

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

B.T.U. GAS COMPANY, INC.)	
_____)	CASE NO. 2007-00403
)	
ALLEGED VIOLATIONS OF)	
ADMINISTRATIVE REGULATION)	
807 KAR 5:006, 807 KAR 5:022,)	
807 KAR 5:027 and 49 CFR 191-192)	

O R D E R

B.T.U. Gas Company, Inc. ("B.T.U."), a Kentucky corporation that owns, operates, and manages facilities used for the distribution of natural gas to the public for compensation in Magoffin County, Kentucky, is a utility subject to Commission jurisdiction pursuant to KRS 278.010(3)(b) and KRS 278.040.

KRS 278.280(2) directs that the Commission prescribe rules and regulations for the performance of services by utilities. Pursuant to that statutory directive, the Commission has promulgated Administrative Regulation 807 KAR 5:006, which establishes general rules for the operation of a utility; Administrative Regulation 807 KAR 5:022, which prescribes general rules for the operation of a gas utility; and Administrative Regulation 807 KAR 5:027, which prescribes rules for the reporting of gas pipeline leaks.

KRS 278.495(2) grants the Commission the authority to regulate the natural gas facilities of any utility and expressly authorizes the Commission to enforce any minimum

safety standard adopted by the U.S. Department of Transportation pursuant to 49 U.S.C. § 60101 et seq., or any amendments thereto, against any utility.

Pursuant to 49 U.S.C. § 60101, the U.S. Department of Transportation has promulgated regulations regarding the operation of natural gas pipelines.

Commission Staff has submitted to the Commission a report of an inspection that it conducted on B.T.U.'s facilities on or about May 10, 2007. In its report, a copy of which is appended to this Order as Appendix A,¹ Commission Staff alleges that:

1. B.T.U. does not have an excess flow valve customer notification program, in violation of 49 C.F.R. § 192.383.

2. B.T.U. has not developed and implemented a written continuing public education program, in violation of 49 C.F.R. § 192.616.

3. B.T.U. has not evaluated individuals performing covered tasks (i.e., those specified in 49 C.F.R. § 192.801) to ensure that these individuals are qualified, in violation of 49 C.F.R. § 192.805(b).

4. B.T.U. does not have a map of its distribution system, in violation of 807 KAR 5:006, Section 22(1), which requires each utility to have on file a map or maps of suitable scale of the general territory it serves.

5. B.T.U. does not have adequate pipeline markers, in violation of 49 C.F.R. § 192.707.

¹ On March 12, 2008, Commission Staff forwarded a copy of the report to B.T.U. by mail and requested that the utility respond to the allegations within the report no later than March 28, 2008. A copy of Commission Staff's request is appended to this Order as Appendix C. As of the date of this Order, B.T.U. has not submitted any response.

6. B.T.U. has not installed plastic pipe below ground level, as required by 49 C.F.R. § 192.321. Instead, B.T.U. has exposed plastic pipe throughout its system.

7. B.T.U.'s operation and maintenance manual does not contain the required written procedures for conducting operations and maintenance activities and for emergency response, in violation of 49 C.F.R. § 192.605.

8. B.T.U. has not conducted periodic sampling for odorant of its combustible gases at required intervals using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable, in violation of 49 C.F.R. § 192.625(f).

9. B.T.U. has not patrolled its mains at the intervals required by 49 C.F.R. § 192.721.

10. B.T.U. has not conducted leak surveys with the required equipment and at intervals required by 49 C.F.R. § 192.723.

11. B.T.U. has not inspected and serviced its valves at the intervals required by 49 C.F.R. § 192.747.

12. B.T.U. has not inspected and tested each pressure limiting station, relief device, and pressure regulating station with required equipment at the intervals mandated by 49 C.F.R. § 192.739.

13. B.T.U. has not kept the records required by 49 C.F.R. § 192.603(b). This includes records of atmospheric corrosion control, odorization of gas, patrolling distribution systems, leak surveys of distribution systems, the inspection and testing of pressure limiting and regulator stations, and the maintenance of valves in its distribution systems.

14. B.T.U. does not have line markers and other signage required to be placed and maintained along each section of a main and transmission line that is located above ground in an area accessible to the public, in violation of 49 C.F.R. § 192.707(c).

15. B.T.U. has not designed relief valves to prevent unauthorized operation, in violation of 49 C.F.R. § 192.199(h). Its valves have not been locked.

16. B.T.U. has not inspected its system for atmospheric corrosion at intervals required by 49 C.F.R. § 192.481.

Commission Staff has further submitted to the Commission a report of an inspection that it conducted on or about May 15, 2007, in regard to a reportable incident that occurred on or about May 11, 2007. In its report, a copy of which is appended hereto as Appendix B, Commission Staff alleges that:

1. On May 11, 2007, Matt Gullion of HC 61 (Box 16), Salyersville, Kentucky, struck with his riding lawnmower a natural gas meter setting located adjacent to his home. B.T.U. owned the natural gas meter and was supplying natural gas through the meter to Mr. Gullion.

2. When Mr. Gullion struck the natural gas meter, he broke the meter assembly, which led natural gas to escape into the atmosphere. This gas ignited and caused Mr. Gullion's lawnmower's gasoline tank to explode. Mr. Gullion's home caught fire as a result of the explosion. Mr. Gullion suffered burns and required hospitalization.

3. Commission Staff learned of the incident through local media reports.

4. 49 C.F.R. § 191.5 required B.T.U. to provide the U.S. Office of Pipeline Safety with telephonic notice of the incident at the earliest practicable moment following discovery.

5. Administrative Regulation 807 KAR 5:022, Section 13(16), required B.T.U. to notify the Commission of the interruption of service as soon as it became aware of the interruption.

6. Administrative Regulation 807 KAR 5:027, Section 3(1), required B.T.U. to notify the Commission at the earliest practicable moment but no later than 2 hours following discovery of the incident.

7. B.T.U. failed to provide the required notice to the Commission and Office of Pipeline Safety.

Based upon the foregoing, the Commission finds prima facie evidence exists that B.T.U. has failed to comply with the administrative regulations set forth above.

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

1. B.T.U. shall appear before the Commission on May 28, 2008, beginning 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 showing cause why it should not be subject to penalties prescribed in KRS 278.992(1) for these alleged violations.

2. Within 20 days of the date of this Order, B.T.U. shall submit to the Commission a written response to each allegation in the Utility Inspection Reports of May 14, 2007 and May 29, 2007.


3. The documents appended to this Order are made part of the record of this proceeding.

4. Any motion requesting an informal conference with Commission Staff to consider all matters which would aid in the 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 1st day of May, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00403 DATED MAY 1, 2008

4/A

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 5/14/2007

Report Number: BTU-051407

BRIEF

Inspector: Melissa Holbrook
Inspection Date: 5/10/2007
Type of Inspection: Periodic Regulatory Compliance Inspection

Type of Facility: Private Distribution
Name of Utility: B.T.U. Gas Company, Inc.
Location of Facility: Salyersville, KY

Purpose of Inspection: Periodic inspection of utilities facilities and management practices to verify compliance with federal and state pipeline safety regulations.

Applicable Regulations: 49 CFR Part 192 and 807 KAR 5:022

INSPECTION

Description of Utility: Small natural gas distribution company operating in Magoffin County.
Number of Customers: 412
Area of Operation: Magoffin County
Supply Source: Private Wells

Distribution Description: The system consists of around 20 miles of 3" and 4" plastic pipe operating at 60 psi.

Workforce Summary: 2-Owners and 4-Field employees
Utility Reps in Insp: Pam Williams and Richard Williams
Date of Last Inspection: 5/4/2004
DTR from Last Insp: 1
DTRs not Cleared: 1

Summary of items and facilities inspected:

The Operation and Maintenance, Emergency, Damage Prevention, Public Awareness, Operator Qualification, and Drug and Alcohol Plans were reviewed during the office visit. Also inspected, were records pertaining to leakage surveys and repairs, patrolling, valves maintenance, relief valves, regulators, odorization, and corrosion. During the field portion of the inspection, checks on mainline valve locations, relief valves, regulator stations, purchase points, meter barricades, meter id's and pipeline markers were conducted.

