

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

In the Matter of the Request of Spire Missouri Inc.)
for Waiver from 20 CSR 4240-40.030(13)(BB)) **File No. GE-2020-0295**

STAFF RECOMMENDATION

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

1. On March 20, 2020 Spire Missouri Inc. (“Spire”) filed *Spire Missouri Inc’s Request for Waiver* (“Request”) for a waiver from the requirements of 20 CSR 4240-40.030(13)(BB).

2. On March 24, 2020 the Commission directed Spire to file a request for waiver of the 60-day notice filing requirement of 20 CSR 4240-4.017(1) by April 22, 2020. The Commission also ordered Staff to file a recommendation regarding Spire’s request by June 21, 2020.

3. Spire filed its request for waiver from the 60-day notice filing requirement on April 7, 2020, stating that it inadvertently did not include this in its original application. Spire verified that it has had no communication with the Commission in the last 150 days regarding any substantive issues in this case. Staff does not oppose Spire’s request for a waiver of the 60-day notice filing requirement.

4. On June 17, 2020 Staff requested an extension of time to July 31, 2020 to file its recommendation, because it was waiting for responses to data requests.

5. On June 19, 2020 the Commission granted Staff's request for an extension of time to July 31, 2020 to submit its recommendation.

6. Commission rule 20 CSR 4240-40.030(13)(BB) requires natural gas operators to test and inspect pressure regulating and limiting devices installed on any service line directly connected to a production, gathering, or transmission pipeline. Spire's farm taps are service lines directly connected to transmission lines, therefore the requirements of 20 CSR 4240-40.030(13)(BB) apply to the pressure regulating and limiting devices installed on Spire's farm taps.

7. Commission rule 20 CSR 4240-40.030(13)(BB) is the Missouri equivalent to the Department of Transportation's Pipeline and Hazardous Materials Safety Administration's ("PHMSA's") rule 49 CFR § 192.740. This federal rule requires utilities to inspect and test each pressure regulating or limiting device for any service line directly connected to a production, gathering, or transmission pipeline.

8. Federal rule 49 CFR § 192.1003 requires gas operators to have a Distribution Integrity Management Program ("DIMP"), and was adopted into the Missouri pipeline safety rules at 20 CSR 4240-40.030(17). According to the 49 CFR § 192.1007, operators must include in their DIMPs consideration of existing and potential threats; evaluation and ranking of risk; identification and implementation of measures to address risks; measurement of performance; evaluation and improvement; and reporting of results.

9. On March 26, 2020 PHMSA stated in the Federal Register¹ that as it considers revisions to 49 CFR § 192.740 and 49 CFR § 192.1003, it will not take enforcement action relating to violations of 49 CFR § 192.740 against operators who include farm taps in their DIMPs. PHMSA further stated that it requires that these operators comply with DIMP regulations.

10. In its application, Spire stated that it incorporates farm taps into its DIMP and will continue to mitigate risks associated with its farm taps through its DIMP and compliance with 49 CFR § 192.740.² It further stated that because of this, its compliance with 20 CSR 4240-40.030(13)(BB) is unnecessary.³

11. Staff evaluated Spire's application and its currently effective DIMP, and believes that with the additional conditions proposed by Staff, that Spire's approach as described in its Waiver will not compromise gas safety.

12. As explained in greater detail in Staff's Memorandum, attached to this pleading with supporting Exhibits A and B and incorporated herein, Staff recommends the Commission grant Spire a waiver of the requirements of 20 CSR 4240-40.030(13)(BB) subject to the following summarized conditions:

a. The waiver shall be in effect until PHMSA elects to enforce 49 CFR § 192.740 or publishes a different regulation addressing the inspection and testing of farm taps,

¹ 84 FR 11253.

² *Spire Missouri Inc's Request for Waiver*, ¶ 3 (Mar 20, 2020).

³ *Id.* at 4.

- b. Spire must continuously monitor its farm taps for heightened levels of risk under its DIMP,
- c. Spire must continue to meet or exceed the requirements of all applicable regulations regarding farm taps,
- d. Spire must provide quarterly reports to Staff related to failures of pressure regulating and limiting devices and leaks on Spire's farm taps, and
- e. Spire must provide Staff with annual reports which include, at a minimum, an analysis of annual leak trends on its farm taps.

WHEREFORE, Staff recommends that the Commission grant Spire a waiver from the requirements of 20 CSR 4240-40.030(13)(BB), subject to Staff's conditions summarized above and proposed as set forth in "Staff's Recommendation and Conditions" section on pages 13 to 14 of Staff's Memorandum.

Respectfully submitted,

/s/ Robert S. Berlin

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all counsel of record on this 31st day of July, 2020.

/s/ Robert S. Berlin