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May 12, 2000

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FILED<sup>3</sup>

MAY 12 2000

Missouri Public  
Service Commission

**RE: Case No. GE-2000-543**

Dear Mr. Roberts:

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

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.*

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

TRS/df  
Enclosure  
cc: Counsel of Record

**BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

**FILED<sup>3</sup>**  
MAY 12 2000  
Missouri Public  
Service Commission

In the Matter of the Application of                     )  
Various Members of the Missouri                     )  
Association of Natural Gas Operators for             )  
a Permanent Waiver from Certain                    )  
Provisions of 4 CSR 240-40.030                     )

Case No. GE-2000-543

**STAFF RECOMMENDATION TO GRANT WAIVER**

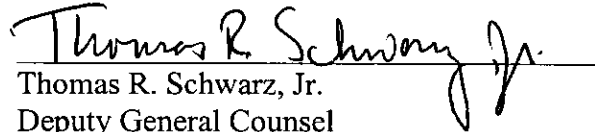
COMES NOW Staff of the Missouri Public Service Commission ("Staff"), and in response to the Application for Permanent Waiver filed by certain members of the Missouri Association of Natural Gas Operators filed on March 7, 2000, states as follows:

1. The Staff has reviewed the above-referenced waiver application, and recommends that the Commission approve the waiver for the reasons set out in the Staff memorandum attached as Appendix A hereto.

2. The Staff notes that the waiver must also be approved by the United States Secretary of Transportation, and requests that the Commission notify the Director of the Office of Pipeline Safety. The Staff further requests that the Commission's order approving the waiver become effective 75 days after the date of issue, to provide adequate time for the Secretary to take the Federal action required.

Respectfully submitted,

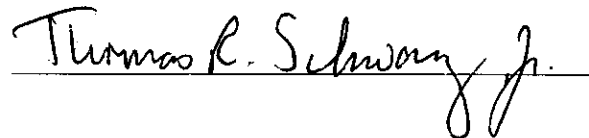
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### **Certificate of Service**

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 12th day of May 2000.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. GE-2000-543, Missouri Association of Natural Gas Operators

FROM: Michael J. Loethen, <sup>myf km</sup> Gas Department – Gas Safety <sup>fmm</sup>  
Robert R. Leathers 5/12/00 Thomas R. Schwann Jr. 5/12/00  
Project Coordinator / Date General Counsel's Office / Date

SUBJECT: Staff Recommendation for Approval of an Application for Permanent Waiver Upon Compliance with Specified Conditions to Provisions of 4 CSR 240-40.030(6)(H)3.

DATE: May 12, 2000

SUMMARY OF APPLICATION FOR PERMANENT WAIVER

On March 7, 2000, several members (Applicants) of the Missouri Association of Natural Gas Operators filed their APPLICATION FOR PERMANENT WAIVER UPON COMPLIANCE WITH SPECIFIED CONDITIONS (Waiver) pursuant to 4 CSR 240-40.030(16) and 49 USC §60118(d). The Waiver requests the Missouri Public Service Commission (Commission) to grant a waiver from provisions of 4 CSR 240-40.030(6)(H)3., which corresponds to the Federal regulation contained in 49 CFR 192.285(c). These provisions require the Applicants to re-qualify an employee under an applicable plastic joining procedure if during any twelve (12)-month period that employee does not make any joints under that procedure; or has three (3) joints or three percent (3%) of the joints made, whichever is greater, under that procedure that are found unacceptable by testing.

The Applicants, who are specifically identified in the Waiver, seek a permanent waiver from these provisions and propose an alternative means of ensuring re-qualification for people making such joints. In lieu of the provisions of 4 CSR 240-40.030(6)(H)3, the Applicants propose the alternative means, described below, to re-qualify people making the plastic joints referenced herein.

1. A person must be re-qualified under applicable procedures at least once each calendar year, but at intervals not exceeding 15 months.
2. Following the initial qualification for electrofusion and mechanical joining procedures, a person must participate in a review on the proper joining procedures during such time period to re-qualify.

The Gas Department – Gas Safety Section (Gas Safety or Staff), having reviewed the Waiver, submits the following comments and recommendations.

STAFF COMMENTS

Part 1.

The majority of Missouri natural gas operators have chosen to comply with the existing provisions of 4 CSR 240-40.030(6)(H)3. by requiring their employees to re-qualify within twelve months. One reason operators prefer this method is because the alternative method, which requires determining whether three joints or three percent of the plastic joints made by each individual (for each joining procedure) have been found unacceptable by testing, can create inefficiencies and involve an extensive amount of recordkeeping. Through conducting on-site inspections of Missouri natural gas operators' records and facilities, Gas Safety is able to verify the Applicants' assertions that they must begin training sessions within eleven months to account for scheduling conflicts. A one-month time period does not provide adequate time for operators to accommodate for inclement weather days and maximize construction days. This relatively short scheduling time period must also cover holidays, sick leave, annual leave, and other planned/unplanned occurrences. This scheduling issue is readily apparent for those operators with several employees. In addition, effective October 26, 1999, the U.S. Department of Transportation (DOT) required operators to implement an employee qualification program, which prescribes the minimum requirements for operator qualification of individuals performing covered tasks on a pipeline facility. To meet these increasing employee-training requirements, operators must strive even more for efficiency in order to have competently trained and qualified workers operating the natural gas systems, which is essential to providing safe and economical service to the public.

