OF TESTIMONY**

13 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

14 A. The purpose of my testimony is to support the Company’s Application for a Certificate of
15 Convenience and Necessity (“CCN”) for a renewable natural gas (“RNG”) generation
16 facility, interconnection, and pipeline to Spire Missouri’s existing distribution
17 infrastructure (“Project”).

18 **Q. WHY IS SPIRE MISSOURI FILING THIS CCN APPLICATION?**

19 A. The Company is filing this CCN Application in accordance with Section 393.170 RSMo,
20 20 CSR 4240-2.060, 20 CSR 4240-3.205, and 20 CSR 4240-40.100. Additionally,
21 concurrently with this CCN Application, Spire Missouri is filing an application with the
22 Commission for approval of a renewable natural gas program (“RNG Program”) pursuant
23 to 20 CSR 4240-40.100.

1
2 **III. THE PROJECT**

3 **Q. WILL YOU PLEASE PROVIDE MORE INFORMATION ABOUT THE**
4 **PROJECT?**

5 A. The Project, which is a qualified investment¹ in renewable natural gas infrastructure², will
6 be located at 7300 Hawthorne Road, Kansas City, MO, at the Blue River Wastewater
7 Treatment Plant (“Blue River WWTP”) owned by the City of Kansas City, Missouri (“
8 Kansas City”) through its Water Services Department (“KC Water”). The Project will
9 consist of the construction of a biogas upgrading facility with a meter and regulation
10 interconnect at the Blue River WWTP. The Company will also construct 1,200 feet of 6-
11 inch steel to connect the new biogas upgrading facility to Spire Missouri’s existing
12 distribution infrastructure.

13 **Q. WHAT ARE THE OPERATING FEATURES OF THE PROJECT?**

14 A. KC Water is in the process of modifying the Blue River WWTP by upgrading the solids
15 handling facility with a thermal hydrolysis process and significant improvements to the
16 anaerobic digesters and other systems needed to support process operations. Biogas will
17 be produced from the digestion process and is a renewable energy source that may be used
18 for the creation of RNG once captured and cleaned. The biogas upgrading facility is
19 expected to receive approximately 307,500,000 scf of raw biogas per year which it will
20 then transform into over 175,000 MMBtu of pipeline quality gas. The gas will interconnect

¹ Section 386.895.1(4), RSMo, defines qualified investment as, “any capital investment in renewable natural gas infrastructure incurred by a gas corporation for the purpose of providing natural gas service under a renewable natural gas program.”

² Section 386.895.1(7), RSMo, defines renewable natural gas infrastructure as, “all equipment and facilities for the production, processing, pipeline interconnection, and distribution of renewable natural gas to be furnished to Missouri customers.”

1 to Spire Missouri's western distribution system. This amount of upgraded gas is enough to
2 supply approximately 2,500 residential customers in Spire Missouri's western service
3 territory.

4 **Q. HOW WILL THE COMPANY ENSURE THE UPGRADED GAS MEETS**
5 **PIPELINE GAS QUALITY STANDARDS?**

6 A. The Commission recently updated the gas quality standards found in 20 CSR 4240-10.030
7 to recognize the inclusion of RNG coming onto existing distribution systems and setting
8 standards to ensure pipeline quality and safety. As part of the Project interconnection,
9 Spire Missouri requires the upstream upgrading system to demonstrate that the gas to be
10 injected into the distribution system is a viable substitute for conventional, geological
11 natural gas. This includes removing impurities that might harm the pipeline or customer
12 appliances and ensuring that the gas has the same energy content as conventional gas so
13 that it does indeed serve as a substitute. These tests are performed by lab analysis prior to
14 commissioning and are continuously monitored during plant operations by dual gas
15 chromatographs. The gas chromatographs will communicate with the Company's Gas
16 Control Department through a Supervisory Control and Data Acquisition ("SCADA")
17 system in real time and will elicit alarms if an impurity reaches a set of pre-agreed-upon
18 limits so that gas can be diverted back to the upgrading system prior to reaching the upper
19 limits and being rejected.

20 **Q. WHAT HAPPENS IF INCOMING RNG DOES NOT MEET THE QUALITY**
21 **THRESHOLDS SET?**

22 A. First and foremost, Spire Missouri's focus is on customer and public safety and will not
23 inject the RNG into our distribution system until it meets the established quality thresholds.

1 In the event there is any off-specification gas, it will be diverted so it does not make it to
2 our customers.

3 **IV. AGREEMENT WITH THE CITY**

4 **Q. WILL YOU PLEASE PROVIDE A TIMELINE AND DETAILS OF THE**
5 **AGREEMENT WITH KANSAS CITY?**

6 A. Kansas City’s KC Water issued a public request of interest to beneficially utilize the biogas
7 generated by the Blue River WWTP in late calendar 2021 and a subsequent request for
8 proposal. Spire Missouri submitted its proposal on March 10, 2023. Multiple parties also
9 responded to KC Water’s requests, however, Spire Missouri was ultimately awarded the
10 contract in October 2023. On December 22, 2023, KC Water and Spire Missouri entered
11 into an agreement, (the “Agreement”³), and Spire Missouri received the notice to proceed
12 with work.

