



MISSOURI GAS ENERGY

3420 Broadway • Kansas City, MO • 64111-2404 • (816) 360-5755

ROBERT J. HACK

Vice President, Pricing & Regulatory Affairs

January 21, 2000

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
301 W. High Street
Jefferson City, Missouri 65102

RE: Case No. GS-2000-62

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case, please find an original and fourteen (14) conformed copies of the **Missouri Gas Energy's Response To Staff Incident Report**.

A copy of this filing has been mailed or hand-delivered this date to counsel of record.

Thank you for bringing this matter to the attention of the Commission. Please call me if you have any questions regarding this matter.

Sincerely,

C: F. Jay Cummings
Charles B. Hernandez
David L. Black
William Dean
Jim Oglesby
Bruce Bates
Douglas E. Micheel

Enclosures

FILED

JAN 24 2000

**Missouri Public
Service Commission**

FILED

JAN 24 2000

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the matter of Missouri Gas Energy,)
A division of Southern Union Company,)
Regarding an incident near 1204 Walnut)
In Kansas City, Missouri.)
Case No. GS-2000-62

MISSOURI GAS ENERGY'S RESPONSE TO STAFF INCIDENT REPORT

Comes now Missouri Gas Energy ("MGE"), a division of Southern Union Company, and for its response to the Staff Incident Report filed herein on or about December 8, 1999, respectfully states as follows:

1. On December 8, 1999, the Staff filed a "Gas Incident Report" ("the Incident Report") in Case No. GS-2000-62. The Incident Report purports to relate the relevant facts surrounding an incident which occurred at approximately 3:10 p.m. CDST on July 6, 1999, in which a natural gas ignition and resultant flash fire occurred in an underground vault owned by Williams Communications, Inc., located near the intersection of 12th Street and Walnut Street in Kansas City, Missouri ("the incident"). At the time of the flash fire, a subcontractor of Williams was working in the communications vault and was burned by the flash fire and hospitalized.

2. In the Incident Report, the Staff makes six operational recommendations pertaining to 1) the conduct of inspections during natural gas construction projects, 2) the monitoring of contractors to verify that MGE procedures, including those relating to the permanent abandonment of service lines, are followed, 3) increasing the number of on-site inspections conducted when underground boring is being done near natural gas facilities, 4) the continuation of steps taken by MGE to alert persons doing underground boring that utilities crossing the bore path should be excavated and exposed prior to boring, 5) the continuation of MGE's efforts with city governments and other local utilities to require special permitting for

underground boring and 6) the continuation of MGE's efforts to improve methods for documenting actions taken pursuant to facility locate requests.

3. By "Notice" dated December 20, 1999, MGE was advised that its response to the Incident Report is due no later than January 24, 2000.

4. MGE has investigated this incident and concludes that the incident occurred because the injured telecommunications employee violated basic safety procedures and OSHA requirements. The violations occurred by entering a telecommunications manhole without first checking for the presence of flammable gases with a gas detector and by remaining in the manhole without proper ventilation. This caused an ignition of gases that had accumulated in the manhole after a contractor performing a directional bore without adequately locating gas service lines struck and damaged two service lines. One of the damaged service lines began to leak natural gas, which migrated into the manhole through a pathway created by the contractor's construction. MGE believes that incidents of this type could be avoided by contractors requiring their employees to follow basic confined-space procedures and by the application of basic safety procedures by companies doing directional boring. MGE intends to implement, or continue to implement, the operational recommendations made by the Staff in its Incident Report as follows:

- A. MGE has taken steps to improve the accuracy of documentation and record keeping of work performed through training that focuses on essential construction practices and responsibilities. To ensure the quality of work and accuracy of documentation, MGE has identified a listing of specific items important to service line replacement. Details of this training are contained in Attachment A-1 appended hereto. Review sessions have been held with inspectors and key

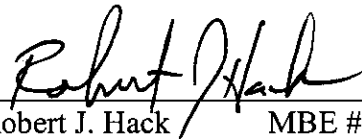
contractor personnel to discuss specific requirements and documentation of work performance.

- B. In addition to the inspectors, MGE will utilize all company employees with construction experience to assist in monitoring and documenting inspections of contract work.
- C. MGE's contractors will submit daily progress reports along with documentation of work performed. MGE's inspectors and supervisors are reviewing these records to ensure that the work assignments, including service line work, is completed thoroughly and that the documentation corresponds to and provides a complete and accurate record.
- D. MGE has increased its effort to visit job sites where directional bore procedures are being used. MGE has requested that its line locators and contractor, SM&P, advise the MGE dispatcher when they become aware of construction using boring techniques. Dispatch will schedule and route personnel in the area for visits to such job sites.
- E. MGE's operating and legal departments are exploring ways to improve communication and to educate city government of the detriment to public safety subject to third party damage. By requiring special permits for directional boring, cities can provide substantial encouragement for excavators to use "One Call" and to expose utility lines in the bore path. Such special permitting may also permit the development of procedures to alert the utilities and other city agencies as to when and where construction activities are scheduled to take place.

- F. On August 8, 1999, MGE held training sessions with line locating personnel focusing on the requirements and responsibilities of performing and documenting line locate requests, work performed, documentation and route sheets as quality checks.
- G. MGE will continue to work with the General Assembly, city governments, contractors and the "One Call" organization to foster damage prevention education. These efforts include working with the Commissions Gas Safety Staff to develop state-wide roundtable discussions among utilities, excavators, public safety departments and the "One Call" locating industry to promote damage prevention of underground utilities.

WHEREFORE, MGE respectfully submits the foregoing as its response to the Staff Incident Report.

Respectfully submitted,



Robert J. Hack MBE #36496

3420 Broadway

Kansas City, MO 64111

(816) 360-5755

FAX: (816) 360-5554

e-mail: Rob.Hack@southernunionco.com

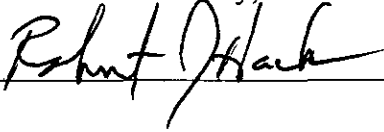
Attorney for Missouri Gas Energy, a division of
Southern Union Company

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was either mailed or hand delivered this 21st day of January, 2000 to:

Mr. Bruce Bates
P.O. Box 360
Jefferson City, MO 65102

Mr. Douglas E. Micheel
P.O. Box 7800
Jefferson City, MO 65102



Training

January 12, 2000

Hold training session with foreman, inspectors, and key contract personnel (Foreman, lead men)

1. Review the MPSC 41st and Walnut and 12th and Walnut incidents reports.

- a. Conclusions
- b. Steps we are taking to ensure compliance
- c. Responsibilities

2. Develop a list of specific items that will ensure proper service line replacement and Documentation. (Examples).

Accuracy	Observation
Depth	Reamed and Shimmed Casing
Measure of Tap	Locator wire properly installed
Measurement of curb valve	Meter supported
Bridging	PE not in stress from bending
Pressure tests	Padding
Pipe installed	Meter location
Old service cut of location	

Brainstorm list add essential items

Hold review of expectations and responsibilities with foreman, inspectors and key contract personnel.