



Commissioners

DANIEL Y. HALL
Chairman

STEPHEN M. STOLL

WILLIAM P. KENNEY

SCOTT T. RUPP

MAIDA J. COLEMAN

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

SHELLEY BRUEGGEMANN
General Counsel

MORRIS WOODRUFF
Secretary

LOYD WILSON
Director of Administration

NATELLE DIETRICH
Staff Director

July 27, 2017

TO: Missouri Natural Gas Operators

FROM: Kathleen McNelis, Pipeline Safety Program Manager

SUBJECT: 1) PSC Rule Changes – Effective June 30, 2017
2) PSC Rule Changes – “Unofficial Version”
3) PSC New Working Case Docket GW-2017-0347
4) Changes in Farm Tap Regulations
5) Change in MO PSC Annual Report for 2017
6) Next MANGO Meeting October 10, 2017

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

1) PSC Rule Changes – Effective June 30, 2017

PSC rule changes to 4 CSR 240-40-020, 4 CSR 240-40.030 and 4 CSR 240-40.080 (adopting federal amendments 191-23, 192-119 and 192-120) became effective June 30, 2017. The official version is available for download at:

<http://s1.sos.mo.gov/cmsimages/adrules/csr/current/4csr/4c240-40.pdf>

2) PSC Rule Changes – “Unofficial Version”

PSC Staff is currently revising the “Unofficial Version” of the regulations which is the more user-friendly, larger print version we typically take with us on inspections. In the past, operators have requested copies of these, and we have been able to provide a limited number of copies to each Company and City. We also plan to provide a PDF copy to MANGO so that the updated PDF document can be made available, if desired, for download on MANGO’s website.

We would like to get an idea of operator interest before going to print. If you are interested in receiving one or more paper copies or a PDF of the “Unofficial Version”, please send an email to Kathleen.mcnelis@psc.mo.gov with “Unofficial Version” in the subject and in email please list:

1. Preference for PDF or paper copy,

2. If paper copy, how many requested (may need to charge for large numbers),
3. Point(s) of contact to receive PDF and/or paper copies.

In the event you do not have access to email, please call me at 573-751-3456.

3) **PSC New Working Case Docket GW-2017-0347**

The Commission opened a working docket on June 28, 2017 to assist Staff in its review of the Commission's rules regarding natural gas safety. Staff is seeking input from interested stakeholders on how to best conform the Commission's rules to recent changes in federal natural gas safety rules, and how to otherwise clarify, correct, and improve the Commission's natural gas safety rules. This file will serve as a repository for documents and comments.

The recent changes in federal natural gas safety rules to be adopted are discussed in our February 24, 2017 All Operators letter and are summarized here:

- **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.

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>

- **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 (see item 4 below for details regarding farm taps). 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).

[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)

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

4) Changes in Farm Tap Regulations

PHMSA amended the Federal pipeline safety regulations in 49 CFR part 192 to add a new section, §192.740, to cover regulators and overpressure protection equipment for an individual service line that originates from a transmission, gathering, or production pipeline (i.e., a farm tap), and to revise §192.1003 to exclude farm taps from the requirements of the Distribution Integrity Management Program (DIMP). This is one of the amendments we are taking steps to adopt in Working Case Docket GW-2017-0347.

49 CFR 192.740 reads:

§192.740 Pressure regulating, limiting, and overpressure protection—Individual service lines directly connected to production, gathering, or transmission pipelines.

- (a) This section applies, except as provided in paragraph (c) of this section, to any service line directly connected to a production, gathering, or transmission pipeline that is not operated as part of a distribution system.
- (b) Each pressure regulating or limiting device, relief device (except rupture discs), automatic shutoff device, and associated equipment must be inspected and tested at least once every 3 calendar years, not exceeding 39 months, to determine that it is:
 - (1) In good mechanical condition;
 - (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
 - (3) Set to control or relieve at the correct pressure consistent with the pressure limits of § 192.197; and to limit the pressure on the inlet of the service regulator to 60 psi (414 kPa) gauge or less in case the upstream regulator fails to function properly; and
 - (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.
- (c) This section does not apply to equipment installed on service lines that only serve engines that power irrigation pumps.

If you have any questions regarding applicability or implementation of this regulation, please contact PSC Staff to discuss.

5) Change to MO PSC Annual Report for 2017

For the 2017 Missouri Annual Report, we will be asking an additional question in Section 14:

Does operator utilize a contractor for locating?

The instructions to be added are: If the operator uses a contractor to locate some or all of its facilities, the response should be yes. If the operator does not use a contractor to locate some or all of its facilities, the response should be no. If the operator wishes to explain further, please do so in the space provided.

A copy of the revised form and instructions will be provided to MANGO for posting to the website.

6) Next MANGO Meeting October 10, 2017

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).