

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the matter of the verified application )  
of Laclede Gas Company for an order )  
establishing replacement )  
requirements for the final phase of its )  
soft copper service line replacement )  
program previously approved pursuant )  
to Case No. GO 99-155 and as )  
revised by Case No. GS-2008-0038. )

Case No. GS-2008-0038

**STAFF'S STATUS REPORT**

COMES NOW the Staff of the Missouri Public Service Commission and files Its Status Report in this matter, stating that Laclede Gas Company (Laclede or Company) is finalizing its copper service line replacements and Staff proposes to report back concerning conclusion of this program no later than April 30, 2011. Staff further states:

1. On October 14, 1998, Staff filed a motion to open a case to investigate the adequacy of Laclede's direct-buried-copper-service-line replacement program and the effectiveness of the Company's leak survey procedures and investigations.

2. On October 30, 1998, the Commission issued an Order Establishing Case (Case No. GO-99-155) for the purpose of receiving information relevant to the adequacy of Laclede's copper service line replacement program and the effectiveness of the Company's leak surveys and investigations.

3. On February 18, 2000, the Parties filed a Unanimous Stipulation and Agreement (Agreement), in which Section 7(h) states: "[a]fter the third year of this program, Laclede and the Gas Safety Staff will review the progress and results of the Company's Copper Service Safety Program to determine future relay/renewal plans,

including the rate of such future actions, potential modifications to survey techniques and other related matters.”

4. As required by the Agreement, after the third year of the program, Laclede and Gas Safety Staff reviewed the progress and results of the Company’s copper Service Safety Program. On August 1, 2003, Staff filed its Three Year Summary Report. This report concluded that in Staff’s opinion, the program was achieving the desired goals of: (1) protecting the public, (2) achieving a substantial number of replacements annually, (3) using effective leak detection methods, (4) and making timely repairs, yet at the same time, (5) being mindful of ratepayer’s cost. Laclede was voluntarily implementing additional actions that enhanced the Program. Specifically, it noted that the Company was completing replacements from the main to the meter, thereby eliminating all copper from replaced service lines.

5. On August 8, 2007 Laclede filed, in this case, a Verified Application Requesting a Revision in the Replacement Requirements for Case No. GO-99-155 Establishing the Adequacy of the Company’s Copper Service Line Replacement Program and Leak Survey Procedures for Soft Copper Service Lines. In its filing Laclede requested a reduction in the number of soft copper service lines it was required to replace annually.

6. Staff recommended, and Laclede agreed to a slight reduction in the number of soft copper service lines Laclede was required to replace annually from 8,000 to 7,000. The average overall number of service line replacements would, however, remain at approximately 8,000 annually for the term of the program.

7. On September 20, 2007, the Commission issued its *Order Granting Reduction of Replacement Requirements* in which it approved Staff's recommendations.

8. In its October 7, 2009 *Order Continuing Requirements Of Direct-Buried Copper Service Line Replacement Program* the Commission stated that Laclede "...will replace its last direct-buried copper service line sometime in 2010. Staff recommends the Commission order Laclede to continue to comply with the previously established replacement schedule, leak survey, and repair requirements. Staff indicates it will continue to monitor Laclede's actions, and will file a final report with the Commission in 2010, after Laclede completes the replacement program."

9. The October 7<sup>th</sup> Order also stated: "Staff shall report to the Commission when Laclede Gas Company has completed its direct-buried copper service line replacement program."

10. On October 15, 2010, in response to the Commission's October 1, 2010 *Order Directing Staff to File Status Report*, Staff filed its Status Report. In its Report, Staff addressed information relevant to the final phase of Laclede's replacement program. Staff reported: 1) since 1999 the Company has completed the replacement of over 81,000 soft copper service lines as of October 7, 2010; 2) all replacements are main-to-meter replacements; 3) Laclede, however, is still reviewing documents as there are currently 23 addresses where the Company has record of a soft copper service line but a structure no longer exists at the reported address; 4) because of this situation, the Company is researching its own records for these addresses and, where applicable, is researching the records of municipal agencies regarding the location of the structure that was originally served; 5) Laclede is attempting to determine the location of the

service line so it can be confirmed as abandoned or can be properly abandoned; and 6) the Company expects to complete its research on these addresses by November 15, 2010, and will at that time, provide an update to Staff on any remaining actions that need to be taken and the associated timeline. Staff further stated that it will provide to the Commission an end-of-program update, and recommendations, if necessary, no later than December 15, 2010.

