

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

In the Matter of an Investigation into the)	
City of New Florence, Missouri's Compliance)	<u>File No. GS-2017-0324</u>
With the Commission's Rules Regarding)	
Natural Gas Safety Found at 4 CSR 240-40.030)	

PROGRESS REPORT

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and in response to the Commission's December 28, 2018 *Order Directing Staff to File Progress Report* (Order), states as follows:

1. The Commission's Order directing Staff to file a progress report no later than March 29, 2019 was issued the same day, December 28, 2018, when Staff filed its third progress report in this matter. Staff also filed progress reports on June 29, 2018, and December 29, 2017.

2. The Commission opened this investigation docket on June 28, 2017, in response to a Motion to Open Case filed by Staff on June 6, 2017, in which Staff requested the Commission open an investigation into the City of New Florence's (City) compliance with the Commission's gas safety rules.

3. As shown in the attached Progress Report memorandum, Staff has continued to work with the City regarding its compliance with Commission Rule 4 CSR 240-40.030, and the City has made progress in its compliance with the rule; however, there are still some outstanding compliance concerns that the City is working with Staff to resolve. Staff met with the City on March 11, 2019, to discuss the actions required to meet requirements of 4 CSR 240-40.030. Therefore, Staff recommends that the Commission keep this docket open. Staff proposes to provide an additional progress

report, or pursue other actions as appropriate, no later than June 30, 2019.

WHEREFORE, Staff submits the attached Progress Report pursuant to the Commission's December 28, 2018 Order, and requests the Commission issue an order directing Staff to file an additional progress report or other filing as appropriate no later than June 30, 2019.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff Counsel
Missouri Bar No. 51709
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically served to all counsel of record this 29th day of March, 2019.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File Case No. GS-2017-0324

FROM: Evan P. Neuner, Technical Specialist II, Safety Engineering Unit
Jason Dickneite, Utility Engineering Specialist II, Safety Engineering Unit
Daniel Fitzpatrick, Utility Engineering Specialist III, Safety Engineering Unit
Brian Buchanan, Technical Specialist II, Safety Engineering Unit
Clinton L. Foster, Utility Engineering Specialist II, Safety Engineering Unit

/s/ Kathleen A. McNelis 03/29/19

Commission Staff Division / Date

/s/ Robert S. Berlin 03/29/2019

Staff Counsel's Office / Date

SUBJECT: Staff's Progress Report in the Matter of an Investigation into the City of New Florence, Missouri's Compliance with the Commission's Rules Regarding Natural Gas Safety Found at 4 CSR 240-40.030

DATE: March 29, 2019

As discussed in Staff's December 28, 2018 progress report, the City of New Florence ("the City") had a change in personnel operating its natural gas system in August of 2018. Since that time, Staff has met with the City's Utility Superintendent on several occasions to discuss outstanding compliance issues from previous inspections, and to perform additional inspections that were due to be conducted. Since the last progress report, the City has continued to work towards completing required training and qualification of employees to operate its natural gas system. In the interim, the City of New Florence has continued to use the services of the City of Hermann natural gas department to perform covered tasks on the City of New Florence natural gas system that require qualified operating personnel.

A. Standard Records and Field Inspection:

A standard records and field inspection was conducted on February 12, 2019. An inspection summary letter was provided to the City on February 25, 2019 describing areas of probable violation and areas of concern. Staff requested a response within 30 days of the February 25, 2019 letter, indicating any actions that have been taken or will be scheduled as a result of the Staff's comments. The City sent a response to Staff's inspection summary dated March 11, 2019. Staff is reviewing this response and will follow-up with the City, as necessary.

B. Operations and Maintenance and Emergency Response Plan Inspection:

An inspection of the City's Operations and Maintenance (O&M) and Emergency Response¹ program plan was conducted December 18, 2018. An inspection summary letter was provided to the City on January 3, 2019, indicating revisions needed to achieve compliance with the requirements of 4 CSR 240-40.030(12)(C) and (12)(J). Staff requested a response within 30 days indicating any actions that have been taken or will be scheduled as a result of the inspection and an estimated schedule for completion of scheduled actions. The City sent a response to Staff's inspection summary dated March 11, 2019. The response indicates that the City is working on revisions to the O&M and Emergency Response Plan and will provide a copy when revisions are completed.

C. Public Awareness Plan and Effectiveness Evaluation Inspection:

A Public Awareness Plan (PAP) and Public Awareness Plan Effectiveness Evaluation (PAPEE)² inspection was conducted on September 11, 2017, and an inspection summary was sent to the City on September 12, 2017. The City has completed some but not all actions required by 4 CSR 240-40.030(12)(K).

Staff met with the City on March 11, 2019, to discuss the actions required to satisfy the requirements of 4 CSR 240-40.030(12)(K). The City plans to begin taking actions to complete compliance during March, 2019, and anticipates completion by the end of April 2019. Staff will continue to monitor completion.

D. Operator Qualification Program Inspection:

An Operator Qualification (OQ)³ program inspection was conducted on October 31, 2017. An inspection summary was sent to the City on November 6, 2017. Staff requested a response within 30 days, and has not yet received a response.

