



Bringing Power Home.

July 12, 2007

FED EX OVERNIGHT MAIL
BILL NO. 8610 2889 3304 0215

FILED³
JUL 13 2007
Missouri Public
Service Commission

Colleen M. Dale, Secretary
Missouri Public Service Commission
Governor Office Building
200 Madison St.
Jefferson City, MO 65102-0360

***RE: In the Matter of City Utilities of Springfield, Missouri
Case No. GS-2004-0257***


Dear Ms. Dale:

Please find enclosed for filing in the above case an original and eight copies of City Utilities of Springfield's Response to PSC Staff Reply filed June 18, 2007.

Thank you for your attention to this matter.

Sincerely,

CITY UTILITIES OF SPRINGFIELD, MO

By: 
Lisa Tanner, PP, PLS
Paralegal
Legal Department

cc: Missouri Office of the Public Counsel
Lera L. Shemwell, Deputy General Counsel—PSC
Leonard Phillips, MGR.—Natural Gas Distribution

FILED³

JUL 18 2007

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

In the Matter of an Investigation into)
City Utilities of Springfield Plastic)
Pipe Failures and the Adequacy of its)
Leak Survey Procedures, Installation)
Procedures, and Replacement Criteria)

**Missouri Public
Service Commission**

Case No. GS-2004-0257

CITY UTILITIES OF SPRINGFIELD'S RESPONSE
TO PSC STAFF REPLY FILED JUNE 18, 2007

Comes now City Utilities of Springfield, Missouri ("City Utilities"), a municipally-owned utility, and makes the following responses to the recommendations of the Public Service Commission ("PSC") Staff contained in its June 18, 2007, Reply to Response of City Utilities of Springfield, Missouri:

In its June 18, 2007, Reply, the PSC Staff stated that a "significant reduction in the overall replacement rate of nearby and adjacent segments of piping (less than 40%) would decrease the effectiveness of the program." First, the replacement of pipe that is not on the Master List was never required by the Commission and was never part of the program. This is something that City Utilities has been doing voluntarily as resources allow and where it makes sense.

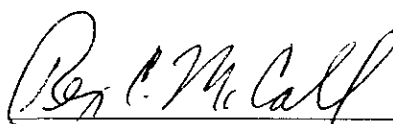
City Utilities has already agreed to the PSC's Staff's recommendations to (1) increase the amount of pipe that will be placed on the Master List and (2) accelerate the rate of replacement of pre-1983 high-pressure pipe on the Master List by 50%. This is going to increase City Utilities' workload tremendously. It is simply too much to ask City Utilities to replace adjacent, nonleaking pipe at a set rate (whether that is 50%, 40%, or 10%). Assuming that the Commission adopts the PSC Staff's other recommendations, this adjacent, nonleaking pipe will

be put on the Master List if the backfill is a dirt/rock mix and will be replaced within two years of discovery. City Utilities will continue to replace this pipe ahead of the two-year schedule as resources allow and where it makes sense, but it should not be required to meet a set quota.

City Utilities has proven, time and time again, that it is concerned about natural gas safety. It has repeatedly cooperated with the Commission and the PSC Staff. It has taken action voluntarily even though none was required. It has joined in PSC Staff recommendations whenever feasible. City Utilities has the same goal as the Commission and the PSC Staff: to operate and maintain its natural gas system as safely as possible. However, City Utilities does not have unlimited resources and must make practical decisions in prioritizing its work.

WHEREFORE, for the reasons stated above, City Utilities of Springfield, Missouri respectfully requests the Commission not to adopt a 40% replacement rate requirement for nonleaking, nearby or adjacent pipe.

Respectfully submitted,



Rex C. McCall, Assistant Legal Counsel
Missouri Bar No. 29751
P.O. Box 551
Springfield, MO 65801-0551
Telephone: (417) 831-8605
Fax: (417) 831-8303
Email: rex.mccall@cityutilities.net
ATTORNEY FOR CITY UTILITIES
OF SPRINGFIELD, MISSOURI

CERTIFICATE OF SERVICE

I certify that I served the foregoing document on the Missouri Office of the Public Counsel, Governor Office Bldg., Suite 650, P.O. Box 7800, Jefferson City, MO 65102, and Lera

L. Shemwell, Deputy General Counsel for the Staff of the Public Service Commission, P.O. Box 360, Jefferson City, MO 65102, by mailing a copy of the same in the U.S. Post Office, first-class mail, postage prepaid on this 12th day of July, 2007.



Rex C. McCall