

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held by telephone
and internet audio conference
on the 15th day of July, 2020.

In the Matter of the Notice and Application of)	
Spire Missouri Inc. Regarding Completion of Its)	
Residential and Small Commercial Service/Yard)	
Line Replacement Program and Program to)	<u>File No. GE-2020-0294</u>
Address Remaining Yard Lines Owned By its)	
Commercial and Industrial Customers in its Spire)	
East and Spire West Service Territories)	

**ORDER ON APPLICATION FOR APPROVAL OF YARD LINE
REPLACEMENT PROGRAM AND WAIVER EXTENDING DEADLINE**

Issue Date: July 15, 2020

Effective Date: August 14, 2020

Spire Missouri Inc. filed an application on March 20, 2020, seeking approval of a program to replace remaining unprotected steel yard lines owned by large commercial and industrial customers in its Spire East and Spire West service territories. Spire requests any waivers necessary to extend the deadline for completing replacement to December 31, 2025. Spire also requests waiver of the 60-day notice requirement under 20 CSR 4240-4.017.

On June 22, 2020, Staff recommended that the Commission approve Spire's proposed program for replacement of unprotected steel yard lines owned by large commercial and industrial customers. Staff clarified its recommendation in a filing on July 2, 2020.¹ Staff also recommended the Commission approve, with conditions, waiver of Commission Rule 20 CSR 4240-40.030(15)(C) and Commission orders in File Nos.

¹ References to Staff's recommendation in this order are to Staff's June 22, 2020 recommendation as clarified by its July 2, 2020 filing.

GO-99-155 (Spire East) and GO-2002-50 (Spire West) to allow Spire until December 31, 2025, to complete required replacements. No objections to Staff's recommendation have been received, and the time for responses has expired.²

REPLACEMENT PROGRAM

Spire's replacement program proposes to provide large commercial and industrial customers two options for replacing a customer-owned unprotected steel yard line: (1) replacement of the line by the customer, subject to inspection by Spire; or (2) replacement of the line by Spire, which is accomplished by extending Spire's service line to the first occupied building. Under Option 2, Spire owns the replaced yard line.³ Staff advises both options are consistent with Commission rules: Customer replacement and ownership of the yard line under Option 1 is permissible under Commission Rule 20 CSR 4240-40.030(8)(B)2 as long as the customer meets installation standards and replaces the yard line with cathodically protected, coated steel or polyethylene pipe; Spire's replacement and ownership of the yard line under Option 2 is consistent with Commission Rule 20 CSR 4240-40.030(8)(B)1, which Staff interprets to give Spire "primary responsibility for installing, owning, operating and maintaining all yard line replacements made after December 15, 1989, regardless of meter location."

Spire's application indicates 15 yard lines serving large commercial and industrial customers require replacement in Spire East's service territory and 19 require replacement in Spire West's territory. According to Staff's recommendation, of the 34 total yard lines indicated in Spire's March 20, 2020 application, 20 such lines required

² Commission Rule 20 CSR 4240-2.080(13) allows parties 10 days to respond to pleadings unless otherwise ordered by the Commission. The Commission has received no applications to intervene in this case.

³ Staff's memorandum notes leak surveys are required regardless of yard line ownership.

replacement as of April 28, 2020. Spire's application estimates replacements required in Spire East's service territory will cost the company about \$566,000 and replacements in Spire West's territory will cost the company about \$228,000.⁴

The Commission determines Spire's proposal for replacement of unprotected steel lines is consistent with the requirements of 20 CSR 4240-40.030(8) and will approve the program. As recommended by Staff, the Commission finds the proposal appropriately gives Spire primary responsibility for replacing yard lines, while allowing large commercial and industrial customers to replace yard lines when requirements under 20 CSR 4240-40.030(8)(B)2 are met.

