# UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

| Spire STL Pipeline LLC | ) | Docket No. CP17-40-006 |
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# COMMENTS OF SPIRE MISSOURI INC. ON THE JUNE 16, 2022 DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE CONTINUED OPERATION OF THE SPIRE STL PIPELINE PROJECT

#### I. INTRODUCTION

Pursuant to the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission") and the Commission's "Draft Environmental Impact Statement for the Spire STL Pipeline Project" issued in the above-referenced proceeding on June 22, 2022 (hereinafter, the "Draft EIS"), Spire Missouri Inc.¹ ("Spire Missouri") respectfully submits these Comments on the Draft EIS. The Commission issued the Draft EIS to evaluate the potential environmental impacts of the continued operation of the Spire STL Pipeline Project (the "STL Pipeline") proposed by Spire STL Pipeline LLC ("Spire STL"). Spire Missouri specifically focuses its Comments upon the Draft EIS's review of the "Proposed Action" and "No-Action Alternative," the scenarios that would "occur in two steps" if the STL Pipeline were not to be permitted to continue operating. In particular, Spire Missouri's Comments address certain of the

<sup>&</sup>lt;sup>1</sup> On August 30, 2017, Laclede Gas Company changed its name to Spire Missouri Inc.; however, the utility and its interests in this proceeding are unchanged from the original intervention in this proceeding, which was filed on February 27, 2017.

<sup>&</sup>lt;sup>2</sup> The "Proposed Action" is "issuance of a Certificate to Spire STL for operation of the STL Pipeline. No additional facilities or changes to operations would be required." Draft EIS, at ES-3.

<sup>&</sup>lt;sup>3</sup> The "No-Action Alternative" is that "on remand the Commission to not issue a Certificate, the STL Pipeline would cease to operate, and the project would not provide up to 400,000 Dth/day of natural gas to markets in the St. Louis metropolitan area, eastern Missouri, and southwest Illinois." Draft EIS, at ES-4.

<sup>&</sup>lt;sup>4</sup> See Draft EIS, ES-4 – ES-5. Specifically, Spire Missouri comments upon the Draft EIS's indication that "[d]ecommissioning and disposition of the Spire STL facilities would not preclude a reconnection of Spire Missouri and MRT or implementation of a systems alternative as the two are not mutually exclusive." Draft EIS, at ES-5.

Draft EIS's analyses of alternatives potentially available to Spire Missouri if the Commission declines to reissue certificates for the STL Pipeline.

For the reasons set forth below, and in Spire Missouri's previously filed comments supporting the continued operation of the STL Pipeline,<sup>5</sup> Spire Missouri submits that the FERC should expeditiously issue an order on remand that reissues the certificates for the STL Pipeline.

#### II. PERTINENT BACKGROUND

#### A. PURPOSE OF THE DRAFT EIS.

As stated in the Draft EIS, its purpose is to determine the potential environmental effects of the continued effects of the operation of the STL Pipeline, should the Commission reissue a certificate of public convenience and necessity. As part of that analysis, the Commission will analyze the effects of the "No-Action Alternative," in which, rather than re-issue the certificate, the Commission were to deny the certificate, thus requiring STL Pipeline to cease operations. In that event, the Draft EIS considers the environmental impacts of decommissioning and disposition of the STL Pipeline, as well as scenarios in which efforts are made to replace the supply currently provided by the STL Pipeline:

scenarios in which other parties construct new or modify existing systems to deliver gas to the St. Louis region (scenario 2: systems alternative and scenario 3: Spire Missouri system modifications). Decommissioning and disposition of the Spire STL facilities would not preclude a reconnection of Spire Missouri and MRT or

<sup>&</sup>lt;sup>5</sup> See Comments of Spire Missouri Inc. on the Application of Spire STL Pipeline LLC For A Temporary Emergency Certificate, Or, In the Alternative, Limited-Term Certificate, Docket No. CP17-40-007 (dated Sept. 7, 2021) ("Spire Missouri Emergency Certificate Comments"); Reply Comments of Spire Missouri Inc. on the Application of Spire STL Pipeline LLC For A Temporary Emergency Certificate, Or, In the Alternative, Limited-Term Certificate, Docket No. CP17-40-007 (dated Oct. 5, 2021) ("Spire Missouri Emergency Certificate Reply Comments"); Comments of Spire Missouri Inc. on the Request of Spire STL Pipeline LLC For Expedited Reissuance of Certificates, Docket No. CP17-40-007 (dated Dec. 1, 2021) ("Spire Missouri Remand Comments"); Reply Comments of Spire Missouri Inc. on the Request of Spire STL Pipeline LLC For Expedited Reissuance of Certificates, Docket No. CP17-40-007 (dated Jan. 14, 2022) ("Spire Missouri Limited Comments").

