

**John R. Ashcroft**

Secretary of State  
Administrative Rules Division

**RULE TRANSMITTAL**

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DEC 12 2019

SECRETARY OF STATE  
ADMINISTRATIVE RULES

Rule Number 20 CSR 4240-40.020

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

Name of person to call with questions about this rule:

Content Morris Woodruff Phone 573-751-2849 FAX 573-526-6010

Email address morris.woodruff@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 ☐ 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  
REGULATORY FAIRNESS BOARD

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JOINT COMMITTEE ON

DEC 12 2019

ADMINISTRATIVE RULES



**WILLIAM P. KENNEY**  
Commissioner

**VACANT**  
Commissioner

## ***Missouri Public Service Commission***

**RYAN A. SILVEY**  
Chairman

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

**SCOTT T. RUPP**  
Commissioner

**MAIDA J. COLEMAN**  
Commissioner

December 12, 2019

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

### **Re: 20 CSR 4240-40.020 Incident, Annual, Safety-Related Condition Reporting Requirements**

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 386.250, 386.310, and 393.140, RSMo

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

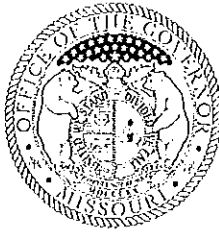
Morris Woodruff, Chief Regulatory Law Judge  
Missouri Public Service Commission  
200 Madison Street  
P.O. Box 360  
Jefferson City, MO 65102  
(573) 751-2849  
[Morris.Woodruff@psc.mo.gov](mailto:Morris.Woodruff@psc.mo.gov)

A handwritten signature in dark ink, appearing to read "Morris L. Woodruff", with a stylized flourish at the end.

Morris L. Woodruff  
Chief Regulatory Law Judge

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

November 05, 2019

Mr. Ryan Silvey  
Public Service Commission  
200 Madison Street  
PO Box 360  
Jefferson City, MO 65102

Dear Ryan:

This office has received your proposed rulemaking for the following regulations:

- 20 CSR 4240-40.020 Incident, Annual, Safety-Related Condition Reporting Requirements
- 20 CSR 4240-40.030 Transportation of Gas by Pipeline
- 20 CSR 4240-40.033 Liquefied Natural Gas
- 20 CSR 4240-40.080 Drug and Alcohol Testing

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 of these regulations, we approve the submission to the Joint Committee on Administrative Rules and the Secretary of State.

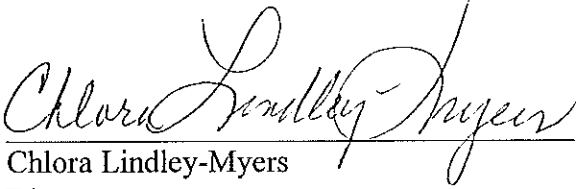
Sincerely,

Andrew T. Bailey  
Deputy General Counsel

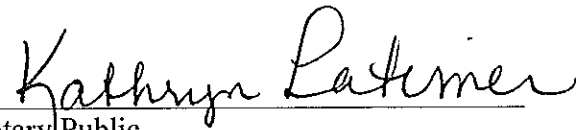
**AFFIDAVIT  
PUBLIC COST**

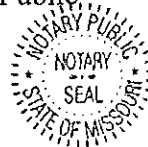
STATE OF MISSOURI )  
                                  )  
COUNTY OF COLE     )

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 to rule, 20 CSR 4240-40.020, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.

  
Chlora Lindley-Myers  
Director  
Department of Commerce and Insurance

Subscribed and sworn to before me this 4<sup>th</sup> day of December, 2019 I am commissioned as a notary public within the County of Cole, State of Missouri, and my commission expires on March 4, 2020

  
\_\_\_\_\_  
Notary Public



KATHRYN LATIMER  
My Commission Expires  
March 4, 2020  
Cole County  
Commission #12418395

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**Title 20—DEPARTMENT OF COMMERCE AND INSURANCE  
Division 4240—Public Service Commission  
Chapter 40—Gas Utilities and Gas Safety Standards**

**SECRETARY OF STATE  
ADMINISTRATIVE RULES**

**PROPOSED AMENDMENT**

**20 CSR 4240-40.020 Incident, Annual, and Safety-Related Condition Reporting Requirements.** The Commission is amending sections (1), (2), (4), (5), (6), (7), (9), (10), (11) and (12).

