

**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 Permission and )  
Approval and a Certificate of Convenience )  
and Necessity to Construct, Install, Own, )  
Operate, Maintain, and Otherwise Control )  
and Manage a Natural Gas Distribution )  
System to Provide Gas Service in Lafayette )  
County as an Expansion of its Existing )  
Certificated Areas )

**File No. GA-2020-0235**

**STAFF REPORT AND RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”) and for its *Status Report*, states as follows:

1. On February 3, 2020, Spire Missouri, Inc. (“Spire”), filed an *Application* with the Missouri Public Service Commission (“Commission”) requesting a Certificate of Convenience and Necessity (“CCN”) to install, own, construct, operate, control, manage, and maintain a natural gas distribution system to provide gas in Lafayette County, Missouri, as an addition to Spire’s existing service territories.

2. On February 10, 2020, the Commission issued an *Order Directing Notice and Setting Deadlines for Intervention Applications and Staff’s Recommendation*. In its Order, the Commission directed Staff to file, no later than February 23, 2020, a recommendation or a status report.

3. On February 23, 2020, Staff filed a Status Report requesting additional time to file a recommendation. The next day the Commission issued its *Order Directing Filing* requiring Staff to file a recommendation by April 20, 2020.

4. As discussed in Staff’s Memorandum, attached hereto as Appendix A and incorporated by reference, Staff is of the opinion that Spire has fulfilled the requirements

of Commission Rule 20 CSR 4240.4.017(1) and the Tartan criteria for approval, subject to the conditions stated on page 3 of the Memorandum, of a Certificate of Convenience and Necessity.

5. For these reasons, as more fully explained in Staff's Memorandum, Staff recommends the Commission approve Spire's Application for its requested CCN.

**WHEREFORE**, for the above stated reasons, Staff prays the Commission approve Spire Missouri, Inc.'s certificate of convenience and necessity for the service areas described in the Company's February 3, 2020, Application subject to the conditions in Staff's Memorandum; and grant such other and further relief as is appropriate under the circumstances.

Respectfully submitted,

**/s/ Ron Irving**

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Attorney for the Staff of the  
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### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all parties and/or counsel of record on this 20<sup>th</sup> day of April 2020.

**/s/ Ron Irving**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File,  
Case No. GA-2020-0235 Spire Missouri, Inc.

**FROM:** Joseph P. Roling, Regulatory Economist, Tariff/Rate Design Department,  
Industry Analysis Division

/s/ Robin Kliethermes      04/20/2020      /s/ Ron Irving      04/20/2020  
Rate & Tariff Examination Manager/Date      Staff Counsel's Office/Date

**SUBJECT:** Staff Recommendation for Approval of CCN Application with Conditions

**DATE:** April 20, 2020

### OVERVIEW

On February 3, 2020, Spire Missouri, Inc. (“Spire” or the “Company”), on behalf of its Spire Missouri West (“Spire West”) operating unit, filed its Application (“Application”) with the Missouri Public Service Commission (“Commission”) for permission and approval and a certificate of public convenience and necessity (“CCN”) to construct, install, own, operate, maintain, and otherwise control and manage a natural gas distribution system to provide gas service in Lafayette County, Missouri, as a further expansion of its existing certificated area. Spire seeks a waiver from Commission Rule 20 CSR 4240.4.017(1) that provides the secretary of the Commission a minimum of sixty (60) days’ notice prior to filing a case.

On February 10, 2020, the Commission issued its Order directing notice, setting deadline for intervention request and directing filing of Staff Recommendation. The Commission directed Staff to file a Recommendation regarding Spire’s Application no later than March 23, 2020.

On March 23, 2020, Staff filed a status report and advised a number of Staff’s data requests to Spire are awaiting reply or clarification. Staff requested the Commission allow Staff to file its recommendation no later than April 20, 2020. On March 24, 2020, the Commission issued its Order Directing Filing of a Staff recommendation by April 20, 2020.

**APPENDIX A**

## DISCUSSION

Spire's Application states that it seeks a CCN to extend its existing certificated area in Lafayette County to Section 35, Township 49 North Range 26 West.

Spire's Application also states that the proposed project included 200 feet of 6 inch distribution main extension and 150 feet of service line extension. However, in response to Staff data requests Spire realized that the 200 feet of distribution main extension referenced above was included in the economic analysis associated with a prior project in which another organization made a contribution in aid of construction of \$289,208. Therefore, the extension contemplated in this CCN that will provide service to the Lafayette County maintenance building will only be 150 feet of service line. The Company estimates that the 150 foot service line extension will cost approximately \$1,019.

The main distribution extension project mentioned in Spire's Application was in response to the City of Higginsville's request to install distribution main to serve the city's power plant and to serve both north outer roads for future development. The City also requested a main crossing I-70 to serve the Super 8 Motel and three existing customers, along with the proposed 65-acre development area. The service line extension is only planned to provide service to the Lafayette County maintenance building. As mentioned above, the main distribution extension project was included in Spire's Application in error and is not part of this CCN.

The rates for the proposed area would be those approved and in effect for the Spire Missouri operating unit certified areas.

Given that another organization made a contribution in aid of construction for the main extension in the amount of \$289,208 and the requested CCN now only includes the service line extension to the customer, the revised project appears to be an economically feasible extension of Spire's service area. Staff will examine the revenue requirement impacts of Spire's investment in the next rate case and propose adjustments as necessary at that time to remove any imprudent costs in order to establish the economic feasibility of the requested extension.

Spire's Application indicates that it intends to finance the Lafayette County Project with internal funds.

### **TARTAN CRITERIA**

In the Tartan Energy Company case, the Commission's Order listed five criteria to include in the consideration when making a determination on whether a utility's proposal meets the standard of being "necessary or convenient for the public service" (A short description of how each criteria has been met in this Application is included below):

- **Is the service needed?** The earlier discussion regarding providing service to the Lafayette County maintenance building addresses the need of the project;
- **Is the applicant qualified to provide the service?** Spire is a public utility and gas corporation, as those terms are defined in RSMo.§386.020, and is a corporation incorporated under the laws of the State of Missouri, with its principal office located at 700 Market Street, St. Louis, Missouri, 63101. A Certificate of Good Standing evidencing Spire's standing to do business in Missouri was submitted in Case No. GM-2013-0254.;
- **Does the applicant have the financial ability to provide the service?** Spire stated in its Application that no external financing is required;
- **Is the applicant's proposal economically feasible?** The CCN does appear to be an economically feasible extension of Company's service area; however, all rate making determinations regarding revenue requirement impact of this service area extension should be reserved until the Company's next general rate making proceeding; and
- **Does the service promote the public interest?** If all of the other criteria and conditions are met, then the criterion regarding public interest is met.

**STAFF RECOMMENDATION**

Based on the information provided above, Staff recommends the Commission approve the Company's CCN with the following conditions:

- Reserve all rate making determinations regarding the revenue requirement impact of this service area extension request until the Company's next general rate making proceeding.
- Require Spire to file to an updated tariff sheet to incorporate Section 35, Township 49 North Range 26 West in Lafayette County.

Staff has verified that the Company has filed its annual report and is not delinquent on any assessment.

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Manage a Natural Gas Distribution System to )  
Provide Gas Service in Lafayette County as )  
an Expansion of its Existing Certificated )  
Areas )

**AFFIDAVIT OF JOSEPH P. ROLING**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COME NOW** Joseph P. Roling and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Memorandum*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Joseph P. Roling  
Joseph P. Roling