

**CASE**

**NUMBER:**

99-095



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

June 30, 1999

Aneta Vance  
Executive Director  
Housing Authority of Mt. Vernon  
P.O. Box 456  
Mt. Vernon, KY 40456

Re: Case No. 99-095

Dear Ms. Vance:

This is in reference to a receipt dated June 24, 1999 which inadvertently referenced the wrong case style. Attached is a corrected receipt containing the appropriate style for the above case.

We apologize for any inconvenience this may have caused.

Sincerely,  
*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

sa  
Enclosure



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HOUSING AUTHORITY OF MT. VERNON     )  
ALLEGED VIOLATIONS OF                ) CASE NO.  
ADMINISTRATIVE REGULATION         ) 99-095  
807 KAR 5:022                            )

RECEIPT OF PAYMENT

This is to acknowledge receipt of one check in the amount of \$175.00, payable to Treasurer, Commonwealth of Kentucky on May 24, 1999 from Housing Authority of Mt. Vernon. This represents full payment of the penalty assessed against them in the above-styled action.

*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

Dated 6-30-99

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ALTON WATER )  
DISTRICT OF ANDERSON COUNTY, KY, )  
FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO ) CASE NO.  
CONSTRUCT, FINANCE AND INCREASE ) 99-095  
RATES PURSUANT TO KRS 278.023 )  
D/B/A AMERICAN ELECTRIC POWER )  
ALLEGED FAILURE TO COMPLY WITH )  
COMMISSION ADM. REG 807 KAR 5:006, )  
SECTION 26(1)(A) )

RECEIPT OF PAYMENT

This is to acknowledge receipt of one check in the amount of \$175.00, payable to Treasurer, Commonwealth of Kentucky on May 24, 1999 from Housing Authority of Mt. Vernon. This represents full payment of the penalty assessed against them in the above-styled action.

*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission  
Dated June 24, 1999

**HOUSING AUTHORITY OF MT. VERNON**

P.O. Box 456

Mt. Vernon, Kentucky 40456

**TDD No. For Hearing Impaired**

**1-800-247-2510**

99-095

RECEIVED

JUN 23 1999

PUBLIC SERVICE  
COMMISSION

June 17, 1999

Helen C. Helton  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

Dear Ms. Helton:

This letter is in response to correspondence dated May 17, 1999. Please find hereto, a complete report of the repairs and replacement of our system and a copy of the system operation and maintenance plan.

The following is a list of corrections made to our system:

1. MAOP has been set for 20 pounds per square inch gauge. This has been set for the part of the system that is in operation now. The rest of the system will be done when the new tank is set and hooked up.
2. Tracer wire has been installed with all the pipe excepting the pipe that will be connecting the new tank. This will be done as soon as tank is set.
3. All relief valves have been removed from the system.
4. All steel has been removed from the system, therefore, eliminating the need for cathodic protection.
5. The old storage tanks have been purged, burned off and filled with a concrete sludge and capped.
6. The regulators have been removed from the system because of new above ground service tank.
7. The maintenance man received training on gas pipeline from the Kentucky Gas Association, week of April 5-8, 1999. We intend to continue this training as necessary each year.
8. The new 6,000 gallon propane tank is scheduled to be installed and operational by the second week of July. This is due to weather conditions and any unforeseen delays. We will notify PSC as soon as everything is complete.

I would like to take this opportunity to thank everyone at the Public Service Commissioners office for their assistance and kindness shown to me during this situation. Everyone was very patient and always ready to answer any question that I had.

Sincerely,

A handwritten signature in cursive script that reads "Aneta R. Vance". The signature is written in black ink and is positioned below the word "Sincerely,".

Aneta R. Vance  
Executive Director

enclosure

RECEIVED

JUN 23 1999

PUBLIC SERVICE  
COMMISSION

HOUSING AUTHORITY OF MT. VERNON

OPERATIONS AND MAINTENANCE MANUAL  
AND  
EMERGENCY PLAN FOR  
HOUSING AUTHORITY GAS LINES

## TABLE OF CONTENTS

### SECTION A. OPERATIONS AND MAINTENANCE MANUAL

#### Paragraph I. Procedures During Normal Operations

- II. Procedures During an Emergency
- III. Patrolling Gas Lines
- IV. Leakage Survey
- V. Continuing Surveillance
- VI. Testing for Re-instating Service Lines
- VII. Abandonment of Facilities
- VIII. Accidental Ignition of Gas
- IX. Key Valves Maintenance
- X. Leak Repairs

### SECTION B. EMERGENCY PLAN

#### Paragraph I. What is an Emergency?

- II. Emergency Notification Checklist
- III. Maps
- IV. Emergency Equipment Location
- V. Responding to Gas Leakage Reports
- VI. Procedures for Fire, Explosion, or Natural Disaster
- VII. Major Emergency Checklist
- VIII. Reporting Requirements
- IX. Restoration of Gas Service
- X. Education & Training



## SECTION A. OPERATIONS AND MAINTENANCE PLAN-GAS PIPELINE SAFETY

### INTRODUCTION

This manual sets out the operations and maintenance plan and policies of the **Housing Authority of Mt. Vernon** as they relate to the maintenance and safety of the gas lines owned by the Housing Authority. Each employee must read this manual initially, and then maintain the manual for ready reference at all times. Although some sections of this manual will be more applicable to certain operations personnel, all employees are charged with the responsibility of guarding against improper maintenance or operational procedures. Thus, each employee must familiarize himself with the contents of this manual, and contact the proper supervisory personnel if conditions arise which seem to be out of compliance with the policies and procedures as set out herein.

