

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

The Staff of the Missouri Public Service)
Commission,)

Complainant,)

Case No. GC-2007-____

v.)

Missouri Gas Energy)

Respondent.)

COMPLAINT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through the General Counsel of the Commission, pursuant to §386.390 RSMo¹ and 4 CSR 240-2.070, requests the Commission open a complaint case, in support of this request, Staff states as follows:

COUNT 1

MGE violated Commission Rule 4 CSR 240-40.030(12)(C), which states, in part: “Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.” Commission Rule 4 CSR 240-40.030(12)(B)3. also states that: “Each operator shall be responsible for insuring that all work completed by its consultants and contractors complies with this rule.” A contractor working for MGE did not follow MGE written procedures which led to a natural gas explosion in Blue, Springs Missouri.

1. Section 386.390 (1) establishes, among other things, that parties may present a Complaint before the Missouri Public Service Commission (Commission)

regarding any act or omission committed by any person, corporation or public utility. This statute also provides that the Complaint may be based upon any alleged violation of any provision of law or of any rule or decision of the Commission.

2. Commission Rule 4 CSR 240-2.070(1) provides, in part, that the Commission Staff has authority to file a Complaint through the General Counsel in connection with any violation of statute, rule, order or decision within the jurisdiction of the Commission.

3. Missouri Gas Energy (MGE), a division of Southern Union Company, is located at 3420 Broadway, Kansas City, MO 64111. MGE is a natural gas utility corporation, which owns and operates natural gas transmission and distribution systems in Missouri.

4. Further, MGE is a “gas corporation” as is defined in §386.020(18), and, as such, is a “public utility” subject to the Commission’s jurisdiction pursuant to the terms of §386.020(42). MGE is also subject to the Commission’s safety jurisdiction pursuant to the terms of §386.310.

5. On Monday, January 8, 2007, at approximately 1:42 p.m., natural gas accumulated within 1706 SW Smith Street in Blue Springs, Missouri. Natural gas escaping from the open ends of an abandoned natural gas line migrated through the soil, into the sewer system. The natural gas entered the structure through improperly installed sewer drain piping in the basement, before being ignited by an unknown ignition source.

6. The residential structure, which was vacant at the time, sustained minor damage as a result of the explosion and flash fire. Approximately 20 neighboring

¹ All references are to RSMo 200 and Sup. 2006 unless otherwise noted.

homes were occupied at the time of the explosion and these occupants were evacuated, however no injuries were reported.

7. MGE owns and operates the natural gas distribution system in Blue Springs, Missouri. The natural gas mains in the vicinity of 1706 SW Smith Street were operating at approximately 10 pounds per square-inch gauge (psig), at the time of the incident.

8. The Commission's Energy Department Safety/Engineering Staff conducted an investigation to evaluate the circumstances surrounding the explosion at 1706 SW Smith Street in Blue Springs, Missouri, and has prepared and filed its *Gas Incident Report* in Case No. GS-2007-0381 on July 23, 2007. The *Gas Incident Report* filed in Case No. GS-2007-0381 is incorporated herein by reference for all purposes.

9. During its investigation into the incident, the Staff became aware that, prior to the explosion, a Contractor for MGE was in the process of replacing natural gas lines at the intersection of 18th and Walnut Streets. During this process, the Contractor failed to follow established procedures and improperly connected a newly installed and pressurized 2-inch diameter polyethylene (PE) natural gas main to an abandoned 2-inch diameter bare steel natural gas main along 18th Street, releasing natural gas into the abandoned line.

10. The natural gas escaped out of the open ends of the abandoned line and migrated into the basement of a nearby residence where the gas was ignited.

11. MGE has established and maintains a procedural manual for operations, maintenance, construction, and emergencies, as required by Commission Rule 4 CSR

240-40.030(12)(C)². This procedural manual includes MGE's operating and maintenance procedures, and construction standard procedures for ensuring the correct line to tie into has been identified. MGE construction standard procedures for tie-ins clearly state what the Company should do prior to making a tie-in. Company or contractor personnel are required to confirm system operation of the line to be tied into with the use of pressure gauges.

12. As stated in the Conclusions of the Gas Incident Report (Case No. GS-2007-0381), Staff believes that MGE and/or its contractor did not follow its written procedures for tie-ins, as prescribed by Commission Rule 4 CSR 240-40.030(12)(C). Had MGE and/or its contractor confirmed system operation of the line being tied into with the use of pressure gauges, they would have realized that the line was not pressurized, and most likely abandoned, and would not have allowed pressurized natural gas flow into the abandoned line and the explosion most likely would not have occurred.

² Commission Rules also require procedures to be maintained and followed under 4 CSR 240-40.030(1)(G)3., which states, "Each operator shall maintain, modify as appropriate, and follow the plans, procedures and programs that it is required to establish under this rule."

WHEREFORE, the Staff respectfully requests the Commission find that MGE violated COUNT 1, above and further requests that the Commission authorize the Office of General Counsel to seek civil penalties in Circuit Court and any other and further relief as the Commission may find appropriate.

Respectfully submitted,

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