

# John R. Ashcroft

Secretary of State  
Administrative Rules  
RULE TRANSMITTAL

Administrative Rules Stamp

Rule Number 20 CSR 4240-10.030

Use a "SEPARATE" rule transmittal sheet for EACH individual rulemaking.

Name of person to call with questions about this rule:

Content Nancy Dippell Phone 573-751-8518 FAX 573-526-6010

Email address Nancy.Dippell@psc.mo.gov

Data Entry Kayla Kliethermes Phone 573-751-4256 FAX 573-526-6010

Email address Kayla.Kliethermes@psc.mo.gov

Interagency mailing address Public Service Commission, 9<sup>th</sup> Floor Gov. Office Bldg, JC, MO

## TYPE OF RULEMAKING ACTION TO BE TAKEN

Emergency Rulemaking \_\_ Rule \_\_ Amendment \_\_ Rescission \_\_ Termination

Effective Date for the Emergency \_\_\_\_\_

Proposed Rulemaking Rule X Amendment \_\_ Rescission

Rule Action Notice  In Addition  Rule Under Consideration

Request for Non-Substantive Change

Statement of Actual Cost

Order of Rulemaking \_\_ Withdrawal \_\_ Adopt \_\_ Amendment \_\_ Rescission

Effective Date for the Order \_\_\_\_\_

Statutory 30 days OR Specific date \_\_\_\_\_

Does the Order of Rulemaking contain changes to the rule text?  NO

YES—LIST THE SECTIONS WITH CHANGES, including any deleted rule text:

\_\_\_\_\_

Small Business Regulatory  
Fairness Board (DED) Stamp

JCAR Stamp

SMALL BUSINESS  
REGULATORY FAIRNESS BOARD

MAY 15, 2024

RECEIVED



## *Missouri Public Service Commission*

**MAIDA J. COLEMAN**  
Commissioner

**KAYLA HAHN**  
Chair

**JASON R. HOLSMAN**  
Commissioner

**GLEN KOLKMEYER**  
Commissioner

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://psc.mo.gov>

**JOHN P. MITCHELL**  
Commissioner

May 15, 2024

John Ashcroft  
Secretary of State  
Administrative Rules Division  
600 West Main Street  
Jefferson City, Missouri 65101

### **Re: 20 CSR 4240-10.030 Standards of Quality**

Dear Secretary Ashcroft,

#### CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed amendment lawfully submitted by the Missouri Public Service Commission.

The Public Service Commission further certifies it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017, RSMo, that the proposed amendment does not constitute a taking of real property under relevant state and federal law.

The Public Service Commission has determined and hereby also certifies that if the proposed amendment does affect small business pursuant to sections 536.300 to 536.310, RSMo, a small business impact statement has been filed as required by those sections. If no small business impact statement has been filed the proposed amendment either does not affect small business or the small business requirements do not apply pursuant to section 536.300.4, RSMo.

Statutory Authority: *sections 386.310 and 393.140, RSMo [1986]2016; and 386.895, RSMo Supp. 2023*

If there are any questions regarding the content of this proposed amendment, please contact:

Nancy Dippell  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
200 Madison Street  
P.O. Box 360  
Jefferson City, MO 65102  
(573) 751-8518  
Nancy.Dippell@psc.mo.gov



*Nancy Dippell*

Nancy Dippell  
Secretary

Enclosures



## *Missouri Public Service Commission*

**MAIDA J. COLEMAN**  
Commissioner

**KAYLA HAHN**  
Chair

**JASON R. HOLSMAN**  
Commissioner

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**JOHN P. MITCHELL**  
Commissioner

May 15, 2024

Sarah Schappe  
Director  
Joint Committee on Administration Rules  
State Capitol, Room B8A  
Jefferson City, Missouri 65101

### **Re: 20 CSR 4240-10.030 Standards of Quality**

Dear Director Schappe,

#### CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed amendment lawfully submitted by the Missouri Public Service Commission.