- I. Instructions as to procedures which must be followed during normal operations and while making repairs.

Monitor Line.

- II. Instructions as to procedures which must be followed during an emergency:
  - A. As soon as an employee becomes aware of an emergency situation, (as that particular employee perceives the situation) he/she must contact immediately:
    1. Aneta R. Vance, Executive Director, 256-4185 or 256-9665 (home) or 308-3117 (cell phone)
    2. Tracy Caldwell, Maintenance, 256-4185 or 256-5073 (home) or 736-3391 (pager)
    3. EmpireGas of Corbin, Terry Miracle, 800-551-2549 or 606-877-1500 (home)

Details to be transmitted to the above people are:

- a. Exact location of the emergency situation;
- b. Nature of the emergency;
- c. Whether the public safety may be jeopardied by the situation.

- B. If the situation does not jeopardize persons or property, Aneta Vance and Tracy Caldwell will make a determination as to the extent of the emergency presented by the situation, and will take proper procedures in each situation.

If the situation **does** pose an immediate risk to persons or property, the employee who is aware of the problem should refer to the Emergency Plan included in this manual.

### III. Patrolling

Patrolling of the gas line must be continuously in the mind of each employee as he/she performs his/her daily job assignments. Employees should especially note areas where anticipated physical movement or external loading (weight, traffic) could cause failure or leakage. These areas include: areas susceptible to earth subsidence or an area of construction activity and above ground pipes. Each employee should make a notation in his daily log as to any factor observed which might affect safe operations, and should report same to his supervisor immediately. Scheduled patrolling will be performed monthly as gas meters are read for consumption records at the beginning of the month. This record of patrolling will be completed and filed each month.

### IV. Leakage Surveys

#### A. Residential Pipeline Systems.

A leakage survey will be conducted once each year in the residential area served by the **Housing Authority of Mt. Vernon**. This will be done through outside contracted company. At present it is contracted through Moore Pipeline.

- B. In general: If a leak is discovered which presents a hazardous situation, the employee should refer to the Emergency Plan for correct steps to take.

### V. Continuing Surveillance

- A. The Maintenance man will continuously familiarize himself with conditions along the pipeline and take appropriate action concerning changes in location, failure, leakage history, substantial changes in operating and maintenance conditions.
- B. If a segment of pipeline is determined to be in unsatisfactory condition, but no immediate hazard exists, the Director shall initiate a program to recondition or phase out the segment

involved, or if the segment cannot be reconditioned or phased out, reduce the maximum allowable operating pressure.

#### VI. Testing for Reinstating Service Line

- A. Each disconnected service line must be tested before service is reinstated in the same manner as a new service line. The test pressure for an installed plastic line must be 100 psi or whichever is greater. However, the test pressure may not be more than three times the design pressure of the pipe. The maximum allowable operating pressure for the system will be 20 pounds per square inch gauge.

#### VII. Abandonment of Facilities

- A. When a gas main or service line is abandoned, it must be physically disconnected from the piping system and the open ends effectively sealed. Pipes 4 inches and larger must be purged.
- B. Records must be kept on all facilities abandoned, including as follows:
  - 1. location, date and method of discontinuing service.
- C. When service to a customer is temporarily or permanently discontinued, one of the following must be done.
  - 1. The valve must be closed to prevent the flow of gas to the customer. This valve must be secured with a lock or some other device to prevent opening of the valve by unauthorized people. These are numerous locking devices designed for this purpose.
  - 2. A mechanical device or fitting that will prevent the flow of gas must be installed in the service line or in the meter assembly.
  - 3. The customer's piping must be physically disconnected from the gas supply and the open ends sealed.

#### VIII. Accidental Ignition of Gas

Each employee must be constantly aware of the danger of gas explosion. Gas alone is not explosive, but when it is mixed with air, it can ignite or explode with tremendous force. Every

precaution must be taken to prevent unintentional ignition of gas. When venting gas into air, a fire extinguisher must be available.

IX. Key Valves Maintenance

Key valves will be checked annually, and records of the inspection will be maintained by the Supervisor. Key valves are the valves needed to shut down the system, or part of the system, in case of an emergency.

Key valves for the Housing Authority of Mt. Vernon are depicted on its operations map and included herein.

