

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PHILLIP CAUDILL DBA CAUDILL)	
CONSTRUCTION)	
_____)	CASE NO.
)	2021-00472
ALLEGED VIOLATION OF UNDERGROUND)	
FACILITY DAMAGE PREVENTION ACT)	

OPENING ORDER

Phillip Caudill dba Caudill Construction (Mr. Caudill) has been named as a party to an investigation before the Kentucky Public Service Commission (Commission) for allegedly violating the Kentucky Underground Facility Damage Prevention Act (Act).¹

Pursuant to KRS 278.495(2), the Commission has jurisdiction to regulate the safety of natural gas facilities in Kentucky and to enforce minimum federal pipeline safety standards. Under the Act, the Commission has authority to investigate and assess civil penalties for any violation of the Act that results in excavation damage to an underground facility used to transport natural gas or hazardous liquid subject to federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.* Any person who violates any provision of the Act is subject to assessment of a civil penalty in the amount of \$250 for the first offense, no more than \$1,000 for the second offense within one year, and no more than \$3,000 for the third and any subsequent offense. Additionally, any person whose violation of the Act results in damage to an underground facility containing any flammable, toxic, corrosive,

¹ KRS 367.4901 through KRS 367.4917.

or hazardous material or results in the release of any flammable, toxic, corrosive, or hazardous material is subject to an additional penalty of up to \$1,000.

Following receipt of a report of excavation damage to its underground gas pipeline from an operator, Commission Staff (Staff) conducted an investigation and prepared an Incident Report, a copy of which is attached to this Order as an Appendix. In its Incident Report, Staff cites Mr. Caudill for violation of the following provision of the Act:

KRS 367.4911(1)(a) – Each excavator, or person responsible for an excavation, planning excavation or demolition work shall, not less than two (2) full working days nor more than ten (10) full working days prior to commencing work, notify each affected operator of the excavator's intended work and work schedule. Contacting the applicable protection notification centers shall satisfy this requirement.

Based on its review of the Incident Report and being otherwise sufficiently advised, the Commission finds *prima facie* evidence that Mr. Caudill violated the Underground Facility Damage Prevention Act. The Commission further finds that a formal investigation into the excavation damage incident should be conducted.

IT IS THEREFORE ORDERED that:

1. Mr. Caudill shall submit to the Commission, via email sent to PSCED@ky.gov with the case number of this proceeding in the subject line of the message, a written response to the allegations contained in the Staff Incident Report within 20 days of receipt of this Order.

2. **Any partnership, corporation, or business entity (including a limited liability company) must be represented by an attorney licensed to practice law in Kentucky, and such representation includes the filing of papers with and appearances at hearings before the Commission.**

3. An individual may submit a response to the allegations contained in the Staff Incident Report without the representation of an attorney.

4. The Staff Incident Report 43061 in the Appendix to this Order is made a part of the record in this case.

5. **Please note that notice of a hearing to be held in this matter will be mailed to Mr. Caudill once proof of service is received by the Commission. Parties who fail to appear after service will be subject to entry of a default judgment against them.**

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By the Commission

ENTERED
FEB 18 2022 rCS
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2021-00472

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00472 DATED FEB 18 2022

EIGHTEEN PAGES TO FOLLOW

PIPELINE DAMAGE INVESTIGATION REPORT

Investigation Information

Investigator Eric Tout **Incident ID** 43061 **Investigation** 8013
Incident Date 10/6/2020 11:30:00 AM **Report Submitted** 11/4/2020

Operator Information

Operator Atmos Energy Corporation **Reported By** Anthony Stallins
Phone (270) 779-4849 **Email** anthony.stallins@atmosenergy.com

Incident Location 618 Mill St **Locate Ticket Number** n/a
 Hanson KY 42413
 618 Mill St. Hanson/Madisonville,
 originally 605 Mill St
County Hopkins

Excavator Information

Excavator Phillip Caudill **Organization ID**
 Caudill Construction
Phone 270-836-9118 **Email**
Address 299 Meadow Ln **Locate Ticket Number** n/a
 Madisonville KY 42431

Damage Report (DR) Summary

Excavation Within 18" (Approximate Location)	Gas Or Hazardous Liquids		Type Of Equipment Used	Cost of Damage	Amount Billed
	Contained	Released			
No call to 811	Yes	Yes	Mechanized/Skid Steer	\$1,024.00	\$1,024.00

The Operator reports that the Excavator damaged a ¾ inch gas service with a skid steer performing grade work and failed to contact the KY Contact Center (811).

