Exhibit No:	
Issue:	CCN Request, RNG Program Request, and Response to Staff Recommendation
Witness:	Eric A. Bouselli
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Spire Missouri Inc.
Case Nos.:	GA-2026-0121 & GO-2026-0122
Date Testimony Prepared:	June 26, 2026

SPIRE MISSOURI INC.

CASE NOS.

GA-2026-0121 & GO-2026-0122

DIRECT TESTIMONY

OF

ERIC A. BOUSELLI

JUNE 26, 2026

****Denotes Confidential Information****

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SCHEDULES

DIRECT TESTIMONY OF ERIC BOUSELLI

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Eric A. 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 associated 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 Department group during Case No. GR-2021-0108.

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, and other miscellaneous financial projects. I worked directly with clients and was involved in project strategy formation. Among other things, I was also responsible for preparing detailed reports summarizing analyses performed and conclusions reached.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

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

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION ("COMMISSION")?

A. Yes. I filed testimony in Case Nos. GR-2022-0179, GO-2024-0180, GR-2025-0107. Additionally, I filed testimony supporting the initial applications in Case Nos. GA-2026-0121 and GO-2026-0122, which are at issue in this direct testimony.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my testimony is to support the Company's Application for a Certificate of Convenience and Necessity ("CCN") for a renewable natural gas ("RNG") generation facility, interconnection, and pipeline to Spire Missouri's existing distribution infrastructure ("CCN Application") as well as the Application for its renewable natural gas program ("RNG Program Application"), which includes the same infrastructure that is the subject of the CCN Application. The applications were filed concurrently and assigned

Case Nos. GA-2026-0121 and GO-2026-0122, respectively. I also respond to the recommendation filed by Staff of the Commission.

Q. PURSUANT TO WHAT AUTHORITY HAS SPIRE MISSOURI FILED THE CCN AND RNG PROGRAM APPLICATIONS?

A. The Company filed its CCN Application in accordance with Section 393.170, RSMo, 20 CSR 4240-2.060, 20 CSR 4240-3.205, and 20 CSR 4240-40.100, and filed its RNG Program Application in accordance with Section 386.895, RSMo and 20 CSR 4240-40.100.

III. PRIOR TESTIMONY AND RESPONSES

Q. HAVE YOU SPONSORED TESTIMONY PREVIOUSLY IN CASE NOS. GA-2026-0121 AND GO-2026-0122?

A. Yes. As stated above, I filed testimony with both the CCN Application and the RNG Program Application on November 5, 2025. Copies of these testimonies are attached and incorporated by reference into this direct testimony as **Schedule EAB-D-1** ("CCN Application Testimony") and **Schedule EAB-D-2** ("RNG Program Application Testimony").

Q. HAS STAFF FILED A RECOMMENDATION IN RESPONSE TO THE COMPANY'S APPLICATIONS?

A Yes. Staff filed its *Staff Recommendation* on March 23, 2026. As the two applications are related, Staff submitted the same filing in each docket.

Q. HAVE YOU OR SPIRE MISSOURI SUBMITTED ANY OTHER RESPONSES IN THESE DOCKETS?

A. Yes. In addition to the testimony previously mentioned, the Company filed its *Response to Staff Recommendation* on April 2, 2026. Attached to the response was a memorandum (hereinafter referred to as the "Response"), a copy of which is attached and incorporated by reference into this direct testimony as **Schedule EAB-D-3**.

Q. DO YOU HAVE ANY REVISIONS OR UPDATES TO MAKE TO THESE SUBMISSIONS?

A. No. The information is still relevant and accurate to the best of my knowledge.

Q. HAS THERE BEEN ANY ADDITIONAL PROCEDURAL STEPS TAKEN BY THE COMMISSION?

A. Yes. The Commission consolidated the dockets for the CCN Application and the RNG Program Application on May 13, 2026. The Commission also directed the filing of a procedural schedule, and subsequently ordered the schedule proposed by the Company, Staff, and the Office of the Public Counsel.

IV. RNG LEGISLATION AND RULEMAKING

Q. IS THERE SPECIFIC LEGISLATIVE AND REGULATORY AUTHORITY FOR THESE FILINGS?

A. Yes. As discussed in my testimony supporting the RNG Program Application, the Missouri legislature passed legislation (Section 386.895, RSMo), and the Commission subsequently promulgated rules consistent with the legislation supporting RNG investment in Missouri (20 CSR 4240-40.100).

Q. WILL YOU PROVIDE MORE DETAILS REGARDING THE LEGISLATIVE EFFORT?

A. After receiving overwhelming bipartisan support, legislation was passed to promote and encourage the development of renewable natural gas in the state.[1] This legislation was approved and signed by the Governor in July 2021. The two sponsors of the legislation later provided letters in the Commission's rulemaking docket (File No. GW-2022-0060) reaffirming that the legislation was intended to promote and encourage the development of RNG as a source of energy in Missouri.

Q. WILL YOU PROVIDE A BRIEF SUMMARY OF SECTION 386.895, RSMO?

A. This statute, as enacted in 2021, authorized renewable natural gas programs in Missouri that can include qualified investments in RNG infrastructure and procurements of RNG volumes, and required the Commission to adopt rules for gas corporations to offer RNG programs. The rules would establish reporting requirements and "a process for gas corporations to fully recover any costs that are prudent, just, and reasonable associated with a renewable natural gas program."[2] The statute also stated that "Any costs incurred by a gas corporation for a qualified investment that are prudent, just, and reasonable may be recovered by means of an automatic rate adjustment clause."[3]

Q. DID THE COMMISSION ADOPT RULES AS DIRECTED BY SECTION 386.895, RSMO?

A. Yes. In August 2021, the Commission opened File No. GW-2022-0060 for review and consideration of rules consistent with the legislation. That docket informed Staff in the drafting of rules put forth in File No. GX-2024-0326, which was opened in May 2024. The final rule, 20 CSR 4240-40.100, was effective December 30, 2024, and includes the

[1] The Missouri House bill received 146 yeas and 1 nay, while the Missouri Senate bill received 33 yeas and 0 nays.
[2] Section 386.895.2(2), RSMo.
[3] Section 386.895.5, RSMo.

requirements for applications for RNG programs, including the obligation to apply for a certificate of convenience and necessity under section 393.170, RSMo.

V. THE PROJECT AND UPDATES

Q. WILL YOU PLEASE PROVIDE INFORMATION ABOUT THE PROJECT THAT IS THE SUBJECT OF THE APPLICATIONS?

A. The Company is requesting a CCN for a qualified investment[4] in renewable natural gas infrastructure[5] (the "Project"), which will be located at 7300 Hawthorne Road, Kansas City, MO, at the Blue River Wastewater Treatment Plant ("Blue River WWTP") owned by the City of Kansas City, Missouri ("Kansas City") through its Water Services Department ("KC Water"). The Project will consist of the construction of a biogas upgrading facility with a meter and regulation interconnect at the Blue River WWTP. The Company will also construct 1,200 feet of 6-inch steel to connect the new biogas upgrading facility to Spire Missouri's existing distribution infrastructure.

Q. WILL YOU PLEASE PROVIDE A TIMELINE AND DETAILS OF THE AGREEMENT WITH KANSAS CITY AND KC WATER?

A. KC Water issued a public request of interest to beneficially utilize the biogas generated by the Blue River WWTP in late calendar 2021, and a subsequent request for proposal. Spire Missouri submitted its proposal on March 10, 2023. Multiple parties also responded to KC Water's requests; however, Spire Missouri was ultimately awarded the contract in October

[4] 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."
[5] 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."

2023. On December 22, 2023, KC Water and Spire Missouri entered into an agreement, [6] (the "Agreement"), and Spire Missouri received the notice to proceed with work.

Q. WHAT ARE THE OPERATING FEATURES OF THE PROJECT?

A. KC Water is in the process of modifying the Blue River WWTP by upgrading the solids handling facility with a thermal hydrolysis process and significant improvements to the anaerobic digesters and other systems needed to support process operations. Biogas will be produced from the digestion process and is a renewable energy source that may be used for the creation of RNG once captured and cleaned. The biogas upgrading facility is expected to receive approximately 307,500,000 scf of raw biogas per year, which it will then transform into over 175,000 MMBtu of pipeline quality gas. The gas will interconnect to Spire Missouri's western distribution system. This amount of upgraded gas is enough to supply approximately 2,500 residential customers in Spire Missouri's western service territory.

Q. WHEN IS GAS EXPECTED TO BE AVAILABLE FOR CUSTOMER USE?

A. The Project is now expected to be operational and ready to flow gas to customers in early calendar year 2027. The Agreement initially contemplated an operational date in mid calendar year 2026.

Q. HAS CONSTRUCTION OF THE PROJECT STARTED?

A. Yes. Equipment ordering started in November 2024 to accommodate long-lead items and IRA tax incentive qualification, and as of the filing of this testimony, all equipment has been ordered. Construction started in March 2026 with the initial phase focusing on

[6] The Agreement is attached to the CCN Application as Appendix 1.

excavation and backfill work. To date, all foundations have been poured, and the site is being prepared to begin to receive equipment skids in June.