The Public Service Commission further certifies it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017, RSMo, that the proposed amendment does not constitute a taking of real property under relevant state and federal law.

The Public Service Commission has determined and hereby also certifies that if the proposed amendment does affect small business pursuant to sections 536.300 to 536.310, RSMo, a small business impact statement has been filed as required by those sections. If no small business impact statement has been filed the proposed amendment either does not affect small business or the small business requirements do not apply pursuant to section 536.300.4, RSMo.

Statutory Authority: *sections 386.310 and 393.140, RSMo [1986]2016; and 386.895, RSMo Supp. 2023*

If there are any questions regarding the content of this proposed amendment, please contact:

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*Nancy Dippell*

Nancy Dippell  
Secretary

Enclosures

STATE CAPITOL  
201 W. CAPITOL AVENUE, ROOM 216  
JEFFERSON CITY, MISSOURI 65101



(573) 751-3222  
WWW.GOVERNOR.MO.GOV

*Michael L. Parson*

GOVERNOR  
STATE OF MISSOURI

May 8, 2024

Ms. Kayla Hahn  
Public Service Commission  
PO Box 360  
Jefferson City, MO 65102

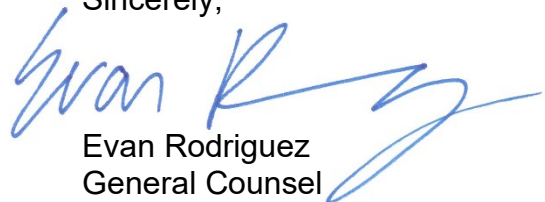
Dear Ms. Hahn:

This Office has received your Proposed Rule for the following regulation:

- 20 CSR 4240-40.030 Standards of Quality

Executive Order 17-03 requires this Office's approval before state agencies release proposed regulations for notice and comment, amend existing regulations, rescind regulations, or adopt new regulations. After our review, we approve the submission to the Joint Committee on Administrative Rules and the Secretary of State.

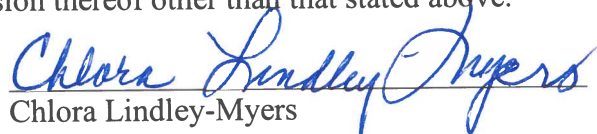
Sincerely,

  
Evan Rodriguez  
General Counsel

**AFFIDAVIT  
PUBLIC COST**

STATE OF MISSOURI )  
  )  
COUNTY OF COLE     )

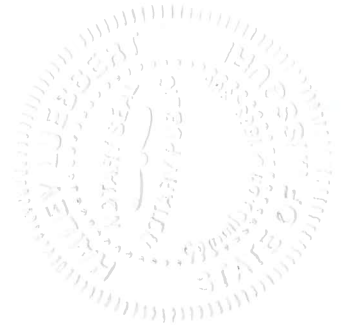
I, Chlora Lindley-Myers, Director of the Department of Commerce and Insurance, first being duly sworn, on my oath, state that it is my opinion that the cost of proposed amendment, 20 CSR 4240-10.030, is from \$0-\$994,000 in the aggregate for municipal natural gas distribution systems. There is no fiscal impact to this agency, any other agency of state government or any political subdivision thereof other than that stated above.

  
Chlora Lindley-Myers  
Director  
Department of Commerce and Insurance

Subscribed and sworn to before me this 13<sup>th</sup> day of May, 2024, I am commissioned as a notary public within the County of Osage, State of Missouri, and my commission expires on March 30, 2027.