13 **Q. WILL YOU PLEASE PROVIDE A SUMMARY OF THE KEY TERMS OF THE**
14 **AGREEMENT WITH KC WATER?**

15 A. The Agreement provides that Spire Missouri will construct and operate the Project at the
16 Blue River WWTP site for an initial term of 20 years. During that term, KC Water will
17 lease the site to the Company for a nominal amount and transfer biogas generated from the
18 Blue River WWTP anaerobic digestion facility to Spire Missouri’s upgrading equipment
19 included in the Project. In return, Spire Missouri will share the revenue from the sale of
20 environmental attributes with KC Water.

21 **Q. WHAT KIND OF ENVIRONMENTAL ATTRIBUTES ARE EXPECTED FROM**
22 **THE BLUE RIVER WWTP RNG GENERATION?**

³ The Agreement is attached to the Application as Appendix 1.

1 A. RNG is the renewable fuel resulting from the upgrading of raw biogas. The environmental
2 benefits for these low or negative carbon intensity fuels can be tracked and delivered to
3 parties, via an instrument known as an environmental attribute (“EA”). These EAs can be
4 conveyed, sold, and retired and allow for the associated environmental benefits to be
5 tracked and transferred while maintaining the integrity of the emissions claims. To
6 generate EAs, there are data collection requirements, review and certification by third
7 parties to meet the required criteria, pipeline injection of the biogas produced, and then
8 finally applications are filed with the respective certifying agency to generate the
9 environmental attributes from that agency. For the Project, the intent is to generate and
10 sell attributes under the Federal Renewable Fuel Standard (“RFS”)⁴ in the form of the
11 Environmental Protection Agency’s D3 Renewal Identification Number (“RINs”).

12 **Q. WHAT PORTION OF RIN REVENUE IS TO BE SHARED WITH KC WATER?**

13 A. The Company will share 21% of the revenues received from the sale of the RINs, or
14 alternative EAs, with KC Water. This revenue sharing is intended to fully compensate KC
15 Water for the Company’s use of their facility to develop the Project and for the raw biogas
16 provided to Spire Missouri to upgrade and deliver to customers.

17 **Q. ARE THERE ANY BIOGAS QUANTITY MINIMUM THRESHOLDS THAT KC**
18 **WATER HAS TO DELIVER TO SPIRE MISSOURI?**

19 A. KC Water is obligated to provide a minimum amount of raw biogas on a quarterly basis.
20 In the event of a shortfall, KC Water will pay Spire Missouri a per-cubic feet amount of
21 \$0.015 for the unavailable volume. KC Water initially estimated that the annual expected

⁴ *Overview of the Renewable Fuel Standard Program*, U.S. EPA, May 7, 2025, <https://www.epa.gov/renewable-fuel-standard-program/overview-renewable-fuel-standard-program>.

1 volume of raw biogas is approximately 307,500,000 cubic feet, or approximately
2 77,000,000 cubic feet on a quarterly basis. Per the Agreement, this will be forecasted
3 annually.⁵

4 **V. THE TARTAN FACTORS**

5 **Q. WHAT ARE THE TARTAN FACTORS?**

6 A. The Tartan Factors were adopted by the Commission as guidelines for evaluating CCN
7 applications⁶ and are as follows: need for the project; economic feasibility of the project;
8 ability of the applicant to finance the project; qualifications of the applicant to construct
9 the project; and whether the project is in the public interest. An affirmative finding on the
10 first four factors generally leads to the conclusion that the public interest factor is satisfied.

11 **Q. IS THE PROJECT NEEDED?**

12 A. There are multiple factors demonstrating the need for the Project. Foremost, is KC Water's
13 identification that there is a beneficial use for the gas generated by the operations of the
14 Blue River WWTP and the solicitations it made to select a partner to aid in its efforts. KC
15 Water had multiple objectives it was trying to achieve including: supporting Kansas City's
16 Climate Protection and Resiliency Plan; complying with Federal, State, and Local
17 regulations; maintaining stable plant operations and ensuring compliance with the National
18 Pollutant Discharge Elimination System ("NPDES") discharge and air emissions permits;
19 and to utilize revenues and resources to offset KC Water's capital costs.⁷ For Spire
20 Missouri and its customers, this Project enhances the overall system resiliency and

⁵ Section 5.04 of Appendix 1 attached to the Application.

⁶ *In the Matter of Tartan Energy Company*, 3 Mo. PSC 3d 173, 177 (1994).

⁷ Request for Qualifications for Design-Build-Operate Services Contract for Project No. 81000992 – Contract Number 1663, Biogas Use Applications Project Water Services Department, City of Kansas City, Missouri.

