

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 31st day
of July, 2007.

In the Matter of Laclede Gas Company Concerning)	
A Natural Gas Incident at Premio Lane in Fenton,)	<u>Case No. GS-2007-0130</u>
Missouri)	

**ORDER CLOSING INVESTIGATION AND
DIRECTING PARTIES TO COMPLY WITH RECOMMENDATIONS**

Issue Date: July 31, 2007

Effective Date: August 10, 2007

Syllabus: This order summarizes a natural gas incident and directs the parties to comply with the recommendations set out in the Staff of the Commission's report.

Background

Responding to customer complaints of power problems, Union Electric Company d/b/a AmerenUE determined that it needed to replace an underground cable in an area in Fenton, Missouri. To facilitate the work, Ameren hired ADB Utility Contractors to perform the drilling operations. While drilling horizontally, ADB missed its intended mark and struck a gas line owned by Laclede Gas Company causing a leak and a natural gas explosion. Although no physical injuries resulted, a residence was completely destroyed and two neighboring homes were damaged. Thereafter, the Commission granted the Staff of the Commission's request to open a case to investigate the matter. From its investigation, Staff found no violation of the Commission's regulations by Laclede or AmerenUE but did offer recommendations aimed at preventing future occurrences such as this.

Staff did however note that ADB apparently violated Missouri law¹ under which ADB is required to pothole the underground facilities when performing horizontal drilling in the approximate location of such facilities. Rather, ADB potholed the intended exit area, which was approximately 36 inches away from the natural gas main.

Staff's Recommendations

In its Gas Incident Report, filed on February 2, 2007, Staff recommended the following:

- When horizontal boring excavations are in the vicinity of a natural gas facility, that AmerenUE or its contractors should verify that the location of the boring device is outside of the marked approximate location of the facility. Further, Staff recommends that AmerenUE and its contractors continue to follow the statutory requirement in Section 319.037 RSMo that an excavator make efforts to confirm the horizontal and vertical location of marked underground facilities when boring within the marked approximate location.
- That AmerenUE or its contractors call 911 in addition to the involved gas facility, as required by federal law, when a natural gas facility is damaged and natural gas is escaping.
- That AmerenUE review the procedures, practices, training, and number of personnel that are used for the inspection of electric cable installations by contractors to determine what revisions are needed, ensuring that each cable is installed in accordance with the Commission's rules, then submit the results of the review and an estimated schedule for actions to the Staff.
- That Laclede review the procedures, practices, training, and number of personnel that are used for excavation inspections in the vicinity of its natural gas pipelines and determine how to increase the number of excavation inspections conducted. Specifically, Staff recommends that Laclede have a goal to make at least one visit to each horizontal boring project during the course of the project, especially when the excavator has a history of damaging Laclede facilities during horizontal boring excavations. Finally, Staff recommends that Laclede submit the results of the review and estimated schedule for actions to the Staff.
- Finally, Staff recommends that the Commission consider advising electric utilities, telecommunications companies and rural electric cooperatives of this

¹ Section 319.037 RSMo (Cum. Supp. 2006).

incident and the need to follow the safety requirements in the Commission's rules and Section 319.010 through .050 RSMo² when installing underground cable or conduit using horizontal boring equipment. This information should discuss the need to confirm the location of natural gas facilities when in the vicinity of horizontal boring excavations by the utility or its contractors. Staff also recommends addressing the new federal law that all excavators, when gas is escaping after damaging a natural gas facility, call 911 in addition to the gas facility operator.

AmerenUE's Response

AmerenUE agrees with Staff's recommendations and further notes that ADB has modified their procedures in response to this accident. Specifically AmerenUE states that:

- Crews are now instructed to manually dig three feet on either side of a mark.³
- In addition to the current alarm systems on each boring machine, ABD will equip all crews with advanced hand locating devices to find marked and unmarked facilities.
- Crews will pre-test locator equipment along proposed bore routes to check for interference.
- Crews will count the rods inserted during a bore as a cross-reference to check bore head distance and any interference or mixed locator readings will be treated with extreme caution by all crews and the bore will not continue until these readings are clarified.