*PURPOSE: This amendment proposes to amend the rule to adopt additional portions of 49 CFR part 191 and makes clarification and editorial changes.*

(1) Scope. (191.1)

(B) This rule does not apply to gathering of gas—

1. Through a pipeline that operates at less than zero (0) pound per square inch gauge (psig) (0 kPa); or
2. Through a pipeline that is not a regulated onshore gathering line (as determined in [4 CSR 240]20 CSR 4240-40.030(1)(E) (192.8)).

(2) Definitions. (191.3) As used in this rule and in the PHMSA Forms referenced in this rule—

(D) Federal incident means any of the following events:

1. An event that involves a release of gas from a pipeline, **gas from an underground natural gas storage facility, liquefied natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility**, and that results in one (1) or more of the following consequences:

- A. A death or personal injury necessitating inpatient hospitalization; or
- B. Estimated property damage of fifty thousand dollars (\$50,000) or more, including loss to the operator and others, or both, but excluding the cost of gas lost; or
- C. Unintentional estimated gas loss of three (3) million cubic feet or more. [or]

2. An event that results in an emergency shutdown of an LNG facility or an underground natural gas storage facility. **Activation of an emergency shutdown system for reasons other than an actual emergency does not constitute an incident; or**

[2] 3. An event that is significant, in the judgment of the operator, even though it did not meet the criteria of paragraph (2)(D)1. **or (2)(D)2.;**

(N) Transportation of gas means the gathering, transmission, or distribution of gas by pipeline, or the storage of gas, in or affecting intrastate, interstate, or foreign commerce; and

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**DEC 12 2019**

**ADMINISTRATIVE RULES**

(4) Immediate Notice of Missouri Incidents.

(A) Within two (2) hours following discovery by the operator, or as soon thereafter as practicable if emergency efforts to protect life and property would be hindered, each gas operator must notify designated commission personnel by telephone of the following events within areas served by the operator:

1. An event that involves a release of gas involving the operator's actions or pipeline system, or where there is a suspicion by the operator that the event may involve a release of gas involving the operator's actions or pipeline system, and results in one (1) or more of the following consequences—

A. A death;

B. A personal injury involving medical care administered in an emergency room or health care facility, whether inpatient or outpatient, beyond initial treatment and prompt release after evaluation by a health care professional; or

C. Estimated property damage of ten thousand dollars (\$10,000) or more, including loss to the gas operator or others, or both, and including the cost of gas lost; *[or]*

2. An event that is significant, in the judgement of the operator, even though it did not meet the criteria of paragraph (4)(A)1.; or

3. An event that is reported as a Federal incident under section (3).

(5) Report Submission Requirements. (191.7)

(B) Missouri Incident Reports.

1. This subsection applies to events that meet the criteria in subsection (4)(A) but are not a federal incident reported under subsection (5)(A). Within thirty (30) days of a telephone notification made under subsection (4)(A), each gas operator must submit **the applicable U.S. Department of Transportation Form PHMSA F 7100.1, *[or]* PHMSA F 7100.2, *[as applicable,]* or PHMSA F 7100.3** to designated commission personnel. Additional information required in subsections (6)(B) and (9)(B) for federal incidents is also required for these events.

2. The incident report forms for gas distribution systems (PHMSA F 7100.1, revised October 2014), *[and]* gas transmission and gathering pipeline systems (PHMSA F 7100.2, revised October 2014), **and LNG facilities (PHMSA F 7100.3, revised October 2014)** are incorporated by reference in **subsection (5)(G)**. *[The forms are published by the U.S. Department of Transportation Office of Pipeline Safety, PHP-10, 1200 New Jersey Avenue SE, Washington DC 20590-0001. The forms are available at [www.phmsa.dot.gov/pipeline/library/forms](http://www.phmsa.dot.gov/pipeline/library/forms) or upon request from the pipeline safety program manager at the address given in subsection (5)(E). The PHMSA F 7100.1 form does not include any amendments or additions to the October 2014 version. The PHMSA F 7100.2 form does not include any amendments or additions to the October 2014 version.]*

(G) Forms Incorporated by Reference.

