

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held by telephone
and internet audio conference
on the 11th day of June, 2020.

In the Matter of the Request of Spire)
Missouri Inc. d/b/a Spire for a Temporary)
Waiver from Commission Rules 20 CSR)
4240-40.030 (9)(Q), (13)(M), (15)(C),)
(15)(D) and (15)(E) and Orders)
Pertaining to Inspections and)
Replacements)

File No. GE-2020-0373

ORDER ON APPLICATION FOR TEMPORARY WAIVERS

Issue Date: June 11, 2020

Effective Date: June 21, 2020

Spire Missouri Inc. d/b/a Spire filed an application on May 15, 2020, seeking, in part, temporary waiver of compliance with certain gas safety rules and Commission orders governing pipeline facility replacement under Commission Rule 20 CSR 4240-40.030. Spire's application is made on behalf of operating units Spire Missouri East and Spire Missouri West. Spire contends COVID-19 social distancing orders and guidelines obstruct Spire's timely completion of some requirements because of difficulty accessing customer premises.

Spire requests expedited treatment and waiver of the 60-day notice requirement under 20 CSR 4240-4.017. To facilitate expedited treatment, the Commission takes up Spire's application in two orders. This order concerns the requests in Spire's application that do not require notice to the U.S. Secretary of Transportation pursuant to 49 U.S.C. § 60118 and 20 CSR 4240-40.030(18).

As addressed in this order, Spire's application seeks temporary waiver of

compliance with portions of Commission Rule 20 CSR 4240-40.030(15), which governs minimum requirements for pipeline replacement programs. Spire requests waiver of provisions governing replacement programs for unprotected steel service lines and yard lines, 20 CSR 4240-40.030(15)(C); cast iron lines and mains, 20 CSR 4240-40.030(15)(D); and unprotected steel lines and mains, 20 CSR 4240-40.030(15)(E). In addition to the specified rules, Spire's obligations are also governed by Commission orders, and Spire seeks temporary waiver from the requirements of such orders.¹ Spire's application does not seek a waiver in regard to large commercial and industrial yard lines.

On May 26, 2020, Staff recommended that the Commission grant conditional approval of some of Spire's requests for temporary waiver and deny others for a lack of information. Spire's response on June 3, 2020, clarified its requests as to some rules. In light of Spire's response, Staff on June 5, 2020, submitted updated recommendations. Spire provided additional clarifications in a June 8, 2020 response, and Staff again revised its recommendations in a June 9, 2020 filing.

The Commission may waive compliance with any of the requirements of 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, Staff's recommendation and the parties' subsequent filings. The Commission determines temporary waiver of compliance with the requirements for replacement of

¹ Staff identifies orders in File Nos. GO-2002-50 and GO-93-343, as modified by the Unanimous Stipulation and Agreement in File No. GO-99-155, as relevant to Spire's obligations under 20 CSR 4240-40.030(15)(C) (unprotected steel service lines and yard lines). In addition, Spire identifies orders in File Nos. GO-91-277, GO-91-239, GO-91-295 and GO-99-302 in regard to 20 CSR 4240-40.030(15)(C). However, Spire's response to Staff's recommendation does not address the additional orders. In regard to Spire's application for temporary waiver of compliance with 20 CSR 4240-40.030(15)(D) (cast iron transmission lines, feeder lines or mains), Spire identifies File No. GO-2008-0002, GO-2002-50 and GO-91-275 in its waiver application. Staff's recommendation addresses File Nos. GO-2002-50 and GO-91-275, with no mention of the 2008 matter. Spire's response does not address the disparity.

unprotected steel lines under 20 CSR 4240-40.030(15)(C), with appropriate limitations and conditions, will not compromise gas safety. Despite the waiver, Spire will be required to complete timely replacements whenever possible. Spire will be required to conduct weekly odorant intensity tests in affected areas and provide notice of replacement delays to customers.

Likewise, the Commission finds a temporary waiver of compliance with the mandated timing of replacement of cast iron mains under Commission orders will not compromise gas safety when granted with the conditions proposed in Staff's updated recommendation filed on June 9, 2020. Commission Rule 20 CSR 4240-40.030(15)(D) requires Commission-approved replacement programs for cast iron transmission lines and mains. Spire seeks temporary waiver of requirements approved in previous Commission orders, in File Nos. GO-2002-50 and GO-91-275, which mandate replacement of cast iron main areas within a specified period when two or more breaks are noted. As with waiver regarding unprotected steel lines, Spire will be required to provide notice of replacement delays and conduct weekly odorant intensity tests in affected areas. The temporary waivers allow Spire time to adapt to the disruption caused by COVID-19. Spire's operating units are required to achieve compliance by no later than December 31, 2020, for Spire Missouri West, and May 31, 2021, for Spire Missouri East.

Staff's updated recommendation, filed on June 9, 2020, withdraws a recommendation that Spire's replacement plan under these waivers commence with the oldest facilities. The Commission recognizes that to complete replacements within the period allowed, Spire must coordinate with customers. However, the Commission also recognizes the safety concerns that motivated Staff's initial recommendation that the

oldest facilities be replaced first. Therefore, the temporary waiver requires Spire to prioritize replacement of the oldest facilities in its plan to bring all facilities into compliance.