HAILEY LUEBBERT  
NOTARY PUBLIC - NOTARY SEAL  
STATE OF MISSOURI  
MY COMMISSION EXPIRES MARCH 30, 2027  
OSAGE COUNTY  
COMMISSION #15634366

  
Notary Public



**FISCAL NOTE  
PUBLIC COST**

- I. Department Title: Title 20--DEPARTMENT OF COMMERCE AND INSURANCE  
Division Title: Division 4240—Public Service Commission  
Chapter Title: Chapter 10—Utilities**

<b>Rule Number and Name:</b>	20 CSR 4240-10.030 Standards of Quality
<b>Type of Rulemaking:</b>	Proposed Amendment

**II. SUMMARY OF FISCAL IMPACT**

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
<b>Public Service Commission</b>	\$0 No additional costs to the Commission are anticipated. However, it is expected that the proposed rule will result in some benefit to the Commission and other affected agencies because it updates the Commission's rules in order to align them with the requirements set out in Section 386.895, RSMo, and newly proposed rule 20 CSR 4240-40.100.
<b>Municipal Natural Gas Distribution Systems</b>	\$0-\$994,000

**III. WORKSHEET**

The number of entities that will be affected by this rule is unknown because the proposed rule amendments will only apply to natural gas utilities that choose to accept renewable natural gas onto their natural gas distribution systems. Acceptance of renewable natural gas is not mandatory. In the event a natural gas utility does not accept any renewable natural gas, the monitoring requirement will not apply, and no cost impact is anticipated.

The cost of compliance per installation is estimated as follows:

- Capital Cost Per Installation: \$458,000.
- Annual Operating Cost Per Installation: \$3,400 per year, with the total annual operating cost adjusted for inflation over the ten- (10-) year life of the rule being \$39,000.
- The estimated sum of capital and operating cost is \$497,000 per installation.
- The estimated aggregate cost for two (2) installations is \$994,000.

\$458,000 installation cost + \$39,000 operating costs adjusted for inflation = \$497,000 per municipal installation

\$497,000 cost per installation in the aggregate x 2 installations = \$994,000 possible cost in the aggregate for the 10-year life of the rule



#### IV. ASSUMPTIONS

There are currently forty (40) municipal gas utilities to whom these rule amendments may apply, should those utilities elect to accept renewable natural gas.

As proposed, Section (11) requires each gas utility receiving or transporting RNG to install, operate, maintain, and continuously monitor the quality of the RNG received. Section (12) would require installation of a device to isolate renewable natural gas that does not meet the quality standards proposed in Section (10). The estimated costs are the incremental costs of the monitoring equipment and control device, and assumes that the monitoring and control will be integrated within existing utility control rooms.

The Commission Staff received information from Roeslein Alternative Energy, a company that is experienced in these types of installations. Roeslein provided information that indicated it would cost roughly \$450,000 to comply with the monitoring proposed in section (11) and \$8,000 to comply with the control device proposed in section (12), with total being \$458,000. However, the true costs are unknown at this time as the number of municipal entities (currently 40) that would accept Renewable Natural Gas (RNG) into their systems is unknown.

For purposes of estimating aggregate costs of compliance, the Commission made the following assumptions:

- Up to five percent (5%) of the forty (40) municipal natural gas systems in Missouri ( $40 * 5\% = 2$ ) will elect to accept RNG at one (1) location in their respective natural gas distribution systems.
- The estimated annual operating costs, including electricity, communications, and supplies is \$3,400 in current dollars.
- The life of the rule is ten (10) years.
- There will be an annual inflation rate over ten (10) years of three percent (3%) per year.

**FISCAL NOTE  
PRIVATE COST**

- I. Department Title: Title 20--DEPARTMENT OF COMMERCE AND INSURANCE  
Division Title: Division 4240—Public Service Commission  
Chapter Title: Chapter 10—Utilities**

<b>Rule Number and Title:</b>	20 CSR 4240-10.030 Standards of Quality
<b>Type of Rulemaking:</b>	Proposed Amendment

**II. SUMMARY OF FISCAL IMPACT**

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
<b>3</b>	<b>Privately Owned Natural Gas Utilities</b>	<b>\$0 - \$1,491,000</b>

**III. WORKSHEET**

The number of entities that will be affected by this rule is unknown because the proposed rule amendments will only apply to natural gas utilities that choose to accept RNG onto their natural gas distribution systems. Acceptance of renewable natural gas is not mandatory. In the event a natural gas utility does not accept any renewable natural gas, the monitoring requirement will not apply, and no cost impact is anticipated. There are five (5) private utilities<sup>1</sup> to whom these rule amendments may apply, should those utilities elect to accept renewable natural gas.