1. The following forms are incorporated by reference and made part of this rule.

A. U.S. Department of Transportation Form PHMSA F 1000.1, revised April 2019. The PHMSA F 1000.1 form is the Operator Identification (OPID) Assignment Request form and does not include any amendments or additions to the April 2019 version.



**B. U.S. Department of Transportation Form PHMSA F 1000.2, revised April 2019. The PHMSA F 1000.2 form is the Operator Registry Notification form for reporting changes including operator name change, change in entity operating, shared safety program change, change in ownership for gas facilities, construction or rehabilitation of gas facilities, change in ownership for LNG, and construction for LNG. The PHMSA F 1000.2 form does not include any amendments or additions to the April 2019 version.**

**C. U.S. Department of Transportation Form PHMSA F 7100.1, revised October 2014. The PHMSA F 7100.1 form is the incident report form for gas distribution systems and does not include any amendments or additions to the October 2014 version.**

**D. U.S. Department of Transportation Form PHMSA F 7100.1-1, revised October 2018. The PHMSA F 7100.1-1 form is the annual report form for gas distribution systems and does not include any amendments or additions to the October 2018 version.**

**E. U.S. Department of Transportation Form PHMSA F 7100.1-2, revised October 2014. The PHMSA F 7100.1-2 form is the report form for mechanical fitting failures and does not include any amendments or additions to the October 2014 version.**

**F. U.S. Department of Transportation Form PHMSA F 7100.2, revised October 2014. The PHMSA F 7100.2 form is the incident report form for gas transmission and gathering pipeline systems and does not include any amendments or additions to the October 2014 version.**

**G. U.S. Department of Transportation Form PHMSA F 7100.2-1, revised October 2014. The PHMSA F 7100.2-1 form is the annual report form for gas transmission and gathering pipeline systems and does not include any amendments or additions to the October 2014 version.**

**H. U.S. Department of Transportation Form PHMSA F 7100.3, revised October 2014. The PHMSA F 7100.3 form is the incident report form for LNG facilities and does not include any amendments or additions to the October 2014 version.**

**I. U.S. Department of Transportation Form PHMSA F 7100.3-1, revised August 2017. The PHMSA F 7100.3-1 form is the annual report form for LNG facilities and does not include any amendments or additions to the August 2017 version.**

**J. U.S. Department of Transportation Form PHMSA 7100.4-1, approved August 2017. The PHMSA F 7100.4-1 form is the annual report form for underground natural gas storage facilities and does not include any amendments or additions to the August 2017 version.**

**2. The forms listed in paragraph (5)(D)1. are published by the U.S. Department of Transportation Office of Pipeline Safety, PHP-10, 1200 New Jersey Avenue SE, Washington DC 20590-0001. The forms are available at [www.phmsa.dot.gov/forms/pipeline-forms](http://www.phmsa.dot.gov/forms/pipeline-forms) or upon request from the pipeline safety program manager at the address given in subsection (5)(E).**



(6) Distribution System — Federal Incident Report. (191.9)

(A) Except as provided in subsection (6)(C), each operator of a distribution pipeline system must submit U.S. Department of Transportation Form PHMSA F 7100.1 as soon as practicable but not more than thirty (30) days after detection of an incident required to be reported under section (3) (191.5). See the report submission requirements in subsection (5)(A). The incident report form (revised October 2014) is incorporated by reference *[and is published by U.S. Department of Transportation Office of Pipeline Safety, PHP-10, 1200 New Jersey Avenue SE, Washington DC 20590-0001. The form is available at [www.phmsa.dot.gov/pipeline/library/forms](http://www.phmsa.dot.gov/pipeline/library/forms) or upon request from the pipeline safety program manager at the address given in subsection (5)(E). The form does not include any amendments or additions to the October 2014 version.]* **in subsection (5)(G).**

(7) Distribution System — Annual Report and Mechanical Fitting Failure Reports.

(A) Annual Report. (191.11)

1. Except as provided in paragraph (7)(A)3., each operator of a distribution pipeline system must submit an annual report for that system on U.S. Department of Transportation Form PHMSA F 7100.1-1. This report must be submitted each year, not later than March 15, for the preceding calendar year. See the report submission requirements in subsection (5)(A).

