

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PATCHEN PLACE APARTMENTS)	
)	
_____)	CASE NO. 99-355
)	
ALLEGED VIOLATIONS OF)	
ADMINISTRATIVE REGULATION)	
807 KAR 5:022)	

O R D E R

Patchen Place Apartments ("Patchen Place") operates a master meter system that receives natural gas from Columbia Gas of Kentucky and Columbia Transmission Company. Patchen Place then redistributes its gas to apartment units through a network of steel and plastic pipelines.

Patchen Place, as a master meter operator, is subject to the safety jurisdiction of the Commission, pursuant to KRS 278.495. Patchen Place is also subject to Commission jurisdiction under the authority of and in compliance with federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations of 49 CFR 189-199 and KRS 278.992(1). Pursuant to these statutes and 49 CFR 189-199, the Commission promulgated Administrative Regulation 807 KAR 5:022.

On August 5, 1999, Commission Staff submitted to the Commission a Comprehensive Inspection Report alleging Patchen Place was in violation of Commission regulations. On September 3, 1999, the Commission issued an Order requiring Patchen Place to show cause why it should not be penalized for the alleged

violations. Pursuant to that Order, Patchen Place filed a response and requested an informal conference with Commission Staff.

On September 27, 1999, an informal conference was held in which Patchen Place and Commission Staff entered into a settlement agreement wherein Patchen Place waived a formal hearing and agreed that it was in violation of the following regulations:

1. Patchen Place did not perform the required corrosion inspection in 1998. 49 CFR 192.465 and 807 KAR 5:022, Section 10(9)(a).
2. The required annual valve inspection was not conducted in 1998. 49 CFR 192.747 and 807 KAR 5:022, Section 14(25).
3. Patchen Place did not patrol its gas system in 1998 as required. 49 CFR 192.721 and 807 KAR 5:022, Section 14(12).
4. A leakage survey was not conducted in 1998. 49 CFR 192.723 and 807 KAR 5:022, Section 14(13)(b)(1).

The settlement agreement further provided for the assessment of a civil penalty of \$2,000 under certain terms and conditions.

The Commission finds that the settlement agreement, dated October 21, 1999, is fair and reasonable and shall be approved.

IT IS THEREFORE ORDERED that:

1. The settlement agreement, attached hereto, be and hereby is incorporated into this Order as if fully set forth herein.
2. Patchen Place is assessed a civil penalty of \$2,000 for violations, pursuant to KRS 278.992(1).

3. Within 10 days of the date of this Order, Patchen Place shall pay to the Commonwealth of Kentucky the sum of \$500. This payment shall be in the form of a cashier's check made payable to the Kentucky State Treasurer, and shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

4. The balance of the penalty, or \$1,500, shall be held in abeyance for 3 years upon the following conditions:

a. No repeat violations of these regulations shall exist upon a re-inspection of Patchen Place to be performed within 60 days from the date of this Order.

b. The appropriate personnel of Patchen Place shall attend annually for 3 years gas safety training seminars such as those sponsored by Kentucky Gas Association or United States Department of Transportation/Office of Pipeline Safety, and retain attendance records for the Commission's inspection.

Done at Frankfort, Kentucky, this 13th day of January, 2000.

By the Commission

ATTEST:

Executive Director