

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SADDLEBROOK APARTMENTS)	
)	
_____)	CASE NO. 99-371
)	
ALLEGED VIOLATIONS OF)	
ADMINISTRATIVE REGULATION 807 KAR 5:022)	

ORDER

Saddlebrook Apartments (“Saddlebrook”) is a master meter system operator that receives natural gas from the Columbia Gas of Kentucky system. Saddlebrook then redistributes its gas to 455 apartments through a network of steel and plastic pipelines.

Saddlebrook, as a master meter operator, is subject to the safety jurisdiction of the Commission, pursuant to KRS 278.495. Saddlebrook 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 that Saddlebrook was in violation of Commission regulations. On September 17, 1999, the Commission issued an Order requiring Saddlebrook to show cause why it should not be penalized for the alleged violations. Pursuant to that Order, Saddlebrook filed a response and requested an informal conference with Commission Staff.

On November 8, 1999, an informal conference was held in which Saddlebrook and Commission Staff entered into a Settlement Agreement wherein Saddlebrook waived a formal hearing and agreed that it was in violation of the following regulations:

1. In 1998, Saddlebrook did not perform the required corrosion inspection. 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).

The Settlement Agreement further provided for the assessment of a civil penalty of \$1,000 for the above violations.

The Commission finds that the Settlement Agreement, dated December 15, 1999, is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is hereby incorporated into this Order as if fully set forth herein.
2. Saddlebrook is assessed a civil penalty of \$1,000 for violations, pursuant to KRS 278.992(1).
3. Within 10 days of the date of this Order, Saddlebrook shall pay to the Commonwealth of Kentucky the sum of \$1,000. This payment shall be in the form of a cashier's check made payable to Kentucky State Treasurer and shall be mailed or delivered to the Office of the General Counsel, Public Service Commission, 730 Schenkel Lane, P. O. Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 11th day of January, 2000.

By the Commission

ATTEST:

Executive Director