2. The annual report form (revised *[January 2017]* **October 2018**) is incorporated by reference *[and is published by U.S. Department of Transportation Office of Pipeline Safety, PHP-10, 1200 New Jersey Avenue SE, Washington DC 20590-0001. The form is available at [www.phmsa.dot.gov/pipeline/library/forms](http://www.phmsa.dot.gov/pipeline/library/forms) or upon request from the pipeline safety program manager at the address given in subsection (5)(E). The form does not include any amendments or additions to the January 2017 version.]* **in subsection (5)(G).**

3. The annual report requirement in this subsection does not apply to a master meter system or to a petroleum gas system which serves fewer than one hundred (100) customers from a single source.

(B) Mechanical Fitting Failure Reports. (191.12)

1. Each mechanical fitting failure, as required by *[4 CSR 240/20 CSR 4240-40.030(17)(E) (192.1009)*, must be submitted on a Mechanical Fitting Failure Report Form (U.S. Department of Transportation Form PHMSA F 7100.1-2). An operator must submit a mechanical fitting failure report for each mechanical fitting failure that occurs within a calendar year not later than March 15 of the following year *[(for example, all mechanical failure reports for calendar year 2012 must be submitted no later than March 15, 2013)]*. Alternatively, an operator may elect to submit its reports throughout the year. In addition, an operator must also report this information to designated commission personnel.

2. The Mechanical Fitting Failure Report Form (October 2014) is incorporated by reference *[and is published by the U.S. Department of Transportation Office of Pipeline Safety, PHP-10, 1200 New Jersey Avenue SE, Washington DC 20590-0001. The form is available at [www.phmsa.dot.gov/pipeline/library/forms](http://www.phmsa.dot.gov/pipeline/library/forms) or upon request from the pipeline safety program manager at the address given in subsection (5)(E). The form does not include any amendments or additions to the October 2014 version.]* **in subsection (5)(G).**

**(9) Transmission [and Gathering] Systems; Gathering Systems; Liquefied Natural Gas Facilities; and Underground Natural Gas Storage Facilities — Federal Incident Report. (191.15)**

(A) Transmission *[and]* or Gathering. Each operator of a transmission or a gathering pipeline system must submit U.S. Department of Transportation Form PHMSA F 7100.2 as soon as practicable but not more than thirty (30) days after detection of an incident required to be reported under section (3) (191.5). See the report submission requirements in subsection (5)(A). The incident report form (revised October 2014) is incorporated by reference *[and is published by U.S. Department of Transportation Office of Pipeline Safety, PHP-10, 1200 New Jersey Avenue SE, Washington DC 20590-0001. The form is available at [www.phmsa.dot.gov/pipeline/library/forms](http://www.phmsa.dot.gov/pipeline/library/forms) or upon request from the pipeline safety program manager at the address given in subsection (5)(E). The form does not include any amendments or additions to the October 2014 version.]* in subsection (5)(G).

(B) *[Supplemental Report. When additional related information is obtained after a report is submitted under subsection (9)(A), the operator must make a supplemental report, as soon as practicable, with a clear reference by date to the original report.]* LNG. Each operator of a liquefied natural gas plant or facility must submit U.S. Department of Transportation Form PHMSA F 7100.3 as soon as practicable but not more than thirty (30) days after detection of an incident required to be reported under section (3) (191.5). See the report submission requirements in subsection (5)(A). The incident report form (revised October 2014) is incorporated by reference in subsection (5)(G).

(C) Underground natural gas storage facility. Each operator of an underground natural gas storage facility must submit U.S. Department of Transportation Form PHMSA F 7100.2 as soon as practicable but not more than thirty (30) days after detection of an incident required to be reported under section (3) (191.5). The incident report form (revised October 2014) is incorporated by reference in subsection (5)(G).

(D) Supplemental Report. When additional related information is obtained after a report is submitted under subsection (9)(A), (9)(B), or (9)(C), the operator must make a supplemental report as soon as practicable with a clear reference by date to the original report.