The DR is included as Attachment 1.

INVESTIGATION

On 09/22/21 an attempt to contact the Excavator resulted in a message stating that you have reached 270-836-9118 wherein a message was left.

On 09/27/21, via email, 811, Carly Dunsmore, conducted a searched from 07/01/20 thru 12/01/20 revealing no Locate Tickets (LT) for the incident location by the Excavator.

811 Email is included as Attachment 2.

On 09/27/21 the Excavator, Caudill Construction's Phillip Caudill, stated that no call was made to 811 prior to excavation. Mr. Caudill was receptive to attending the Damage Prevention Course and paying the reduced penalty of \$250.00.

VIOLATIONS

KRS 367.4911(1)(a) Each excavator, or person responsible for an excavation, planning excavation or demolition work shall, not less than two (2) full working days nor more than ten (10) full working days prior to commencing work, notify each affected operator of the excavator's intended work and work schedule. Contacting the applicable protection notification centers shall satisfy this requirement.

of Offences

(Including this incident)

PIPELINE DAMAGE INVESTIGATION REPORT

Excavator	Last Offence Incident #	Last Offence Incident Date	Revert to 1st Offence Date (Last Offence Date +365 Days)
1 st	N/A	N/A	N/A

Attachment 1

Gas Excavation Damage Report

Atmos Energy Corporation

Submitted 11/4/2020 Incident ID: 43061

[Set back to Edit](#)[Staff Edit](#)[Print \(PDFForm.aspx?Rpt=GasInvestigation&IG=43061\)](#)

Reported By:

Name: Anthony Stallins
Phone: (270) 779-4849
Email: anthony.stallins@atmosenergy.com

Gas Line Incident Occured:

Date: 10/6/2020
Time: 11:30 AM

Details:

Reported Date: 10/6/2020 2:21 PM

Incident Location Address:

Location: 618 Mill St. Hanson/Madisonville, originally 605 Mill St
Address: 618 Mill St
City: Hanson
State: KY
County: Hopkins
Zip: 42413

Confirm Code:

Number of Customers out: 1

Was gas or hazardous liquids contained in the underground facility?

Was gas or hazardous liquids released into the atmosphere? *

3/2020

Locate Request Ticket No.: n/a

Excavator: Contractor

Excavator Address:

First Name: Phillip
Last Name: Caudill
Organization ID:
Company: Caudill Construction
Phone: 270-836-9118
Email:

Address: 299 Meadow Ln
City: Madisonville
State: KY
Zip: 42431
Confirm Code: Y
Excavation Damage: No notification made to the One
Call Center

Description of Incident Cut 3/4" PE service. No locate request made. One customer off. No injuries.

Summary Information

11/4/2020

Full details such as the cause	Caudill Construction damaged a 3/4" PE service with a skid steer while performing grade work. Caudill Construction did not have a locate request. Service had an EFV that stopped the flow of gas.
Extent of the damage	3/4" PE Service repaired.
Cost of the damage	\$1,024.00
Steps taken to prevent re-occurrence	Excavator educated on calling 811 for locate requests.
Amount billed to excavator	\$1,024.00

Attachment 2

Tout, Eric V (PSC)

From: Carly Dunsmore <cdunsmore@usa811.org>
Sent: Monday, September 27, 2021 8:37 AM
To: Tout, Eric V (PSC)
Cc: PSCrequest@kentucky811.org
Subject: Re: 43061

Good morning,

We searched between 7/1/2020 and 12/1/2020, but were unable to find any tickets submitted by Caudill Construction/Phillip Caudill, for address 618 Mill Street, in Hopkins County. If you have any more information, we would be happy to further assist you.

