

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

In the Matter of Laclede Gas Company)
Concerning a Natural Gas Incident at) **Case No. GS-2011-0245**
3810 Council Grove Avenue in Pine Lawn,)
Missouri.)

**RESPONSE OF LACLEDE GAS COMPANY TO
STAFF'S GAS INCIDENT REPORT**

COMES NOW Laclede Gas Company (hereinafter "Laclede" or "Company") and submits its response to the Gas Incident Report filed by the Commission Staff on December 22, 2011 (the "Staff Report"). In support thereof, Laclede states as follows:

1. Laclede has reviewed the Staff Report and appreciates the thorough work done by Staff in investigating this incident.

Staff's Conclusions

2. Laclede agrees with Staff's main conclusions regarding the cause of the explosion at 3810 Council Grove Avenue on January 8, 2011. These conclusions are summarized in paragraphs 3, 4 and 8 on pages 2-3 of the Staff Report. Staff found that the probable cause of the incident was a fracture in the steel main in front of 3810 Council Grove, resulting from a third party denting the main while excavating to install a sanitary sewer lateral in 2000 or 2001, followed by backfill settlement of soil which induced bending stresses that, after 10 years, led to the pipe's failure. In addition, Staff concluded that, because Laclede did not receive notice of the excavation damage, it did not have an opportunity to repair or replace the damaged main and avoid the incident.

3. Laclede also agrees with Staff's Conclusion No. 5 on page 2, that migrating gas entered two other homes, including the home at 3808 Council Grove, which is next door to the home at 3810 where the explosion occurred. Laclede further

agrees with Staff's conclusion that emergency response actions by Laclede and others were successful in preventing natural gas ignitions in these homes.

4. The main conclusion that Laclede disagrees with is Staff's conclusion in paragraph 6 on page 2 of the Staff Report that Laclede performed "air-jacking"¹ "at what Staff believes was an improper location on the west side of Council Grove Avenue." Staff's belief is based on its opinion that air-jacking at this location could have caused additional migration of natural gas from the main fracture on the east side of Council Grove into the sanitary sewer lines located under the street. Staff adds that "later, 'air-jacking' was moved to a proper location near the fracture."

5. Staff is mistaken that air-jacking on the west side of Council Grove was improper. While Laclede agrees that the west side of the street was not the optimal place for air-jacking, Laclede began emergency response efforts at that location, including air-jacking, because it felt that the east side of the street was unsafe. At the same time, Laclede was working to establish a "safe zone" that in fact did not include the east side of the street.² As Staff reported on pages 10-11 of the Staff Report, less than an hour after Laclede was notified of the incident, the Company along with the Northeast Fire Department made a decision to create a safety zone boundary encompassing nine houses on the east side of Council Grove, from 3802 to 3832. Laclede initially employed air-jacking from the safe zone on the west side of the street to help pull natural gas away from the homes on the east side of the street. While it is possible that this action might have resulted in the potentially adverse effect of pulling additional gas into the sanitary

¹ "Air-jacking," also known as bar-hole purging, is a ventilation procedure to eject a volume of air and gas out of a subsurface area. Laclede inserts a pipe connected to an air compressor into a hole and creates a vacuum to accelerate the removal of natural gas from the space to be ventilated.

² The Safe Zone, or Safety Zone as Staff refers to it in the Staff Report, describes the area where Laclede and others can safely perform emergency activity. In addition, all members of the public who are on the wrong side of the safe zone boundary are evacuated.

sewer in the center of Council Grove, this was of less concern at the time because the leak was substantial enough that it was already migrating into the sanitary sewer. When Laclede personnel deemed it safe to do so, the air-jacking equipment was moved to the east side of Council Grove nearer to the leaking main.

6. In summary, Laclede's initial air-jacking process on the west side of Council Grove was not optimal, but was also not improper, as it occurred during the initial emergency response while the boundary of the safe zone was being established. Stated another way, since it was not considered safe to operate on the east side of the street, Laclede determined that air-jacking on the west side of the street was better than not air-jacking at all.

7. Staff raises an issue regarding cathodic protection (CP) in Conclusion No. 7 of the Staff Report. Staff states that CP issues were not related to the incident at 3810 Council Grove, so Staff intends to deal with such issues outside of this case. Laclede agrees that CP was not a contributing factor to this incident and commits to continuing to work with Staff on CP issues outside of the context of this case.

Staff Recommendation

8. Staff has only one recommendation. On page 4 of its report, Staff recommended that Laclede develop procedures for air-jacking during an emergency response and provide training to personnel who would be performing air-jacking in such circumstances. Laclede has indicated to Staff that air-jacking does not lend itself well to rote procedures that can be captured in concrete steps. Determining when and where to apply air-jacking involves some art as well as science. Nevertheless, Laclede currently addresses air-jacking, or bar-hole purging, in its procedures for routine leak search and

repair, and since the Company already uses the same general practice in certain emergency response situations, Laclede has agreed to add air-jacking guidelines to its emergency response procedures. Accordingly, Laclede has integrated air-jacking guidelines within its procedures for Gaseous Atmosphere and Emergencies (Beyond Routine Leak Investigation), and has presented these revised procedures to Staff. Staff has reviewed and approved both the new procedures and Laclede's schedule for training its personnel on those procedures.

Conclusion

9. Laclede appreciates the work done by Staff in this case, and agrees with Staff's main conclusion that third party damage ultimately led to the natural gas incident at 3810 Council Grove. Laclede respectfully disagrees with Staff's conclusion that Laclede did not perform air-jacking properly; rather Laclede asserts that it acted reasonably under the circumstances. With respect to Staff's recommendation, Laclede has not only agreed to develop air-jacking procedures, but has already produced a draft of those procedures, which Staff has approved. As a result, Laclede requests that the Commission deem the incident investigation to be complete and close this case.

WHEREFORE, for the foregoing reasons, Laclede Gas Company respectfully requests that the Commission accept Laclede's response and close the case.

Respectfully submitted,

/s/ Michael C. Pendergast

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CERTIFICATE OF SERVICE

Gerry Lynch hereby certifies that the foregoing response has been duly served upon the General Counsel of the Staff of the Public Service Commission and the Office of the Public Counsel by hand delivery, email, fax, or United States mail, postage prepaid, on this 24th day of January, 2012.

/s/ Gerry Lynch

Gerry Lynch