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

UTILITY INSPECTION REPORT

Report Date: 5/14/2007

Report Number: BTU-051407

FINDINGS

- 1 BTU does not have an excess flow valve program, a violation of 49 CFR Part 192.383.
 - 2 BTU has not developed and implemented a written continuing public education program, a violation of 49 CFR Part 192.616.
 - 3 BTU has not evaluated individuals performing covered tasks on the pipeline for qualification, a violation of 49 CFR Part 192.805(b).
 - 4 BTU does not have a map of the distribution system, a violation of 807 KAR 5:006 Section 22 (1).
 - 5 BTU does not have adequate line markers, a violation of 49 CFR Part 192.707.
 - 6 BTU is not installing plastic pipe below ground level as required, a violation of 49 CFR Part 192.321.
 - 7 BTU's Operation and Maintenance manual does not contain the required written procedures for conducting operations and maintenance activities and for emergency response, a violation of 49 CFR Part 192.605.
 - 8 BTU is not conducting periodic sampling for odorant, with equipment, at required intervals, a violation of 49 CFR Part 192.625(f).
 - 9 BTU is not patrolling mains at required intervals, a violation of 49 CFR Part 192.721.
 - 10 BTU is not conducting leak survey's, with equipment, at required intervals, a violation of 49 CFR Part 192.723.
 - 11 BTU is not inspecting and servicing valves at required intervals, a violation of 49 CFR Part 192.747.
 - 12 BTU is not inspecting and testing purchase stations at required intervals, a violation of 49 CFR Part 192.739.
 - 13 BTU did not have the required records for atmospheric corrosion monitoring, odorant sampling, patrolling, leak surveys, regulator station inspection and testing, and valve maintenance, a violation of 49 CFR Part 192.603(b).
 - 14 BTU does not have line markers/signs at the purchase stations, a violation of 49 CFR Part 192.707(c).
 - 15 BTU did not design relief valves to prevent their unauthorized operation (valves were not locked), a violation of 49 CFR Part 192.199(h).
 - 16 Btu is not inspecting system for atmospheric corrosion at required intervals, a violation of 49 CFR Part 192.481.
-

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 5/14/2007

Report Number: BTU-051407

RECOMMENDATIONS

BTU needs to take immediate action to correct the deficiencies.

ADDITIONAL INSPECTOR COMMENTS

Submitted by

 WA

Melissa Holbrook

Utility Regulatory and Safety Investigator I

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.383 requires notification that an excess flow valve is available on each newly installed service line or replaced service line that operates continuously throughout the year at a pressure not less than ten pounds per square inch gage

Deficiency:

BTU does not have an excess flow valve program, a violation of 49 CFR Part 192.383.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

Response Provided By: _____

Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.616 Public awareness. Each operator shall establish a continuing educational program to enable customers, the public, appropriate government organizations, and persons engaged in excavation...

Deficiency:

BTU has not developed and implemented a written continuing public education program, a violation of 49 CFR Part 192.616.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.805(b) Qualification program... (b) Ensure through evaluation that individuals performing covered tasks are qualified;

Deficiency:

BTU has not evaluated individuals performing covered tasks on the pipeline for qualification, a violation of 49 CFR Part 192.805(b).

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

807 KAR 5:006 Sec. 22 Each utility shall have on file ... a map or maps of suitable scale of the general territory it serves ...

Deficiency:

BTU does not have a map of the distribution system, a violation of 807 KAR 5:006 Section 22 (1).

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.707 Line markers for mains and transmission lines.

Deficiency:

BTU does not have adequate line markers, a violation of 49 CFR Part 192.707.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

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Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.321 Installation of plastic pipe...Plastic pipe must be installed below ground level unless otherwise permitted by paragraph (g) of this section...

Deficiency:

BTU is not installing plastic pipe below ground level as required, a violation of 49 CFR Part 192.321.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.605 Procedural manual for operations, maintenance, and emergencies....Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response...

Deficiency:

BTU's Operation and Maintenance manual does not contain the required written procedures for conducting operations and maintenance activities and for emergency response, a violation of 49 CFR Part 192.605.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.625(f) Odorization of gas. ... (f) Each operator shall conduct periodic sampling of combustible gases to assure the proper concentration of odorant in accordance with this section...

Deficiency:

BTU is not conducting periodic sampling for odorant, with equipment, at required intervals, a violation of 49 CFR Part 192.625(f).

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.721 Patrolling. Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be patrolled...

Deficiency:

BTU is not patrolling mains at required intervals, a violation of 49 CFR Part 192.721.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.723 Distribution systems: Leakage surveys... Each operator of a distribution system shall conduct periodic leakage surveys...

Deficiency:

BTU is not conducting leak survey's, with equipment, at required intervals, a violation of 49 CFR Part 192.723.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.747 Each valve...must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.