Q. HAS STAFF HAD THE OPPORTUNITY TO VIEW THE PROGRESS OF THE PROJECT CONSTRUCTION?

A. Yes. Staff has been provided a construction timeline and was invited to visit the Project site. Members of the Staff pipeline safety and audit teams visited the Project construction site on June 10, 2026. While on site, Burns & McDonnell Engineering Company, Inc. ("Burns & McDonnell") representatives provided a presentation on the Project and the upgrading process. A brief tour of the site followed the presentation.

VI. GAS QUALITY

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

A. The Commission recently updated the gas quality standards found in 20 CSR 4240-10.030 to recognize the inclusion of RNG into existing distribution systems and setting standards to ensure pipeline quality and safety. As part of the Project interconnection, Spire Missouri will require the upstream upgrading system to demonstrate that the gas to be injected into the distribution system is a viable substitute for conventional natural gas. This includes removing impurities that might harm the pipeline or customer appliances and ensuring that the gas has the same energy content as conventional gas so that it does indeed serve as a substitute. These tests are performed by lab analysis prior to commissioning and are continuously monitored during plant operations by dual gas chromatographs. The gas chromatographs will communicate with the Company's Gas Control Department through a Supervisory Control and Data Acquisition ("SCADA") system in real time and will elicit

alarms if an impurity reaches a set of pre-agreed-upon limits so that gas can be diverted back to the upgrading system prior to reaching the upper limits and being rejected.

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

A. First and foremost, Spire Missouri's focus is on customer and public safety and will not inject the RNG into our distribution system until it meets the established quality thresholds. In the event there is any off-specification gas, it will be diverted so it does not make it to our distribution system for customer use.

Q. HAS STAFF MADE ANY RECOMMENDATIONS REGARDING GAS QUALITY?

A. Yes. In its Recommendation, Staff's second condition for the Commission to consider if the CCN is approved is that Spire must seek and be granted a waiver from each requirement of 20 CSR 4240-10.030 that Spire does not believe is necessary for the Project to follow.

Q. DOES SPIRE FIND THIS CONDITION REASONABLE?

A. Yes. The Company noted in its Response that this request is reasonable. Spire recognizes the importance of ensuring distribution system safety and integrity and will file a request for a variance from 20 CSR 4240-10.030 where necessary as long as such safety and integrity will be maintained. The Company anticipates filing a variance request within the next few months and before the Project is operational, after the constituent levels have been re-evaluated given recent upgrades made by KC Water at the Blue River WWTP facility.

VII. STAFF'S RECOMMENDATION AND SPIRE MISSOURI'S RESPONSE

Q. PLEASE SUMMARIZE STAFF'S RECOMMENDATION.

A. In its Recommendation, Staff reviewed the Technical, Managerial, and Financial capacities of Spire Missouri and analyzed the proposed CCN under the *Tartan* criteria.[7] The *Tartan* criteria, or factors, are need for the project; economic feasibility of the project; ability of the applicant to finance the project; qualifications of the applicant to construct the project; and whether the project is in the public interest. An affirmative finding of the first four factors generally leads to the conclusion that the public interest factor is satisfied.

Q. WHAT WAS STAFF'S CONCLUSION AS TO THE TECHNICAL, MANAGERIAL, AND FINANCIAL CAPACITIES OF SPIRE MISSOURI AS IT RELATES TO THE PROJECT?

A. Staff reviewed the technical design of the proposed biogas upgrading facility, the integration and connection with Spire's existing distribution system and gas quality monitoring and control, and the application to assess impacts to Spire Missouri's distribution system and cost considerations. It found that Spire has the ability to secure funding, to oversee construction of any necessary upgrades or repairs or new construction, and to successfully manage operations of the Project.[8]

Q. WHAT WERE STAFF'S CONCLUSIONS AS TO THE *TARTAN* CRITERIA?

A. Staff found that, given the service it currently provides in approximately 41 different counties in Missouri and the City of St. Louis, Spire is qualified to provide the service; and that, considering Spire's financial capacity, it also has the ability to provide the service. However, Staff found that the Project did not satisfy the "need for service" or "economic

[7] *In re Tartan Energy Co.*, 3 Mo. PSC 3d 173, 177 (1994).
[8] Staff Memorandum, 13.

feasibility" factors.[9] Consequently, Staff took the position that the proposal does not promote the public interest.[10]

Q. WHAT WAS THE PRIMARY BASIS FOR STAFF'S POSITION?

A. Staff determined that there was no need for service as Spire Missouri can procure gas from interstate pipelines, and the estimated cost of gas from the Project is higher than the cost to traditionally procure natural gas.

Q. DOES SPIRE AGREE WITH STAFF'S ASSESSMENT AND RECOMMENDATION?

A. No. While Spire Missouri agreed with Staff's findings as to its Technical, Financial, and Managerial capacities, and that the Company has the ability to finance the project and is qualified to construct the project, Spire Missouri does not agree with Staff's position as to the need for service, the economic feasibility, and the resulting public interest determination. Schedule EAB-D-3, the Response, provides additional information and detail around the points of agreement and disagreement between the Company and Staff.

Q. ARE THERE ANY ITEMS YOU WANT TO CLARIFY FURTHER?

A. Yes. Below, I provide additional information regarding the need for the Project. I then address Staff's reliance on historical gas procurement costs in evaluating economic feasibility and explain why that approach is too narrow for this Project.

Q. WHAT WAS STAFF'S ULTIMATE RECOMMENDATION?

[9] *Id*. at 14-15.
[10] *Id*. at 17.

A. Staff recommended that the Commission deny the requested CCN and RNG Program approval. However, Staff also provided conditions for the Commission to consider if the applications were approved.

Q. IF THE COMMISSION WERE TO APPROVE THE APPLICATION, DOES SPIRE FIND STAFF'S PROPOSED CONDITIONS TO BE ACCEPTABLE?

A. Yes. Spire Missouri has previously addressed Staff's proposed conditions in its Response and why some may not be necessary, however, the Company would accept all of Staff's conditions if the Commission were to approve the CCN and RNG Program Applications.

VIII. PROJECT NEED

Q. WHAT WOULD YOU LIKE TO HIGHLIGHT REGARDING THE NEED FOR THE PROJECT AND PROMOTION OF THE PUBLIC INTEREST?

A. As noted in my testimony supporting the CCN and RNG Program applications, as well as in the Company's Response, Spire Missouri did not initiate this project. Rather, KC Water saw a need for the project, determined that biogas upgrading was in the best interest of the residents of Kansas City, many of whom are also Spire Missouri customers, and issued an RFP to which Spire Missouri responded. In its earlier application filings, related testimonies, and Response, the Company described the factors that KC Water took into consideration when looking for a partner in the Project. KC Water has recently publicized the improvements at the Blue River WWTP, including the anticipated biogas upgrade to RNG,[11] and has provided a letter addressed to the Commission indicating its need and

[11] *KC Water transforms Blue River Wastewater Treatment plant into state-of-the-art facility*, KC Water, May 6, 2026, https://www.kcwater.us/news/kc-water-transforms-blue-river-wastewater-treatment-plant-into-state-of-the-art-facility/.

support for the Project ("KC Water Letter of Support"). The KC Water Letter of Support is attached as **Schedule EAB-D-4**.

Q. IS THE PROJECT NEEDED?

A. As noted in the KC Water Letter of Support, multiple factors demonstrating the need for the Project were provided by KC Water reiterating points already brought forth previously in the CCN and RNG Program Applications and Response. Foremost is KC Water's identification that there is a beneficial use for the gas generated by the operations of the Blue River WWTP and the solicitations it made to select a partner to aid in its efforts. KC Water had multiple objectives it was trying to achieve including: supporting Kansas City's Climate Protection and Resiliency Plan; complying with Federal, State, and Local regulations; maintaining stable plant operations and ensuring compliance with the National Pollutant Discharge Elimination System ("NPDES") discharge and air emissions permits; utilizing revenues and resources to offset KC Water's capital costs; avoiding approximately 20,000 tons of CO2e; and improving local air quality by reducing gases and pollutants released into the atmosphere.[12] For Spire Missouri and its customers, this Project enhances the overall system resiliency and reliability of Spire Missouri's western distribution system with the addition of approximately 175,000 MMBtu coming online, all generated within its service territory and behind the citygate. The nature of wastewater plants allows for the generation of gas for Spire Missouri customers throughout the year, supporting the Company's operations. The availability of this gas will be operationally and economically beneficial to customers during the critical winter months, when gas demand is high and

[12] 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.

prices may fluctuate. Further highlighting the role that RNG can play in the future of the natural gas industry, Spire Missouri also included the Project in its 2024 Integrated Resource Plan ("IRP") filed in Case No. GO-2025-0161.

Q. DO YOU HAVE ANYTHING FURTHER TO SAY IN REGARD TO STAFF DETERMINING THAT THERE WAS NO NEED FOR SERVICE IN PART BECAUSE SPIRE MISSOURI CAN PROCURE GAS FROM INTERSTATE PIPELINES?

A. Yes. Spire Missouri has an important responsibility to procure and supply natural gas each year to our customers. Since there is currently no traditional, in-state natural gas production supplying Spire Missouri's system, the Company must go out to the market to secure and transport around 485,357,270 CCF a year for Spire Missouri's western territory customers. There is a huge need for natural gas for our customers. This gas supply need should be supplied by a balanced portfolio, including interstate pipelines, RNG, on system storage, and other supply and risk mitigating factors allowed in 20 CSR 4240-40.018.

