

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

In the Matter of the Application of Roeslein)
Alternative Energy Services, LLC for a)
Permanent Waiver From Certain Provisions)
of 20 CSR 4240-40.030)

File No. GE-2021-0049

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Staff Recommendation* states as follows:

1. On August 24, 2020, Roeslein Alternative Energy Services, LLC (“RAES”), filed an *Application for Waivers* (“Application”) requesting a permanent waiver of compliance from the Commission’s requirement in 20 CSR 4240-40.030(12)(P) to odorize combustible gas transported in a 3.79 mile long intrastate transmission pipeline. The pipeline connects the Whitetail Farm with a point of injection on the ANR Pipeline, both located in Putnam County.

2. The Commission’s Safety Engineering Department Staff (“Staff”) points out that in an earlier case (Case No. GE-2020-0238), RAES requested a similar waiver of the requirement of 20 CSR 4240-40.030(12)(P) to odorize the gas that is gathered and treated at its Somerset Farm. There, RAES transported gas 8.77 miles by intrastate pipeline to a point of injection on the ANR Pipeline. Both Somerset Farm and injection point are located in Mercer County. The Commission granted that application for waiver, effective June 26, 2020, subject to certain conditions.

3. In this matter Staff performed the following review and analyses of RAES’ Application to reach its recommendations:

- The Application, with RAES’ proposed recommendations contained therein, and additional information provided by RAES’ responses to Staff’s data requests;

- Applicable Commission rules;
- Past Commission orders;
- Staff site visit of the South Meadows Farm with RAES personnel on October 21, 2020; and,
- Coordination with the U.S. Department of Transportation (U.S. DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding federal pipeline safety requirements.

4. Based on Staff's investigation and review of RAES' instant Application, more fully explained in Staff's Memorandum, attached hereto as "Appendix A" and incorporated herein, Staff recommends the Commission approve RAES' Application, subject to the following conditions:

- A. RAES may not serve any Missouri customers from this pipeline without prior Commission approval;
- B. RAES shall conduct leakage surveys and patrols along the entire length of the pipeline at intervals not exceeding four and one-half (4½) months, but at least four (4) times per calendar year;
- C. RAES shall conduct a class location study of the RAES transmission pipeline annually, notifying Commission Staff of any class location changes within 30 days of discovery;
- D. Whenever RAES is made aware (through notification by Missouri One Call, or other source) that its pipeline lies within the area described in the notice of excavation, or is within two (2) feet of such area, in addition to following the requirements of RSMo Chapter 319 to locate its line, RAES will have personnel onsite monitoring for damages to its pipeline during excavation work.
- E. RAES shall notify Commission Staff at least 60 days prior to the start of construction of any new gas pipelines that would convey gas from the Green Hills, South Meadows, and/or Locust Ridge Farm to the Whitetail Farm.
- F. This waiver of compliance is only applicable to combustible gas transported in the approximately 3.79 mile long intrastate gas transmission pipeline described in the RAES application. In the event

any additional pipeline is connected to this pipeline, RAES must seek a modification of this waiver.

WHEREFORE, for the reasons stated above and more fully explained in attached Staff's Memorandum, Appendix A, Staff recommends the Commission approve RAES' Application for waiver of the Commission's requirement in 20 CSR 4240-40.030(12)(P) to odorize combustible gas transported in RAES' 3.8 mile long intrastate pipeline to the ANR Pipeline injection point, subject to the conditions set out in paragraph 4 above.

