

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 17th day of January, 1992.

In the matter of the application of the City of)
Granby, Missouri, operator of the Granby)
Municipal Gas System, for a stay and a waiver)
of compliance from certain provisions of) Case No. GO-91-391
4 CSR 240-40.030 contingent upon its lawful)
applicability to the applicant.)

ORDER GRANTING IN PART AND DENYING IN PART MOTION FOR WAIVERS

On June 17, 1991, the City of Granby, Missouri, operator of the Granby Municipal Gas System (Granby) filed an application requesting a stay and waiver of 4 CSR 240-40.030(13)(M)2B, (14)(B)6 and 7 and (15). On July 19, 1991, Granby filed an amendment to its application requesting a waiver of 4 CSR 240-40.030(12)(C) and (D). On December 31, 1991, the Staff of the Missouri Public Service Commission (Staff) filed its recommendations in this proceeding.

Granby requests a stay and waiver of 4 CSR 240-40.030(13)(M)2B which requires instrument leakage detection surveys of customer-owned buried fuel lines annually. Granby contends that application of this rule is unduly burdensome as it requires Granby to take responsibility for lines it did not install and neither owns nor controls. Additionally, Granby asserts it will be almost impossible to comply with this rule because of the unknown location and nature of customer-owned buried lines. Granby asserts that these surveys are not required by federal rule, and until now have not been required by state rule.

Staff agrees with Granby that responsibility and knowledge regarding the location and condition of buried fuel lines is not required by federal regulation and prior to this rule has not been a state regulation. Therefore,

Granby has not acquired an information data base regarding these lines. Staff asserts these lines have not, in the past, presented a clear hazard. Staff contends that for residential and small commercial installation, buried fuel lines are usually small in diameter installed at shallow depths and operate at reduced pressure of about one-fourth (1/4) pound per square inch. This configuration offers minimal opportunity of a substantial leak and a high probability of early detection of gas odor because of the proximity to the surface and the ease of the natural gas venting to the atmosphere. Also, Staff asserts for large commercial and industrial users, the fuel line typically operates at higher pressure and greater depths. Staff asserts that since these lines are involved in a business venture, any leak survey requirement of the privately owned installed and operated lines, should require compensation to the operator. Additionally, Staff states that other operators in Missouri have been granted waivers from this provision for substantially the same reasons. Therefore, Staff asserts Granby should be granted this waiver.

Staff, however, does recommend that Granby take other action, which has inherently lower cost, to address the Commission's concerns in this area such as: adoption of a city code regarding buried fuel lines and/or permit requirements; parameter surveys from residents to outdoor gas fixtures during the periodic leak surveys of service lines.

Granby requests a stay and waiver of 4 CSR 240-40.030(15) as it relates to the dates of compliance with this rule. Granby contends it deserves the same start-up time that other operators in Missouri received, from the implementation date of this rule. Staff believes this request is reasonable. Staff states the original rule afforded other operators four and one-half (4-1/2) months from December 15, 1989 to submit replacement programs to the designated Commission personnel. Therefore, Staff recommends that each date in

Section 15 be extended by 4-1/2 months, which reflects the periods of compliance when the regulations were enacted.

Granby requests a stay and waiver of 4 CSR 240-40.030(12)(C) and (D) as it relates to the dates of compliance regarding the submission of a revised procedural manual for operations and maintenance and training and testing requirements for operating personnel. Again, Granby asserts it should be afforded the same start-up time that other operators in Missouri received, from the implementation date of this rule. Staff states that this request is reasonable. Staff recommends that each date in 4 CSR 240-40.030(12)(C) and (D) be extended by 4-1/2 months, which reflect the periods of compliance when the regulations were enacted.

