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October 8, 2002

FILED³

OCT 08 2002

Missouri Public
Service Commission

Executive Secretary
Public Service Commission
Governor Office Building
Jefferson City, MO

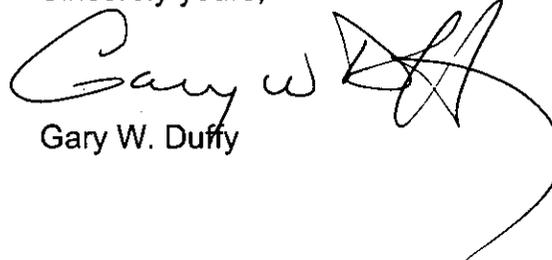
RE: Application for Waiver from Certain MANGO members

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of an Application for Permanent Waiver of Compliance on behalf of certain members of the Missouri Association of Natural Gas Operators.

If you have any questions, please give me a call.

Sincerely yours,


Gary W. Duffy

Enclosures
cc w/encl:

Office of Public Counsel
Office of the General Counsel

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

In the matter of the application of various)
members of the Missouri Association of Natural)
Gas Operators for a permanent waiver from)
certain provisions of 4 CSR 240-40.030 (9)(Q) and)
49 CFR Part 192.481 for Intervals of Atmospheric)
Corrosion Inspections.)

Case No. GE-2003-

FILED³

OCT 08 2002

**APPLICATION FOR
PERMANENT WAIVER OF COMPLIANCE**

Missouri Public
Service Commission

COME NOW the below-listed members ("the Applicants") of the Missouri

Association of Natural Gas Operators ("MANGO") in conjunction with the Leak Survey

Committee of MANGO, pursuant to 4 CSR 240-40.030(16) and 49 USC §60118(d), and

respectfully state as follows:

The Applicants in this proceeding are as follows:

- City of Hermann, Missouri
- City of Middletown, Missouri
- City of Stanberry, Missouri
- City of New Haven, Missouri
- City of Berger, Missouri
- City of Albany, Missouri
- City of Bernie, Missouri
- City of Granby, Missouri
- City of Fulton, Missouri
- City of Madison, Missouri
- Green City, Missouri
- Montgomery City, Missouri
- City Utilities of Springfield, Missouri
- Union Electric Company, d.b.a. AmerenUE
- City of Perryville, Missouri
- City of Hamilton, Missouri

City of Milan, Missouri
Laclede Gas Company
City of Kennett, Missouri
Missouri Pipeline Company
Omega Pipeline Company
Missouri Interstate Gas
Missouri Gas Company
Aquila, Inc.
City of Wheaton
Fidelity Natural Gas, Inc.
Greeley Gas Company, a division of Atmos Energy
City of St. Robert, Missouri
Southern Missouri Gas Co. L.P.
Missouri Gas Energy, a division of Southern Union Company
City of Bethany, Missouri
City of Macon, Missouri
City of Gallatin, Missouri
City of Paris, Missouri

Each of the Applicants operates a natural gas distribution system in Missouri. Those Applicants who are corporations or other business entities request that they not be required to produce a certified copy of their articles of incorporation or certificates of authority to do business in Missouri, or registrations of fictitious names, as otherwise required by 4 CSR 240-2.060(11) for this application, because of the voluminous nature of the materials that would be required for this application, and because each of them is already well-known to the Commission, having obtained certificates of public convenience and necessity and having participated in numerous cases before the Commission. The other Applicants are political subdivisions of the State of Missouri. All of the Applicants, in some fashion, are already subject to the regulation of the Commission. The Commission granted such relief in a similar waiver request in Case No. GE-2000-543.

2. Communications in regard to this Application should be addressed to:

Gary W. Duffy, Attorney at Law
Brydon, Swearingen & England, P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102-0456

3. The Applicants request that the Commission grant a permanent waiver of compliance ("waiver") for their gas distribution systems operating in Missouri. The purpose of the waiver is to exempt the Applicants from the provisions of 4 CSR 240-40.030(9)(Q) and from 49 CFR 192.481 which require them to reevaluate each pipeline that is exposed to the atmosphere at intervals not exceeding three (3) years. The pipelines subject to this waiver would only be service lines as set forth at 4 CSR 240-40.030(1)(B)24. of the Commission's Pipeline Safety Rules and at 49 CFR Part 192.3 of the federal Pipeline Safety Rules. As an alternative to the current requirement that a reevaluation be conducted at intervals not exceeding three years, the Applicants request a permanent waiver requiring instead that reevaluations be conducted at intervals not exceeding thirty-nine (39) months, but at least once each third calendar year.

