

**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 a Certificate of Convenience and Necessity to )  
Construct, Install, Own, Operate, Maintain, and Otherwise ) **File No. GA-2021-0010**  
Control and Manage a Natural Gas Distribution System to )  
Provided Gas Service to a Single Customer in Cass County )  
As an Expansion of its Existing Certificated Area )

**STAFF RECOMMENDATION FOR APPROVAL OF  
CERTIFICATE OF CONVENIENCE AND NECESSITY**

**COMES NOW** the Staff of the Missouri Public Service Commission, (“Commission”) by and through counsel, and for its *Staff Recommendation for Approval of Certificate of Convenience and Necessity* (“Recommendation”), states as follows:

1. On July 13, 2020, Spire Missouri, Inc. (“Spire West”) filed its *Application for Certificate of Convenience and Necessity and Request for Waiver* with the Commission, requesting a certificate of convenience and necessity (“CCN”) to construct, install, own, operate, maintain, and otherwise control and manage a natural gas distribution system in order to extend its existing natural gas service in Cass county, Missouri, to new areas of Cass county (“Application”). The Application also included a request to waive the sixty (60) day notice requirement of Commission Rule 20 CSR 4240-4.017(1).

2. On August 3, 2020, the Commission issued its *Order Directing Filing* (“Order”) directing Staff to file its recommendation regarding Spire West’s Application no later than August 24, 2020.

3. Spire West’s Application seeks a CCN to extend its existing certificated area in Cass County for new service areas resulting from two separate projects. The first project will extend service to industrial customers in an industrial park located in Section 29, Township 46 North, Range 32 West. The second project will extend service

to commercial customers, with the potential to service residential customers, located in Sections 17, 20, and 29 in Township 44 North, Range 30 West.

4. Staff has reviewed Spire West's Application and conducted discovery regarding its Cass county projects. As more fully explained in Staff's Memorandum, attached hereto as Appendix A and incorporated by reference, Staff is of the opinion Spire West has fulfilled the requirements of Commission Rule 20 CSR 4240-3.205 and the Tartan criteria upon which the Commission relies in its evaluation of CCN applications. Staff recommends the Commission approve Spire West's Application, subject to the conditions stated in the Staff Recommendation Section on page 2 of Staff's Memorandum.

5. Staff has no objection to Spire West's request to waive the sixty (60) day notice requirement of Commission Rule 20 CSR 4240-4.017(1).

**WHEREFORE**, for the reasons stated above and further explained in Staff's Memorandum, Staff recommends the Commission approve Spire West's Application for a CCN in the Cass county service areas described in its Application, subject to the conditions set out in the Staff Recommendation Section of Staff's Memorandum; and grant such other and further relief as is appropriate under the circumstances.

Respectfully submitted,

**/s/ Robert S. Berlin**

Robert S. Berlin

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Missouri Public Service Commission

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 24<sup>th</sup> day of August, 2020.

**/s/ Robert S. Berlin**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
Case No. GA-2021-0010, Spire Missouri, Inc.

**FROM:** Joel McNutt,  
Economics Analyst, Tariff/Rate Design, Industry Analysis  
Antonija Nieto,  
Senior Utility Regulatory Auditor, Auditing, Financial and Business Analysis  
Matthew R. Young,  
Senior Utility Regulatory Auditor, Auditing, Financial and Business Analysis

/s/ Robin Kliethermes / 08-24-2020      /s/ Robert S. Berlin / 08-24-2020  
Regulatory Compliance Manger / Date      Staff Counsel's Office / Date

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

**DATE:** August 24, 2020

### Overview

On July 13, 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 of 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 Cass County, Missouri, as a further expansion of its existing certificated area.

On July 14, 2020, the Commission issued its Order directing notice and setting a deadline for intervention request by July 29, 2020. On August 3, 2020, the Commission directed Staff to file a Recommendation regarding Spire’s Application no later than August 24, 2020.

### Discussion

Spire’s Application states that it seeks a CCN to extend its existing certificated area in Cass County for two separate projects. The first project (“Project One”) will extend service to an industrial park located in Section 29, Township 46 North, Range 32 West. The second project (“Project Two”) will extend service to commercial customers with the potential to service residential customers located in Sections 17, 20, and 29 in Township 44 North, Range 30 West.

Spire’s response to Staff’s Data Request No. 0001 indicates proposed Project One is planned to be a part of The Good Ranch Development Project. This Project is expected to be a mixed-use development of Commercial, Industrial and Residential property in the Southeast area of Raymore, Missouri. This Development covers 417 acres of undeveloped land and the Company projects that the full buildout demand for this area to accommodate future development growth is 110 mcfh. In Spire’s initial application, it indicated that the potential to serve additional customers related to this project is unclear at this time and that the purpose of this extension is to meet the

needs of a developing industrial park. In the Company's response to Data Request No. 0005, it indicated that there are three warehouses currently under construction. To meet the full needs of this project, Spire asserts that an 8" PL main is needed for 2,725 ft, along with 225 ft of service line. The Company estimates that the total cost for this project is \$237,450.98.

In the Company's Data Request No. 0001 response, Project Two is referred to as The Garden City Project. This project will extend service to commercial customers, with the potential to service residential customers, around the intersection of MO-T and State Route 7. To meet the full needs of this project, Spire asserts that a 4" main is needed for 10,570 ft along with a 2" main extension for 3,330 ft to allow an adequate supply to provide gas at the required delivery pressure. Total project cost is estimated at \$653,300.60. In the Company's response to Data Request No. 0001, Spire projects adding an additional 43 customers over a 4 year time period in this area.

The rates for the proposed areas would be those approved and in effect for the Spire Missouri operating unit certificated areas. 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. Spire's Application indicates that it intends to finance the Cass County Projects with internal funds.

### **Tartan Criteria**

The Tartan Criteria commonly used by the Commission lists five conditions to include in the determination of 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 Spire's Application is included below:

- **Is the service needed?** The earlier discussion regarding providing service to The Good Ranch Development Project and The Garden City Project in Cass County addresses the need of the gas service extension project;
- **Is the applicant qualified to provide the service?** Spire is a public utility and gas corporation, as those terms are defined in RSMo. Section 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 updated tariff sheets to incorporate Sections; 29, 17, 20, 29 in Townships 46 and 44 North Range 30 and 32 West in Cass County.

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