**(10) Transmission [and Gathering] Systems; Gathering Systems; Liquefied Natural Gas Facilities; and Underground Natural Gas Storage Facilities — Annual Report. (191.17)**

(A) Transmission *[and]* or Gathering. Each operator of a transmission or a gathering pipeline system must submit an annual report for that system on U.S. Department of Transportation Form PHMSA F 7100.2-1. This report must be submitted each year, not later than March 15, for the preceding calendar year. See the report submission requirements in subsection (5)(A). The annual report form (revised October 2014) is incorporated by reference *[and is published by U.S. Department of Transportation Office of Pipeline Safety, PHP-10, 1200 New Jersey Avenue SE, Washington DC 20590-0001. The form is available at [www.phmsa.dot.gov/pipeline/library/forms](http://www.phmsa.dot.gov/pipeline/library/forms) or upon request from the pipeline safety program manager at the address given in subsection (5)(E). The form does not include any amendments or additions to the October 2014 version.]* in subsection (5)(G).

(B) *[(Reserved)]* LNG. Each operator of a liquefied natural gas facility must submit an annual report for that system on U.S. Department of Transportation Form PHMSA F 7100.3-1 This report must be submitted each year, not later than March 15, for the preceding calendar year. See the report submission requirements in subsection (5)(A). The annual report form (revised August 2017) is incorporated by reference in subsection (5)(G).

(C) Underground natural gas storage facility. Each operator of an underground natural gas storage facility must submit an annual report on U.S. Department of Transportation Form PHMSA 7100.4-1 by March 15, for the preceding calendar year. See the report submission requirements in subsection (5)(A). The annual report form (August 2017) is incorporated by reference in subsection (5)(G).

(11) National Registry of Pipeline and LNG Operators (191.22)

(A) OPID Request.

1. Effective January 1, 2012, each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility, LNG plant or LNG facility must obtain from PHMSA an Operator Identification Number (OPID). An OPID is assigned to an operator for the pipeline or pipeline system for which the operator has primary responsibility. To obtain an OPID, an operator must complete an OPID Assignment Request (U.S. Department of Transportation Form PHMSA F 1000.1) through the National Registry of Pipeline and LNG Operators at <http://portal.phmsa.dot.gov/pipeline> unless an alternative reporting method is authorized in accordance with subsection (5)(D). A copy of each submission to PHMSA must also be submitted concurrently to designated commission personnel—see addresses in subsection (5)(E).

2. The OPID Assignment Request form (*[May 2015]April 2019*) is incorporated by reference *[and is published by U.S. Department of Transportation Office of Pipeline Safety, PHP-10, 1200 New Jersey Avenue SE, Washington DC 20590-0001. The form is available at [www.phmsa.dot.gov/pipeline/library/forms](http://www.phmsa.dot.gov/pipeline/library/forms) or upon request from the pipeline safety program manager at the address given in subsection (5)(E). The form does not include any amendments or additions to the May 2015 version.]* in subsection (5)(G).

(C) Changes. Each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility, LNG plant or LNG facility must notify PHMSA electronically through the National Registry of Pipeline and LNG Operators at <http://portal.phmsa.dot.gov/pipeline> of certain events. A copy of each online notification must also be submitted concurrently to designated commission personnel—see addresses in subsection (5)(E).

1. An operator must notify PHMSA of any of the following events not later than sixty (60) days before the event occurs:

A. Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs ten (10) million dollars or more. If sixty- (60-) day notice is not feasible because of an emergency, an operator must notify PHMSA as soon as practicable;

B. Construction of ten (10) or more miles of a new or replacement pipeline;

C. Construction of a new LNG plant or LNG facility;

D. Construction of a new underground natural gas storage facility or the abandonment, drilling, or well workover (including replacement of wellhead, tubing, or a new casing) of an injection, withdrawal, monitoring, or observation well for an underground natural gas storage facility;

E. Reversal of product flow direction when the reversal is expected to last more than thirty (30) days. This notification is not required for pipeline systems already designed for bi-directional flow; or

F. A pipeline converted for service under [4 CSR 240]20 CSR 4240-40.030(1)(H) (192.14), or a change in commodity as reported on the annual report as required by section (10) (191.17).

