Staff Rulemaking Workshop Whitepaper Gas Safety Standards Proposed Rule Amendments File No. GW-2023-0272 May 10, 2023

I. What are the affected rules (rule numbers and titles)?

Staff proposes the Commission move forward with amending the following rules to incorporate certain federal gas safety rule amendments, and make editorial changes:

20 CSR 4240-40.030 Safety Standards – Transportation of Gas by Pipeline – proposing to amend sections (1), (4), (7), (9), (12), (13), (16), and Appendix E.

II. Background:

a. Discuss and describe topic/mechanism/theory/context of current rule.

The current rule contains certain safety standards for the transportation of gas by pipeline.

b. How does the statute/rule work?

The Commission's Safety Engineering Department is granted authority to implement the state pipeline safety program by annual certification from the United States Department of Transportation ("DOT").

c. What does the underlying statute require, if applicable?

Federal law requires that each state take measures to adopt each applicable federal pipeline safety standard within a prescribed period of time. 49 U.S. Code Section 60105 requires, among other things, that the state authority adopt each applicable federal pipeline safety standard by the date of its annual certification, or in the event a standard was established within 120 days before the date of the certification, be taking steps to adopt that standard. Goals are set for state programs by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") and enforcement of those goals is by reductions in federal grant-in-aid funding and the potential loss of federal certifications if those goals are not met.

III. What is the problem/issue the rulemaking addresses?

The proposed amendments are based on relevant federal pipeline rules that the Commission's Safety Engineering Department has identified as being newly relevant to Missouri.

IV. Summary of stakeholder comments.

Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri"), Spire Missouri Inc. ("Spire Missouri"), Summit Natural Gas of Missouri, Inc. ("Summit"), City of Paris ("Paris"), and the Missouri Association of Natural Gas Operators ("MANGO") filed or submitted comments in this case.

General Comments:

Ameren Missouri and Summit generally supported incorporation of the federal amendments in Attachment A to Staff's Motion. With regard to the proposed amendments to 20 CSR 4240-40.020 described in Attachment B to Staff's Motion, Ameren Missouri, Paris and Summit had various concerns and suggested changes. With regard to the proposed amendments to 20 CSR 4240-40.030 described in Attachment C to Staff's Motion, Ameren Missouri and Summit had no concerns or suggested clarifications or edits.

Spire Missouri and MANGO submitted comments as a placeholder for future comments.

No comments have been provided yet by stakeholders regarding the cost impact, if any, of Staff's proposed gas safety rule amendments.

Staff filed a response on April 7, 2023 stating that Staff intends to move forward with the federal amendments in Attachment A to Staff's Motion. Aside from correcting certain typographical errors identified in Attachment C, Staff does not intend to move forward at this time with the proposals in Attachments B and C to Staff's Motion. After stakeholders have provided comments on the proposed amendments in Attachments B and C, Staff will evaluate moving forward in a subsequent rulemaking.

V. Summary of proposed rule changes (final draft proposed rule ready to move to the formal rulemaking process).

<u>20 CSR 4240-40.030 Safety Standards – Transportation of Gas by Pipeline – proposing to amend sections</u> (1), (4), (7), (9), (12), (13), (16), and Appendix E.

The proposed amendment adopts changes in the minimum federal safety standards of 49 CFR 192 as described in Attachment A to Staff's Motion, except for the technical corrections published in the *Federal Register* on May 4, 2022, page 86 FR 26296 that were already adopted in the previous rulemaking and are in the current rule.

In addition, Staff proposes to:

- Amend certain citations in the table under 20 CSR 4240-40.030(12)(M)C., to correct typographical errors in the "Pipeline Segment" column of the table, and
- Adopt the technical corrections published in the *Federal Register* on April 24, 2023: United States, Department of Transportation "Pipeline Safety: Safety of Gas Transmission Pipelines: Repair Criteria, Integrity Management Improvements, Cathodic Protection, Management of Change, and Other Related Amendments: Technical Corrections; Response to Petitions for Reconsideration". *88 Federal Register 24708.*

VI. Summary of rationale for proposed rule language

The proposed amendments purport to incorporate the recent changes to Federal amendments 49 CFR part 192 and to make editorial changes.

VII. Discussion of other states actions on issue

Federal law requires that each state take measures to adopt each applicable federal pipeline safety standard within a prescribed period of time. Goals are set for state programs by PHMSA.

VIII. Who will be affected by this rule?

Gas utilities are already required to adhere to federal amendments. The proposed amendments ensure the Commission's Rules match the federal requirements, and therefore, no additional fiscal impact beyond what has already been experienced by the promulgation of the Federal Rules is expected for public entities, affected industry, small businesses or any other stakeholders or entities.