

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

In the Matter of an Investigation into Spire)
Missouri Inc. d/b/a Spire Concerning a) Case No. GS-2024-0137
Natural Gas Incident in Holt, Missouri)

RESPONSE TO STAFF’S INCIDENT REPORT

COMES NOW Spire Missouri Inc. (“Spire Missouri” or “Company”), by and through counsel, and respectfully submits this *Response to Staff’s Incident Report* (“Response”) to the Missouri Public Service Commission (“Commission”) stating the following:

1. On October 16, 2023, Staff of the Commission filed a motion to open an investigation into a natural gas incident in Holt, Missouri. On October 25, 2023, the Commission issued its order opening an investigation.

2. On November 27, 2024, after conducting its investigation, Staff issued its Incident Report. Spire Missouri requested, and was granted, until January 10, 2025 to provide this Response.

3. In its Incident Report, Staff provides its findings and its recommendations. Staff found a series of violations involving drug and alcohol testing following the incident, as well as the communication of changes that affected covered tasks.

4. Staff has also provided recommendations related to the incident and the violations (Recommendations 1 through 11) and a recommendation related to referring a question to the Board for Architects, Professional Engineers, Professional Land Surveyors and Professional Landscape architects (“APEPLSPLA”) (Recommendation 12). Staff recommends that the Commission further order the Company to file an action plan by February 28, 2025 for how and when it will address Recommendations 1 through 11.

5. Spire Missouri accepts the Staff recommendation that the Commission order the Company to file an action plan by February 28, 2025, and will provide responses to Recommendations 1 through 11 below. The Company also will provide a response to Recommendation 12.

6. **Recommendation 1.** Spire Missouri accepts this Recommendation.

7. **Recommendation 2.** Spire Missouri accepts this Recommendation.

8. **Recommendation 3.** Spire Missouri accepts this Recommendation. The Company has already added to its workflows that where there is a federally reportable incident and a Department of Transportation (“DOT”) drug and alcohol test required, that the supervisor notify the Designated Employer Representative (“DER”) of all employees onsite so they may be drug and alcohol tested. Spire Missouri will formally add to its workflow or policy instructions on how and where specimens are collected following an incident. The Company’s drug and alcohol testing policy already provides for how specimens are collected from hospitalized employees.

9. **Recommendation 4.** In response to this Recommendation, Spire Missouri would clarify how drug and alcohol testing of contractors is handled. The Company utilizes a common, national third party, National Compliance Management Services (“NCMS”) to ensure that contractors are tested in accordance with the Company’s processes and DOT regulations for a federally reportable incident. Under those regulations, an alcohol test is to be completed within 2 hours if possible, or within 8 hours, and a drug test is to be completed within 32 hours. While the Company understands Staff’s concern with getting contractors drug and alcohol tested as soon as possible following an incident, setting the required time for testing well under the timeframes set by the DOT may be unreasonable, considering incidents happen outside business hours of testing facilities and incidents are not always determined to be federally reportable immediately following

their occurrence, due to any number of reasons. Spire Missouri would suggest that Recommendation 4 be amended to confirm or require that the Company's written agreements with its contractors are in compliance with the drug and alcohol testing requirements of the applicable DOT regulations for federally reportable incidents, and confirm or require that each contractor or NCMS has the appropriate procedures in place. The Company does require that contractors allow access to property and records relating to compliance with the requirements of 20 CSR 4240-40.080, a requirement that is found in the Company's drug testing policy.

10. **Recommendation 5.** Spire Missouri accepts this Recommendation and will include amendments to the applicable standard operating procedures as recommended by Staff. In making these amendments, the Company will take into consideration Staff's recommendation to use "shall" or "must" instead of "should."

11. **Recommendation 6.** Spire Missouri accepts this Recommendation.

12. **Recommendation 7.** Spire Missouri accepts this Recommendation and will make amendments to the appropriate procedures to ensure that only material rated for the pipeline facilities' segment maximum allowable operating pressure is used.

13. **Recommendation 8.** Spire Missouri accepts this Recommendation. The Company would like to clarify that the use of the gripper plug was never part of a covered task and therefore not included in the operator qualification program.

14. **Recommendation 9.** Spire Missouri accepts this Recommendation.

15. **Recommendation 10.** Spire Missouri accepts this Recommendation.

16. **Recommendation 11.** Spire Missouri accepts this Recommendation. When Spire Missouri updates its Operation Procedural Manual, all standard operating procedures are provided to its contractors.

17. **Recommendation 12.** Staff also recommends that the Commission authorize it to refer the question as to whether Spire Missouri has violated provisions of Chapter 327, RSMo, by not having a professional engineer review, approved, or seal the design drawing of the project leading to this incident, to the APEPLSPLA. The Commission should reject this recommendation as it risks setting an impossible standard for utilities across the state.

18. For over 100 years, utilities in the State of Missouri have safely operated without a qualified professional engineer approving every single design plan for piping. However, if the Commission does authorize Staff to refer the question to APEPLSPLA, the installation and replacement of necessary utility infrastructure in the state could be drastically slowed. Spire believes that there is an insufficient number of qualified professional engineers, meaning professional engineers specifically qualified to perform utility work such as natural gas distribution system design, in the state to cover the engineering needs of utilities. Each year, utilities produce thousands of engineering designs; Spire Missouri alone issues approximately 2,000 engineering designs. Having a qualified professional engineer design, review, sign-off, and manage any design changes on every single project, with the current number of qualified professional engineers in this state, presents an unreasonable and unattainable goal that would only delay the installation of infrastructure necessary for the public safety and economic development across the state. Further, for utilities to avoid infrastructure delays and have the qualified professional engineers necessary to meet such a requirement would impact ratepayers with the additional costs of hiring qualified professional engineers and qualifying currently employed engineers, all without justification that such costs are even necessary.

19. Spire would note that Staff's recommendation stems from a letter sent by the National Transportation Safety Board ("NTSB") to 31 states with a recommendation regarding

future natural gas infrastructure projects, following a single incident in Massachusetts in 2018. The NTSB's letter is purely a recommendation, not a mandate, for the states receiving such recommendation.

WHEREFORE, Spire Missouri respectfully requests that the Commission:

- a. Accept this Response;
- b. Order Spire Missouri to comply with Staff Recommendations 1 through 11 with modifications consistent with the Company's comments and proposals;
- c. Order Spire Missouri to file an action plan on implementing Recommendations 1 through 11 no later than February 28, 2025;
- d. Reject Staff's Recommendation 12 that the Commission authorize Staff to refer the question as to whether Spire has violated provisions of Chapter 327, RSMo. to APEPLSPLA; and
- e. Order any other relief as is just and reasonable.

Respectfully submitted,

/s/ J. Antonio Arias

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ATTORNEYS FOR SPIRE MISSOURI INC.

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent either by mail or electronic mail to all parties of record on this 10th day of January, 2025.

/s/ J. Antonio Arias

J. Antonio Arias