

Via email

February 1, 2021

Mr. Gregory Ochs
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 480
Kansas City, MO 64106

**RE: Request for Hearing and Preliminary Statement of Issues
Notice of Probable Violation, Proposed Civil Penalty and
Proposed Compliance Order, CPF No. 3-2020-5024**

Dear Mr. Ochs:

As provided under 49 C.F.R. §§ 190.208 and 190.211, Spire Missouri Inc. East (Spire) respectfully submits this Request for Hearing and Preliminary Statement of Issues in response to the Notice of Probable Violation (NOPV) that the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued on November 30, 2020, in CPF 3-2020-5024.

The NOPV alleges that Spire: (1) failed to follow its written manual for operations and maintenance (O&M) procedures for valve inspection intervals under § 195.402; (2) failed to provide adequate protection for the Catalan Station from vandalism and unauthorized entry under § 195.436; (3) failed to follow the general program recommendations of API RP 1162 by not performing an effectiveness review for its HVL system under § 195.440; (4) failed to test and verify its internal communication plan in 2016 under § 195.446; (5) failed to follow its IMP plan to measure its effectiveness under § 195.452(b)(5); (6) failed to integrate all available information about the integrity of the pipeline into its integrity management plan under § 195.452(f)(3); (7) failed to notify PHMSA of a pressure reduction exceeding 365 days as required by § 195.452(h)(1)(ii); (8) failed to base its assessment intervals on all risks that the pipeline poses to an HCA under § 195.452(j)(3); and (9) failed to ensure through evaluation that qualified individuals were performing covered tasks for Spire's HVL system under § 195.505.

For Items 1, 2, 3, and 4 in the NOPV, Spire does not contest these allegations but provides the following additional information:

Item 1 alleged that Spire failed to follow its written manual for operations and maintenance (O&M) procedures under § 195.402 for valve inspection intervals. At the time of the inspection, Spire's O&M procedures specified that valves would be inspected twice a year, specifically in May and November. Spire has consistently conducted the

valve inspections twice a year at intervals not exceeding 7 ½ months as required by 49 C.F.R. § 195.420, but not always during the months that had been specified in the O&M manual. Spire has amended its procedure to accurately reflect its valve inspection schedule.

Item 2 alleged that Spire failed to provide adequate protection for the Catalan Station from vandalism and unauthorized entry under § 195.436 because the station did not have a fence on the southeast side. As part of planned upgrades to its security system, Spire replaced all the fencing and other security measures at the Catalan Station in 2020 prior to the issuance of the NOPV. Spire will provide evidence of the new fencing to your office.

Item 3 alleged that Spire failed to follow the general program recommendations of API RP 1162 by not performing an effectiveness review of its public awareness program for its HVL system under § 195.440. Spire did conduct surveys to evaluate the effectiveness of its public awareness program, but did not include questions on the survey that were specific to the HVL system. Spire will modify its future surveys to ensure that the HVL system is clearly included in its public awareness program effectiveness reviews.

Item 4 alleged that Spire failed to test and verify its internal communication plan as required by § 195.446 in 2016. Spire acknowledges that this test was not completed for calendar year 2016, and notes that this test was done in November 2015 and May 2017. Spire has taken steps to ensure that such a deviation will not occur again.

Spire seeks a hearing regarding the allegations in items 5, 6, 7, 8, and 9 in the NOPV. Spire takes pipeline safety and any alleged violation of PHMSA's regulations seriously. However, Spire believes that the allegations in the NOPV in this case are not supported by the facts or the regulations. Spire respectfully contests these allegations in the NOPV.

Spire appreciates receiving the case file documents for this proceeding. To the extent any additional material is placed into the case file, including but not limited to, inspector notes or other materials the region intends to rely on to support the NOPV, Spire requests that such material also be provided. Please consider this a standing request. Spire reserves the right to supplement its Preliminary Statement of the Issues in the event that PHMSA provides any additional materials for our review.

The Notice was addressed to Suzanne Sitherwood, President and Chief Executive Officer of Spire Inc. Spire Inc. is a public utility holding company with multiple wholly-owned subsidiaries. Spire Missouri Inc.,¹ a wholly-owned direct subsidiary of Spire Inc., operates the assets subject of the NOPV.² As this Notice pertains to assets operated by Spire Missouri Inc. East, please address correspondence regarding this matter and any future matters pertaining to this HVL system to Scott Carter, President, Spire Missouri Inc. Spire further requests that correspondence and materials related to this proceeding be provided to Bryn Karaus, Counsel for Respondent, Van Ness Feldman, LLP, bsk@vnf.com

As provided under 49 C.F.R. § 190.208 of PHMSA's regulations, Spire has 30 days from receipt of the NOPV to submit its request for hearing. By email dated December 22, 2020, you granted an extension to respond to the NOPV until February 1, 2021. Thus, Spire's response is timely.

