

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

In the Matter of the Application of Summit Natural Gas )  
of Missouri Inc., for Certificates of Convenience and )  
Necessity to Construct, Install, Own, Operate, Maintain, )  
and Otherwise Control and Manage Natural Gas Lines to ) File No. GA-2020-0251  
Provide Gas Service in certain areas of Laclede and )  
Webster Counties in Conjunction with its Existing )  
Certificated Areas )

**SUPPLEMENT TO APPLICATION  
FOR CERTIFICATES OF CONVENIENCE AND NECESSITY**

COMES NOW Summit Natural Gas of Missouri, Inc. (“SNGMO” or the “Company”),  
by and through its undersigned counsel, and, as a Supplement to its Application for Certificates  
of Convenience and Necessity, states as follows to the Missouri Public Service Commission  
 (“Commission”):

**BACKGROUND**

1. On February 21, 2020, SNGMO filed an Application requesting that the  
Commission grant the Company certificates of convenience and necessity (“CCNs”) provide  
natural gas service within certain specific areas in Laclede and Webster County, Missouri,  
adjacent to SNGMO’s existing service territory, in conjunction with the construction of certain  
upgrades to its system forming SNGMO’s Central Missouri Transmission Project (the “Project”).

2. SNGMO’s Application explained that the primary purpose overall is a system  
upgrade to address pressure and capacity issues, as well as to provide for future growth.  
However, there are potential customers in each of the requested CCN areas to which SNGMO  
may provide service and, thereby, mitigate some of the costs associated with the Project by  
providing off setting revenues. It is for this reason that SNGMO is requesting CCNs for service  
areas, rather than line certificates.

3. Portions of the system upgrade will be constructed within SNGMO's existing certificated service area. However, two segments of line must be constructed in territory adjacent to, but not within, SNGMO's existing service territory in Laclede and Webster Counties. It is those areas for which SNGMO seeks CCNs

4. In discussions, with the Staff of the Commission ("Staff"), it has been suggested that additional detail explaining the benefits of the Project and how that relates to the public interest and will further public convenience and necessity.

### **THE PROJECT**

5. As stated above, the requested CCNs are a part of a system upgrade designed to provide a long-term solution to the pressure and capacity issues encountered on the Rogersville system. The system upgrade will also allow for continued growth on the Rogersville System and is expected to reduce current operations and maintenance expenses. The upgrade will consist of three phases:

- Phase I: Install compression at Williams Tap (3,000 feet of 12" steel mainline; 3,000 of 8" steel mainline, and 2 mainline compressors);
- Phase II: Install transmission bypass around Lebanon (27,500 feet of 8" steel mainline; 10,000 feet of 8" HDPE; and 2 regulator stations); and,
- Phase III: Install larger pipeline b/w Diggins & Marshfield 70,000 feet of 8" steel mainline; 1 launcher and 1 receiver station).

6. Phase I of the Project will allow SNGMO to ensure that minimum pressure requirements to serve the entire Rogersville rate area system are continuously met without interruption regardless of the weather conditions. Currently, SNGMO relies heavily on Southern Star and its ability to provide a certain pressure at the tap site.

7. Phase II of the Project will provide two additional main feed inputs into the City

of Lebanon system where there is currently only one. This will mitigate the distribution system pressure and capacity issues.

8. Phase III will alleviate the current bottleneck in SNGMO's system. There is currently a 4" steel line that connects our 8" steel along Highway 60 and our 6" steel in Marshfield. This bottleneck severely limits the capacity of gas that can be pushed up to the City of Lebanon (our largest use area) and give us pressure issues at the end of the 6" line in Lebanon. By installing a new 8" line, this will mitigate the need for the existing compressor and will provide enough capacity and pressure on the transmission line to effectively serve the current and future needs of SNGMO's firm customers.

9. Two segments of line, which are a part of Phase II and Phase III, must be constructed in territory adjacent to, but not within, SNGMO's existing service territory in Laclede and Webster Counties. It is those areas for which SNGMO seeks CCNs.

