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December 22, 2000

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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. GS-2000-673

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **RESPONSE TO LACELDE GAS COMPANY'S RESPONSE TO STAFF RECOMMENDATIONS**.

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,

Bruce H. Bates
Associate General Counsel
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BHB:ss
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

DEC 22 2000

Missouri Public
Service Commission

In the Matter of Laclede Gas Company)
regarding an incident at 416 Boyce,)
Farmington, Missouri, on March 25, 2000.) Case No. GS-2000-673

**RESPONSE TO LACLEDE GAS COMPANY'S RESPONSE TO STAFF
RECOMMENDATIONS**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") by and through its Office of the General Counsel, and pursuant to Missouri Public Service Commission's ("Commission") November 22, 2000, *Order Directing Filing* submits its *Response to Laclede Gas Company's Response to Staff Recommendations* which respectfully states as follows:

Background

1. A *Gas Incident Report* ("Report") was filed by the Gas Department – Gas Safety Section in Case No. GS-2000-673 on September 7, 2000, in connection with an ignition of natural gas and ensuing fire at 416 Boyce Avenue in Farmington, Missouri, on March 25, 2000. As a result of the Staff's incident investigation, the Report contained a total of five recommendations that were made to Laclede Gas Company ("Laclede" or "Company"). Staff Recommendation Nos. 1 – 3 directed action from Laclede in the form of reevaluating specific areas of their procedures, processes, or training methods that directly corresponded with the incident. Recommendation No. 4 requested that Laclede be directed to file a response to each of the recommendations contained in the *Report*. Recommendation No. 5 requested that the Office of General Counsel cause a complaint to be filed

with the Commission regarding two violations noted in the *Report*. The *Complaint* (GC-2001-137) was filed with the Commission simultaneously with the *Report* on September 7, 2000.

2. The *Report's* Recommendation No. 2 and No. 3 address similar issues brought forth in a separate Staff Gas Incident Report, Case No. GS-2000-525, regarding an incident that occurred on February 7, 2000, at 1904 Birchwood Drive, in Barnhart, Missouri, involving Laclede. Case No. GS-2000-525 also recommended a complaint to be filed with the Commission. All issues pertaining to Case No. GS-2000-525 and the corresponding complaint were addressed in a *Unanimous Stipulation and Agreement*, which was approved by the Commission on December 19, 2000.

Staff's Recommendation No. 1

3. The Staff has reviewed Laclede's *Response to Staff Recommendations* as well as revised Company emergency procedures, specifically modifications relating to internal reporting procedures of potential natural gas incident situations. Joint efforts by Staff and Laclede have led to the development of these procedural revisions. Staff's underlying concerns in Recommendation No. 1 were the decisions made and internal reporting actions taken by Company personnel during the Company's initial investigation of incidents, which Staff believes has been addressed, in part, in these procedural modifications. The changes made, as reviewed by Staff, clearly states appropriate Company personnel shall be promptly notified of any incident meeting the current Commission minimum pipeline safety requirements of 4 CSR 240-40.020(4)(A). To further address Staff's concern, Laclede's revised procedures state, "If there is a question that the incident may involve natural gas or the above criterion, ..." appropriate Company personnel, i.e., senior management or claims department personnel, shall be promptly notified. Staff believes this statement clearly translates to Company personnel who may encounter incident situations that should they have any doubt, or question, whether to report such an event involving escaping natural gas, appropriate Company personnel who are more qualified in

assessing details shall be advised. Aside from witnessing implementation of these revisions and refresher training classes that details the intent of the revisions to **all** Company personnel who may encounter such an occurrence, Staff believes the Company has adequately addressed Recommendation No. 1.

Staff Recommendations No. 2 and No. 3

4. As indicated above, these Staff recommendations, No. 2 and No. 3, mirror those Staff recommendations associated with Case No. GS-2000-525 and its corresponding complaint. Laclede has appropriately indicated within its *Response to Staff Recommendations* that these recommendations relating to the prompt and effective handling of emergency situations had already been adequately addressed by the terms of the *Unanimous Stipulation and Agreement* filed by the Company, Staff and Office of the Public Counsel on November 2, 2000, in Case Nos. GC-2001-19 and GS-2000-525. As noted above, the Commission recently approved this *Unanimous Stipulation and Agreement*.

Staff Recommendations No. 4 and No. 5

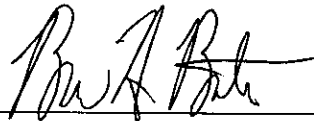
5. Laclede responding to the Staff's recommendations contained within the *Report*, and by the Office of General Counsel causing a complaint to be filed with the Commission regarding the violations noted in the *Report*, respectively, has fulfilled these Staff recommendations, No. 4 and No. 5.

6. On December 21, 2000, the Commission ordered a pre-hearing conference be scheduled for January 18, 2001, to discuss matters of the complaint case, Case No. GC-2001-137, associated with this *Report*. At the time of the January 18 pre-hearing conference, the details of Case No. GC-2001-137, in Staff's opinion, can be appropriately addressed to the Commission. Staff believes that these two cases should remain separate.

WHEREFORE, The Staff believes that Laclede in the previously Commission approved *Unanimous Stipulation and Agreement* (Case Nos. GS-2000-525 and GC-2001-19) has addressed the issues of prompt, effective response to emergencies as contained in Case No GC-2001-19 filed on November 2, 2000. Furthermore, Staff believes that Laclede has addressed the issues of emergency reporting requirements by modifying procedures and providing refresher training detailing these procedural modifications to all Company personnel that may encounter a potential incident situation.

Respectfully submitted,

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General Counsel



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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 22nd day of December 2000.



Service List for GS-2000-673

Revised Date: December 22, 2000

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