11. In response to Staff's October 15, 2010 Report, Staff reports the following:

- a. Laclede continues to review documents as there are still twelve addresses where the Company has a record of a soft copper service line, but where a structure no longer exists at that address.
- b. Laclede's records review and research has revealed the location of seven of these copper service lines and the Company reports that these copper service lines will be abandoned by April 1, 2011. Of these remaining seven service lines there are three situations: the approximate location of four of the seven is known and Laclede will have to dig along the curb or over the main for some distance to locate and eliminate the service line; the location of another two of the seven is known, but an excavation will have to be made through pavement to eliminate the service line, and; one of the seven will be eliminated by abandoning and replacing the main.

No structure exists at the five remaining reported addresses. After researching its records, and researching municipal and county agencies for the location of the structure that was originally served, the Company can-not determine the exact location of five of the remaining addresses

where the Company has a record of a soft copper line installation, or even if a copper service line still exists at the location (the copper service line may have been previously abandoned and no record of the abandonment exists).

Laclede further reports the five remaining addresses may be located within a block to two block length along the main and are all under pavement. Additionally, the service lines are attached to steel mains that are coated and protected from corrosion.

Because of this situation, it would be very difficult to strip a block or more of the cover off of the mains that are located under the pavement of streets to locate the remaining five copper service lines or determine that no copper service line exists at the locations.

Staff's affidavit supporting these statements is attached.

12. Staff recommends that Laclede:

- a. Conduct a leak survey between now and April 1, 2011 over the seven copper service lines where the Company knows their location or approximate location.
- b. Conduct a leak survey between now and April 1, 2011, and annually thereafter until the Company determines the location and proper abandonment, over the main for a 1-2 block length at the five main sections where copper service lines may exist, but where their location can-not be determined.

13. Staff will provide the Commission an end-of-program update, and recommendations, if necessary, no later than April 30, 2011.

**WHEREFORE**, the Staff respectfully requests the Commission accept Staff's Status Report in compliance with the Commission's October 1, 2010 Order, and set April 30, 2011 as the date for an end-of-program report on Laclede's progress in finalizing its copper service line replacement program.

Respectfully submitted,

**/s/ Lera L. Shemwell**

Lera L. Shemwell  
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Missouri Bar No. 43792

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#### Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 14<sup>th</sup> day of December, 2010.

**/s/ Lera L. Shemwell**

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

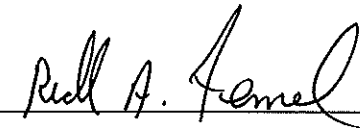
In the Matter of the Verified Application of Laclede )  
Gas Company for an Order Establishing Replacement )  
Requirements for The Final Phase of its Soft Copper )  
Service Line Replacement Program Previously )  
Approved Pursuant to Case No. GO-99-155 )

Case No. GS-2008-0038

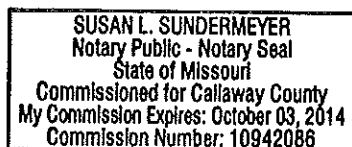
**AFFIDAVIT OF RICHARD A. FENNEL**

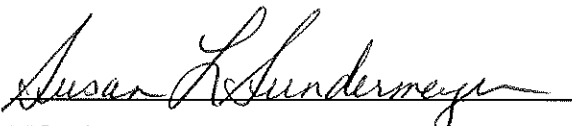
STATE OF MISSOURI     )  
                                  )  
COUNTY OF COLE     )

Richard A. Fennel, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in the preparation of the accompanying Staff Report and that the facts therein are true and correct to the best of his knowledge and belief.

  
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Richard A. Fennel

Subscribed and sworn to before me this 14<sup>th</sup> day of December, 2010.



  
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NOTARY PUBLIC