The cost of compliance per installation is estimated as follows:

- Capital Cost Per Installation: \$458,000.
- Annual Operating Cost Per Installation: \$3,400 per year, with the total annual operating cost adjusted for inflation over the ten- (10-) year life of the rule being \$39,000.
- The estimated sum of capital and operating cost is \$497,000 per installation.
- The estimated aggregate cost for two (2) installations is \$994,000.

\$458,000 installation cost + \$39,000 operating costs adjusted for inflation = \$497,000 per municipal installation

\$497,000 cost per installation in the aggregate x 3 installations = \$1,491,000 possible cost in the aggregate for the 10-year life of the rule

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<sup>1</sup> Spire Missouri, Ameren Missouri, Liberty (Empire), Liberty (Midstates), and Summit Natural Gas.

#### IV. ASSUMPTIONS

As proposed, Section (11) requires each gas utility receiving or transporting RNG to install operate, maintain and continuously monitor the quality of the RNG received. Section (12) would require installation of a device to isolate renewable natural gas that does not meet the quality standards proposed in Section (10). The estimated costs are the incremental costs of the monitoring equipment and control device, and assumes that the monitoring and control will be integrated within existing utility control rooms.

The Commission Staff received information from Roeslein Alternative Energy, a company that is experienced in these types of installations. Roeslein provided information that indicated it would cost roughly \$450,000 to comply with the monitoring proposed in section (11) and \$8,000 to comply with the control device proposed in section (12), with total being \$458,000. However, the true costs are unknown at this time as the number of private entities who would accept Renewable Natural Gas (RNG) into their systems is unknown.

For purposes of estimating aggregate costs of compliance, the Commission made the following assumptions:

- Three (3) of the privately-owned natural gas utilities will elect to accept RNG at one (1) location in their respective natural gas distribution systems.
- The estimated annual operating costs, including electricity, communications and supplies is \$3,400 in current dollars.
- The life of the rule is ten (10) years.
- There will be an annual inflation rate over ten (10) years of three percent (3%) per year.

**Title 20—DEPARTMENT OF COMMERCE AND INSURANCE**  
**Division 4240—Public Service Commission**  
**Chapter 10—Utilities**

**PROPOSED AMENDMENT**

**20 CSR 4240-10.030 Standards of Quality.** The commission proposes amending sections (1), (10), (11), (12), (13), (14), and (15), and the authority section of the rule.

*PURPOSE: This amendment updates gas quality standards.*

(1) This rule applies to all gas, electric and water corporations, as these terms are defined in section 386.020, RSMo, engaged in the business of furnishing gas or electricity for light, heat or power, or supplying water for domestic or commercial uses within Missouri. The word utility, when used in these rules, shall be construed to mean any gas corporation, electric corporation or water corporation engaged in the designated business. **Sections (10), (11) and (12) of this rule additionally apply to all persons, municipalities or corporations owning, leasing, operating or controlling facilities used in the transportation by pipeline and distribution to customers within Missouri of manufactured gas and Renewable Natural Gas (RNG) as defined in 20 CSR 4240-40.100.**

(10) *[The monthly average total heating value of manufactured gas shall be not less than five hundred seventy (570) British Thermal Units (BTUs) per cubic foot at any point within at least one (1) mile of the manufacturing plant, and shall be at no time the total heating value of the gas at that point less than five hundred twenty (520) BTUs per cubic foot, unless a different standard of heating value is specifically authorized by the commission, and provided that no utility shall lower its present standard heating value without first obtaining the approval of the commission. To arrive at the monthly average total heating value, the result of all tests made on any one (1) day shall be averaged and the average of all these daily averages shall be taken as the monthly average. The term heating value of the gas, as used in this rule and as the value is determined in the tests referred to in this rule, shall be the total heating value as it is defined in the Bureau of Standards Circular No. 405 Standards For Gas Service.]* **Unless otherwise ordered by the commission, all gas, including manufactured gas and RNG delivered to customers in the state other than gas that is delivered on an interstate natural gas pipeline subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC), shall conform to the following specifications:**