Q. DID STAFF RECOGNIZE THE NEED OF THE PROJECT FOR RE-ESTABLISHING COMPLIANCE WITH KC WATER'S MISSOURI DEPARTMENT OF NATURAL RESOURCES AIR PERMITS?

A. No. Staff states in its Recommendation that the violations noted were "not directly related to the stated implications of the RNG project." However, KC Water's Letter of Support states, "Spire's Biogas Project will remove hydrogen sulfide from the biogas as part of the treatment process assisting the City with re-establishing compliance with its air permit."

Q. IS THERE ALSO A VALUE TO THE STATE OF MISSOURI ASSOCIATED WITH THIS PROJECT?

A. Yes. There have been no other RNG Programs pursuant to Section 386.895, proposed or authorized in the State of Missouri thus far. This program has the opportunity to demonstrate the benefits of RNG for the State that were contemplated by the legislature, while immediately benefiting Kansas City and Spire Missouri's customers in the Kansas City area.

IX. ECONOMIC FEASIBILITY

Q. PLEASE EXPLAIN HOW STAFF IS REVIEWING THE ECONOMIC FEASIBILITY OF THE PROJECT.

A. Staff is evaluating the economic feasibility of the Project as if the gas is coming from a traditional procurement source, only looking at the cost of gas per MMBtu.

Q. DO YOU AGREE WITH THIS APPROACH?

A. No, as the Project does not represent a traditional procurement source and the recovery of the Company's costs will not flow through the Purchased Gas Adjustment. The CCN requested by the Company is for a capital investment, which will generate behind-the-citygate gas for customers, enhance system resiliency,[13] provide numerous benefits to Kansas City and the public, and eventually be recovered through the Company's base rates.

Q. DOES THE COMPANY CONTINUE TO BELIEVE THAT THE PROJECT IS ECONOMICALLY FEASIBLE?

A. Yes. As highlighted in the Response, the Project's size relative to the Company's rate base is minimal, translating to an approximate customer bill impact of **[redacted]** per month over the life of the Project. Additionally, when using the estimated costs relied upon by

[13] As mentioned in the Response, the Commission has directed gas utilities to diversify their portfolios to mitigate natural gas prices and secure adequate supplies for their customers. 20 CSR 4240-40.018.

Staff, the Project continues to be competitive with other resources for which the Commission has authorized recovery, as is further explained below.

Q. HAVE THERE BEEN ANY MATERIAL CHANGES TO THE PROJECT COST ESTIMATES AND ESTIMATED LEVELIZED[14] COST OF GAS ASSOCIATED WITH THE PROJECT FROM THE INFORMATION PROVIDED IN THE CCN APPLICATION?

A. No. Spire Missouri received updated construction cost estimates during the month of March, and the expected overall costs are still in line with the cost information provided to Staff. The EPA RIN pricing assumption used is within a reasonable range of past historical values, including the most recent values available.[15] Spire Missouri is also still expecting to qualify for the base Inflation Reduction Act ("IRA") tax incentives already provided to Staff.

Q. ARE THERE DIFFERENT ASPECTS OF THE IRA TAX INCENTIVES?

A. Yes. There are different categories of base and bonus tax credits, and the Company is exploring all avenues to take advantage of the available incentives. The Company included an estimate of the base ITC credit in the financial information included in Exhibit 5 to the CCN Application. Spire Missouri has engaged KPMG to diligently review the costs to ensure compliance with qualifications for the base credits and possible bonus credits, and there is a reasonable likelihood the Project may qualify for an additional 10% credit tied to domestic content minimums. KPMG is still evaluating the applicable Project costs that

[14] 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.

[15] Spire assumed a D3 RIN value of $2.50. The average value in calendar 2024 through the end of April 2026 was $2.64. *RIN Trades and Price Information*, U.S. EPA, https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rin-trades-and-price-information.

this additional bonus can be applied to as well as supporting documentation from suppliers. If the Project qualifies for the additional tax credit, it will lower the cost to customers.

Q. DO OTHER PUBLIC UTILITIES IN MISSOURI SOURCE THEIR SUPPLY NEEDS WITH RESOURCES THAT MAY HAVE DIFFERENT COSTS?

A. Yes. Electric utilities deliver energy to their customers via multiple types of generation that have differing cost profiles. The cost to deliver energy differs among the power sources typically found in Missouri such as coal, natural gas, nuclear, wind, and solar, and the Commission has deemed this fuel diversity to be reasonable. This same rationale should be used when examining this case. The table attached as **Schedule EAB-D-5** uses data compiled by U.S. Energy Information Administration and highlights the diversity in costs across energy sources and compares it to the cost of gas per MMBtu. The costs presented range from $11.83 to $25.73 per MMBtu for the dispatchable resources. Both the average net gas cost per MMBtu over the life of the Project of **[redacted]** and the average net gas cost per MMBtu over the life of the Project after considering avoided gas costs of **[redacted]** fall below the low end of the range.

Q. DOES THIS COMPARISON SHOW THAT THE PROJECT IS ECONOMICALLY FEASIBLE?

A. Yes. In addition to evaluating the approximate bill impact of the Project, this comparison further demonstrates the economic feasibility of the project and shows that the cost is reasonable when comparing it to other energy sources. This is a first of its kind project for Missouri natural gas utilities, and the Commission should not be restricted to traditional or narrow analyses when considering whether to approve the requested CCN.

X. THE PUBLIC INTEREST

Q. WHAT IS CONSIDERED IN A CCN REQUEST WHEN EVALUATING WHETHER A PROJECT IS IN THE PUBLIC INTEREST?

A. Under the *Tartan* criteria, CCN projects are evaluated based on the need for the project; economic feasibility of the project; ability of the applicant to finance the project; qualifications of the applicant to construct the project. If the project meets these first four factors, it is determined to also be in the public interest.

Q. DO YOU BELIEVE THAT THE PROJECT IS IN THE PUBLIC INTEREST?

A. Yes. Spire Missouri has the ability to finance the Project and is qualified to construct the Project. There is also a demonstrated need for the Project, as discussed above and in the Letter of Support from the City. The Project is also economically feasible; it is a capital investment, and, when factored into the Company's rate base, will have a minimal bill impact to customers. Additionally, the levelized cost of gas is competitive with the cost of other types of energy resources, many of which are used within the State of Missouri today. For these reasons, the Project meets the first four *Tartan* factors, and can be determined to be in the public interest.

XI. CONCLUSION

Q. PLEASE EXPLAIN THE COMPANY'S REQUEST IN THESE APPLICATIONS.

A. The Company is requesting the Commission approve its CCN for the Project and its RNG Program incorporating the Project. At this time, the Company is not seeking, and the Commission is not approving, any recovery of the capital investment. For the reasons set forth above, in its initial filings, and in its Response, it is in the public interest and consistent with the RNG legislation for the Commission to approve the Project. The Company

respectfully requests that the Commission approve the CCN and RNG Program applications.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Spire Missouri Inc. d/b/a Spire for Approval of a Certificate of Convenience and Necessity to Construct and Operate Renewable Natural Gas Infrastructure In Kansas City, Missouri	)	Case No. GA-2026-0121
In the Matter of the Application of Spire Missouri Inc. for Approval of a Renewable Natural Gas Program	)	Case No. GO-2026-0122

AFFIDAVIT

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

Eric A. Bouselli, of lawful age, being first duly sworn, deposes and states:

1. My name is Eric A. Bouselli. I am Manager, Regulatory Strategy and Forecasting for Spire Missouri Inc. My business address is 700 Market St., St. Louis, Missouri 63101.

2. This affidavit is attached to my direct testimony, which is filed on behalf of Spire Missouri Inc.

3. I hereby swear and affirm that my answers to the questions contained in my testimony are true and correct to the best of my knowledge, information, and belief.

Eric A. Bouselli

Subscribed and sworn to before me this 24th day of June 2026.

TAMMY L. KIRKSEY
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES NOVEMBER 20, 2028
ST. LOUIS CITY
COMMISSION #24459582

Notary Public

Exhibit No:	___
Issue:	**Case Overview** **Tartan Factors**
Witness:	**Eric Bouselli**
Type of Exhibit:	**Direct Testimony**
Sponsoring Party:	**Spire Missouri Inc.**
Case No.:	**GA-2026-XXXX**
Date Testimony Prepared:	**November 5, 2025**

SPIRE MISSOURI INC.

CASE NO. GA-2026-XXXX

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ERIC BOUSELLI

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

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

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

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION ("COMMISSION")?

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

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

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

Q. WHY IS SPIRE MISSOURI FILING THIS CCN APPLICATION?

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

III. THE PROJECT

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

A. The Project, which is a qualified investment[1] in renewable natural gas infrastructure[2], will be located at 7300 Hawthorne Road, Kansas City, MO, at the Blue River Wastewater Treatment Plant ("Blue River WWTP") owned by the City of Kansas City, Missouri (" Kansas City") through its Water Services Department ("KC Water"). The Project will consist of the construction of a biogas upgrading facility with a meter and regulation interconnect at the Blue River WWTP. The Company will also construct 1,200 feet of 6-inch steel to connect the new biogas upgrading facility to Spire Missouri's existing distribution infrastructure.

