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July 20, 2016

TO: Missouri Natural Gas Operators

FROM: Kathleen McNelis, Missouri Public Service Commission

SUBJECTS: 1) Request for Current Operator Qualification Plan by August 15, 2016

2) MANGO General Meeting

3) Odorizer Compliance Recommendations

Note: Copies are not sent to all operator personnel. <u>Please forward to the appropriate</u> person(s).

1) Request for Current Operator Qualification Plan

Staff is requesting a copy of your most current Operator Qualification Plan to be sent by August 15, 2016 to my attention at the mailing address above or submit the plan via email at: Greg.Williams@psc.mo.gov. Either paper or electronic format may be submitted. Staff will be reviewing the plan for compliance with the applicable regulations. If you believe Staff has a copy of the most current plan on file (e.g., may have already been submitted during O&M Plan collection earlier this year), please contact Greg Williams in order to verify.

4 CSR 240-40.030(1)(J) requires operators to submit Operator Qualification Plans to Commission Staff. In addition, each change to the plan must be submitted to designated Commission Staff within 20 days after the change is made.

2) MANGO General Meeting

The next MANGO general meeting has been set for 10:00 a.m. on <u>Friday September 9, 2016, in Jefferson City.</u> The meeting will be on the 4th floor in the Ballroom (Room 450) of the <u>Governor Office Building (GOB).</u> Coffee and bakery items will be served prior to the meeting (9:30 a.m.) and lunch will be provided. Parking is available in the City Parking Garage directly

across the street from the Governor Office Building. However, Staff was not provided any parking passes for this meeting. If you have suggestions for discussion items, please contact a MANGO Board Member or the MO PSC Staff. A preliminary meeting agenda will be mailed out closer to the meeting date.

3) Odorizer Compliance Recommendations

Prior to 1989, Staff requested monthly odorization reports to be completed by natural gas utility companies (1973 – 1989) and municipal natural gas system operators (1981 – 1989) for review by Staff. Effective December 15, 1989, operators were required to conduct monthly odor intensity tests and determine odorant injection rates per 4 CSR 240-40.030(12)(P)6. When this regulation was amended on May 28, 1995, the requirement for odorant injection rate determination was deleted from paragraph (12)(P)6. and paragraph (12)(P)7. was added as follows:

7. All odorant tanks should be checked periodically to assure adequate odorant is available. Odorant injection rates can be a useful monitoring tool for some systems. Each operator should consider when and where to use odorant injection rates.

Staff is requesting all Missouri operators to review their current procedures and practices for periodically checking their odorizers and odorant tanks, and for determining when and where to use odorant injection rates – see specific recommendations below.

- 1. Odorant tanks should be periodically checked to verify that adequate odorant is available per paragraph (12)(P)7. Adequate odorant is the amount necessary to provide for odorization until the next check of the odorant tank. Staff recommends that unless the operator can justify a longer interval based on operating history, these checks should be performed at least monthly. Documentation of these checks and additions of odorant to the tank should be recorded and retained for Staff's review to demonstrate compliance with paragraph (12)(P)7. Staff will also be checking O&M manuals for inclusion of this requirement.
- 2. Staff recommends that operators also perform periodic checks that the odorizer is functioning properly. Staff recommends that operators review the manufacturer's recommendations for the specific checks to be performed and recommended intervals. Some manufacturers may also provide for remote monitoring (e.g., SCADA).
- 3. Paragraph (12)(P)7. states that odorant injection rates can be a useful monitoring tool for some systems and each operator should consider when and where to use odorant injection rates. Staff recommends considering the use of odorant injection rates in instances when odorant intensity readings are inadequate or fluctuating and when other significant changes occur (e.g., odorizer malfunction, change in odorizer injection setting, change in odorant type, change in gas quality). Staff further recommends that operators determine an odorant injection rate for each odorizer to serve as a baseline for future comparisons if needed.