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December 10, 2002

Secretary
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED³

DEC 10 2002

Missouri Public
Service Commission

RE: Case No. GE-2003-0137

Dear Mr. Roberts:

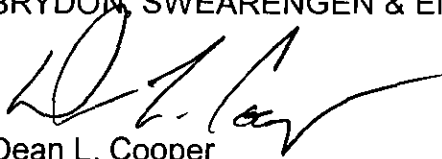
Enclosed for filing in the above-referenced proceeding please find an original and eight copies of the Missouri Association of Natural Gas Operators Second Motion for Leave to Amend Application and Withdrawal of First Motion for Leave. Please stamp the enclosed extra copy "filed" and return same to me.

If you have any questions concerning this matter, then please do not hesitate to contact me. Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:



Dean L. Cooper

DLC/tli

Enclosures

cc: General Counsel
Office of the Public Counsel

FILED³

DEC 10 2002

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the application of various)
members of the Missouri Association of Natural)
Gas Operators for a permanent waiver from)
certain provisions of 4 CSR 240-40.030 (9)(Q) and)
49 CFR Part 192.481 for Intervals of Atmospheric)
Corrosion Inspections.)

Case No. GE-2003-0137

SECOND MOTION FOR LEAVE TO AMEND APPLICATION
AND WITHDRAWAL OF FIRST MOTION FOR LEAVE

COME NOW the Applicant members ("the Applicants") of the Missouri Association of Natural Gas Operators ("MANGO") and as their second motion for leave to amend application and withdrawal of Applicants' first motion for leave to amend application state as follows to the Missouri Public Service Commission ("Commission"):

1. Commission Rule 4 CSR 240-2.075(21) provides that a pleading may be amended at any time by leave of the Commission.

2. On October 8, 2003, the Applicants filed an Application for Permanent Waiver of Compliance. The Commission has not yet ruled on the Application.

3. On November 26, 2002, the Applicants filed a Motion for Leave to Amend Application. The purpose of that motion was to amend the Application to include all Missouri properties of Atmos Energy Corporation ("Atmos"). The Commission has not yet ruled on the November 26, 2002 Motion for Leave to Amend Application.

4. Applicants have received requests from three additional members to participate in this Application -- the City of Princeton, Missouri; the City of Unionville, Missouri; and, the City of Mercer, Missouri.

5. Thus, the Applicants seek to amend their application to include these

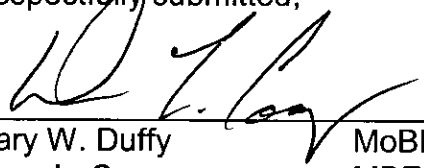
three members, in addition to all the Atmos properties. Attached hereto as Appendix A is the Applicants' Second Amended Application for Permanent Waiver of Compliance, which contains all proposed amendments as of this date.

6. Applicants hereby withdraw their first motion for leave to amend application, which was filed on November 26, 2002.

7. Granting the requested leave to amend will not change the underlying substantive issues to be addressed by the Commission and may eliminate the possible need for a separate case in the future to address identical issues. Therefore, a grant of this motion should not prejudice any of the parties and may assist with the efficient and economic progress of this litigation.

WHEREFORE, the Applicants pray for an order granting their second motion for leave to amend application and directing that the attached Second Amended Application for Permanent Waiver of Compliance be filed with the Commission.

Respectfully submitted,



Gary W. Duffy MoBE # 24905
Dean L. Cooper MBE#36592
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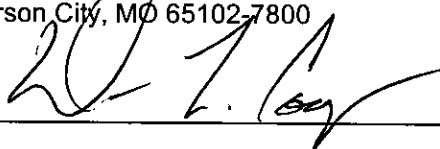
ATTORNEYS FOR APPLICANTS

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was hand-delivered, on this 10th day of December, 2002:

General Counsel
Missouri Public Service Commission
Governor State Office Building
P.O. Box 360
Jefferson City, MO 65102-0360

