U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

September 26, 2025

VIA ELECTRONIC MAIL TO: scott.smith@spireenergy.com

Scott Smith
President
Spire Storage West LLC
3773 Richmond Avenue, Suite 300
Houston, Texas 77046

Re: CPF No. 5-2024-023-NOPV

Dear Mr. Smith:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws one of the allegations of violation, makes other findings of violation, and assesses a reduced civil penalty of $64,200. The penalty payment terms are set forth in the Final Order. This enforcement action closes automatically upon receipt of payment. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure

cc: Dustin Hubbard, Director, Western Region, Office of Pipeline Safety, PHMSA
Randy Wilson, Director, Pipeline and System Integrity, Spire Storage West LLC, randy.wilson@spireenergy.com

CONFIRMATION OF RECEIPT REQUESTED

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

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In the Matter of	)	
	)	
Spire Storage West LLC,	)	**CPF No. 5-2024-023-NOPV**
	)	
Respondent.	)	
	)	

FINAL ORDER

From August 15 through 16, 2023, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Spire Storage West LLC (Spire or Respondent) in Evanston, Wyoming. Spire operates the Ryckman Gas System, which includes about 18 miles of gas pipelines that connect the Clear Creek and Belle Butte underground natural gas storage facilities.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated August 23, 2024, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 CFR § 190.207, the Notice proposed finding that Spire had committed four violations of 49 CFR Part 192 and proposed assessing a civil penalty of $87,200 for the alleged violations. The Notice also included an additional three warning items pursuant to 49 CFR § 190.205, which warned Respondent to correct the probable violations or face possible future enforcement action.

Spire responded to the Notice by letter dated September 27, 2024 (Response). Respondent contested several of the allegations, offered additional information in response to the Notice, and requested that the proposed civil penalty be reduced. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

The Notice alleged that Respondent violated 49 CFR Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 CFR § 192.465(a), which states:

> **§ 192.465 External corrosion control: Monitoring and remediation.**
> (a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

The Notice alleged that Respondent violated 49 CFR § 192.465(a) by failing to test its cathodic protection at least once each calendar year, but with intervals not to exceed 15 months, to determine whether the cathodic protection meets the requirements of 49 CFR § 192.463. Specifically, the Notice alleged that while Spire provided historical records of the annual cathodic protection survey, the 2021 and 2022 records failed to include applied current readings or readings with a voltage drop.

Respondent did not contest Item 1.

Accordingly, I find that Respondent violated 49 CFR § 192.465(a) by failing to test its cathodic protection at least once each calendar year, but with intervals not to exceed 15 months, to determine whether the cathodic protection meets the requirements of 49 CFR § 192.463.

Item 2: The Notice alleged that Respondent violated 49 CFR § 192.465(b)(1), which states:

> **§ 192.465 External corrosion control: Monitoring and remediation.**
> (a) . . . .
> (b) Cathodic protection rectifiers and impressed current power sources must be periodically inspected as follows:
> (1) Each cathodic protection rectifier or impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2 ½ months between inspections, to ensure adequate amperage and voltage levels needed to provide cathodic protection are maintained. This may be done either through remote measurement or through an onsite inspection of the rectifier.

The Notice alleged that Respondent violated 49 CFR § 192.465(b)(1) by failing to inspect each cathodic protection rectifier six times each calendar year, but with intervals not exceeding 2 ½ months between inspections, to ensure adequate amperage and voltage levels needed to provide cathodic protection are maintained. Specifically, the Notice alleged that Spire exceeded the 2 ½ month interval eight times from 2021 through 2023.

Respondent did not contest Item 2.

Accordingly, I find that Respondent violated 49 CFR § 192.465(b)(1) by failing to inspect each cathodic protection rectifier six times each calendar year, but with intervals not exceeding 2 ½ months between inspections, to ensure adequate amperage and voltage levels needed to provide cathodic protection are maintained.

Item 3: The Notice alleged that Respondent violated 49 CFR § 192.475(a), which states:

> **§ 192.475 Internal corrosion control: General.**
> (a) Corrosive gas may not be transported by pipeline, unless the corrosive effect of the gas on the pipeline has been investigated and steps have been taken to minimize internal corrosion.