2. An operator must notify PHMSA of any of the following events not later than sixty (60) days after the event occurs:

A. A change in the primary entity responsible (i.e., with an assigned OPID) for managing or administering a safety program required by this rule covering pipeline facilities operated under multiple OPIDs;

B. A change in the name of the operator;

C. A change in the entity (e.g., company, municipality) responsible for an existing pipeline, pipeline segment, pipeline facility, underground natural gas storage facility, or LNG facility;

D. The acquisition or divestiture of fifty (50) or more miles of a pipeline or pipeline system subject to [4 CSR 240]20 CSR 4240-40.030;

E. The acquisition or divestiture of an existing LNG plant or LNG facility subject to 49 CFR Part 193; or

F. The acquisition or divestiture of an existing underground natural gas storage facility subject to 49 CFR part 192.

(D) Reporting. An operator must use the OPID issued by PHMSA for all reporting requirements covered under [4 CSR 240]20 CSR 4240-40.020, [and] 40.030, 40.033, and 40.080, and for submissions to the National Pipeline Mapping System.

#### (12) Reporting Safety-Related Conditions. (191.23)

(A) Except as provided in subsection (12)(B), each operator must report in accordance with section (13) (191.25) the existence of any of the following safety-related conditions involving facilities in service:

1. In the case of the pipeline (other than an LNG facility) that operates at a hoop stress of twenty percent (20%) or more of its specified minimum yield strength, general corrosion that has reduced the wall thickness to less than that required for the maximum allowable operating pressure and localized corrosion pitting to a degree where leakage might result;

2. In the case of an underground natural gas storage facility, including injection, withdrawal, monitoring, or observation well, general corrosion that has reduced the wall thickness to less than that required for the maximum well operating pressure, and localized corrosion pitting to a degree where leakage might result.

[2] 3. Unintended movement or abnormal loading by environmental causes, *[for instance,]* such as an earthquake, landslide or flood, that impairs the serviceability of a pipeline or the structural integrity or reliability of an underground natural gas storage facility, including injection, withdrawal, monitoring, or observation well for an underground natural gas storage facility, or LNG facility that contains, controls, or processes gas or LNG;

4. Any crack or other material defect that impairs the structural integrity or reliability of an underground natural gas storage facility or LNG facility that contains, controls, or processes gas or LNG;

[3] 5. Any material defect or physical damage that impairs the serviceability of a pipeline that operates at a hoop stress of twenty percent (20%) or more of its specified minimum yield strength or underground natural gas storage facility, including injection, withdrawal, monitoring, or observations well for an underground natural gas storage facility;

[4] 6. Any malfunction or operating error that causes the pressure of [a]:

A. A pipeline to rise above its maximum allowable operating pressure plus the buildup allowed for operation of pressure limiting or control devices;

B. An underground natural gas storage facility to rise above its maximum well operating pressure plus the margin (build-up) allowed for operation of pressure limiting or control devices; or

C. An LNG facility that contains or processes gas or LNG to rise above its working pressure plus the margin (build-up) allowed for operation of pressure limiting or control devices.

[5] 7. A leak in a pipeline or an underground natural gas storage facility, including injection, withdrawal, monitoring, or observation well for an underground natural gas storage facility, or LNG facility that contains or processes gas or LNG that constitutes an emergency; *[and]*

8. Inner tank leakage, ineffective insulation, or frost heave that impairs the structural integrity of an LNG storage tank; and

[6] 9. Any safety-related condition that could lead to an imminent hazard and causes (either directly or indirectly by remedial action of the operator), for purposes other than abandonment, a twenty percent (20%) or more reduction in operating pressure or shutdown of operation of a pipeline or an underground natural gas storage facility, including injection, withdrawal, monitoring, or observation well for an underground natural gas storage facility, or an LNG facility that contains or processes gas or LNG.

*AUTHORITY: sections 386.250, 386.310, and 393.140, RSMo 2016.\* Original rule filed Feb. 5, 1970, effective Feb. 26, 1970. Amended: Filed Dec. 19, 1975, effective Dec. 29, 1975. Amended: Filed Feb. 8, 1985, effective Aug. 11, 1985. Rescinded and readopted: Filed May 17, 1989, effective Dec. 15, 1989. Amended: Filed Oct. 7, 1994, effective May 28, 1995. Amended: Filed April 9, 1998, effective Nov. 30, 1998. Amended: Filed Dec. 14, 2000, effective May 30, 2001. Amended: Filed Oct. 15, 2007, effective April 30, 2008. Amended: Filed Nov. 29, 2012, effective May 30, 2013. Amended: Filed Nov. 14, 2016, effective June 30, 2017. Amended: Filed June 4, 2018, effective Jan. 30, 2019. Amended: Filed Date.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 386.310, RSMo 1939, amended 1979, 1989, 1996; and 393.140, RSMo 1939, amended 1949, 1967.*