Q. WHAT ARE THE OPERATING FEATURES OF THE PROJECT?

A. KC Water is in the process of modifying the Blue River WWTP by upgrading the solids handling facility with a thermal hydrolysis process and significant improvements to the anaerobic digesters and other systems needed to support process operations. Biogas will be produced from the digestion process and is a renewable energy source that may be used for the creation of RNG once captured and cleaned. The biogas upgrading facility is expected to receive approximately 307,500,000 scf of raw biogas per year which it will 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."

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

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

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

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

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

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

IV. AGREEMENT WITH THE CITY

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

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

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

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

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

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

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

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

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

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

A. KC Water is obligated to provide a minimum amount of raw biogas on a quarterly basis. In the event of a shortfall, KC Water will pay Spire Missouri a per-cubic feet amount of $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.

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

V. THE TARTAN FACTORS

Q. WHAT ARE THE TARTAN FACTORS?

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

Q. IS THE PROJECT NEEDED?

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

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

Q. IS THE PROJECT ECONOMICALLY FEASIBLE?

A. The Project is economically feasible when examined on multiple fronts. When deciding whether to pursue the Project, Spire Missouri estimated the average cost to generate gas over the life of the Project and compared that to the estimated forecast of cost to procure natural gas from traditional sources. As discussed in the Application and shown in Appendix 5, the result of that analysis shows that the project is economical. The estimated levelized[8] cost of gas over the life of the project of **[redacted]** prior to consideration of avoided gas costs. The estimated average cost of gas over the life of the project after consideration of avoided gas costs is **[redacted]**. The results demonstrate the Project is prudent, just, and reasonable given the additional benefits from natural gas being generated behind the city-gate, enhancing system resiliency and reliability. This type of supply is more comparable to on-system storage, liquified natural 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.

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

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

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

Q. IS SPIRE MISSOURI QUALIFIED TO CONSTRUCT THE PROJECT?

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

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

Q. IS THE PROJECT IN THE PUBLIC INTEREST?

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

VI. CONCLUSION

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Spire Missouri Inc. for Approval of a Certificate of Convenience and Necessity to Construct and Operate Renewable Natural Gas Infrastructure In Kansas City, Missouri	)))))	Case No. GA-2026-xxxx

AFFIDAVIT

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

Eric Bouselli, of lawful age, being first duly sworn, deposes and states:

1. My name is Eric Bouselli. I am Manager, Regulatory Strategy and Forecasting for Spire Missouri Inc. My business address is 700 Market St., St. Louis, Missouri 63101.

2. This affidavit is attached to my direct testimony, which is filed on behalf of Spire Missouri Inc.

3. I hereby swear and affirm that my answers to the questions contained in my testimony are true and correct to the best of my knowledge, information, and belief.

Eric Bouselli

Subscribed and sworn to before me this 3 day of November 2025.

Notary Public

LISA M. REED
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES DECEMBER 12, 2027
ST. CHARLES COUNTY
COMMISSION #11265169

Exhibit No:	___
Issue:	**Case Overview** **RNG Program**
Witness:	**Eric Bouselli**
Type of Exhibit:	**Direct Testimony**
Sponsoring Party:	**Spire Missouri Inc.**
Case No.:	**GO-2026-XXXX**
Date Testimony Prepared:	**November 5, 2025**

SPIRE MISSOURI INC.

CASE NO. GO-2026-XXXX

DIRECT TESTIMONY

OF

ERIC BOUSELLI

****Denotes Confidential Information****

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DIRECT TESTIMONY OF ERIC BOUSELLI

I. INTRODUCTION

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,

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

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

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

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION ("COMMISSION")?

A. Yes. I filed testimony in Case Nos. GR-2022-0179, GO-2024-0180 and GR-2025-0107. I am also filing testimony in Case No. GA-2026-xxxx, the Company's application for a certificate of convenience and necessity for renewable natural gas infrastructure, filed concurrently with this Application.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my testimony is to provide background on renewable natural gas ("RNG"), discuss the Missouri legislation authorizing RNG programs, the Commission rulemaking, and the final promulgated rule, highlight key differences and considerations of RNG production, and support for the Company's application for a renewable natural gas program ("Program"), and additional considerations that should be made for production assets.

Q. WHY IS SPIRE FILING THIS APPLICATION?

A. Spire is making this filing to comply with Section 386.895, RSMo, and 20 CSR 4240-40.100. Additionally, pursuant to Section 393.170, RSMo, and 20 CSR 4240-2.060, 20 CSR 4240-3.205, and 20 CSR 4240-40.100.

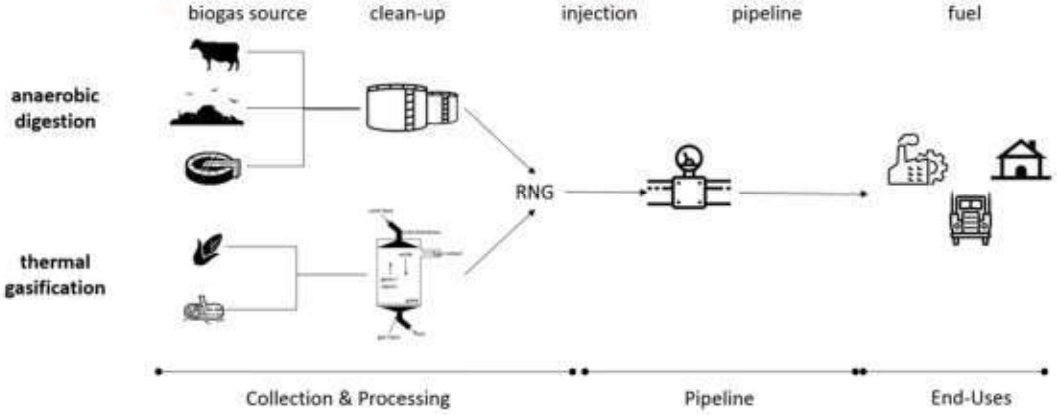
III. RENEWABLE NATURAL GAS BACKGROUND

Q. WHAT IS RNG?

A. According to the US Environmental Protection Agency, RNG is biogas that has been upgraded for use in place of conventional natural gas. This biogas used in the production of RNG can come from a variety of sources including municipal solid waste landfills, digesters at wastewater treatment plants, livestock farms, food production facilities and organic waste management operations. The RNG can be used locally at the site of production or can be injected into natural gas transmission or distribution pipelines.[1]

The following figure and table depict the RNG production process and details of the different feedstock sources.[2]

Figure 1. RNG Production Process via Anaerobic Digestion and Thermal Gasification[4]



[1] *Renewable Natural Gas*, U.S. EPA, January 29, 2025, https://www.epa.gov/lmop/renewable-natural-gas.

[2] *ICF Assessment of Renewable Natural Gas Potential for Spire Missouri*, August 2022, p. 4 and 9.

Table 2. RNG Feedstock Types

	Feedstock for RNG	Description
Anaerobic Digestion	Animal manure	Manure produced by livestock, including dairy cows, beef cattle, swine, sheep, goats, poultry, and horses.
	Food waste	Commercial, industrial and institutional food waste, including from food processors, grocery stores, cafeterias, and restaurants.
	Landfill gas (LFG)	The anaerobic digestion of organic waste in landfills produces a mix of gases, including methane (40–60%).
	Water resource recovery facilities (WRRF)	Wastewater consists of waste liquids and solids from household, commercial, and industrial water use; in the processing of wastewater, a sludge is produced, which serves as the feedstock for RNG.
Thermal Gasification	Agricultural residue	The material left in the field, orchard, vineyard, or other agricultural setting after a crop has been harvested. Inclusive of unusable portion of crop, stalks, stems, leaves, branches, and seed pods.
	Energy crops	Inclusive of perennial grasses, trees, and annual crops that can be grown to supply large volumes of uniform and consistent feedstocks for energy production.
	Forestry and forest product residue	Biomass generated from logging, forest and fire management activities, and milling. Inclusive of logging residues, forest thinnings, and mill residues. Also, materials from public forestlands, but not specially designated forests (e.g., roadless areas, national parks, wilderness areas).
	Municipal solid waste (MSW)	Refers to the biogenic fraction of waste that would be landfilled after diversion of other waste products (e.g., food waste or other organics), including paper and paperboard, and yard trimmings.

Q. WHAT ARE ITS USES?

A. RNG is interchangeable with conventional natural gas and can be used for residential, commercial, industrial and transportation applications.

Q. WHAT ARE THE BENEFITS OF RNG USE?

A. There are many benefits related to the production and use of RNG including fuel diversity, economic benefits, and environmental benefits.[3] The use of RNG increases and diversifies domestic energy production and leverages existing infrastructure. The production supports a distributed generation of energy which promotes lower transport costs and higher grid reliability. Depending on the feedstock source, RNG can be produced 24/7/365 with reliability rates of up to 95%; the average reliability rate for solar power is 25% and 35% for wind power.[4] The economic benefits of RNG production can benefit local economies

[3] *Renewable Natural Gas*, U.S. EPA, January 29, 2025, https://www.epa.gov/lmop/renewable-natural-gas.

