

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

The Staff of the Missouri Public Service,)
Commission,)
)
Complainant,)
v.)
)
Spire Missouri Inc., d/b/a Spire)
)
Respondent.)

File No. GC-2022-0087

STIPULATION AND AGREEMENT

COME NOW Spire Missouri Inc. (“Spire” or “Company”), and the Staff of the Missouri Public Service Commission (“Staff”), collectively referred to herein as “the Parties” or “Signatories” and hereby submit this *Stipulation and Agreement* (“Agreement”), for approval by the Commission. In support of the Agreement, the Parties respectfully state as follows:

BACKGROUND

1. On May 28, 2020, an excavator notified the Missouri One Call System, Inc. (MOCS) of its’ intention to excavate in an area off the shoulder of Highway 169 in Kansas City on June 3, 2020. Spire’s contract locator responded on June 1, 2020, that the area was “clear/no conflict” meaning Spire’s facilities were not in the excavation area. This response by Spire’s

contract locator was incorrect. On July 1, 2020, without requesting a remark from MOCS¹, the excavator damaged Spire facilities causing a gas leak. Spire immediately dispatched responders to the scene and worked to shut off gas in the area.

2. On July 21, 2020, Staff filed a motion requesting that the Commission open a case to investigate the incident, which was assigned Case File No. GS-2021-0019. The Commission granted the motion on July 29, 2020 and ordered Staff to file a report regarding their findings. On June 30, 2021, Staff filed *Staff's Gas Incident Report* ("Staff's Report") regarding its findings of the July 1, 2020 Highway 169 incident. Staff's Report noted many of the Company's procedures and actions to be in compliance with the Missouri Public Service Commission's ("Commission") pipeline safety rules². Staff's Report also identified five violations of the Commission's pipeline safety rules and provided recommendations to address each violation.

3. On September 13, 2021, the Company filed a Response to Staff's Recommendations in which the Company agreed to comply with most of Staff's recommendations.

4. On September 28, 2021, Staff filed a Complaint, which prompted this case file, noting that "in order for the Commission to consider any resolution Staff and Spire may enter into to resolve the alleged violations, Staff must file a complaint."

¹ Section 319.026 RSMo. states that an excavator shall serve notice of intent to excavate to the notification center by toll-free telephone number operated on a twenty-four hour per-day, seven day per-week basis or by facsimile or by completing notice via the internet at least two working days, but not more than ten working days, before the expected date of commencing the excavation activity.

² 20 CSR 4240-40.030 – Safety Standards – Transportation of Gas by Pipeline.

5. This Agreement represents the product of much discussion and deliberation by the Parties regarding the appropriate actions to further prevent such events in the future. The Parties believe the Agreement reaches the appropriate result, as it improves the Company's processes and procedures while also promoting safety.

AGREEMENT AMONG THE SIGNATORIES

6. Spire agreed to adopt specific procedures for requiring locators to perform a visual scan of the work area and to confirm the location of Spire's facilities through conductive methods by December 10, 2021. Unless otherwise stated, the Company has already implemented the agreed upon action by December 10, 2021 prior to the written language of this Agreement being completed.

7. To address Staff's Recommendation 3³, Spire agrees to make changes to its annual mailers to excavators to meet the requirements of 20 CSR 4240-40.030(12)(I)3.B. This includes amending Standard Operating Procedure ("SOP") 220.C to include a requirement that the annual mailers include a copy of the applicable sections of Chapter 319, RSMo or a summary of the provisions of Chapter 319, RSMo approved by designated commission personnel concerning underground facility safety and damage prevention pertaining to excavators. Spire will provide a copy of the amended procedure for Staff review no later than April 15, 2022. These changes to the annual mailer will be incorporated in the Company's next annual mailer that will be sent in

³ See page 45, lines 13-22 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

2022. Spire will provide Staff with a copy of this mailer. Following its review, Staff will discuss any questions or concerns with Spire.

8. To address Staff's Recommendation 1⁴, Spire amended its Spire Missouri Inc. Operations Procedure Manual (OPM) to include the 48 hour telephonic update to the National Response Center ("NRC") within 48 hours after the confirmed discovery of an incident as required by 20 CSR 4240-40.020(3)(C).

