

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY	)	
and	)	
GOSHEN UTILITIES, INC.	)	
_____	)	CASE NO. 99-042
	)	
INVESTIGATION INTO ALLEGED UNSAFE	)	
UTILITY PRACTICES	)	

ORDER

Louisville Gas and Electric Company ( LG&E ) is a Kentucky corporation that owns, operates, and manages facilities used for the storage, sale, and distribution of natural and manufactured gas to the public for compensation, and is therefore a utility subject to Commission jurisdiction. KRS 278.010(3)(b); KRS 278.040.

Goshen Utilities, Inc. ( Goshen Utilities ) is a Kentucky corporation that owns, operates, and manages facilities, which are not located in a county containing a city of the first class, for the treatment of sewage for the public for compensation, and is therefore a utility subject to Commission jurisdiction. KRS 278.010(3)(f); KRS 278.040.

Commission Staff has furnished the Commission with correspondence between LG&E, Goshen Utilities, and Commission Staff, copies of which are appended hereto as Exhibits 1 through 6, and has made the following allegations:

1. On or about February 1, 1998, LG&E began extending its gas service mains into the Lakeview Subdivision of Oldham County, Kentucky. During February

1998 using directional boring,<sup>1</sup> LG&E extended its gas mains through approximately 25 properties in the Lakeview Subdivision.

2. On or about March 1, 1998, three customers of Goshen Utilities who reside in the Lakeview Subdivision complained of sewage stoppages. Goshen Utilities investigated and determined that the customers sewage lines were blocked by the newly installed gas mains. When installing its gas mains, LG&E or its agents had apparently bored into or through some of Goshen Utilities gravity fed sewer lines. Such action, if uncorrected, poses a safety hazard.

3. Between March and November 1998, LG&E and Goshen Utilities engaged in discussions to resolve their dispute over responsibility for locating existing sewer facilities within Goshen Utilities service area and LG&E's continued use of directional boring for gas main extensions in that area. While apparently conceding that inspection of gas main installations was necessary to ensure that no safety problems existed, no agreement was reached on how such inspections would be performed or who bore responsibility for such inspections.

4. As part of those discussions, representatives of each utility met with Commission Staff on June 16, 1998. As a result of those discussions, Commission Staff requested that the utilities jointly determine the location of the affected customers sewer lines and closely inspect the gas and sewer lines at the point of intersection. It also requested periodic reports on the results of these inspections.

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<sup>1</sup> Directional boring is an alternative means of installing or replacing underground services with only minimal site disruption or restoration costs. It has two stages. In the first stage, a steerable drill head bores a pilot hole to a pre-designated point. In stage two, the drill head is removed and is replaced with a reamer to enlarge the hole and a swivel that attaches to the pipe. At this point the entire assembly is pulled back through the pilot hole. No trenches need be dug nor is any landscaping disturbed.

5. Initially both utilities agreed to use a pot hole technique to locate Goshen Utilities lines. Under this technique, Goshen Utilities marks the appropriate location of its sewer lines. LG&E's contractor then pot holes this location to determine the exact location of the sewer line. If the first pot hole fails to uncover the sewer line, then additional pot holes are dug.

6. After its initial use of the pot hole technique, LG&E abandoned this technique as inefficient and unreliable. Attempting to locate Goshen Utilities sewer lines in 40 property lots, it dug three holes, each measuring four feet wide and 25 inches deep, in each lot. With these 120 holes, LG&E was able to locate only three sewer lines. LG&E completed its initial construction by using conventional trenching techniques. Because of the expense of these techniques, it has ceased further gas main extensions in the areas that Goshen Utilities serves.

7. As of this date, neither utility has inspected the sewer service lines of the customers whose gas mains were installed with the use of directional boring. In its last report in November 1998, Goshen Utilities advised the Commission that no inspections were being conducted and that the utilities were unable to agree on how to conduct such inspections.

Based on its review of Commission Staff's allegations and the exhibits appended hereto and being otherwise sufficiently advised, the Commission finds that prima facie evidence exists that these conditions constitute an unsafe, improper and unreasonable practice affecting both utilities' provision of utility service.

The Commission, on its own motion, HEREBY ORDERS that:

1. LG&E and Goshen Utilities shall appear before the Commission on February 26, 1999 at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning their alleged unsafe, improper, and unreasonable practices, and of showing cause why they should not be required to remedy these unsafe, improper, and unreasonable conditions.

2. LG&E and Goshen Utilities shall submit to the Commission within 10 days of the date of this Order a written response to the allegations contained herein.

3. Exhibits 1 through 6, copies of which are appended hereto, are made part of the record of this proceeding.

Done at Frankfort, Kentucky, this 9<sup>th</sup> day of February, 1999.

By the Commission

ATTEST:

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Executive Director