X. Leak Repairs

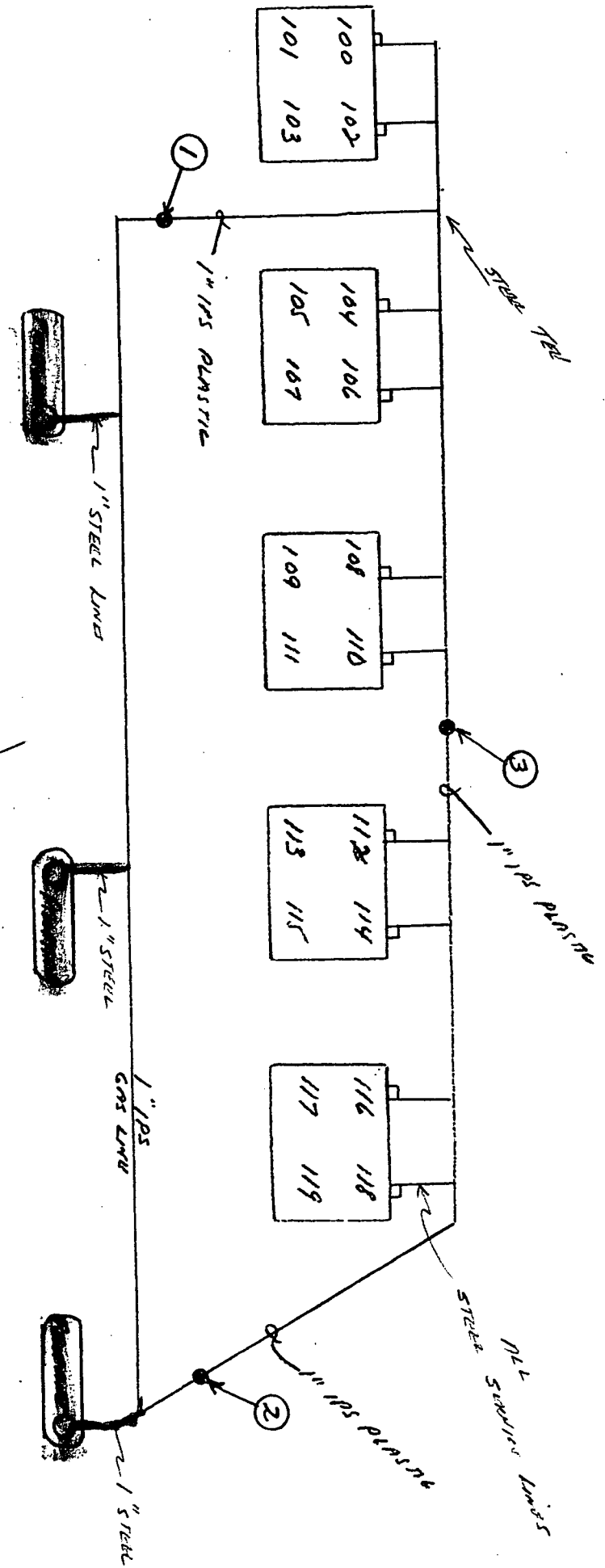
- A. Only maintenance personnel with training, experience and certification will attempt repair of gas leaks or replacement of gas lines. If such personnel are not available, qualified outside contractors will be hired.
- B. After a leak has been repaired with coupling or a clamp, a soap bubble test must be conducted. Replaced main and services must be pressure tested for leaks.

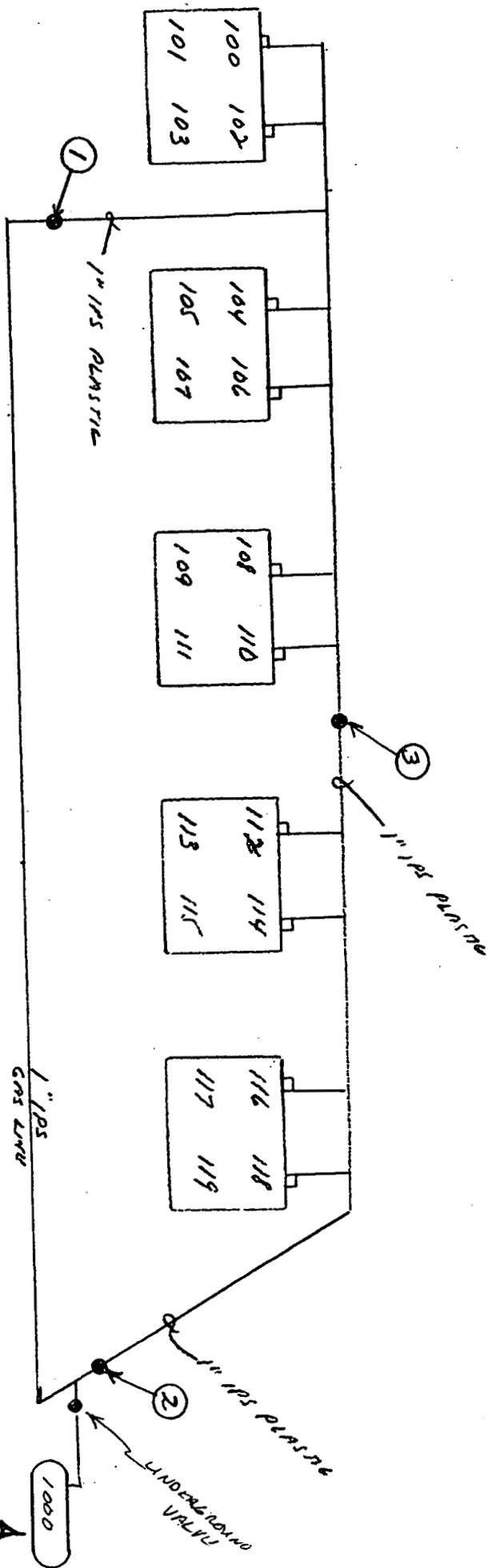
**NOTE: IT SHOULD BE EMPHASIZED THAT ALL SOURCES OF IGNITION SHOULD BE KEPT AWAY FROM THE LEAK REPAIR AREA. MATCHES SHOULD NEVER BE USED TO DETECT A GAS LEAK OR TO TEST THE ADEQUACY OF A REPAIR JOB.**

