

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

In the Matter of Laclede Gas Company)
Concerning a Natural Gas Incident at)
Premio Lane in Fenton, Missouri)

Case No. GS-2007-0130

STAFF'S FURTHER REPLY TO RESPONSES CONCERNING GAS INCIDENT REPORT

RECOMMENDATIONS AND RECOMMENDATION TO CLOSE CASE

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and in support of *Staff's Further Reply To Responses Concerning Gas Incident Report Recommendations and Recommendation to Close Case*, states as follows:

1. On September 26, 2006, *Staff's Request To Establish A Case For Investigation Of Gas Safety Incident* was filed to initiate the above-captioned case.
2. On October 5, 2006, the Commission issued its *Order Granting Request To Open Case For Investigation Of A Natural Gas Incident* (Order) for the purpose of receiving the *Gas Incident Report* resulting from Staff's formal investigation of the incident that occurred in Fenton on September 12, 2006. The Order states "Any responses to Staff's report shall be filed 30 days after Staff files its report."
3. On January 31, 2007, the Staff filed its *Motion to Join AmerenUE*.
4. On February 2, 2007, the Staff filed its *Gas Incident Report* (Report) which, among other things included recommendations for both Laclede Gas Company (Laclede) and Union Electric Company d/b/a AmerenUE (AmerenUE). On page 4 of Staff's Report are Recommendations 1 through 3 to AmerenUE and Recommendation 4 to Laclede.
5. On February 23, 2007, the Commission issued an order joining AmerenUE as a party and directing AmerenUE to file a response to Staff's Report no later than March 26, 2007.

6. On March 5, 2007, Laclede filed its response to Staff's Report and Recommendation 4 as directed by the Commission's order issued on October 5, 2006. On March 26, 2007, AmerenUE filed its response to Recommendations 1 through 3 as directed by the Commission's order issued on February 23, 2007.

7. On April 2, 2007, the Staff filed a reply to the responses of both AmerenUE and Laclede. The Staff requested further information from AmerenUE by May 4, 2007, regarding reviews of procedures and planned schedules of action in response to Recommendation 3. The Staff also renewed its Recommendation 4 to Laclede, clarified that it applies to "significant" boring projects, recommended that Laclede submit review results to Staff by May 4, 2007, and agreed to meet with Laclede for further discussions.

8. On May 4, 2007, AmerenUE sent Staff an additional response detailing their review of procedures, practices, training, and number of personnel used for the inspection of electric cable installations by contractors. In addition to existing practices and procedures, AmerenUE implemented changes to increase field inspections by AmerenUE supervisors, increase field time available to the AmerenUE directional boring construction supervisor, and increase involvement in contractor safety meetings. AmerenUE also informed Staff of their plan to add an additional AmerenUE construction supervisor by mid-June 2007; and indeed put this supervisor in place effective June 16. In addition, ADB Utility Contractors agreed to add additional field supervision. The Staff is satisfied with this additional response by AmerenUE.

9. On May 4, 2007, Laclede sent an additional response to the Staff as requested. Laclede and Staff have discussed this response and the potential safeguards that Laclede might implement in addition to its existing procedures and practices for inspections of excavations near critical Laclede facilities. Laclede and Staff agree that a focus should be placed on boring

excavators that create concern for Laclede based on prior facility damage history. When locating personnel respond to an excavation notification (Missouri One-Call ticket) and identify that such an excavator is involved in a long duration boring project, Laclede will volunteer personnel to perform a site visit during the project and will document this visit. Laclede has also offered to provide supplemental training to locating personnel on how to identify and act on these situations and other situations where they have a concern about the excavation project. The Staff is satisfied with these actions so long as Laclede performs site visits and conducts supplemental training as indicated above.

10. On June 13, 2007, the Commission issued its *Order Setting Prehearing Conference* on June 26, 2007.

11. Based on the actions described above, the Staff now believes that satisfactory measures have been taken in response to the Staff Recommendations to AmerenUE and Laclede in Staff's Report. Accordingly, the Staff believes no further action need be taken by the Commission with AmerenUE and Laclede in this case. The Staff recommends that the prehearing on June 26 be cancelled and that this case be closed.

12. The Staff renews its offer of assistance to the Commission in sending out an advisory to electric utilities, telecommunication companies, and rural electric cooperatives per Recommendation 6 in Staff's Report.

WHEREFORE, the Staff recommends that Commission close this case based on the actions agreed to by AmerenUE and Laclede.

Respectfully submitted,

/s/ **Robert S. Berlin**

Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record and counsel for AmerenUE and Laclede this 20th day of June 2007.

/s/ **Robert S. Berlin**

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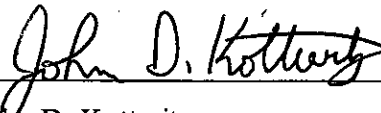
VERIFICATION

STATE OF MISSOURI)

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COUNTY OF COLE)

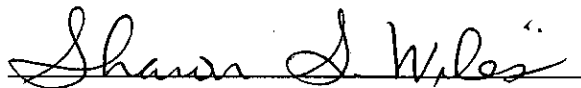
I, John D. Kottwitz, Utility Engineering Specialist III in the Commission's Energy - Safety/Engineering Department, of lawful age, on oath state: that I participated in the preparation of the Staff pleading that is being filed in the above case on June 20, 2007, that information in the Staff pleading was given to me by Laclede Gas Company and AmerenUE; that I have true knowledge of the matters set forth in such pleading; and that such matters are true and correct to the best of my knowledge and belief.



John D. Kottwitz



Subscribed and sworn to before me this 20th day of June, 2007.



NOTARY PUBLIC

SHARON S. WILES
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: October 23, 2010
Commission Number: 06429091