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January 22, 2001

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

**RE: Case No. GE-2001-390**

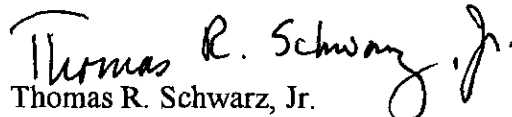
Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

  
Thomas R. Schwarz, Jr.  
Deputy General Counsel  
(573) 751-5239  
(573) 751-9285 (Fax)

TRS:sw  
Enclosure  
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

FILED<sup>2</sup>

JAN 22 2001

Missouri Public  
Service Commission

In the Matter of the Application of MEP )  
Pleasant Hill, LLC for a Waiver/Variance )  
from Provisions of Commission Rule 4 )  
CSR 240-40.030(12)(P). )  
)

Case No. GE-2001-390

STAFF RECOMMENDATION

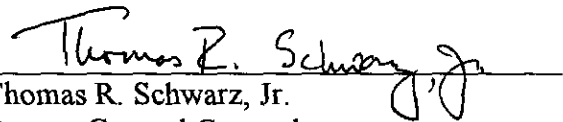
COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), and makes its recommendation on the above-referenced application as follows:

1. MEP Pleasant Hill LLC ("Applicant") on January 17, 2001 filed its application for waiver from certain odorization requirements of the Commission rules. Staff has reviewed the application (see the Staff Memorandum attached hereto as Attachment A), and recommends that the Commission grant the waiver.

2. The Staff notes that Applicant hopes to flow gas through the affected pipeline by February 15, 2001. Staff therefore recommends that the Commission grant the waiver on an expedited basis.

Respectfully submitted,

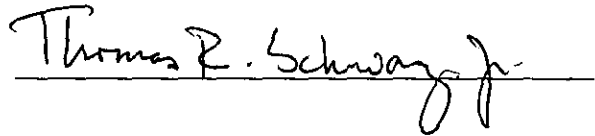
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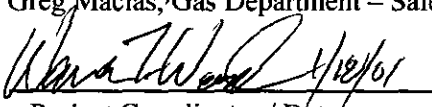
### **Certificate of Service**

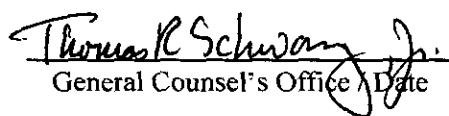
I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 22<sup>nd</sup> day of January, 2001.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. GE-2001-390, MEP Pleasant Hill, LLC

FROM: Greg Macias, <sup>GM</sup> Gas Department – Safety/Engineering <sup>llh</sup>  
 1/18/01  
Project Coordinator / Date

 1/22/01  
General Counsel's Office / Date

SUBJECT: Staff Recommendation for Approval of a Waiver from Certain Provisions of 4 CSR 240-40.030

DATE: January 18, 2001

**MEP Pleasant Hill, LLC Waiver Request**

On January 17, 2001, MEP Pleasant Hill, LLC (MEP) filed an APPLICATION FOR WAIVER/VARIANCE (Application) requesting a waiver from certain provisions of 4 CSR 240-40.030(12)(P). The Application requests that MEP not be required to odorize the natural gas being transported through a 16-inch diameter steel natural gas transmission pipeline (Pipeline) to a 600 MW combined cycle combustion turbine generation plant. The Pipeline will extend approximately 7 ½ miles from the Williams Gas Pipeline Central and CMS Panhandle Eastern interstate natural gas pipelines near Harrisonville, Missouri, to the MEP generation facility near Pleasant Hill, Missouri. The Pipeline is in a Class 1 location ("class locations" are defined in 4 CSR 240-40.030(1)(C)) for the entire 7 ½ miles. The natural gas that will be delivered to MEP, from the interstate pipelines, is not required to be odorized under Federal pipeline safety standards. MEP states that the combined cycle combustion turbine has a heightened sensitivity to sulfur products and therefore injecting additional sulfur based odorant into the natural gas stream is undesirable. MEP further states that providing odorization equipment will cause an unnecessary increase to the cost of electricity to be produced.

MEP believes that pipeline safety will not decrease if odorant is not added to the natural gas in the Pipeline, since there will be no domestic use, and therefore no need for a method of detection inside of a home. To further ensure safety, MEP will install and maintain combustible gas detection equipment, with both audible and visible alarms, in the boiler facility and in the turbine enclosures. While there are currently no distribution lines connected to the Pipeline, any such line installed in the future will be equipped with an odorizer. MEP will perform patrols and leakage surveys six (6) times per calendar year at highway and railroad crossings, and twice the required frequency at all other locations. MEP will review the class locations along the Pipeline annually, and notify the Missouri Public Service Commission (Commission) of any changes so that the need for odorization can be reassessed.

It is MEP's intent to flow gas through the Pipeline by February 15, 2001. MEP requests that the Commission issue its decision concerning the Application by January 30, 2001.

### **Staff Response**

The Gas Safety/Engineering Staff (Staff) of the Commission has reviewed the Application and finds it acceptable in regards to pipeline safety. The Staff agrees with MEP that the Application will not reduce pipeline safety. The interstate pipelines that will deliver natural gas to MEP are not required to odorize the natural gas that they transport under Federal pipeline safety standards. Likewise, Federal pipeline safety standards would not require MEP to odorize the natural gas that it will transport through the Pipeline. MEP is only seeking to waive compliance with the more stringent State rule in this Application. If, at any time in the future, the Federal pipeline safety standards require the odorization of natural gas in this Pipeline, then MEP will be required to either comply with, or file for a waiver from, the Federal standard. Additionally, any distribution lines that might be installed and connected to this Pipeline must be odorized.

The Staff believes that the conditions that MEP has agreed to implement, being more stringent than the State rule, will substitute for the safety usually gained by the addition of odorant to natural gas.

The Staff notes the short time period before the proposed date of operation of the Pipeline. Consequently, the Staff has expedited its review of the Application.

### **Staff Recommendations**

As required by 4 CSR 240-40.030(16), the Staff believes that granting the waiver requested in the Application will not compromise gas safety. Therefore, the Staff recommends that the Commission waive compliance with certain provisions of 4 CSR 240-40.030(12)(P) for the odorization of natural gas in the Pipeline described in the Application. Specifically, the Staff recommends that MEP be allowed to transport unodorized natural gas in the approximately 7 ½ mile Pipeline from the interstate pipelines to the combined cycle combustion turbine generation plant. If the Commission grants this waiver, the Staff recommends that MEP be required to abide by all of the proposed conditions contained in the Application.

**Service List for**  
**Case No. GE-2001-390**  
**Revised: January 22, 2001 (SW)**

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**Brydon, Swearngen & England P.C.**  
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