Green - Abandoned  
 facilities  
 5/5/99

THE  
 WMS

Housing Authority Mt. Vernon  
 Gas Valve Location Data  
 March 3, 1998



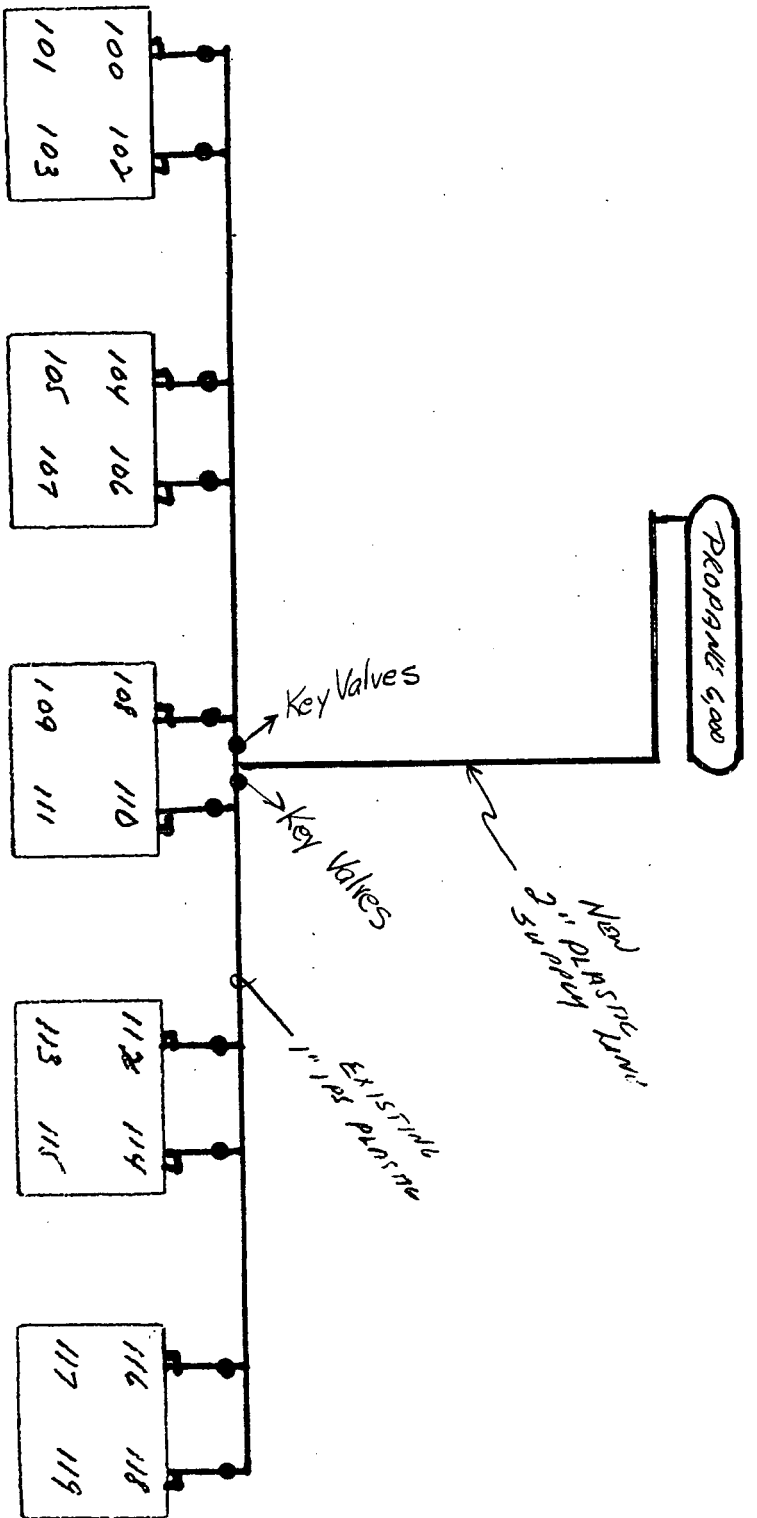


THE WAY IT IS  
NOW  
PLASTIC  
RV

TEMPORARY AGENT  
GAS AND SUPPLY  
TRUNK.