Thank you,

Carly Dunsmore
Member Services
P: 833-538-0923
F: 317-386-7820



On Mon, Sep 27, 2021 at 6:48 AM Tout, Eric V (PSC) <ericv.tout@ky.gov> wrote:

Please provide locate ticket for:

Incident Date: 10/6/2020

Operator: Atmos

Incident Location: 618 Mill St., Hanson
County: Hopkins
Excavator: Caudill Construction, Phillip Caudill

Thanks,

Eric V. Tout

Kentucky Public Services Commission

Division of Inspections / Damage Prevention

211 Sower Blvd., Frankfort, KY 40601

Office: 502-782-2622

Fax: 502-564-1582

SUPPLEMENTAL PIPELINE DAMAGE INVESTIGATION REPORT

Investigation Information

Investigator	Eric Tout	Incident ID	43061	Investigation	8013
Incident Date	10/6/2020 11:30:00 AM	Report Submitted			11/4/2020

Operator Information

Operator	Atmos Energy Corporation	Reported By	Anthony Stallins
Phone	(270) 779-4849	Email	anthony.stallins@atmosenergy.com

Incident Location	618 Mill St Hanson KY 42413 618 Mill St. Hanson/Madisonville, originally 605 Mill St	Locate Ticket Number	n/a
County	Hopkins		

Excavator Information

Excavator	Phillip Caudill Caudill Construction	Organization ID	
Phone	270-836-9118	Email	
Address	299 Meadow Ln Madisonville KY 42431	Locate Ticket Number	n/a

SUPPLEMENTAL REPORT

On 09/29/21, via email, the Operator, Atmos's Anthony Stallins, stated that the Excavator paid for the damage in January, no photographs were taken of the damage and a copy of the Show Compliance/Construction Order Details was provided which is outlined in the DR Summary and Attachment 1.

Mr. Stallins's email and Atmos's report are include as Attachment 3.

Attachment 3

Tout, Eric V (PSC)

From: Stallins, Anthony A <Anthony.Stallins@atmosenergy.com>
Sent: Wednesday, September 29, 2021 2:58 PM
To: Tout, Eric V (PSC)
Cc: Bledsoe, Jonathon T; Whitney, Lisa S; Owen, Tim D; Coleman, Mike D; Tucker, Mariam L; Stallins, Anthony A
Subject: FW: 43061, 10/6/2020, 618 Mill St., Hanson, Caudill Construction
Attachments: 618 Mill St-Hanson - Third Party Damage Report.pdf

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

Good afternoon Eric,

The Third Party Damage Report for the damage at 618 Mill St in Hanson, KY. Also per Lisa, the invoice was paid in January. We have no pictures of the damage.

Thanks, Anthony

From: Whitney, Lisa S <Lisa.Whitney@atmosenergy.com>
Sent: Tuesday, September 28, 2021 7:33 AM
To: Stallins, Anthony A <Anthony.Stallins@atmosenergy.com>; Coleman, Mike D <Michael.Coleman@atmosenergy.com>
Cc: Bledsoe, Jonathon T <Jonathon.Bledsoe@atmosenergy.com>
Subject: RE: 43061, 10/6/2020, 618 Mill St., Hanson, Caudill Construction

Good morning!

Looks like it was paid in January of this year. Please let me know if you need anything else!

Display Notification: Excavation. Gas LOSS

Partner Object Notification Order Action Log Document Flow

Notification 200046584 3 Excavation. Gas LOSS 18986503
 Notific. Status OSNO OSTS CLSD

Incident Information Oracle Invoice Information Oracle Invoice Status

Key Values

Source Doc # 18986503 Loss Date 10/06/2020
 Source EAM Received Date 10/06/2020

Oracle Invoice Status

Claim Resolution

Collection Agency Date To Agency

Claim Disputed

Suspend Collections Letter 30 Day Approved By

Suspend Collections Letter 50 Day Approved By

Invoice History

Invoice No	Inv Amt	Inv.Status	Cncl Reas	Claim Re..	Outst Bal	Claim Disp
299500	1,023.57	Closed			.00	

