STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 11th day of March, 1999.

In the Matter of the Request of Missouri)	
Gas Energy, a Division of Southern Union)	Case No. GO-99-302
Company, to Modify and Accelerate its)	
Service Line Replacement Program.)	

ORDER GRANTING APPLICATION TO MODIFY ORDER

Missouri Gas Energy (MGE), a division of Southern Union Company, filed an Application with the Commission on January 12, 1999, for authority to modify its service line replacement program. MGE proposed to modify the currently approved service line replacement plan by: 1) replacing all customer-installed unprotected steel service lines by October 31, 2000, rather than December 31, 1999 as called for under the currently approved plan; and 2) replacing all yard lines and companyowned and installed unprotected steel service lines by year-end 2004 rather than year-end 2009 as called for under the currently approved plan. MGE also requested that the Commission continue to grant it certain previously authorized accounting authority until the conclusion of the service line replacement program.

MGE also filed a Motion for Expedited Treatment and requested approval of the modifications no later than March 15, 1999. The Staff of the Public Service Commission (Staff) was directed to file its response to MGE's application no later than February 25.

On February 5, the Office of the Public Counsel (Public Counsel) filed a response in opposition to MGE's application. Public Counsel opposed the application because it asserted that decelerating the pace of replacement of customer-installed unprotected steel service lines would be detrimental to the public safety. Public Counsel also opposed the requested grant of continued accounting authority.

The Commission determined that proper parties should be given notice and an opportunity to intervene in this matter. An Order and Notice was issued on February 18, directing that any interested parties wishing to intervene in this case do so no later than March 8. No requests for intervention have been received.

On February 22, MGE filed a First Amended Application to Modify Order and Request for Approval of Accelerated Service Line Replacement Program. By that amendment, MGE abandoned its request for continued accounting authority.

On February 25, Staff filed its response to MGE's application. Staff's response indicated that it does not believe that public safety would be compromised by MGE's proposed modifications to the service line replacement program. Staff stated that any potential safety decrease resulting from a 10-month extension of the 10-year schedule would be minimal and would be offset by the potential safety increase resulting from a 5-year acceleration of the 20-year replacement schedule. Staff recommended that the Commission grant a partial waiver from 4 CSR 240-40.030(15)(C), to allow MGE to extend the replacement deadline for

customer-owned unprotected steel service lines to October 31, 2000, under the condition that MGE accelerate the replacement of the other unprotected steel service and yard lines as set out in Attachment B of its application.

Public Counsel filed an additional response to MGE's First Amended Application on March 1. Public Counsel indicated that, after gathering additional information in response to a data request, Public Counsel no longer believes that MGE's application is detrimental to the public safety. Therefore, Public Counsel does not oppose the granting of the waiver requested by MGE.

The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has requested a hearing in this case, the Commission may grant the relief requested based on the verified application.

IT IS THEREFORE ORDERED:

- 1. That the modified service line replacement schedule set forth in Attachment B to Missouri Gas Energy's Application is approved. A copy of that attachment is also attached to this order as Attachment B.
- 2. That Missouri Gas Energy is granted a partial waiver from the requirements of 4 CSR 240-40.030(15)(C) to extend the replacement deadline for customer-owned unprotected steel service lines to October

31, 2000. This partial waiver is conditioned upon Missouri Gas Energy accelerating the replacement of other unprotected steel service and yard lines as shown in Attachment B.

3. That this order shall become effective on March 15, 1999.

BY THE COMMISSION

Dale H. Roberts Chief Regulatory Law Judge/Secretary

(SEAL)

Lumpe, Ch., Crumpton, Murray and Drainer, CC., concur Schemenauer, C., absent

Woodruff, Regulatory Law Judge

MISSOURI GAS ENERGY SERVICE LINE REPLACEMENT PROGRAM

YEAR	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total unprotected Steel Service lines and									
Yard lines Remaining (Beginning of the Year)	223,982	202,916	181,850	160,784	139,718	118,652	97,586	74,133	61,778
Customer Installed Unprotected Steel	15,547	15,547	15,547	15,547	15,547	16,447	16,014	12,355	4,847
Yard Lines & Company Installed lines	5,516	5,519	5,519	5,519	5,519	5,574	7,439	-	7,508
Annual Total Replacements	21,063	21,066	21,066	21,066	21,066	22,021	23,453	12,355	12,355

YEAR	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total unprotected Steel Service lines and									
Yard lines Remaining (Beginning of the Year)	49,423	37,068	24,713	12,358					
Customer Installed Unprotected Steel									
Yard Lines & Company Installed lines	12,355	12,355	12,355	12,358					
Annual Total Replacements	12,355	12,355	12,355	12,358	-				

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COMMISSION COUNSELL