1 reliability of Spire Missouri’s western distribution system with the addition of
2 approximately 175,000 MMBtu coming online, all generated within its service territory.
3 The nature of wastewater plants allows for the generation of gas for Spire Missouri
4 customers throughout the year, supporting the Company’s operations. The availability of
5 this gas will be operationally and economically beneficial to customers during the critical
6 winter months, when gas demand is high and prices may fluctuate. Highlighting the role
7 that RNG can play in the future of the natural gas industry, Spire Missouri also included
8 the Project in its 2024 Integrated Resource Plan (“IRP”) filed in Case No. GO-2025-0161.

9 **Q. IS THE PROJECT ECONOMICALLY FEASIBLE?**

10 A. The Project is economically feasible when examined on multiple fronts. When deciding
11 whether to pursue the Project, Spire Missouri estimated the average cost to generate gas
12 over the life of the Project and compared that to the estimated forecast of cost to procure
13 natural gas from traditional sources. As discussed in the Application and shown in
14 Appendix 5, the result of that analysis shows that the project is economical. The estimated
15 levelized⁸ cost of gas over the life of the project of ** [REDACTED] ** prior to
16 consideration of avoided gas costs. The estimated average cost of gas over the life of the
17 project after consideration of avoided gas costs is ** [REDACTED] **. The results
18 demonstrate the Project is prudent, just, and reasonable given the additional benefits from
19 natural gas being generated behind the city-gate, enhancing system resiliency and
20 reliability. This type of supply is more comparable to on-system storage, liquified natural
21 gas, compressed natural gas, etc. versus flowing gas coming from interstate natural gas

⁸ The levelized cost of gas is a cost per MMBTU measure that looks at the capital cost, fixed and variable O&M costs, and other costs, including rate of return, as well as offsetting revenues associated with the generated RNG over the life of the Project.

1 pipelines in terms of benefits and costs. There are also planned and expected sales of
2 environmental attributes, specifically RINs discussed above, into the compliance markets,
3 the resulting revenues of which will be used to reduce the levelized cost of gas of the
4 Project. Tax incentives under the Inflation Reduction Act of 2022 (“IRA”) are available as
5 well. These incentives, called investment tax credits (“ITCs”), will reduce costs of the
6 Project. There are additional requirements that a project must meet to qualify for the ITCs,
7 and the Company has taken the necessary steps to ensure the Project will qualify upon
8 completion. Finally, there will be avoided purchases of natural gas due to the generation of
9 over 175,000 MMBtu supplied annually to the distribution system.

10 **Q. DOES SPIRE MISSOURI HAVE THE ABILITY TO FINANCE THE PROJECT?**

11 A. Yes. Spire Missouri has the financial ability to construct the Project because it can access
12 the equity and debt capital necessary to do so. The Project is expected to cost approximately
13 **** [REDACTED] **** before consideration of any IRA tax incentives and interest capitalized
14 during construction. The Company has sufficient room to raise additional capital to fund
15 planned infrastructure investments, including this Project, due to the approval of the
16 application for financing authority in Case No. GF-2025-0053. The Project cost was
17 included in the capital expenditure plan supporting the financing application.

18 **Q. IS SPIRE MISSOURI QUALIFIED TO CONSTRUCT THE PROJECT?**

19 A. From the onset of KC Water’s request for interest in developing a biogas use application,
20 the Company partnered with Burns & McDonnell Engineering Company, Inc. (“Burns &
21 McDonnell”) in responding to KC Water’s requests. Burns & McDonnell has provided
22 services on more than 50 biogas and RNG projects and have assisted numerous clients with
23 all facets of biogas processing and beneficial use. Burns & McDonnell has a history of

1 working with KC Water and has performed work at the Blue River WWTP which increases
2 their operational knowledge of the planned Project location. As the engineering,
3 procurement, and construction vendor (“EPC”), Burns & McDonnell will bring that
4 experience to the Project. This will allow the Company to focus on leveraging its
5 experience interconnecting to different systems and installing natural gas pipelines to
6 connect the biogas upgrading facility to its gas distribution system.

7 **Q. IS THE PROJECT IN THE PUBLIC INTEREST?**

8 A. The Project is in the public interest. An affirmative finding on the first four factors
9 generally leads to the conclusion that the public interest factor is satisfied. The case for
10 the satisfaction of these factors was outlined above. Customers benefit through the system
11 resiliency and reliability provided by the 175,000 MMBtu of RNG generated by this
12 behind-the-city gate resource. Additionally, there are environmental considerations that
13 point to this being in the public interest. The Project will assist KC Water with improving
14 air quality near their wastewater facility by capturing emissions that otherwise would be
15 emitted into the air. KC Water estimates it will reduce greenhouse gas emissions by
16 approximately 20,000 tons of CO2 equivalent per year. For the reasons included in the
17 Application and my testimony, the Project is in the public interest and the Commission
18 should approve Spire Missouri’s Application for the requested CCN.

19 **VI. CONCLUSION**

20 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

21 A. Yes, it does.