<sup>&</sup>lt;sup>6</sup> Draft EIS, ES-4.

<sup>&</sup>lt;sup>7</sup> Draft EIS, ES-4 – ES-5.

implementation of a systems alternative as the two are not mutually exclusive.

Section 3 of the Draft EIS addresses these alternative service scenarios in some detail, and concludes that,<sup>8</sup>

Additionally, the local distribution company may need to seek out alternative sources of natural gas as replacement, potentially through construction of a new natural gas pipeline system or modification to existing natural gas pipeline systems by other parties (consisting of FERC jurisdictional and/or non-FERC jurisdictional projects). However, to date, none of the companies identified under the systems alternatives, or another not-yet-identified company, have proposed to construct and operate new natural gas facilities.

More broadly, the overall conclusion of the Draft EIS is that "impacts from the continued operation of the Spire STL would be less than significant, with the exception of climate change impacts resulting from GHG emissions that are not characterized as significant or insignificant."

#### B. INTEREST OF SPIRE MISSOURI.

Spire Missouri is a public utility subject to the regulation of the Public Service Commission of the State of Missouri ("MoPSC"). As a regulated public utility, Spire Missouri has an obligation to provide safe and reliable service, even on extremely cold winter days, and to do so at a reasonable cost. The consequences of not having the capability to deliver natural gas supplies to customers on extremely cold days would be enormous, affecting the health, property, and prosperity of St. Louis and eastern Missouri. Spire Missouri supports the conclusion of the Draft EIS that the continued operation of the STL Pipeline would have "less than significant" environmental impacts and agrees with a number of the specific facts noted in the analysis of the No-Action Alternative and the alternatives, or lack of alternatives, to the STL Pipeline. Spire

<sup>&</sup>lt;sup>8</sup> Draft EIS, 3-12.

<sup>&</sup>lt;sup>9</sup> Draft EIS, ES-5.

Missouri previously submitted the Spire Missouri Limited Comments in response to the Notice dated December 15, 2021 requesting scoping comments.<sup>10</sup>

In these Comments, Spire Missouri primarily focuses on: (1) providing additional facts relevant to the Section 3 analysis of alternatives; (2) clarifying certain of the relevant facts discussed in the Draft EIS; and (3) correcting in some instances the specific findings as to the alternatives. Spire Missouri hopes that these Comments will be useful in establishing the record and in the Commission's preparation of a final EIS.<sup>11</sup>

#### III. SUMMARY OF COMMENTS ON THE DRAFT EIS

Spire Missouri wishes to emphasize the following points relevant to the development of the final EIS, which are amply supported in the record:

- The "No-Action Alternative" under which the Commission would not issue certificates to STL Pipeline to continue in operation is not feasible, because it would result in loss of vital natural gas service to Spire Missouri and the consumers that it serves. Because of changes to the Spire Missouri system, changes to Spire STL's load distribution, and changes to on the upstream supplies, no alternatives could meet Spire Missouri's natural gas supply requirements before the upcoming 2022/2023 winter, or even for years later.
- The alternatives to continued firm STL Pipeline service would be too delayed or inadequate in size and effectiveness to replace STL Pipeline.
  - Firm service on the Enable Mississippi River Transmission's ("MRT") mainline system would require new pipeline connection work, extensive work on Spire Missouri's Line 880, uncertain new upstream supplies, and would not in any event meet the needs of Spire Missouri's western service area.
  - New pipeline firm service from Natural Gas Pipeline Company of America ("NGPL") or MoGas Pipeline is hypothetical, would require extensive new construction, and would not be in service, at a minimum, until the 2025-2026 winter.
  - Restoration of the propane peaking supplies would fall far short of the needed supplies and would also have other serious qualitative shortcomings. Potential supplies of CNG

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<sup>&</sup>lt;sup>10</sup> Submitted January 14, 2022 in this proceeding.

<sup>&</sup>lt;sup>11</sup> Although facts relevant to the points discussed below are present in some other filings that are part of the record in this proceeding, a comprehensive factual presentation on the alternatives, from Spire Missouri's perspective, is provided by the Spire Missouri Remand Comments, and that pleading provides a detailed reference guide to the supporting factual evidentiary materials, which are discussed further below.

would be tiny in comparison with replacement needs, in addition to numerous other problems.

- Spire Missouri's decision to change its supply portfolio to include STL Pipeline in preference to Enable MRT, and to retire and decommission its propane peaking facilities, was found to be prudent and not raising affiliate concerns by the staff of the MoPSC, a finding that this Commission should not second guess.
- The alternatives to the current STL Pipeline service would all pose significant environmental impacts arising from Spire Missouri's own operations (apart from the environmental impacts of potential new pipeline supplier construction and operation), as shown by consultant reports submitted by Spire Missouri.

