STATE OF MISSOURI PUBLIC SERVICE COMMISSION

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In the Matter of the Establishment of a Working Case for the Review and Consideration of Amending the Commission's Natural Gas Safety Rules

GW-2022-0237

SPIRE MISSOURI INC.'S COMMENTS TO STAFF'S PROPOSED AMENDMENTS TO THE COMMISSION'S NATURAL GAS SAFETY RULES

COMES NOW Spire Missouri Inc. ("Company" or "Spire") by and through counsel and in response to the March 16, 2022 Order of the Missouri Public Service Commission ("Commission") hereby files its comments as set forth below.

Procedural Background

1. On March 7, 2022, the Staff of the Commission ("Staff") filed a Motion to establish a Working Case with the purpose of updating the Commission's gas safety rules to reflect federal amendments to gas safety standards as well as additional clarification amendments.

2. On March 16, 2022, the Commission issued an Order opening a Working Case to Consider Amending the Commission's Natural Gas Safety Rules. This Order included a May 2, 2022 deadline for any stakeholder wishing to submit comments regarding the rule amendments being considered by Staff.

Comments

3. Spire agrees with the Staff's proposals to the extent they update the Commission's natural gas safety rules to be in alignment with the federal natural gas safety standards. However, there are additional changes the Company recommends regarding the property damage threshold for reportable-incidents for Missouri.

4. The Staff is recommending that Commission Rule 20 CSR 4240-40.020.1.D (1)(B) be amended to reflect changes to the federal gas safety standards which raise the property damage

threshold for reportable incidents from \$50,000 to \$122,000. This change has been made to reflect the impact of inflation over time, as this rate has not changed since the 1980's. In addition, the federal rules allow for adjustments to the threshold amount due to inflation from 2021 onward. These adjustments will be posted on the PHMSA website. Staff has also incorporated this change in its proposed amendments. The Company agrees that these changes are appropriate.

5. Commission Rule 20 CSR 4240-40-4A(1)(C) relates to the same issue, the threshold of reportable property damage incidents by system operators to the state. The state threshold is currently set at \$10,000 and the Staff has not recommended a change to this threshold. It is the Company's position that the threshold should also be raised to reflect changes to the inflation rate. If we look at how the inflation rate has changed from 1984 to present, the appropriate threshold would be \$30,000. In addition, many of the reportable incidents between \$10,000 and \$30,000 are driven by labor costs versus the cost of damage to the property itself. Incidents above \$30,000 are more reflective of out of the ordinary circumstances that would warrant reporting to the state. The Company recommends an increase to the state reportable threshold to \$30,000.

WHEREFORE, Spire Missouri Inc. asks the Commission to accept Spire Missouri Inc.'s Comments in response to the Staff's proposed amendments and for any other action the Commission deems appropriate.

Respectfully Submitted,

<u>/s/ Goldíe T. Bockstruck</u>

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ATTORNEY FOR SPIRE MISSOURI INC.

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 2nd day of May, 2022 to the parties in this matter by hand-delivery, fax, electronic or regular mail.

/s/ Goldíe T. Bockstruck