**(A) The gas shall have a gross heating value between nine hundred and fifty (950) and one thousand, two hundred (1,200) British Thermal Units (BTUs) per dry standard cubic foot. For purposes of this rule, the term “gross heating value” when applied to a cubic foot of gas shall mean the number of BTUs produced by the complete combustion of the amount of gas which would occupy a volume of one (1) cubic foot at fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (psia) at a temperature of sixty degrees Fahrenheit (60°F).**

**(B) The gas shall not contain more than seven (7) pounds of water in vapor phase per million cubic feet.**

**(C) The gas shall be free from hydrocarbons and water (H<sub>2</sub>O) in liquid state at the temperatures and pressures delivered, and shall not have a hydrocarbon dew point in excess of the lower of forty degrees Fahrenheit (40°F) or the gas delivery temperature.**

**(D) The gas shall not contain in excess of one percent (1%) by volume of oxygen (O<sub>2</sub>), and every reasonable effort shall be made to keep the gas completely free of oxygen.**

**(E) The gas shall not contain more than four-hundred (400) parts per million (ppm) of hydrogen (H<sub>2</sub>).**

**(F) The gas shall not contain more than one-half (0.5) grain of hydrogen sulfide (H<sub>2</sub>S) per one-hundred (100) cubic feet.**

**(G) The gas shall not contain more than twenty (20) grains of total sulfur per one-hundred (100) cubic feet.**

**(H) The gas shall not contain more than two percent (2%) by volume of carbon dioxide (CO<sub>2</sub>).**

**(I) The gas shall not contain more than three percent (3%) by volume of nitrogen (N<sub>2</sub>).**

**(J) The gas shall be at a temperature between forty degrees Fahrenheit (40°F) and one-hundred degrees Fahrenheit (100°F).**

**(K) The gas shall be substantially free from impurities that may cause excessive fumes when combusted in a properly designed and adjusted burner.**

**(L) The gas shall not contain, either in the gas or in any liquid within the gas, any microbial organism, active bacteria or bacterial agent capable of contributing to or causing corrosion or other operational problems. For purposes of this rule, microbial organisms, bacteria and bacterial agents include sulfate reducing bacteria (SRB) and acid producing bacteria (APB).**

**(M) Each gas utility, including municipal systems, receiving or transporting manufactured gas or RNG on its gas transmission and distribution systems shall further limit the quantity of impurities and physical and chemical properties in the manufactured gas and RNG as necessary so that the gas is delivered within the limits of its system.**

*(11) [Each utility whose output exceeds twenty (20) million cubic feet of manufactured gas per year shall provide and maintain a calorimeter and all necessary accessories therefor, and such utility shall determine the heating value of manufactured gas supplied by it under the requirements set forth by this rule on at least three (3) days of each week. If the gas supplied by the utility is natural gas, it is excused from providing and maintaining a calorimeter; provided, it has available to it information by which it may keep itself fully informed respecting the heating value of the gas delivered by it. If the gas supplied by the utility is liquefied petroleum gas and it has installed adequate facilities by which it is able and does control continuously the heating value of the gas as furnished to the customers' premises and by which it may keep itself fully informed respecting the heating value of the gas delivered by it, the utility is excused from providing and maintaining a calorimeter. Heating value tests should be made or secured on natural gas at least three (3) times per year. A record of these tests or the information secured shall be maintained available*

*for inspection by the commission and preserved for a period of at least two (2) years.] Each gas utility, including municipal systems, receiving or transporting manufactured gas and RNG on its gas transmission and distribution systems shall provide, install, operate, maintain and continuously monitor sensors and testing equipment to determine if the quality of manufactured gas and RNG meets the requirements of section (10) of this rule.*