Housing Authority Mt. Vernon  
Gas Valve Location Data  
March 3, 1998

1000  
LINDERGARDNER  
VALVE



SYSTEM AFTER  
 TRUNK  
 SYSTEM  
 SUPPLY  
 NEW IN PLACE  
 15 IN RETURN  
 PANO PLASTIC VALVES  
 ALL PANO

NEW PLASTIC  
 2" SUPPLY

EXISTING  
 1" PLASTIC

Housing Authority Mt. Vernon  
 Gas Valve Location Data  
 March 3, 1998

# INDUSTRIAL TRAINING SERVICES, INC.

This certifies that

**INDUSTRIAL**  
**TRAINING SERVICES, INC.**  
*Tracy D. Caldwell*

has successfully completed instructional programs in

*Investigating Reported Gas Leaks and Odors in Buildings  
and  
Ensuring the Proper Venting of Gas Operated Equipment*

In Witness Whereof, this certificate is issued  
this 7th Day of April, 1999

*Bill D. Pulverer*  
COURSE INSTRUCTOR

*David Lyons, Ph.D.*  
PRESIDENT, INDUSTRIAL TRAINING SERVICES, INC.





*Training ~ The Key to Quality Assurance*

92 Chestnut Street, Murray, KY 42071 • Phone 270/753-2150 • Fax 270/753-9807

TRACY D CALDWELL  
MT VERNON HOUSING AUTHORITY  
50 LOVELL LANE  
PO BOX 456  
MT VERNON, KY 40456

SSN: 400-17-5438  
Co. Code: 2238

Test Results For:  
MAINTAINING THE SAFE USE OF GAS OPERATED EQUIPMENT

Score: 92.3

Pass/Fail: PASS

Test Name: 999

Test Number: 1039

Test Date: April 6, 1999

Test Group No.: 9290

Questions Missed

1, 12, 36,

Overall Results for This Group

<u>Mean</u>	<u>Median</u>	<u>S.D.</u>	<u># Above Mastery</u>	<u># In Group</u>
90.2	92.3	9.9	5	5

## SECTION B. EMERGENCY PLAN - GAS PIPELINE SAFETY

### EMERGENCY PLAN

Each employee must be constantly aware of the possible dangers associated with providing the public with propane gas. An emergency condition exists when you determine that extraordinary procedures, equipment, manpower and/or supplies must be used to protect the public from existing or potential hazards. In any emergency, the safety of the public must be given first priority.

#### I. What is an Emergency?

##### A. Facility Failures

1. Underpressure in the system
2. Overpressure in the system
3. Large amounts of escaping gas
4. Fire or explosion near or directly involving a pipeline facility
5. Any leak considered hazardous
6. Danger to major segments of the system

##### B. Other Hazards

1. Natural disasters such as flood, tornadoes, earthquakes, etc.
2. Civil disturbance
3. Load reduction conditions (results in voluntary or mandatory reduction of gas usage)

#### II. Whenever an emergency situation arises, the following emergency notification checklist must be followed:

##### A. Housing Authority of Mt. Vernon personnel:

Aneta R. Vance-Executive Director-256-4185(work)  
256-9665 (home) 308-3117 (cell phone)

Tracy Caldwell-maintenance-256-4185 (work)  
256-5073 (home) 736-3391 (pager)

EmpireGas-Corbin, Terry Miracle-800-551-2549 (work)  
606-877-1500 (home)

Moore Pipeline-Jackie Moore-606-498-2516 (home)  
606-408-8456 (cell phone)

B. Others to notify:

Mt. Vernon Police-----911 or 256-2121

Sherriff Dept.-----911 or 256-2031

Fire Dept.-----911 or 256-2121

Kentucky State Police-----800-222-5555

For all other emergencies notify:

Bill Bowker-Public Service Commission-Hours 8:00a.m.  
till 4:30 p.m. - 502-564-3940 ext. 428

Larry Amburgey, Invest. Super.-PSC-606-885-6465

Earl Alderman, Jr. Utility Invest.-PSC-606-784-3013

Kentucky Disaster and Emergency Center-800-255-2587  
or 502-654-7815

III. Map showing key valves, system's pressures and source of supply is attached to this plan.

IV. Emergency Equipment Locations

<u>A. Item</u>	<u>Location</u>
Shovel, wrenches	Maintenance room 50 Lovell Lane Maintenance man's truck West Main Street
Maps and records	Office Bldg. 50 Lovell Lane Maintenance man's truck West Main Street

B. Location and phone numbers where additional manpower and equipment/supplies may be obtained.

1. EmpireGas-Corbin-Terry Miracle-800-551-2549 (work)  
606-877-1500 (home)
2. Moore Pipeline -Jackie Moore-606-498-2516(home)  
606-408-8456 (cell phone)

## V. Responding to Gas Leak Reports

It is the responsibility of the operator of the gas system to make sure the proper employees are familiar with the procedures concerning gas leak calls and reports.

