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February 24, 2017

TO: Missouri Natural Gas Operators

FROM: Kathleen McNelis, Pipeline Safety Program Manager

SUBJECT: 1) Change in Answering Service
2) Upcoming MANGO Meeting dates
3) Reminders – Annual Reports and Replacement Programs
4) Listing of 2016 PHMSA Advisory Bulletins and Links
5) PHMSA Recent Rulemakings and Status

Note: Copies are not sent to all operator personnel. Please forward to appropriate person(s).

1) Change in Answering Service

The answering service that we previously used for reporting after hour incidents has closed. The new answering service is **888-299-2788**. A new "TELEPHONE NOTICE OF GAS INCIDENTS" list is attached at the end of this letter. As before, you may contact Staff members directly from the list attached below. The answering service is provided as an option if you are unable to reach Staff members.

2) Upcoming MANGO Meeting dates

- The next MANGO general meeting (spring meeting) has been set for **March 23, 2017 at 10 AM**, in Jefferson City. The meeting will be on the 4th floor in the Ballroom (Room 450) of the Governor Office Building (GOB).
- The MANGO Natural Gas Operations Seminar and Trade Fair will be **June 28-30, 2017** at Tan-Tar-A. The MANGO board members are working to schedule classes and speakers. An agenda will be sent out when available.
- The date for the MANGO general fall meeting has been set for **October 10, 2017 at 10 AM** in Jefferson City. The meeting will be on the 4th floor in the Ballroom (Room 450) of the Governor Office Building (GOB).

3) Reminders - Annual Reports and Replacement Programs

The 2016 Annual Report forms for Gas Distribution (PHMSA F7100.1-1) and Gas Transmission (PHMSA F7100.2-1) must be submitted electronically to the PHMSA Portal by March 15, 2017. Instructions for completing the reports and links to PHMSA Portal login page are located at: <https://portal.phmsa.dot.gov/pipeline>. **After the reports are submitted on the PHMSA Portal, please provide a copy to Staff.** This copy may be downloaded as a PDF and emailed to Staff at: PipelineSafetyProgramManager@psc.mo.gov, or may be sent as a paper copy to Kathleen McNelis, Missouri Public Service Commission, P. O. Box 360, Suite 600, Jefferson City, MO 65102.

Note: Transmission pipeline operators are reminded to submit National Pipeline Mapping System (NPMS) data concurrently with their gas transmission annual reporting submission.

Note: Operators who have had mechanical fittings failures resulting in hazardous leaks are reminded to submit a mechanical fitting failure report for each fitting failure that occurred during 2016 not later than March 15, 2017 on Form PHMSA F7100.1-2.

Please submit your 2016 Missouri PSC Gas Safety Annual Report to this office no later than March 15, 2017. An electronic version of the report form (be sure to use the form updated for 2010) is available on the MANGO website at: www.mangowp.org or by sending an e-mail request to Evan Neuner at evan.neuner@psc.mo.gov. The Staff encourages you to use the electronic version and email the completed report to Evan Neuner by March 15, 2017, but mailing a completed form to this office by that date is acceptable.

Please submit information regarding the status of your replacement program(s) to this office no later than March 15, 2017. Please provide details and quantities for the 2016 calendar year (or fiscal year for some main programs approved by the Commission) and the entire program to date. Include the numbers of service lines and yard lines replaced.

4) Listing of 2016 PHMSA Advisory Bulletins and Links

In 2016, PHMSA issued a total of 5 advisory bulletins. A listing of these and links to additional information are provided below. If you are unable to access these online, please contact a PSC Staff member to request a copy via mail or email:

- **ADB-2016-01: Pipeline Safety: Potential for Damage to Pipeline Facilities Caused by Flooding, River Scour, and River Channel Migration**

PHMSA is issuing this updated advisory bulletin to all owners and operators of gas and hazardous liquid pipelines to communicate the potential for damage to pipeline facilities caused by severe flooding. This advisory includes actions that operators should consider taking to ensure the integrity of pipelines in the event of flooding, river scour, and river channel migration.

