

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

June 28, 2001

CASE NO: GE-2001-586

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Stacey L. Gerard

Associate Administrator for Pipeline Safety
U. S. Department of Transportation –
RSPA/Office of Pipeline Safety
400 Seventh Street, S.W., Room 7128
Washington, DC 20590

Enclosed find certified copy of an Order in the above-numbered case(s).

Sincerely,



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 28th
day of June, 2001.

In the Matter of the Application of)
Missouri Public Service for a Permanent)
Waiver from Certain Provisions of)
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)

Case No. GE-2001-586

ORDER GRANTING WAIVER

On May 12, 1998, in Case No. GO-98-508, Missouri Public Service, a division of UtiliCorp United Inc. (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

requested 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 proposed to increase surveys to once a year. MPS stated that safety will not be jeopardized by the granting of the waiver.

In its memorandum filed on June 11, 1998, in Case No. GO-98-508, Staff stated 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 noted 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 recommended that MPS be allowed to increase the MAOP of this pipeline segment to 175 psig, conduct a leak survey, and, following the proposal in the application, conduct an annual leak survey.

The Commission found that granting the waiver of the required uprating procedure was in the public interest, and would not compromise safety. However, the Commission did not permanently waive the application of the rule as requested by MPS, but waived its application for a period of three years. The Commission stated that, if MPS wanted to continue to operate the line at 175 psig after the three-year period, it would need to apply for another waiver.

As required in Case No. GO-98-508, MPS did, on November 5, 1998, raise the pressure to 175 psig and conduct a leak survey. Staff observed the leak survey, and noted that only one small, above-ground leak was detected.

In this case, on April 20, 2001, MPS requested that the Commission make permanent the temporary waiver granted in GO-98-508. The current request is identical in

scope to the original request, and MPS again stated that granting the waiver will not be inconsistent with gas pipeline safety. MPS would continue annual leak surveys of the pipeline.

On May 24, 2001, Staff filed a recommendation in which it recommended that the Commission grant MPS a permanent waiver, and allow it to operate the pipeline at a MAOP of 175 psig. Staff conducted a gas safety inspection in April 2001, and determined that no leaks have been found, cathodic protection has been maintained as required, and that essential valves have been annually inspected and found to be in satisfactory condition. Staff stated that granting the waiver will not be inconsistent with gas pipeline safety, and should actually increase pipeline safety when compared to the minimum requirements. Staff recommended that the Commission provide notice to the federal Secretary of Transportation.

The Commission finds that granting the waiver on a permanent basis is in the public interest, and will not compromise safety. The Commission will grant the waiver and require that MPS continue to conduct annual leak surveys. The Commission will also direct that notice be provided to the Secretary of Transportation.

IT IS THEREFORE ORDERED:

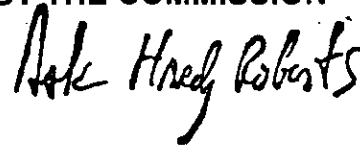
1. That the application for waiver filed by Missouri Public Service on April 20, 2001, is granted.
2. That Missouri Public Service shall conduct annual leak surveys on the pipeline segment that is the subject of the waiver.

3. 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:

Stacey L. Gerard
Associate Administrator for Pipeline Safety
U.S. Department of Transportation - RSPA/Office of Pipeline Safety
400 Seventh Street, S.W., Room 7128
Washington, DC 20590.

4. That this order shall become effective on September 11, 2001.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Murray and Simmons, CC., concur
Gaw, C., dissents

Mills, Deputy Chief Regulatory Law Judge

ALJ/Secretary: Mills / Joyce

Date Circulated 6-25 FE 2001-586
CASE NO.

Lumpie, Chair 88 p2

~~Drumgoe, Vice Chair~~

KS
Murray, Commissioner

Simmons, Commissioner

Gaw, Commissioner

Agenda Date 6-28

Action taken: 3-145

Must Vote Not Later Than _____

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 28th day of June 2001.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