Lisa S Whitney

Operations Assistant
Atmos Energy Corporation
Kentucky-Mid-States Division
270-901-1711 Office
270-842-0228 Fax
Lisa.Whitney@atmosenergy.com

From: Stallins, Anthony A <Anthony.Stallins@atmosenergy.com>
Sent: Monday, September 27, 2021 11:57 AM
To: Coleman, Mike D <Michael.Coleman@atmosenergy.com>; Whitney, Lisa S <Lisa.Whitney@atmosenergy.com>
Cc: Bledsoe, Jonathon T <Jonathon.Bledsoe@atmosenergy.com>; Stallins, Anthony A <Anthony.Stallins@atmosenergy.com>
Subject: FW: 43061, 10/6/2020, 618 Mill St., Hanson, Caudill Construction

Good morning Mike and Lisa,

The PSC is asking for information on the damage at 618 Mill St in Hanson.

Mike, do we have any photos of this damage?

Lisa, would you see if this invoice was paid.

Thanks, Anthony

From: Tout, Eric V (PSC) <ericv.tout@ky.gov>
Sent: Monday, September 27, 2021 6:04 AM
To: Stallins, Anthony A <Anthony.Stallins@atmosenergy.com>
Subject: [EXT] 43061, 10/6/2020, 618 Mill St., Hanson, Caudill Construction

CAUTION: Don't be quick to click. This e-mail originated from outside of Atmos Energy. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Morning Anthony,

Please provided the report, photos, invoice & payment info (copy of check) if paid.

*Thanks,
Eric V. Tout
Kentucky Public Services Commission
Division of Inspections / Damage Prevention
211 Sower Blvd., Frankfort, KY 40601
Office: 502-782-2622
Fax: 502-564-1582*

Kentucky - Show Compliance/Construction Order Details			
Business: 3404 40 Ky - eAM	Asset: LEAK709825	Order# - Done - Status - Type: 18986503 - 10/06/2020 - C - LKRP	Job Code: LKRP
<input type="button" value="Display Normal"/> <input type="button" value="Display Debug"/> <input type="button" value="ReSet"/>		Run Time: 09/27/2021 12:01	

Job Details			
Status Complete	Office: MADISONVILLE	Done: 10/06/2020	Source: Qk
Type:	SubRegion: Central Ky	District: Madisonville	In MA:
Region: NORTHERN			

Schedule Data			
Start Date: 10/07/2020	Base Date:	Interval: 0	Printed:
Date:			Print Date:

Asset Description			
Asset Group: LEAKS	Asset#: LEAK709825	Parent Asset#: LKS (2634)	
Asset Description: 618 MILL ST 3439000 HANSON		Activity: LEAK REPAIR 1 2634	
Owning Department: WA2634	Child Assets:	Status: InActive	

Location Physical Information			
GPS: 37.4247	GPS Longitude: -87.47688	GPS Altitude: 0	
Latitude:		State: KY	
Address: 618 MILL ST	Time Zone:	DST:	
Town/City: 3439000 HANSON	Cross Street: mill stone way		
In/Outside: INSIDE			
City Limits:			
Other Location Information:			
Map Number:		Class Location: 3	
County: 21107 HOPKINS		Control Code:	
Property: 91803 HOPKINS,HANSON,HANSON CTY & COM SCH			
Tax Code:			
School District:			
Land Description:			
City Inspection Required:		Certificate of Occupancy Required:	

Location Additional Information			
WorkArea/SubArea: KYMADSON	PipeLine #:	Read Sequence:	
Station Number:	Printer Name: noprint	Corrosion Section:	
System Number:		Project Number:	
Pipeline Balance Code:		Task Number:	
Operation Area: KYMAD	Rate Division: 009	Facilities Classification: DIST	
Retirement Unit Name: Non Utilized Retirement Unit		Zip:	
Related SAP SO Number: 100018307664			

