

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

The Staff of the Missouri Public)	
Service Commission,)	
)	
Complainant,)	
v.)	<u>File No. GC-2025-XXXX</u>
)	
City Utilities of Springfield, Missouri,)	
)	
Respondent.)	

COMPLAINT

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through Staff Counsel’s Office, pursuant to § 386.390, RSMo, 20 CSR 4240-40.030 and 20 CSR 4240-40.080, as follow-up to its investigation in Case No. GS-2024-0024, and for its *Complaint* states as follows:

Introduction
Facts Common to All Counts

1. The Respondent City Utilities of Springfield (“CU”) owns and operates a municipal gas system subject to Commission jurisdiction under § 386.310.3, RSMo, and is subject to § 386.572, RSMo.

2. Staff contends that CU violated certain sections of the Commission’s Gas Pipeline Safety Rules, specifically, 20 CSR 4240-40.030(12)(C)2.A., (13)(V)2, and (17)(C), related to a natural gas pipeline incident in Springfield, Missouri that occurred on July 17, 2023, in an area served by CU.

3. The incident occurred when CU personnel were preparing a segment of CU’s natural gas pipeline for inspection, which included removal of a cross fitting that

connected the South, West, and North legs of its feeder line.¹ The cross fitting was located within a valve pit, which also contained valves to shut off flow to the South, West, and North legs of the feeder line.

4. In preparation for removal of the cross fitting, natural gas had been purged from the South leg of the feeder line, and valves had been closed to isolate the cross fitting from the North and West legs of the feeder line. Following removal of the cross fitting, natural gas was released from the pipeline when pipe separated at a Dresser² mechanical fitting that was installed on the North Leg of the feeder line upstream of the closed valve in the valve pit.

5. Gas escaping from the North Leg of the feeder line ignited at approximately 11:25 a.m. The resulting fire which damaged CU electrical facilities in the vicinity and nearby residences was contained within the valve pit by 12:32 p.m., and was extinguished by 12:39 p.m.

6. Emergency responders including the Springfield Fire and Police departments diverted traffic and evacuated residents in the vicinity due to the fire and potential of falling power lines. CU's emergency response to the incident included closure of upstream valves on the North and West legs of the feeder line, as well as valves to lower pressure systems that could back feed into the feeder line. There were no injuries or fatalities as a result of this incident, and the estimated cost of property damages was \$350,000 with a total incident cost including emergency response and cost of gas released of \$368,301.³ See, *Staff's Gas Incident Report*, with appendices, filed on December 11, 2024, in Case No. GS-2024-0024, attached hereto, and incorporated herein, as **Attachment A**.

¹ 20 CSR 4240-40.030(1)(B)19. defines feeder line as a distribution line that has a maximum allowable operating pressure (MAOP) greater than 100 psi gauge that produces hoop stresses less than 20% of specified minimum yield strength (SMYS).

² Dresser refers to a fitting manufactured by Dresser Utility Solutions.

³ CU's Form PHMSA F 7100.1 Supplemental, Final Incident Report form submitted 10/02/2024.

7. CU's initial investigation of this incident determined that the gas was released when the pipe separated at a Dresser mechanical fitting that was installed on the North Leg of the feeder line upstream of the closed valve. CU hired ** [REDACTED] ** ("Consultant") to perform a root cause analysis of the incident and the Consultant determined that

** [REDACTED]

[REDACTED]

[REDACTED] . **

8. CU's Distribution Integrity Management Program (DIMP) Plan, which requires operators to identify threats to their pipeline systems, evaluate and rank risks, and identify and implement measures to reduce risks, that was in effect at the time of the incident had most recently been updated by CU on July 1, 2020.