#### IV. COMMENTS ON THE DRAFT EIS

A. THE ALTERNATIVES TO THE NO-ACTION ALTERNATIVE CANNOT SUBSTITUTE FOR THE CONTINUED OPERATION OF STL PIPELINE.

In assessing alternative sources of supply to the No-Action Alternative, the EIS includes the following sources of alternative interstate pipeline supplies, citing information provided by STL Pipeline and Spire Missouri:

- (1) use of NGPL to provide alternative upstream natural gas supplies, including acquisition of NGPL mainline capacity and the construction of connecting pipeline facilities; 12 and
- (2) creation of new capacity on MoGas Pipeline to provide alternative upstream natural gas supply. 13

In addition, the Draft EIS states that it considers additional alternatives:

(1) potential Spire Missouri system modifications, including the acquisition of available capacity on the MRT East Line, and associated pipeline asset construction and facilities acquisition to access that MRT East Line supply, 14 as well as the acquisition of sufficient upstream capacity to supply new or alternative pipeline connections (via Southern Star Central, MoGas Pipeline or MRT; 15

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<sup>&</sup>lt;sup>12</sup> Draft EIS, 3-5.

<sup>&</sup>lt;sup>13</sup> Draft EIS, 3-6 to 3-7.

<sup>&</sup>lt;sup>14</sup> Draft EIS, 3-9 through 3-10.

<sup>&</sup>lt;sup>15</sup> Draft EIS, 3-10 through p. 3-1.

- (2) re-activation in part of the propane system, on an interim basis; 16 and
- (3) the potential use of trucked-in liquified natural gas ("LNG") or compressed natural gas ("CNG") supplies.

As a key, threshold matter, Spire Missouri urges the Commission to recognize that none of these alternatives would timely provide adequate natural gas supplies to replace the STL Pipeline; all fall short of meeting Spire Missouri's peak requirements, for an uncertain period that would last for years. Moreover, Spire Missouri emphasizes that, consistent with its prior comments, looking forward to future winter seasons, Spire Missouri does not have adequate alternatives to meet its peak day load obligations if the firm pipeline supply provided by the STL Pipeline were no longer available;<sup>17</sup> the alternative sources of supply analyzed by the No Action Alternative would simply leave Spire Missouri with an insufficient supply portfolio, which is same situation it experienced in the 2021-2022 winter season.<sup>18</sup> Spire Missouri appreciates the work of the Commission staff in reviewing these hypothetical alternatives, and these Comments will highlight those limitations with specific reference to earlier factual submissions by Spire Missouri on this record in detail in Sections IV.B. and IV.C., below.

Prior to addressing details of the several alternatives considered by the Draft EIS, Spire Missouri would emphasize a broad, common feature that they share: they would not be available for years to meet current natural gas demands in eastern Missouri, or they would be inadequate in size and reliability of supply, or both.<sup>19</sup> Specifically, all of the potential alternatives – wholly apart

<sup>&</sup>lt;sup>16</sup> Draft EIS, 3-11.

<sup>&</sup>lt;sup>17</sup> See, e.g., Spire Missouri Remand Comments at 8.

<sup>&</sup>lt;sup>18</sup> Spire Missouri Emergency Certificate Comments at 5-8. Critically, while Spire Missouri attempted to make contingency plans to ensure customers had continued access to affordable, reliable gas supply in the event STL Pipeline is taken out of service during the 2021-2022 winter season, there currently is no viable alternative to replace the supply delivered to St. Louis by STL Pipeline to ensure reliable service to customers. *Id.* at 8.

<sup>&</sup>lt;sup>19</sup> See e.g., "Affidavit of George Godat on behalf of Spire Missouri, Inc.," Attachment A to the Spire Missouri Remand Comments, filed December 1, 2021 ("Godat Affidavit"), at P 9 (no combination of alternatives could be available until after the 2022/2023 winter season, or later) and PP 37-41 (currently available options fall far short of Spire Missouri's needs, and longer-term pipeline supply replacements would be years away from completion). Mr. Godat

from the substantial environmental impacts that they would cause – suffer from lack of timeliness or size/reliability:

