

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE UNION LIGHT, HEAT)
AND POWER COMPANY FOR A DEVIATION FROM) CASE NO.
ADMINISTRATIVE REGULATION 807 KAR 5:022,) 2002-00179
SECTIONS 13 AND 14 AND 49 CFR PART 192.605)

O R D E R

On May 24, 2002, The Union Light, Heat and Power Company (ULH&P) applied for permission to deviate from Public Service Commission (Commission) regulation 807 KAR 5:022, Sections 13 and 14 and 49 CFR Part 192.605. The referenced state and federal regulations require each gas utility to follow the procedures set out in its operating and maintenance (O&M) plan. The Commission is responsible for the enforcement of the federal pipeline safety laws, 49 U.S.C. § 60101 et seq. and regulations promulgated thereunder, through a 5(a) Agreement with the United States Department of Transportation, Office of Pipeline Safety.

ULH&P s written O&M plan states that the utility will perform leak surveys for its entire distribution system outside of principal business areas on a 3-year cycle even though the regulations permit certain areas to be surveyed on a 5-year cycle. When ULH&P combined the 3-year leak survey cycle with the 5-year survey cycle, several leak surveys became due during May and June 2002. According to its O&M plan, ULH&P is required to complete a leak survey of Map SO3-WO3 by June 23, 2002. The last leak survey of this area was completed in 1999 and no leaks were found. ULH&P

states that it would create an undue administrative burden for it to complete the current leak survey within the 3-year time frame. ULH&P has requested a deviation from the regulations that require it to follow this aspect of its O&M plan and for the allowance of an additional 90 days in which to complete the leak survey. ULH&P states that this deviation is consistent with the safe operation of its distribution system and well within the existing regulatory requirements. Administrative Regulation 807 KAR 5:066, Section 18, provides that [I]n special cases, for good cause shown, the Commission may permit deviations from this administrative regulation.

The Commission finds that:

1. ULH&P's O&M plan sets out procedures for leak surveys that are more stringent in certain aspects than the state and federal regulations require.
2. Because of the time needed to conduct the leak survey, ULH&P should be given until September 23, 2002 to complete the leak survey of the area designated on Map SO3-WO3.

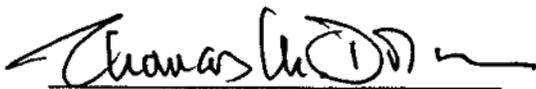
The Commission, having considered the evidence of record and being otherwise sufficiently advised, HEREBY ORDERS that:

1. ULH&P is granted the specific and limited deviation requested herein.
2. ULH&P shall take all necessary actions to complete the leak survey of the area designated on Map SO3-WO3 prior to September 23, 2002.

Done at Frankfort, Kentucky, this 10th day of June, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles H. [unclear]", written over a horizontal line.

Executive Director