Link to ADB-2016-01:

<http://phmsa.dot.gov/portal/site/PHMSA/menuitem.6f23687cf7b00b0f22e4c6962d9c8789/?vgnextoid=e689c00ad13bc410VgnVCM100000d2c97898RCRD&vgnnextchannel=8590d95c4d037110VgnVCM1000009ed07898RCRD&vgnnextfmt=print>

- **ADB-2016-02:** Pipeline Safety: Safe Operations of Underground Storage Facilities for Natural Gas
 PHMSA is issuing this advisory bulletin to remind all owners and operators of underground storage facilities used for the storage of natural gas, as defined in 49 CFR part 192, to consider the overall integrity of the facilities to ensure the safety of the public and operating personnel and to protect the environment.
 Link to ADB-2016-02: <https://www.federalregister.gov/documents/2016/02/05/2016-02228/pipeline-safety-safe-operations-of-underground-storage-facilities-for-natural-gas>
- **ADB-2016-03:** Pipeline Safety: Dangers of Abnormal Snow and Ice Build-Up on Gas Distribution Systems
 This advisory bulletin advises owners and operators of petroleum gas and natural gas facilities of the need to take the appropriate steps to prevent damage to pipeline facilities from accumulated snow or ice.
 Link to ADB-2016-03: <https://www.federalregister.gov/documents/2016/02/11/2016-02704/pipeline-safety-dangers-of-abnormal-snow-and-ice-build-up-on-gas-distribution-systems>
- **ADB-2016-04:** Ineffective Protection, Detection, and Mitigation of Corrosion Resulting from Insulated Coatings on Buried Pipelines.
 Operators are reminded to review their pipeline operations to ensure that pipeline segments that are **both buried and insulated** have effective coating and corrosion-control systems to protect against cathodic protection shielding, conduct in-line inspections for all threats, and ensure in-line inspection tool findings are accurate, verified, and conducted for all pipeline threats.
 Link to ADB-2016-04: <https://www.federalregister.gov/documents/2016/06/21/2016-14651/pipeline-safety-ineffective-protection-detection-and-mitigation-of-corrosion-resulting-from>
- **ADB-2016-05:** Clarification of Terms Relating to Pipeline Operational Status
 This advisory bulletin identifies regulatory requirements operators must follow for the abandonment of pipelines. Pipeline owners and operators should verify their operations and procedures align with the regulatory intent of defined terms as described under this bulletin. Congress recognized the need for this clarification in its Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016.
 Link to ADB-2016-05: <https://www.federalregister.gov/documents/2016/08/16/2016-19494/pipeline-safety-clarification-of-terms-relating-to-pipeline-operational-status>

5) PHMSA Recent Rulemakings and Status

The Office of Management and Budget (OMB) issued a Memorandum dated January 20, 2017 which was published in the January 24, 2017 Federal Register freezing regulations pending review. This temporary freeze requires:

- Withdrawal for review and approval of regulations that have not been published in the Federal Register; and
- With respect to regulations that have been published in the Federal Register but have not yet taken effect, as permitted by applicable law, temporarily postpone their effective date for 60 days from the date of this memorandum subject to certain exceptions for the purpose of review.

A link to this memo is: <https://www.whitehouse.gov/the-press-office/2017/01/20/memorandum-heads-executive-departments-and-agencies>

This regulatory freeze does not apply to the regulations that the MO PSC has incorporated into its most recent rulemaking in case GX-2016-0263.

The regulatory freeze could apply to the PHMSA final and interim rules with subsequent effective dates that are listed below, however unless we receive notice from PHMSA, we are assuming the effective dates will not change:

- **Final Rule: Pipeline Safety: Expanding the Use of Excess Flow Valves in Gas Distribution Systems to Applications Other Than Single-Family Residences....** This final rule is effective April 14, 2017
Federal Register Volume 81, Number 199 (Friday, October 14, 2016)
Excess flow valves (EFV), which are safety devices installed on natural gas distribution pipelines to reduce the risk of accidents, are currently required for new or replaced gas service lines servicing single-family residences (SFR), as that phrase is defined in 49 CFR 192.383(a). This final rule makes changes to part 192 to expand this requirement to include new or replaced branched service lines servicing SFRs, multifamily residences, and small commercial entities consuming gas volumes not exceeding 1,000 Standard Cubic Feet per Hour (SCFH). PHMSA is also amending part 192 to require the use of either manual service line shut-off valves (e.g., curb valves) or EFVs, if appropriate, for new or replaced service lines with meter capacities exceeding 1,000 SCFH. Lastly, this final rule requires operators to notify customers of their right to request installation of an EFV on service lines that are not being newly installed or replaced. PHMSA has left the question of who bears the cost of installing EFVs on service lines not being newly installed or replaced to the operator's rate-setter.

Staff recommends that each distribution and master meter system operator review this rule as it amends EFV requirements and adds requirements to install manual service line shut-off valves or EFVs for new or replaced services line with installed meter capacity exceeding 1,000 scfh.