9. To address Staff's Recommendation 2⁵, regarding compliance with the requirements of 20 CSR 4240-40.030(12)(I)3.G. to provide for temporary markings of buried pipelines in the area of excavation going forward, Spire has:

- i. Reviewed the Common Ground Alliance Best Practice Marking Standards and determined which practices and procedures to incorporate by reference within SOP 220.C and identified which are considered as best practices and which are procedures. Staff has reviewed Spire's revisions to SOP 220.C.3. With respect to the sentence: "Spire marking standards should follow Spire 220.Q, Locating and Marking Below Grade Facilities SOP and the current version of the Common Ground Alliance (CGA) Best Practices Version 18.0, Section 4, Locating and Marking", Staff proposes that the word "should" be changed to "will", "must", or "shall". Spire will provide a copy of the modified procedure for Staff

⁴ See page 44, lines 17-20 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

⁵ See page 44 line 21 through page 45 line 12 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

review no later than April 15, 2022. Following its review, Staff will discuss any questions or concerns with Spire.

ii. Referenced a specific version of the Common Ground Alliance Best Practice Marking Standards as opposed to referencing “the current version”.

iii. Established and will follow a schedule for annual review of revisions to Common Ground Alliance Best Practice Marking Standards in SOP 220.C.

iv. Reviewed revisions to Common Ground Alliance Best Practice Marking Standards to determine when and how to adopt those into Spire’s procedures and training requirements according to the schedule established in SOP 220.C.

10. To address Staff’s Recommendation 4⁶, Spire has amended and will follow its SOP 220.C, Section 11-Observation of Excavation Activities to include all of the factors listed in 20 CSR 4240-40.030(12)(I)4. as considerations for determining the need for, and extent of, inspections.

11. To address Staff’s Recommendation 5⁷, Spire has added the following criteria as considerations for determining the need for, and extent of, inspections to its SOP 220.C:

i. Mains which are 12 inches or more in diameter;

ii. Mains operating at pressures in excess of 60 psig; and

⁶ See page 45, lines 23-26 of “Staff’s Gas Incident Report”, filed June 30, 2021 in Case No. GS-2021-0019.

⁷ See page 46, lines 1-5 of “Staff’s Gas Incident Report”, filed June 30, 2021 in Case No. GS-2021-0019.

iii. Mains which are a single feed to large number of customers.

12. To address Staff's Recommendation 6⁸, Spire has revised its SOP 220.C Section 5 to include a description of Spire's Ticket Management System, and procedures for its implementation, and will follow this procedure.

13. To address Part A of Staff's Recommendation 7⁹, Spire will modify and will follow SOP 220.C Section 10 to define the process of how Spire personnel will conduct oversight and inspection of contractors performing the task of locating Spire's facilities to ensure compliance with 20 CSR 4240-40.030(12)(B)3. Such procedure will include but not be limited to oversight and inspection of instances when a contractor completes a locate request as a "Clear/No Conflict". Spire will provide a copy of the amended procedure for Staff review no later than April 15, 2022. Following its review, Staff will discuss any questions or concerns with Spire.

14. To address Part B of Staff's Recommendation 7¹⁰, Spire agrees to develop, implement, and follow a written procedure for conducting random field quality audits of "Clear/No Conflict" locates and include consideration of all factors that contributed to this incident by April 15, 2022. Following its review, Staff will discuss any questions or concerns with Spire.

15. To address Staff's Recommendation 8¹¹, Spire has included and will follow as part of its inspection procedures, a requirement for Spire personnel and its contractors to report mapping

⁸ See page 46, lines 6-8 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

⁹ See page 46, lines 9-17 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

¹⁰ See page 46, lines 9, 10 and 18-21 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

¹¹ See page 46, lines 22-26 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

errors of Spire’s natural gas system when identified through the completion of activities related to SOPs 220.C, 230.C, 230.D, and 220.R.

16. To address Staff’s Recommendation 9¹², Spire has included and will follow as part of its SOPs 220.C, 230.C, 230.D, and 220.R, a procedure to investigate each field reported mapping error, and make timely correction of identified errors in the mapping system.