Respectfully submitted,

/s/ Robert S. Berlin

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all parties and/or counsel of record on this 8th day of December 2020.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
File No. GE-2021-0049, Roeslein Alternative Energy Services, LLC

FROM: Jason Dickneite, Associate Engineer, Safety Engineering Department
Greg A. Williams, Associate Engineer, Safety Engineering Department

/s/ Kathleen A. McNelis, PE 12/08/2020 /s/ Robert S. Berlin 12/08/2020
Safety Engineering Department/ Date Staff Counsel Division / Date

SUBJECT: Staff Recommendation Regarding Roeslein Alternative Energy Services.
LLC Request for Approval of a Waiver from 20 CSR 4240-40.030(12)(P)

DATE: December 8, 2020

Executive Summary

On August 24, 2020, Roeslein Alternative Energy Services, LLC (RAES) filed an Application for Waivers (Application) requesting a permanent waiver of compliance from the Commission's requirement in 20 CSR 4240-40.030(12)(P) to odorize combustible gas transported in a transmission pipeline. The transmission pipeline, currently under construction in Putnam County, Missouri, will be an approximately 3.79 mile long intrastate gas transmission pipeline transporting combustible gas from the Whitetail Farm to an interstate transmission pipeline. RAES states in paragraph 12 of its application that gas flowing on the line for which RAES seeks a waiver will not be used for service to any end users, only to deliver gas to the interstate pipeline.

The Commission's Safety Engineering Department Staff (Staff) performed the following review and analysis to reach its recommendations:

- Reviewed the application, and additional information provided by RAES through data requests;
- Reviewed applicable Commission rules;
- Reviewed past Commission orders;
- Attended site visit of the South Meadows Farm with RAES personnel on October 21, 2020; and
- Coordinated with the U.S. Department of Transportation (U.S. DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding federal pipeline safety requirements.

Staff recommends that the Commission approve this waiver, subject to the following conditions and limitations:

1. RAES may not serve any Missouri customers from this pipeline without prior Commission approval;
2. RAES shall conduct leakage surveys and patrols along the entire length of the pipeline at intervals not exceeding four and one-half (4½) months, but at least four (4) times per calendar year;
3. RAES shall conduct a class location study of the RAES transmission pipeline annually, notifying Commission Staff of any class location changes within 30 days of discovery;
4. Whenever RAES is made aware (through notification by Missouri One Call, or other source) that its pipeline lies within the area described in the notice of excavation, or is within two (2) feet of such area, in addition to following the requirements of RSMo Chapter 319 to locate its line, RAES will have personnel onsite monitoring for damages to its pipeline during excavation work;
5. RAES shall notify Commission Staff at least 60 days prior to the start of construction of any new gas pipelines that would transport combustible gas from the Green Hills, South Meadows, and/or Locust Ridge to the Whitetail Farm; and
6. This waiver of compliance is only applicable to combustible gas transported in the approximately 3.79 mile long intrastate gas transmission pipeline described in the RAES application. In the event any additional pipeline is connected to this pipeline, RAES must seek a modification of this waiver.

1.0 Background Information

RAES requests a waiver of compliance from the provisions of 20 CSR 4240-40.030(12)(P), which, in relevant part, require as follows:

(P) Odorization of Gas. (192.625)

1. A combustible gas in a transmission line or distribution line must contain a natural odorant or be odorized so that at a concentration in air of one-fifth (1/5) of the lower explosive limit, the gas is readily detectable by a person with a normal sense of smell.

RAES requests the waiver to obtain Commission approval that it not be required to odorize the gas that is transported approximately 3.79 miles¹ by pipeline from the Whitetail Farm to a point of injection on the ANR Pipeline, also in Putnam County, Missouri.

¹ RAES's response to Staff Data Request No. 0009 described the total length of its pipeline as approximately 20,000 feet which is approximately 3.79 miles.

RAES's response to Staff Data Request 0003 indicated that the gas collected from hog waste lagoons located at the Locust Ridge, South Meadows, and Green Hills' farms will be compressed into tube tanks and then transported by truck to the Whitetail Farm facility. As a result, no pipelines will be installed from the Locust Ridge, South Meadows, and Green Hills' farms to the Whitetail Farm.

In paragraphs 10 and 11 of its Application, RAES stated the reason the waiver is necessary is that gas in the interstate ANR Pipeline system is not odorized, and that gas injected into the ANR pipeline would not be permitted to be odorized in accordance with the ANR Pipeline FERC Tariff Part 6.13 2.(a). RAES further stated that if it did odorize the gas being transported by pipeline from the Whitetail Farm to the ANR injection point as required by Commission rules, the odorant would be required to be removed in order to comply with the ANR Pipeline tariff limits prior to injection. RAES stated that this process would involve additional cost without a significant safety benefit, as RAES is unaware of any commercially available equipment for the removal of odorant from gas and, thus, RAES would have to design and construct equipment capable of removing odorant from gas.