The Notice alleged that Respondent violated 49 CFR § 192.475(a) by failing to take steps to minimize internal corrosion when transporting corrosive gas by pipeline. Specifically, the Notice alleged that Spire failed to provide records indicating that it implemented its program to mitigate the corrosive effects of hydrogen sulfide on its pipelines.

Respondent contested Item 3 and argued that it is implementing its program to mitigate the corrosive effects of hydrogen sulfide on its pipelines. Spire stated that it continuously injects corrosion inhibitors to keep hydrogen sulfide levels below 4 parts per million (ppm) and provided associated records documenting purchase and use of the corrosion inhibitors. Spire also stated that its SCADA system monitors hydrogen sulfide levels and will alarm "well below 4 ppm."

Section 192.475(a) permits an operator to transport corrosive gas only if the operator investigates the corrosive effects of gas on the pipeline and takes steps to "minimize internal corrosion." Spire acknowledged that it transports corrosive gas by pipeline. As the Notice indicated, Spire investigated the effects of corrosive gas when it hired a contractor to develop a hydrogen sulfide removal program. Spire then provided records that it took steps to "minimize internal corrosion" by following its hydrogen sulfide removal program, which requires continuous injection of corrosion inhibitors and SCADA monitoring of hydrogen sulfide levels.

Based upon the foregoing, I hereby order that Item 3 be withdrawn.

Item 5: The Notice alleged that Respondent violated 49 CFR § 192.481(a), which states:

> **§ 192.481 Atmospheric corrosion control: Monitoring.**
> (a) Each operator must inspect and evaluate each pipeline or portion of the pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

Pipeline type:	Then the frequency of inspection is:
(1) Onshore other than a Service Line	At least once every 3 calendar years, but with intervals not exceeding 39 months.

(2) Onshore Service Line	At least once every 5 calendar years, but with intervals not exceeding 63 months, except as provided in paragraph (d) of this section.
(3) Offshore	At least once each calendar year, but with intervals not exceeding 15 months

The Notice alleged that Respondent violated 49 CFR § 192.481(a) by failing to conduct atmospheric corrosion inspections at least once every 3 calendar years, but with intervals not exceeding 39 months. Specifically, the Notice alleged that Spire failed to provide atmospheric corrosion inspection records for 2019, and the atmospheric corrosion inspection records for 2022 failed to include inspections of the aboveground pipes that connect the Belle Butte facility to the regulated injection/withdraw well flanges.

Respondent contested Item 5, in part, and argued that its 2022 atmospheric corrosion inspection records included inspections of the aboveground pipes that connect the Belle Butte facility to the regulated injection/withdraw well flanges. Spire clarified that those pipelines are referred to the "Dance Floor" or "DF" locations in its 2022 atmospheric corrosion inspection records. Spire conceded that it was unable to locate the 2019 atmospheric corrosion inspection records.

I find that Spire did not violate section 192.481(a) in 2022 after it clarified that the 2022 atmospheric corrosion inspection records included inspections of the aboveground pipes that connect the Belle Butte facility to the regulated injection/withdraw well flanges. However, I find that Spire violated section 192.481(a) in 2019, as it failed to provide the 2019 atmospheric corrosion inspection records.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 192.481(a) by failing to conduct atmospheric corrosion inspections at least once every 3 calendar years, but with intervals not exceeding 39 months.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty exceeding $200,000 per violation for each day of the violation, with a maximum administrative civil penalty exceeding $2,000,000 for any related series of violations.[1]

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 CFR § 190.225, I

[1] These amounts are adjusted annually for inflation. *See* 49 CFR § 190.223 for adjusted amounts.

must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; any effect that the penalty may have on its ability to continue doing business; the good faith of Respondent in attempting to comply with the pipeline safety regulations; and self-disclosure or actions to correct a violation prior to discovery by PHMSA. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

The Notice proposed a total civil penalty of $87,200 for the violations cited above. Effective May 20, 2025, PHMSA revised its proposed civil penalty calculation policy to use the version of the Civil Penalty Worksheet in effect when the alleged violation occurred. The new policy did not change the proposed civil penalty in this case.

