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

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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

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

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Motion for an Order Requiring Spire to Take Certain Actions,* states herein as follows:

1. This case concerns Spire's STL Pipeline, a 65-mile interstate pipeline connected to the Rockies Express Pipeline in Illinois and various points in Missouri, including to Spire Missouri, the MoGas Pipeline, and the Enable MRT Pipeline. The STL Pipeline project was approved by the Federal Energy Regulatory Commission ("FERC") in 2018.

2. A New York-based environmental group, the Environmental Defense Fund ("EDF"), challenged FERC's need determination in authorizing the STL Pipeline Project to serve St. Louis in the United States Court of Appeals for the D.C. Circuit.

3. On June 22, 2021, more than a year and a half after the STL Pipeline went into service, the D.C. Circuit Court of Appeals ruled against the FERC's approval of the STL Pipeline, ordering that its certificate of public convenience and necessity be vacated.

4. On July 26, 2021, Spire STL Pipeline filed at the FERC, a Notice of Application for Temporary Emergency Certificate, Or, In the Alternative, Limited-Term Certificate asking the FERC for authority to continue operating the STL Pipeline to provide

natural gas to the St. Louis area despite the recent decision of the D.C. Circuit Court of Appeals vacating the certificate of convenience and necessity that had been issued for the operation of the pipeline. Spire STL Pipeline's filing at the FERC represents that a shut-down of the pipeline would create "serious service disruptions" for the St. Louis area.

5. On July 28, 2021, citing "concerns about possible serious service disruptions the Commission issued its *Order Opening an Investigation,* directing Staff to investigate and file an initial report not later than August 16, 2021, and to note therein "any issues in need of additional time to complete an evaluation, including a date when the investigation can be completed."

6. On August 16, 2021, Staff filed its *Initial Report* as ordered, stating "Staff acknowledges that Spire Missouri cannot reasonably reconfigure its system to replace or restore former capacity, or replace reliance on Spire STL for transportation before or during the Winter of 2021-2022. Spire Missouri in its current configuration would benefit from transportation support by Spire STL on very cold days, and Spire STL transportation services would be necessary if the planned peak demand occurs." The *Initial Report* further stated, "Staff notes that by making these prior configuration changes, particularly forgoing distribution system improvements and removing UGS compression, Spire Missouri has made itself currently particularly reliant on Spire STL and the interstate pipelines interconnected with Spire STL to deliver gas and support pressure in parts of the distribution system." The basis of Staff's conclusions are certain voluntary modifications made by Spire to its system, including:

- 1. Removal of the Chain of Rocks city gate;
- 2. Removal of propane peaking facilities;

- 3. Foregoing of distribution system reinforcement; and
- 4. Retirement of compressors at the underground storage facility.

7. Staff's *Initial Report* further noted, "By pushing for changes in interstate pipelines rather than reinforcing its distribution system, Spire Missouri also shifted the recovery of associated costs. Distribution system improvements would be handled through a rate case with associated scrutiny of plant in service, in-service dates, depreciation expense and related issues. Leveraging the interstate pipelines pushes those issues into transportation-related gas costs, which are recovered through the purchased gas adjustment (PGA)."

8. In conclusion, Staff stated: "Staff's analysis of recent winter firm demand suggests that Spire Missouri can meet gas volume needs of a typical winter with current transportation capacity on pipelines other than Spire STL and its on-system UGS. This does not obviate potential concerns for peak or high demand days. High-demand situations can occur, and should be planned for. Meeting them is a matter of gas flow rate as well as total volume. ... In light of these facts, providing Spire Missouri with access to some transportation capacity on Spire STL is warranted for winter 2021-2022 at least in order to provide for high-demand events that may occur."

9. On November 11, 2021, the Board of Aldermen of the City of St. Louis directed the Commission's attention to various public announcements and communications made by Spire:

As we approach the coldest months in the St. Louis region, an email sent on November 4<sup>th</sup> by Spire Missouri to St. Louis area customers was the very worst sort of fear-mongering, especially during a global pandemic that has hurt our most

vulnerable neighbors' ability to pay their utility bills. ... Despite Spire Missouri's own public admission expecting the Federal Energy Regulatory Commission (FERC) to extend temporary certification of the Spire STL Pipeline 'any day now' to maintain natural gas service in our region through the winter months, it failed to inform the public of this vital information. Instead the email 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.' Instead 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 email has spun our constituents and advocacy organizations into a panic that St, Louis could face the type of situation seen in Texas las year where homes were left without heat for days in freezing temperatures and residents died.

10. The communications described by the St. Louis Board of Aldermen appear to reflect an attempt by Spire 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's cursory examination of Spire's website revealed a number of public communications posted there that indeed overstate the likelihood of the closure of Spire's STL Pipeline and resulting dangers to the public.

WHEREFORE, on account of all the foregoing, Staff now moves the Commission to act as follows:

1. 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;

2 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;

3. 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;

4. 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; and

5. Grant such other and further relief as is just in the circumstances.

Respectfully submitted,

<u>/s/ Kevin A. Thompson</u> **KEVIN A. THOMPSON** Missouri Bar Number 36288 Chief Staff Counsel Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102 573-751-6514 (Voice) 573-526-6969 (Fax) <u>kevin.thompson@psc.mo.gov</u>

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing has been served, by hand delivery, electronic mail, or First Class United States Mail, postage prepaid, on this **18<sup>th</sup> Day of November**, **2021**, to all Missouri regulated public utilities and their attorneys, as well as other parties that are regularly active in cases before the Commission.

<u>/s/ Kevin A. Thompson</u>