RAES stated in paragraph 12 that gas flowing on the line for which RAES seeks a waiver will not be used for service to any end users, only to deliver gas to the interstate pipeline.

In paragraph 15 of its application, RAES proposed that the requested waiver be subject to the following conditions as a result of its transmission pipeline not being odorized:

1. RAES may not serve any Missouri customers from this pipeline without prior Commission approval;
2. RAES shall conduct leakage surveys and patrols along the entire length of the pipeline at intervals not exceeding four and one-half (4½) months, but at least four (4) times per calendar year.
3. RAES shall conduct a class location study of the RAES transmission pipeline annually, notifying Commission Staff of any class location changes within 30 days of discovery.
4. Whenever RAES is made aware (through notification by Missouri One Call, or other source) that its pipeline lies within the area described in the notice of excavation, or is within two (2) feet of such area, in addition to following the requirements of RSMo Chapter 319 to locate its line, RAES will have personnel onsite monitoring for damages to its pipeline during excavation work.

2.0 Applicable Commission rules

2.1 Waivers of Compliance

20 CSR 4240-40.030(18) states that upon written request to the secretary of the commission², the commission, by authority order and under such terms and conditions as the commission deems

² As defined by 20 CSR 4240-40.030(1)(B)6., commission means the Missouri Public Service Commission.

appropriate, may waive in whole or part compliance with any of the requirements contained in this rule³. Waivers will be granted only on a showing that gas safety is not compromised. If the waiver request would waive compliance with a federal requirement in 49 CFR part 192, additional actions shall be taken in accordance with 49 U.S.C. 60118 except when the provisions of subsection (17)(G)⁴ apply.

2.2 Definition of Transmission Line

As defined by 20 CSR 4240-40.030(1)(B)40., a transmission line means a pipeline⁵, other than a gathering line⁶, that transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not downstream from a distribution center (A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas.); operates at a hoop stress of twenty percent (20%) or more of SMYS⁷; or transports gas within a storage field.

2.3 Requirements to Odorize Natural Gas Transported by Pipeline

Natural gas is a naturally occurring mixture of hydrocarbon and non-hydrocarbon gases⁸ that is odorless and colorless. Because there are no natural warning properties (e.g. odor or color), natural gas cannot be detected without the use of gas detection equipment unless odorant is added. Odorant, typically a proprietary blend of organic compounds containing one or more mercaptans⁹, is added to natural gas to serve as a warning property for natural gas leaks. When gas is released from a pipeline into the air, persons with an ordinary sense of smell are able to readily detect the odorant.

Commission rule 20 CSR 4240-40.030(12)(P)1. requires, among other things, that a combustible gas in a transmission line or distribution line must contain a natural odorant or be odorized so that at a concentration in air of one-fifth (1/5) of the lower explosive limit¹⁰, the gas is readily detectable by a person with a normal sense of smell.

³ Rule in this context refers to 20 CSR 4240-40.030.

⁴ Code requirement 20 CSR 4240-40.030(17)(G) applies to an operator's gas distribution integrity management program and the requirement defines when an operator may deviate from required periodic inspections.

⁵ As defined by 20 CSR 4240-40.030(1)(B)31., a pipeline means all parts of those physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenances attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies.

⁶ As defined by 20 CSR 4240-40.030(1)(B)17., a gathering line means a pipeline that transports gas from a current production facility to a transmission line or main.

⁷ As defined by 20 CSR 4240-40.030(1)(B)37., SMYS means specified minimum yield strength is for steel pipe manufactured in accordance with a listed specification, the yield strength specified as a minimum in that specification; or for steel pipe manufactured in accordance with an unknown or unlisted specification, the yield strength determined in accordance with paragraph (3)(D)2.