[4] *Harness the Benefits of Biogas*, American Biogas Council, https://americanbiogascouncil.org/resources/why-biogas.

through the construction of necessary infrastructure. These projects can provide a cost-effective solution for turning waste treatment costs into revenue generating opportunities or reducing the volumes of waste and related costs. These additional revenue streams can help rural America by building resiliency against commodity price fluctuations.[5] Many different incentives are also available at various levels that can promote the economics of RNG projects for developers and their partners. There are also multiple environmental benefits. Local air quality can be improved through the burning RNG in vehicles compared to traditional diesel and gas engines. Additionally, there are numerous benefits to the agriculture community including better capture of nutrients which can result in lower input costs, cleaner water ways, reduction of odors due to capture and recycle of manure.[6] Greenhouse gas (GHG) emissions are also reduced as RNG projects capture and recover methane produced from the feedstock source.[7]

IV. RNG LEGISLATION AND RULEMAKING

Q. WILL YOU PROVIDE A BRIEF SUMMARY OF SECTION 386.895, RSMO?

A. This statute was enacted in 2021, authorizing renewable natural gas programs in Missouri that can include qualified investments in RNG infrastructure and procurements of RNG volumes, and requiring the Commission to adopt rules for gas corporations to offer RNG programs. The rules would establish reporting requirements and "a process for gas corporations to **fully recover any costs** that are prudent, just, and reasonable associated with a renewable natural gas program." [8] The statute also allowed for "Any costs incurred

[5] *Id.*
[6] *Id.*
[7] *Renewable Natural Gas*, U.S. EPA, January 29, 2025, https://www.epa.gov/lmop/renewable-natural-gas.
[8] Section 386.895.2(2), RSMo.

by a gas corporation for a qualified investment that are prudent, just, and reasonable may be recovered by means of an automatic rate adjustment clause."[9]

Q. DID THE COMMISSION ADOPT RULES AS DIRECTED BY SECTION 386.895, RSMO?

A. Yes. In August 2021, the Commission opened Case No. GW-2022-0060 for review and consideration of promulgating rules consistent with the legislation. That docket informed Commission Staff in the drafting of rules put forth in Case No. GX-2024-0326, which was opened in May 2024. The resulting rules were effective December 30, 2024. The final rule is found at 20 CSR 4240-40.100 and includes the requirements for applications for RNG programs.

Q. WERE STAKEHOLDERS GIVEN OPPORTUNITIES TO WEIGH IN ON THE RULES PUT FORTH BY THE COMMISSION?

A. Yes. Spire Missouri, and other gas utilities and industry players, provided feedback to the Commission Staff and attended public hearings to clarify positions.

V. PRODUCTION/PROCESSING ASSET CONSIDERATIONS

Q. WHAT TYPES OF INVESTMENTS FALL UNDER SECTION 386.895, RSMO?

A. Section 386.895, RSMo lists "all equipment and facilities for the production, processing, pipeline interconnection, and distribution of renewable natural gas to be furnished to Missouri customers" as potential qualified investments.[10]

[9] Section 386.895.5, RSMo.

[10] 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." 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."

Q. ARE THERE DIFFERENCES BETWEEN THESE TYPES RNG INFRASTRUCTURE?

A. Yes. There are two general groupings of RNG infrastructure that can be made: 1) production and processing infrastructure and 2) interconnection and distribution infrastructure.

Q. COULD YOU ELABORATE ON THE INTERCONNECTION AND DISTRIBUTION INFRASTRUCTURE?

A. While not RNG related, gas utilities have traditionally been involved in making investments in the latter category as part of owning and operating gas distribution systems. These are investments that the Commission and other regulators are used to reviewing and have an understanding of costs involved. Additionally, there are typically minimal annual O&M costs associated with these investments, with depreciation being the primary expense. The required investment is also not typically substantial, generally $2 to $4 million for an interconnect and a range of $667 to $817 per linear foot of 6" steel pipeline. The total distribution and transmission pipeline costs are project specific. Compared to production and processing investments, these will typically be smaller investments and there are fewer operating risks.

Q. HOW ARE PRODUCTION/PROCESSING INVESTMENTS EXPECTED TO BE DIFFERENT?

A. There are three ways production and processing investments are different from interconnect investments: 1) significantly higher investment costs; 2) increased operation and maintenance costs required to operate the facilities; and 3) the ability to generate both fuel for the distribution system as well as intangible, marketable environmental attributes.

Q. WHAT IS THE RANGE OF INVESTMENT REQUIRED FOR RNG PRODUCTION AND PROCESSING ASSETS?

A. The average RNG facility costs $17 million to construct, with actual costs ranging from under $1 million to over $100 million depending on the project specifics.[11]

Q. WHAT O&M EXPENDITURES ARE TYPICALLY REQUIRED FOR THE SAFE, RELIABLE OPERATION OF RNG PRODUCTION/PROCESSING ASSETS?

A. There are multiple types of costs required to operate and maintain these types of assets in order to generate RNG. First, there are the costs to process the raw biogas into RNG such as electricity, various chemical/media costs, periodic major consumable replacement, plus maintenance of the equipment. Second, there are costs related to monitoring the equipment operation and gas quality. Third, there may be external and/or internal labor costs to perform the aforementioned functions.

Q. ARE RNG PRODUCTION/PROCESSING ASSETS ABLE TO PRODUCE RNG WITHOUT O&M COSTS?

A. No.

Q. WILL ANY RNG ENVIRONMENTAL ATTRIBUTES BE GENERATED WIHTOUT O&M COSTS?

A. No.

Q. WHAT DOES COMMISSION RULE 20 CSR 4240-40.100(5)(B) STATE?

[11] *Renewable Natural Gas Q&A*, Coalition for Renewable Natural Gas, Inc., https://www.rngcoalition.com/rng-qa.

A. That section speaks to the treatment and reporting of RNG attributes, and it says, "all costs and all revenues are passed through to customers as provided for in section (4) of this rule or through a general rate proceeding."

Q. SHOULD "ALL COSTS" INCLUDE O&M COSTS NEEDED TO GENERATE THE ATTRIBUTES?

A. Yes.

Q. ARE THERE OTHER BENEFITS APART FROM POTENTIAL ATTRIBUTE REVENUE THAT CUSTOMERS WILL RECEIVE?

A. Yes. Customers will be able to utilize the pipeline quality gas immediately upon its generation and subsequent movement into Spire Missouri's distribution system.

VI. SPIRE MISSOURI'S RENEWABLE NATURAL GAS PROGRAM

Q. WHAT IS SPIRE MISSOURI INCLUDING IN ITS RENEWABLE NATURAL GAS PROGRAM?

A. Pursuant to 20 CSR 4240-40.100(2), Spire Missouri is requesting approval of an RNG program that includes a qualified investment in RNG infrastructure. At this time, Spire Missouri's RNG program does not include the procurement of RNG volumes. For future consideration in its RNGRAM filing, the Company has also included its projected O&M costs.

Q. PLEASE DISCUSS THE QUALIFIED INVESTMENT IN RNG INFRASTRUCTURE.

A. In late 2021, the City of Kansas City, Missouri, through its Water Services Department ("KC Water") issued a public request of interest to beneficially utilize the biogas generated by the Blue River Wastewater Treatment Plant ("Blue River WWTP") and issued a

subsequent request for proposal. Spire Missouri submitted its proposal on March 10, 2023. While multiple parties also responded to KC Water's requests, Spire Missouri was ultimately awarded the contract in October 2023. The contract was signed on and Spire Missouri received the notice to proceed with work on December 22, 2023. The RNG infrastructure will be constructed and owned by the Company at the Blue River WWTP and will consist of a biogas upgrading facility with a meter and regulation interconnect and 1,200 feet of 6-inch steel pipe to connect the new biogas upgrading facility to Spire Missouri's existing distribution infrastructure (collectively, "the Project").

Q. PLEASE DESCRIBE THE AGREEMENT TERMS.

A. KC Water will have title to the biogas generated at the Blue River WWTP until it is delivered to the specified delivery point. Spire Missouri will own and operate the production, processing, pipeline interconnection equipment, and transmission to the Company's distribution system. The Company will have full title to the RNG generated; however, Spire Missouri is required to share a percentage of revenue from the sale of environmental attributes with KC Water.

Q. WHAT IS THE TIMING OF THE ANTICIPATED PROJECT INVESTMENTS?

A. The official start of procurement for the Project started in late calendar year 2024 and will continue through Spire Missouri's fiscal year 2025.Site construction is scheduled to start in fiscal year 2026, with an anticipated in-service date in February 2027. At this point, pipeline quality gas is expected to be available for customer consumption.

Q. WHAT ARE THE EXPECTED BENEFITS OF THIS PROJECT FOR MISSOURIANS?

A. There are multiple benefits for Missourians manifesting in different forms. First, there will be benefits from a Spire Missouri customer perspective. The Project will generate approximately 175,000 MMBtu of pipeline quality gas annually. This is the equivalent to supplying approximately 2,500 residential customers in Spire Missouri's western territory. Additionally, this Project represents a behind-the-city-gate resource that enhances the overall system resiliency and reliability of Spire Missouri's western distribution system. Second, regardless of Spire Missouri customer status, the Project will assist KC Water with improving air quality near their wastewater facility by capturing emissions that otherwise would be emitted into the air. KC Water estimates it will reduce greenhouse gas emissions by approximately 20,000 tons of CO2 equivalent per year. Third, revenues generated from sales of environmental attributes will be used by Spire Missouri to lower costs to its customers, and KC Water will receive a portion of the revenues to offset its capital costs.

Q. DOES SPIRE MISSOURI'S PROGRAM APPLICATION INCLUDE ALL OF THE REQUIREMENTS SPELLED OUT IN COMMISSION RULE 20 CSR 4240-40.100(2)?