Deficiency:

BTU is not inspecting and servicing valves at required intervals, a violation of 49 CFR Part 192.747.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Provided By: _____

Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.739 Each pressure limiting station, relief device, and pressure regulating station ... must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests...

Deficiency:

BTU is not inspecting and testing purchase stations at required intervals, a violation of 49 CFR Part 192.739.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.603(b) Each operator shall keep records necessary to administer the procedures established under § 192.605.

Deficiency:

BTU did not have the required records for atmospheric corrosion monitoring, odorant sampling, patrolling, leak surveys, regulator station inspection and testing, and valve maintenance, a violation of 49 CFR Part 192.603(b).

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Provided By: _____

Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.707(c) Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public.

Deficiency:

BTU does not have line markers/signs at the purchase stations, a violation of 49 CFR Part 192.707(c).

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Provided By: _____

Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.199(h) ...each pressure relief or pressure limiting device must...be designed to prevent unauthorized operation of any stop valve that will make the pressure relief valve

Deficiency:

BTU did not design relief valves to prevent their unauthorized operation (valves were not locked), a violation of 49 CFR Part 192.199(h).

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Provided By: _____

Response Date: _____

Signature: _____

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
B.T.U. Gas Company, Inc.	5/10/2007	Melissa Holbrook

Regulation

49 CFR Part 192.481 Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion...

Deficiency:

Btu is not inspecting system for atmospheric corrosion at required intervals, a violation of 49 CFR Part 192.481.

If Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

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Response Provided By: _____

Response Date: _____

Signature: _____

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00403 DATED MAY 1, 2008

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 5/29/2007

Report Number: BTU-052907

BRIEF

Inspector: Melissa Holbrook
Inspection Date: 5/15/2007
Type of Inspection: Investigation

Type of Facility: Private Distribution
Name of Utility: B.T.U. Gas Company, Inc.
Location of Facility: Salyersville, KY
Purpose of Inspection: Reportable Incident

Applicable Regulations 807 KAR 5:006, Section 26, 807 KAR 5:022, Section 13(16)(a), 807 KAR 5:027 Section 3(1)(a)(b)(c)(d)(f)(g), 49 CFR Part 191.5

INSPECTION

Description of Utility: Small natural gas distribution company operating in Eastern Kentucky.
Number of Customers: 412
Area of Operation: Magoffin County, KY
Supply Source: Private Wells
Distribution Description: The system consists of about 15 miles of 3" & 4" plastic operating at 70 psi.
Workforce Summary: 2-Owners & 4-Field
Utility Reps in Insp: Pam Williams
Date of Last Inspection: 5/4/2004
DTR from Last Insp: 1
DTRs not Cleared: 1

Summary of items and facilities Inspected:

On May 11, 2007 at 18:32 Mr. Matt Gullion of HC 61 Box 16 Salyersville, KY struck a natural gas meter setting, located adjacent to his house, with his riding lawnmower. The meter assembly was broken causing gas to escape to atmosphere. The gas ignited, the lawn mower gas tank exploded and caught the dwelling on fire. Salyersville Fire Department responded to incident. Mr. Gullion suffered burns to his body and was airlifted by DHP Chopper Service to the UK Hospital burn unit. On Monday May 14, 2007 PSC Commission staff was made aware of the incident by news media. Melissa Holbrook, PSC Investigator, contacted BTU Gas Company to find out if this was their customer service area. She spoke with Pam Williams, owner, and was informed that this residence was their customer. Mrs. Williams was informed that it was BTU's responsibility to report within two hours all reportable incidents to Commission Staff as is mandated by KY and Federal Law. Mrs. Williams stated that "she did not know" of such a regulation. On May 15, 2007 Melissa investigated the scene, spoke with Jimmy Stamper,

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

UTILITY INSPECTION REPORT

Report Date: 5/29/2007

Report Number: BTU-052907

neighbor of Matthew Gullion and also obtained the Salyersville Fire Department report of the incident.

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

UTILITY INSPECTION REPORT

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FINDINGS

RECOMMENDATIONS

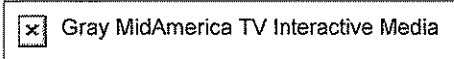
Public Commission Staff recommends a Show Cause due to not reporting incident.

ADDITIONAL INSPECTOR COMMENTS

Please see attached pictures and fire departments report.

