

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 Fulton, Missouri, for a stay and)
a waiver of compliance from certain)
provisions of 4 CSR 240-40.030 contingent) Case No. GO-91-357
upon its lawful applicability to the)
applicant.)

ORDER GRANTING IN PART AND DENYING IN PART MOTION FOR WAIVERS

On May 9, 1991, the City of Fulton, Missouri (Fulton) filed an application requesting a stay and waiver of compliance with Commission rules 4 CSR 240-40.030(8)(B), (13)(M), (V), (14)(B)6 and 7, and (15)(C). On July 3, 1991, Fulton filed its first amended application requesting a stay and waiver of Commission rule 4 CSR 240-40.030(15). On July 19, 1991, Fulton filed its second amended application requesting a stay and waiver of Commission rule 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.

Fulton 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. Fulton contends that application of this rule is unduly burdensome as it requires Fulton to take responsibility for lines it did not install and neither owns nor controls. Additionally, Fulton asserts it will be almost impossible to comply with this rule because of the unknown location and nature of customer-owned buried lines. Fulton asserts that these surveys are not required by federal rule, and until now have not been required by state rule.

Staff agrees with Fulton 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, Fulton 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 Fulton should be granted this waiver.

Staff, however, does recommend that Fulton 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.

Fulton requests a stay and waiver of 4 CSR 240-40.030(15) as it relates to the dates of compliance with this rule. Fulton 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.

Fulton, also, 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, Fulton 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.

Fulton requests a stay and waiver of 4 CSR 240-40.030(8)(B). This rule requires that all service line installation and/or service and yard line replacements made after the effective date of this rule must be installed, owned, operated and maintained by the operator regardless of meter location. Fulton requests a stay and waiver for state facilities in which it did not install and does not know the location or condition of the lines. Fulton further questions if it has the authority to enter state property to inspect or maintain these lines. Fulton asserts that their employees may be placed in physical danger as a result of their presence on state institutions premises.

Staff contends that 4 CSR 240-40.030(8)(B) does not apply to Fulton unless it has installed or replaced yard lines on state property. Staff contends that the maintenance of yard lines has been placed on all Missouri operators as they are the entities in the position to conduct proper

installation and maintenance of these lines. Staff further asserts that arrangements can be made with state officials to ensure the safety of Fulton's employees while they fulfill its obligation under this rule. Therefore, Staff recommends denial of Fulton's requested waiver of this rule.

Fulton requests a stay and waiver of 4 CSR 240-40.030(13)(V)3C and D. This regulation requires isolated zones which could be relit within eight (8) hours of system restoration, after any outage. Fulton contends that it has thirteen (13) isolation zones and that it has valves at each street intersection which would allow the shut-down of single blocks if necessary. Fulton asserts this capability makes the smaller zones redundant and unnecessary. Fulton argues that it would have to substantially increase the number of valves it would be required to periodically test and operate to meet what it determines as an arbitrary eight (8) hour period. Fulton contends that no safety aspects would be compromised if the Commission granted this waiver.

Staff states that eleven (11) of Fulton's thirteen (13) isolation zones are currently in compliance with this rule. Staff contends that achieving total compliance would not place an undue burden on Fulton. Staff asserts that the use of Fulton's valves employed at the street intersections does not satisfy the rule. Additionally, Staff contends that Fulton has not and has no plans to routinely inspect these valves. Additionally, Staff asserts that the valve boxes fill with dirt, rock and mud or often skewed by road graders and snow plows preventing valve key access; valves can be paved over during street overlays; they often lock up due to these adverse conditions and neglect, consequently becoming inoperable. Staff asserts time lost in attempting to locate and operate such valves could be critical in an emergency. Additionally, Staff states the smaller zones were established to encourage operators to shut

off areas in an emergency. Therefore, Staff recommends denial of Fulton's waiver request of this rule.

Fulton requests a stay and waiver of 4 CSR 240-40.030(14)(B)6. This regulation requires Fulton 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.) Fulton states that a large percentage of these read-in and read-out calls are on the same service line. Fulton argues this could result in some service lines being checked repeatedly and others checked only during routine leak surveys. Fulton questions whether or not any additional safety is achieved from the repeated checks. Additionally, Fulton states that they make about nine hundred (900) to one thousand (1,000) 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.

Fulton 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. Fulton 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. Fulton 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 Fulton 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 Fulton 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 Fulton 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. Fulton 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 Fulton's waiver request of this provision be denied.

After review of the filings and Staff recommendations, the Commission is of the opinion that Fulton should be granted a waiver of 4 CSR 240-40.030(13)(M)2B, for one (1) year, as Fulton has not acquired a data base regarding the location of these lines. However, the Commission is of the opinion that Fulton 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 surveys of service lines. The Commission determines that Fulton 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 Fulton for the time spent in requesting a stay and waiver from this rule. This will allow Fulton the same amount of start-up time as other operators in Missouri have been afforded. The Commission determines that Fulton's waiver request of 4 CSR 240-40.030(8)(B) should be denied as this rule will not be unduly burdensome on Fulton and will ensure that safe and adequate service is provided to its customers. The Commission is of the opinion that Fulton's waiver request of 4 CSR 240-40.030(B)(V)3C and D should be denied as it is a safety measure whereby small zones are established to encourage operators to, in an emergency, shut off areas. The Commission further determines that Fulton'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 Fulton'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 Fulton and will ensure that safe and adequate service is provided to its customers.

IT IS THEREFORE ORDERED:

1. That the City of Fulton's request for waiver of 4 CSR 240-40.030(13)(M)2B be granted for one (1) year.
2. That the City of Fulton 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 the City of Fulton'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 to comply with these rules.

4. That the City of Fulton's request for waiver of 4 CSR 240-40.030(8)(B), (13)(V)3C and D (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.