

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JURISDICTIONAL STATUS OF BRIGHTS PROPANE)
SERVICE, INC.'S PROPANE DISTRIBUTION) CASE NO. 90-091
SYSTEM)

O R D E R

In early 1989, Brights Propane Service, Inc. ("Brights"), located in Burgin, Kentucky, installed an 18,000 gallon propane storage tank and approximately 7,500 feet of two-inch plastic distribution pipeline throughout the Old Bridge Subdivision ("Old Bridge") in Boyle County, Kentucky. The construction was according to Western Kentucky Gas Company's ("Western") standards.

On April 7, 1989, investigators from the Gas Pipeline Safety Branch witnessed the air pressure testing of Brights' pipelines which was implemented by Western and found that the pipelines were leak-free at 105-108 psig.

Currently Brights provides propane gas through its distribution system to 22 customers.

Brights is a utility jurisdictional to the Commission pursuant to KRS 278.010(3) which states:

"Utility" means any person except a city who owns, controls or operates or manages any facility used or to be used for or in connection with (b) . . . production, manufacture, storage, distribution, sale or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation . . . (c) transporting or conveying of gas, crude oil or other fluid substance by pipeline to or for the public, for compensation.

Brights is required to operate its gas distribution facilities according to 49 CFR Part 192.11(a) and NFPA No. 58. CFR 49 Part 192.11(a), adopted by this Commission for safety purposes, states:

No operator may transport petroleum gas in a system that serves 10 or more customers, or in a system, any portion of which is located in a public place (such as a highway), unless that system meets the requirements of this part and of NFPA Standards No. 58 and No. 59.

Brights intends to have the propane distribution system serving Old Bridge become a part of Western's system if Western extends its mains from Danville, Kentucky, to Old Bridge.

On July 16, 1990, Brights filed its tariff and proposed an effective date of August 1, 1990. By Order entered August 14, 1990, the Commission suspended the tariff up to January 14, 1991. Brights refiled its tariff on January 18, 1991, and proposed a new effective date of February 18, 1991. The proposed rate is \$0.029 per cubic foot of propane gas with a minimum bill of \$11.60 per month. Brights also requested an exemption from having a budget payment plan ("Plan") as it is a small company and the Plan might cause economic harm to it.

After consideration of the filing in this case and being otherwise sufficiently advised, the Commission finds that Brights' tariff regulations and the rates and charges contained therein are reasonable and should be approved with the following exceptions. Item 8, Customer's equipment and installation, contains the following provision: "the company shall not assume any responsibility and shall not be held liable in any way for the making of any periodic inspection of the customer's service line,

pipng, connections, or appliances, or for the customer's failure to properly and safely install, operate, and maintain the same." Since various Commission regulations require Brights to undertake periodic inspections of service lines and other customer equipment, the Commission finds this tariff language inappropriate and it should be deleted. Further, Item 20, Company's discontinuance of service for cause, provides that "where a dangerous condition is found to exist on the customer's premises, the service may be discontinued without notice." 807 KAR 5:006, Section 11, provides that service shall be discontinued when a dangerous condition is discovered provided that notice is given immediately of the reasons for the discontinuance. Brights should revise this clause to mirror the language of the above-cited regulation.

IT IS THEREFORE ORDERED that:

1. Brights, as a utility jurisdictional to the Public Service Commission pursuant to KRS 278.010(3), shall operate its propane storage and propane gas distribution system according to 807 KAR 5:022, NFPA No. 58 Standard, and all other applicable laws and regulations.

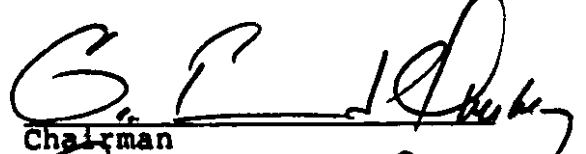
2. Brights shall be exempted from having a Budget Payment Plan until January 1, 1994.

3. Brights January 18, 1991 tariff filing is hereby approved with the two exceptions noted above. The rates and charges contained therein are the fair, just, and reasonable rates to be charged by Brights in rendering propane service.

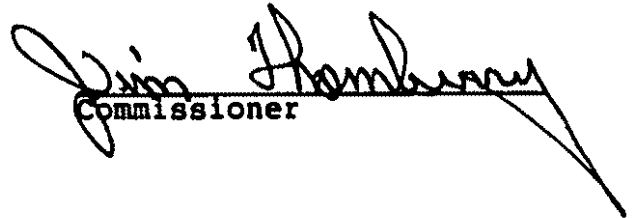
4. Brights shall refile its tariffs reflecting the changes directed herein within 30 days of the date of this Order.

Done at Frankfort, Kentucky, this 15th day of February, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director