

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

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)	Case No. GO-2020-_____
Program to Address Remaining Yard Lines Owned)	
By its Commercial and Industrial Customers in)	
its Spire East and Spire West Service Territories)	

**VERIFIED NOTICE AND APPLICATION
OF SPIRE MISSOURI INC. CONCERNING SERVICE AND YARD
LINES IN ITS SPIRE EAST AND SPIRE WEST SERVICE TERRITORIES**

COMES NOW Spire Missouri Inc., (“Spire” or “Company”), pursuant to 20 CSR 4240-2.060, 2.080 and 3.265 of the Rules of Practice and Procedure of the Missouri Public Service Commission (“Commission”) and, for its Verified Notice and Application Concerning Service and Yard Lines in its Spire East and Spire West Service Territories, respectfully states as follows:

BACKGROUND

1. Both Spire East and Spire West (and their respective predecessors Laclede Gas Company and Missouri Gas Energy) have been replacing unprotected steel service and yard lines since the early 1990’s pursuant to Commission Rule 20 CSR 4240-40.030 15(C)¹ which required gas utilities to replace and, where applicable, assume ownership of such lines when used to serve residential and small commercial customers. Gas utilities were also required to monitor for safety purposes those yard lines owned by larger commercial and industrial customers, with the customer bearing the responsibility for replacement costs.

2. On May 18, 2000, the Commission approved a stipulation and agreement

(“the Agreement”) between Laclede Gas and the Commission Staff in Case No. GO-93-343. The Agreement granted the Company a modified waiver of compliance in which the Company was given until 2020 to complete its replacement of unprotected steel service and yard lines. The purpose of the waiver was to better enable the Company to focus its replacement efforts on its more pertinent copper service line program. Similarly, on September 20, 2001, the Commission approved an application submitted by Missouri Gas Energy in Case No. GO-2002-50 in which it gave the Company until June 2020 to complete its replacement program for unprotected steel service and yard lines. Again, the timeframe for replacing such facilities was extended to permit the Company to devote additional resources to other critical safety initiatives.

NOTICE

3. With this pleading, Spire wishes to notify the Commission that both Spire East and Spire West have completed or will complete by the Commission-approved deadlines their respective programs for replacing unprotected steel service and yard lines for their residential and small commercial customers. Since 1991, Spire East has replaced 25,115 unprotected steel service and yard lines. Since 2010, Spire West has replaced 23,235 unprotected steel service and yard lines. With the completion of these replacement programs, Spire East and Spire West now seek, as described in the application below, to assist their large commercial and industrial customers in completing the replacement of their own customer-owned unprotected steel yard lines in a manner that will best promote public safety.

APPLICATION

¹ Previously 4 CSR 240-40.030 15(C).

4. Spire is a public utility and gas corporation incorporated under the laws of the State of Missouri, with its principal office located at 700 Market Street, St. Louis, Missouri 63101. A Certificate of Good Standing evidencing Spire's standing to do business in Missouri is attached hereto as Exhibit A and is hereby incorporated by reference herein for all purposes. The information in such Certificate is current and correct.

5. Spire is engaged in the business of distributing and transporting natural gas to customers in Missouri as a gas corporation subject to the jurisdiction of the Commission. It's operating unit, Spire East provides gas service in eastern Missouri to customers in the City of St. Louis and the Counties of St. Louis, St. Charles, Crawford, Jefferson, Franklin, Iron, St. Genevieve, St. Francois, Madison, and Butler. Its operating unit, Spire West, provides gas service in western Missouri to customers in the counties of Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper, Dade, Dekalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Newton, Pettis, Platte, Ray, Saline, Stone, and Vernon.

6. Communications in regard to this Application should be addressed to:

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7. Other than cases that have been docketed at the Commission, Spire has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

8. Spire is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

**REQUEST FOR APPROVAL OF PROGRAM
TO ADDRESS REMAINING YARD LINES OWNED
BY LARGE COMMERCIAL AND INDUSTRIAL CUSTOMERS**

9. With this application, Spire requests that the Commission approve a program designed to address the remaining unprotected steel yard lines owned by large commercial and industrial customers in its Spire East and Spire West service territories. While Spire currently does not own such facilities, it has undertaken, pursuant to the Commission's safety rules, the duty to leak survey such lines so that leaks can be repaired or facilities replaced where they might pose a risk to public safety. To help ensure that such risks are eliminated, the Company also has the right under its tariffs to discontinue natural gas service if the customer continues to operate such facilities in what the Company believes is an unsafe manner.

