

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 26th day  
of January, 2006.

In the Matter of the Application of Atmos Energy       )  
Corporation to Modify its Approved Cast Iron Main       )  
and Unprotected Steel Main Replacement Program.       )       **Case No. GO-2006-0253**

**ORDER APPROVING APPLICATION**

Issue Date: January 26, 2006

Effective Date: February 5, 2006

**Syllabus:** This order approves Atmos Energy Corporation's application to modify its previously approved Cast Iron Main and Unprotected Steel Main Replacement Program.

**Background**

In December of 1991, the Commission, at the request of its Staff, issued an order<sup>1</sup> approving United Cities Gas Company's (now Atmos Energy Corporation) pipeline replacement program in Hannibal. The program, which is consistent with 4 CSR 240-40.030(15), requires the company to replace all cast iron mains (190,550 feet) by 2020 and to replace or cathodically protect all unprotected steel mains (111,160 feet) by 2005. Upon a complete review of its records, the company realized that an additional 6,053 feet of unprotected steel main remains to be replaced or protected. The company therefore seeks to extend the 2005 deadline to 2010. Staff recommends that the Commission approve the modification.

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<sup>1</sup> Case No. GO-91-276.

## **Atmos' Application**

In its application, Atmos points out that in the 1991 order the Commission determined that the plan was subject to modifications proposed by the company or Staff. Atmos states that an error in classifying the 6,053 feet of steel main as cathodically protected necessitated the proposed modification. Atmos further explains that the "additional steel main consists of 3 and 4 inch unprotected main carrying low pressure service to customers in an isolated low-pressure area on the northeast side of Hannibal and is scattered throughout this area amongst sections of cast iron main." Atmos seeks to replace this low pressure system with a with high pressure system. Because this area contains both cast iron and steel main, Atmos states costs of replacement would be duplicated by replacing the steel mains now and the cast iron mains later. By extending the time frame for replacement, however, Atmos states that duplicative costs can be avoided.

In addition to its requests to extend the program deadline for the replacement of steel main, Atmos requests that the plan be modified to require the company to: (1) conduct semiannual leak surveys of Hannibal's northeast side low pressure area until all of the additional steel main has been replaced; (2) conduct semiannual leak surveys of all remaining portions of unprotected steel service lines replacing within six months all class III or IV leaks.<sup>2</sup>

## **Staff's Memorandum**

In recommending approval of the modification, Staff notes that the replacement program, in Case No. GO-91-276 has been successful in eliminating all unprotected steel mains that were within the initial 15-year program. Staff agrees that the company can

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<sup>2</sup> Class III and IV leaks are defined in 4 CSR 240-40.030(14) as non-hazardous.

safely replace the additional steel mains over the next five years. Staff also points out that requiring the company to conduct semiannual leak surveys, rather than annually as required by Commission rules, is well within the federal requirement that service lines be surveyed for leaks at three-year intervals. Finally, Staff recommends that a copy of this order be placed in the Case No. GO-91-276.

## **Discussion**

The Commission gave notice of this application and set December 22, 2005, as the deadline for intervention. There were no requests to intervene and no requests for a hearing. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence.<sup>3</sup> Since no one has requested a hearing, the Commission may grant the relief requested based on the application.

The Commission has considered Atmos' application, along with Staff's recommendations and concludes that the application should be approved. The Commission will also direct its Data Center to place of copy of this order in Case No. GO-91-276.

### **IT IS THEREFORE ORDERED:**

1. That Atmos Energy Corporation's application to modify its approved cast iron main and unprotected steel main replacement program is approved.
2. That Atmos Energy Corporation shall conduct semiannual leak surveys of the Hannibal northeast side low pressure area until the entire additional steel main has been replaced.

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<sup>3</sup> *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W. 2d 494, 496 (Mo. App. 1989).

3. That Atmos Energy Corporation will conduct semiannual leak surveys of all remaining portions of unprotected steel service lines and shall repair any class III or IV leaks within six months.

4. That the Commission's Data Center shall place a copy of this order in Case No. GO-91-276.

5. That this order shall become effective on February 5, 2006.

6. That this case shall be closed on February 6, 2006.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, and Appling,  
CC., concur.  
Clayton, C., concurs, with separate  
concurring opinion to follow.  
Gaw, C., dissents.

Jones, Regulatory Law Judge