Submitted by

Melissa Holbrook
Utility Regulatory and Safety Investigator I



Church Members Praying For Pastors Recovery

michael.phillips@wymtnews.com

Email Address: [Michael Phillips](#)

[Church Members Praying For Pastors Recovery - Michael Phillips Reports](#)

Sunday, churches across country are celebrating Mother's Day, but one Eastern Kentucky church had something else to celebrate.

A simple prayer, an uplifting song, a word of encouragement. One member of First Baptist Church Salyersville was missing Sunday morning, but church members say his impact there is undeniable

"When you say Matthew's name just in the community, everybody knows him. It's not just us here at the church," said church member Kerry Howard.

Pastor Matthew Gullion is recovering at UK hospital after his accidentally hit a gas line on his house with his lawn mower causing an explosion. But even in his time of difficulty, church members say he always puts others first.

"He told me, I just pray that the Lord can use these burns that I have to glorify his name," said church member Michael Lyons.

The church sign says Pastor Matthew Gullion, but church members say he's much more than that, he's a friend.

"He's an awesome man, an awesome friend, an awesome brother in Christ," said church member Parnell Campbell.

Pastor Gullion still has weeks of recovery ahead for him, but his congregation, his friend's say his works will continue wherever he's at.

Pastor Gullion is still at UK hospital and has been downgraded to serious condition.

Post Your Comments

.submission { display: none; }

First Name:

Location:

Enter Comments:

E-mail: (optional)

Submit Your Comment for Approval

Read Comments

Find this article at:

<http://www.wkyt.com/wymtnews/headlines/7486697.html>

Check the box to include the list of links referenced in the article.

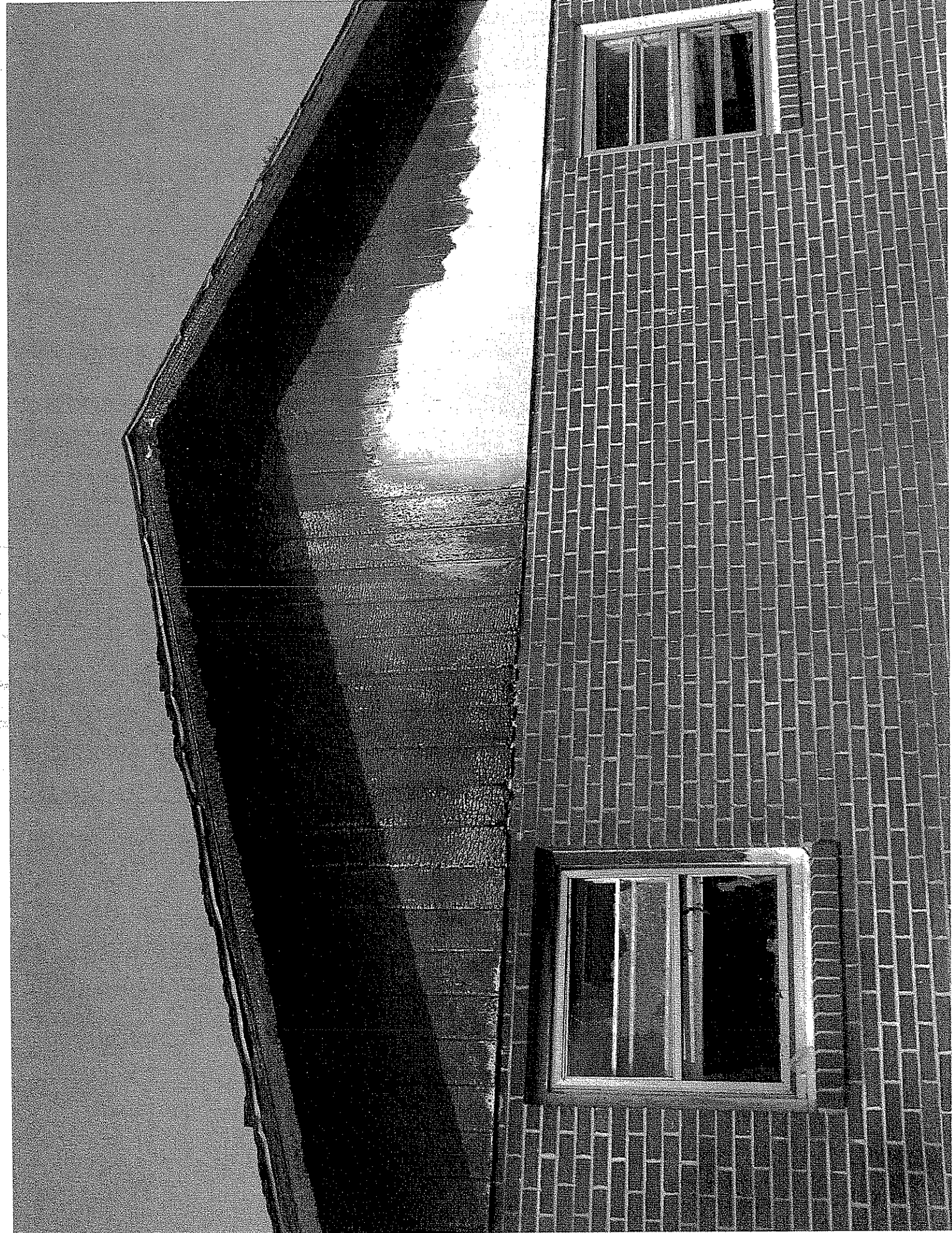
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SALYERSVILLE FIRE DEPARTMENT

