

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 22nd  
day of July, 1998.

In the Matter of the Application of	)	
Missouri Public Service for a Permanent	)	
Waiver from Certain Provisions of	)	<b><u>Case No. GO-98-508</u></b>
4 CSR 240-40.030(11)(B)5 and	)	
4 CSR 240-40.030(12)(M)1.B for a	)	
Pipeline Segment Near Nevada, Missouri.	)	

**ORDER GRANTING WAIVER**

On May 12, 1998, Missouri Public Service (MPS or Company) filed an application for a permanent waiver from Commission rules 4 CSR 240-40.030(11)(B)5 and 4 CSR 240-40.030(12)(M)1.B. These rules require the Company to pressure test a segment of gas pipeline before increasing the operating pressure above its rated Maximum Allowable Operating Pressure (MAOP). MPS wants to operate a sixteen mile segment of line that serves the city of Nevada at a pressure of 175 pounds per square inch gauge (psig). Thirteen miles of this pipeline is currently rated to operate at this pressure, but three miles is rated at only 118 psig. The increase in MAOP from 118 psig to 175 psig is needed in order to serve the increased demand for natural gas in Nevada, Missouri.

The rules from which MPS seeks a waiver would require MPS to increase the pressure on the three mile segment to 262.5 psig (1.5 times 175) and test it for leaks. Because of logistical problems with performing such a test on this segment of pipe, MPS requests that the Commission waive the requirement for it. Although it is presently

required to leak survey this segment of pipeline once every three years, MPS proposes to increase surveys to once a year. MPS states that safety will not be jeopardized by the granting of the waiver.

In its memorandum filed on June 11, Staff states that the safety benefits derived from leak surveying this pipeline more frequently than required would exceed any safety benefits that would result from a one-time pressure test at 262.5 psig. Staff notes that this pipeline segment passed an uprating procedure in September of 1997 that involved raising the pressure from 60 psig to 175 psig in four equal steps, and conducting a leak survey after each pressure increase. Staff recommends that MPS be allowed to increase the MAOP of this pipeline segment to 175 psig by raising the pressure to 175 psig and conducting a leak survey, conditioned on MPS following the proposal in the application to conduct an annual leak survey over the involved pipeline segment.

The Commission finds that granting a waiver of the required uprating procedure under the specific circumstances involved herein is in the public interest, and will not compromise safety. MPS need not raise the pressure on the three mile segment of eight inch steel main to 262.5 psig in order to uprate it to a 175 psig MAOP, but may do so by raising the pressure to 175 psig in one increment, leak testing the line, and thereafter conducting annual leak surveys. To ensure that the pressurization of the line at 175 psig does not raise any safety problems, the Commission will order its gas safety staff to observe the leak survey conducted after the pressure is raised. Furthermore, because of the possible safety implications of granting this waiver, the Commission will not permanently waive the application of the rule as requested by MGE, but will waive its application for a period of three years. If MGE wants to

continue to operate the line at 175 psig after the three-year period, it may apply for another waiver. At that point the Commission will be able to evaluate the operating history of the line and determine whether to grant the waiver for an additional period, or even grant it permanently. The Commission will provide written notice to the Department of Transportation as requested by MPS.

**IT IS THEREFORE ORDERED:**

1. That the application for waiver filed by Missouri Public Service on May 12, 1998, is granted for a period of three years from the effective date of this order.

2. That Missouri Public Service shall conduct a leak survey on the three mile segment annually.

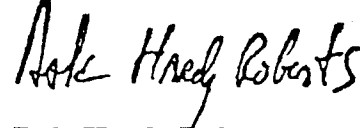
3. That the gas safety staff of the Commission shall perform random observations of the leak survey of the line after the increase in pressure, and shall file a memorandum in this case relating the results of those observations.

4. That the Records Department of the Commission shall provide, by overnight delivery service, notice of the waiver granted herein (including a copy of the application, the Staff memorandum, and this order) to:

Richard B. Felder  
Associate Administrator for Pipeline Safety  
U.S. Department of Transportation - RSPA/Office of Pipeline Safety  
400 Seventh Street, S.W., Room 2335  
Washington, DC 20590.

5. That this order shall become effective on September 25, 1998.

BY THE COMMISSION



Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,  
Schemenauer and Drainer, CC., concur.

Mills, Deputy Chief Regulatory Law Judge

RECEIVED  
JUL 22 1998  
COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION