

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GO-91-277, Missouri Gas Energy

FROM: John D. Kottwitz and Robert R. Leonberger *gok* *RL*
Energy Department - Gas Safety

SUBJECT: Staff's Recommendation Regarding the Company's Motion to Modify
Order and for Approval of New Replacement and Protection Plan

DATE: November 21, 1994

Reviewed By: *Sam Goldammer* 11/21/94
Utility Operations Division/date

Robert R. Leonberger 11/22/94 12:05 11/22/94
General Counsel's Office/date

Case No. GO-91-277 was established for Missouri Public Service Commission (Commission) review and approval of a cast iron main and unprotected steel main program (Program) for Western Resources, Inc. d/b/a Gas Service. The Commission approved the current Program in a "Correction Order" dated November 4, 1992. As a result of the merger Case No. GM-94-40, Missouri Gas Energy (MGE) became responsible for the Program on February 1, 1994. MGE filed a MOTION TO MODIFY ORDER AND FOR APPROVAL OF NEW REPLACEMENT AND PROTECTION PLAN (Motion) on November 16, 1994.

The Energy Department - Gas Safety Section (Staff) has reviewed the Motion and proposed plan. The proposed plan maintains the same calendar year schedule of total cast iron main and unprotected steel main quantities as the current Program, but provides a new rationale for their selection. The proposed plan is a more flexible and operational approach. The Staff does not disagree with the content of the plan, but wishes to make a few comments. MGE and its predecessor have been replacing less of the unprotected steel mains while cathodically protecting much more of the unprotected steel mains than specified in the current Program. This has caused the cumulative total in the current Program to be exceeded by a considerable amount. The low amounts of replacement were a concern to the Staff, but MGE adequately explained this situation and provided a replacement evaluation procedure. MGE will continue to report quantities by category to the Staff so that this and other issues can be monitored. MGE personnel indicate they are able to provide leak data for distribution mains separated by the type of pipe material, including bare steel and cast iron. The Staff believes this would be another beneficial tool for monitoring the proposed plan.

The Staff recommends that the Commission grant MGE's Motion and issue its order prior to December 31, 1994. The Staff further recommends that MGE be ordered to continue reporting to Staff its progress within the categories (as discussed in paragraph 4 of the Motion), and that leak data by type of main material also be reported. These reports should be submitted concurrently with MGE's Annual DOT Report.

copies: Director-Utility Operations Division
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Director-Utility Services Division
Manager-Financial Analysis Department
Manager-Accounting Department
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