1. The employee receiving a report of a gas leak should get as much information as possible to fill out the gas leak report form properly. Use common sense: saving a human life and property is first consideration.
2. All reports of leaks on resident premises get priority. **LEAKS INSIDE OF A BUILDING GET TOP PRIORITY.**
3. After getting the information, and determining that a hazardous leak exists inside a building, remind the resident of all the following information. (It is your responsibility to have taught customers in advance.)
  - a. No one is to turn ON or Off any electrical switches
  - b. No one is to use the telephone
  - c. Extinguish all open flames. Do not light matches, cigarette lighters, etc.
  - d. Ventilate the building
  - e. Turn off the gas supply, if feasible
  - f. Everyone in the building is to leave immediately, and go to a safe distance. (About a block away) Go on foot, no engines or sparks.
4. Dispatch necessary personnel to the location of the reported leak.
5. Duties of first Housing employee on the scene:
  - a. Take every precaution and corrective action necessary to protect life and property from danger. (in that order) It is the responsibility of the person in charge to:
    1. Set up communications
    2. Coordinate the operation
    3. Make all decisions concerning emergency valves, isolating the areas, and the use of emergency equipment.

4. Implement the checklist for a major emergency (covered in this plan)

6. Minimum Supervisory Response Actions for:

- A. Leaks Outside the Building

1. Assess danger to the public surrounding the buildings, occupants and property.
    2. Extinguish all open flames. No smoking.
    3. If necessary, notify the fire department and police department.  
Also, EmpireGas Company-Corbin
    4. Check neighboring buildings for gas.
    5. Implement check list for major emergencies
    6. Repair leak
    7. If you are positively sure it is safe, return occupants to the buildings

7. Minimum Supervisory Response Action for:

- A. Leaks inside Building (ALL GAS LINES ARE LOCATED BEHIND AND UNDERNEATH THE BUILDINGS IN THE CRAWL SPACES) Crawl space doors are locked.

1. Evaluate residence immediately to determine concentration of gas and source of leak. Evacuate if necessary.
    2. DO NOT operate any electrical switches.
    3. DO NOT USE phone
    4. Shut off gas meter valve
    5. Ventilate building
    6. Check water meter and other openings
    7. If house is gas free, turn on meter valve. CHECK ALL GAS PIPING AND APPLIANCES FOR LEAKS.  
Conduct soap bubble test.
    8. Implement Check list for major emergency
    9. Determine whether to call Moore Pipeline or Gas Company to repair leak.
    10. Notify resident of decision regarding leak repair and length of time service will be down.

8. Gas Burning Inside Building

- A. Call the Fire Department
  - B. Call the Director and EmpireGas-Corbin
  - C. Shut off gas at meter valve
  - D. Implement checklist

## VI. Procedures for Fire, Explosion, or Natural Disaster

### A. Fire near or involving pipelines

1. Notify the Fire Department and shut off main valve to service tank if possible.
2. If you cannot turn off main valve to service tank, shut off main valve at the service tank.
3. Notify Empire Gas - Corbin

### B. Explosion involving pipeline

1. Notify Fire Department.
2. Shut off main valves from service tanks
3. Notify Empire Gas - Corbin

### C. Natural Disaster

Shut off all gas until disaster is past.

## VII. Check List for Major Emergency

1. Has Fire Department been called?
2. Have persons been evacuated and area blockaded?
3. Has Police Department been notified?
4. Has Empire Gas-Corbin been called?
5. Has Housing Authority call list been executed?
6. Have communications been established?
7. Has outside help been requested?
8. Has police and ambulances been called?
9. Has leak been shut off or brought under control?
10. Has civil defense been called?
11. Have emergency valves or proper valves to shut down or reroute gas been identified and located?
12. If an area has been cut off from a supply of gas, has the individual service of each customer been cut off?
13. Is the situation under control and has the possibility of reoccurrence been eliminated?
14. Has surrounding area, including buildings adjacent to and across streets, been probed for the possibility of further leakage?
15. Has telephone report to the Public Service Commission been made?
16. Has radio station been given instructions (if necessary)?

## VIII. Reporting Requirements

A telephone call must be made to the U.S. Department of Transportation and your state government for any leak where:

1. There is a release of gas from a pipeline, and there is a death or personal injury requiring hospitalization or there is an estimated property damage.
2. There is an event that is significant in the judgement of the operator, even though it was not described in paragraph (1) or (2) above.
3. The telephone report to DOT and your state government should contain:
  - a. The identity of reporting business (i.e. Housing Authority)
  - b. Name and phone number of individual reporting the incident
  - c. The location of the leak (city, county, state and street address)
  - d. The time of the leak (date and hour)
  - e. The number of fatalities and personal injuries
  - f. A description of the victim.

Any incident requiring a telephone report must be followed up with a written report unless the report is made by a small operator such as a master meter operator, a condominium or cooperative or an owner of rental property such as an apartment building.

Call 1-800-424-8802                      The U.S. Department of Transportation  
The National Response Center (NRC) will  
receive your phone call.

