

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

In the Matter of an Investigation into)
Natural Gas Incidents in Unionville and)
Milan, Missouri, on Systems Operated by)
West Central Energy.)

Case No. GS-2005-0246

MEMORANDUM TO THE COMMISSION

COMES NOW the Staff of the Public Service Commission of Missouri, and files its Memorandum in this case.

1. The towns of Unionville and Milan, Missouri, each own a municipal gas system, and each municipality contracts with West Central Energy to operate and maintain their respective systems. The distance between Milan and Unionville is approximately 25 miles.

2. On January 5, 2005, at approximately 12:25 a.m., a natural gas incident occurred in Unionville at a residence. No injuries or fatalities were reported, but property damage in excess of \$10,000 resulted. On that same date, at approximately 3:10 a.m., a natural gas incident occurred in Milan to a residence. Again, neither injuries nor fatalities were reported, but property damage at this location was estimated at \$5,800.

3. The Staff investigated the incidents in Unionville and Milan, Missouri. As a result of its investigation, Staff made five recommendations to the system operator, West Central Energy.

4. As the attached report explains, West Central Energy has responded to Staff's recommendations and Staff is satisfied with the response.

WHEREFORE, since West Central Energy has responded to Staff's suggestions and taken steps to minimize the risk created by ice accumulation on vital service regulator equipment, the Staff recommends that the Commission close this case.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Lera L. Shemwell

Lera L. Shemwell.
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 15th day of August, 2005.

s/ Lera L. Shemwell

MEMORANDUM

TO: Missouri Public Service Commission
Case File No. GS-2005-0246, West Central Energy

FROM: Greg Williams, Energy Department - Safety/Engineering

/s/ Greg Williams 08/15/05
Project Coordinator/Date

/s/ Lera Shemwell 08/15/05
General Counsel's Office/Date

SUBJECT: Staff Reply to *West Central Energy's Response to Recommendations Contained in Staff Incident Report*

DATE: August 15, 2005

BACKGROUND

As a result of natural gas incidents occurring on January 5, 2005, in Unionville and Milan, Missouri, the Missouri Public Service Commission opened a case to receive the Incident Report. Because of the similarity in circumstances and the commonality of the operator, West Central Energy, the Staff recommended that the Commission open a single case for both incidents. The Commission established a case and directed the Staff to file a report on the two incidents by June 3, 2005.

On June 1, 2005, Staff filed a motion to extend the time to file its report. On June 2, 2005, the Commission ordered Staff to file its incident report no later than June 17, 2005.

On June 17, 2005, the Energy Department – Safety / Engineering Staff filed a *Gas Incident Report* (Report) in Case No. GS-2005-0246. The Report detailed the Staff's investigation of the January 5, 2005 natural gas explosion that occurred at 1328 Main Street in Unionville and a natural-gas-related fire that occurred at 715 E. 4th Street in Milan on the same date. The findings of the Report indicated that both of the natural-gas-related events were attributed to the accumulation of ice that eventually sealed vital regulator breather vents. The icing of the regulator breather vents caused gas over-pressurization downstream from the gas meter. This

gas over-pressurization adversely affected the appliance controls for water heaters in both buildings and allowed gas to vent from beneath the control knob assemblies. This venting of natural gas continued to accumulate within both structures until the gas-in-air mixture was ignited by the standing pilot and/or possibly the main burner for both water heaters. No injuries or fatalities resulted from either natural gas related event, but there was some property damage. In the course of its investigation, Staff determined that West Central Energy did not violate any Commission pipeline safety regulations. However, Staff made five recommendations to West Central Energy, which were contained in the Report.

On June 20, 2005, the Commission issued an order directing West Central Energy to file, no later than July 18, 2005, a response to the five recommendations contained in the Report.

On June 30, 2005, West Central Energy responded to the Staff's recommendations, however, this response was not filed in Case No. GS-2005-0246. As a result, the Commission issued its order ("Second Order Directing Filing") on July 19, 2005, directing West Central Energy to respond to Staff's Report by filing a pleading in the case no later than August 18, 2005.

On July 27, 2005, West Central Energy's legal counsel responded to the Commission's *Second Order Directing Filing* and on August 1, 2005, West Central Energy filed an Amended Response.

STAFF REPLY

West Central Energy has taken proactive measures to satisfy each of the Staff's five recommendations in this case. West Central Energy has revised its annual patrol procedures to include an observation of each natural-gas-meter set (each set includes both the service regulator and the meter) to determine the location of the meter sets with respect to building openings and roof edge drip lines for the purpose of identifying potential locations that may be susceptible to ice build-up on service-regulating equipment. This patrol, which is part of an on-going

monitoring program, is to be conducted during early fall, when possible. Corrective actions to address the potential icing situation include, but are not limited to, moving the natural gas meter set or installing a regulator vent shield or piping.

West Central Energy has revised its “turn-on” procedures for new gas service line installations to require that corrective actions be taken whenever a potential problem is noted with the meter set location. The procedure requires that the problem be addressed before the gas service is initiated. Corrective actions include, but are not limited to, the moving of the meter set or installing a proper regulator vent shield or piping.

West Central Energy indicated their next liaison meeting with emergency responders and other public officials during 2006 will include discussions regarding the importance of contacting the gas company whenever a house fire or other emergency is involved. This action will enhance the level of communication so West Central Energy can safely secure their gas facilities and then verify if natural gas was involved, or was not involved, for reporting purposes.

As part of West Central Energy’s Public Education program, a permanent message has been added to both spring and fall newspaper ads which requests that a customer call the gas company if an ice build-up is detected on a natural gas meter set.

West Central Energy has revised one of its semi-annual mailings for gas customers so that the fall mailing includes educational material on how to identify and report ice build-ups on natural gas meter sets. The Staff reviewed this material and had some editorial suggestions for the fall educational mailing. West Central Energy incorporated these suggestions into the educational material.

STAFF RECOMMENDATION

The Staff is satisfied that West Central Energy has sufficiently addressed each of the five recommendations that were contained within the Incident Report. Therefore, the Staff recommends that the Commission close Case No. GS-2005-0246.