

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

In the Matter of the Application of Spire)	
Missouri, Inc. d/b/a Spire for a Variance)	<u>Case No. GE-2023-0393</u>
of its Tariff Rules and Regulations for)	
Resale of Natural Gas)	

STAFF’S SUBMISSION OF PHMSA RESPONSE

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and hereby submits its Response from PHMSA dated June 10, 2024, and further states:

1. On December 29, 2023, Staff filed its *Motion to Contact the Pipeline and Hazardous Materials Safety Administration Division (“PHMSA”)*. Staff requested authority from the Commission to seek from PHMSA a formal interpretation of a federal rule and attached a draft letter to PHMSA to its *Motion*.

2. Ten days were allowed for responses to the Staff Motion. No responses were received.

3. On January 18, 2024, the Commission granted Staff’s *Motion*, and authorized Staff to send its draft letter to PHMSA. The Commission also directed that Staff file a status report indicating when it expects to receive an answer from PHMSA no later than February 20, 2024; and that Staff file a copy of the letter it sent and any response received.

4. On January 19, 2024, Staff sent its letter to PHMSA requesting an interpretation.

5. On February 16, 2024, Staff filed its Status Report as a Response to Commission Order. A copy of the January 19, 2024, letter Staff sent to PHMSA was included as an attachment to the Staff Response to Commission Order filed on February 16, 2024.

6. On March 7, 2024, the City filed its *Motion* for leave to contact PHMSA to provide factual information and documentation that would assist PHMSA in its determination.

7. On March 12, 2024, Staff filed its *Response* to the City's *Motion*.

8. The City replied to Staff's Response on March 13, 2024.

9. On March 13, 2024, Staff filed its *Surreponse to the City's Reply*, and on March 27, 2024, the Commission granted the City's Motion to provide factual information and documentation that would assist PHMSA in its determination.

10. Staff filed its Status Report on April 26, 2024, indicating it had not received a response from PHMSA at that time.

11. On June 10, 2024, Staff received a response from PHMSA on its request for interpretation of the Federal pipeline safety regulations and master meter system, and hereby submits said response to the Commission as ordered on January 18, 2024.

WHEREFORE, Staff hereby respectfully submits and requests the Commission accept the attached response from PHMSA; and grant such other and further relief as is appropriate in the circumstances.

Respectfully submitted,

/s/ J. Scott Stacey

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**ATTORNEY FOR STAFF OF THE
PUBLIC SERVICE COMMISSION**

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 11th day of June, 2024.

/s/ J. Scott Stacey



U.S. Department
of Transportation

1200 New Jersey Avenue, SE
Washington, DC 20590

**Pipeline and Hazardous
Materials Safety Administration**

June 10, 2024

Ms. Kathleen McNelis
Pipeline Safety Program Manager
Missouri Public Service Commission
P.O Box 360
Jefferson City, MO 65102

Dear Ms. McNelis:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA), dated January 19, 2024, you requested an interpretation of the Federal pipeline safety regulations in 49 Code of Federal Regulations (CFR) Parts 191 and 192. Specifically, you requested an interpretation with respect to the definition of a master meter system under § 191.3.

You stated that the City of Kansas City (the City) constructed an airport terminal that opened on February 28, 2023. During the construction process, the operator of the local gas distribution company (LDC), Spire Missouri, provided natural gas service to the airport through a single large meter. The City constructed natural gas distribution piping within the airport terminal to serve concessionaries within the new airport terminal.

You stated that the natural gas distribution piping installed by the City consists of both above-ground and buried piping. The buried pipe is a 6-inch diameter high density polyethylene (HDPE) pipeline, “connecting from the outlet of the LDC’s meter to the transition to steel prior to entering the new airport terminal.” Within the terminal, the piping consists of welded, threaded, and mechanically joined steel pipe, ranging from 6-inch to 1-inch diameter at the various concession areas. The City furnishes utilities, including natural gas, to food and beverage providers (sublessees) renting space within the terminal. Sublessees utilize natural gas for cooking food, which is sold within the airport terminal. Your letter does not specify whether the concessionaries currently purchase metered gas or purchase gas by rents or other means.

Applicable definitions under 49 CFR § 191.3 are reprinted below:

Master Meter System means a pipeline system for distributing as within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means, such as by rents;

Operator means a person who engages in the transportation of gas.

You asked PHMSA the following questions in your letter, and PHMSA's response follows each question.

Question 1: Does this system meet the definition of master meter system in 49 CFR § 191.3?