- (1) New firm capacity on connecting pipelines NGPL and MoGas Pipeline would require new pipeline construction by both pipelines,<sup>20</sup> and new compression and other facilities for NGPL; in addition, to expand MoGas would likely require approximately 80 miles of looping,<sup>21</sup> virtually looping the entire system.<sup>22</sup> Neither pipeline has undertaken even preliminary steps to create the required capacity/facilities, no open seasons have been announced, and no certificate proceedings have begun. The Commission is aware of the timeframe for new capacity projects in total, from preopen season to approval and construction, and in-service authorization, the timeframe is likely a minimum of two to two and a half years,<sup>23</sup> and possibly longer, yielding an in-service date at the earliest of 2025 even if those options were to be undertaken and initiated in the near term.
- (2) The option of reconnecting with MRT's East Line at or near Chain of Rocks and acquiring capacity on the East Line and upstream pipelines, would as the Draft EIS notes,<sup>24</sup> require extensive new facilities at the interconnection, from the interconnection to Spire Missouri's distribution system, and, most critically, extensive replacement/refurbishment work on Spire Missouri's Line 880. Spire Missouri has previously informed the Commission that this work would require years,<sup>25</sup> and it is

is Spire Missouri's Vice President, Gas Supply and General Manager Spire Missouri East, and has responsibility, inter alia, for overseeing gas purchases and gas control for Spire Missouri. Godat Affidavit, at PP 1, 3.

<sup>&</sup>lt;sup>20</sup> The Draft EIS discusses both options as requiring substantial new facilities. Draft EIS, 3-5 through 3-8.

<sup>&</sup>lt;sup>21</sup> In discussions, MoGas Pipeline informed Spire STL that in order to continue to provide current service levels to Spire Missouri if the STL Pipeline were to go out of service would require approximately 80 miles of looping on MoGas Pipeline's main line.

<sup>&</sup>lt;sup>22</sup> See Motion to Intervene Out-Of-Time of MoGas Pipeline LLC And Comments in Support, Docket No. CP17-40-007, at 5-8, 10 (dated July 28, 2021) ("MoGas Comments").

<sup>&</sup>lt;sup>23</sup> See, e.g., Certification of New Interstate Natural Gas Facilities, Docket No. PL18-1-001, Order on Draft Policy Statements (Statement of Commissioner Danley, concurring in part and dissenting in part), at P 5 ("How the Commission will process certificate applications in the absence of the policy statements also remains unclear. I have explained in some detail in correspondence with Members of Congress how certificate applications are languishing with the Commission. Most recently, I explained how applications for LNG export facilities and pipelines to provide gas to such facilities are being delayed. Even relatively minor requests for such things as expanded construction hours have been neglected, having awaited Commission action for over a year. Much of this delay is due to the decision to conduct full environmental impact statements (EISs) for projects for which simpler environmental assessments would satisfy the Commission's obligation to take the necessary "hard look" at the environmental effects of the proposed project." (Internal citations omitted). The Commission's records indicate that the time from filing to approval of major pipeline projects approved in 2022, including projects for which no new pipeline mileage was constructed, was approximately 21 months from the date of filing to the date of approval. See Approved Major Pipeline Projects (1997-Present), at https://www.ferc.gov/industries-data/natural-gas/approved-major-pipeline-projects-1997-present (accessed August 4, 2022). This average does not account for the additional time associated with activities occurring from a pre-open season stage.

<sup>&</sup>lt;sup>24</sup> Draft EIS, 3-9, 3-10.

<sup>&</sup>lt;sup>25</sup> See Godat Affidavit, at P44-47; see also Response to August 6, 2021 FERC Data Requests, Docket No. CP17-40-007, Responses to Data Request Nos. 9 and 10 (dated September 7, 2021)

likely that from planning through completion would not be materially shorter than the 2 ½ years for interstate expansion/extension projects discussed above. Moreover, significant and lengthy reinforcement work on Spire Missouri's own system would be needed under any scenario involving new upstream pipeline capacity. <sup>26</sup>

(3) The potential options of partially restarting the propane system and contracting for trucked-in LNG or CNG are inadequate in size,<sup>27</sup> as the Draft EIS noted,<sup>28</sup> and would pose significant operational, safety and integrity risks as well.<sup>29</sup>

Consequently, if the No-Action Alternative were, *arguendo*, to be chosen by the Commission, the result would be loss of necessary gas supply during three winters at a minimum because of the time lag needed for new pipeline capacity and the inadequacy of the size and reliability of the non-pipeline options. The Draft EIS posits that, "[i]f the No Action Alternative is chosen, the following alternative systems may be possible." Spire Missouri respectfully submits that the Commission's conclusion in the final EIS should be that the alternatives — all the alternatives — considered by Spire Missouri could not substitute for the service being provided by the STL Pipeline. Therefore, the No-Action Alternative should not be considered as a realistic option by the Commission.

