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December 19, 2019

TO: Missouri Natural Gas Operators

FROM: Kathleen McNelis, Pipeline Safety Program Manager

SUBJECT: **1) PSC Rulemaking**
2) PHMSA Amendments to Gas Transmission Rule
3) Operator Oversight of Consultants and Contractors
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7) 2019 PHMSA Annual Reports for Gas Distribution and Gas Transmission
8) 2019 Missouri PSC Gas Safety Annual Report
9) Replacement Programs for Service/Yard Lines and/or Mains
10) 2019 Excavator List Update
11) Contact and Mapping Updates to MOCS
12) Dangers of Abnormal Snow and Ice Build-Up on Gas Related Equipment

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

1) PSC Rulemaking

The Commission has closed the working docket (GW-2020-0036) and on October 23, 2019 opened a rulemaking docket GX-2020-0112 for the next step of finalizing the proposed amendments. We appreciate the comments provided by operators in the GW-2020-0036 docket.

The proposed amendments include adoption of provisions from the federal “Plastic Pipe Rule” as discussed in Staff’s December 12, 2018 All Operators Letter. The proposed amendments additionally address the changes in pipeline safety rules necessary to transition the Commission from the Department of Economic Development to the Department of Commerce and Insurance. This change necessitated revision of the pipeline safety rule numbers from 4 CSR 240

(Department of Economic Development), to 20 CSR 4240 (Department of Commerce and Insurance). The *Proposed Amendment* documents have been filed in GX-2020-0112 and should be published in the *Missouri Register* on January 15, 2020. Comments can be submitted in GX-2020-0112 through February 14, 2020, and a public hearing is scheduled for February 24, 2020.

2) PHMSA Amendments to Gas Transmission Rule

PHMSA published a final rule titled “Pipeline Safety: Safety of Gas Transmission Pipelines: MAOP Reconfirmation, Expansion of Assessment Requirements, and Other Related Amendments” in the October 1, 2019 federal register. In its summary of the rule, PHMSA stated that “...this final rule addresses congressional mandates, National Transportation Safety Board recommendations, and responds to public input. The amendments in this final rule address integrity management requirements and other requirements, and they focus on the actions an operator must take to reconfirm the maximum allowable operating pressure of previously untested natural gas transmission pipelines and pipelines lacking certain material or operational records, the periodic assessment of pipelines in populated areas not designated as “high consequence areas,” the reporting of exceedances of maximum allowable operating pressure, the consideration of seismicity as a risk factor in integrity management, safety features on in-line inspection launchers and receivers, a 6-month grace period for 7-calendar-year integrity management reassessment intervals, and related recordkeeping provisions.” The effective date of this rule is July 1, 2020.

3) Operator Oversight of Consultants and Contractors

Staff is requesting that all operators that use contractors to perform covered tasks on their pipeline systems review and update their procedures for oversight of contractors, or develop such procedures. The procedures should address actions the operator will take to ensure that contractors are in compliance with the pipeline safety rules. Staff recommends, including procedures to:

- Review of contractor’s Operator Qualification (OQ) program for applicable covered tasks,
- Review of contractor’s compliance with Drug and Alcohol program requirements,
- Conduct random and/or routine field evaluations of contractor employee’s knowledge, skills and ability to perform covered tasks, and
- Conduct random and/or routine inspections to verify that the equipment necessary to perform assigned tasks and respond to abnormal operating conditions (e.g. fire extinguisher, personal protective equipment) are available and are in working order at

jobsites.

Staff has not previously conducted formal reviews of these operator procedures, but will do so going forward during Operating and Maintenance (O&M) program inspections.

Note - 20 CSR 4240-40.030(12)(B)3. states that each operator is responsible for ensuring that all work completed on its pipelines by its consultants and contractors complies with this rule (“rule” in this context refers to 20 CSR 4240-40.030). Operators must have and follow procedures to comply with the requirements of 20 CSR 4240-40.030(12)(B)3. in the procedural manual required by 20 CSR 4240-40.030(12)(C)1. (Operating and Maintenance procedures).

