

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)	
_____)	
FAILURE TO COMPLY WITH 49 C.F.R. 192.13(c),)	CASE NO. 2000-177
192.605(a), 199.225(a), and 807 KAR 5:022,)	
SECTIONS 1(7)(c), 9(17)(a)(3), and 13(3))	

O R D E R

Louisville Gas and Electric Company (“LG&E”) is a Kentucky corporation engaged in the distribution, sale, and furnishing of natural gas to or for the public, for compensation, for lights, heat, power, or other uses. KRS 278.010.

KRS 278.495(2) directs the Commission to regulate the safety of natural gas facilities owned or operated by a utility, and KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of services by utilities. In addition, the Commission is responsible for the enforcement of the Natural Gas Pipeline Safety Act of 1968 pursuant to a 5(a) agreement with the United States Department of Transportation, Office of Pipeline Safety. Pursuant to its responsibility to enforce these provisions, the Department of Transportation (“DOT”) has promulgated 49 C.F.R. 192.13(c) and 192.605(a), and the Commission has promulgated 807 KAR 5:022, Sections 1(7)(c) and 13(3), all of which require the operator of a gas distribution system to maintain and follow written plans and procedures for conducting operations and maintenance activities and to prevent accidental gas ignition in a structure.

The Commission also promulgated 807 KAR 5:022, Section 9(17)(a)(3), which requires a gas utility to test all piping downstream from the meter for gas leaks each time gas is turned on by the utility by observing that no gas passes through the meter when all appliances are turned off. The DOT also promulgated 49 C.F.R. 199.225(a), which requires a gas utility to test a surviving employee for alcohol as soon as practicable after an accident if the employee's performance contributed to the accident or cannot be completely discounted as a contributing factor.

Commission Staff submitted to the Commission an Incident Inspection Report ("Report") dated January 10, 2000, attached hereto as Appendix A, which alleges that at approximately 6:45 p.m., on November 4, 1999, an LG&E employee turned on gas service to a residence at 2041 S. 41st Street, Louisville, Kentucky. The gas service had previously been disconnected for non-payment. The homeowners requested the LG&E employee to not enter the house, so the employee turned the gas on at the meter without checking to see if all appliances and valves were off and any open lines were plugged or capped. The employee performed a meter dial test, but only for three to four seconds, which the Report states is not sufficient time to adequately check for leaks on the house piping. Moments after the homeowners entered their home, an explosion occurred and they were both injured. It was subsequently determined that a gas line supplying a stove had been disconnected but not capped, allowing gas to escape when the meter was turned on. The source of ignition was an oil lamp in the kitchen.

The Report alleges three probable violations:

1. 49 C.F.R. 192.13(c) and 192.605(a) and 807 KAR 5:022, Sections 1(7)(c) and 13(3), due to the employee's failure to follow LG&E's established operating and

maintenance plan which requires service personnel to perform a visual inspection of each room of the customer's premises to check for open gas lines. A copy of the LG&E procedure for turning on gas service is attached hereto as Appendix B.

2. 807 KAR 5:022, Section 9(17)(a)(3), due to the employee's failure to adequately test all piping downstream from the meter after the gas was turned on.

3. 49 C.F.R. 199.225(a), due to LG&E's failure to conduct an alcohol test within the required time limits on the employee involved.

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

1. Within 20 days of the date of this Order, LG&E shall submit to the Commission a written response to the allegations contained in the Report.

2. LG&E shall appear on May 25, 2000 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky to present evidence concerning the incident which is the subject of the Report, specifically the three alleged violations of DOT and Commission regulations, and to show cause, if any it can, why it should not be subject to the penalties of KRS 278.990 and 278.992 for the three probable violations of the aforementioned regulations.

3. The Report dated January 10, 2000 and the LG&E procedure for turning on gas are hereby made a part of the record in this case.

4. Any request by LG&E for an informal conference with the Commission Staff shall be set forth in writing and filed with the Commission within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 20th day of April, 2000.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION

IN CASE NO. 2000-177

DATED 4/20/2000

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

INCIDENT INSPECTION REPORT

LOUISVILLE GAS AND ELECTRIC COMPANY
Louisville Service Area
Louisville, Kentucky

January 10, 2000

BRIEF

On November 4, 1999, an incident occurred at 2041 S. 41st Street, Louisville Kentucky. The natural gas utility involved in this incident is the Louisville Gas & Electric Company ("LG&E"). This incident investigation is conducted in accordance with the Public Service Commission's ("PSC") policy of inspecting all jurisdictional gas operators that are involved in a reportable incident. Natural gas operators are jurisdictional to the PSC under KRS 278.040, 278.495, and also through a 5(a) agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the Natural Gas Pipeline Safety Act of 1968.

INSPECTION

At 9:32 PM, EST, on November 4, 1999, the PSC received a telephonic notice from Greg Ferguson, Regulatory Affairs Coordinator for LG&E, about a fire involving natural gas. There were two people who were burned as a result of this incident.

The following day, November 5, 1999, I met with LG&E at the site to investigate this accident. The house located at 2041 S. 41st Street was still standing but totally destroyed inside. The two people who were living in the house were burned and admitted to the hospital.

At approximately 6:45pm on November 4, 1999, an LG&E employee had turned the natural gas service on at the above location. The service had been disconnected because of nonpayment. The homeowner did not want the LG&E employee to enter his house. He said he would relight all appliances. The LG&E employee then turned the gas on at the meter without checking to see if all valves were off and any open lines plugged or capped. This employee did not follow LG&E procedures. Therefore, this is a violation of state and federal regulations. The employee said that he did a dial test for 3-4 seconds. This is not an adequate amount of time to perform such a test that would check to see if any leaks were on the house piping.

After the gas was turned on at the meter, the homeowners started to enter the house by the rear door. There was a lit oil lamp on the stove. At this time the gas ignited. The source of the gas was from the stove connection that was not hooked up and the valve was open. The stove had recently been brought into the house and the homeowner forgot that it was not hooked up.

During the investigation the house line was pressure tested with this valve off and line plugged. No other leaks were found on the house piping. Also, the customer service line was tested with no leaks found. The odorant was checked and found to be at an acceptable level.

LG&E failed to conduct an alcohol test on the employee, as required by federal regulations, in the required time limits.

FINDINGS and RECOMMENDATIONS

During the investigation of this reportable gas incident, I found that LG&E was in violation of the following state and federal regulations:

1. LG&E did not follow their procedures for turning gas on to a customer. 49 CFR 192.13(c), 192.605(a) and 807 KAR 5:022, Sections 1(7)(c) and 13(3).
2. LG&E did not perform adequate tests on the customer's house lines before turning on the gas. KAR 5:022, Section 9(17)(a)(3).
3. LG&E did not conduct an alcohol test in the required time limits. 49 CFR 199.225(a).

It is therefore recommended that the Commission initiate a hearing to allow LG&E to show cause why it should not be penalized for failure to comply with state and federal regulations.

Respectfully submitted,

Jeffrey M. Schroeder
Gas Utility Investigator

JMS:dcp
9914300 and 9917700