COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MT. CARMEL HIGH SCHOOL

CASE NO. 2000-470

ALLEGED VIOLATIONS OF ADMINISTRATIVE REGULATION 807 KAR 5:022

<u>O R D E R</u>

On October 30, 2000, the Commission issued an Order directing Mt. Carmel High School ("Mt. Carmel") to appear and show cause why it should not be penalized pursuant to KRS 278.992(1) for its alleged violation of Commission Regulation 807 KAR 5:022, Sections 13, 21, and 25. Following the commencement of this proceeding, Mt. Carmel and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. On December 9, 2000, a Settlement Agreement was executed between Mt. Carmel and Commission Staff.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the circumstances surrounding the October 30, 2000 inspection, Mt. Carmel's efforts to comply with the Commission's safety regulations, and Mt. Carmel's willingness to improve and enhance its existing safety programs and operations. The Commission finds that the Settlement Agreement 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 incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Mt. Carmel is assessed a penalty in the sum of Five Hundred Dollars (\$500.00). However, said penalty is probated for a period of 5 years upon the following terms:

a. Mt. Carmel shall commit no further violations of Commission regulations.

b. Mt. Carmel shall file with the Commission its annual report of maintenance and valve inspections along with its leak survey.

4. This case is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 16th day of January, 2001.

By the Commission

ATTEST:

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-470 DATED JANUARY 16, 2001

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In the Matter of:

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ALLEGED VIOLATIONS OF ADMINISTRATIVE REGULATION 807 KAR 5:022

SETTLEMENT AGREEMENT

WHEREAS, on December 6, 2000 an informal conference was held between

Commission Staff and representatives of Mt. Carmel High School ("Mt. Carmel") for the purpose of discussing matters to aid in the disposition of this proceeding;

WHEREAS, Mt. Carmel has as of December 5, 2000, performed an annual key valve inspection and,

WHEREAS, Mt. Carmel has updated its Operations and Maintenance Plan and its

Emergency Plan and,

WHEREAS, Mt. Carmel has performed and has records of an annual leak survey which it has performed.

Therefore, based upon negotiations with Commission Staff it is agreed that:

There are no further facts to be submitted to the Commission and that Mt.
Carmel has waived its right to a public hearing;

 Mt. Carmel agrees to provide the Commission with a copy of a record of annual maintenance on regulators and relief valves on its system on or before January 31, 2001. Mt. Carmel agrees to the imposition of a civil penalty of \$500 for the violation of the regulation as set forth below:

a. 49 CFR 192.747 and 807 KAR 5:022, Section 14(25) no record of annual maintenance on key valves.

 Mt. Carmel agrees to pay Five Hundred (\$500.00) Dollars, by certified check pavable to the Kentucky State Treasurer as the Commission shall Order.

 This settlement agreement is subject to the approval of the Public Service Commission.

6. If the PSC fails to adopt this agreement in its entirety, Mt. Carmel reserves the right to withdraw from it and to proceed to a hearing. In such event, none of the matters contained in this settlement shall be binding on any of the parties.

 If the settlement is adopted in its entirety by the PSC this settlement shall constitute a final adjudication of the show cause proceeding without the need for any additional hearing.

8. If the settlement agreement is accepted by the PSC, the parties agree not to request rehearing or to file an appeal of the order to the Franklin Circuit Court.

Mt. Carmel High School

Le President 12/9/00 Date / Date / 2000 C. Staff