9. Staff performed an inspection of the July 1, 2020, DIMP program plan with CU on December 6-8, 2021. CU's July 1, 2020, plan identified ** [REDACTED]

[REDACTED]

[REDACTED] . ** Staff inspection findings provided to CU in a letter dated January 6, 2022, included a finding that ** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] . **

Complainant

10. Complainant is the Staff acting through Staff Counsel as authorized by Missouri Public Service Commission ("Commission") Rule 20 CSR 4240-2.070(1).

Respondent

11. Respondent CU is the natural gas distribution operator for the City of Springfield, MO, with its principal business offices located at 301 E. Central St., Springfield, Missouri 65802.

12. CU is a community-owned utility serving southwest Missouri with electricity, natural gas, water, telecommunications and transit services and provides service to over 106,000 customers. Its service territory covers approximately 320 square miles (830 km²), which includes all of the city of Springfield, portions of Greene County, and a part of northern Christian County.

Jurisdiction

13. By virtue of the activities described in the above paragraphs, Respondent is now, and at all times pertinent to the events described above was, a “municipal gas system” within Section 386.310, RSMo, that operates a “gas plant” as defined in Section 386.020(19), and thus subject to the jurisdiction of this Commission and the provisions of the Public Service Commission Law Chapters 386 and 393, including, but not limited to, §§ 386.310.3 and 386.572, RSMo.

Powers of the Commission

14. Pursuant to §§ 386.250(1) and 393.140(1), RSMo, this Commission is charged with the supervision and regulation of public utilities engaged in the supply of natural gas at retail and is authorized by §§ 386.250(6), 386.310.1, and 393.140, RSMo, to promulgate safety rules applicable to the transportation and distribution of natural gas. Pursuant to this authority, the Commission has duly promulgated its Rule 20 CSR 4240-40.030 Safety Standards-Transportation of Gas by Pipeline (“Gas Pipeline Safety Rule”).

15. Section 386.570.1, RSMo, provides for a penalty between \$100 to \$2,000, per offense, for “[a]ny corporation, person or public utility which violates or fails to comply with any provision of the constitution of this state or any other law, or which fails, omits or neglects to obey, observe or comply with any order, decision, decree, rule, direction, demand, or requirement, or any part or provision thereof, of the commission....”

16. Section 386.572.2, RSMo, states that beginning January 1, 2025, the maximum penalty for each violation shall be “twenty-five thousand dollars” while the “maximum penalty for a continuing violation or a multiple series of violations of the same standard or rule provision” shall be “two hundred fifty thousand dollars.”

17. Pursuant to § 386.590, RSMo, “penalties...shall be cumulative of each other, and the suit for the recovery of one penalty shall not be a bar to or affect the recovery of any other penalty or forfeiture.”

18. The Commission has authority to hear and determine complaints against public utilities pursuant to § 386.390.1, RSMo, which provides that a “[c]omplaint may be made...in writing, setting forth any act or thing done or omitted to be done by any corporation...in violation, or claimed to be in violation, of any provision of law, or of any rule or order or decision of the commission....”

19. The Commission is authorized by § 386.310.1, RSMo, after a hearing upon a complaint, to require a municipal gas system to maintain and operate its line, plant, systems, and equipment in such manner as to promote and safeguard the health and safety of its employees, customers, and the public, and to this end to require the performance of any other act which the health or safety of its employees, customers or the public may demand.

20. This Commission is authorized by § 393.140(2), RSMo, to investigate the methods employed in distributing gas and “[has] power to order such reasonable

improvements as will best promote the public interest, preserve the public health and protect those using such gas...and those employed in the manufacture and distribution thereof...”

21. The Commission is authorized by § 393.140(5), RSMo, if it shall be of the opinion after a hearing upon complaint, that the property, equipment, or appliances of any such person or corporation under its supervision is unsafe, insufficient or inadequate, the Commission shall determine and prescribe the safe, efficient and adequate property, equipment and appliances thereafter to be used for the security and accommodation of the public and in compliance with the provisions of law and franchises and charters.