*(12) [All gas distributed in this state shall not contain more than a trace of hydrogen sulphide. The gas shall be considered to contain not more than a trace of hydrogen sulphide if a strip of white filter paper moistened with a solution containing five percent (5%) by weight of lead acetate is not distinctly darker than a second paper freshly moistened with the same solution after the first paper has been exposed to the gas for one (1) minute in an apparatus previously purged through which gas is flowing at the rate of five (5) cubic feet per hour and not impinging directly from a jet upon the test paper. Tests shall be made daily on manufactured gas leaving the holders, for the presence of hydrogen sulphide, in the manner specified, and a record of the result of these tests shall be filed available for inspection by the commission and preserved for a period of at least two (2) years. Each utility supplying natural gas shall make tests for hydrogen sulphide with a frequency as is necessary to keep itself informed that the gas distributed by it does not contain more hydrogen sulphide than the trace previously defined and at other times as the commission may require. A record of these tests shall be kept for a period of two (2) years.] Each gas utility, including municipal systems, receiving or transporting manufactured gas or RNG on its gas transmission and distribution systems shall install an insulation device at each location where manufactured gas or RNG is delivered to its natural gas pipeline systems. Each insulation device shall be designed and operated to completely isolate the source of manufactured gas or RNG from the downstream pipeline when the gas does not meet the quality standards in section (10) of this rule, as determined by the monitoring and testing performed in section (11) of this rule.*

*(13) [It is recommended that all gas delivered by the utilities shall possess a strong and distinctive odor. If the cost of introducing an odor into the gas to obtain the condition continuously is excessive, a suitable odorant shall be introduced during the early part of the heating season and once during the nonheating season each year. During periods of odorizing gas to detect leaks, there may be more than a trace of sulphur in the gas and this temporary condition is permissible.] Reserved.*

*(14) [Each gas utility should set up and follow a rigid program of preventive maintenance of its gas distribution system.] Reserved.*

*(15) [All manufactured gas distributed shall contain not more than thirty (30) grains of total sulphur nor more than five (5) grains of ammonia in each one hundred (100) cubic feet. Each utility whose output exceeds fifty (50) million cubic feet of manufactured gas per year shall provide and maintain the apparatus and facilities as are necessary for the determination of total sulphur and ammonia in gas and each utility shall regularly determine the amount of total sulphur and ammonia in the manufactured gas distributed by it at sufficiently frequent intervals to insure compliance with the foregoing requirements; provided, however, that any such utility supplying only water gas or oil gas shall not be required to provide apparatus or make determinations of the amount of ammonia in gas. A record of these tests shall be maintained available for inspection by the commission and preserved for a period of at least two (2) years.] Reserved.*

*AUTHORITY: sections 386.310 and 393.140, RSMo [1986]2016; and 386.895, RSMo Supp. 2023. \* This rule originally filed as 4 CSR 240-10.030. Original rule filed March 5, 1953, effective March 15, 1953. Amended: Filed Sept. 22, 1959, effective Oct. 1, 1959. Amended: Filed May 2, 1968, effective May 16, 1968. Moved to 20 CSR 4240-10.030, effective Aug. 28, 2019. Amended: Filed \_\_\_\_\_.*

*\*Original authority: 393.140, RSMo 1939, amended 1949, 1967.*

*PUBLIC COST: This proposed rule will cost state agencies or political subdivisions \$994,000 in the aggregate, if a political subdivision (municipal gas distribution system) chooses to accept RNG at an interconnect.*

*PRIVATE COST: This proposed rule will cost private entities \$1,491,000 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file comments in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Nancy Dippell, Secretary of the Commission, P.O. Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the commission's offices on or before July 17, 2024, and should include a reference to Commission Case No. GX-2024-0337. Comments may also be submitted via a filing using the commission's electronic filing and information system at <http://www.psc.mo.gov/efis.asp>. A public hearing regarding this proposed rule is scheduled for July 23, 2024, at 10:00 a.m., in Room 310 of the Governor's Office Building, 200 Madison St., Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support or in opposition to this proposed rule, and may be asked to respond to commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.*

