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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 3rd day of December, 1998.

In the Matter of the Missouri Public Service Commission,	)	
	)	
	)	
Complainant,	)	
	)	
vs.	)	<u>Case No. GC-96-452</u>
	)	
The City of Granby, Missouri,	)	
	)	
Respondent.	)	

ORDER GRANTING MOTION TO MODIFY STIPULATION AND AGREEMENT

On June 24, 1996, the Staff of the Missouri Public Service Commission (Staff) filed a complaint against the City of Granby, Missouri (Granby) which alleged that the City of Granby had failed to follow required safety procedures regarding its operation of a municipal gas system. Staff, Granby and the Office of the Public Counsel (Public Counsel) negotiated and filed a Unanimous Stipulation and Agreement (the Stipulation) on February 4, 1997. The Stipulation settled all four counts of the Complaint. The Commission approved the Stipulation in its Report and Order of September 3, 1997.

The Stipulation required Granby to excavate a large sample of locations where sewer mains cross beneath gas lines to determine if the gas lines had been damaged. In an order dated March 17, 1998, the Commission approved a modified stipulation and agreement which released Granby from its obligation, under the Stipulation, to excavate and expose the sample of high risk locations and instead required Granby to completely replace its existing steel natural gas distribution system

with a system consisting of polyethylene pipe, valves and fittings by the first quarter of 1999.

On October 28, Granby filed a Motion to Modify Stipulation and Agreement and/or Grant an Extension of Time For Completion of Natural Gas Distribution System Replacement Project. In its motion, Granby alleged that, because of difficulties encountered in completing the project, it would be unable to complete the gas line replacement project in time to comply with the completion date established in the Commission's order. Granby requested that the completion date of the project be extended from the end of the first quarter of 1999 (March 31) to July 31, 1999. Granby also requested that it be ordered to provide monthly progress reports to the Commission detailing its progress on the replacement project.

On November 17, Staff filed a response to Granby's motion to modify the stipulation. In its response, Staff indicated that it met with Granby's representatives on October 6, because it was not pleased with Granby's progress on the replacement project. Granby, in cooperation with Staff, prepared a revised construction plan and schedule. Staff continues to believe that total replacement of the steel natural gas distribution system is the best course of action. Staff expressed the hope that Granby will comply with the revised construction plan and schedule and complete the entire replacement project by July 31, 1999. Staff recommended that the extension of time sought by Granby in its motion be granted. However, Staff recommended that the Commission specifically condition the extension of time on certain conditions, which will be adopted by the Commission.

For good cause shown, Granby's motion for extension of time to complete the replacement project will be granted. However, Granby is put

on notice that the Commission will entertain the assessment of a daily penalty against the city for each day after August 1, 1999 that the replacement project is not completed.

**IT IS THEREFORE ORDERED:**

1. That the City of Granby's Motion to Modify Stipulation and Agreement and/or Grant an Extension of Time for Completion of Natural Gas Distribution System Replacement Project is granted.

2. That the Natural Gas Distribution System Replacement Project shall be completed no later than July 31, 1999.

3. That the City of Granby shall file monthly progress reports with the Staff of the Missouri Public Service Commission concerning the status of the project.

4. That on or before December 31, 1998, the City of Granby shall provide Staff with documentation that adequate and effective training has been provided for the additional personnel hired to work on the project and on the existing natural gas system.

5. That the City of Granby must conduct an instrument leak detection survey over the entire distribution system on or before March 31, 1999, and submit documentation of the survey to the Staff. The City of Granby must inform the Staff at least ten days in advance of when the survey is scheduled, to allow the Staff the opportunity to observe the survey. The leak survey is to verify the integrity of the distribution system since the replacements will not be replaced by March 31, 1999 as previously required.

6. That the City of Granby must comply with one of the following:

- a) complete fifty percent (50%) of the steel natural gas distribution system replacement project by March 31, 1999 and complete the replacement of the entire distribution system by July 31, 1999;
- b) eliminate all of the locations where the natural gas mains cross sewer mains (and close parallel situations), that may have sustained third party damage, by March 31, 1999, as noted in the original stipulation, and complete the replacement of the entire distribution system by July 31, 1999; or
- c) if fifty percent (50%) of the steel natural gas distribution system replacement has not been completed by March 31, 1999, immediately commence the replacement of all the locations where natural gas mains cross sewer mains (and close parallel situations), that may have sustained third-party damage, as noted in the original Stipulation, and complete the replacement of the entire distribution system, including the crossings, by July 31, 1999.

7. That the City of Granby shall notify the Staff immediately if any construction problems are encountered that could delay the completion date beyond July 31, 1999.

8. That the Commission will entertain the assessment of a daily penalty against the city for each day after August 1, 1999 that the replacement project is not completed.

9. That this Order shall become effective on December 15, 1998.

**BY THE COMMISSION**

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive style with a large initial "D".

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

( S E A L )

Lumpe, Ch., Crumpton, Murray,  
Schemenauer, and Drainer, CC., concur

Woodruff, Regulatory Law Judge