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March 2, 2006

TO: PARTIES OF RECORD  
RE: Case No. 2006-00046  
White Plains Natural Gas System

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to J.R. Goff at 502/564-3940.

Sincerely,

  
Beth O'Donnell  
Executive Director

vh/  
Enclosure

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** File: Case No. 2006-00046

**FROM:** J. R. Goff, Staff Attorney

**DATE:** February 28, 2006

**RE:** White Plains Natural Gas System ("White Plains Gas")  
Telephone Conference

On February 27, 2006, Commission Staff held a telephone conference with representatives of White Plains Gas. Participating for White Plains Gas were Mayor Ronnie Lewis, Mike Williams, Jimmy Lear, and David Crick. Participating for Commission Staff were Jason Brangers, David Kinman, Melissa Holbrook, Bill Aitken, and J. R. Goff. After discussing the procedure of the conference, the participants discussed the alleged violations contained in the Commission's Order of February 8, 2006.

White Plains Gas stated that while it was not informed of the requirements of the regulation, it has worked hard, after learning of the violations, to come into compliance. White Plains Gas has contacted Roger Wingate to develop the necessary plans and programs. White Plains Gas is working on a continuing public education program to inform its customers, the public, and others how to recognize a pipeline emergency and the steps to take in the event of such an emergency. Staff suggested that they contact natural gas utilities in the area to learn of their programs and methods. White Plains Gas indicated it would do so and have its plan in place by April 1. White Plains Gas now has a written Operator Qualification Plan in place. White Plains Gas now has an employee, David Crick, who has been qualified to perform maintenance on the gas system and he will obtain additional qualifications on an ongoing basis. Mr. Crick has received training to allow him to join plastic pipe either mechanically or through the heat fusion process. White Plains Gas is in the process of obtaining a written anti-drug plan specific to gas employees and expects to have it in place by April 1. White Plains Gas has documentation that it has inspected its necessary "key" valves.

All White Plains Gas customers have received notification and new customers will receive notification in writing of the opportunity to have excess flow valves installed on customer service lines.

White Plains Gas and Commission Staff then discussed the penalty for the violations. It was agreed that five of the seven violations would be assessed a civil penalty of \$1,000 each and that the remaining two would be assessed a civil penalty of \$250 each for a total of \$5,500. It was further agreed that, due to the efforts of White Plains Gas to reach compliance, and considering the size of the system, \$5,000 of the penalty would be suspended for one year and, if no further violations occur during that period, the suspended penalty would not be collected.

The conference was then adjourned.