#### IX. Restoration of Gas Service Due to Outage

- A. When the supply of gas has been cut off to an area, no gas should be turned on to the affected area until the individual service to each customer has been turned off.
- B. A house to house operation is mandatory. The individual service of each tenant must be turned off, either at the meter or at the service valves. If the service valve cannot be located, the gas flow must be shut off in some manner. (squeeze off, stopper, install service valve, etc.)
- C. In restoring service to an affected area, all gas piping and meters must be purged and appliances re-lite. Never turn on gas at meters unless you have access to ALL appliances on the tenants piping. In the event a resident is not at home, a card must be left in a

conspicuous location requesting the customer to call the Housing Authority office to arrange for restoration of service.

- D. The person in charge is to coordinate an operation and be responsible for same.
- E. A complete record of the incident, with drawings, etc., must be kept on file.

#### X. Education and/or Training

- A. Employee Training-Training for the Housing Authority maintenance man and the Executive Director will take place at least annually with a record of attendance and items discussed kept on file.
- B. Education of Resident-a pamphlet will be given to the tenants at move in and recertification. See attached copy.
- C. Information to news media-during an emergency, all requests for information will be directed to the Executive Director. That person is Aneta R. Vance.

#### XI. Accident Investigation

The Director will assign the task of accident investigation. Each accident will require a separate file, and will fully document the steps taken to complete the accident investigation.

Procedures for analyzing accidents and failures are:

1. Evaluate the situation
2. Protect life and property
3. Keep the area safe
4. Conduct a leak survey
5. Conduct pressure tests on piping
6. Do meter and regulator checks
7. Question persons on the scene
8. Examine burn and debris pattern
9. Test odorization level
10. Record meter reading
11. Record weather conditions
12. Select samples of the failed facility or equipment for laboratory examination to determine cause of failure and minimize possibility for recurrence.
13. Notify appropriate insurance company



Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Aneta Vance

4a. Article Number

2 319 087 469

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

5-18-99

5. Received By: (Print Name)

Tracy Caldwell

6. Signature: (Addressee or Agent)

Tracy Caldwell

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

HV (99-095) 102595-98-B-0289

Domestic Return Receipt

Thank you for using Return Receipt Service.

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION

**FILED**  
APR 26 1999  
PUBLIC SERVICE  
COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

IN THE MATTER OF:  
  
HOUSING AUTHORITY OF MT. VERNON  
  
ALLEGED VIOLATIONS OF  
ADMINISTRATIVE REGULATION  
807 KAR 5:022  
  
CASE NO. 99-095

TRANSCRIPT OF EVIDENCE

DATE OF HEARING: April 12, 1999

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APPEARANCES

HON. PAUL SHAPIRO, HEARING OFFICER

HON. JAMES R. GOFF, COUNSEL FOR COMMISSION STAFF

FOR HOUSING AUTHORITY OF MT. VERNON:

MS. ANETA VANCE, EXECUTIVE DIRECTOR

HOUSING AUTHORITY OF MT. VERNON

P. O. BOX 456

MT. VERNON, KENTUCKY 40456

(NOT REPRESENTED BY COUNSEL)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I N D E X

PAGE NO.

Appearances	2
Discussion	4-8
ANETA VANCE	
Examination by Hearing Officer Shapiro	9
RODNEY RABY	
Direct Examination by Mr. Goff	10-14
EARL HOWARD ALDERMAN, JR.	
Direct Examination by Mr. Goff	15-20
ANETA VANCE (CONTINUED)	
Examination Continued by Hearing Officer Shapiro	21-27
ANDREW BIESEL	
Examination by Hearing Officer Shapiro	27-30
Cross Examination by Mr. Goff	31-33
Discussion	33
Reporter's Certificate	34

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING OFFICER SHAPIRO:

This is a hearing before the Kentucky Public Service Commission in the matter of the Housing Authority of Mt. Vernon, Case No. 99-095. The hearing is being held pursuant to an Order that was entered by the Commission on March 29, 1999, directing the Mt. Vernon Housing Authority to appear and show cause why it should not be subject to the penalties prescribed in KRS 278.992(1) for violations alleged that are listed in the hearing Order. Is the Housing Authority present and ready to proceed?

MS. VANCE:

Yes.

HEARING OFFICER SHAPIRO:

Would you give us your name, please?

MS. VANCE:

My name?

HEARING OFFICER SHAPIRO:

Yes.

MS. VANCE:

Aneta Vance.

HEARING OFFICER SHAPIRO:

What is your address, Ms. Vance?

MS. VANCE:

It's P. O. Box 456, Mt. Vernon, Kentucky 40456.

1 HEARING OFFICER SHAPIRO:  
2           Okay. And you spell that A-n-e-t-a?  
3 MS. VANCE:  
4           A-n-e-t-a.  
5 HEARING OFFICER SHAPIRO:  
6           And what is your position with the Housing Authority?  
7 MS. VANCE:  
8           I'm the Executive Director.  
9 HEARING OFFICER SHAPIRO:  
10          Do you have someone with you here today?  
11 MS. VANCE:  
12          Yes, sir, I do.  
13 HEARING OFFICER SHAPIRO:  
14          Who is that?  
15 MS. VANCE:  
16          Mr. Andy Biesel. He is with the Department of Housing  
17          and Urban Development, the Louisville office.  
18 HEARING OFFICER SHAPIRO:  
19          Okay. Is it Andy or Andrew?  
20 MR. BIESEL:  
21          I just go by Andy, but it's Andrew.  
22 HEARING OFFICER SHAPIRO:  
23          Okay. How do you spell your . . .  
24 MR. BIESEL:  
25          And that's B-i-e-s-e-l.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HEARING OFFICER SHAPIRO:

And you're with Housing and Urban Development?

