

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

In the Matter of the Request of Spire)
Missouri Inc. d/b/a Spire for a Temporary)
Waiver from Commission Rules 20 CSR) **File No. GE-2020-0373**
4240-40.030 (9)(Q), (13)(M), (15)(C),)
(15)(D) and (15)(E) and Orders Pertaining)
to Inspections and Replacements)

STAFF RESPONSE

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its response states:

1. On May 15, 2020, Spire Missouri Inc. d/b/a Spire, filed an application requesting a waiver from certain Commission gas safety rules, 20 CSR 4240-40.030(9)(Q), (13)(M), (15)(C), (15)(D), and (15)(E). Spire also requested a waiver from the Commission's notice provision contained in 20 CSR 4240-4.017(1). Spire stated that as a result of COVID-19-related changes to its work processes and schedules, Spire had been unable to timely complete certain inspections, surveys, and replacements, required by Commission rules and orders.

2. Staff filed its recommendation regarding Spire's application on May 26, 2020, and recommended that the Commission grant some of Spire's waiver requests with certain conditions, deny some of Spire's waiver requests, and further recommended the Commission direct Spire to provide additional clarification on some of Spire's waiver requests before rendering a decision. Attached to its recommendation, Staff included its memorandum where Staff analyzed Spire's waiver requests with the applicable federal rules, Commission rules, and prior Commission orders, and safety implications of Spire's request. Staff dedicated a significant amount of time in a limited

timeframe to preparing its May 26, 2020, recommendation, in recognition of the exigent circumstances stemming from the COVID-19 pandemic.

3. On May 27, 2020, the Commission issued an order and established that any response to Staff's recommendation shall be filed no later than June 3, 2020.

4. Spire filed its response to Staff's recommendations in this matter, on June 3, 2020. Subsequently, on June 4, 2020, the Commission directed Staff to file a response and updated recommendation in light of Spire's response, no later than June 5, 2020.

5. Staff has reviewed Spire's response, and Staff provides its own responses and any updates to Staff's recommendations in this matter, in the attached Memorandum, consistent with the Commission order issued on June 4, 2020.

WHEREFORE, Staff submits its *Staff Response* and attached *Memorandum* and requests the Commission issue an order consistent with Staff's recommendations as set forth herein, and grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

/s/ Jamie S. Myers

Jamie S. Myers
Associate Counsel
Missouri Bar No. 68291
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-526-6036 (Voice)
573-751-9285 (Fax)
jamie.myers@psc.mo.gov

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via e-mail on counsel for the parties of record to this case on this 5th day of June, 2020.

/s/ Jamie S. Myers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GE-2020-0373, Spire Missouri, Inc., d/b/a Spire

FROM: Kathleen A. McNelis, PE, Utility Regulatory Engineering Manager,
Safety Engineering Department
John D. Kottwitz, Utility Engineering Specialist III,
Safety Engineering Department

/s/ Kathleen A. McNelis, PE / 06-05-2020
Safety Engineering Department/ Date

/s/ Jamie Myers / 06-05-2020
Staff Counsel Division / Date

SUBJECT: Staff Recommendation Regarding Spire Missouri Request for Approval of
a Waiver from 20 CSR 4240-40.030 (9)(Q); 20 CSR 4240-40.030 (13)(M);
20 CSR 4240-40.030 (15)(C); 20 CSR 4240-40.030 (15)(D); and 20 CSR
4240-40.030 (15)(E)

DATE: June 5, 2020

Staff filed its recommendation in this case on May 26, 2020. Spire filed its response on June 3, 2020. On June 4, 2020, the Commission ordered Staff to file a response to Spire Missouri Inc.'s Response to Staff Recommendation no later than June 5, 2020. Staff's response below is organized according to the recommendations Staff provided on May 26, 2020.

Staff Response

1. Staff May 26, 2020 Recommendation 1

Staff recommended that the Commission order Spire to file a list of any non-compliances with Commission rules and orders that had already occurred by May 15, 2020 (file date of this application). The list should include:

- a. Commission rule or order number
- b. Specific non-compliance
- c. Location (e.g. address) of non-compliance
- d. Date the action was required to be taken

Spire June 3, 2020 Response:

Staff did not find that Spire responded to this recommendation. Spire did state in Paragraph 5 of its June 3, 2020 response that it agreed to submit information regarding any non-compliances that occurred since May 15, 2020, but does not mention submitting information on non-compliances that had already occurred by May 15, 2020 (file date of the application).