Granby requests a stay and waiver of 4 CSR 240-40.030(14)(B)6. This regulation requires Granby to conduct subsurface leak checks when making routine service calls on a customer's premise and in particular when making read-in and read-out calls on gas meters. (Read-in and read-out calls are meter reads that take place when an existing customer terminates service or a new customer initiates service, usually at rental property.) Granby states that a large percentage of these read-in and read-out calls are on the same service line. Granby argues this could result in some service lines being checked repeatedly and others checked only during routine leak surveys. Granby questions whether or not any additional safety is achieved from the repeated checks. Additionally, Granby states that they make about one hundred fifty (150) to two hundred (200) such read-in and read-out calls each year.

Staff recommends denial of this waiver request as this issue was specifically addressed by the Commission during the rulemaking process. Staff defers to the comments from the order of rulemaking in Case No. GF-89-220 which states: "the Commission finds that no exception is intended for operator

read-ins/read outs: under the rule, this constitutes 'work on a customer's premises.'" The Staff, also, asserts that these added tests assure that safe and adequate service is being provided to the customers whose premises is receiving the work.

Granby requests a stay and waiver of 4 CSR 240-40.030(14)(B)7 which requires it to conduct a follow-up leak investigation within three (3) days of a leak or odor complaint from the general public where no leak or explanation of the odor was determined during the initial investigation. Granby asserts that the repeat investigation is an ineffective and inefficient use of labor and the rechecks will not discover a significant number of leaks nor result in a quantifiable increase in safety. Granby states that in Laclede's waiver request of this rule, Laclede stated that of 450 leak call rechecks, no leaks were found.

Staff does not agree that the follow-up leak investigation is useless. Staff asserts statistics supplied by and for one operator's situation do not apply to the unique reasons that Granby should be granted a waiver. Staff asserts Laclede withdrew its request for waiver of this rule after compiling additional data on these rechecks. Staff asserts that additional training of Granby leak investigators, to determine why a customer made an odor complaint when an investigation indicates that no leak exists, might reduce the number of rechecks that are required. Staff believes that Granby employees might reduce the number of rechecks by recognizing what could be mistaken for a natural gas odor even though the odor may no longer be present. Granby currently has been averaging less than twenty (20) such cases per year and Staff contends that compliance with this rule will not be unduly burdensome. Therefore, Staff recommends Granby's waiver request of this provision be denied.

After review of the filings and Staff recommendations, the Commission is of the opinion that Granby should be granted a waiver of 4 CSR 240-40.030(13)(M)2B, for one (1) year, as Granby has not acquired a data base regarding the location of these lines. However, the Commission is of the opinion that Granby should maintain records of all newly installed customer-owned buried lines and conduct parameter surveys from residents to outdoor gas fixtures during the periodic leak survey of service lines. The Commission determines that Granby should be granted waivers of 4 CSR 240-40.030(15) and (12)(C) and (D) in relationship to extending the compliance date four and one-half (4-1/2) months from the effective date of this order so as not to penalize Granby for the time spent in requesting a stay and waiver from these rules. This will allow Granby the same amount of start-up time as other operators in Missouri have been afforded. The Commission further determines that Granby's waiver request of 4 CSR 240-40.030(14)(B)6 should be denied as the order of rulemaking establishing this rule clearly states that the Commission did not intend for any exceptions for customers' read-in/read-out to be allowed under this rule. The Commission additionally determines that Granby's waiver request of 4 CSR 240-40.030(14)(B)7 should be denied as compliance with this rule will not be unduly burdensome on Granby and will ensure safe and adequate service is provided to its customers.

IT IS THEREFORE ORDERED:

1. That Granby Municipal Gas System's request for waiver of 4 CSR 240-40.030(13)(M)2B be granted for one (1) year.
2. That Granby Municipal Gas System maintain records of all newly installed customer-owned buried lines and conduct parameter surveys from residents to outdoor gas fixtures during the periodic leak surveys of service lines.

3. That Granby Municipal Gas System's request for waiver of 4 CSR 240-40.030(15) and (12)(C) and (D) be granted extending the compliance date four and one-half (4-1/2) months from the effective date of this order.

4. That Granby Municipal Gas System's request for waiver of 4 CSR 240-40.030(14)(B)6 and 7 be denied.

5. That this order shall become effective on January 28, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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