<sup>&</sup>lt;sup>26</sup> See Response to August 6, 2021 FERC Data Requests, Docket No. CP17-40-007, Responses to Data Request Nos. 9 and 10 (dated September 7, 2021) ("Neither these system reinforcements nor adequate temporary facilities can be permitted, designed, constructed, and placed in-service in time for Spire Missouri to continue to provide adequate service to the western and southwestern service areas for winter 2021-2022, if the STL Pipeline were to be removed from service. Additionally, these reinforcements would not solve the supply issue that would be created by the loss of the STL Pipeline. It would take several years to construct these facilities.").

<sup>&</sup>lt;sup>27</sup> Concentric Report at 7, CRA Report at 18-19.

<sup>&</sup>lt;sup>28</sup> Draft EIS, 3-11.

<sup>&</sup>lt;sup>29</sup> Concentric Report at 16-17, CRA Report at 5, 27-30.

<sup>&</sup>lt;sup>30</sup> Draft EIS, 3-5.

- B. DECOMMISSIONING AND DISPOSITION OF THE STL PIPELINE SHOULD NOT BE CONSIDERED AS A STAND-ALONE ALTERNATIVE BECAUSE IT WOULD DISRUPT THE STATUS QUO OF NATURAL GAS SERVICE TO EASTERN MISSOURI.
  - 1. The record contains detailed record evidence that the alternatives to the STL Pipeline are inadequate.

The construction of STL Pipeline, its operation for the past several years, and changes to the local natural gas market all combine to make any return to the pre-STL Pipeline *status quo ante* impossible, and any attempt to rely on alternative sources of natural gas would not, at best, be available for years. The Godat Affidavit addressed this issue directly:<sup>31</sup>

completely irrespective of the earlier record before the Commission in 2018, events have occurred and circumstances have changed since the original close of the record in this proceeding that further support the issuance of the requested certificates, including shifts in Spire Missouri's market demand, the demonstration of the benefits of supply diversity during Winter Storm Uri in February 2021, changes to supply arrangements and the continued leveraging of the benefits of Spire STL Pipeline's high pressure supply across Spire Missouri's distribution system. Consequently, based on the facts viewed as of the present time, Spire Missouri has a need for the Spire STL Pipeline, independent of the facts as they were presented in 2018.

Mr. Godat supported these points with a detailed account of demand shifts on Spire Missouri's system that make a return to prior supply sources focused on Chain of Rocks impossible for a period of years, due to the reliance of the western portion of the Spire Missouri's service area on STL Pipeline-enabled deliveries from MoGas Pipeline.<sup>32</sup> Moreover, Winter Storm Uri

<sup>&</sup>lt;sup>31</sup> Godat Affidavit, at P 8.

<sup>&</sup>lt;sup>32</sup> Godat Affidavit, at PP 12–21. As Mr. Godat explains with detailed operational pressure evidence, the benefits of system reliability to the western service area served now by MoGas, using delivery pressures enhanced by its connection to STL Pipeline, provide significantly greater supply security than the pre-STL Pipeline service had provided. Godat Affidavit, at PP 22–24. That pressure-related supply security would be lost if any of the alternatives based in restoring service from MRT, or connecting to the eastern side of the service area, were to be employed.

demonstrated convincingly that without the STL Pipeline deliveries, Spire Missouri's eastern Missouri service area would have experienced significant shortfalls of natural gas in February 2021, had it been reliant on its traditional supplier, MRT.<sup>33</sup>

The propane and LNG/CNG "alternatives" are fatally ineffective as alternatives to the STL Pipeline. Following the commencement of STL Pipeline service, Spire Missouri made the decision to retire the direct injection propane peaking service that was previously a part of Spire Missouri's peak day supply. As Mr. Godat explained, any return to partial reliance on the propane system, even if feasible, would only be a "band aid" insufficient in size and short-term in duration, prior to obtaining access to other potential firm pipeline supplies.<sup>34</sup> Cessation of service on STL Pipeline would, therefore, not return natural gas supply to eastern Missouri to a status quo ante, but rather would leave Spire Missouri and its retail consumers without adequate natural gas supplies.

Put simply, the 350,000 dth/day of firm natural gas supply being provided to Spire Missouri by STL Pipeline cannot be replaced within a reasonable time under the No Action Alternative, and the result would be a substantial shortfall.<sup>35</sup>

In addition to providing the sworn statements of Mr. Godat, Spire Missouri also retained Concentric Energy Advisors, Inc. ("Concentric") to independently identify and evaluate potential alternatives that could replace the 350,000 dth/d of capacity in Spire Missouri's gas supply portfolio prior to the start of the next winter (*i.e.*, November 1, 2022) if the firm transportation service provided by the STL Pipeline were to become unavailable. Concentric concluded that of the feasible and other alternatives identified, none of the alternatives together or alone could act as

<sup>&</sup>lt;sup>33</sup> Godat Affidavit, PP 25–26.