Link to final rule and additional information:

<https://www.federalregister.gov/documents/2016/10/14/2016-24817/pipeline-safety-expanding-the-use-of-excess-flow-valves-in-gas-distribution-systems-to-applications>

Correction to final rule: corrects that EFV installation must comply with performance standards from April 17, 2016 to April 14, 2017

Link to correction to final rule: <https://www.gpo.gov/fdsys/pkg/FR-2016-10-21/pdf/C1-2016-24817.pdf>

Note also that PHMSA has amended the PHMSA F 7100.1-1 for CY 2017 (to be reported in 2018 for 2017) Part E to reflect changes associated with this final rule.

Link to F 7100.1-1 for CY 2017 (**form to be used in 2018**):

http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/GD_Annual_Report_Form_PHMSA_F_7100_1_1_2017_01_30.pdf

- **Final Rule: Pipeline Safety: Operator Qualification, Cost Recovery, Accident and Incident Notification, and Other Pipeline Safety Changes...** This final rule is effective March 24, 2017

PHMSA is amending the pipeline safety regulations to address requirements of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (2011 Act), and to update and clarify certain regulatory requirements. Among other provisions, PHMSA is adding a specific time frame for telephonic or electronic notifications of accidents and incidents and adding provisions for farm tap regulator inspections. PHMSA is also amending the drug and alcohol testing requirements, and incorporating consensus standards by reference for in-line inspection (ILI) and Stress Corrosion Cracking Direct Assessment (SCCDA).

Staff recommends that each operator review this rule as it amends a number of existing requirements.

Link to final rule and additional information:

<https://www.federalregister.gov/documents/2017/01/23/2016-31461/pipeline-safety-operator-qualification-cost-recovery-accident-and-incident-notification-and-other>

- **Interim Final Rule: Pipeline Safety: Safety of Underground Natural Gas Storage Facilities**

Federal Register Volume 81, Number 243 (Monday, December 19, 2016)

This interim final rule (IFR) revises the Federal pipeline safety regulations to address critical safety issues related to downhole facilities, including wells, wellbore tubing, and casing, at underground natural gas storage facilities. This IFR responds to Section 12 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, which was enacted following the serious natural gas leak at the Aliso Canyon facility in California on October 23, 2015. This IFR incorporates by reference two American Petroleum Institute (API) Recommended Practices (RP): API RP 1170, "Design and Operation of Solution-mined Salt Caverns used for Natural Gas Storage," issued in July 2015; and API RP 1171, "Functional Integrity of Natural Gas Storage in Depleted Hydrocarbon Reservoirs and Aquifer Reservoirs," issued in September 2015.

Staff recommends that operators of underground natural gas storage facilities review this interim final rule

Link to interim final rule and additional information:

<https://www.regulations.gov/document?D=PHMSA-2016-0016-0003>

TELEPHONE NOTICE OF GAS INCIDENTS (2-24-2017)

4 CSR 240-40.020, Section 4

A telephone notice is to be made to the answering service or to one of the following Missouri Public Service Commission – Safety Engineering Staff members as soon after the discovery of an incident as is reasonably possible, but not to exceed **two hours**, unless emergency efforts would be hindered. The answering service or these personnel may be contacted any time day or night. **The answering service can be used at any time; however, the Staff prefers operators to call the MoPSC office telephone numbers during normal working hours and home phone numbers after hours.**

<u>NAME PHONE</u>	<u>HOME PHONE</u>	<u>OFFICE</u>
Kathleen McNelis (Cellular 573-690-9860)	573-291-0438	573-751-3456
John Kottwitz	573-682-1107	573-751-7352
Greg Williams	573-619-0716	573-751-3411
Daniel Fitzpatrick	573-999-2232	573-526-4847
Evan Neuner	573-552-2034	573-751-7347
Clinton Foster	816-377-2615	573-526-5898
Brian Buchanan	573-636-9357	573-526-3478
Aaron Archer	870-243-2636	573-522-2412
Jason Dickneite	573-301-2605	573-751-7074

If you cannot reach a Staff member, the following number is to an answering service that will take a message and go through the Staff call list:

MoPSC Incident Reporting Answering Service 888-299-2788

NOTE: If a Staff member does not contact you promptly following notification to the Answering Service, please re-contact the answering service or one of the Staff members directly.

Telephone Number for Reporting Federal Incidents 1-800-424-8802