17. To address Staff’s Recommendation 10¹³, Spire agrees to implement a root cause analysis procedure to investigate failures resulting in certain consequences by April 15, 2022. Such consequences will include but not be limited to the following:

A reportable incident resulting in:

- a. Death
- b. An Injury beyond basic first aid
- c. Property Damage in excess of \$50,000
- d. An Overpressurization of the system
- e. An unintended outage of 100+ customers

The procedure will address how to determine the predominant reason(s) that the event occurred, and to identify where a change in behavior would reasonably be expected to lead to a change in the outcome, i.e. avoidance of the event. The root cause analysis may be conducted as part of an attorney-client privileged or work product protected incident review.

¹² See page 47, lines 1-4 of “Staff’s Gas Incident Report”, filed June 30, 2021 in Case No. GS-2021-0019.

¹³ See page 47, lines 5-10 of “Staff’s Gas Incident Report”, filed June 30, 2021 in Case No. GS-2021-0019.

18. To address Staff's Recommendation 11¹⁴, Spire updated Part G3 of its PHMSA F 7100.1 Incident Report for this incident to reflect that the Company received an initial notification from the One-Call Center to request marking of underground utilities. The update was submitted to PHMSA on November 1, 2021.

19. To address Staff's Recommendation 12¹⁵, Spire agrees to include all known factors contributing to incidents as part of its DIMP threat evaluation going forward. Such inclusion may begin immediately, but no later than the approval of the date of this Agreement. Spire also agrees to write this change into the Company's DIMP plan as part of Spire's next DIMP update. Spire will provide a copy of the revised Company's DIMP plan for Staff review. Following its review, Staff will discuss any questions or concerns with Spire.

20. Spire agrees to pay the sum of \$20,000 to the Public School Fund of the State of Missouri. The payment shall be due within thirty (30) calendar days after the effective date of the Commission order approving this agreement.

21. Spire agrees not to seek recovery of this sum in rates in any future rate case.

22. Spire agrees to submit evidence of the above payment in this case, when such payment is submitted.

23. Staff agrees not to seek or support the imposition of penalties for any of the violations, or other matters specifically related to the facts of this incident investigation case.

¹⁴ See page 47, lines 11-13 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

¹⁵ See page 47, lines 14-15 of "Staff's Gas Incident Report", filed June 30, 2021 in Case No. GS-2021-0019.

Nothing in this Agreement shall preclude Staff from addressing similar facts related to other situations, events or incidents in future proceedings.

24. In the event that Spire fails to make the payment identified in paragraph twenty (20) above or comply with any of the Agreements set forth herein, Staff may take any actions against Spire Missouri and pursue any and all remedies provided by law.

GENERAL PROVISIONS

25. Except as otherwise expressly specified herein, none of the Signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation, depreciation or revenue-related method, or any service or payment standard; and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other Commission or judicial review or other proceeding, except as otherwise expressly specified herein. Nothing in this Stipulation and Agreement shall preclude Staff in future proceedings from providing recommendations as requested by the Commission nor limit Staff's access to information in any other proceedings. Nothing in this Stipulation and Agreement shall be deemed a waiver of any statute or Commission regulation.

26. This Stipulation and Agreement has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. In the event that the Commission does not approve this Stipulation and Agreement, or approves this Stipulation and Agreement with modifications or conditions to which a Party to this proceeding objects, this Stipulation and

Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

27. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.080.1 (RSMo. 2016) to present testimony, to cross-examine witnesses, and to present oral argument and written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.070. (RSMo. 2016); and their respective rights to judicial review of the Commission's Report and Order in this case pursuant to Section 386.510 (RSMo. Supp. 2020). These waivers apply only to a Commission order regarding the issues addressed in this Stipulation in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

28. Signatories shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests. Staff shall, to the extent reasonably practicable, provide the other Parties with advanced notice of the agenda in which Signatories may respond to the Commission's request for information. Any oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged, highly confidential, or proprietary.

29. If the Commission so requests, Staff shall file suggestions or a memorandum in support of this Stipulation. Each of the other Parties shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's suggestions or memorandum, responsive suggestions or a responsive

memorandum which shall also be served on all parties to the case. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other Parties in this case, whether or not the Commission issues an Order approving this Stipulation.

30. To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information the Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement.

Respectfully Submitted,

s/ Jamie S. Myers
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ATTORNEYS FOR SPIRE MISSOURI INC

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Stipulation and Agreement was served on the parties to this case on this 20th day of January, 2022 by hand-delivery, fax, electronic mail or by regular mail, postage prepaid.

/s/ Rachel L. Niemeier