⁸ Methane is always the largest component of natural gas (typically 70-90%), and typically contains some amount of mixed heavier hydrocarbons including ethane, propane and butane, and non-hydrocarbon gases such as carbon dioxide and nitrogen.

⁹ Mercaptans are a family of organic sulfur containing compounds that have a pungent odor, frequently compared to a "rotten egg" or "skunk" smell.

¹⁰ The lower explosive limit for methane is 5% gas-in-air by volume. The methane gas produced by RAES would have approximately the same lower explosive limit level since it consists of at least 98% methane. Natural gas is composed mostly of methane, but it also contains small amounts of ethane, propane, butane, and non-hydrocarbon gases.

2.4 Requirements to Patrol Transmission Lines

20 CSR 4240-40.030(13)(C) requires that each operator of a transmission line shall have a patrol program to observe surface conditions on and adjacent to the transmission line right-of-way for indications of leaks, construction activity and other factors affecting safety and operation. For a transmission line in a Class 1 location¹¹, Commission rule 20 CSR 4240-40.030(13)(C)2. requires a minimum frequency of pipeline patrols at maximum intervals of seven and one-half (7½) months, but at least twice each calendar year at highway and railroad crossings. At all other locations, the maximum intervals between the patrols may not be longer than fifteen (15) months, but at least once each calendar year.

2.5 Requirement to Leak Survey Transmission Lines

20 CSR 4240-40.030(13)(D) requires instrument leak detection surveys of transmission lines at minimum frequencies based on class locations. For a transmission line in a Class 1 location, Commission rule 20 CSR 4240-40.030(13)(D)1.C. requires an instrument leak detection survey to be conducted at intervals not exceeding fifteen (15) months, but at least once each calendar year.

2.6 Damage Prevention

In general terms, Missouri statutes and pipeline safety standards require that:

1. Excavators must provide notification of intent to excavate to allow facility owners to mark buried utilities, and
2. Facility owners must provide temporary markings for their facilities in the areas identified by the excavators.

20 CSR 4240-40.030(12)(I) requires each operator of a buried natural gas pipeline to have and follow a written program to prevent damage to that pipeline by excavation activities.

49 CFR 192.935(d)(2), adopted by reference in 20 CSR 4240-40.030(16), requires that operators either monitor excavations near the transmission pipeline, or conduct patrols of the pipeline at bi-monthly intervals.

3.0 Previous Commission Decisions

3.1 GE-2001-0390, MEP Pleasant Hill, LLC

On January 17, 2001, MEP Pleasant Hill, LLC (MEP) submitted an application for waiver from provisions of 20 CSR 4240-40.030(12)(P) to odorize natural gas in natural gas transmission pipelines. The MEP pipeline is a 16-inch diameter steel natural gas transmission pipeline that transports natural gas from an interstate natural gas pipeline 7½ miles to a combined cycle combustion turbine generation plant. According to MEP's application, the combined cycle combustion turbine installed has a heightened sensitivity to sulfur products such as those commonly found in natural gas odorant. The entire 7½ mile length of the natural gas intrastate

¹¹ As defined by 20 CSR 4240-40.030(1)(C)2.A., a Class 1 location is any class location unit that has 10 or fewer buildings intended for human occupancy.

pipeline is located in a Class 1 location. In MEP's application for waiver, MEP proposed several conditions to ensure that pipeline safety was not compromised as a result of the natural gas pipeline not being odorized. The conditions included the following:

- a. Combustible gas detection equipment in the boiler facility and turbine enclosures to ensure safety of the plant that does not rely on odorization of the natural gas. The detection equipment would contain audible and visible alarms and be tied to Dogwood's supervisory control and data acquisition ("SCADA") system;
- b. Proper maintenance of the above combustible gas detection equipment, including performance tests;
- c. Any future "farm tap" added to the pipeline would comply with all applicable safety requirements, including odorization;
- d. Pipeline patrols and leakage surveys would be conducted on a more frequent base than required by 20 CSR 4240-40.030(13)(C) & (D)12. Pipeline patrols and leakage surveys would be conducted six (6) times per calendar year at intervals not exceeding three (3) months at highway and railroad crossings and at twice the frequency required at all other locations; and
- e. MEP would review class locations along the pipeline annually and notify Commission Staff within 45 days of the discovery of a class location change, so that the waiver may be reassessed.