<sup>&</sup>lt;sup>34</sup> Godat Affidavit, PP 31–32. The huge gap between the size of the potentially re-activated propane supplies, and of the potential CNG supplies, and their other flaws, are discussed below in Section IV.C.

<sup>35</sup> Godat Affidavit, PP 38, 31.

a reasonable substitute for the anticipated shortfall that would result if the STL Pipeline were no longer available.<sup>36</sup>

Further buttressing this conclusion is another expert report, by Charles River Associates ("CRA"). Spire Missouri retained CRA to perform an independent assessment of risks associated with gas supply options to replace the STL Pipeline, and the result was the CRA Report.<sup>37</sup> The report specifically analyzes the operational risks, public safety impact, property damage, environmental impact, system integrity impact, supply security risk and permitting challenges associated with three alternative supply options. The CRA report concludes that each of the alternatives analyzed poses elevated levels of risk in comparison to the STL Pipeline, with one of the alternatives posing unacceptable levels of risks to public safety and property damages.<sup>38</sup>

### 2. The State regulator's Staff's report supports the conclusion that Spire Missouri was justified in selecting and relying upon the STL Pipeline.

One additional, highly pertinent development for purposes of assessing the No Action Alternative is the report prepared by the Staff of the Public Service Commission of the state of Missouri ("MoPSC"), which was lodged in the record of this proceeding by STL Pipeline on May 31, 2022.<sup>39</sup> The MoPSC Staff report followed an 18-month long investigation into the prudence of Spire Missouri's decision to contract with the STL Pipeline, based on intensive reviews of the decision by both MoPSC Staff and an independent outside consultant, Schumaker & Company,

<sup>&</sup>lt;sup>36</sup> See "Assessment of Spire Missouri's Gas Supply Alternatives in the Absence of STL Pipeline," November 2021, Concentric Energy Advisors, Inc., appended as Attachment B to the Spire Missouri Remand Comments ("Concentric Report"). That conclusion is found in the Executive Summary, Concentric Report, first page, and is substantiated by the body of the report.

<sup>&</sup>lt;sup>37</sup> "Risk Assessment of Alternative Gas Supply Options," Charles River Associates, November 29, 2021, appended to the Spire Missouri Remand Comments as Attachment C ("CRA Report").

<sup>&</sup>lt;sup>38</sup> CRA Report at 34. The CRA report provides a detailed, risk assessment of each of the alternatives, CRA Report at 5-6, and discusses the basis for its risk assessment for each of the alternative in detail. CRA Report at 6-33.

<sup>&</sup>lt;sup>39</sup> "Supplement of Spire Pipeline LLC to Request for Reissuance of Certificates," *Spire STL Pipeline LLC*, Dkt. No. CP17-40-000, attaching the "Staff ACA Review Recommendation and Report," *In the Matter of Spire Missouri, Inc., d/b/a Spire (East) Purchased Gas Adjustment (PGA) Tariff Filing*, File No. GR2021-0127 (May 27, 2022) ("MoPSC Staff Report").

who submitted a report that became part of the MoPSC Staff Report. The MoPSC Staff Report concluded that the decision to support construction of the affiliated pipeline with a contract, and to take other steps consistent with that decision, was prudent and consistent with the MoPSC's affiliate rules and did not result in preferential treatment of STL Pipeline, *inter alia*. A number of the findings in the MoPSC report are pertinent to this certificate proceeding, though not directly to this Draft EIS review, but the MoPSC Staff report also specifically found that, among other benefits, the STL Pipeline contract and service would allow Spire Missouri to retire its propane plant<sup>41</sup> and to address the shifting of load on the Spire Missouri system from east to west.<sup>42</sup>

These findings are particularly significant for the Draft EIS analysis, in that the propane finding supports Spire Missouri's decision to retire the propane plant, and the load-shifting finding makes it clear that the need for higher pressures in the western service area, is a real one recognized by the state utility commission. The finding also supports the conclusion that from a state perspective, the changes that have occurred since the commencement of service by STL Pipeline—including the ability to serve the west via higher deliveries from MoGas Pipeline, <sup>43</sup> the retirement of the propane peaking system, the beneficial use of higher pressures to directly inject gas into Lange Storage Field all are benefits that would not be revisited at the state level. They are part of the new market landscape for the gas supply of eastern Missouri, and they underscore how the clock cannot be reset back in time at the *status quo ante* prior to STL Pipeline's in service date.

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<sup>&</sup>lt;sup>40</sup> MoPSC Staff Report at 4, 48 (citing the Schumaker & Company, Report of the Prudency Review of Spire STL Pipeline for the Missouri Public Service Commission, No. GR-2021-0127 (May 27, 2022) ("Schumaker Report")).

