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January 16, 2002

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DALE HARDY ROBERTS Secretary/Chief Regulatory Law Judge

> DANA K. JOYCE General Counsel

FILED²

JAN 1 6 2002

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. GS-2001-224

Dear Mr. Roberts:

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

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,

Eric William Anderson

Assistant General Counsel

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EWA:ccl Enclosure

cc: Counsel of Record

FILED²
JAN 1 6 2002

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

Missouri Public Service Commission

		Service Commission
In the Matter of Missouri Gas Energy)	
regarding an incident at 1426 W. 50 th)	Case No. GS-2001- 224
Terrace, Kansas City, Missouri on August	souri on August)	
8, 2000.)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its recommendation states:

- 1. The Missouri Public Service Commission ("Commission") established a case, under its jurisdiction pursuant to Section 393.140 RSMo 2000, for the purpose of receiving information from Missouri Gas Energy ("MGE") on the natural gas flash fire, which occurred in an excavation in front of 1426 W. 50th Terrace in Kansas City, Missouri on Tuesday, August 8, 2000, at approximately 4:25 p.m.
- 2. As a result of the flash fire, two contractor workers working for MGE received burns. One worker was transported to a nearby hospital and was treated for 1st, 2nd, and 3rd degree burns on his face and arms, and was released to recuperate at home. The other worker was severely burned and was transported to the Kansas University Burn Center in Kansas City, Kansas where he remained for nine days for treatment and skin grafts.
 - 3. On February 7, 2001, Staff filed an incident report.
 - 4. On March 8, 2001, MGE filed its response.
- 5. On March 20, 2001, the Commission adopted an Order Closing Case. The Order provided that Staff had not filed a response to MGE's response and that the case could be closed on March 31, 2001.

- 6. On March 30, 2001, Staff filed a motion to late file response and keep the case open, as Staff still had concerns that had not been satisfied by MGE's response to Staff's Incident Report. Included in Staff's comments was a request for MGE to respond with clarifications concerning MGE'S requirements and training regarding the use of personal protective equipment ("PPE") and the practical elimination of all potential ignition sources in and around an excavation where there is a possibility for the accidental release of natural gas.
 - 7. On September 4, 2001, MGE filed a further response.
- 8. In the memorandum, attached hereto as Exhibit A, the Staff states that it has reviewed each of the responses of MGE. It is the Staff opinion that MGE has responded to the recommendations contained in the Incident Report. Staff recommends that this docket be closed.

WHEREFORE, the Staff respectfully requests that the Commission issue an order closing this case.

Respectfully submitted,

DANA K. JOYCE General Counsel

Eric William Anderson Assistant General Counsel

Missouri Bar No. 47253

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 16th day of January 2002.

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MEMORANDUM

TO:

Missouri Public Service Commission Official Case File

Case File No. GS-2001-224, Missouri Gas Energy

FROM:

Rick Fennel, Energy Department - Safety / Engineering

Project Coordinator/Date

General Counsel's Office/Dat

SUBJECT:

Staff Reply to MISSOURI GAS ENERGY'S FURTHER RESPONSE

DATE:

January 11, 2002

BACKGROUND

On February 7, 2001, the Gas Department – Safety / Engineering Staff of the Missouri Public Service Commission (Staff) filed a GAS INCIDENT REPORT (Report) in Case No. GS-2001-224. The Report detailed the Staff's investigation of a natural gas flash fire that occurred August 8, 2000, in an excavation in front of 1426 W. 50th Terrace in Kansas City, Missouri and contained two recommendations to the Company. The flash fire occurred after a contractor accidentally broke a tapping tee off a natural gas main and natural gas escaped from the resulting hole in the main, into the excavation and was ignited. Two contractor employees sustained burns as a result of the flash fire. In the course of their investigation, Staff determined that the Company did not violate any Commission safety regulations. However, Staff made two recommendations to the Company, which were contained in the Report.