22. The Staff performs routine inspections of natural gas operators jurisdictional to the Commission for gas pipeline safety,⁴ as well as investigations as to causes of incidents. These include inspections for compliance with the Commission requirements for operators of natural gas pipelines to:

- a. Have and follow a written qualification program that applies to all individuals who perform covered tasks, regardless of whether they are employed by the operator, a contractor, a subcontractor, or any other entity performing covered tasks on behalf of the operator;
- b. Prepare and follow a manual of written procedures for conducting operations and maintenance activities and emergency response;⁵

⁴ § 386.310, RSMo, establishes the Commission's jurisdiction with respect to gas pipeline safety.

⁵ 20 CSR 4240-40.030(12)(C) – Procedural Manual for Operations, Maintenance, and Emergencies.

- c. Identify valves that are necessary to provide 100% isolation of a distribution system,⁶ and inspect these valves at intervals not exceeding 15 months but at least one calendar year.⁷
- d. Develop and implement an integrity management program, including identification of the threats and risks associated with excavation damages; and
- e. Perform post incident drug and alcohol testing of employees.

Count I

Failure to Have a Procedure That Included Inspection and Maintenance of Valves Necessary to Achieve 100% Isolation of the System or Any Portion of it as Valves Necessary for the Safe Operation of the System⁸ Is a Violation of 20 CSR 4240-40.030(12)(C)2.A.

23. 20 CSR 4240-40.030(12)(C)1. requires each operator to prepare and follow for each pipeline a manual of written procedures for conducting operations and maintenance activities and for emergency response.

24. 20 CSR 4240- 40.030(12)(C)2. sets forth the minimum requirements for the manual, and subdivision (12)(C)2.A requires that the manual must include procedures for operating, maintaining and repairing the pipeline in accordance with each of the requirements in Sections (12), (13) and (14) of 20 CSR 4240-40.030.

25. CU provided a copy of its' *Natural Gas Operations and Maintenance Manual* ("O&M Manual")⁹ dated March 7, 2022, that was in effect on July 17, 2023, as well as a copy

⁶ 20 CSR 4240-40.030(13)(V)3. sets forth the criteria for determining which valves are necessary for the safe operation of a distribution system. 20 CSR 4240-40.030(13)(V)3.A. requires valves to provide 100% isolation of the system or any portion of it.

⁷ 20 CSR 4240-40.030(13)(V)1. and 2. set the criteria and frequency for distribution system valve inspection and maintenance.

⁸ As required by 20 CSR 4240-40.030(13)(V)3.A.

⁹ CU's response to Staff Data Request 0022, including *Amended Attachment DR 22.0-A*.

of its confidential investigation report at the time of the incident which identified the root cause of the incident.

26. CU's Operations and Maintenance (O&M) Manual contained only two of the four criteria¹⁰ identified in 20 CSR 4240-40.030(13)(V)3. for identifying valves necessary for the safe operation of a distribution system. Specifically, CU's O&M Manual did not include a procedure for 20 CSR 4240-40.030(13)(V)3.A. which requires 100% isolation of the system or any portion of it, or 20 CSR 4240-40(13)(V)3.D. extensive zone isolation capabilities where historical records indicate conditions of greater than normal pipeline failure risk. Failure to have a procedure that included inspection and maintenance of valves necessary to achieve 100% isolation of the system or any portion of it as valves necessary for the safe operation of the system¹¹ was a violation of 20 CSR 4240-40.030(12)(C)2.A

WHEREFORE, for the reasons set forth above, Staff prays that the Commission, after due notice and hearing, will determine that CU violated the Commission's Gas Pipeline Safety Rule 20 CSR 4240-40.030(12)(C)2.A., as stated herein and, pursuant to § 386.600, RSMo, authorize its General Counsel to seek penalties under §§ 386.570, 386.572 and 386.590, RSMo; and grant such other and further relief as is just in the circumstances.

