

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WHEELWRIGHT UTILITY COMMISSION)	
_____)	CASE NO. 2004-00392
ALLEGED VIOLATIONS OF 49 CFR 192)	

O R D E R

Wheelwright Utility Commission ("Wheelwright") is a municipally owned natural gas distribution company serving approximately 240 customers in the city of Wheelwright, Kentucky. As a municipally owned gas distribution system, Wheelwright is subject to the safety jurisdiction of the Commission pursuant to KRS 278.495(2)(a) and to the penalty provisions contained in KRS 278.992. Wheelwright is also subject to Commission jurisdiction under the authority of and in compliance with federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations promulgated thereunder.

Commission Staff has submitted to the Commission a Comprehensive Inspection Report, dated August 27, 2004. The report alleges that Wheelwright is in violation of 10 pipeline safety regulations as follows:

1. Wheelwright has failed to update its plan for operations and maintenance as required by 49 CFR 192.650.
2. Wheelwright has no emergency plan as required by 49 CFR 192.615.
3. Wheelwright has no damage prevention program as required by 49 CFR 192.614(a).

4. Wheelwright has no established continuing educational program to enable customers, the public, appropriate government organizations, and persons engaged in excavation-related activities to recognize a gas pipeline emergency for the purpose of reporting it to the operator or appropriate public officials as required by 49 CFR 192.616.

5. Wheelwright has no records on file to evidence that patrolling has been conducted since September 11, 2000 as required by 49 CFR 192.721.

6. Wheelwright has not performed odorization checks as required by 49 CFR 192.625(f).

7. Wheelwright has not performed annual inspections on regulators and relief valves as required by 49 CFR 192.739.

8. There is no annual maintenance on main line valves as required by 49 CFR 192.747.

9. No excess flow valve records were maintained by Wheelwright as required by 49 CFR 192.383.

10. Wheelwright is not following its operator qualification program as required by 49 CFR 192.809.

Based on its review of the Comprehensive Inspection Report and being otherwise sufficiently advised, the Commission finds *prima facie* evidence that Wheelwright has failed to comply with 49 CFR 192 as set out herein.

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

1. Wheelwright shall appear before the Commission on April 12, 2005 at 1:00 p.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 of 49 CFR 192 and of showing cause why it should not be subject to the penalties prescribed in KRS 278.992(1) for these alleged violations.

2. Within 20 days of the date of this Order, Wheelwright shall submit to the Commission a written response to the allegations contained in the Comprehensive Inspection Report.

3. The Comprehensive Inspection Report of August 27, 2004, a copy of which is appended hereto, is made part of the record of this proceeding.

4. 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 25th day of February, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-392 DATED February 25, 2005

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

COMPREHENSIVE INSPECTION REPORT

WHEELWRIGHT UTILITY COMMISSION
Wheelwright, Kentucky

AUGUST 27, 2004

BRIEF

Messrs. Earl H. Alderman, Jr. and William Aitken conducted a comprehensive inspection of the natural gas facilities at the Wheelwright Utility Commission ("Wheelwright") on August 18, 2004 in Wheelwright, Kentucky. This 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

Wheelwright is a municipally owned, gas distribution system operating in the City of Wheelwright, Kentucky, and serves approximately 240 customers.

A review was made of Wheelwright's Operating and Maintenance ("O&M"), Emergency, Damage Prevention, Operator Qualification ("OQ"), and Anti-Drug Plans during the office portion of the inspection. Also during the office visit, records were reviewed concerning the leak survey, system patrolling, odorization, valve maintenance, and regulator and relief valves.

Messrs. Mike Tackett and Gary McCoy assisted us on this inspection.

FINDINGS

The following deficiencies were found:

1. The Operating and Maintenance (“O&M”) Plan has not been updated. *49 CFR Part 192.605(a). The last update was 2001.*
2. There is no Emergency Plan. *49 CFR Part 192.615.*
3. There is no Damage Prevention Program. *49 CFR Part 192.614(a).*
4. There is no established continuing educational program to enable customers, the public, appropriate government organizations, and persons engaged in excavation related activities to recognize a gas pipeline emergency for the purpose of reporting it to the operator or appropriate public officials. *49 CFR Part 192.616.*
5. There are no patrolling records. *49 CFR Part 192.721. The last records found were dated September 11, 2000.*
6. There are no odorization checks being performed. *49 CFR Part 192.625(f). The last check was dated May 21, 2001.*
7. There are no annual inspections on regulators and relief valves. *49 CFR Part 192.739.*
8. There is no annual maintenance on main line valves. *49 CFR Part 192.747. The last records found were dated September 9, 2001.*
9. No excess flow valve records were found. *49 CFR Part 192.383.*
10. Wheelwright is not following its OQ program. *49 CFR Part 192.809.*

RECOMMENDATIONS

It is recommended that the Commission initiate a hearing to allow Wheelwright to show cause why it should not be penalized for failure to comply with Commission regulations.

Respectfully submitted,

Earl H. Alderman, Jr.
Gas Utility Investigator

EHA:dcp
0406100-0406200