Staff met with the City on March 11, 2019, to discuss the actions required to satisfy the requirements of 4 CSR 240-40.030(12)(D). As of the March 11, 2019 meeting, the City had made none of the required plan amendments as requested in Staff's inspection summary sent to the City

¹ Regulatory requirements are in 4 CSR 240-40.030(12)(C) and (12)(J).

² Regulatory requirements are in 4 CSR 240-40.030(12)(K).

³ Regulatory requirements are in 4 CSR 240-40.030(12)(D).

on November 6, 2017. Staff requested that the City provide a written response to its November 6, 2017 letter outlining a plan to address remaining items from the inspection.

E. Distribution Integrity Management Inspection:

The required elements for a Distribution Integrity Management Program (DIMP) are in 4 CSR 240-40.030(17). A DIMP inspection was conducted on October 30, 2017. An inspection summary was sent to the City on November 7, 2017. The City provided a revised distribution integrity management program plan on June 11, 2018. The revised plan does not satisfy all of the requirements of 4 CSR 240-40.030(17)(D). Staff met with the City on June 14, 2018, to discuss the required amendments. A follow-up letter was sent detailing these requirements on June 21, 2018, and requesting a revised plan by July 30, 2018. Staff has not yet received a response.

Staff met with the City on March 11, 2019, to discuss the actions required to satisfy the requirements of 4 CSR 240-40.030(17). Staff requested that the City provide a written response to its July 30, 2018, letter outlining a plan to address remaining items from the inspection.

Staff's Recommendation:

The City has made progress towards achieving compliance since the recent turn-over of the City's operating personnel. Staff recommends that the Commission keep the case open. Staff intends to continue monitoring for compliance and proposes to provide an additional progress report, or take other action as necessary, no later than June 30, 2019.

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In the Matter of an Investigation into the City)
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the Commission's Rules Regarding Natural)
Gas Safety Found at 4 CSR 240-40.030)

AFFIDAVIT OF EVAN P. NEUNER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW EVAN P. NEUNER and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

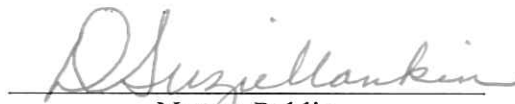
Further the Affiant sayeth not.


EVAN P. NEUNER

JURAT

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 28th day of March 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070


Notary Public

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AFFIDAVIT OF JASON DICKNEITE

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COMES NOW JASON DICKNEITE and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

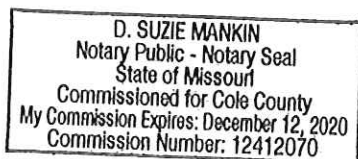
Further the Affiant sayeth not.

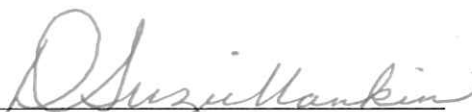


JASON DICKNEITE

JURAT

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 27th day of March 2019.





Notary Public

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Case No. GS-2017-0324

AFFIDAVIT OF DANIEL FITZPATRICK

STATE OF MISSOURI)

)

ss.

COUNTY OF COLE)

COMES NOW DANIEL FITZPATRICK and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

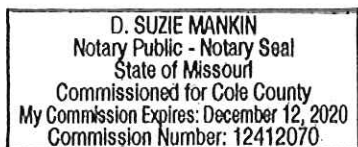
Further the Affiant sayeth not.

Daniel Fitzpatrick

DANIEL FITZPATRICK

JURAT

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 27th day of March 2019.



D. Suzie Mankin
Notary Public

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In the Matter of an Investigation into the City)
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the Commission's Rules Regarding Natural)
Gas Safety Found at 4 CSR 240-40.030) Case No. GS-2017-0324

AFFIDAVIT OF BRIAN J. BUCHANAN

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

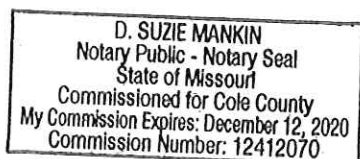
COMES NOW BRIAN J. BUCHANAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.


BRIAN J. BUCHANAN

JURAT

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 27th day of March 2019.




Notary Public

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Gas Safety Found at 4 CSR 240-40.030)
Case No. GS-2017-0324

AFFIDAVIT OF CLINTON L. FOSTER

STATE OF MISSOURI)
)
COUNTY OF COLE)
)
 ss.

COMES NOW CLINTON L. FOSTER and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

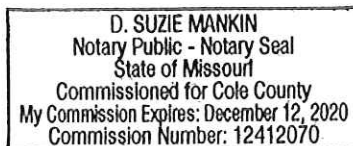
Further the Affiant sayeth not.

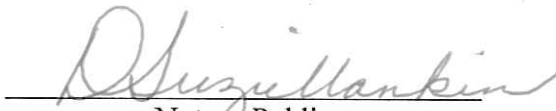


CLINTON L. FOSTER

JURAT

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 27th day of March 2019.





Notary Public