Mr. Doug Micheel
The Office of the Public Counsel
6th Floor, Governor State Office Building
P.O. Box 7800
Jefferson City, MO 65102-7800



Omega Pipeline Company
Missouri Interstate Gas
Missouri Gas Company
Aquila, Inc.
City of Wheaton
Fidelity Natural Gas, Inc.
Atmos Energy Corporation ("Atmos"), which formerly operated under the names
United Cities Gas Company, Greeley Gas Company and Atmos Energy
Division (the former Associated Natural Gas properties)
City of St. Robert, Missouri
Southern Missouri Gas Co. L.P.
Missouri Gas Energy, a division of Southern Union Company
City of Bethany, Missouri
City of Macon, Missouri
City of Gallatin, Missouri
City of Paris, Missouri
City of Princeton, Missouri
City of Unionville, Missouri
City of Mercer, Missouri

Each of the Applicants operates a natural gas distribution system in Missouri. Those Applicants who are corporations or other business entities request that they not be required to produce a certified copy of their articles of incorporation or certificates of authority to do business in Missouri, or registrations of fictitious names, as otherwise required by 4 CSR 240-2.060(11) for this application, because of the voluminous nature of the materials that would be required for this application, and because each of them is already well-known to the Commission, having obtained certificates of public convenience and necessity and having participated in numerous cases before the Commission. The other Applicants are political subdivisions of the State of Missouri. All of the Applicants, in some fashion, are already subject to the regulation of the Commission. The Commission granted such relief in a similar waiver request in Case No. GE-2000-543.

2. Communications in regard to this Application should be addressed to:

Gary W. Duffy/ Dean L. Cooper
Brydon, Swearingen & England P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102-0456

3. The Applicants request that the Commission grant a permanent waiver of compliance ("waiver") for their gas distribution systems operating in Missouri. The purpose of the waiver is to exempt the Applicants from the provisions of 4 CSR 240-40.030(9)(Q) and from 49 CFR 192.481 which require them to reevaluate each pipeline that is exposed to the atmosphere at intervals not exceeding three (3) years. The pipelines subject to this waiver would only be service lines as set forth at 4 CSR 240-40.030(1)(B)24. of the Commission's Pipeline Safety Rules and at 49 CFR Part 192.3 of the federal Pipeline Safety Rules. As an alternative to the current requirement that a reevaluation be conducted at intervals not exceeding three years, the Applicants request a permanent waiver requiring instead that reevaluations be conducted at intervals not exceeding thirty-nine (39) months, but at least once each third calendar year.

4. The Applicants' primary concern with the use of the existing interval is that a reevaluation interval beyond three years is not permitted while an instrument leak detection survey required by 4 CSR 240-40.030(13)(M)2.B.(II) is permitted to exceed three (3) years to the extent that the interval does not exceed thirty-nine months, and is completed at least once each third calendar year.

5. The Applicants submit that atmospheric corrosion inspections required by

4 CSR 240-40.030(9)(Q) are most efficiently scheduled and completed during the very same leak surveys required by 4 CSR 240-40.030(13)(M)2.B.(II) and therefore should have the same inspection intervals.

6. In support of its request for this waiver, the Applicants submit that gas safety would not be compromised by the granting of this waiver because the interval for atmospheric corrosion inspections would not be substantially changed and the relative risk associated with the slow corrosion process for metallic piping exposed to the atmosphere is no higher than the corrosion process which can take place on buried piping that is found through cathodic protection monitoring and leak surveys. In fact, gas safety will be enhanced by a granting of the waiver in that it will permit the Applicants to use the resources devoted to safety more efficiently.

7. In further support of their request for this waiver, the Applicants submit that intervals for monitoring of cathodic protection required 49 CFR 192.465 were extended by Amendment 192-33, Docket No. PS-50, effective September 5, 1978, from every twelve (12) months, to "once each calendar year, but with intervals not to exceed fifteen (15) months," for the sole purpose of allowing operators greater flexibility in scheduling inspections without compromising gas safety. This was adopted by the Commission in 1989 in 4 CSR 240-40.030(9)(I)1.

