

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY

October 13, 1992

CASE NO. GO-91-277

Michael C. Pendergast, Assistant General Attorney, Regulation, Gas Services,
A Western Resources Company, P.O. Box 889, 818 Kansas Ave., Topeka, KS 66608
James M. Fischer, Attorney at Law, 102 East High Street, Suite 200,
Jefferson City, MO 65101

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,

Brent Stewart

Brent Stewart
Executive Secretary

Uncertified Copy:

Office of the Public Counsel, P.O. Box 7800, Jefferson City, MO 65102

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 13th
day of October, 1992.

In the matter of the review and approval of a cast)
iron main and unprotected steel main program for) Case No. GO-91-277
Western Resources, Inc. d/b/a Gas Service.)

ORDER APPROVING AMENDED REVISED CAST IRON MAIN
AND UNPROTECTED STEEL MAIN REPLACEMENT PROGRAM

On February 14, 1991, the Commission established this docket for the review and approval of a proposed program submitted by The Kansas Power and Light Company now Western Resources, Inc. d/b/a Gas Service (Gas Service), for the identification and replacement of cast iron mains and the identification, replacement, or cathodic protection of unprotected steel mains in accordance with the requirements of Commission Rule 4 CSR 240-40.030(15)(D) and (E). KPL, now Western Resources, Inc. is doing business as Gas Service. Hence, the case style will be altered to reflect that change.

The original replacement program report was filed on September 27, 1991 by Gas Service followed by Staff's original recommendation of March 10, 1992 in regard to that proposal. As the result of lengthy negotiations between Staff and Gas Service, a revised proposal was submitted by Gas Service on June 25, 1992, again followed by a Staff response of July 23, 1992.

Pursuant to 4 CSR 240-40.030 of the Missouri Public Service Commission pipeline safety regulations, the Commission prescribed minimum requirements to be submitted by operators for the establishment of inspection, replacement and protection programs for certain gas pipelines, subject to Commission review and approval. The Commission established this docket for the purpose of allowing Gas Service to file and seek approval of a proposed pipeline protection and replacement program.

Both Staff and Gas Service have submitted proposed programs, including inspection, protection and replacement priority schedules with due emphasis on those mains regarded as potentially hazardous. Both proposals include cast iron and unprotected steel transmission, feeder, and main lines. After lengthy negotiation, dissimilarity still exists between Staff's proposals and that of Gas Service, principally in the areas of prioritization of type of line to be repaired or replaced and timing of replacement of various categories of lines. It is clear that some reconciliation must be made by the Commission between the two most recent proposals.

For purposes of this review process, and in addition to the general standard of reasonableness, the operative review standards are set out in 4 CSR 240-40.030(15)(D) and (E) supra as follows:

(D) (For cast iron lines) - "This systematic replacement program shall be prioritized to identify and eliminate pipelines in those areas that present the greatest potential for hazard in an expedited fashion."

(E) (For unprotected steel) - "This program shall be used to identify and cathodically protect or replace pipelines in those areas that present the greatest potential for hazard in an expedited manner."

The standard of measurement used by both Gas Service and Staff in setting priorities is rendered in miles of pipeline to be inspected, protected or replaced and in which year this will take place over the course of the nine-year program. This rendering in miles seems to be indicative of Gas Service's perceived capacity and ability to feasibly complete the program on an annual basis over the course of the nine-year program span and Staff's estimate of that capacity modified by the need for prioritization of inspection and replacement of those lines that present the greatest potential for hazard. The basic disagreement between Gas Service and Staff, and the issue which the Commission must resolve, is one of balance between Gas Service's proposal, based on its reasonable compliance with accepted industry standards, and Staff's desire to

focus priority on certain types of lines which it feels pose a greater potential for hazard. It becomes the task of the Commission to strike a balance between the competing interests which is realistic, safe, and reasonable. This matter is made easier by the fact that the final proposals by each party are largely in agreement and that very few changes, and none dramatic, need be made by the Commission to reconcile the positions of Staff and Gas Service.

The Commission believes the following solution represents a reasonable balance between the economies and capabilities of Gas Service and the concern for public safety expressed by Staff. The attached charts, Attachments A and B, incorporated herein by reference, are broken down by cast iron lines (A) and unprotected steel lines (B) and, within the categories where disagreement exists, set out three solutions: A. Gas Service solution, B. Staff solution, and C. Commission approved solution. (All figures are in miles of line to be protected or replaced.)

The overriding purpose of the gas safety replacement program is to ensure that the most potentially hazardous lines are inspected, repaired and replaced in as timely a fashion as is feasible for Gas Service. The Commission has amended the revised program with this concern in mind. Where disagreements existed between Staff and Gas Service, emphasis, as noted in attached Attachments A and B, was placed on scheduling repair or replacement in those categories which the Commission determined to have the greatest potential for hazard. That emphasis took the form of adding some miles of pipe for Gas Service to repair or replace and shifting additional miles of pipe to earlier time periods.

As this plan is being approved late in 1992, most of the first year of the 9-year plan has expired. The Commission is forced to substantially alter the proposals to shift the miles of pipe allocated for 1992 to later years.

Therefore, for year 1992, which includes only the last quarter, the plan calls only for one mile of pipe in each of the high priority categories

save the "smaller than 4-inch mains-other", which calls for two miles. This is in proportion to the Staff's proposal and reflects the Commission's desire to place emphasis on those categories with the most potential for hazard, of which the "smaller than 4-inch mains-other" category is one.

For cast iron mains in the year 1993, the emphasis by the Commission is placed on "smaller than 4-inch pipe" of both types, again due to Staff recommendation in regard to potential hazard in these two categories. The figures in these two categories have been increased over both Staff and Gas Service proposals to make up for the lost time in 1992. All other categories of cast iron mains have been maintained largely as proposed by Gas Service for 1993.