The Commission granted the application for waiver, effective February 9, 2001, provided MEP abided by all the conditions contained in the application for waiver.

The RAES pipeline for which a waiver is requested in this current case is similar to the MEP pipeline in that it is an intrastate natural gas transmission pipeline with no connection to a distribution system. However the situation differs in that MEP's pipeline transports gas from an interstate natural gas pipeline to the end use of the natural gas, while RAES's pipeline transports gas from a gas collection and treatment system to an interstate natural gas pipeline. Additionally, the two pipelines have differing technical specifications.

3.2 GE-2020-0238, RAES

In the GE-2020-0238 case, RAES requested a waiver of compliance with the requirement of 20 CSR 4240-40.030(12)(P) to odorize the gas that is gathered and treated at the Somerset Farm in Mercer County, then transported approximately 8.77 miles by pipeline to a point of injection on the ANR Pipeline, also in Mercer County. According to RAES, the entire 8.77 mile length of the natural gas intrastate transmission pipeline is located in a Class 1 location.

The Commission granted the application for waiver, effective June 26, 2020, subject to the following conditions:

- a. RAES may not serve any Missouri customers from the gas transmission pipeline in Mercer County, Missouri, subject to this waiver without prior Commission approval;

- b. RAES shall conduct leakage surveys and patrols along the entire length of the pipeline at intervals not exceeding four and one-half months and at least four times per calendar year;
- c. RAES shall conduct an annual class location study of the gas transmission pipeline in Mercer County, Missouri, and notify Commission Staff of any class location changes within 30 days of discovery; and
- d. Whenever RAES is aware, through notice by Missouri One Call or another source, that the pipeline lies within the area described in a notice of excavation, or is within 2 feet of such area, in addition to following the requirements of Chapter 319 of the Revised Statutes of Missouri to locate its line, RAES will have personnel onsite to monitor for damage to its pipeline during excavation.

The RAES pipeline for which a waiver is requested in this current case is similar in that it pertains to an intrastate natural gas transmission pipeline with no connection to a distribution system. However, in addition to the operation of an intrastate natural gas transmission pipeline, Staff's understanding based on RAES responses to Staff Data Requests in the current case¹² is that additional gas will be transported by truck from the Green Hills, South Meadows, and Locust Ridge farms, to the Whitetail Farm facility for injection into the RAES intrastate transmission pipeline.

The current Application addresses only the transportation of natural gas by intrastate pipeline from the Whitetail Farm to the point of injection into the interstate pipeline. The transportation of natural gas by other means such as truck is not subject to jurisdiction by the PSC under pipeline safety rules. Since the pipeline in the subject case will also be installed in only Class 1 locations and will be constructed to the same specifications and of the same materials as the pipeline in Case No. GE-2020-0238, it is Staff's opinion that the conditions ordered by the Commission in the GE-2020-0238 case are directly applicable to the current Application.

4.0 Coordination with U.S. DOT

The Commission has an annual certification from the U.S. DOT under 49 U.S.C. Section 60105 of 49 U.S. Code to implement its pipeline safety program. 49 U.S.C. 60118 addresses waivers of pipeline safety standards by state authorities. 49 U.S.C. 60118 (d) requires that:

If a certification under section 60105 of this title or an agreement under section 60106 of this title is in effect, the State authority may waive compliance with a safety standard to which the certification or agreement applies in the same way and to the same extent the Secretary may waive compliance under subsection (c) of this section. However, the authority must give the Secretary written notice of the waiver at least 60 days before its effective date. If the Secretary makes a written objection before the effective date of the waiver, the waiver is stayed. After notifying the authority of the

¹² RAES's response to Staff Data Request No. 0006, Item 2 states: "RNG product gas will be compressed into tube trailers and trucked from Locust Ridge, South Meadows, and Green Hills farms to be injected into the RNG product gas pipeline at the Whitetail farm."

