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September 7, 2000

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DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

FILED³

SEP 07 2000

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GC-2001-137

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **COMPLAINT**.

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,

Bruce H. Bates
Assistant General Counsel
(573) 751-7434
(573) 751-9285 (Fax)

Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
SEP 07 2000

Missouri Public
Service Commission

The Staff of the Missouri Public Service
Commission,

Complainant,

v.

Laclede Gas Company,

Respondent.

Case No. GC-2001- 137

COMPLAINT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its Complaint against Laclede Gas Company ("Laclede" or "Company") states as follows:

1. Laclede is a gas corporation under §386.020(18), RSMo (Cum.Supp. 1999) and as such, is a public utility subject to the Missouri Public Service Commission's ("Commission" or "MoPSC") jurisdiction pursuant to §386.020(42), RSMo (Cum.Supp. 1999). Laclede is also subject to the Commission's safety jurisdiction under §386.310, RSMo (Cum.Supp. 1999).

2. Staff, through the Office of General Counsel, is authorized under 4 CSR 240-2.070(3), and under the authority of §386.390, RSMo (1994), to file a formal complaint with the Commission regarding any act or omission by a public utility in violation of a Commission rule.

3. At approximately 3:15 p.m., Central Standard Time (CST), on Saturday, March 25, 2000, natural gas was ignited and an ensuing fire occurred at 416 Boyce Avenue (416 Boyce) in Farmington, Missouri. One individual, who was working in a crawlspace beneath the kitchen floor, suffered burns to his face and right arm. He refused initial medical attention, but sought medical treatment on March 29 in Columbia, Missouri, where he was treated for 2nd degree burns

and released. There were no fatalities resulting from the incident. Fire damage was primarily localized to the kitchen area; total damage as a result of the incident was estimated at \$20,000.

4. Missouri Natural Gas Company, a Division of Laclede, provides natural gas service in Farmington, Missouri. The natural gas distribution system in the vicinity of 416 Boyce was operating at approximately 24 pounds per square-inch gauge ("psig") at the time of the incident. The natural gas main ("main") serving 416 Boyce was a 4-inch diameter, coated and cathodically protected steel pipeline. A $\frac{3}{4}$ - inch diameter, coated and cathodically protected steel service line delivered natural gas from the 4-inch main to 416 Boyce.

5. The Commission's Gas Department Gas Safety Staff was notified of the incident on March 27 and conducted an investigation to evaluate the circumstances surrounding the incident at 416 Boyce in Farmington, Missouri, on March 28. Staff has prepared and filed its *Gas Incident Report* (Report) in Case No. GS-2000-673 on September 7, 2000, and adopts this Report in its entirety by reference.

6. The Staff concluded that the incident resulted from natural gas escaping from three corrosion holes on the 4-inch main, located beneath the street in front of 416 Boyce. The escaping natural gas migrated to a sewer main located less than 27 feet away from the corrosion holes, entered the sewer lateral for 416 Boyce, and then into the structure beneath the kitchen. Family members of the residents of 416 Boyce were installing a shower unit and in the process had separated the house sewer piping in a crawlspace area beneath the kitchen. Smelling gas and thinking a recently replaced gas range knob had become disoriented and that the valve was in the 'on' position, but the burner was not lit, a family member began operating controls on the range, which is believed to have ignited the accumulated natural gas.

7. The Staff has determined that sufficient evidence exists to conclude that, subsequent to the incident, Laclede did not notify the Commission of a reportable incident within

2 hours of discovery. The evidence collected during this investigation clearly links natural gas leaking and then migrating from corrosion holes in the Company's pipeline facilities to a fire within 416 Boyce Avenue that resulted from the ignition of natural gas emanating from the residence's sewer lateral. A Company Service foreman, who is responsible for notifying appropriate Company personnel of a reportable incident, was aware of this linking sequence of events the evening (March 25) of the incident. The Service foreman did not notify appropriate Company personnel, who are qualified to make monetary assessments, and responsible for notifying the Commission, until March 27. The Commission was notified on March 27 at 2:00 p.m.

8. As a result of its investigation, Staff alleges that Laclede violated or failed to comply with 4 CSR 240-40.020(4)(A) by not notifying the MoPSC of a reportable incident within 2 hours of discovery. The incident involved natural gas escaping from Company facilities and igniting within a residence; total damages exceeded \$10,000.

9. It was also determined during the course of the investigation that, subsequent to the incident, Laclede did not conduct emergency procedures in a timely manner after initial investigations of the incident scene, which would have provided for public safety and would have protected property. Upon arriving on the scene, the Company's initial responding serviceman obtained natural gas readings, within its flammable range, in the sewer system. He removed a sewer manhole cover and obtained lower, but within the flammable range, natural gas readings from within the sewer system. Approximately 2 ½ hours after initial Company arrival, Laclede began additional venting procedures (air-jacking), but natural gas readings within the flammable range remained within the sewer system. After initial arrival, it was more than 4 ½ hours before Company personnel on-site requested a backhoe, and the backhoe operator was not contacted for another hour. Natural gas within the flammable range remained within the sewer

system until initial excavations of the main or the sewer were employed at approximately 10:30 p.m. For more than 5 ½ hours after Laclede arrived, natural gas migrated within the sewer system and might easily have entered other structures or found an ignition source.

10. As a result of its investigation, Staff alleges that Laclede violated Commission rule 4 CSR 240-40.030(14)(C)1., which states that, "Class 1 leak ... shall require immediate corrective action which shall provide for public safety and protect property."

11. Laclede violated or failed to comply with 4 CSR 240-40.030(14)(C) by not conducting emergency procedures in a timely manner such that would provide for public safety and protect property.

12. Pursuant to §386.570 RSMo (1994), any public utility that violates or fails to comply with any Commission rule is subject to a penalty of not less than one-hundred dollars nor more than two thousand dollars for each offense.

WHEREFORE, the Staff respectfully requests the Commission find that Laclede violated 4 CSR 240-40.020(4)(A) and 4 CSR 240-40.030(14)(C), and further requests that the Commission authorize the Office of General Counsel to seek civil penalties in Circuit Court and order such other relief as the Commission may find just and reasonable in this cause.

Respectfully submitted,

DANA K. JOYCE
General Counsel


A handwritten signature in dark ink, appearing to read "Bruce H. Bates", is written over a horizontal line.

Bruce H. Bates
Assistant General Counsel
Missouri Bar No. 35442

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Missouri Public Service Commission
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel or parties of record as shown on the attached service list this 7th day of September 2000.



Bruce H. Bates

Service List for
Case No. GC-2000-____
September 7, 2000

Office of the Public Counsel
PO Box 7800
Jefferson City, MO 65102

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