Staff June 5, 2020 Response:

Staff continues to recommend the Commission order Spire to file a list of any non-compliances with Commission rules and orders that had already occurred by May 15, 2020 (file date of this application). The list should include:

- a. Commission rule or order number
- b. Specific non-compliance
- c. Location (e.g. address) of non-compliance
- d. Date the action was required to be taken

2. Staff May 26, 2020 Recommendation 2

Staff recommended that the Commission approve the requested waiver from 20 CSR 4240-40.030(9)(Q)1. with limitations and conditions numbered a. through h.

Spire June 3, 2020 Response:

In Paragraph 3. of its June 3, 2020 response, Spire agreed to comply with Staff's recommended conditions a., b., d. through f. and h.

With respect to condition c., Spire stated in Paragraph 5 of its June 3, 2020 response: "The Staff has also recommended that Spire Missouri file a list of any non-compliances of Commission rules and orders that have occurred since May 15, 2020. Spire Missouri agrees to submit this information to the Commission Staff as proposed, but would prefer not to submit this information as a filing in the docket."

With respect to condition g., Spire states that: "Spire believes that inspections will be completed more quickly and therefore gas safety will be better maintained, by working to prioritize all delinquent inspections before targeting other inspections for completion."

Staff June 5, 2020 Response:

With respect to Staff recommended condition part c., it is unclear to Staff why Spire prefers not to submit the information in the docket, but Staff is not opposed to receiving the information outside the docket should the Commission direct such approach.

With respect to Staff recommended condition part g., it was also Staff's intention that Spire prioritize delinquent inspections before targeting other inspections, which is why Staff stated: "begin inspecting non-compliances..." In order to make this more clear to all parties involved, Staff has revised its recommendation to include the word "delinquent" in its recommended condition numbered g.

Staff recommends that the Commission approve the requested waiver from 20 CSR 4240-40.030(9)(Q)1. with the following limitations and conditions:

- a. The effective date of this waiver will end December 31, 2020.
- b. The waiver associated with atmospheric corrosion monitoring as required by 20 CSR 4240-40.030(9)(Q)1. applies only to Spire facilities located inside customer premises. The waiver does not apply to atmospheric corrosion monitoring of facilities located outside of customer premises.
- c. Spire shall document the number of non-compliances and provide the Commission an update monthly.
- d. Spire shall make every effort to identify inside facilities that could be safely inspected (e.g., schools, buildings closed to public access) and conduct inspections on those facilities.
- e. Spire shall conduct additional public awareness to customers whose inspection of inside facilities will be delayed.
- f. Spire shall begin conducting weekly odorant intensity tests in accordance with test requirements in 20 CSR 4240-40.030(12)(P)6. in areas of its system where atmospheric corrosion monitoring has been delayed in accordance with this temporary waiver.

- g. Spire shall begin inspecting non-compliances with the oldest (**most delinquent**) identified population of delinquent facility inspections first, and shall complete this work no later than January 1, 2021.
- h. The waiver does not become effective until PHMSA provides notice to the Commission that PHMSA has no objection to waiving 49 CFR 192.481(a). Staff further recommends that the Commission Order be sent on an expedited basis (e.g., overnight mail) to PHMSA for review.

3. Staff May 26, 2020 Recommendation 3

Staff recommended the Commission not approve the waiver 20 CSR 4240-40.030(9)(Q)2. or 3., or 49 CFR 192.481(b) or (c).

Spire June 3, 2020 Response:

Spire stated in Paragraph 4.a. of its June 3, 2020 response: “Company did not intend to request a waiver from these rules and plans to continue to perform this work as scheduled.”

Staff June 5, 2020 Response:

Staff continues to recommend the Commission not approve the waiver 20 CSR 4240-40.030(9)(Q)2. or 3., or 49 CFR 192.481(b) or (c). Since Spire agrees, Staff recommends that instead of granting a waiver from 20 CSR 4240-40.030(9)(Q) as requested in Spire’s recommendation, the Commission grant a more narrow waiver from only 20 CSR 4240-40.030(9)(Q)1. (as discussed in Staff Recommendation 2).

4. Staff May 26, 2020 Recommendation 4

Staff recommended that the Commission approve the requested waiver from 20 CSR 4240-40.030(13)(M)1. and 20 CSR 4240-40.030(13)(M)2.A. and B .with limitations and conditions numbered a. through h.

Spire June 3, 2020 Response:

In Paragraph 3 of its June 3, 2020 response, Spire agreed to comply with Staff’s recommended conditions a. through f. and h.

However, with respect to condition c., Spire stated in Paragraph 5 of its June 3, 2020 response: “The Staff has also recommended that Spire Missouri file a list of any non-compliances of

Commission rules and orders that have occurred since May 15, 2020. Spire Missouri agrees to submit this information to the Commission Staff as proposed, but would prefer not to submit this information as a filing in the docket.”

With respect to condition g., Spire states that: “Spire believes that inspections will be completed more quickly and therefore gas safety will be better maintained, by working to prioritize all delinquent inspections before targeting other inspections for completion.”