RAES's response to Staff Data Request No. 0013 states: "There will be no pipelines installed to convey RNG product gas from Green Hills, South Meadows, or Locust Ridge to the Whitetail Farm. RNG product gas will be compressed into tube trailers and trucked from these farms to the Whitetail Farm."

objection, the Secretary shall provide a prompt opportunity for a hearing. The Secretary shall make the final decision on granting the waiver.

In guidelines provided to state programs, PHMSA encourages state programs to coordinate review of waiver requests with PHMSA prior to finalizing state approval. Staff therefore submitted a copy of the RAES Application waiver of compliance from odorization requirements to PHMSA on September 3, 2020. On September 8, 2020, PHMSA responded to Staff: “Since PHMSA in 49 CFR 192.625 does not require odorization of an intrastate gas transmission pipeline located completely in a Class 1 location, the Commission does not need a “no objection” letter from PHMSA to allow non-odorized gas through this pipeline.”

4.1 Applicable Federal Regulations

As defined by the federal requirement of 49 CFR Part 192.5(a)(1), a “class location unit” is an onshore area that extends 220 yards on either side of the centerline of any continuous 1-mile length of pipeline.

This class location unit can be further classified as either a Class 1, Class 2, Class 3, or Class 4 pipeline location as determined in accordance with 49 CFR Part 192.5(b)(1) through 49 CFR Part 192.5(b)(4) as defined below:

- (1) 49 CFR Part 192.5(b)(1), defines a Class 1 location as any class location unit that has 10 or fewer buildings intended for human occupancy.
- (2) 49 CFR Part 192.5(b)(2), defines a Class 2 location as any class location unit that has more than 10 but fewer than 46 buildings intended for human occupancy.
- (3) 49 CFR Part 192.5(b)(3), defines a Class 3 location as any class location unit that has 46 or more buildings intended for human occupancy; or an area where the pipeline lies within 100 yards of either a building or a small, well-defined outside area (such as a playground, recreation area, outdoor theater or other place of public assembly) that is occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period (The days and weeks need not be consecutive).
- (4) 49 CFR Part 192.5(b)(4), defines a Class 4 location as any class location unit where buildings with four or more stories above ground are prevalent.

49 CFR Part 192.625(b), requires, among other things, that “After December 31, 1976, a combustible gas in a transmission line in a Class 3 or Class 4 location must be odorized unless certain conditions apply. One of those conditions is that at least 50 percent of the length of the line downstream from that location is in a Class 1 or Class 2 location”.

5.0 Staff Analysis

5.1 RAES Proposed Conditions

In paragraph 15 of the Application, RAES proposed not to “serve any Missouri customers from this pipeline without prior Commission approval” and to “conduct leakage surveys along the entire

length of the pipeline at intervals not exceeding four and one-half (4½) months, but at least four (4) times per calendar year”. Staff agrees with these conditions as an increased leakage survey frequency would aid in the discovery of gas leaks on the pipeline in the absence of odorant in the gas.

In paragraph 15 of the Application, RAES further proposed to conduct “patrols along the entire length of the pipeline at intervals not exceeding four and one-half (4½) months, but at least four (4) times per calendar year as an additional precaution”. Staff agrees with this frequency of pipeline patrols as the increased pipeline patrol frequency would increase the chance for detecting any excavation activities near the transmission line and observing areas where the pipeline may have been exposed due to flooding or washouts.

Staff anticipates that at some point in the future, RAES may desire to transport gas by pipeline from the Green Hills, South Meadows, and Locust Ridge farms. Since no information has been provided regarding potential routes, it is not possible to determine if such future lines might be subject to federal requirements to provide odorization. Staff therefore recommends that the Commission include the following conditions and limitations related to potential future expansion of this pipeline:

1. RAES shall notify Commission Staff at least 60 days prior to the start of construction of any new gas pipelines that would transport combustible gas from the Green Hills, South Meadows, and/or Locust Ridge to the Whitetail Farm.
2. This waiver of compliance is only applicable to combustible gas transported in the approximately 3.79 mile long intrastate gas transmission pipeline described in the RAES application. In the event any additional pipeline is connected to this pipeline, RAES must seek a modification of this waiver.