¹⁰ 20 CSR 4240-40.030(13)(V)3. states that valves necessary for the safe operation of a distribution system include, but are not limited to, those which provide: A. One hundred percent (100%) isolation of the system or any portion of it; B. Control of a district regulator station, preferably from a remote location; C. Zones of isolation sized such that the operator could relight the lost customer services within a period of eight (8) hours after restoration of system pressure; or D. Extensive zone isolation capabilities where historical records indicate conditions of greater than normal pipeline failure risk.

¹¹ As required by 20 CSR 4240-40.030(13)(V)3.A.

COUNT II

Failure to Inspect and Service Each Feeder Line Valve, The Use of Which May Be Necessary for the Safe Operation of a Distribution System at Intervals not Exceeding 15 Months but at Least Once Each Calendar Year Is a Violation of 20 CSR 4240-40.030(13)(V)2.

27. 20 CSR 4240-40.030(13)(V) requires operators to have valve maintenance and inspection procedures.

28. 20 CSR 4240-40.030(13)(V)2. requires the feeder line and distribution line¹² valves, the use of which may be necessary for the safe operation of a distribution system, to be inspected at intervals not exceeding 15 months but at least once each calendar year. At a minimum, metallic valves must be partially operated during alternating calendar years.

29. The definition of valves necessary for the safe operation of a distribution system listed in 20 CSR 4240-40.030(13)(V)3. includes those which provide 100% isolation of the system or any portion of it.

30. Each valve which may be necessary for the safe operation of a distribution system must be checked for accessibility, serviced, and partially operated at frequencies specified in 20 CSR 4240-40.030(13)(V)1. and 2.

31. CU performs valve inspection and maintenance in accordance with the requirements of 20 CSR 4240-40.030(13)(V)1. and 2. on only a subset of its distribution system valves, which CU has identified as "DOT valves," and designates the other valves "non-DOT" valves.

32. CU does not perform routine inspection or maintenance of its "non-DOT" valves on a set time schedule.

¹² As defined by 20 CSR 4240-40.030(1)(B)14., a distribution line means a pipeline other than a gathering or transmission line.

33. In CU's response to this incident, it closed a number of its DOT valves; however, the DOT valves alone did not isolate the flow of gas to the incident location.

34. CU additionally attempted to close several non-DOT valves, which either failed to operate or broke during the attempt.

35. Final isolation of the flow of gas to the incident location was achieved by closure of a combination of CU's DOT and non-DOT designated valves.

36. Failure to inspect and service each feeder line valve, the use of which may be necessary for the safe operation of a distribution system at intervals not exceeding 15 months but at least once each calendar year was a violation of 20 CSR 4240-40.030(13)(V)2.

WHEREFORE, for the reasons set forth above, Staff prays that the Commission, after due notice and hearing, will determine that CU violated the Commission's Gas Pipeline Safety Rule 20 CSR 4240-40.030(13)(V)2., as stated herein and, pursuant to § 386.600, RSMo, authorize its General Counsel to seek penalties under §§ 386.570, 386.572 and 386.590, RSMo; and grant such other and further relief as is just in the circumstances.

COUNT III

Failure to Implement Its Written DIMP Plan Is a Violation of 20 CSR 4240-40.030(17)(C)

37. 20 CSR 4240-40.030(17)(C) requires a Gas Distribution Operator to develop and implement an integrity management program that includes a written integrity management plan as specified in subsection (17)(D), referred to as a "Gas DIMP."

38. Subsection (17)(D) sets forth the required elements of the written integrity management plan procedures, including a demonstrated knowledge of the system, identification of threats, evaluation and ranking of risk, identification and implementation of measures to address risks, measurement of performance, monitoring of results and

evaluation of effectiveness. In implementation of DIMP, a baseline is established for threats to monitor the effectiveness of the program.