# Small Business Regulatory Fairness Board Small Business Impact Statement

**Date:** May 1, 2024

**Rule Number:** 20 CSR 4240-10.030 Standards of Quality

**Name of Agency Preparing Statement:** Missouri Public Service Commission

**Name of Persons Preparing Statement:** Scott Stacey and Kathleen McNelis

**Phone Number:** 573-522-6279  
573-751-3456

**Email:** [scott.stacey@psc.mo.gov](mailto:scott.stacey@psc.mo.gov)  
[kathleen.mcnelis@psc.mo.gov](mailto:kathleen.mcnelis@psc.mo.gov)

**Name of Persons Approving Statement:** Jim Busch, Kim Bolin and Mark Johnson

**Please describe the methods your agency considered or used to reduce the impact on small businesses** (*examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique*).

This rule amendment is being promulgated to set gas quality standards for renewable natural gas being introduced into natural gas distribution systems and to be consistent with Section 386.895, RSMo, and newly proposed RNG rule 20 CSR 4240-40.100, which directs the Commission to adopt rules for gas corporations to offer a renewable gas program, and specifically must include reporting requirements and a process for gas corporations to recover incurred costs that are prudent, just, and reasonable associated with the renewable gas program. It is anticipated that the private and municipal gas utilities that prudently incur costs associated with compliance with this amendment will ultimately recover the costs in rates charged to customers. Some of these customers may be small businesses. The potential impact to small businesses could be monitoring the gas quality being introduced into the gas distribution systems.

**Please explain how your agency has involved small businesses in the development of the proposed rule.**

The Commission opened working case dockets, Case Nos. AW-2021-0064 and GW-2022-0060, and provided notification to Missouri natural gas operators, which may include small businesses. The Commission held workshops and requested comments after completion of the workshop. Commission received numerous comments from natural gas companies and others, which were taken under advisement in developing the amendments to this rule. Once the proposed amendment enters the formal rulemaking process, the Commission will seek additional input through a formal comment period and



a rulemaking hearing. Commission proceedings are open to all interested stakeholders, including any small businesses.

**Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.**

No additional costs to the Commission are anticipated. However, it is expected that the proposed rule will result in some benefit to the Commission and other affected agencies because it updates the Commission's rules in order to align them with the requirements set out in Section 386.895, RSMo and the proposed RNG rule 20 CSR 4240-40.100. No additional fees will be imposed.

It is unknown how many, if any, private and municipal gas utilities will be required to comply with the proposed amendments to this rule. The proposed amendment may cost private gas utilities and municipalities an estimated \$458,000 for each interconnect with an RNG producer.

**Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.**

It is unknown how many, if any, businesses (small and large) will be required to comply with the proposed amendments to this rule. Roeslein Alternative Energy Services indicated that the costs associated with monitoring quality of RNG being introduced into a gas distribution system may be up to \$458,000 per [instance/installation]. The Commission expects that no more than 6 Companies per year will be required to comply with the rule. See the attached fiscal notes.

**Please list direct and indirect costs (in dollars amounts) associated with compliance.**

Direct costs will be the costs as stated above and in the attached fiscal notes. The Commission is not aware of any indirect costs associated with compliance with the amendment.

**Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.**

While the exact costs are unknown at this time, the types of businesses impacted will be a natural gas utility choosing to implement a renewable natural gas program. The gas utilities (companies and municipalities) installing monitoring equipment in order to accept RNG to a natural distribution system are the types of businesses that will pay for the costs of compliance with the rule amendments. It is anticipated that the gas utilities will be reimbursed for prudently incurred costs through rates.

**Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?**

Yes \_\_\_ No X

**If yes, please explain the reason for imposing a more stringent standard.**

*For further guidance in the completion of this statement, please see §536.300, RSMo.*