

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AUGUSTA PUBLIC GAS PROJECT)	
)	
_____)	CASE NO. 2003-00082
)	
ALLEGED VIOLATIONS OF)	
KRS 278.495 AND 278.992)	

O R D E R

Augusta Public Gas Project (Augusta PGP) is a municipally owned natural gas distribution company serving several hundred residential and commercial consumers in Bracken County, Kentucky. Augusta PGP is subject to Commission jurisdiction pursuant to KRS 278.495. Augusta PGP is also subject to Commission safety 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 the penalty provisions contained in KRS 278.992.

Commission Staff has submitted to the Commission an Incident Investigation Report dated February 19, 2003, appended hereto, which alleges:

1. Augusta PGP failed to respond to the site following notice being given of a possible gas leak as required by its Operation and Maintenance (O&M) Plan. 49 CFR Part 192.605(a) requires each operator to follow the procedures in its O&M Plan.
2. Augusta PGP failed to have its gas maintenance personnel qualified as required by 49 CFR Part 192.809(b).

Based on its review of the Incident Investigation Report and being otherwise sufficiently advised, the Commission finds that prima facie evidence exists that Augusta PGP is in violation of minimum safety regulations as set out herein pursuant to KRS 278.992(1).

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

1. Augusta PGP shall appear before the Commission on May 20, 2003 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violations and of showing cause why it should not be subject to the penalties prescribed in KRS 278.992(1). According to Kentucky law, corporations or foreign entities who wish to fully participate in the hearing process before the Commission are required to be represented by an attorney authorized to practice in the Commonwealth of Kentucky. Neither opening statements nor witnesses summaries of pre-filed direct testimony will be permitted at the hearing.

2. The Incident Investigation Report of February 19, 2003, a copy of which is appended hereto, is made part of the record of this proceeding.

3. Within 20 days of the date of this Order, Augusta PGP shall submit to the Commission a written response to the allegations contained in the Incident Inspection Report.

4. Any motion for continuance of a hearing set by the Commission shall be made only for good cause and sufficiently in advance of the hearing date to allow time for the Commission to rule upon the motion.

5. Any motion requesting an informal conference with Commission Staff to consider any matter 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 2nd day of April, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00082 DATED April 2, 2003

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

INCIDENT INSPECTION REPORT

AUGUSTA PUBLIC GAS PROJECT
AUGUSTA, KENTUCKY

February 19, 2003

BRIEF

An incident investigation of the facilities and procedures of the Augusta Public Gas Project ("Augusta PGP") was conducted on January 23, 2003 by Messrs. David Kinman and Earl H. Alderman, Jr. Augusta PGP is a municipally owned natural gas distribution company serving several hundred residential and commercial consumers in Bracken County, Kentucky. It receives its gas through Columbia Gas Transmission pipelines. The inspection was conducted in accordance with the Public Service Commission's ("PSC") policy of inspecting all jurisdictional operators. Natural gas operators are jurisdictional to the PSC under KRS 278.040, 278.495, 278.992 and also through a 5(a) Agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the federal pipeline safety laws, 49 U.S.C. § 60101 et seq. and regulations promulgated thereunder.

INSPECTION

On Sunday, January 19, 2003, Mr. Kenny Johnson, Assistant State Fire Marshal, contacted Mr. Alderman, PSC Gas Safety Investigator. Mr. Johnson advised Mr. Alderman that on Sunday morning at approximately 3:00 A.M., January 19, 2003, a mobile home located at 113 Main Street, Augusta, Kentucky, had reportedly exploded and burned. On Wednesday, January 22, 2003, PSC Investigators Alderman and

Kinman met with Mr. Johnson in Augusta to conduct an incident investigation. PSC Investigators Alderman and Kinman also met with Mr. John Laycock, Mayor of Augusta, and Barry Bratton, Superintendent of Utilities, Augusta PGP, to discuss this incident. The following information was obtained:

Mrs. Anna White, the owner and resident of the involved mobile home, had on Thursday, January 16, 2003, called the city utility office and spoken to Mr. Bratton. She reportedly told Mr. Bratton that she thought she had a natural gas related problem in the area of the kitchen cook stove. Mr. Bratton told Mrs. White that city policy did not allow him to enter the residence to conduct a leakage inspection, but he would visit the location and turn off the gas if she so desired. Mrs. White reportedly refused this offer and replied that she would seek outside help.

On Saturday, January 18, 2003, Mrs. White called Mr. Bratton's home and left a message that the gas odor was still present in her residence. Mr. Bratton was out of town at the time and did not receive this message. Mrs. White then called Sharp Heating and Air Conditioning Company who visited the trailer and reported that the odor present was "sewer gas."

At approximately 3:00 A.M., Sunday, January 19, 2003, the mobile home exploded and burned. Mrs. White was reportedly blown through a door to the outside of the residence. She suffered cuts and bruises as well as burns. She was transported to a local hospital for treatment.

The PSC investigation disclosed two probable violations of the pipeline safety code that are listed in the findings section of this report.

FINDINGS

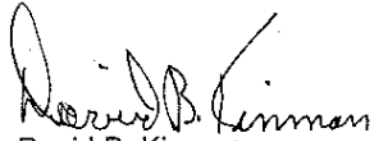
The following violations were noted:

1. Augusta PGP failed to respond to the site following notice being given of a possible gas leak as required by its Operation and Maintenance ("O&M") Plan. Each utility must follow the procedures in its O&M Plan. 49 CFR Part 192.605(a).
2. Augusta PGP failed to have its gas maintenance personnel qualified as required by 49 CFR Part 192.809(b).

RECOMMENDATIONS

It is recommended that a hearing be held in order for Augusta PGP to show cause why it should not be penalized for its failure to follow these regulations.

Respectfully submitted,


David B. Kinman
Gas Utility Investigator
Gas Branch

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SBS

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