8. In further support of its request for this waiver, the Applicants also note that intervals for leakage surveys within business districts required in 49 CFR 192.723(b)(1) are also defined to allow scheduling flexibility by permitting surveys to be conducted "at intervals not exceeding fifteen (15) months but at least once each calendar year." This same scheduling flexibility has also been extended to Missouri

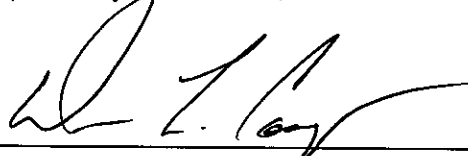
natural gas operators for leakage surveys outside business districts in 4 CSR 240-40.030(13)(M)1.B. by requiring intervals, more stringent than federal requirements, of "thirty-nine (39) months, but at least once each third calendar year."

9. In final support of its request for this waiver, the Applicants note that in Case No. GE-2000-543, the Commission granted various members of the Missouri Association of Natural Gas Operators (Members) a permanent waiver from certain provisions of 4 CSR 240-40.030(6)(H)3., which corresponds to 49 CFR 192.285(c), regarding intervals of re-qualification for persons under an applicable plastic joining procedure. As an alternative to a strict twelve (12)-month re-qualification interval listed as an option in the requirements of the rule, that waiver allows the Members who sought the waiver to re-qualify persons in plastic joining procedures "at least once each calendar year, but at intervals not exceeding 15 months." The granting of that waiver was not inconsistent with gas pipeline safety and was done so in part to allow greater flexibility in re-qualification scheduling. The federal Office of Pipeline Safety was notified of the granted waiver and did not object. Similarly, scheduling flexibility for atmospheric corrosion inspections is being sought with this application.

WHEREFORE, for the foregoing reasons, the Applicants request that the Commission issue an order granting them, their successors and assigns, a permanent waiver of compliance from the requirement to reevaluate each pipeline that is exposed to the atmosphere at intervals not exceeding three years and instead, as an alternative, require that such a reevaluation be conducted at intervals not exceeding thirty-nine months, but at least once each third calendar year, and that upon the granting of such relief, the Commission's order be sent to the federal Office of Pipeline Safety for review

and the opportunity to object.

Respectfully submitted,

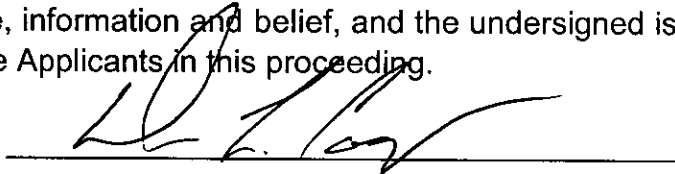


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Facsimile: 573 635-3847
Email: Duffy@Brydonlaw.com
Attorneys for Applicants

VERIFICATION

STATE OF MISSOURI)
)ss
COUNTY OF COLE)

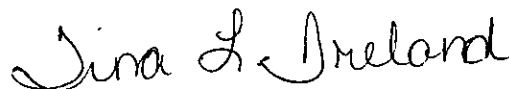
The undersigned, being first duly sworn, states that he has read the foregoing First Amended Application for Permanent Waiver and that the facts contained therein are true and correct to the best of his knowledge, information and belief, and the undersigned is authorized to act as legal counsel for the Applicants in this proceeding.



Subscribed and sworn to before me this 10th day of December, 2002.



TINA L. IRELAND
Cole County
My Commission Expires
December 16, 2006



Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was hand-delivered, on this 12th day of December, 2002:

General Counsel
Missouri Public Service Commission
Governor State Office Building
P.O. Box 360
Jefferson City, MO 65102-0360

Mr. Doug Micheel
The Office of the Public Counsel
6th Floor, Governor State Office Building
P.O. Box 7800
Jefferson City, MO 65102-7800