Staff does not believe that safety will be compromised by allowing for timely scheduling of employees' plastic joining re-qualifications within 15 months. Throughout the pipeline safety regulations, language has been purposely incorporated to allow flexibility in conducting required maintenance tasks without compromising safety. Missouri natural gas operators, as well as other states' operators that are under DOT's pipeline safety jurisdiction, have identified the need for scheduling flexibility of employees' plastic joining re-qualifications. Staff references an April 26, 1999, State Industry Regulatory Review Committee (SIRRC) summary report to support this consensus. At that time, the National Association of Pipeline Safety Representatives (NAPSR) and industry participated in SIRRC discussions to propose alternative language into Part 192.285 which, in part, is very similar to Part 1 presented above. Staff concurs with and supports the Applicants' request to incorporate flexibility into their employee plastic joining re-qualification programs.

Part 2.

In regard to the second part of the Applicants' request, a person making an electrofusion or mechanical joint is required to perform a complete assembly of each type of electrofusion and mechanical joint during initial qualification. All applicable inspections and specimen joint testing are required during the initial qualification. For re-qualification, a person must then participate in a review of the proper joining procedures each calendar year, not to exceed 15 months, as mentioned in Part 1 above. The Applicants state the review will cover all of the steps leading up to the actual production of a joint. By not expending the fittings during re-qualification, the Applicants propose cost and time savings will be realized, without sacrificing safety.

DOT's Part 192.285 addresses the qualification and re-qualification of persons making joints on jurisdictional plastic pipelines. Under this rule, during annual re-qualifications, employees must complete a specimen joint for each plastic joint they were initially qualified to perform. For many mechanical joints, the fittings are completely sacrificed during the re-qualification process and can not be re-used. During re-qualification of

electrofusion procedures, the computer controls the fusion process and the fittings are always expended. Within the Applicants' request, they state the approximate cost incurred in making these particular plastic joints is \$45 each. While Staff has not verified the actual average cost of each fitting, it does understand that economic savings will be realized by not expending the fittings, especially when some operators can re-qualify, in a given year, hundreds of employees/contractors on several types of mechanical and/or electrofusion fittings.

Staff reviewed the Waiver knowing that each employee must have the proper knowledge to perform each applicable plastic joint, and in no way can safety be compromised by incorporating an annual review in lieu of a complete assembly of the plastic joint during re-qualification. Staff believes the annual re-qualification review of a particular plastic joining procedure will be only as good as the review itself. Some manufacturers have developed plastic mechanical test fittings that require a review of all steps of assembly, but the test fitting is not sacrificed and can be used by all employees re-qualifying on that particular plastic joining procedure. Use of manufacturers' test fittings is currently acceptable under the provisions of Part 192.285(c). Staff believes that re-qualifying where the employee physically handles the fitting and the manufacturer's procedures are followed is an acceptable re-qualification practice. However, Staff does believe that similar reviews of other mechanical plastic joints, where the employee actually handles the fitting and carries out the joining procedures without sacrificing the fitting, can achieve the same result as using a given manufacturer's test fitting and review of proper procedures.

Staff agrees with the Applicants' statement that if the electrofusion system has been proven to perform in an acceptable manner, then the mechanics of the assembly process are similar to mechanical joining and the testing of the actual fusion is not necessary. In any plastic joining re-qualification, the procedural review must include fitting the actual plastic joints and review of all the manufacturer's instructions/procedures for each type of plastic fitting. The Staff believes its requirements for the review parallels the Applicants' assertions that the review, under their proposal, "will cover the appropriate knowledge needed for each specimen joint assembly and procedure and involve all of the steps leading up to the actual production of a joint." When these steps are performed, Staff believes the employee's level of knowledge and skill received during re-qualification will be equivalent to that which is currently received under the existing re-qualification regulatory requirements. Staff believes safety will not be compromised, and at the same time, economic savings will be realized.

As indicated previously, Gas Safety conducts on-site inspections of all Missouri natural gas operators, which includes reviews of plastic joining re-qualification records and practices. Staff's statements in support of the Applicants' proposed Waiver does not restrict any future compliance reviews of the Applicants' plastic joining re-qualification records or practices. The Applicants appropriately indicated that technological advances have occurred and plastic-joining procedures will most likely continue to be improved. As new plastic joining products/fittings are introduced by the industry and used by the Applicants, the Staff and Applicants must conduct a review of such products/fittings. The purpose of the review will be to determine whether re-qualifying on a product/fitting is, or is not, covered by the proposed Waiver, and whether or not safety will be jeopardized if a complete assembly is not conducted during re-qualification. For any initial qualification to make a particular plastic joint, a complete assembly as well as all applicable testing applies.

#### STAFF RECOMMENDATIONS

1. As provided for in 49 USC §60118(d), the Staff recommends that the Missouri Public Service Commission waive compliance, in part, by the Applicants from Interim Part 190 and 49 CFR 192.285(c)—which corresponds to 4 CSR 240-40.030(6)(H)3. Specifically, a waiver to allow an alternative means of ensuring re-qualification for people making pipeline plastic joints. In accordance with, 49 USC §60118(d), such a waiver “is not inconsistent with gas pipeline safety” for the reasons stated previously.

As provided for in 49 USC §60118(d), the Secretary of Transportation (this should be addressed to the Director of the Office of Pipeline Safety) must receive written notice at least 60 days prior to the effective date of any waiver. If this Waiver is granted, the Staff recommends the effective date of the order be set 75 days from the date the order is issued. This will provide for adequate processing and mail time, and will not detract from the 60 days required for review. The Staff recommends this notice be transmitted by certified mail and that the receipt date be noted in this official case file. Further, the Staff recommends that the Applicants' Waiver and this memorandum be mailed in addition to the Commission order, so that all justification is provided to Office of Pipeline Safety.

2. The Staff recommends that the Commission waive the Applicants' compliance from the provisions of 4 CSR 240-40.030(6)(H)3., conditioned upon use of the alternative means of re-qualifying individuals on applicable plastic joints as stated in the Waiver.

Service List for  
Case No. GE-2000-543  
May 12, 2000

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