5.2 Reason RAES Cannot Odorize Gas in Pipeline

In paragraphs 10 and 11 of the Application, RAES stated that ANR’s FERC tariff prohibits odorized gas to be injected into ANR’s interstate natural gas pipeline in such that gas injected into the pipeline “shall be commercially free from objectionable odors...”,¹³ and that the odorant level required by Commission rules would violate ANR’s FERC tariff. Additionally, in response to Staff Data Request No. 0007, RAES provided a copy of a letter from TC Energy¹⁴ which stated that odorized gas could not be accepted from RAES due to the fact that downstream distribution systems would be expecting to receive un-odorized natural gas. The letter further explains that the introduction of odorized gas into ANR’s pipeline could cause the accidental over-odorization of the downstream distribution systems.

In paragraph 11 of the Application, RAES stated that it was unaware of any commercially available equipment for the removal of odorant from gas. As such, RAES would be unable to odorize the gas for the length of the pipeline and then remove the odorant from the gas prior to

¹³ ANR FERC Tariff Part 6.13 2. (a).

¹⁴ Parent company of ANR Pipeline Company.

injection into the ANR pipeline. Additionally, RAES stated that denial of the waiver would likely make the project to collect gas from the Whitetail Farm and inject the gas into the natural gas grid cost prohibitive as RAES would have to design and construct equipment capable of removing odorant from gas.

6.0 Staff Conclusions

1. ANR will not accept injection of odorized gas from RAES. RAES stated that it cannot inject then remove odorant from the gas because equipment for the removal of odorant from gas is not currently commercially available.
2. Staff concurs with RAES's assertion that granting the waiver requested in the RAES Application will not compromise gas safety provided alternative measures are implemented to detect gas leaks. These proposed measures, included in Staff's recommendation, are in addition to leak detection measures required in Commission rules, and are intended to mitigate risks associated with not odorizing the gas.
3. Based on the response received from U.S. DOT PHMSA that federal regulations requiring odorization of combustible gas transported by transmission pipelines would not apply to this specific pipeline under these particular circumstances, the federal U.S. DOT will not oppose the waiver.

7.0 Staff's Recommendation and Conditions

Staff recommends the Commission approve the Application with the following conditions, which include those conditions proposed in RAES' Application:

1. RAES may not serve any Missouri customers from this pipeline without prior Commission approval;
2. RAES shall conduct leakage surveys and patrols along the entire length of the pipeline at intervals not exceeding four and one-half (4½) months, but at least four (4) times per calendar year;
3. RAES shall conduct a class location study of the RAES transmission pipeline annually, notifying Commission Staff of any class location changes within 30 days of discovery;
4. Whenever RAES is made aware (through notification by Missouri One Call, or other source) that its pipeline lies within the area described in the notice of excavation, or is within two (2) feet of such area, in addition to following the requirements of RSMo Chapter 319 to locate its line, RAES will have personnel onsite monitoring for damages to its pipeline during excavation work.

5. RAES shall notify Commission Staff at least 60 days prior to the start of construction of any new gas pipelines that would convey gas from the Green Hills, South Meadows, and/or Locust Ridge Farm to the Whitetail Farm.
6. This waiver of compliance is only applicable to combustible gas transported in the approximately 3.79 mile long intrastate gas transmission pipeline described in the RAES application. In the event any additional pipeline is connected to this pipeline, RAES must seek a modification of this waiver.

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**AFFIDAVIT OF JASON DICKNEITE
AND GREG A. WILLIAMS**

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COME NOW Jason Dickneite and Greg A. Williams, on their oath declare that they are of sound mind and lawful age; that they contributed to the foregoing *Staff Memorandum*; and that the same is true and correct according to their best knowledge and belief, under penalty of perjury.

Further your Affiants sayeth not.

/s/ Jason Dickneite
Jason Dickneite

/s/ Greg A. Williams
Greg A. Williams