**PUBLIC COST:** *This proposed rule will not cost state agencies or political subdivisions in excess of \$500.00 in total.*

**PRIVATE COST:** *This proposed rule will not cost private entities in excess of \$500.00 in total.*

*NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to the proposed amendment with the Missouri Public Service Commission, 200 Madison Street, PO Box 360, Jefferson City MO 65102-0360. To be considered, comments must be received no later than February 14, 2020, and should include a reference to Commission Case No. GX-2020-0112. 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 is scheduled for 10:00 a.m., February 24, 2020, in Room 310 of the Governor Office Building, 200 Madison St., Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of 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 TOO Hotline 1-800-829-7541.*

## **Small Business Regulator Fairness Board Small Business Impact Statement**

**Date:** October 21, 2019

**Rule Number:** 20 CSR 4240-40.020 Incident, Annual, and Safety-Related Condition Reporting Requirements.

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

**Name of Person Preparing Statement:** Jamie Myers and Kathleen McNelis

**Phone Number:** 573-526-6036

**Email:** jamie.myers@psc.mo.gov  
kathleen.McNelis@psc.mo.gov

**Name of Person Approving Statement:** Natelle Dietrich and Kevin Thompson

**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 proposed amendment would amend the rule to adopt reporting requirements in 49 CFR part 191 that were not previously applicable to Missouri, to correct errors and inadvertent omissions from previous amendments, and to remove unnecessary verbiage.

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

The Commission opened a working case docket GW-2020-0036 and provided notification to Missouri natural gas operators. Commission proceedings are open to all interested stakeholders, including small businesses. Once the proposed rule enters the formal rulemaking process, the Commission will seek additional input through a formal comment period and a rulemaking hearing.

**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.**



It is anticipated the proposed rule will result in a net benefit to the Commission and other affected agencies because it updates the Commission's rules in order to align them with federal requirements and maintain federal funding for the Commission. No additional fees will be imposed.

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

Gas utilities are already required to adhere to federal requirements. This proposed amendment simply ensures that the Commission's rules match those federal requirements; no adverse impact is expected.

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

None identified.

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

Utilities regulated by the Commission, business owners that are ratepayers of those utilities.

**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.*

## Rule Proposal Summary

Please submit the completed form and attachments to Justin Smith and Kristen Sanocki by hand delivery or mail to the Governor's Office (Capitol Room 216) or by fax (1-1495). In accordance with Executive Order 17-03, the Governor's Office must approve each rule twice during the rulemaking process: (1) before the proposed rule is filed with the Secretary of State for notice and comment; and (2) before the rule is adopted by the state agency and the order of rulemaking is filed with JCAR and the Secretary of State. Accordingly, this form also should be submitted twice. Upon approval, the Governor's Office will send an approval letter to the identified contact person. This letter should be included in the rulemaking packet submitted to the Secretary of State and/or JCAR.

Date: October 21, 2019

Department: Public Service Commission

Rule number: 20 CSR 4240-40.020

Type of rule (new, amendment, rescission, emergency): Amendment

Stage of process (proposed or final): Proposed

Contact person name and title: Morris Woodruff, Secretary/Chief Regulatory Law Judge

Contact phone number: 573-751-2849

1. Describe the proposed rules (if an emergency rule, include Section 536.025, RSMo justifications).

The proposed amended rule incorporates federal reporting requirements from 49 CFR 191 not previously adopted by Missouri into 20 CSR 4240-40.020, changes references to other rules from 4 CSR 240 to 20 CSR 4240 and makes clarifications and editorial changes.

2. What is the statutory authority for the proposed rules?

Sections 386.250, 386.310, and 393.140, RSMo.

3. Why should the proposed rules become a Missouri regulation?

The proposed amendments update Missouri's Incident, Annual, and Safety Related Condition Reporting Requirements for natural gas pipeline operators to adopt relevant requirements in Federal reporting requirements and changes references to other rules from 4 CSR 240 to 20 CSR 4240.