Incident Record: 094 Officer in Charge: Perkins, Samuel

Date	Type of Incident	Person Name	Location of Incident		
05/11/2007	Structure Fire	First Baptist Church Of Salyersville	Route 30		
Time of Incident	Arrival Time	Time Back	Total Hours	Estimated Value	Estimated Loss
18:32	18:34	20:26	01.54	130,000	20,000
Responding Firefighters		Apparatus	Used	Apparatus Run Information	
Watson Matthew Walters Russel E. Ross Jeffery Risner Stephen Pelphery Steve Perkins Samuel Nickles Ray Nickels Mike Howard Paul Howard Michael P. Conley Paul D. Back John		Eng#1 Eng#2 Squad#1 Rescue Squad#2 Exp.#1 Tank#1 Truck#1 Boat#1	Yes Yes	Insurence was through Farm Bearu Mathew Gullion was on the mower and was taken by a chopper 30 years of age First Baptist Church Parsnige	
Received by:	Requested by:	Mutual Aid Details			
Dist. 3	Salyersville FD	requested a tanker			
Equipment Used	Tools Used	Injuries	Injury Details	Hazmat Details	
350 ft of 2 1/2 inch hose, 300 ft of 1 1/2 hose	Chainsaw, axe, pike pole 12 ft and 6 ft,	0	Mathew Gullion, was on the riding mower and had burns	0	
Road Conditions	Weather Conditions	Wind Conditions			
dry	clear	5-10			
Incident Comments					
call was received by 911 dispatch, lawnmower fire on route 30, on arrival we found they had hit a gas line, and a it blew up and cought the house on fire, we called for DHP and a chopper service they came to pick up Mathew Gillion, he was on the riding mower, we notified the gas company to come shut off the gas, and contacted the Electric company to tell them we shut off the power, we proceeded to put out the fire, all 200 units went 98					