10. The Project supports growth and service reliability within SNGMO's currently certificated footprint. As such, SNGMO asserts that a CCN authorizing construction and installation of facilities used solely for gas transmission in the area adjacent to SNGMO's current certificated territory is supported by both law and policy. The cost of these facilities would then be recovered from existing and future customers served within SNGMO's currently certificated footprint, all of whom would benefit from the increased capacity provided by the upgrades. However, a CCN that authorizes SNGMO to also provide service to customers utilizing the facilities in these areas will simply create the possibility of dispersing the costs of the system across a broader customer base if new customers connect in these areas.

11. The Project is the most efficient and reasonable approach to assure service reliability on SNGMO's system and, as such, should be constructed regardless of the type of

CCN issued. Because SNGMO plans to construct the facility to support system capacity and reliability of its existing certified territory, the analysis for determining feasibility of the service area requested should focus on the incremental cost of any particular customer. This analysis would be the same if SNGMO sought authority to provide service in any area where it already has a line certificate and existing facilities for transmission of gas.

12. As referenced, obtaining a service area CCN would help spread the costs associated with the Project over a greater number of customers. A new transmission line would alleviate all expenses related to the operation and maintenance of the LNG facility and compressor station. Operation and Maintenance fees for the LNG facility equates to approximately \$54,400 per year. This not only includes internal man hours spent on weekly coordination meetings and site visits and inspections, but also a third-party service required to operate the LNG facility. The compressor station costs approximately \$9,000 per month for the compressor rental, which includes the monthly maintenance.

13. The Company can confidently serve all firm and interruptible loads during a peak event with these upgrades. In addition, by obtaining a service area CCN, the Company will be able to serve any new developments in all areas where we currently may have stops on service due to pressure and capacity constraints. It is estimated that approximately 70 customers who are currently unable to access natural gas could be served after installing this new transmission line. Including the requested areas as service area CCNs will provide real opportunity to add new customers and associated revenues and thereby lesson the costs of the transmission line projects for existing customers. Sound policy offers more energy options to Missouri residents. The requested CCNs will further extent the opportunity for natural gas service to areas where it is not currently available. There is no same or similar utility service (natural gas), regulated or

nonregulated, available in the area requested. 20 CSR 4240-3.205(1)(A)1.

14. The Project would also support future economic developments in communities served by increasing available capacity. Growth in these communities is important and reliable gas service is pivotal when residential developers, retail, and manufacturers are choosing where to locate.

15. The areas SNGMO proposes to certificate will, in the first instance, allow it to provide improved service to the Rogersville system – an improvement whose cost is justified by the benefit to existing customers. The permission and approval to serve customers in the two specific areas for which a CCN is sought will not add any costs for the SNGMO’s existing customers and provides a very real opportunity to add customers and revenues that will offset the cost of construction to the benefit of those existing customers.

WHEREFORE, SNGMO requests that the Commission consider this information, approve this Application, and issue such further orders as it shall find to be reasonable and just.

BRYDON, SWEARENGEN & ENGLAND P.C.

By  DocuSigned by:  
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ATTORNEYS FOR SUMMIT NATURAL  
GAS OF MISSOURI, INC.

## CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following counsel this 7th day of April, 2020:

Bob Berlin  
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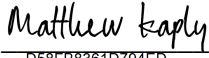
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DocuSigned by:  
  
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Dean L. Cooper

## VERIFICATION

I, Matthew Kaply, having been duly sworn upon my oath, state that I am the Director Regulatory Affairs and Rates of Summit Natural Gas of Missouri, Inc. (SNGMO), that I am duly authorized to make this statement on behalf of SNGMO, and that under penalty of perjury, I declare that the matters and things stated in the foregoing Supplement to Application are true and correct of the best of my information, knowledge and belief.,

DocuSigned by:  
  
D58FB8361D794ED...  
Matthew Kaply

4/7/2020

Dated