

Staff Rulemaking Report
Gas Safety Standards Proposed Rule Amendments
GX-2022-0340

I. What are the affected rules?

- 20 CSR 4240-40.020 Incident, Annual, and Safety-Related Condition Reporting Requirements – proposing to amend sections (1), (2), (4), (5), (6), (7), (9), (10), (12) and (14), and
- 20 CSR 4240-40.030 Safety Standards – Transportation of Gas by Pipeline – proposing to amend sections (1), (2), (3), (4), (5), (6), (9), (10), (12), (13), (17) and Appendix B and E.

II. Background:

a. Discuss and describe topic/mechanism/theory/context of current rule.

The current rules require certain safety-related reporting; and contain certain safety standards for the transportation of gas by pipeline.

b. How does the rule work?

The Commission’s Safety Engineering Department is granted authority to implement the state pipeline safety program by annual certification from the United States Department of Transportation (“DOT”).

c. What does the underlying statute require, if applicable?

Federal law requires that each state take measures to adopt each applicable federal pipeline safety standard within a prescribed period of time. 49 U.S. Code Section 60105 requires, among other things, that the state authority adopt each applicable federal pipeline safety standard by the date of its annual certification, or in the event a standard was established within 120 days before the date of the certification, be taking steps to adopt that standard. Goals are set for state programs by the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) and enforcement of those goals is by reductions in federal grant-in-aid funding and the potential loss of federal certifications if those goals are not met.

III. What is the problem/issue the rulemaking addresses?

The proposed amendments are based on relevant federal pipeline rules that the Commission’s Safety Engineering Department has identified as being newly relevant to Missouri and additionally addresses stakeholder comments from Case No. GW-2022-0237 (see Case No. GW-2022-0237 workshop whitepaper for a summary of comments).

IV. Summary of rationale for proposed rule language.

20 CSR 4240-40.020 Incident, Annual, and Safety-Related Condition Reporting Requirements – proposing to amend sections (1), (2), (4), (5), (6), (7), (9), (10), (12) and (14).

The amendments to 20 CSR 4240-40.020 adopt the federal pipeline reporting requirements of 49 CFR 191 for facilities not previously included in Missouri reporting requirements of 20 CSR 4240-40.020 as described in the Staff Motion to Establish Working Case (“Staff’s Motion”) filed in Case No. GW-2022-0237. In addition to the proposed amendments to adopt the proposed reporting requirements of 49 CFR 191 that were described in Staff’s Motion, the amendments adopt the corrections published in the Federal Register on May 4, 2022, page 86 FR 26296. In addition, Staff proposes to amend:

- 20 CSR 4240-40.020(1)(A) to add wording to match with the onshore portion of 49 CFR 191.1(a).
- 20 CSR 4240-40.020(5)(B), (5)(G), (6)(A), (7)(A), (9)(A), (9)(C), (10)(A), and (10)(B) to update the PHMSA forms to the current revisions at the PHMSA website.
- 20 CSR 4240-40.020(4)(A)1.C. to address stakeholder comments. The proposed amendment increases the estimated property damage reporting threshold for Missouri Incidents from \$10,000 to \$17,500 to adjust for inflation.

The amendments adopt changes in the minimum federal safety standards of 49 CFR 192 as described in Staff’s Motion in Case No. GW-2022-0237. In addition to the proposed amendments to adopt the proposed federal safety standards of 49 CFR 192 that were described in Staff’s Motion, the amendments adopt the corrections published in the Federal Register on May 4, 2022, page 86 FR 26296. In addition, the rule is being amended as follows:

- 20 CSR 4240-40.030(1)(H) is amended to delete the word “steel”. This will make the conversion to service criteria in (1)(H)A. – D. also applicable to plastic pipelines.
- 20 CSR 4240-40.030(2)(B)4 is amended to limit this paragraph to pipe, and allow for fitting materials other than steel or polyethylene that meet the requirements of paragraph (4)(F)3., which requires plastic fittings to meet a listed specification. Listed specifications are in Appendix B to 20 CSR 4240-40.030.
- 20 CSR 4240-40.030(12)(I)3.A is amended to coordinate timing of operator submissions of excavator updates to the Missouri One Call System (MOCS) with the MOCS participation renewal period. (The requirement to update once each calendar year with intervals not exceeding 15 months will still be in effect).
- 20 CSR 4240-40.030(13)(BB)2.C is amended to change the reference from (4)(DD)2. to (4)(DD), making the rule consistent with federal rule 192.740, which references 192.197 (Missouri (4)(DD)).

V. Who will be affected by this rule?

Entities that are regulated for pipeline safety by the Commission and potentially the customers of the owners and operators. Owners and operators include:

- Public natural gas utilities;
- Municipal natural gas systems;

- Natural gas distribution systems where natural gas, excluding petroleum gas, is measured by a single meter and distributed to other users within a single structure or to multiple structures;
- High pressure natural gas pipelines which are supplied, directly or indirectly, by an intrastate and interstate pipeline, where natural gas, excluding petroleum gas, is supplied to the owner or operator of the high pressure pipeline solely for consumption by the owner or operator; and
- Operators and owners of gas plants where natural gas is supplied directly or indirectly, other than for consumption by and on the property of the supplier, to institutional buildings including, but not limited to, schools and hospitals

a. Summarize analysis related to:

i. The fiscal impact to the PSC and other public entities?

No fiscal impact is anticipated to the PSC or other public entities.

ii. The fiscal impact to the affected industry?

There may be some cost savings to the affected industry associated with increasing the reporting threshold in 20 CSR 4240-40.020(4)(A)1.C from \$10,000 to \$17,500. Since reportable incidents are unplanned events, no estimate of cost savings has been estimated, but is expected to be minimal.

iii. The fiscal impact to small businesses?

No fiscal impact is anticipated to small businesses.

iv. The fiscal impact to ratepayers?

No fiscal impact is anticipated to ratepayers.

v. The fiscal impact to other stakeholders or entities?

No fiscal impact is anticipated to other stakeholders or entities.

VI. Discussion of other states actions on issue

Federal law requires that each state take measures to adopt each applicable federal pipeline safety standard within a prescribed period of time. Goals are set for state programs by PHMSA.