BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

)

)

In the Matter of Staff's Investigation of Spire STL Pipeline's Application at FERC for a Temporary Certificate to Operate

Case No. GO-2022-0022

<u>SPIRE'S RESPONSE TO STAFF'S MOTION FOR ORDER REQUIRING</u> <u>SPIRE TO TAKE CERTAIN ACTIONS</u>

Pursuant to 20 CSR 4240-2.080 (13) Spire Missouri Inc. d/b/a Spire ("Spire" or "Company") files this Response to Staff's Motion for Order Requiring Spire to Take Certain Actions ("Response") and hereby states as follows:

I. STAFF'S MOTION INCLUDES FALSE ALLEGATIONS REGARDING SPIRE'S COMMUNICATIONS TO CUSTOMERS AND THE PUBLIC

1. The Staff improperly relies on the opinion of a minority of the members of the St. Louis Board of Aldermen regarding an email Spire sent to its customers on November 4, 2021 to conclude that the Company set out to "mobilize public opinion, through fear, in order to potentially pressure federal authorities to act to temporarily or permanently extend the operating authority of Spire's STL Pipeline." (Staff Motion, p. 4).

2. A review of the November 4, 2021 email, which is attached hereto as Exhibit A, will demonstrate that the Company merely communicated to its customers facts regarding this winter's gas supply situation. Spire is very mindful of its communications with its customers, and understands that it is important to keep customers informed of the important facts that may impact them. The Company is perplexed that the Staff would refer to Spire's communications as potentially false or misleading. In fact, nothing in Staff's filing has pointed to any language used by Spire to communicate with customers or the public that is either false or misleading.

II. THE BOARD OF ALDERMEN'S ALLEGATIONS

3. Staff's Motion refers to several opinions made by certain members of the St. Louis Board of Aldermen in formulating the basis for its filing. The Company would like to address a few of the statements referenced by Staff so that the Commission has a complete picture of the facts.

- The select few members of the Board of Aldermen referenced the email sent on November 4th by Spire to St. Louis area customers, stating that "it was the very worst sort of fear-mongering". Again, a copy of the referenced letter is attached as Exhibit A. Spire maintains that there is nothing in its communication to customers that supports that allegation. Spire's November 4 email represents a factual communication from a responsible utility to its customers regarding the gas supply situation as it existed at that time.
- These same few members of the Board of Alderman also claimed that the Company has failed to communicate that the FERC could extend the temporary certificate for Spire STL Pipeline 'any day now'. This allegation is not true, in the November 4 email Spire states, "What we're doing to prepare: While we're hopeful the government will extend the approval for the pipeline to operate for the full winter heating season, we want to be prepared".
- The few complaining Board of Aldermen also criticized the November email because it spoke of 'potential disruptions and outages' to natural gas service and stated to customers in bold print that, 'there are no guarantees it will operate beyond Dec. 13.' The Spire communication did include this information in its email because the Company wants to keep its customers informed of the facts. There is nothing false or misleading about the fact that the temporary certificate expires after December 13 of this year.
- The few objecting Board of Aldermen further complained that "[i]nstead of giving St. Louis customers clear information that we will have reliable gas service through the winter, Spire Missouri told customers to be prepared to reduce their usage of natural gas in order to maintain service to the area. This assertion also fails to address the actual wording Spire provided to its customers. The email from Spire states, "Without the STL Pipeline in place, you may be asked to conserve energy by turning down the thermostat in your home or business and reducing use of your natural gas appliances (fireplace, oven or another appliance). While we understand this isn't ideal during the winter months, we also know it will help us maintain service to the St. Louis community." The Company was informing the customers of what might occur in the future. The statement is factual. Staff has reviewed the issue of Spire's gas supply for the upcoming winter and on August 16, 2021 in Staff's investigation report states "[a]s a result of the significant alteration of Spire

Missouri's distribution system to accommodate the Spire STL capacity, there is a real risk of natural gas outages during the winter of 2021-2022 absent the availability of Spire STL capacity from both a flow and pressure standpoint." The Company's communication regarding the gas supply for this winter is on par with what Staff itself has concluded. There was, and still is, a risk of potential outages on very cold days this winter unless a new temporary emergency certificate is issued for the STL Pipeline. No such certificate has yet been issued. As stated we are hopeful for action by FERC and are encouraged by the recent FERC meeting on November 18, 2021. In the face of these facts, the Company acted prudently and responsibly by accurately informing the customers of facts that might affect them in the future.

• The complaining Board of Aldermen go on to assert that the email has spun our constituents and advocacy organizations into a panic that St. Louis could face the type of situation seen in Texas last year where homes were left without heat for days in freezing temperatures and residents died. This allegation misrepresents the contents of the Company's letter. If there is no Spire STL pipeline and we have a polar vortex like last February, then we could see homes without heat for days and human life could be in jeopardy. The company never communicated this specific dire outcome to its customers or the public.

It would appear that Staff filed this Motion solely based on information and opinion received from certain members of the Board of Alderman without taking any further action before making such a filing, including not contacting the Company and seemingly without a Staff review of the Company's actual email.

