

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

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| In the Matter of an Investigation into City |) | |
| Utilities of Springfield Plastic Pipe |) | |
| Failures and the Adequacy of its Leak |) | Case No. GS-2004-0257 |
| Survey Procedures, Installation |) | |
| Procedures and Replacement Criteria |) | |

JOINT RECOMMENDATION CONCERNING
PIPELINE REPLACEMENT SCHEDULE

COME NOW City Utilities of Springfield (City Utilities) and Staff of the Missouri Public Service Commission, by and through counsel, request the Commission accept the Joint Recommendation and issue its order requiring City Utilities to perform in accordance with the recommendations for continuing pipeline replacement. For their Joint Recommendation Concerning Pipeline Replacement Schedule, City Utilities and Staff state:

BACKGROUND

On April 30, 2009, Staff filed its *Status Report* outlining the progress City Utilities had made in the replacement of pre-1985 “high-pressure” DuPont ALDYL[®] “A” PE piping that was ordered in the October 23, 2007 *Joint Recommendation*. Also, in its Report, Staff indicated that it would focus on development of a program for calendar year 2010 and beyond. In addition, Staff indicated that the program should at least continue as currently established, with replacements continuing to at least the current rate, until a new program is approved by the Commission.

This filing is in response to the June 18th, 2009 Commission’s Order to file additional status reports or recommendations as needed. After discussions between the parties, Staff and

City Utilities have reached an agreement on a course of action for an ongoing replacement program for calendar year 2010 and beyond.

REPLACEMENT PROGRAM CRITERIA FOR 2010 AND BEYOND

The following are the program parameters that Staff and City Utilities have agreed to follow for year 2010 and beyond:

1. City Utilities shall replace the remaining pre-1985 “high-pressure” DuPont ALDYL® “A” polyethylene (PE) piping (service lines 1¼ inches and larger and mains) at a rate of at least 6 miles annually.

2. City Utilities shall continue its practice of replacing nearby or adjacent pipe segments that are beyond the specific piping in the same work order number because the piping was installed in the same time period and could likely have been installed using the same methods and in the same environment.

3. City Utilities shall continue its practice of replacing the service lines associated with the main replacements.

4. The replacements shall be prioritized based on risk factors, such as Maximum Allowable Operating Pressure (MAOP), date of installation, installation in rock-dirt backfill, history of leaks due to rock impingement, continuous pavement areas, areas of high population density, areas of previous leakage, and other appropriate criteria.

5. The primary focus of the replacement program shall be on “high-pressure” DuPont ALDYL® “A” piping that was manufactured before 1985 (pre-1985) that is installed in a rock-dirt backfill. Replacements of “high-pressure” DuPont ALDYL® “A” piping installed in 1985 and after, and other lower pressure DuPont ALDYL® “A” piping would normally be a low

priority, but can be included in the total annual mileage if the segments have experienced leaks, are in a rock-dirt backfill, or if the piping is connected to a higher priority segment that is being replaced.

6. Staff agrees that, depending on City Utilities' investigation into their distribution integrity management program (DIMP), the provisions of this proposed replacement program may be adjusted, with Commission approval. The U. S. Department of Transportation-Pipeline and Hazardous Materials Safety Administration Final Rule (DIMP) took effect February 2, 2010, and operators must have an Integrity Management Program in-place and implemented by August 2, 2011. If, during the implementation of the DIMP, City Utilities discovers more essential and higher priority areas on which it must concentrate its replacement efforts, such as rock impingement leaks on lower pressure PE piping and PE piping installed after 1984, City Utilities should bring these issues to Staff's attention and notify the Commission.

Non-Replacement Criteria

In addition to the above replacement program, City Utilities shall continue to meet the following requirements of the original agreement.

7. An annual leakage survey shall be conducted over pre-1985, 60 psig plastic piping. In addition, an annual leakage survey shall be conducted over post-1985 and/or low and medium pressure main segments that have exhibited splits or confirmed to be in rock-dirt backfill.

8. Quarterly leak surveys shall be conducted of the downtown business district.

9. Any exposed plastic piping shall be inspected for proper backfill, and if rock-dirt is found, these main segments and larger diameter service lines (1¼" and larger) shall be noted for annual leak surveys and systematic replacement.

10. Semi-annual reports and monthly updates shall be submitted to Staff.
11. The mileage of pre-1985, 60 psig mains that remain in the distribution system shall be provided to Staff.
12. Staff and City Utilities shall continue to monitor the effectiveness of the Replacement Program. If at any time, Staff determines that the program requirements should be enhanced, it will immediately bring its concerns and recommendations to the Commission.

WHEREFORE, Staff and City Utilities request the Commission accept and order compliance with the above agreed upon Replacement Program for calendar year 2010 and beyond.

Respectfully submitted,

/s/ Rex C McCall

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 18th day of May, 2010.

/s/ Lera L. Shemwell
