

**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-2022-0340**

**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**  
J. Scott Stacey  
Deputy Counsel  
Missouri Bar No. 59027  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
573-522-6279  
573-751-9285 (Fax)  
[scott.stacey@psc.mo.gov](mailto:scott.stacey@psc.mo.gov)

**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 29<sup>th</sup> day of July, 2024.

**/s/ J. Scott Stacey**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case  
File No. GX-2022-0340

**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 Proposed Amendment of the Commission's Rules Relating to Natural Gas Safety, File No. GX-2022-0340

**DATE:** July 29, 2024

On July 27, 2022, 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 as proposed rule amendments to Commission rules:

- 20 CSR 4240-40.020 – Incident, Annual, and Safety-Related Condition Reporting Requirements; and
- 20 CSR 4240-40.030 – Safety Standards – Transportation of Gas by Pipeline.

Text of the proposed amendments was published in the *Missouri Register* on September 1, 2022 (47 MoReg 1316-1334), 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-2022-0340 no later than October 1, 2022. A Notice of Public Hearing was also published with the proposed amendments, setting a hearing at 10 a.m. on October 4, 2022. No comments were received in either Commission Case No. GX-2022-0340 or during the public hearing regarding the accuracy of the cost of the proposed amendments to state agencies, political subdivisions, or private entities.

On November 9, 2022, the Commission issued orders of rulemaking for amendments to 20 CSR 4240-40.020 and 20 CSR 4240-40.030 in Commission Case No. GX-2022-0340. An Order of Rulemaking was published for each of the amended rules in the *Missouri Register* on January 17, 2023 (48 MoReg. 160-162), and the amended rules became effective February 28, 2023.

On August 24, 2023, the Commission ordered Staff to review the fiscal cost as required by Section 536.200.3, RSMo, and file a report of its findings or a statement as to when it expects to file its review no later than July 30, 2024.

The Commission Staff's General Procedure GP-1, revised 10/21/2022, states:

As required by section 536.200.2, RSMo, within thirty (30) days of the end of the first full fiscal year after the implementation of the rule, amendment or rescission, Staff should 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. Staff will file a motion in the original rulemaking file number seeking stakeholder input on the accuracy of the estimated cost in the fiscal note.

On February 22, 2024, Staff filed a motion requesting the Commission to invite comments from interested stakeholders about whether the estimated costs to comply with the rules set out in the fiscal notes have proved to be accurate.

On April 22, 2024, the Commission issued an order inviting stakeholders to offer comments about the accuracy of the fiscal impact stated in the fiscal notes or estimated cost declaration that accompanied the rulemaking by no later than July 19, 2024.

No comments were received on or before July 19, 2024.

The Commission Staff's General Procedure GP-1, revised 10/21/2022, states:

Staff shall prepare a memorandum showing the results of its investigation within thirty (30) days after the end of the first full fiscal year of rule, amendment or rescission. If the 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.

The Commission Staff 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. Accordingly, Staff offers this memorandum to be entered into EFIS in Case No. GX-2022-0340.

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**AFFIDAVIT OF KATHLEEN A. McNELIS, PE**


STATE OF MISSOURI     )  
                                  )     ss.  
COUNTY OF COLE     )

**COMES NOW** Kathleen A. McNelis, PE, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation*, in Memorandum form; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Kathleen A. McNelis, PE

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29<sup>th</sup> day of July 2024.

  
\_\_\_\_\_  
NOTARY PUBLIC