Again, for calendar year 1994, both "less than 4-inch" line categories were increased over Staff and Gas Service's proposals due to the potential nature of hazard in those types of lines and the truncation of year 1992. In addition, emphasis was placed on "over 4-inch" mains, although the Commission approved three miles less than Staff recommendation to keep the total miles imposed on Gas Service for 1994 to a feasible number. The cast iron mains program for years 1995 through 2000 remain as agreed to by Gas Service and Staff.

In regard to the unprotected steel main program, much the same type of changes were deemed necessary by the Commission and for the same reasons as in the cast iron main program. The highest priority items in terms of potential hazard were the "all sizes" with continuous pavement and nearby concentrations of people, and lines to be protected in both "SLRP" and "independent" categories.

Again, due to the short period of time left in calendar year 1992, miles were shifted to calendar year 1993 and 1994 for "all protect - p and p" and "FPI" categories, and from 1993 through 1997 in the "protect-SLRP" category due to the substantial mileage contained in this category.

In amending both proposals, slightly more than one percent of total miles of pipe were affected. In all, after amendment, a net total of 6.8 miles

of cast iron and 3.8 miles of unprotected steel pipe were added by the Commission to Gas Service's most recent proposal. The solution reached strikes a reasonable balance between the safety and public interest considerations of Staff and the economic feasibility and practical concern of Gas Service.

The Commission therefore finds, after review, and for the above reasons, that the Replacement Schedule as amended herein complies with 4 CSR 240-40.030(15)D and E in that: (1) emphasis is placed on high priority mains which present the greatest potential for hazard, (2) replacement of high priority mains is provided over the nine-year program span, (3) added prioritization is provided for the highest risk mains; and (4) the amended replacement schedule is both reasonable and in the best interest of the public. The modified approved program is set out in Attachment C which is incorporated herein by reference.

IT IS THEREFORE ORDERED:

1. That, as the result of a name change, the case style shall be changed to omit the words "The Kansas Power and Light Company" and substitute in its place the words "Western Resources, Inc. d/b/a Gas Service".

2. That the Revised Cast Iron Main and Unprotected Steel Main Replacement program, Attachment C, as submitted by Gas Service and modified by the Commission, be hereby reviewed and approved.

3. That this Order shall become effective on the 23rd day of October, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch,
Perkins, and Kincheloe, CC., Concur.

Chart A CAST IRON MAINS									
Type	1992	1993	1994	1995	1996	1997	1998	1999	2000
<4" - P&P	A. 9.4 B. 5 C. 1	A. 8.6 B. 12 C. 13	A. 5.4 B. 6 C. 9	0	0	0	0	0	0
0/4"	A. 0 B. 0 C. 1	A. 0 B. 2 C. 1	A. 3.7 B. 11 C. 8	0	0	0	0	0	0
<4" - other	A. 2.1 B. 10 C. 2	A. 12.4 B. 13 C. 15	A. 18 B. 18 C. 20	32	36	36	36	36	36
Public Works Projects	A. 0 B. 2 C. 1	A. 1.5 B. 2 C. 1	A. 3 B. 2 C. 1	0	0	0	0	0	0
FPI	A. 0.3 B. 0.3 C. 1	A. 0.8 B. 0.8 C. 1	1	0	0	0	0	0	0
System Improvement	A. 1 B. 0 C. 0	A. 1 B. 0 C. 0	A. 1 B. 0 C. 0	0	0	0	0	0	0
Total Miles of Cast Iron Mains	A. 12.8 B. 17.3 C. 6	A. 24.3 B. 29.8 C. 31	A. 32.1 B. 38 C. 39	32	36	36	36	36	36

Chart B UNPROTECTED STEEL MAINS									
Type	1992	1993	1994	1995	1996	1997	1998	1999	2000
All Protect - P&P	A. 2.2 B. 10 C. 4	A. 11.8 B. 10 C. 13	A. 16.1 B. 10 C. 13	0	0	0	0	0	0
All Replace - P&P	A. 0 B. 1 C. 1	A. 1.3 B. 1 C. 1	A. 1.3 B. 1 C. 1	0	0	0	0	0	0
Protect - SLRP	A. 102 B. 102 C. 25	100	100	A. 90 B. 90 C. 100	A. 75 B. 75 C. 100	A. 44.5 B. 44.5 C. 90	0	0	0
Protect - Indep.	A. 22 B. 22 C. 12	A. 15 B. 15 C. 20	A. 15 B. 15 C. 20	15	16	24	0	0	0
Public Works Projects	1	1	1	4	4	4	0	0	0
FPI	A. 7.3 B. 7.3 C. 1.9	A. 7.3 B. 7.3 C. 10	A. 7.3 B. 7.3 C. 10	7.2	7.2	7.2	0	0	0
System Improvements	1	1	1	1	1	1	0	0	0
Total Miles of Unprotected Steel Mains	A. 135.5 B. 144.3 C. 45.9	A. 137.4 B. 135.3 C. 146	A. 141.7 B. 135.3 C. 146	A. 117.2 B. 117.2 C. 127.2	A. 103.2 B. 103.2 C. 128.2	A. 80.7 B. 80.7 C. 126.2	0	0	0

Hergue - Riley

CASE NO. GO-91-277

Chairman

Commissioner

DK

Commissioner

POP

Commissioner

QK

Commissioner

3/1584c

5-D 4A
Continued to 10/17
Continued to 10/19
Continued to 10/15
Continued to 10/15
9-30

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 13th day of October, 1992

Brent Stewart

Brent Stewart
Executive Secretary