Staff June 5, 2020 Response:

With respect to Staff recommended condition part c., it is unclear to Staff why Spire prefers not to submit the information in the docket, but Staff is not opposed to receiving the information outside the docket should the Commission direct such approach.

With respect to Staff recommended condition part g., it was also Staff’s intention that Spire prioritize delinquent inspection before targeting other inspections, which is why Staff stated: “begin inspecting non-compliances...” In order to make this more clear to all parties involved, Staff has revised its recommendation to include the word “delinquent” in its recommendation.

Staff recommends that the Commission approve the requested waiver from 20 CSR 4240-40.030(13)(M)1. and 20 CSR 4240-40.030(13)(M)2.A. and B .with the following limitations and conditions:

- a. The effective date of this waiver will end December 31, 2020.
- b. The waiver associated with leakage surveys as required by 20 CSR 4240-40.030(13)(M) applies only to Spire facilities located inside customer premises. The waiver does not apply to leakage surveys of facilities located outside of customer premises.
- c. Spire shall document the number of non-compliances and provide the Commission an update monthly.
- d. Spire shall make every effort to identify inside facilities that could be safely leakage surveyed (e.g., schools, buildings closed to public access) and conduct leakage surveys on those facilities.
- e. Spire shall conduct additional public awareness to customers whose leakage survey of inside facilities will be delayed.

- f. Spire shall begin conducting weekly odorant intensity tests in accordance with test requirements in 20 CSR 4240-40.030(12)(P)6. in areas of its system where leakage surveys have been delayed in accordance with this temporary waiver.
- g. Spire shall begin leak surveying non-compliances with the oldest (**most delinquent**) identified population of delinquent facility inspections first, and shall complete this work no later than January 1, 2021.
- h. Should the Commission approve a waiver of 20 CSR 4240-40.030(13)(M)1. and 20 CSR 4240-40.030(13)(M)2.A. and B., such waiver should not become effective until PHMSA provides notice to the Commission that PHMSA has no objection to waiving corresponding federal requirements in 49 CFR 192.723(a) and (b)(1). Staff further recommends that the Commission Order be sent on an expedited basis (e.g., overnight mail) to PHMSA for review.

5. Staff May 26, 2020 Recommendation 5

Staff recommended the Commission not approve the waiver 20 CSR 4240-40.030(13)(M)2.C., 20 CSR 4240-40.030(13)(M)3., or 49 CFR 192.723(b)(2).

Spire June 3, 2020 Response:

Spire stated in Paragraph 4.b. of its June 3, 2020 response: “Company did not intend to request a waiver from these rules and plans to continue to perform this work as scheduled.”

Staff June 5, 2020 Response:

Staff continues to recommend the Commission not approve the waiver from 20 CSR 4240-40.030(13)(M)2.C., 20 CSR 4240-40.030(13)(M)3., or 49 CFR 192.723(b)(2). Since Spire agrees, Staff recommends that instead of granting a waiver from 20 CSR 4240-40.030(13)(M) as requested in Spire’s recommendation, the Commission grant a more narrow waiver from only 20 CSR 4240-40.030(13)(M)1. and 20 CSR 4240-40.030(13)(M)2.A. and B. (as discussed in Staff Recommendation 4).

6. Staff May 26, 2020 Recommendation 6

Staff recommended that the Commission approve the requested waiver from 20 CSR 4240-40.030(15)(C) and Commission orders in Case Nos. GO-2002-50 and GO-93-343 as modified by

the Unanimous Stipulation and Agreement in Case No. GO-99-155 with limitations and conditions numbered a. through f.

Spire June 3, 2020 Response:

In Paragraph 3. of its June 3, 2020 response, Spire agreed to comply with Staff's recommended conditions.

Staff June 5, 2020 Response:

For ease of Commission review, Staff continues to recommend that the Commission approve the requested waiver from 20 CSR 4240-40.030(15)(C) and Commission orders in Case Nos. GO-2002-50 and GO-93-343 as modified by the Unanimous Stipulation and Agreement in Case No. GO-99-155 and repeats the limitations and conditions here:

- a. The effective date of this waiver will end December 31, 2020 for Spire Missouri West and May 31, 2021 for Spire Missouri East.
- b. Spire shall provide a comprehensive list of unprotected steel service and yard line replacements to be delayed to the Commission within 10 days of the effective date of the Commission order.
- c. Spire shall make every effort to identify facilities that could be safety replaced (e.g., schools, buildings closed to public access) and conduct replacements on those facilities.
- d. Spire shall conduct additional public awareness to customers where replacement of unprotected steel service lines and yard lines will be delayed.
- e. Spire shall begin conducting weekly odorant intensity tests in accordance with test requirements in 20 CSR 4240-40.030(12)(P)6. in areas where unprotected steel service lines and yard lines will be delayed in accordance with this temporary waiver.
- f. Spire shall begin unprotected steel service and yard line replacements with the oldest identified population of facilities first, and shall complete this work no later than January 1, 2021 for Spire Missouri West and May 31, 2021 for Spire Missouri East.