Leak Data			
Date Found: 2020/10/06 11:58	Time Classified: 12:00:00	Leak Grade: 1	
Leak Grade By: 27895 Pyle, Cameron	Grade 2 Interval:	CGI Reading: 100	
Apparent Location: SERVICE	Population Density: RES	Unit of Measure: % GAS	
Ft To Building: 10	Surface Type: DIRT		
Leak Location: N/A	Leak Repaired: N	Leak Located (LKFD - 2): 2 - Below Ground	
Comments:			

(LKRP) Leak Repair Completion Data			
Leak Found	Facility Involved: 2 - Service	Origin of Leak: 2 - Body of Pipe	

Kentucky - Show Compliance/Construction Order Details

Business: 3404
40
Ky - eAM

Asset:
LEAK709825

Order# - Done - Status - Type:
18986503 - 10/06/2020 - C - LKRP

Job Code:
LKRP

Display Normal | Display Debug | ReSet

Run Time: 09/27/2021 12:01

(Yes/No):
Reason Not Repaired:
Initial Cause: EXCAVATION GROUP
Condition of Coating: NA
Corrosion 0
Pit Depth (in):
Coating Type: NA
Repaired Date: 10/06/2020
Residual Gas: N
Follow-Up:
Welder ID:

Project: MadisoL
Wall Thickness: 0
Internal Corrosion: NA
Test Pressure: 150
Soap Test (Y/N/A): Y
Test Medium: AIR
Welding Performed:

Type of Pipe: 8 - High Density Polyethylene
Ferc Acct: 8740
External Corrosion: NA
PS Reading: 0
Test Duration: .15
Info Chg Req: N
Addit. Maint. Req: N

Installed 1	Length Units: 5	Task: SERVICE	Size: 1	Type: PE
Removed 1	Length Units: 5	Task: 02980	Size: 80	Type: PE
Installed 2	Length Units:	Task:	Size:	Type:
Removed 2	Length Units:	Task:	Size: 0	Type:

Leak Located: 2 - Below Ground
Other Leak Cause:
Pipe Size:
3rd Party Damage: Y

Cause Code: 22 - Other Third Party Excavators
Repair Method: 6 - Pipe Replaced
Fitting Type:
Pipe Mfg Code: PF1 - Performance Pipe
Compr Coupling Data: N

Astm Code: PE4 - Polyethylene PE 3408
Joint Type:
Other Mfg:

(LK3P) Leak 3rd Party Data Completion Data

Activity: LEAK REPAIR 1 2634
Damage Date: 2020/10/06
3rd Party Name: CaudillConstruction
3rd Party Address: 299 Meadow In
Leak Duration: 3
Injuries or Deaths OnSite: 0
Locate Mark within State Law: U
Reason Damage Occurred: NOLOCATEREQ
Date Locate Requested:
Equipment Causing Damage: GRADESCRAPE
3rd Party Contact: Phillip Caudill
Ins Company: CONTRACTOR
Excavator Facility Involved: DISTRIBUTION
Time Located: Damage Location:
FAC Material: BODYOFPIPE

Asset Num:
Leak Area Sq. IN: 1
Locate ID #: N
Locate Ticket #:
Located By:
Damage to Property: Y
Repair Total:
Locate Priority:
Date Located:
Ins Agent:
Damage Where:
Num Cust Effected: 0
Billed:
Damage By: THIRDPTY
FAC Release Plan: U

Task ID:
Locate ID #: N
Locate Ticket #:
Project: MadisoL
Date Located2:
3rd Party Phone #: 2708369118
Type of 3rd Party Work: GRADING
Ferc Acct:
Date Locate Requested: 2020/09/14
Agent Phone:
City: Madisonville
State: KY
Zip: 42431
Title 16: N
One Call Code:

