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COMMISSION



March 12, 2015

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

**RE: Case No. 2015-**

Dear Mr. Derouen:

Columbia Gas of Kentucky, Inc. ("Columbia") submits an original and ten (10) copies of its application requesting a limited deviation of 807 KAR 5:022, Section 14(22)(a).

If you have questions, please don't hesitate to contact me at 614-460-4648 or [sseiple@nisource.com](mailto:sseiple@nisource.com).

Sincerely,

A handwritten signature in cursive script that reads "Stephen B. Seiple".

Stephen B. Seiple  
Assistant General Counsel

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

MAR 12 2015  
PUBLIC SERVICE  
COMMISSION

In the Matter of: )  
)  
THE APPLICATION OF COLUMBIA GAS ) Case No. 2015-\_\_\_\_\_  
OF KENTUCKY, INC. FOR A LIMITED DE- )  
VIATION FROM THE REQUIREMENTS OF )  
807 KAR 5:022, Section 14(22)(a). )

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APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC.

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Columbia Gas of Kentucky, Inc. ("Columbia") respectfully requests the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:022, Section 18, to grant a limited deviation from the recording pressure gauge requirements of 807 KAR 5:022, Section 14(22)(a). In support of the application, Columbia states as follows:

1. Columbia is engaged in the business of furnishing natural gas services to the public in certain counties in the Commonwealth of Kentucky, pursuant to the authority granted by the Commission.

2. Columbia's full name and post office address is:

Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
P.O. Box 14241  
Lexington, KY 40512-4241

3. A recording pressure gauge monitors and records the gas pressure flowing to it on a twenty-four basis. The Commission's rules at 807 KAR 5:022, Section 14(22)(a) require that each utility shall keep in continual use one (1) or more accurate recording pressure gauges on its distribution systems. The rule further requires that the gauges be located at such points and in such manner sufficient to reflect a continuous record of gas pressure and character of service being furnished throughout the entire system. After reviewing this rule in depth, Columbia interprets the Commission rule to require a recording pressure gauge downstream of *every distinct pressure system*.

4. Conversely, the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), pursuant to 49 CFR 192.741(a), requires *each distribution system* supplied by more than one district pressure regulating station be equipped with telemetering or recording pressure gauges to indicate the gas pressure in the district. Columbia meets the federal standard, and has recording pressure gauges for each distribution system having two or more district stations.

5. Columbia's infrastructure includes 312 distinct pressure systems controlled by approximately 550 district regulator stations. To comply with the Commission's rule, Columbia would be required to add 166 additional recording pressure gauges to district regulator stations. The initial investment to install these gauges is expected to total approximately \$420,000.

6. In addition to the initial investment to purchase and install the recording pressure gauges, Columbia would be required to monthly monitor and manually change the recording device chart for each recording pressure device added to its system, which would annually tax Columbia's labor resources by an additional 805 hours and cost approximately \$36,000. Both the initial investment and the ongoing operations and maintenance expenses are incremental to those expenses currently included in the calculation of Columbia's base rates.

7. Notwithstanding the cost of compliance, Columbia continues to provide customers with safe and reliable natural gas service. In compliance with both 807 KAR 5:022 and 49 CFR 192, Columbia's infrastructure meets the standards for over-pressurization protection. Each of Columbia's district regulator stations have over-pressure protection, and some with secondary relief valves, to ensure that if the system over-pressurizes, the valves will trip and blow-off excess gas.

8. The Commission has granted a limited deviation of this rule for Atmos Energy. In Case No. 2004-00275, Atmos requested a deviation of 807 KAR 5:022, Section 14(22)(a) for approximately 59 regulator stations each serving at least more than two farm tap customers. Atmos argued that each regulator station, similar to Columbia, included adequate over pressure protection through pressure relief valves. Atmos further argued that the cost to maintain the recording pressure

gauges would be unwarranted. By order dated January 20, 2005, the Commission approved the rule deviation finding that “good cause” existed for such deviation.<sup>1</sup>

9. Columbia requests a deviation from the rule similar to that provided to Atmos. Columbia must provide safe and reliable gas service to its customers. This rule deviation request will not hinder this goal, but will permit Columbia to provide federally-compliant gas service through the continued monitoring and maintenance of its over pressure protection equipment at each district regulator station.

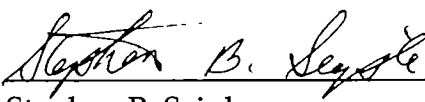
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<sup>1</sup>Case No. 2004-00275, *Application of Atmos Energy Corporation for a Limited Deviation From The Requirements of 807 KAR 5:022, Section 4(23)(b)(1) – (4) and 807 KAR 5:022, Section 14(22)(a)*, (Ky. PSC January 25, 2005).

WHEREFORE, Columbia respectfully submits that good cause has been shown for a deviation from 807 KAR 5:022, Section 14(22)(a) and it respectfully requests that the Commission issue an order authorizing a limited rule deviation, pursuant to 807 KAR 5:022, Section 18, for the reasons stated herein.

Dated at Columbus, Ohio, this 12<sup>th</sup> day of March, 2015.

Respectfully submitted,  
**COLUMBIA GAS OF KENTUCKY, INC.**

By:   
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Asst. General Counsel

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