A. Yes.

VII. CONCLUSION

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Spire Missouri Inc. for Approval of a Renewable Natural Gas Program	)))	Case No. GO-2026-xxxx

AFFIDAVIT

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

Eric Bouselli, of lawful age, being first duly sworn, deposes and states:

1. My name is Eric Bouselli. I am Manager, Regulatory Strategy and Forecasting for Spire Missouri Inc. My business address is 700 Market St., St. Louis, Missouri 63101.

2. This affidavit is attached to my direct testimony, which is filed on behalf of Spire Missouri Inc.

3. I hereby swear and affirm that my answers to the questions contained in my testimony are true and correct to the best of my knowledge, information, and belief.

Eric Bouselli

Subscribed and sworn to before me this 3 day of November 2025.

Notary Public

LISA M. REED
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES DECEMBER 12, 2027
ST. CHARLES COUNTY
COMMISSION #11265169

TO: Missouri Public Service Commission

File Nos. GA-2026-0121 and GO-2026-0122

FROM: Spire Missouri

SUBJECT: Response to Staff Recommendation

DATE: April 2, 2026

I. EXECUTIVE SUMMARY

On November 5, 2025, Spire Missouri ("Spire" or the "Company") filed an application with the Missouri Public Service Commission ("Commission") requesting a Certificate of Convenience and Necessity ("CCN") to construct, install, own, operate, maintain, and otherwise control and manage equipment and facilities for the production, processing, pipeline interconnection, and distribution of renewable natural gas in the Kansas City, Missouri, area (the "CCN Application"). Concurrently, the Company filed an application with the Commission for approval of a Renewable Natural Gas ("RNG") Program, pursuant to Section 386.895, RSMo, and Commission Rules 20 CSR 4240-2.060 and 20 CSR 4240-40.100 (the "Program Application"). Spire also requested a waiver from the notice provisions of Commission Rule 20 CSR 4240-4.017(1) in both filings.

The Commission directed Staff of the Commission ("Staff") to file recommendations regarding the CCN and RNG Program Applications. On March 23, 2026, Staff filed its memorandum recommending denial of the Company's CCN Application and Program Application. Spire Missouri submits this response to explain where Spire agrees and disagrees with Staff's recommendations, as well as the conditions suggested by Staff if the Commission approves the applications. The Company continues to request Commission approval of the applications as approval is in the public interest.

II. THE PROJECT AND BACKGROUND

Significant effort has been invested in developing renewable natural gas policy for the State of Missouri. After receiving overwhelming bipartisan support, legislation was passed promoting the development of renewable natural gas in the state.[1] This legislation was approved and signed by the Missouri governor in July 2021. Rulemaking required by this legislation culminated with an initial working docket before the Commission in File No. GW-2022-0060 in August 2021, followed by two rulemaking dockets: File No. GX-2024-0326,

[1] The Missouri House bill received 146 yeas and 1 nay, while the Missouri Senate bill received 33 yeas and 0 nays.

which focused on utility RNG programs, and File No. GX-2024-0337, which focused on updating gas quality standards for RNG. Numerous stakeholders were involved in this process, including Staff, utilities, the RNG industry, consumer advocates, and other policy makers. As a result of these dockets, on November 30, 2024, the Commission implemented 20 CSR 4240-40.100, which addresses RNG programs and the recovery of investments in RNG, and amended 20 CSR 4240-10.030 to set gas quality standards for RNG. Legislators, the Commission, and multiple other parties have spent years developing the framework to support RNG in Missouri. Within this established framework, Spire Missouri is now asking for approval of an RNG Program and a certificate to construct, own, and operate an RNG facility in Missouri.

The City of Kansas City, Missouri ("Kansas City") through its Water Services Department ("KC Water") issued a public request of interest to beneficially utilize the biogas generated by the KC Water's Blue River Wastewater Treatment Plant ("Blue River WWTP") in late calendar 2021 and a subsequent request for proposal. Spire Missouri submitted its proposal on March 10, 2023. Multiple parties responded to KC Water's requests; however, Spire Missouri was ultimately awarded the contract in October 2023 and received the notice to proceed with work on December 22, 2023.

The following information collectively refers to the "Project," which will consist of the construction of a biogas upgrading facility with a meter and regulation interconnect at the Blue River WWTP at 7300 Hawthorne Road in Jackson County, MO. The equipment that will be installed on site as part of the RNG Upgrading system includes a hydrogen sulfide ("H2S") removal system, oxygen and nitrogen removal system, and a CO2 removal system. This site will also house a series of chromatograph equipment that will evaluate the quality of the gas being upgraded. Spire Missouri will also construct 1,200 feet of 6-inch steel ("KCWW RNG Pipeline") to connect the new biogas upgrading facility to Spire Missouri's distribution infrastructure. It is expected that approximately 175,000 MMBtu of pipeline quality gas will be moved to the distribution system annually. The Project is expected to be operational and ready to flow gas to customers in early calendar 2027.

In its memorandum, Staff refers to a KCWW RNG pipeline and a Spire Planned Pipeline. The KCWW RNG Pipeline is part of the CCN application, however, the Spire Planned Pipeline that the KCWW RNG Pipeline will connect to is not part of the overall Project and the CCN Application. The Company had previously planned the 20" main extension from Wilson Road to Front Street as part of our 2018 Missouri West Master Plan. While there is a minor change to the route from the initial plans, the Spire Planned Pipeline to Front Street was planned before and would be constructed absent the Project. Installation of previous 20" main

extension phases began in 2019. The Spire Planned Pipeline in this case is scheduled to begin in June 2026 and be available for connection by the KCWW RNG Pipeline in October 2026. Staff did include a condition related to the Spire Planned Pipeline, which Spire addresses below.

III. STAFF'S REVIEW AND ANALYSIS

In evaluating Spire's applications, Staff reviewed the technical design of the proposed biogas upgrading facility, the integration and connection with Spire's existing distribution system and gas quality monitoring and control, and the application to assess impacts to Spire Missouri's distribution system and cost considerations.

Staff performed an engineering analysis of the project and the associated pipelines. Staff found that the "pipeline specifications are consistent with the applicable commission rules for the proposed pipeline function and anticipated operation conditions" for both the KCWW RNG and Spire Planned Pipelines. Staff noted a concern regarding stray impressed currents from cathodic protection.

Staff also evaluated the gas quality standards prescribed in Commission Rule 20 CSR 4240-10.030 in relation to the anticipated quality and characteristics of the gas expected from the Project. Staff reviewed Spire's responses and identified two constituents that appear to be outside of the prescribed specification for continuous monitoring.

Finally, Staff reviewed the cost estimates and other data Spire provided as part of the CCN Application to evaluate cost of gas and other Purchased Gas Adjustment ("PGA") and Actual Cost Adjustment ("ACA") considerations. Staff noted that the RNG should not impact the PGA due to there being no costs for the RNG flowing to the PGA and any PGA revenues associated with the expected RNG volumes generated will be adjusted out of the PGA/ACA reconciliation. Staff concluded their financial analysis stating that the Project is not justified from a PGA or gas procurement standpoint and outweighs the various benefits of the RNG generation.

IV. TMF AND TARTAN FACTORS

In its Memorandum, Staff explained that it utilizes the concepts of Technical, Managerial, and Financial capacities ("TMF") in reviewing certain CCN applications. Staff found that Spire has the ability to secure funding, oversee construction of any necessary upgrades or repairs or new construction, and to successfully manage operations of the project. Spire agrees.

Staff then turned its analysis to the Tartan Factors, which were adopted by the Commission as criteria for evaluating CCN applications. The Commission has recognized that these are merely guidelines and do not constrain the Commission. The Tartan Factors are as follows: need for the project; economic feasibility of the project; ability of the applicant to finance the project; qualifications of the applicant to construct the project; and whether the project is in the public interest. An affirmative finding of the first four factors generally leads to the conclusion that the public interest factor is satisfied.

Discussed in greater detail below, Staff's position is that since the cost to produce gas estimated by Spire is greater than the cost to traditionally procure natural gas, the CCN Application should be denied. Staff acknowledges that there are a variety of other benefits but assigns them no weight because of the estimated cost disparity.

a. *Areas of Agreement*

Staff agrees that Spire is qualified to provide service and has the financial ability to construct and operate the Project, and states, "It is Staff's position that Spire has the ability to secure funding, to oversee construction of any necessary upgrades or repairs or new construction, and to successfully manage operations of the Project." This satisfies two Tartan Factors.

b. *Areas of Disagreement*

As stated above, it is Spire's view that Staff recommends denial primarily due to the estimated levelized cost of gas over the life of the Project. Staff recognized that there are other RNG benefits but ultimately did not assign them value in their final evaluation. Spire and Staff disagree on the Tartan Factors pertaining to need for the project, economic feasibility of the project, and the concluding factor of whether the project is in the public interest. Spire will address each of these items separately.

i. <u>Economic Feasibility</u>

First, contrary to Staff's findings, the Project is economically feasible. Staff reviewed the levelized average cost of gas estimates calculated by the Company and suggested recommended changes to the calculations. Spire believes that its calculations already effectively account for the mechanical aspects of Staff's recommendations, and the Company will respond to the other cost considerations. Staff recommends using the gross projected capital investment, including AFUDC, but excluding estimated Inflation Reduction Act ("IRA") tax incentives from the rate base value. Additionally, Staff recommends the amortization of the estimated Federal Investment Tax Credits ("ITC") over the life of the project. Spire believes that the ITC value should be used to offset the rate base value of the

gross capital investment. Since these tax credits will only be generated through investment in the RNG plant, the Company believes it is only fair to offset the rate base value of the Project with these anticipated credits. If the Commission agrees with this approach, then the Company's calculations already consider all of the aforementioned Staff recommendations in the Company's calculations. However, the values for discrete depreciation and amortization of the estimated ITC credits over the life of the project are netted together in the calculations presented by the Company. In reality, these costs will be accounted for in separate line items, but for initial calculation purposes were presented on a net basis.