4. The Applicants' primary concern with the use of the existing interval is that a reevaluation interval beyond three years is not permitted while an instrument leak detection survey required by 4 CSR 240-40.030(13)(M)2.B.(II) is permitted to exceed three (3) years to the extent that the interval does not exceed thirty-nine months, and is completed at least once each third calendar year.

5. The Applicants submit that atmospheric corrosion inspections required by

4 CSR 240-40.030(9)(Q) are most efficiently scheduled and completed during the very same leak surveys required by 4 CSR 240-40.030(13)(M)2.B.(II) and therefore should have the same inspection intervals.

6. In support of its request for this waiver, the Applicants submit that gas safety would not be compromised by the granting of this waiver because the interval for atmospheric corrosion inspections would not be substantially changed and the relative risk associated with the slow corrosion process for metallic piping exposed to the atmosphere is no higher than the corrosion process which can take place on buried piping that is found through cathodic protection monitoring and leak surveys. In fact, gas safety will be enhanced by a granting of the waiver in that it will permit the Applicants to use the resources devoted to safety more efficiently.

7. In further support of their request for this waiver, the Applicants submit that intervals for monitoring of cathodic protection required 49 CFR 192.465 were extended by Amendment 192-33, Docket No. PS-50, effective September 5, 1978, from every twelve (12) months, to "once each calendar year, but with intervals not to exceed fifteen (15) months," for the sole purpose of allowing operators greater flexibility in scheduling inspections without compromising gas safety. This was adopted by the Commission in 1989 in 4 CSR 240-40.030(9)(I)1.

8. In further support of its request for this waiver, the Applicants also note that intervals for leakage surveys within business districts required in 49 CFR 192.723(b)(1) are also defined to allow scheduling flexibility by permitting surveys to be conducted "at intervals not exceeding fifteen (15) months but at least once each calendar year." This same scheduling flexibility has also been extended to Missouri

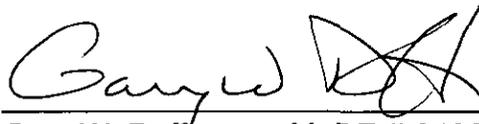
natural gas operators for leakage surveys outside business districts in 4 CSR 240-40.030(13)(M)1.B. by requiring intervals, more stringent than federal requirements, of “thirty-nine (39) months, but at least once each third calendar year.”

9. In final support of its request for this waiver, the Applicants note that in Case No. GE-2000-543, the Commission granted various members of the Missouri Association of Natural Gas Operators (Members) a permanent waiver from certain provisions of 4 CSR 240-40.030(6)(H)3., which corresponds to 49 CFR 192.285(c), regarding intervals of re-qualification for persons under an applicable plastic joining procedure. As an alternative to a strict twelve (12)-month re-qualification interval listed as an option in the requirements of the rule, that waiver allows the Members who sought the waiver to re-qualify persons in plastic joining procedures “at least once each calendar year, but at intervals not exceeding 15 months.” The granting of that waiver was not inconsistent with gas pipeline safety and was done so in part to allow greater flexibility in re-qualification scheduling. The federal Office of Pipeline Safety was notified of the granted waiver and did not object. Similarly, scheduling flexibility for atmospheric corrosion inspections is being sought with this application.

WHEREFORE, for the foregoing reasons, the Applicants request that the Commission issue an order granting them, their successors and assigns, a permanent waiver of compliance from the requirement to reevaluate each pipeline that is exposed to the atmosphere at intervals not exceeding three years and instead, as an alternative, require that such a reevaluation be conducted at intervals not exceeding thirty-nine months, but at least once each third calendar year, and that upon the granting of such relief, the Commission’s order be sent to the federal Office of Pipeline Safety for review

and the opportunity to object.

Respectfully submitted,

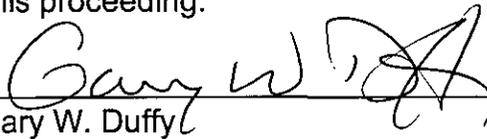


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Attorney for Applicants

VERIFICATION

STATE OF MISSOURI)
)ss
COUNTY OF COLE)

The undersigned, being first duly sworn, states that he has read the foregoing Application for Permanent Waiver and that the facts contained therein are true and correct to the best of his knowledge, information and belief, and the undersigned is authorized to act as legal counsel for the Applicants in this proceeding.

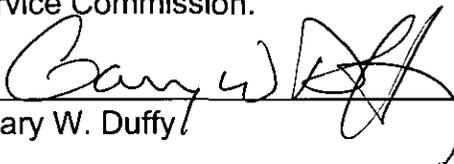


Gary W. Duffy

Subscribed and sworn to before me this eighth day of October, 2002.

Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing was hand-delivered this 8th day of October, 2002, to the Office of the Public Counsel and the Office of the General Counsel of the Missouri Public Service Commission.



Gary W. Duffy