4) Option to receive All Operators Letter electronically

In an effort to save both paper and postage, Staff has provided an option to send “All Operators Letters” via email. If you are currently receiving the letters by standard mail and would prefer to receive all operator letters by email, please indicate so to Clinton Foster at Clinton.Foster@psc.mo.gov . Staff will continue sending All Operator Letters by standard mail until such notification.

5) Spring MANGO Meeting – Save the Date

The date for the MANGO general spring meeting has been set for March 18, 2020 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).

6) Random Drug Testing Rate for 2020

We have not yet seen an official notification in the federal register, however the best information we have right now is that the random testing rate will remain at 50% in 2020. If additional information is published that provides a different rate, we will send notification in an all operators letter.

7) 2019 PHMSA Annual Reports for Gas Distribution and Gas Transmission

The 2019 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, 2020. 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.

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

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 2019 not later than March 15, 2020 on Form PHMSA F7100.1-2.

8) 2019 Missouri PSC Gas Safety Annual Report

Please submit your 2019 Missouri PSC Gas Safety Annual Report to this office no later than March 15, 2020. An electronic version of the report form (please be sure to use the form updated for 2017) is available by selecting “Download MO Annual Report” on the MANGO website. The Staff encourages you to use the electronic version and email the completed report to Evan Neuner at evan.neuner@psc.mo.gov by March 15, 2020, but mailing a completed form to this office by that date is acceptable.

9) Operators with Replacement Programs for Service/Yard Lines and/or Mains

Please submit information regarding the status of your replacement program(s) to this office no later than March 15, 2020. Please provide details and quantities for the 2019 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.

10) 2019 Excavator List Update

Operators choosing to comply with the excavator education provisions of 4 CSR 240-40.030(12)(I)3.B. and C. through the Missouri One Call System (MOCS) are reminded to review, update, and submit revised excavator lists (or indicate “no additions”) to the Missouri One Call System (MOCS). It is our understanding that for 2020, the MOCS participation renewal period will be from January 3, 2020 to March 27, 2020. Additional details and instructions will be provided by MOCS. A copy of the automated email from MOCS may be used to demonstrate compliance with the annual excavator list update requirement [(12)(I)2.A.].

11) Contact and Mapping Updates to MOCS

The Missouri PSC Staff would like to remind operators of the importance of complying with the requests from MOCS to update maps and contact data as required by 4 CSR 240-40.030(12)(I). This data and information is used to develop, maintain and update the member's site files used by the Call Center to accurately notify the member utilities when excavation is taking place.

12) Dangers of Abnormal Snow and Ice Build-Up on Gas Related Equipment

The accumulation of snow and ice increases the potential for damage to meters and regulators and other aboveground pipeline facilities and components. Incidents have occurred in past winters on natural gas distribution system facilities that appear to have been related to either the stress of snow and ice or malfunction of pressure control equipment due to ice blockage of pressure control equipment vents. Exposed piping at metering and pressure regulating stations, at service regulators, and at propane tanks, are at greatest risk. Damage may result from the stresses imposed by the additional loading of the snow or ice. Damage to facilities may also result from the impact of snow or ice falling from roofs, ice forming in or on regulators preventing their proper operation, or shoveling snow from roofs to protect dwellings from abnormal snow accumulation.

PHMSA issued an advisory bulletin in 2016, recommending steps to address the safety risks from accumulated snow and ice on pipeline facilities. Staff encourages each operator to download and read the advisory bulletin. If you are unable to access the advisory bulletin at the link below, please notify Staff and we will provide a copy. The advisory bulletin may be downloaded at:

<https://www.federalregister.gov/documents/2016/02/11/2016-02704/pipeline-safety-dangers-of-abnormal-snow-and-ice-build-up-on-gas-distribution-systems>