Staff also made recommendations to "inflate" the capital and O&M estimates used by the Company. Spire believes this is unnecessary. Exhibit 5 to the CCN Application included capital and O&M estimates generated in the first quarter of calendar 2025. Spire noted to Staff during our discussions over the course of these related dockets that we were in the process of working with our project partners to produce a finalized construction budget and evaluate any impacts to estimated ITCs, O&M, and other financial aspects of the project. Spire has received updated information during the month of March, and the expected overall costs are still in line with the cost information provided to Staff. Hence, this additional adjustment is unnecessary.

Second, Spire agrees that there are items outside of our control that can impact the cost profile of the project. The Company just addressed the more contemporaneous construction budget, which is still in line with the overall estimate provided to Staff. With any activity impacted by public markets, there is uncertainty associated with what the future market pricing will be. They could be lower, equal to, or higher than our average market assumptions. Spire has explained that it is working with Anew to market the environmental attributes generated from the Project. Anew is incentivized to seek the highest value for these attributes through the available markets. Additionally, Spire has reflected that 100% of any residual value will be for the benefit of customers.

Third, the Project and its cost should be examined within the overall scale of the Spire Missouri West system. The estimated rate base, with the inclusion of the offsetting ITCs, represents approximately ** [redacted] ** of Spire Missouri West's estimated rate base.[2] The expected volume of gas generated from the Project is estimated at approximately ** [redacted] ** of calendar 2025 billed Ccf, excluding Large Volume and Large Volume Transport usage. While there is no current rate adjustment requested in either of the Applications, the

[2] The Missouri West rate base estimate is from the December 31, 2025, Surveillance Report that is provided to Staff as part of the Company's ongoing reporting commitments.

estimated year one revenue requirement provided in Spire's model to Staff would equate to approximately ** [redacted] ** of the revenue allocation to Spire Missouri West in File No. GR-2025-0107, excluding Large Volume and Large Volume Transport revenue allocation. This translates to approximately ** [redacted] ** per month per Spire Missouri West residential customer in year 1 and approximately ** [redacted] ** per month when viewed over the life of the Project.

Finally, Staff stated that this project is not justified from a PGA or gas procurement standpoint. The CCN and RNG Program Applications are the first utility filings related to the RNG statute and Commission RNG rules. The legislation and related regulations opened other avenues for Missouri utilities to deliver gas to their distribution systems. A pure look at the Project and other RNG projects from a traditional PGA or gas procurement process ignores the additional benefits these projects provide. Electric utilities deliver energy to their customers via multiple types of generation that have differing cost profiles.[3] The cost to deliver energy differs among the power sources typically found in Missouri such as coal, natural gas, nuclear, wind, and solar, and the Commission has deemed this fuel diversity to be reasonable.

The Commission has also directed gas utilities to diversify their portfolios to mitigate natural gas prices and secure adequate supplies for their customers. 20 CSR 4240-40.018 represents the statement of commission policy on this subject. 20 CSR 4240-40.018 (1)(A) states, "As part of a prudent planning effort to secure adequate natural gas supplies for their customers, natural gas utilities should structure their **portfolios** of contracts with **various supply** and pricing provisions in an effort to mitigate upward natural gas price spikes, and provide a level of stability of delivered natural gas prices (*emphasis added*). 20 CSR 4240-40.018(1)(C) continues, stating "Part of a natural gas utility's balanced portfolio may be higher than spot market price at times, and this is recognized as a possible result of prudent efforts to dampen upward volatility." Spire is diversifying its natural gas portfolio by having the first in-state natural gas production facility serving our customers in an effort to mitigate upward natural gas price spikes and provide a level of stability of delivered natural gas prices.

For these reasons, as well as the reasons contained within Spire's applications, the Commission should find that the project is economically feasible.

[3] *Levelized Costs of New Generation Resources in the Annual Energy Outlook 2025*, U.S. Energy Information Administration, April 2025, https://www.eia.gov/outlooks/aeo/electricity_generation/pdf/AEO2025_LCOE_report.pdf.

ii. Need for the Project

Next, there is also a need for the Project. Spire did not initiate this project, but rather responded to a formal request from KC Water. KC Water identified the need for a partner to beneficially utilize the biogas generated at the Blue River WWTP. Both the request for qualifications from KC Water to which Spire responded and a presentation KC Water presented to the City Council of Kansas City linked the Project to assisting KC Water maintain compliance with various permits.[4] There were also multiple non-monetary reasons from the standpoint of a natural gas utility that supported the Company's belief that the project is just and reasonable, and while not considered by Staff, these reasons should be considered by the Commission. There will be an estimated 175,000 of MMBtu of pipeline quality gas being generated behind the city gate. This additional generation enhances the overall system resiliency and reliability of Spire Missouri's western distribution system. The nature of wastewater plants also allows for the generation of gas for Spire Missouri customers throughout the year, supporting the Company's operations. The availability of this gas will be operationally and economically beneficial to customers during the critical winter months, when gas demand is high and prices may fluctuate. Highlighting the role that RNG can play in the future of the natural gas industry, Spire Missouri also included the Project in its 2024 Integrated Resource Plan ("IRP") filed in File No. GO-2025-0161.

iii. Promotion of the Public Interest

Finally, the Project promotes the public interest. Spire did not begin to actively pursue the project until the RNG legislation, Section 386.895, RSMo was passed. The Missouri legislature and Governor saw the importance of RNG investment when this went into law in 2021, intending to promote and encourage the development of RNG as an energy source in the state. Both sponsors of the legislation also continued to support the objective of the legislation, submitting submitted letters to the Commission's working docket File No. GW-2022-0060.[5] More recently, the National Association of Regulatory Utility Commissioners ("NARUC") passed its GAS-2 resolution supportive of RNG development due to the benefits of emissions reduction, system resilience and diversification of energy resources.[6] In a

[4] Request for Qualifications for Design-Build-Operate Services Contract for Project No. 81000992 – Contract Number 1663 Biogas Use Application Project. Pg. 2. Section 1.3 KC Water Objectives. And October 25, 2023, Transportation, Infrastructure and Operations Committee presentation 230891. Slide 6. (https://kansascity.legistar.com/LegislationDetail.aspx?ID=6373480&GUID=E965D18A-AAFC-4FAB-A0CD-CA2516905ABF)

[5] File No. GW-2022-0060, *Comment from State Representative John F. Black* and *Comment from* State Senator Mike Cierpoit, District 8.

[6] Resolutions Adopted by the Board of Directors of the National Association of Regulatory Utility Commissioners, February 8-11, 2026, https://pubs.naruc.org/pub/0D805BB2-935E-A778-7014-

similar vein, the Commission has previously recognized the public policy of the state of Missouri to diversify energy supply to support renewable generation.[7] The Project will meet these economic, resiliency, and environmental objectives. As noted above, the Project will generate an estimated 175,000 of MMBtu of pipeline quality gas behind the city gate, providing an additional source of gas sourced in our own backyard. This would be the only native load produced in Missouri from Spire's gas supply stack that can deliver reliably nearly every day over the course of a given year.[8] Spire currently relies on producers and marketers to source the gas sometimes hundreds of miles away from the state of Missouri, and then transports it over interstate pipelines through multiple states to finally reach Spire's distribution system in Missouri.

There are then the environmental benefits associated with the Project, with KC Water estimating that 20,000 tons of CO2e will be avoided by beneficially utilizing the gas for downstream use versus flaring the gas. KC Water stated that one of the objectives of the project is to achieve Kansas City's environmental goals.[9] The Commission has previously recognized that renewable generation provides other benefits to the public such as promoting the public's interest in improving the environment and reducing the amount of carbon dioxide released into the atmosphere.[10]

Spire understands that these ancillary benefits may not individually outweigh the cost differential on a pure purchased gas cost basis. However, Spire believes that the totality of the facts, including the public policy support, enhanced system reliability and resiliency, environmental benefits, and limited scale of the cost differential when compared to the Company's total western distribution system cost, support the Project being in the public interest.

V. CONDITIONS FOR THE COMMISSION TO CONSIDER IF APPROVED

Staff also recommends four conditions that the Commission should consider if approving the Company's requests. Spire will respond to each condition.

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[7] File No. EA-2022-0328, *Report and Order*, 33.

[8] The Project is anticipated to have **[redacted]**up-time annually.

[9] Biogas Use Application Project Agreement, December 22, 2023. Recitals section D found on Pg. 1.

[10] File No. EA-2022-0328, *Report and Order*, 33.