REQUESTS FOR WAIVER

Spire also requests any waiver necessary to allow it through December 31, 2025, to complete required replacements of large commercial and industrial customer-owned yard lines.⁵ Staff advises Spire's request requires waiver of the requirements of 20 CSR 4240-40.030(15)(C), which governs leak detection survey and replacement programs for unprotected steel service and yard lines. Pursuant to the rule, the Commission has approved replacement schedules in a number of cases concerning the predecessors of Spire East and Spire West. Staff advises Spire's request requires waiver of the deadlines set in such Commission orders.⁶

⁴ Spire states it "does not plan to" recover costs for the replacement of customer-owned yard lines relevant to its application in this case through an infrastructure system replacement surcharge but will seek to recover those costs in the "normal rate case process." *Verified Notice and Application of Spire Missouri Inc. Concerning Service and Yard Lines in its Spire East and Spire West Service Territories*, ¶ 14, GE-2020-0294 (March 20, 2020). Staff's recommendation does not address financial treatment of these costs and recommends the issue is best suited to Spire's next rate or tariff case. This order does not reach those issues.

⁵ Spire's waiver request in this case is limited to "remaining unprotected steel yard lines owned by large commercial and industrial customers in its Spire East and Spire West territories." *Id.* at ¶¶ 9, request for relief (a),(b).

⁶ A recent Commission order in File No. GE-2020-0373 does not address the large commercial and

In regard to Spire East, Staff advises that the current deadline for replacing unprotected steel yard lines owned by large commercial and industrial customers is December 31, 2020, under the Commission's order in File No. GO-99-155. In regard to Spire West, the corresponding deadline is June 30, 2020, as set in File No. GO-2002-50.

Staff recommends the Commission grant Spire's waiver request with conditions. The Commission may waive compliance with any of the requirements of Commission Rule 20 CSR 4240-40.030 upon a showing that gas safety is not compromised, pursuant to 20 CSR 4240-40.030(18). The Commission has reviewed and considered Spire's application and Staff's recommendation. The Commission finds granting a waiver to extend Spire's deadline through December 31, 2025, will not compromise gas safety when waiver is coupled with the conditions recommended by Staff. As provided in Spire's application, the waiver applies only to replacement of unprotected steel yard lines owned by large commercial or industrial customers. As recommended by Staff, Spire will be required to conduct additional public awareness efforts to notify customers when replacement of yard lines will be delayed and will also be required to conduct weekly odorant intensity tests in such areas. In addition, Spire must conduct quarterly leak surveys of unprotected steel yard lines until such lines are replaced.

Finally, the Commission will grant Spire's request for waiver of the 60-day notice requirement under 20 CSR 4240-4.017. The Commission finds good cause exists for waiver, based on Spire's verified declaration that it had no communication with the Office

industrial yard lines considered in this case. Spire's application in that case expressly excluded large commercial and industrial yard lines. *Spire Missouri Inc.'s Request for a Temporary Waiver from Rules and Orders Pertaining to Inspections and Replacements, Motion for Expedited Treatment, and Request for Waiver of 60-day Notice Rule*, ¶ 8, GE-2020-0373 (May 15, 2020).

of the Commission regarding substantive issues in the application within 150 days before Spire filed its application.

THE COMMISSION ORDERS THAT:

1. Spire's proposed customer-owned unprotected steel yard line replacement program for large commercial and industrial customers is approved.

2. Spire's application for waiver is granted to allow Spire through December 31, 2025, to complete replacement of large commercial and industrial customer-owned unprotected steel yard lines, as required by Commission Rule 20 CSR 4240-40.030(15)(C) and Commission orders in Files No. GO-99-155 and GO-2002-50, subject to the following conditions, as recommended by Commission Staff:

a. The waiver applies only to replacement of remaining customer-owned unprotected steel yard lines that serve large commercial or industrial customers;

b. Spire shall conduct additional public awareness efforts to notify customers when replacement of yard lines will be delayed in accordance with this waiver;

c. Spire shall conduct weekly odorant intensity tests, in accordance with test requirements in 20 CSR 4240-40.030(12)(P)6, in areas where replacement of unprotected steel yard lines will be delayed in accordance with this waiver; and

d. Spire shall conduct quarterly leak surveys of the unprotected steel yard lines until they are replaced in accordance with this waiver.

3. The 60-day notice requirement of Rule 20 CSR 4240-4.017(1) is waived for good cause.

4. This order shall be effective on August 14, 2020.



BY THE COMMISSION

A handwritten signature in dark ink, reading "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, and
Coleman, CC., concur.
Holsman, C., absent.

Jacobs, Regulatory Law Judge