Response to Question 1: Yes, the pipeline system at the Kansas City Airport as described in your letter constitutes a master meter system in which the City of Kansas City is the operator. The pipeline system is used for distributing gas, where the operator (the City) purchases metered gas from an outside source (the LDC) and distributes the gas within a definable area (the airport) for resale through a gas distribution pipeline system. Using the gas distribution pipeline system within the airport, your letter indicates the City supplies gas to the ultimate consumer (the concessionaries). Your letter was not clear whether the concessionaries purchase the gas directly through a meter or by other means, such as by rents.

Question 2: Would the applicability of the definition be different under the following situations?

Question 2a: If the cost of gas is individually metered to the sublessees?

Response to Question 2a: No, the applicability of the definition would not be different (i.e., the system remains a master meter system) if the cost of gas is individually metered to the sublessees. In this scenario, the City's gas distribution pipeline system is supplying the ultimate consumer who purchases the gas directly through a meter.

Question 2b: If the cost of gas is prorated based on some factor (e.g., square footage) as opposed to metering?

Response to Question 2b: No, the applicability of the definition would not be different (i.e., the system remains a master meter system) if the cost of gas is prorated based on some factor (e.g., square footage) as opposed to metering. In this scenario, the City's gas distribution pipeline system is supplying the ultimate consumer who purchases the gas by other means, such as rents.

Question 2c: If the cost of gas was not directly passed on to sublessees through metering or prorating, but indirectly through rent of space?

Response to Question 2c: No, the applicability of the definition would not be different (i.e., the system remains a master meter system) if the cost of gas was not directly passed on to sublessees through metering or prorating, but indirectly through rent of space. In this scenario, the City's gas distribution pipeline system is supplying the ultimate consumer who purchases the gas by other means, such as rents.

Question 2d: If the City outsources management of the sublessees to another company, and that company recovers the cost of gas from the individual sublessees?

Response to Question 2d: No, the applicability of the definition would not be different (i.e., the system remains a master meter system) if the City outsources management of sublessees to another company, and that company recovers, on behalf of the City, the cost of gas from the individual sublessees. In this scenario, PHMSA presumes that the City remains the operator of the gas distribution pipeline system. If the City outsources the operation and management of the pipeline system within the airport to another entity, then that entity could become the operator of the master meter system.

If we can be of further assistance, please contact Alyssa Imam at 202-738-3850.

Sincerely,

John A. Gale
Director, Office of Standards
and Rulemaking



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January 19, 2024

Mr. John A. Gale
Director, Office of Standards and Rulemaking
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Avenue SE
Washington, DC 20590
John.Gale@dot.gov

Subject: Request for Written Regulatory Interpretation; Applicability of definition of Master Meter System in 49 CFR 191.3 to the City of Kansas City Airport

Dear Mr. Gale:

The Staff of the Missouri Public Service Commission (“Staff”) is requesting an interpretation as to whether the Kansas City Airport (“KCI”) natural gas distribution system would be classified as a master meter system and subject to the requirements for master meter systems in 49 CFR Part 192. The following outlines the system in question:

1. KCI is an international airport operating in the City of Kansas City (“City”), in Platte County, Missouri.
2. The City constructed a new airport terminal, which opened on February 28, 2023.
3. During the construction process, Spire Missouri, operator of the local gas distribution system, provided natural gas service through a single large meter.
4. The City constructed natural gas distribution piping within the airport terminal to serve concessionaries within the new airport terminal.
5. The natural gas distribution piping installed by the City of Kansas City consists of both buried and above ground piping.

6. The buried piping is 6-inch diameter High Density Polyethylene (PE), connecting from the outlet of Spire Missouri's meter to the transition to steel prior to entering the new airport terminal.
7. Within the terminal the piping system consists of welded, threaded and mechanically joined steel pipe, ranging from 6-inch to 1-inch diameter at the various concession areas.
8. The City furnishes utilities, including natural gas, to food and beverage providers (Sublessees) renting space with the terminal.
9. Sublessees utilize natural gas for cooking food which is sold within the airport terminal.

For this system, Staff has the following questions:

1. Does this system meet the definition of Master Meter System in 49 CFR 191.3?
2. Would the applicability of the definition of Master Meter System be different under the following situations?
 - a. If the cost of gas is individually metered to the Sublessees?
 - b. If the cost of gas is prorated based on some factor (e.g. square footage) as opposed to metering?
 - c. If the cost of gas was not directly passed on to sublessees through metering or prorating but indirectly through rent of space?
 - d. If the City outsources management of the sublessees to another company, and that company recovers the cost of gas from the individual sublessees?

If you have questions, please feel free to contact me at 573-751-3456 or Kathleen.mcnelis@psc.mo.gov. Thank-you in advance for your assistance.

Respectfully,



Kathleen McNelis
Pipeline Safety Program Manager

Copy: Commission Case No. GE-2023-0393