Staff's first condition about locating, contacting and coordinating with the owners of each facility which may be the source of or suffer from the effects of stray currents to determine what mitigation measures are needed is reasonable and part of Spire's standard operating procedures for pipeline projects as noted in an earlier section above. As mentioned earlier, only the KCWW RNG Pipeline is part of the CCN Application. However, Spire's typical workflows to ensure proper infrastructure protection from stray currents will be followed for the Spire Planned Pipeline.

Staff's second condition about seeking a waiver from each requirement of 20 CSR 4240-10.030 that Spire does not intend to follow is also reasonable. Certain elements are typically not found in some RNG feedstocks and other constituents are not continuously monitored once earlier sampling demonstrates compliance. With that said, Spire recognizes the importance of ensuring distribution system safety and integrity will file a request for a variance from 20 CSR 4240-10.030 as necessary.

Staff's third condition to develop a monthly invoice to show the monthly volumes of RNG produced and delivered to the distribution system at a zero cost of gas is unnecessary. The gas flowing from the Project to Spire's western distribution system will already be metered and monitored, with measurement information being used for environmental attribute generation and system operations. Spire will be tracking the monthly volumes generated and brought into the distribution system and ensure that there are no PGA/ACA impacts, so the creation of a fictitious invoice of zero cost gas from the Company to the Company is unnecessary.

Staff's fourth condition that nothing in the Commission's order shall be considered a finding by the Commission of the value of this Project for rate making purposes, and that the Commission reserve the right to consider the rate making treatment to be afforded and its impact on cost of capital in any later rate proceeding, including a determination of inclusion in rate base, is reasonable.

VI. CONCLUSION

For the reasons set forth above and in its initial filings, Spire believes that the Project satisfies the Tartan Factors and is therefore in the public interest. The Company respectfully requests that the Commission approve the CCN and RNG Program applications.

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City Manager's Office

Mario Vasquez

29th Floor City Hall
414 East 12th Street
Kansas City, Missouri 64106-2768

816-513-1408
Mario.Vasquez@kcmo.org

June 18, 2026

RE: Blue River Biogas Use Applications Project

Members of the Missouri Public Service Commission:

This Letter of Support is being provided as an exhibit to Spire Energy's (Spire) direct testimony to be presented on June 26, 2026 for KC Water's Blue River Biogas Use Applications Project (Biogas Project) to be constructed at the City of Kansas City, Missouri's (City) Blue River Wastewater Treatment Plant (WWTP) located at 7300 Hawthorne Avenue in Kansas City, Missouri.

The primary objective of Spire's Biogas Project is to maximize the biogas resource, a renewable, energy-rich gas that is produced when organic matter, such as food, waste, sewage, etc., breaks down in an oxygen-free environment, or the "digestion" process. The City, through its Water Services Department (KC Water), has partnered with Spire via a Public-Private Partnership (P3) to achieve this objective. The City is providing the raw material that is a natural byproduct of the wastewater digestion process as well as the land where the facility is being built through a lease with Spire. Spire is responsible for the design, construction, operation and maintenance of the Biogas facility.

The Blue River WWTP is a 105 million gallons per day (mgd) municipal wastewater treatment facility that discharges treated effluent into the Missouri River. KC Water's solids management program currently employs a centralized approach with the Blue River WWTP receiving and processing over 95 percent of the solids from KC Water's service area wastewater treatment plants.

KC Water has undertaken a $180 Million Biosolids Project which will modernize the waste solids processing systems at the Blue River Plant. This investment will replace aging infrastructure and incorporate improvements that address capacity needs while providing the flexibility to meet future federal and state regulatory requirements. The City's Biosolids Project has achieved this by upgrading the sludge handling facility with a state-of-the-art thermal hydrolysis process (THP), which uses high temperature and high pressure to break down waste sludge into simpler compounds for anaerobic digestion, with the goal of maximizing biogas production while generating a pathogen-free, low-odor solid suitable for land application. Once the Biosolids process is fully operational, KC Water will be able to eliminate the need to incinerate or landfill sludge.

The Biogas Project works in partnership with the City's Biosolids Project. Biogas produced from anaerobic digestion is a renewable energy source that may be used for (but not limited to) heating applications, electrical generation, and automotive fuel. Additionally, the biogas may be treated to meet pipeline-quality natural gas standards for injection into the grid as renewable natural gas (RNG). This additional treatment process is a benefit to the City, and the entire community, as it eliminates the need

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to flare excess biogas thus reducing emissions of on-site greenhouse gas and other hazardous air pollutants, including sulfur dioxide, carbon monoxide, nitrogen oxides, and hydrogen chloride.

In 2023, the City received a notice of violation from the Missouri Department of Natural Resources for exceeding allowable sulfur dioxide (SO2) emissions at the Blue River WWTP. Sulfur dioxide is formed from the combustion (i.e., flaring of) hydrogen sulfide that is inherent in the untreated biogas. The City does not currently have a hydrogen sulfide removal system in place. Spire's Biogas Project will remove hydrogen sulfide from the biogas as part of the treatment process assisting the City with re-establishing compliance with its air permit.

In 2020, the City Council passed Committee Substitute for Resolution No. 200005 directing the City to develop and implement a Climate Protection and Resiliency Plan (CPRP) with strategies to be carbon neutral by 2040. The Biogas Project supports the CPRP by:

- Creating a stable and safe work environment while managing the treatment of biogas;
- Compliance with the Blue River WWTP's air permit;
- Avoiding an estimated 20,000 tons of carbon dioxide equivalent (CO2e) by beneficially utilizing the gas for downstream use versus flaring the gas;
- Maintaining stable digester operations and ensuring overall compliance with National Pollutant Discharge Elimination System (NPDES) discharge and air emissions permits;
- Protecting the City's financial resources by minimizing downside operational and financial risks;
- Sustainably utilizing excess biogas and other underutilized KC Water resources;
- Utilizing revenues and resources to offset KC Water capital costs for sewer utility;
- Minimizing operational requirements of biogas treatment and delivery equipment; and
- Improving air quality by reducing the amount of sulfur dioxide, on-site greenhouse gases and other hazardous air pollutants being released into the atmosphere.

The combination of the Biosolids and Biogas Projects represents the City's commitment to identifying innovative technologies to meet its regulatory and service level requirements while also reducing the environmental impacts to the surrounding community.

Spire's involvement in the Biogas Project is crucial in supporting the City's goals of carbon neutrality by 2040, complying with the City's air permit requirements and furthering the City's efforts to reduce and reuse natural by-products of the City's wastewater treatment processes, thereby benefiting not only the City and Spire, but the community at large.

Sincerely,

Signed by:
Mario Vasquez
C97A8D50F4784D9...
Mario Vasquez, AICP
City Manager

Signed by:
Kenneth Morgan
E819E727ECC9406...
Kenneth C. Morgan, PE
Director, Water Services Department

EAB-D-5

EIA Annual Energy Outlook 2026 Levelized Cost by Energy Type

Energy Type	Levelized capital cost ($/MWh)[A]	Levelized O&M ($/MWh)[A]	Levelized transmission cost ($/MWh)[A]	Levelized tax credit ($/MWh)[A,C]	Total levelized cost ($/MWh)	Conversion to MMBtu[B]	Levelized cost per MMBtu[D]
Dispatchable							
Advanced nuclear	$81.12	$28.61	$1.13	-$23.06	$87.81	0.293	**$25.73**
Biomass	$55.31	$51.02	$1.28	-$23.06	$84.54	0.293	**$24.78**
Combined-cycle	$27.65	$47.16	$2.65	$0.00	$77.46	0.293	**$22.70**
Combined-cycle with CCS	$27.09	$48.88	$1.22	-$18.72	$58.47	0.293	**$17.14**
Geothermal	$27.71	$19.49	$1.50	-$8.31	$40.38	0.293	**$11.83**
Resource constrained							
Wind, offshore	$71.02	$45.05	$2.72	$0.00	$118.79	0.293	**$34.81**
Hydroelectric	$57.70	$22.30	$2.08	-$17.31	$64.77	0.293	**$18.98**
Solar, hybrid	$71.15	$21.14	$4.04	-$2.13	$94.20	0.293	**$27.61**
Solar, standalone	$40.57	$13.78	$3.98	$0.00	$58.33	0.293	**$17.10**
Wind, onshore	$41.05	$12.92	$2.78	$0.00	$56.75	0.293	**$16.63**
Capacity resource							
Combustion turbine	$87.79	$74.19	$10.59	$0.00	$172.57	0.293	**$50.58**
Battery storage	$126.12	$53.74	$10.59	-$37.84	$152.61	0.293	**$44.73**

Notes:

[A]Levelized capital, O&M (includes fuel), transmission, and tax credit information from U.S. Energy Information Administration, Annual Energy Outlook 2026. The levelized cost of electricity and levelized cost of storage represent the estimated costs required to build and operate a generator and diurnal storage, respectively, over a specified cost recovery period (30 years, using an after-tax weighted average cost of capital of 7.27% for the 2031 online year)

[B]1 MWh equals 1,000 kWh. 1 kWh equals 3,412.14 Btu. 1 MMBtu equals 1,000,000 Btu. 1,000,000/3412.14=293.071. 293.071/1000=.293071

[C]Tax incentives (Production Tax Credit and Investment Tax Credit) reflect modifications in the One Big Beautiful Bill Act of 2025

[D](Levelized capital cost + Levelized O&M + Levelized transmission cost + Levelized tax credit)*B