Kentucky - Show Compliance/Construction Order Details

Business: 3404
40
Ky - eAM

Asset:
LEAK709825

Order# - Done - Status - Type:
18986503 - 10/06/2020 - C - LKRP

Job Code:
LKRP

Display Normal



Display Debug

ReSet

Run Time: 09/27/2021 12:01

Damage: FAC 911 N	FAC Locate Code: INTRA	FAC Pipe Diameter: 0
Damage Call:		
Excavator Call: N	Excavator Ticket:	Excavator Notify Oper: N
Pipeline IS: ACTIVE	Pipeline Material: POLYPLAS	Pipeline Year:
Prod Trans Code:	Fire Comments:	Type of Injury:
Mark :: Positive Response:	Mark 2nd Call Rsn:	Mark 2nd Call Oth:
Mark 2nd Call Ticket:	Mark 2nd Call Date:	Mark 2nd Call Resp:
Mark :: Positive Response:	Mark Why and Rsn:	Mark Why Other:
Mark 0 Variance Inches:	Locator Other Explain:	
SubDivision: Lat Long DECIMAL LkUp:	Incident Address: 618 mill st Latitude: 37.4247	Incident Time: 10:59:AM Longitude: -87.47688

(LK3P) RRC Leak 3rd Party

Data Completion Data	Asset Num:	Task ID:
Activity: LEAK REPAIR 1 2634		
Date of Damage: 2020/10/06	Excavator Name: CaudillConstruction	Excavator Address: 299 Meadow Ln
Excavator City: Madisonville	Excavator State: KY	Excavator Zip: 42431
Excavator Contact Name: Phillip Caudill	Excavator Phone: 2708369118	Excavator Fax:
Excavator EMail: GRADING	Excavator Type Code: CONTRACTOR	Excavation Type: GRADESCRAPE
Work Performed Code:	Excavator Depth Ft: 0	Excavator Depth In: 0
Was Called: N	Incident NO:	Country: US
State: KY	City: Hanson	Address: 618 mill st
Intersection: mill stone way	RightOfWay Type: PIPE	Fac Damaged Code:
Fac Affected Code: DISTRIBUTION	Fac Damaged Depth Ft: 1	Fac Damaged Depth In: 6
Joint U	OneCall Member: Y	Locate Request: N
Trench:	OneCall Ticket#:	OneCall Ctr Notified Date: 2020/09/14
OneCall Center Code:		
Locate Org Code:	Locator Name:	Fac Marks Visible: N
Fac Marks Correct:	Marked Variance Ft: 0	Marked on Time:
Marked Locate Method:	Marked Loc. Meth Oth:	Marked by Paint:
Marked by Flags:	Marked by Other: N	Marked by Other Comnt:
Marked By White Lining:	Marked Spec Instruction:	Marked Using Maps:
Marked 48 HR Notice:	Marked Loc Met with Exc:	Marked Reps OnSite:
Marked Second Call:	Marked Procedure Used:	Marked Positive Response:
Excavator Down: Y	Excavator Down Time: -1	Excavator Down Cost: 1001
Was Fac Damaged: Y	Service Interruption: N	Outage Hours: 0
Customers Affected: 0	Restoral Cost: 0	Number People Injured: 0
0	N	N

Kentucky - Show Compliance/Construction Order Details

Business: 3404
40
Ky - eAM

Asset:
LEAK709825

Order# - Done - Status - Type:
18986503 - 10/06/2020 - C - LKRP

Job Code:
LKRP

Display Normal | Display Debug | ReSet

Run Time: 09/27/2021 12:01

Number Fatalities:	Impact Fire Occurr:	Impact Evac:
Impact Evac No People:	Impact Evac Comnt:	Impact Media Covrg: N
Impact Media Covrg Comnt:	Impact Street: N	Impact Street Comnt:
Impact Explosion:	Impact Explosion Comnt:	Impact Other: N
Impact Other Explanation:	Impact No addl:	Damage Cause Code: NOLOCATEREQ
Damage Other Desc:		

Comments & Labor
 Comments: Excavator failed to call 811 and hit line.
 Tech: 27242 Conrad, Porter Travel: .02 OnSite: 6.85

Data Entry Stats	Order# 18986503	
Asset Created:	10/06/2020	By: 8247 EAMADMIN
Order Created:	10/06/2020	By: 8247 EAMADMIN
Q. Results Entered:	10/06/2020	By: 8247 EAMADMIN
Q. Results Changed:	10/07/2020	By: 48430 HKOON12A

ET .517 Minutes RECORD Count 0

Phillip Caudill dba Caudill Construction
299 Meadow Lane
Madisonville, KENTUCKY 42431