

Staff Rulemaking Report
Gas Safety Standards Proposed Rule Amendments
GX-2023-0422

I. What are the affected rules (rule numbers and titles)?

- 20 CSR 4240-40.030 Safety Standards – Transportation of Gas by Pipeline – proposing to amend sections (1), (4), (7), (9), (12), (13), (16) and Appendix E.

II. Background:

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

The current rules contain certain safety standards for the transportation of gas by pipeline.

b. How does the [statute/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-2023-0272 (see GW-2023-0272 workshop whitepaper for a summary of comments).

IV. Summary of rationale for proposed rule language.

The amendments adopt changes in the minimum federal safety standards of 49 CFR 192 as described in Staff’s Motion in Case No. GW-2023-0272, Attachment A, except as noted in the GW-2023-0272 workshop whitepaper. Specifically, the technical corrections published in the *Federal Register* on May 4, 2022, page 86 FR 26296 were already adopted in the previous rulemaking and are in the current rule.

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 rule is being amended as follows:

- Amend certain citations in the table under 20 CSR 4240-40.030(12)(M)C., to correct typographical errors in the “Pipeline Segment” column of the table (this was included as numbered item 6 in Attachment C of Staff’s Motion),
- Adopt the technical corrections published in the Federal Register on April 24, 2023: United States, Department of Transportation “Pipeline Safety: Safety of Gas Transmission Pipelines: Repair Criteria, Integrity Management Improvements, Cathodic Protection, Management of Change, and Other Related Amendments: Technical Corrections; Response to Petitions for Reconsideration”. *88 Federal Register 24708* (this was noted in the GW-2023-0272 workshop whitepaper), and
- Adopt the technical corrections published in Federal Register on August 1, 2023: United States, Department of Transportation “Pipeline Safety: Requirement of Valve Installation and Minimum Rupture Detection Standards: Technical Corrections”. *88 Federal Register 50056* (this is included in the Staff Comment filed contemporaneously with this report).

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?

No fiscal impact is anticipated to affected industry.

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.