4. Why is the proposed rule needed now? Why has it not been promulgated before?

The proposed amendment adopts existing reporting requirements of the federal regulations that were not previously adopted in 20 CSR 4240-40.020, including reporting requirements for Liquefied Natural Gas (LNG). The reporting requirements for LNG facilities had not been promulgated before because Missouri did not have any such facilities prior to November 2018.

5. Is the proposed rule needed as a result of, or in response to, any specific legislation or litigation?

No, but 49 U.S. Code Section 60105 [State pipeline safety program certifications] requires adoption of the federal pipeline safety standards.

6. Is the proposed rule based on any federal, state, or local regulations or ordinances? If yes, what are any key differences?

Yes. The proposed amendment adopts the federal pipeline reporting requirements of 49 CFR 191 for facilities not previously included in Missouri reporting requirements of 4 CSR 240-40.020. The federal provisions that are adopted are unchanged,

7. Is the proposed rule based on any standards, guidelines, or model rules of an agency of the United States or a nationally or state-recognized organization or association? If yes, what are any key differences?

No.

8. How is the proposed rule essential to the health, safety, or welfare of Missouri residents?

The proposed amendments are essential to the health, safety, and welfare of Missouri residents by ensuring that Missouri's gas pipeline safety standards include federal pipeline reporting standards requiring notification of certain pipeline incidents within one hour of confirmed discovery by the operator and requiring notification of certain new construction of and changes to pipeline facilities.

9. Have the proposed rule's estimated costs been quantified? What are they?

Since the proposed rule adopts already-effective federal rules there are no new costs imposed from promulgation of the state rule.

10. Have the proposed rule's estimated benefits been quantified? What are they?

No.

11. What process and schedule are in place to measure the effectiveness of the proposed rule?

The PSC Staff Safety Engineering Department will continue to monitor federal and state natural gas pipeline safety rules. The Department also conducts annual audits and inspections of natural gas operators for compliance with the regulations.

12. Do any less restrictive alternatives exist? Why are these alternatives less desirable than the proposed rule?

No. 49 U.S. Code Section 60105 [State pipeline safety program certifications] requires adoption of the federal pipeline safety standards. 49 U.S. Code Section 60104 [Requirements and Limitations] provides that a State authority that has submitted a current certification under section 60105(a) of 49 U.S. Code may adopt additional or more stringent safety standards for intrastate pipeline facilities and intrastate pipeline transportation only if those standards are compatible with the minimum standards prescribed under 49 U.S. Code 601.

13. What is the sound, reasonably available scientific, technical, economic, or other relevant information upon which the proposed rule is based?

This proposed amendment is based on relevant federal pipeline reporting rules that the PSC Safety Engineering Department has identified as being newly relevant to Missouri. The Federal pipeline reporting requirements included consideration of input from stakeholder groups.

14. Does the proposed rule unduly or adversely affect Missouri citizens or customers of the State, or the competitive environment in Missouri?

No. Missouri is adopting already effective federal regulations.

15. List the stakeholders engaged to review the proposed rule and the name and title of each stakeholder representative. What was each stakeholder representative's feedback on the proposed rule? Were there any stakeholders that were not engaged to review the proposed rule, and if not, why not?

Interested natural gas operators in Missouri were engaged in a working docket GW-2020-0036. There was no negative feedback.

16. List the other state departments affected by the proposed rule and the name and title of each department representative engaged to review the proposed rule. What was each department representative's feedback?

N/A

17. (If proposed rule) Please identify each person or organization that you anticipate may oppose or be dissatisfied with the proposed rule. Why do you anticipate this opposition or dissatisfaction? What has been done to attempt to mitigate or eliminate this opposition or dissatisfaction?

No opposition or dissatisfaction is anticipated.

18. (If proposed rule) Has this proposal been considered at a public hearing or meeting? If so, what comments were received, if any?

Not at this time. The Commission will accept filed comments and comments at a rulemaking hearing when scheduled.

19. (If final rule) Provide the summary of comments received during the notice and comment period (can be the same as the summary included in the order of rulemaking). If a public hearing was held, please describe how many people attended and what comments were made.

N/A

20. By what date do you need a response from the Governor's Office, and why that date?

Attachments:

1. Proposed rule text (changes to existing regulations visible in bold or redline)
2. Public Entity and Private Entity Fiscal Note
3. Small Business Impact Statement
4. (If final rule) Order of Rulemaking