<sup>&</sup>lt;sup>41</sup> MoPSC Staff Report at 10, 16.

<sup>&</sup>lt;sup>42</sup> MoPSC Staff Report at 10.

<sup>&</sup>lt;sup>43</sup> MoPSC Staff Report at 9-10.

<sup>&</sup>lt;sup>44</sup> MoPSC Staff Report at 9-10.

Hence, the MoPSC Staff Report also strongly demonstrates that the No-Action Alternative is not a feasible alternative in practice.

# C. SPIRE MISSOURI SEEKS TO CLARIFY THE FACTS REGARDING CERTAIN OF THE DRAFT EIS'S CONCLUSIONS REGARDING ALTERNATIVES TO THE STL PIPELINE.

#### 1. Factual clarifications.

The Draft EIS reviews the pipeline, on-system and LNG/CNG alternatives to the No-Action Alternative and notes their flaws, some clarifications and supplements to that discussion would be useful for the record.

Spire Missouri is concerned by a comment found in footnote 34 of the Draft EIS, in which the document states:

FERC staff has not been able to confirm the Spire Missouri's statements of its feasibility/infeasibility to undertake upgrades and modifications, and procure other sources for its natural gas supply.

Spire Missouri Believes that it has addressed this issue on the record, most comprehensively in the Spire Missouri Remand Comments, but takes the opportunity of these Comments to provide references to the facts addressed in that filing. Spire Missouri would welcome any specific questions by the Commission regarding the facts relating to this issue. The Concentric Report discusses the current suppliers and potential upstream pipeline<sup>45</sup> and propane/CNG<sup>46</sup> alternatives, and shows them to be inadequate.<sup>47</sup> Regarding the potential re-start of the propane peaking facilities, which would directly inject high Btu propane into the distribution system, CRA also identified, *inter alia*, system integrity risks, elevated operational risks, public safety risks, property

<sup>&</sup>lt;sup>45</sup> Concentric Report at 5-7. Concentric did not address in detail the potential for new pipeline expansions to meet the supply shortfall, because none would be available prior to the 2022-2023 winter. Concentric Report at 11. As discussed above, in fact these options would not be available until much later.

<sup>&</sup>lt;sup>46</sup> Concentric Report at 9-10.

<sup>&</sup>lt;sup>47</sup> Concentric Report at 7-9.

impact risks, environmental impact risks, and supply security risks.<sup>48</sup> Moreover, CRA found that before Spire Missouri could actually utilize this alternative, several prerequisite actions would need to be taken, including the refurbishment and testing of propane vaporization facilities, the refurbishment and testing of the propane supply line, the acquisition of fuel, and the retraining of staff.<sup>49</sup> These additional risks and requirements render this alternative unreasonable.

The Draft EIS noted that re-connection to MRT to the eastern border of Spire Missouri's system at Chain of Rocks would require new connection facilities as well as "additions to other systems." This reference appears to relate to the need (in addition to new pipeline and station facilities near Chain of Rocks) for extensive work on Spire Missouri's Line 880. CRA performed a risk assessment of the continued operation of Line 880 associated with use of a new MRT/East Line connection and determined that it presented, *inter alia*, (a) elevated operational, environmental, system integrity and supply security risks, and (b) unacceptable public safety and property risks. As such, CRA concluded that "[w]hile individual risk elements by themselves are a concern, the cumulative impact of the broad risk elements renders the operation of Line 880 as a transmission feeder pipeline an unacceptable outcome of the current events." The Line 880 reinforcement work would require years of planning and construction work, including construction of high pressure lines in populated areas, as CRA notes. Spire Missouri would also note that, in addition to the costs, delays and disadvantages on the Spire Missouri system of re-connecting to

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<sup>&</sup>lt;sup>48</sup> CRA Report at 5, 27-30.

<sup>&</sup>lt;sup>49</sup> CRA Report at 21-22.

<sup>&</sup>lt;sup>50</sup> Draft EIS, 3-4.

<sup>&</sup>lt;sup>51</sup> See generally Godat Affidavit, at PP 44–46.

<sup>&</sup>lt;sup>52</sup> CRA Report at 5, 7, 15-17.

<sup>&</sup>lt;sup>53</sup> CRA Report at 5.

<sup>&</sup>lt;sup>54</sup> CRA Report at 12-15.

the MRT East Line,<sup>55</sup> the total available capacity on the MRT East Line remains approximately 135,000 dth/day – well below the needed 350,000 dth/day, and questions remain regarding the availability of upstream supplies from NGPL and Trunkline to permit the use of the East Line.<sup>56</sup>

As the CRA Report concluded, after assessing all the alternatives to the continued operation of the STL Pipeline,<sup>57</sup>

these solutions cannot bridge the supply gap created by the loss of STL from both deliverability and operational perspectives. In addition, the people of Missouri would be subjected to elevated risks related to fuel availability, safety and environmental matters. The analysis has identified many independent findings where each present elevated risks to Missouri and its residents. When the individual risks are considered as a whole, it becomes clear that the alternative solutions represent an unacceptable alternative to the continued operation of the STL pipeline.