We look forward to working with you and your staff to address any concerns you may have with its pipeline operations. Please do not hesitate to contact me if you have any questions.

Respectfully submitted,

/s/ Bryn Karaus

Bryn Karaus
Van Ness Feldman
Counsel for Spire Missouri Inc. East

CC: Joseph Hainline, Senior Attorney, PHMSA
David P. Abernathy, Vice President & General Counsel, Spire Inc.
Sean P. Jamieson, General Counsel, Spire NGL Inc.
Matthew J. Aplington, General Counsel, Spire Missouri Inc.

Attachment: Request for Hearing and Preliminary Statement of Issues

¹ Spire Missouri Inc. is a gas utility company with operations in the St. Louis, Mo. and Kansas City, Mo. areas. Spire Missouri East refers to the operations in the St. Louis area, while Spire Missouri West refers to operations in the Kansas City area. Specifically, Spire Missouri East is listed as the operator for the assets subject of NOPV even though Spire Missouri East is not in and of itself a legal entity.

² While Spire Missouri Inc. East serves as the operator, Spire notes for completeness that the assets subject of this NOPV are owned by Spire NGL Inc., a wholly-owned indirect subsidiary of Spire Inc. and affiliate of Spire Missouri Inc.

**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
WASHINGTON, DC 20590**

In the matter of	§	
	§	
Spire Missouri Inc. East	§	CPF 3-2020-5024
	§	
Respondent.	§	
	§	

Request for Hearing and Preliminary Statement of Issues

Request for Hearing

Pursuant to 49 C.F.R. §§ 190.208 and 190.211, Spire Missouri East (Spire), as operator, respectfully requests an in-person hearing on the allegations contained in the Notice of Probable Violation (NOPV) that PHMSA issued on November 30, 2020. Spire will be represented by counsel at the hearing and intends to raise the issues identified below in its Preliminary Statement of Issues.

Preliminary Statement of Issues

Set forth below is the Preliminary Statement of Issues that Spire intends to raise at a hearing in this case. Spire reserves the right to revise and supplement this Preliminary Statement of Issues at or before the hearing based on any additional information that may be provided in this proceeding.

Item No. 5

Whether the allegation in the NOPV is consistent with the facts, the record and is supported by the Pipeline Safety Laws, 49 U.S.C. § 60101 *et seq.*, and the relevant Part 195 regulations.

Whether the proposed compliance order in the Notice is supported by the facts, the record, the applicable Pipeline Safety Laws and Regulations, 49 U.S.C. § 60101 *et seq.* and 49 C.F.R. Part 195, is appropriate in scope, and is otherwise necessary and appropriate.

Item No. 6

Whether the allegation in the NOPV is consistent with the facts, the record and is supported by the Pipeline Safety Laws, 49 U.S.C. § 60101 *et seq.*, and the relevant Part 195 regulations.

Whether the proposed civil penalty is supported by the facts, the record, and is consistent with the civil penalty framework in 49 U.S.C. § 60122 and 49 C.F.R. §§ 190.223 and 190.225.

Whether the proposed compliance order in the Notice is supported by the facts, the record, the applicable Pipeline Safety Laws and Regulations, 49 U.S.C. § 60101 *et seq.* and 49 C.F.R. Part 195, is appropriate in scope, and is otherwise necessary and appropriate.

Item No. 7

Whether the allegation in the NOPV is consistent with the facts, the record and is supported by the Pipeline Safety Laws, 49 U.S.C. § 60101 *et seq.*, and the relevant Part 195 regulations.

Whether the proposed civil penalty is supported by the facts, the record, and is consistent with the civil penalty framework in 49 U.S.C. § 60122 and 49 C.F.R. §§ 190.223 and 190.225.

Item No. 8

Whether the allegation in the NOPV is consistent with the facts, the record and is supported by the Pipeline Safety Laws, 49 U.S.C. § 60101 *et seq.*, and the relevant Part 195 regulations.

Whether the proposed compliance order in the Notice is supported by the facts, the record, the applicable Pipeline Safety Laws and Regulations, 49 U.S.C. § 60101 *et seq.* and 49 C.F.R. Part 195, is appropriate in scope, and is otherwise necessary and appropriate.

Item No. 9

Whether the allegation in the NOPV is consistent with the facts, the record and is supported by the Pipeline Safety Laws, 49 U.S.C. § 60101 *et seq.*, and the relevant Part 195 regulations.

Whether the proposed civil penalty is supported by the facts, the record, and is consistent with the civil penalty framework in 49 U.S.C. § 60122 and 49 C.F.R. §§ 190.223 and 190.225.

Whether the proposed compliance order in the Notice is supported by the facts, the record, the applicable Pipeline Safety Laws and Regulations, 49 U.S.C. § 60101 *et seq.* and 49 C.F.R. Part 195, is appropriate in scope, and is otherwise necessary and appropriate.