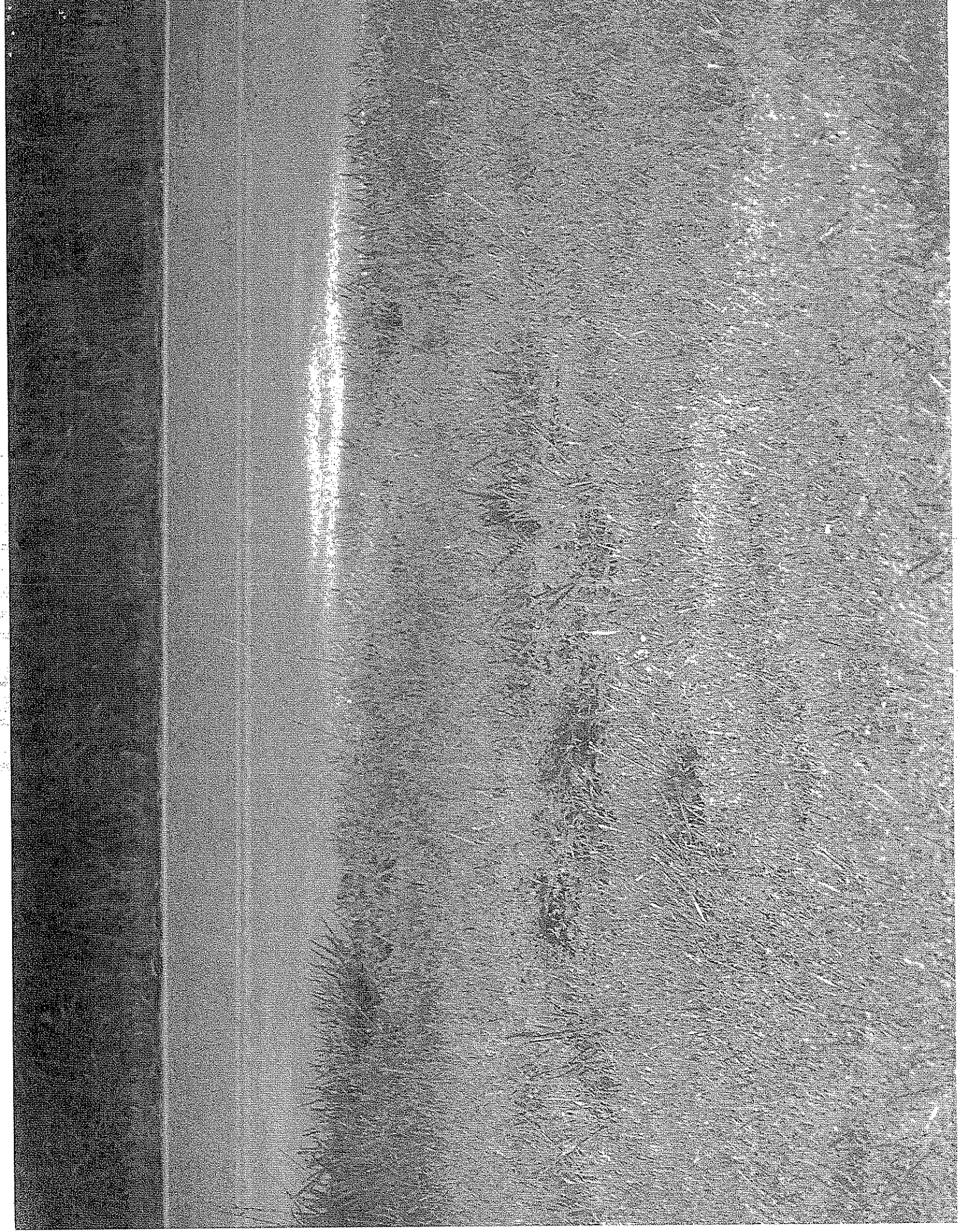












APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00403 DATED MAY 1, 2008



Steven L. Beshear
Governor

Mark David Goss
Chairman

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
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psc.ky.gov

John W. Clay
Vice Chairman

Timothy J. LeDonne
Commissioner
Department of Public Protection

Caroline Pitt Clark
Commissioner

March 12, 2008

Mr. Richard Williams
B.T.U. Gas Company, Inc.
P.O. Box 707
Salyersville, KY 41465

NATURAL GAS FACILITIES INSPECTION OF B.T.U. GAS COMPANY, INC.

On May 5, 2007 Ms. Melissa Holbrook conducted a periodic regulatory compliance inspection of the natural gas facilities of B.T.U. Gas Company, Inc. in Salyersville, Kentucky. A copy of the inspection report is attached for your review. Sixteen deficiencies were documented during this periodic inspection. The previous inspection of this facility was conducted on May 4, 2004. During that inspection one deficiency was documented and had not been corrected.

A review of our files indicates that we do not have record of a response from B.T.U. Gas Company, Inc concerning these deficiencies. Please review the attached report. As noted, sixteen deficiencies were documented during the inspection. You are requested to respond to this report, outlining corrective actions for the cited deficiencies by March 28, 2008. Please provide your responses on the copies of the Deficiency Tracking Reports sent with this letter by completing the three sections under the Response heading for the cited deficiency.

If you have any questions or need additional information, you are welcome to contact me at (502) 564-3940. We appreciate your continued interest in the safe operation of your gas facilities.

JASON R. BRANGERS, P.E., MANAGER, GAS BRANCH, DIVISION OF ENGINEERING

JRB:MH:mae
Attachment: B.T.U. Gas Company 051407 Inspection Report