III. STAFF REQUEST

4. It would appear that largely based on the opinion of a few members of the St. Louis Board of Aldermen and without discussion with the Company, Staff determined that the Commission should do the following:

(a) Order Spire Missouri to provide to Staff a copy of every communication to its customers and/or the public, by any means, since June 22, 2021 that refers to the Spire STL Pipeline;

(b) Order Spire Missouri to prepare a letter to each customer in its Spire East service area that explains the gas supply situation for the upcoming winter heating season as accurately as possible; submitting drafts to Staff for review and approval no later than 5:00 P.M. on November 19, 2021; and including Public Service Announcements providing the same message; all in order to allay public fears and concerns;

(c) Order Staff to file a recommendation to the Commission within forty-five (45) days whether or not a complaint against Spire Missouri is warranted for false and misleading communications to its customers and the public; failure to ensure the availability of sufficient gas supplies for the upcoming winter heating season; and any other matter Staff's investigations might disclose; and

(d) Order Staff to investigate and file a report in this case file regarding all of Spire's communications with its customers regarding the operation of Spire STL Pipeline since June 22, 2021.

5. *Providing copies of communications regarding Spire STL Pipeline is unnecessary.* The Company finds this request to be overly broad and unnecessary given that there has been absolutely no evidence that Spire has failed in its communications to either its customers or the public regarding the operation of Spire STL Pipeline. Additionally, there has been much media coverage surrounding this communication and therefore such information is publicly available. However, the Company will provide copies of direct customer correspondence regarding the STL Pipeline and postings on the Company's website to Staff.

6. *Preparation of a letter to customers is duplicative and unnecessary.* Spire has already provided adequate and accurate communication to its customers explaining the gas supply situation for the upcoming winter season as demonstrated in Exhibit A. Additionally, the

4

Company has sent further communication to its customers as recently as yesterday, November 18, 2021 regarding a statement made during the Federal Energy Regulatory Commission's ("FERC") monthly meeting by FERC Commissioner Christie: "Keep that system operating at least through the winter. That's the way to eliminate uncertainty, and we don't have to have people worried and politicians worried and so I think that's the way to address that, and I look forward to getting that next CPCN [Certificate of Public Necessity and Convenience] and getting that in place, so people don't have to worry about their gas in St. Louis in the winter." This communication is included as Exhibit B. Additional communication at this point is unnecessary given that communications issued by the Company have already addressed the points raised by Staff. The Company would be glad to again share these communications with Staff and take any suggestions they may have into consideration regarding its future communications. Moreover, requiring Spire to have Staff approved customer communications due to complaints from a few members of one entity is concerning. While the Commission has jurisdiction over Spire to ensure safe and adequate service, and to set the Company's rates, it becomes overreaching to monitor the Company's business decisions when it comes to how it communicates and what it communicates with its customers.

7. *An investigation and report regarding Spire's communications is unnecessary and unwarranted.* An investigation into Spire's communications based off of the opinion of a few members of the St. Louis Board of Aldermen, which Spire disagrees with, would be a waste of state time and resources. As previously stated, the Staff has not pointed to any specific language used by the Company that is inaccurate and therefore would support any wrongdoing by Spire.

8. *The Commission should not direct its Staff to file a Complaint.* Staff has also opened up the possibility of a Complaint case against Spire that is completely unwarranted. The Company had adequate gas supply that was unfortunately and surprisingly deterred by the Courts

just months ago. As Staff is well aware, the Company has been hard at work in developing a contingency plan for its customers and work towards a solution for this winter and beyond is an ongoing and important task that the Company takes very seriously. The Company has filed its contingency plan with the Commission as part of this docket as recently as this past Monday, November 15, and will continue to provide monthly updates to the Commission. The suggestion that the Company has failed to provide for its customers before any such failure has actually occurred is premature and the filing of a Complaint is unwarranted.

9. *Spire was not given an opportunity to respond to Staff's Motion.* Commission Rule 20 CSR 4240-2.080(13) states: Parties shall be allowed ten (10) days from the date of filing in which to respond to any pleading unless otherwise ordered by the Commission. Here, the Commission issued an Order immediately after Staff's filing without allowing the Company an opportunity to respond. Given the serious allegations associated with Staff's Motion, the Company requests that the Commission consider this Response and amend its Order accordingly.

WHEREFORE, Spire respectfully requests the Commission consider this response to Staff's filing, amend its Order to be consistent herewith, and grant any such other relief that it deems appropriate.

<u>/s/Goldíe T. Bockstruck</u>

Matthew Aplington MBN 58565 General Counsel Spire Missouri Inc. 700 Market Street, 6th Floor St. Louis, MO 63101 (314) 342-0785 (Office) Email: matt.aplington@spireenergy.com Goldie T. Bockstruck MBN 58759 Director, Associate General Counsel Spire Missouri Inc. 700 Market Street, 6th Floor St. Louis, MO 63101 314-342-0533 Office 314-421-1979 Fax Email: <u>Goldie.Bockstruck@spireenergy.com</u>

Rachel L. Niemeier, MBN 56073 Regulatory Counsel Spire Missouri Inc. 700 Market Street, 6th Floor St. Louis, MO 63101 314-390-2623 Office Email: Rachel.<u>Niemeier@spireenergy.com</u>

ATTORNEYS FOR SPIRE MISSOURI INC.

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was served electronically, or handdelivered, or via First Class United States Mail, postage prepaid, on all parties of record herein on this 19th day of November, 2021.

/s/ <u>Lew Keathley</u>