As to Spire's request pertaining to four segments of unprotected steel main, which Spire reports were recently discovered by the company in a records review, the Commission determines waiver of 20 CSR 4240-40.030(15)(E) is not appropriate. The rule requires operators to establish Commission-approved replacement programs for unprotected steel transmission lines, feeder lines and mains. Staff advises the Commission approved such plans submitted by Spire Missouri East's predecessor, Laclede Gas Company, in File Nos. GO-91-239 and GO-2003-0506. All known unprotected steel mains were replaced, as reflected in annual status reports in File No. GO-2003-0506, which closed in May 2015. Rather than waive compliance with 20 CSR 4240-40.030(15)(E), the Commission will order Spire to replace the four segments of unprotected steel main by no later than May 31, 2021, as Spire has requested and as Staff recommends. The Commission requests that Spire call to the Commission's attention any costs associated with the replacement of these mains in future infrastructure system replacement surcharge (ISRS) filings.

In addition, Staff recommends the Commission require Spire to file a list of incidents, as of May 15, 2020, of noncompliance with Commission rules and orders pertaining to inspections, surveys and replacements at issue in this matter. The Commission will order such a list to be filed in this case. Any confidential information, if included, may be designated as such. Although this order generally concerns those portions of Spire's application that do not require notice to the U.S. Department of Transportation, the list required by this order also includes any incidents of

noncompliance with Commission rules 20 CSR 4240-40.030(9)(Q)1, 20 CSR 4240-40.030(13)(M)1, 20 CSR 4240-40.030(M)2.A and 20 CSR 4240-40.030(M)2.B.

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

To avoid delay in Spire's adaptation to COVID-19 restrictions, the Commission's order will take effect in 10 days.

THE COMMISSION ORDERS THAT:

1. Spire's application for temporary waiver of compliance with Commission Rule 20 CSR 4240-40.030(15)(C) and Commission orders in File Nos. GO-2002-50 and GO-93-343, as modified by the Unanimous Stipulation and Agreement in File No. GO-99-155, is granted, subject to the following limitations and conditions:

- a. Waiver is granted to Spire Missouri West through December 31, 2020, and to Spire Missouri East through May 31, 2021;
- b. No later than July 1, 2020, Spire shall file in this case a comprehensive list of unprotected steel service and yard line replacements to be delayed pursuant to this temporary waiver. Confidential information, if included, may be designated as such;
- c. Despite this waiver, Spire shall identify facilities that can be safely replaced, such as facilities located at schools and other buildings now closed to the public, and complete timely replacement of those facilities;

d. Spire shall conduct additional public awareness efforts to notify customers when replacement of facilities is delayed pursuant to this temporary waiver. Spire shall file in this case a report on such efforts;

e. Spire shall conduct weekly odorant intensity tests, in accordance with the test requirements of 20 CSR 4240-40.030(12)(P)6, in areas where replacement of unprotected steel service lines and yard lines is delayed pursuant to this temporary waiver;

f. Whenever possible, while also considering access to customer premises, Spire Missouri West's and Spire Missouri East's replacement programs shall prioritize replacement of the oldest facilities.

2. Spire's application for temporary waiver of mandated replacement dates pursuant to Commission orders in File Nos. GO-2002-50 and GO-91-275, as required by Commission Rule 20 CSR 4240-40.030(15)(D), is granted, subject to the following limitations and conditions:

a. Waiver is granted to Spire Missouri West through December 31, 2020, and to Spire Missouri East through May 31, 2021;

b. No later than July 1, 2020, Spire shall file in this case a comprehensive list of cast iron main replacements to be delayed pursuant to this temporary waiver. Confidential information, if included, may be designated as such;

c. Spire shall conduct additional public awareness efforts to notify customers when replacement of facilities is delayed pursuant to this temporary waiver. Spire shall file in this case a report on such efforts;

d. Spire shall conduct weekly odorant intensity tests, in accordance with the test requirements of 20 CSR 4240-40.030(12)(P)6, in areas where replacement of cast iron mains is delayed pursuant to this temporary waiver;

e. Whenever possible, while also considering access to customer premises, Spire Missouri West's and Spire Missouri East's replacement programs shall prioritize replacement of the oldest facilities.

3. In lieu of temporary waiver of compliance with Commission Rule 20 CSR 4240-40.030(15)(E), the Commission shall establish a deadline for replacement of the four segments of unprotected steel main identified in Spire Missouri East's April 30, 2020, quarterly report. Spire shall complete such replacement by no later than May 31, 2021.

4. Spire shall call to the Commission's attention costs associated with replacement of the four segments of unprotected steel main addressed in this order in any future ISRS filing that includes such costs.

5. By no later than July 1, 2020, Spire shall file in this case a list of all incidents of noncompliance with the requirements of Commission rules and orders specified in Spire's application in this matter that had occurred as of May 15, 2020, as provided above. The list shall identify each incident of noncompliance by location and/or address, specify by rule number and/or case number the obligations that had not been complied with, specify the nature of each incident of noncompliance and state the date action was due to maintain compliance. Confidential information, if included in the filing, may be designated as such.

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

7. This order shall be effective on June 21, 2020.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Jacobs, Regulatory Law Judge