

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 27th
day of August, 1993.

In the matter of the review and approval of cast)
iron main program for Laclede Gas Company.) CASE NO. GO-91-275

ORDER APPROVING MAIN REPLACEMENT PROGRAM

On May 1, 1990, Laclede Gas Company (Laclede) filed its cast iron replacement program pursuant to 4 CSR 240-40.030(15)(D). On February 13, 1991, the Commission established Case No. GO-91-275 to receive the cast iron main replacement program and to receive subsequent filings concerning said program. On June 21, 1993, Laclede filed a revised main replacement program. On July 13, 1993, the Staff of the Commission (Staff) filed a memorandum consisting of its recommendations regarding Laclede's revised main replacement program.

Staff stated that Laclede's program complies with the majority of subsection (15)(D), yet allows Laclede some flexibility to effectively schedule the necessary replacements. In addition, the program contains provisions that will result in the replacement of larger quantities of cast iron mains if the mains begin to experience increased fracture rates.

Staff indicated that Laclede has conducted an extensive records search of all historical fractures, updated its fracture maps and established a computer database to implement the program. Staff also noted that Laclede's accelerated replacement of cast iron mains in the 1960s and 1970s eliminated large quantities of cast iron mains that would be high priority replacements under the current regulations. Staff stated that while a few requirements will not be completely met, it believes that Laclede has adequately addressed such requirements in its program and has explained why the program's approach is appropriate.

For example, subparagraphs (15)(D)1.A. and B. require expedited replacement of all high-pressure cast iron mains beneath continuous pavement and/or near concentrations of the general public. Laclede's program provides an expedited schedule for the small remaining amounts of six-inch diameter mains. The program explains that expedited replacement for ten-inch diameter and larger mains is not justified because of the low fracture potential for the larger mains. Laclede has agreed to conduct semi-annual patrols of the ten-inch diameter and larger mains. Staff stated that it believes Laclede's approach is prudent.

Also, subparagraphs (15)(D)1.C. and G. require expedited replacement of all cast iron mains that are small diameter and/or which exhibit a history of fractures or graphitization. Laclede's program provides an expedited schedule for all small diameter mains that operate at high pressure and provides for replacement of low-pressure cast iron mains based upon the number of fractures and other criteria contained in the program. Staff indicated that the majority of the fracture criteria replacements will be of small diameter because small diameter mains have a greater fracture potential. Staff stated that this approach is appropriate because the potential for hazard is considerably less for distribution systems that operate at low-pressure and the provisions in the program will require the amount of replacement to increase if the fracture rate increases.

Staff recommends that the Commission approve Laclede's revised main replacement program. Staff notes that Laclede indicates a preference to commence its program on October 1, 1993, the beginning of its fiscal year, and that Staff has no objection to the program commencing on that date.

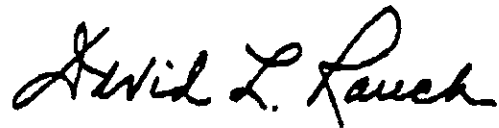
Upon review of Laclede's revised main replacement program and Staff's recommendation, the Commission finds that Laclede's revised program adequately addresses the requirements contained in 4 CSR 240-40.030(15)(D). The Commission

also finds that October 1, 1993, the beginning of Laclede's fiscal year, is a reasonable point at which to commence the program. Thus, the Commission determines that Laclede's revised main replacement program is reasonable and should be approved.

IT IS THEREFORE ORDERED:

1. That Laclede Gas Company's revised main replacement program as contemplated by this Order is hereby approved.
2. That the main replacement program approved in Ordered Paragraph 1 shall commence on or before October 1, 1993.
3. That this Order shall become effective on September 8, 1993.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Kincheloe,
and Crumpton, CC., Concur.
Perkins, C., Absent.