7. Staff May 26, 2020 Recommendation 7

Staff recommended that the Commission not approve the requested waiver from 20 CSR 4240-40.030(15)(D) and Commission order in Case Nos. GO-2002-50 and GO-91-275 without further clarification from Spire regarding the specific provisions of this rule and Commission orders from which a waiver is sought.

Spire June 3, 2020 Response:

Spire stated in Paragraph 4.c. of its June 3, 2020 response: “To better clarify Spire Missouri’s request, the Company is seeking a waiver from the mandated replacement dates as defined in Case Nos. GO-2002-50 and GO-91-275 which were developed in response to Commission Rule 20 CSR 4240-40.030(15)(D).”

Staff June 5, 2020 Response:

Spire’s response does not provide any additional clarity to Staff. Staff notes that the Commission approved replacement programs in Case Nos. GO-2002-50 and GO-91-275 do not appear to have specific “mandated replacement dates” pertaining to cast iron replacement.

The replacement program approved in Case No. GO-2002-50 includes a requirement to replace a minimum of 5 miles of cast iron each year, and also includes requirements to prioritize certain replacements based on several specific safety related conditions, including but not limited to:

- Cast iron pipe required to be replaced by 20 CSR 4240-40.030(13)(Z) due to the underlying pipe support having been compromised,
- Cast iron mains in close proximity to extreme excavation, blasting and construction activities, and
- Cast iron mains required to be replaced due to breakage and of pipe and graphitization of removed pipe coupons.

The replacement program approved in Case No. GO-91-275 does not require a specific mileage replacement per year, but does include requirements similar to those in Case No. GO-2002-50 to replace cast iron pipe based on specific safety related conditions.

Without knowing which cast iron replacement projects Spire seeks to delay, Staff cannot evaluate the risks to safety or propose conditions or limitations to mitigate these risks.

Staff continues to recommend that the Commission not approve the requested waiver from 20 CSR 4240-40.030(15)(D) and Commission order in Case Nos. GO-2002-50 and GO-91-275 without further clarification from Spire regarding the specific provisions of this rule and Commission orders from which a waiver is sought.

8. Staff May 26, 2020 Recommendation 8

Staff recommends that the Commission not approve the requested waiver from 20 CSR 4240-40.030(15)(E) because Spire has indicated in past reports that it no longer has any unprotected steel transmission lines, feeder lines or mains. In the event Spire indicates that it has discovered previously unreported unprotected steel transmission lines, feeder lines or mains, this can be addressed by a separate waiver request that includes a schedule for replacement.

Spire June 3, 2020 Response:

In Paragraph 8 of its June 3, 2020 response, Spire indicated that it had discovered four segments of unprotected steel in Spire Missouri East as part of a records review.

Staff June 5, 2020 Response:

20 CSR 4240-40.030(15)(E) required operators to develop a replacement program for unprotected steel transmission lines, feeder lines and mains, and to submit to the Commission for review and approval no later than May 1, 1990. Laclede Gas Company (Laclede), predecessor to Spire Missouri East, submitted an initial replacement program for unprotected steel mains in Case No. GO-91-239 that was approved by the Commission effective April 23, 1991. Laclede filed an application in Case No. GO-2003-0506 for the final phase of its replacement program for unprotected steel mains, which was approved by the Commission effective March 16, 2004. Staff filed annual status reports in Case No. GO-2003-0506 through the 2015 report stating that replacement of all known unprotected steel mains was completed and the Commission closed the case on May 6, 2015. Staff agrees that the unprotected steel main segments discovered by Spire should be replaced by May 31, 2021, which is the date Spire included for replacements by Spire Missouri East in the Application filed by Spire in this case.

Staff recommends that the Commission order Spire to replace the four segments of unprotected steel main it has discovered no later than May 31, 2021.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Request of Spire Missouri)
Inc. d/b/a Spire for a Temporary Waiver from) Case No. GE-2020-0373
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)

AFFIDAVIT OF JOHN D. KOTTWITZ, KATHLEEN A. McNELIS, PE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COME NOW John D. Kottwitz, Kathleen A. McNelis, PE and on their oath declares that they are of sound mind and lawful age; that they contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to their best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ John D. Kottwitz
John D. Kottwitz

/s/ Kathleen A. McNelis, PE
Kathleen A. McNelis, PE