Laclede's Response

In its response to Staff's recommendation specifically concerning Laclede, Laclede states that it would not "be practical or make for the most efficient use of its damage prevention resources to perform 'at least one visit to each horizontal boring project during the course of the project.'" Laclede points out that it visited the boring project in question and determined that ADB's boring practices were adequate. Laclede emphasizes that it would have to be on site at the time the actual boring is taking place, which is difficult to

² Most of these statutes have been revised in the RSMo 2006 Cumulative Supplement.

³ Section 319.015 RSMo (Cum. Supp. 2006) requires only two feet.

determine because the boring can take place at any time over the two-week period of a locate request.

Laclede added that in many instances it is difficult, if not impossible to obtain accurate information on whether boring is actually being done. For example, the type of excavating equipment being used is inconsistently documented on locate requests and cannot be relied on in determining the need for inspections. Further, some excavators never call in a locate request. Laclede also emphasized that its current practice, location of underground facilities in the area of the entrance and exits pits, is consistent with the Common Ground Alliance (CGA), a national damage prevention organization formed to promote the use of the best practices in safe excavation around underground facilities. Laclede contends that it is the excavators' responsibility to track the bore head and conduct the excavations safely.

Finally, Laclede states that it currently offers awareness training, safe excavation tips, cooperation and contact information on how to work with Laclede personnel to prevent future damage and that these strategies have led to a decline in dig-in damage. Pointing out that damages resulting from boring equipment in 2006 represented less than 4% of the total number of damages, Laclede concludes that visits to each boring project would be redundant, not add to the level of safety and would unnecessarily increase costs.

Staff's Reply

In its reply, Staff clarifies that its recommendation is that Laclede make at least one visit to boring sites that are at least as large as the project in Fenton. Further, Staff stated that priority be given to projects involving an excavator with history of damaging Laclede facilities. Staff later filed a second reply wherein it stated that after further discussions with

Laclede, they have agreed that focus should be placed on boring excavators that create concern for Laclede based on prior facility damage history.

Specifically, when locating personnel respond to an excavation notification 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 agreed to perform supplemental training to locating personnel on how to identify and act on situations where there is concern about an excavation project. In light of AmerenUE's acquiescence and Laclede's subsequent response, Staff believes that satisfactory measures have been taken and recommends that this case be closed.

Discussion

The Commission has reviewed Staff's report and the pleadings following that report. More than ten days have expired since Staff filed its last pleading and Laclede has not filed a response. The Commission will therefore direct the parties to comply with Staff's recommendations as included in the original report and as specified, with regard to Laclede, in Staff's final pleading. The Commission will also direct Staff to draft the recommended advisory notice set out in its report and to file the same in this case for the Commission to consider. Further, because Staff points out that ADB apparently violated Missouri law, the Commission will require Staff to inform the Missouri Attorney General of such violation.

IT IS ORDERED THAT:

1. Union Electric Company d/b/a AmerenUE shall comply with the recommendations set out in the Staff of the Commission's Gas Incident Report filed in this matter.

2. Laclede Gas Company shall comply with the recommendation set out in the Staff of the Commission's Gas Incident Report filed in this matter, as specified in Staff's pleading filed on June 20, 2007.

3. The Staff of the Commission shall file, no later than October 1, 2007, a draft advisory notice as recommended in Staff's Gas Incident Report filed in this matter.

4. That if Union Electric Company d/b/a AmerenUE or Laclede Gas Company does not comply with the recommendations expected as a result of this incident, the Staff of the Commission shall file a complaint with the Commission.

5. That the Staff of the Commission shall inform the Missouri Attorney General's Office of ADB Utility Contractor's apparent violation of Section 319.037 RSMo (Cum. Supp. 2006).

6. This order shall become effective on August 10, 2007.

7. This case may be closed on August 11, 2007.

BY THE COMMISSION

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

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Jones, Senior Regulatory Law Judge