39. To comply with the knowledge of the system, the operator must demonstrate an understanding of its gas distribution system developed from reasonably available information, identify the characteristics of the pipeline's design and operations and the environmental factors that are necessary to assess the applicable threats and risks to its distribution pipeline; consider information from past design, operations and maintenance; and identify additional information needed and provide a plan for gaining that information over time through normal activities conducted on the pipeline.¹³ They must do so after considering reasonably available information to identify existing and potential threats,¹⁴ evaluating the relative importance of each threat, and estimating and rank the risks posed to its pipeline.¹⁵

40. Operators must re-evaluate threats and risks on its entire pipeline and consider the relevance of threats in one location to other areas and must determine the appropriate frequency period for conducting complete program reevaluations based on the complexity of its systems and changes in factors affecting the risk of failure. The maximum interval for re-evaluation is at least every five years.¹⁶

41. Prior to this incident, Staff most recently conducted an inspection of CU's compliance with the requirements of 20 CSR 4240-40.030(17) on December 6-8, 2021, where it reviewed the Fifth Revision of CU's DIMP Plan, dated July 1, 2020, as well as CU's records of implementation of its DIMP.

¹³ 20 CSR 4240-40.030(17)(D)1.

¹⁴ 20 CSR 4240-40.030(17)(D)2.

¹⁵ 20 CSR 4240-40.030(17)(D)3.

¹⁶ 20 CSR 4240-40.030(17)(D)6.

42. CU's July 1, 2020, DIMP Plan identified ** [REDACTED]

[REDACTED] 17 [REDACTED]

[REDACTED] 18 [REDACTED]

[REDACTED] . **

43. When Staff requested a copy of CU's DIMP that was effective as of the date of the incident, CU provided a copy of the Fifth Revision of its DIMP Plan, dated July 1, 2020,¹⁹ although the threat evaluation includes data only through 2018.

44. Section 8.0 of CU's July 1, 2020, DIMP Plan stated that CU will conduct a complete re-evaluation of this Plan at least every three years. Comparison of frequency of leaks to the listing of known threats²⁰ is a required element of DIMP, specifically 20 CSR 4240-40.030(17)(D)5. However, it does not fully satisfy the requirement in 20 CSR 4240-40.030(17)(D)6., requiring the operator to reevaluate threats and risks on its entire pipeline and consider the relevance of threats in one location to other areas, nor does it fully satisfy the procedure established in Section 11.4.1.f of CU's July 1, 2020, DIMP Plan for re-evaluation.

45. The amount of time CU took to re-evaluate its DIMP Plan (4 years, 2 months) exceeded by over a year the time frame specified in CU's July 1, 2020, DIMP Plan, and CU did not appear to have continued to implement its July 1, 2020, DIMP Plan during the over four-year time interval in which it was performing this re-evaluation.

46. CU's failure to conduct a complete program re-evaluation within the three-year interval required by CU's written DIMP Plan is a violation of 20 CSR 4240-40.030(17)(C).

¹⁷ Analysis on page 188 of CU's July 1, 2020 DIMP Plan.

¹⁸ Page 19 of CU's July 1, 2020 DIMP Plan.

¹⁹ This was the same version the same version reviewed by Staff in December 2021.

²⁰ As CU's response to Staff Data Request 0015.1 indicated was done but not documented.

WHEREFORE, for the reasons set forth above, Staff prays that the Commission, after due notice and hearing, will determine that CU violated the Commission's Gas Pipeline Safety Rule 20 CSR 4240-40.030(17)(C), as stated herein and, pursuant to § 386.600, RSMo, authorize its General Counsel to seek penalties under §§ 386.570, 386.572 and 386.590, RSMo; and grant such other and further relief as is just in the circumstances.

COUNT IV

Staff Recommendations

47. In addition to identifying violations of Commission Rules, Staff set out in its Staff's Incident Report at pages 46 – 48 recommendations to minimize the possibility of a recurrence of the same violations.

48. When Staff filed its Staff's Incident Report on November 27, 2024, it also filed a cover pleading entitled *Staff's Incident Report* that stated it would file a Complaint against CU which would contain Staff's recommendations in addition to identifying and addressing the violations of the Commission's pipeline safety rules.