On February 14, 2001, the Commission issued an ORDER DIRECTING RESPONSE for Missouri Gas Energy to file, no later than March 9, 2001, a response to the recommendations contained in the Report.

On March 8, 2001, the Company filed MISSOURI GAS ENERGY'S RESPONSE To Staff Incident Report (Response) to address the two operational recommendations contained in the Report.

On March 20, 2001, the Commission adopted an ORDER CLOSING CASE. This Order provided that Staff had not filed a response to MGE's response and that the case could be closed on March 31, 2001.

On March 30, 2001, the Staff filed a MOTION TO LATE FILE RESPONSE AND LEAVE CASE OPEN. The Motion was requested to late file Staff's CASE FILE MEMORANDUM, which included Staff's Comments To MGE'S Response as exhibit A. The Staff still had concerns that were not satisfied by MGE's response to Staff's Report. Included in Staff's comments was a request for MGE to respond with clarifications concerning MGE's requirements and training regarding the use of personal protective equipment ("PPE") and the practical elimination of all potential ignition sources in and around an excavation where there is a possibility for the accidental release of natural gas. Staff also requested to be relieved from the ten day filing requirement provided in 4 CSR 240-2.080(16) as the Staff member investigating this matter was unavailable for response within the ten day filing requirement time period.

On June 21, 2001, the Staff filed a MOTION TO DIRECT RESPONSE OF MISSOURI GAS ENERGY. In this Motion Staff asserted their reiteration of the importance of receiving information from MGE so Staff can determine whether MGE's existing requirements and

training are adequate to address the issues contained in the recommendations included in Staff's Report. Also, this Motion requested that MGE respond with a detailed explanation of the requirements and training that specifically address what operations, including operations which the tapping tee nut is loosened, required the use of PPE and the elimination of potential ignition sources, including the location of operating heating irons.

On August 31, 2001, the Company voluntarily filed MISSOURI GAS ENERGY'S FURTHER RESPONSE to address Staff's concerns with MGE's existing requirements and training fully addressing the wearing of PPE during the act of loosening the plug in the top of the tapping tee and the location of operating heating irons in relationship to an excavation where there is a possibility of the accidental release of natural gas. The Staff believes MGE has adequately addressed Staff's concerns with the Company's existing requirements and training regarding the wearing of PPE and eliminating all potential ignitions sources in and around an excavation where there is a possibility of the release of natural gas.

STAFF'S RESPONSE TO MGE'S FURTHER RESPONSE

First, MGE has addressed Staff's concern regarding the wearing of PPE during the action of loosening the plug in the tapping tee by providing more detailed training material on the proper use of PPE. This training material includes that whenever a gaseous atmosphere exists at a job site or may be introduced into the job site, flame retardant clothing must be worn. MGE trainers also emphasize, during the hands-on portion of the training, that excavations where the

backhoe operator is still digging, presents an opportunity for the escape and introduction of natural gas into the job site. Therefore, the requirements and training on the use of PPE would include the wearing of PPE during the action of loosening the plug in the tapping tee because of the potential for the accidental release of natural gas into the excavation.

Second, MGE has addressed Staff's concern regarding the location of operating heating irons near excavations where there is the possibility of the accidental release of natural gas by providing detailed requirement and training material regarding plastic fusion. This material requires that: 1. A heating iron must be unplugged from its power source prior to being used in gaseous or potentially gaseous atmosphere; 2. The power-operated unit must not be operated in the presence or potential presence of a natural gas atmosphere due to risk of explosion or fire; and 3. All excavations must be checked with a combustible gas indicator prior to entry, and entry only with the proper PPE if a gaseous atmosphere is discovered.

Therefore, for all the foregoing reasons, Staff believes that MGE's existing requirements and training adequately address the recommendations contained in the Staff Report. Further, Staff recommends that this case be closed.

Service List for Case No. GS-2001-224 January 16, 2002 (ccl)

Office of the Public Counsel PO Box 7800 Jefferson City, MO 65102 Robert J. Hack Missouri Gas Energy 3420 Broadway Kansas City, MO 64111