Item 1: The Notice proposed a civil penalty of $20,800 for Respondent's violation of 49 CFR § 192.465(a), for failing to test its cathodic protection at least once each calendar year, but with intervals not to exceed 15 months, to determine whether the cathodic protection meets the requirements of 49 CFR § 192.463. The new policy for calculating a proposed civil penalty did not change the proposed civil penalty for this item. Spire requested a reduction of the civil penalty based on recent improvements to its field equipment and data collection processes for the corrosion control activities. While I commend Spire's improvement initiatives, such actions cannot cure the inadequate records from 2021 and 2022. The Associate Administrator for Pipeline Safety has held that actions taken after a PHMSA inspection to address noncompliance do not justify reducing a proposed civil penalty.[2] Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $20,800 for violation of 49 CFR § 192.465(a).

Item 2: The Notice proposed a civil penalty of $23,000 for Respondent's violation of 49 CFR § 192.465(b)(1), for failing to inspect each cathodic protection rectifier six times each calendar year, but with intervals not exceeding 2 ½ months between inspections, to ensure adequate amperage and voltage levels needed to provide cathodic protection are maintained. The new policy for calculating a proposed civil penalty did not change the proposed civil penalty for this item. Spire requested a reduction of the civil penalty based on recent improvements to its field equipment and data collection processes for corrosion control activities. While I commend Spire's improvement initiatives, such actions cannot cure the inadequate records from 2021, 2022, and 2023. The Associate Administrator for Pipeline Safety has held that actions taken after a PHMSA inspection to address noncompliance do not justify reducing a proposed civil penalty.[3] Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $23,000 for violation of 49 CFR § 192.465(b)(1).

Item 3: The Notice proposed a civil penalty of $20,400 for Respondent's alleged violation of 49 CFR § 192.475(a). Since this alleged violation has been withdrawn, the proposed penalty is not assessed.

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[2] *See*, *e.g.*, Algonquin Gas Transmission, LLC, Final Order, CPF No. 3-2022-061-NOPV, 2023 WL 3884045, at *4 (June 6, 2023), https://primis.phmsa.dot.gov/enforcement-data/case/32022061NOPV.

[3] *Id.*

Item 5: The Notice proposed a civil penalty of $23,000 for Respondent's violation of 49 CFR § 192.481(a), for failing to conduct atmospheric corrosion inspections at least once every 3 calendar years, but with intervals not exceeding 39 months. The new policy for calculating a proposed civil penalty did not change the proposed civil penalty for this item. As noted above, I found that Spire's 2022 atmospheric corrosion inspection records did not violate 49 CFR § 192.481(a). Accordingly, with respect to gravity, I reduce the instances of violation to "1" to reflect the missing 2019 atmospheric corrosion inspection records. Based upon the foregoing, I assess Respondent a reduced civil penalty of $20,400 for violation of 49 CFR § 192.481(a).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a reduced civil penalty of **$64,200**.

Payment of the civil penalty must be made within 20 days after receipt of this Final Order. Federal regulations (49 CFR § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 CFR § 901.9 and 49 CFR § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 5 in the Notice for violations of 49 CFR § 192.481(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. In a recommendation for final action submitted pursuant to section 190.209(b)(7), the Director recommended withdrawing the compliance order for Item 5.

Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEMS

With respect to Items 4, 6, and 7, the Notice alleged probable violations of Part 192, but identified them as warning items pursuant to section 190.205. The warnings were for:

49 CFR § 192.477 **(Item 4) ─** Respondent's alleged failure to check each coupon or other means of monitoring internal corrosion two times each calendar year, but with intervals not exceeding 7 ½ months;

49 CFR § 192.619(a) **(Item 6) ─** Respondent's alleged failure to operate its pipeline below the maximum allowable operating pressure; and

49 CFR § 192.739(a) **(Item 7) ─** Respondent's alleged failure to inspect and test each pressure relief device at intervals not exceeding 15 months, but at least once each calendar year.

Spire presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 CFR § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a brief statement of the issue(s) and meet all other requirements of 49 CFR § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including any corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. If Respondent submits payment of the civil penalty, the Final Order becomes the final administrative decision and the right to petition for reconsideration is waived. The terms and conditions of this Final Order are effective upon service in accordance with 49 CFR § 190.5.

Linda Daugherty Acting Associate Administrator for Pipeline Safety	Date Issued