

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 25th day
of April, 2002.

In the Matter of the Application of Laclede Gas Company)
for a Permanent Wavier from the Definition of "Main" in)
4 CSR 240-40.030(1)(B)14 and 49 C.F.R. Part 192.3) **Case No. GE-2002-372**
Where the Piping Serves No More Than Two Adjacent)
Residences.)

ORDER APPROVING WAIVER

This order approves the company's request for a waiver from the definition of "main" at 4 CSR 240-40.030(1)(B)14 and 49 C.F.R Part 192.3.

On February 5, 2002, Laclede Gas Company filed an application for waiver from the definition of "main" at 4 CSR 240-40.030(1)(B)14, and the corresponding definition in federal regulations, 49 C.F.R. Part 192.3 of the Federal Pipeline Safety Rules. Both of these rule provisions define a "gas main" as "a distribution line that serves as a common source of supply for more than one (1) service line." The facilities which Laclede requests be permanently exempted from this definition include any distribution line of Laclede which extends onto private property and serves no more than two adjacent, private, single-family residences separated by a property line that terminates at an outside, aboveground meter set. Instead of qualifying and being treated as "main" facilities, Laclede requests that such facilities be treated as service lines and made subject to the requirements specified at 4 CSR 240-40.030(8)(G) and at 49 C.F.R. 192.361, and all other applicable state and federal rules governing the construction, maintenance, and operation of service lines.

In support of its application, Laclede submits that the granting of its requested waiver will benefit ratepayers without any diminishment in public safety. Laclede also notes that the Missouri Public Service Commission granted a waiver of 49 C.F.R. Part 192.3 in accordance with 49 U.S.C. § 60118(d) for a similar situation as a result of an application submitted by Missouri Gas Energy in 1996.¹ At that time the U.S. Department of Transportation – Research and Special Programs Administration was notified of the waiver and that agency did not object. In addition, Laclede listed seven waivers for similar situations that have been granted in other states and submitted for review by the Research and Special Programs Administration, and that agency replied to the state agencies that it did not object to the waivers.

The Staff of the Missouri Public Service Commission filed its recommendation on February 28, 2002. Staff reviewed the application for waiver and recommends that it be granted and that Laclede be allowed to designate as “service line” any distribution line that extends onto private property, serves no more than two adjacent, private, single-family dwellings separated by a property line, and terminates in an outside, aboveground meter set. Staff is of the opinion that good cause exists for waiver of the rule because the waiver applies to a limited number of distribution lines that serve only two customers and that these lines will be installed to the same depth and in the same manner as service lines are currently installed. Staff emphasizes that it does not believe that safe delivery of natural gas to Laclede's customers will be compromised in any way if the Commission grants this waiver. According to Laclede, safety may even be enhanced because fewer lines will be installed in the street right-of-way, decreasing the chance of excavation damage.

¹ Case No. GO-96-336.

Staff points out that a waiver for the same situation was granted to Missouri Gas Energy in Case No. GO-96-346, and seven similar waivers have been granted in other states. Further, Staff notes that the U.S. Department of Transportation – Research and Special Programs Administration is responsible for the federal review of these waivers and has not objected to any of the eight previous waivers for similar situations. Staff states that 49 U.S.C. § 60118(d) provides that the Secretary of Transportation must receive written notice at least 60 days prior to the effective date of any waiver. Thus, if the Commission grants a waiver, Staff recommends that the effective date be set 75 days from the date the order is issued, as this will allow for adequate processing and mail time and will not detract from the 60 days required for review by the Research and Special Programs Administration. Staff also recommends that the notice sent to the Secretary of Transportation be transmitted by Federal Express, contain the application, Staff's memorandum and the Commission order, and be addressed to Stacey L. Gerard, Association Administrator for Pipeline Safety, U.S. Department of Transportation – RSPA/Office of Pipeline Safety, 400 Seventh Street, S.W., Room 7128, Washington, DC 20590.

Upon review of Laclede's application, Staff's memorandum, and Commission regulations, the Commission finds that the requested waiver would not compromise public safety and should be approved. The waiver will apply to a limited number of distribution lines that serve only two customers and these lines will be installed to the same depth and in the same manner as service lines are currently installed. As fewer lines will be installed in the street right-of-way, the change of excavation damage will actually be decreased, which will possibly increase public safety.

IT IS THEREFORE ORDERED:

1. That Laclede Gas Company is hereby granted a waiver from the definition of "main" in 4 CSR 240-40.030(1)(B)14 and the corresponding definition in 49 C.F.R. Part 192.3 as contemplated by this order.

2. That the waiver granted in Ordered Paragraph 1 shall become effective on July 9, 2002.

3. That within ten days of the issuance of this order, a copy of this order and copies of the contents of the official file shall be sent by certified mail to:

Stacey L. Gerard
Associate Administrator for Pipeline Safety
U.S. Department of Transportation – RSPA/Office of Pipeline Safety
400 Seventh Street, S.W., Room 7128
Washington, DC 20590

4. That this order shall become effective on May 5, 2002.

BY THE COMMISSION



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(SEAL)

Simmons, Ch., Murray, Lumpe,
and Forbis, CC., concur.
Gaw, C., not participating.

Ruth, Senior Regulatory Law Judge