10. The Company believes this hybrid method of shared responsibility for maintaining such facilities in a safe manner has worked reasonably well over the years but could be further enhanced under the approach proposed in this application. Under the

existing approach where the customer rather than the Company owns the yard lines, the Company does not have the records and other data that would permit it to identify in detail the age, material characteristics, repair and replacement history and other useful information concerning such facilities. That is one of the reasons why the Company has made efforts over the years to effectuate the replacement of these customer-owned yard lines where economically feasible, by moving or reconfiguring the customer's meter or meters so that it is closer to the customer's point of use. This step preserves the customer's continued ability to receive natural gas service but essentially allows the Company to convert what were previously yard lines to service lines that are now both maintained and owned by the Company, with all of the requisite record keeping.

11. The Company would note that substantial progress has been made in eliminating yard lines under this approach. As of this date, Spire East has only 15 large commercial/industrial customer-owned yard lines remaining in its service territory that require replacement. Comparable figures for Spire West show only 19 large commercial/industrial customer-owned yard lines remaining that require replacement.

12. To continue and accelerate this process, the Company is proposing to follow a similar approach with any large commercial or industrial customer who still own and operate yard lines. To that end, the Company has undertaken an extensive analysis of the remaining yard lines owned by its large commercial and industrial customers, and has developed estimates of the costs that would be incurred for each customer to relocate meters and replace yard lines with Company owned service lines. The Company has also developed a communication process to share this information with the customer and establish a specific plan and timetable for performing the required work. Please see

Exhibit B for a sample letter Spire has sent its customers pertaining to yard line replacements.

13. To further facilitate the successful completion of such work, the Company would propose to provide the customer with an allowance to cover the cost of work based on the same economic analysis that is employed under the Company's tariffs to extend service to new large commercial and industrial customers. Since the lines serving these customers were initially installed largely at the customer's own expense, the Company believes it is appropriate to provide such an allowance as if the customer were new. Moreover, the Company believes that this is an equitable solution as well given the fact that residential and small commercial customers have had their unprotected steel lines replaced at no direct cost to them and Large Commercial and Industrial customers have shouldered some of the financial burden associated with that activity. Finally, the Company strongly believes that such an approach is preferable to discontinuing or disrupting service to businesses and their employees, and losing the revenue contributions such businesses make, where the replacement of lines may not be economically feasible without the accommodations proposed herein.

14. Based on current estimates, the Company believes that any required work to achieve these replacements can be done for approximately \$566,300 in Spire East's service territory and \$228,813 in Spire West's service territory. The Company would note that it does not plan to recover costs for the replacement of these customer-owned yard lines through its Infrastructure System Replacement Surcharge but instead will seek to recover them through the normal rate case process. Of course, parties will be free to

propose whatever rate design or class cost of service proposal they believe is appropriate to allocate such costs between and within customer classes.

15. Based on the Company's analysis of the remaining customer-owned yard lines, the Company estimates that it should be able to complete these replacements by December 31, 2025

16. Spire is willing to complete quarterly leak surveys on the remaining customer-owned yard lines until such time as they are replaced as part of the proposed replacement program.

WHEREFORE, Spire Missouri Inc. respectfully requests that the Commission;

- (a) Approve the Company's customer-owned yard line replacement program for Large Commercial and Industrial customers in its Spire East service territory on the terms set forth herein;
- (b) Grant any waivers necessary to complete replacement of the customer-owned yard lines by December 31, 2025; and
- (c) Grant any other relief that the Commission deems necessary and proper to implement this program.

Respectfully submitted,

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ATTORNEYS FOR Spire Missouri Inc.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Application and Petition was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 20th day of March, 2020 by hand-delivery, fax, electronic or regular mail.

/s/Matthew Aplington