Spire Missouri submits that the Commission should reach the same conclusion.

### 2. The Commission should consider evidence of environmental impacts of the alternatives described in the Trinity Report.

The Draft EIS notes that system alternatives to the STL Pipeline would have environmental impacts as well.<sup>58</sup> In this respect, Spire Missouri has provided the Trinity Report<sup>59</sup> as Attachment D to the Spire Missouri Remand Comments. In this study, Trinity Consultants analyzed whether

<sup>&</sup>lt;sup>55</sup> Another disadvantage would be that at MRT's lower pressures, use of the Lange Storage field would be less efficient. *See e.g.*, Godat Affidavit, at P 45.

<sup>&</sup>lt;sup>56</sup> See e.g., Godat Affidavit, at PP 28–30; see also Spire Missouri Remand Comments at 14 ("...the upstream pipelines feeding MRT's East Line lacked adequate pressures to reliably supply Spire Missouri's distribution system."). The upstream issues identified by Spire Missouri were further highlighted by Symmetry Energy Solutions, LLC. Motion to Intervene and Comments of Symmetry Energy Solutions, LLC, Docket No. CP17-40-007 (dated Aug. 23, 2021) (explaining that "...Symmetry faced curtailment of gas supplies due to loss of supplies on MRT resulting from force majeures issued by Symmetry's suppliers as well as the loss of supplies due to insufficient pressure on pipelines upstream of MRT's East Line... Furthermore, as agent for an industrial customer on MRT, Symmetry knows that this industrial customer also faced curtailment issues on the MRT System...Symmetry understands that this gas supply provided to both Symmetry and the industrial customer during the weather event was available only because of the availability of STL Pipeline.").

<sup>&</sup>lt;sup>57</sup> CRA Report at 34.

<sup>&</sup>lt;sup>58</sup> Draft EIS at 3-4.

<sup>&</sup>lt;sup>59</sup> "Evaluation of Environmental Impacts of Spire STL Pipeline — Spire Missouri Inc." by Trinity Consultants, November 2021 ("Trinity Report").

the continued operation of the STL Pipeline would result in reduced emissions relative to other alternatives and whether it would result in other environmental benefits relative to other alternatives – such as reduction in engine fuel usage, reduction in noise pollution due to reduced engine operation, improved visibility, and reduction in acute and chronic impacts of emissions on nearby soil and vegetation). 60 The Trinity Report found that: 61 (1) the pipeline "will result in reduced emissions and environmental impacts from Spire's Underground Gas Storage Facility;" (2) the STL Pipeline "will result in reduced emissions and environmental impacts from Spire's Propane Storage Facility;" (3) the STL Pipeline "will decrease the use of less efficient fuel sources such as propane and those used during gas curtailment;" and (4) the STL Pipeline "will allow Spire to source gas that is extracted and transported with less emissions than its other existing gas sources." Overall, the Trinity Report concluded that, "the operation of the STL Pipeline allows Spire to maintain their current gas supply operations while decreasing both environmental impacts and the emissions of greenhouse gasses, criteria pollutants, and hazardous air pollutants."62 The Trinity Report supports these conclusions with a detailed underlying analysis, and Spire Missouri requests that the Commission consider these environmental benefits in its final EIS.

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<sup>&</sup>lt;sup>60</sup> Trinity Report at 3-1-3-2.

<sup>&</sup>lt;sup>61</sup> Trinity Report at 1-1.

<sup>&</sup>lt;sup>62</sup> Trinity Report at 1-1.

#### V. CONCLUSION.

WHEREFORE, for the foregoing reasons, Spire Missouri requests that the Commission consider its Comments on the Draft Environmental Impact Statement dated June 16, 2022, and expeditiously reissue a certificate to Spire STL Pipeline LLC for the continued operation of the Spire STL Pipeline Project.

/<u>s</u>/\_\_\_

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Dated: August 8, 2022

### **CERTIFICATE OF SERVICE**

| I hereby certify that I have this            | day served  | d the foreg | going do  | cument   | upon | each | person |
|--|-------------|-------------|-----------|----------|------|------|--------|
| designated on the official service list com- | piled by th | e Secretar  | y in this | proceedi | ing. |      |        |

Dated at Washington, DC this 8<sup>th</sup> day of August, 2022.

| /s/             |  |
|-----------------|--|
| Garrett P. Lent |  |