49. Pursuant to its authority under § 386.310.1, RSMo, to require CU to operate its system in such manner as promotes and safeguards the health and safety of its employees, customers, and the public, its authority under § 393.140(2), RSMo, to order such reasonable improvements in CU's methods of operation as will best promote the public interest, preserve the public health and protect both those using gas and those employed in the distribution of gas, and its authority under other statutory sections noted herein, the Commission may order CU to implement these recommendations.

50. Staff recommended in its Incident Report and recommends through its Complaint that the Commission direct that CU file an action plan to effectuate each of the following recommendations:

- A. Staff recommends that CU review and revise as necessary its emergency response procedures to be consistent with implementation of the requirements of (12)(J)1.J. and (12)(L). Specifically, Staff recommends that CU revise its procedures to ensure that going forward it can begin the analysis of incidents and failures to determine the causes of failures and minimize the possibility of a recurrence as soon after the end of the emergency as possible;
- B. Staff recommends in the future that to the extent that CU has personnel available who can perform the required tasks, CU utilize personnel who were not directly involved in the incident to perform the emergency response actions;
- C. Staff recommends that CU revise its procedures to require monitoring of combustible gas concentrations in the atmosphere whenever its employees are performing work on facilities containing gas, and at a minimum when such work is being performed in enclosed or semi-confining locations such as valve pits where gas can concentrate or employee egress could be delayed;
- D. Staff recommends that CU reevaluate its designation of DOT and non-DOT valves from a perspective of which valves are essential to ensure 100% isolation of any portion of its distribution system (including all feeder line segments);
- E. Staff recommends that CU revise its O&M Manual to include procedures that address each of the requirements of 20 CSR 4240-40.030(12)(C)2., including but not limited to all of the requirements of 20 CSR 4240-40.030(13)(V)3;
- F. Staff recommends that CU develop and implement the following pre-work procedures when it performs work on pipeline segments containing natural gas:
 - a. Identify the specific DOT valves that would be needed to isolate the area where work is to be conducted, and

- b. Verify that these DOT valves are accessible and operational prior to beginning work;
- G. Staff recommends that CU update its procedure for investigation of incidents to address the currently effective requirements of 20 CSR 4240-40.030(12)(L). This should include provisions that apply to both distribution and transmission pipelines;
- H. Staff recommends that CU develop a procedure to formally evaluate potential hazards and abnormal conditions that may occur prior to performing non-routine activities on its pipelines. This should include a review of the pipeline design, construction and maintenance history, as well as the environment in which the pipe is installed;
- I. Staff recommends that CU review its operator qualification tests to identify essential task-specific questions that must be answered correctly in order to pass;
- J. Staff recommends that CU consider more frequent re-evaluation of its DIMP Plan going forward; and
- K. Staff Recommends that in its next re-evaluation of its DIMP Plan, CU include and evaluate the risks associated with the threat of performing maintenance work in proximity to pipeline segments that are joined by mechanical fittings which may not meet the requirements of 20 CSR 4240-40.030(6)(B) to be designed and installed so that each joint will sustain the longitudinal pullout or thrust forces caused by contraction of expansion of the piping or by anticipated external or internal loading.

51. If CU believes no action is necessary, Staff recommends the Commission order CU to further explain, and provide supporting documentation, as available, the reason(s) CU believes no further action is required.

WHEREFORE, Staff files its Complaint with respect to the findings and violations against CU as set out above and in the Attached Incident Report.

Respectfully submitted,

/s/ Carolyn H. Kerr

Carolyn H. Kerr
Missouri Bar No. 45718
Senior Staff Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-5397 (Voice)
573-526-6969 (Fax)
Carolyn.kerr@psc.mo.gov

Attorney for Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, prepaid to counsel of record on this 7th day of April, 2025.

/s/ Carolyn H. Kerr