

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

In the Matter of the Proposed Amendment)
Of the Commission’s Rules Relating to)
Natural Gas Safety) **File No. GX-2020-0112**

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, and respectfully files the attached *Memorandum* pursuant to General Procedure 1, stating Staff’s finding that the actual cost of implementing the rules within this docket to public and private entities has not exceeded the estimates by more than 10 percent or, where appropriate, has not exceeded five hundred dollars.

WHEREFORE, Staff files this *Memorandum* for the Commission’s information and consideration.

Respectfully submitted,

/s/ J. Scott Stacey
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronic mail to all parties and/or counsel of record this 19th day of August, 2022.

/s/ J. Scott Stacey

MEMORANDUM

TO: Missouri Public Service Commission Official Case File No. GX-2020-0112

FROM: Kathleen A. McNelis, P.E. on Behalf of Commission Staff

SUBJECT: Staff's Review of Costs Incurred for Rulemakings In the Matter of the Adoption of Amendment of the Commission's Rules Relating to Natural Gas Pipeline Safety, File No. GX-2020-0112, as required by Section 536.200, RSMo and the Commission's General Procedure GP-1

DATE: August 19, 2022

On November 13, 2019, the Missouri Public Service Commission (Commission) issued a Notice of Finding of Necessity to adopt recent changes to federal gas pipeline safety rules into Commission rules. The Commission ordered filing of proposed amendments with the Secretary of State to Commission rules:

- 20 CSR 4240-40.020 – Incident, Annual, and Safety-Related Condition Reporting Requirements;
- 20 CSR 4240-40.030 – Safety Standards – Transportation of Gas by Pipeline;
- 20 CSR 4240- 40.033 - Safety Standards – Liquefied Natural Gas Facilities; and
- 20 CSR 4240-40.080 – Drug and Alcohol Testing.

Text of the proposed amendments was published in the *Missouri Register* on January 15, 2020 (45 MoReg 116-139), with a statement that there would be no cost to state agencies or political subdivisions, and that the cost to private entities would not exceed five hundred dollars (\$500) in total. The publication of proposed amendments included a Notice to Submit Comments to Commission Case No. GX-2020-0112 no later than February 14, 2020. A Notice of Public Hearing was also published with the proposed amendments, setting a hearing at 10 a.m. on February 24, 2020. No comments were received in either Commission Case No. GX-2020-0112 or during the public hearing regarding the cost of the proposed amendments to state agencies, political subdivisions, or private entities.

On March 25, 2020, the Commission issued Final Orders of Rulemaking in Commission Case No. GX-2020-0112, making no changes from the proposed amendments. An Order of Rulemaking was published for each of the amended rules in the *Missouri Register* on June 1, 2020 (45 MoReg 835-836), and the amended rules became effective on July 31, 2020.

The Commission's General Procedure GP-1 ("GP-1") requires that, within 30 days before the end of the first full fiscal year after the implementation of a rule, amendment or rescission, the Staff is to investigate whether the cost to all affected entities, including the Commission, has exceeded by ten

percent or more the estimated cost in the fiscal note, or, where appropriate, has exceeded five hundred dollars.

The Commission Staff has investigated the cost of implementing the amended rules through this case, and reports that it has not discovered any information that would show that the cost estimates for these amendments as published in the *Missouri Register* were inaccurate.

Additionally, Staff reports that it has not received any information from any party potentially or actually affected by the implementation of the subject rule amendments that would show that the cost estimate to implement the Rules published in the *Missouri Register* was inaccurate.

GP-1 also requires Staff to prepare a memorandum showing the results of its investigation within thirty (30) days after the end of the first full fiscal year of the implementation of the subject rule, amendment or rescission. If the Staff investigation shows that the costs have not exceeded ten percent for all entities or, where appropriate, the estimated five hundred dollars, Staff's Memorandum shall be entered into EFIS under the rulemaking's docket number.

Staff's response regarding the accuracy of the published cost estimates is within the time frame specified by Section 536.200, RSMo 2019. This statute requires publication in the Missouri Register of a report of costs exceeding ten percent for all entities or cost over five hundred dollars, where appropriate, within 90 days after the close of the "first full fiscal year" after the implementation of the subject rule, amendment or rescission. The rule amendments that were the subject of this case became effective on July 31, 2020. The first full fiscal year after implementation of the rule thus ended on June 30, 2022. Since the Staff's investigation indicates that the published cost estimates related to the changes in the rule have not been exceeded, no Missouri Register publication is required under Section 536.200, RSMo 2019.

