

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE UNION LIGHT, HEAT AND POWER COMPANY)	
_____)	CASE NO. 2000-065
ALLEGED VIOLATION OF COMMISSION)	
REGULATION 807 KAR 5:027, SECTION 3(1)(c))	

O R D E R

The Union Light, Heat and Power Company (“ULH&P”) is a utility pursuant to KRS 278.010(3)(b). As a natural gas utility, ULH&P is subject to Commission jurisdiction pursuant to KRS 278.040 and 278.280.

KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of services by utilities and to determine if the practices of any utility are improper, inadequate, or insufficient. Pursuant to this statutory directive, the Commission promulgated 807 KAR 5:027, Section 3(1)(f) and (g), which requires utilities to give notice to the Commission “at the earliest practicable moment or no later than 2 hours after the incident” of any occurrence that results in a loss of gas or extensive news coverage.

Commission Staff has submitted to the Commission an Incident Inspection Report, dated December 28, 1999, appended hereto, alleging:

1. ULH&P failed to notify the Commission that an incident, which resulted in a loss of gas, as well as extensive media coverage, had occurred. 807 KAR 5:027, Section 3(1)(f) and (g), requires the Commission be notified by the utility of such an

incident at the earliest practicable moment but no later than two 2 hours following the discovery.

2. The incident report states that the subject one-inch valve and box were relocated and placed by ULH&P in accordance with road elevations furnished by the highway contractor, Spartan Construction (“Spartan”), but that Spartan caused the valve box to be lowered, causing the box lid to rest directly on top of the valve. Road traffic apparently caused the lid to contact the valve, causing it to separate from the pipe, resulting in the leak. The report does not say how long this condition existed before the failure of the valve or if ULH&P inspected the valve box after the construction by the highway contractor.

Based on its review of the Incident Inspection Report and being otherwise sufficiently advised, the Commission finds *prima facie* evidence that ULH&P has failed to comply with Administrative Regulation 807 KAR 5:027, Section 3(1)(f) and (g).

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

1. ULH&P shall appear before the Commission in Hearing Room 2 on March 28, 2000, at 9:30 a.m., Eastern Standard Time, at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of presenting evidence concerning an alleged violation of Administrative Regulation 807 KAR 5:027, Section 3(1)(f) and (g) and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for this alleged violation.

2. Within 20 days of the date of this Order, ULH&P shall submit to the Commission a written response to the allegations contained in this show cause Order.

3. At the scheduled hearing, ULH&P shall also present evidence as to the construction and inspection of the relocation of the one-inch valve and box.

4. The Incident Inspection Report of December 28, 1999 is made part of the record of this proceeding.

5. Any motion requesting an informal conference with Commission Staff to consider matters which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 22nd day of February, 2000.

By the Commission

ATTEST:

Executive Director