MR. BIESEL:

HUD.

HEARING OFFICER SHAPIRO:

Department . . .

MR. BIESEL:

Department of.

HEARING OFFICER SHAPIRO:

Department of. And what is your address, Mr. Biesel?

MR. BIESEL:

My business address is P. O. Box 1044, Louisville,  
Kentucky 40201.

HEARING OFFICER SHAPIRO:

Okay. And who is appearing on behalf of the Commission  
staff?

MR. GOFF:

James R. Goff, staff attorney.

HEARING OFFICER SHAPIRO:

Ms. Vance, my name is Paul Shapiro. I'm a Hearing  
Examiner for the Public Service Commission, and I've  
been asked by the Commission to conduct this hearing  
this afternoon. The purpose of the hearing is, as you  
know, to investigate the allegations that are contained  
in an Order that arose as a result of an inspection of

1 the Housing Authority, and the Order alleges certain  
2 violations of the Kentucky Revised Statutes, the  
3 regulations of this Commission, and I believe also the  
4 regulations and statutes of the National Gas Pipeline  
5 Safety Act. Have you had an opportunity to review the  
6 Order?

7 MS. VANCE:

8 Yes, sir, I have.

9 HEARING OFFICER SHAPIRO:

10 Have you also seen the report that was issued . . .

11 MS. VANCE:

12 Yes, sir, I have.

13 HEARING OFFICER SHAPIRO:

14 . . . as a result of the inspection?

15 MS. VANCE:

16 Yes, sir.

17 HEARING OFFICER SHAPIRO:

18 You're not represented by counsel; is that correct?

19 MS. VANCE:

20 Uh-huh.

21 HEARING OFFICER SHAPIRO:

22 Let me ask you if you would raise your right hand,  
23 please.

24 MS. VANCE:

25 Sure.



WITNESS SWORN

1  
2 MR. GOFF:

3 Mr. Hearing Officer, if I might, I think there has been  
4 another development in this matter that we might want  
5 to get into. The State Fire Marshal's Office has also  
6 been involved in the investigation of the gas system at  
7 the Housing Authority of Mt. Vernon, and they have  
8 issued an Order in this case that I think resolves some  
9 of the issues in this case. Mr. Raby, from the Fire  
10 Marshal's Office, is here . . .

11 HEARING OFFICER SHAPIRO:

12 Uh-huh.

13 MR. GOFF:

14 . . . and, if it would be agreeable to the Housing  
15 Authority, I would like to maybe call him out of order  
16 and just have him testify as to what has occurred there  
17 since the Show Cause Order was issued.

18 HEARING OFFICER SHAPIRO:

19 Okay. Well, let me just ask her one or two preliminary  
20 questions, . . .

21 MR. GOFF:

22 Sure.

23 HEARING OFFICER SHAPIRO:

24 . . . and then I'll let you do that.  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

The witness, ANETA VANCE, after having been first  
duly sworn, testified as follows:

EXAMINATION

BY HEARING OFFICER SHAPIRO:

Q. Ms. Vance, earlier in the proceeding you indicated that  
you had read the Order and that you had also read the  
report that gave rise to the Order; is that right?

A. Yes, sir. Uh-huh.

Q. And do you accept the fact that these violations were,  
in fact, discovered on the premises as a result of the  
inspection?

A. Yes, sir.

Q. Okay. So you don't dispute anything in the Order . . .

A. No, sir.

Q. . . . and in the report itself, and you agree that they  
are factually correct; is that right?

A. Yes, sir.

HEARING OFFICER SHAPIRO:

Okay. You wish to call a witness; is that right?

MR. GOFF:

Yes.

HEARING OFFICER SHAPIRO:

Okay. Why don't you do that?

MR. GOFF:

Mr. Raby, . . .

1 MR. RABY:

2 Yes.

3 MR. GOFF:

4 . . . if you would, just take the stand over  
5 there, please, sir.

6 HEARING OFFICER SHAPIRO:

7 Come around, please.

8 WITNESS SWORN

9 The witness, RODNEY RABY, after having been first  
10 duly sworn, testified as follows:

11 DIRECT EXAMINATION

12 BY MR. GOFF:

13 Q. Mr. Raby, would you state your name and by whom you are  
14 employed, sir?

15 A. My name is Rodney Raby. I'm Assistant State Fire  
16 Marshal, also Chief of the Hazardous Materials Division  
17 for the State Fire Marshal's Office, Commonwealth of  
18 Kentucky.

19 Q. All right. In your official capacity, did you have  
20 cause to examine or have your office do an examination  
21 of the Housing Authority of Mt. Vernon?

22 A. Yes. That was done by Mr. Randy Thompson, one of our  
23 representatives, on the 1st of April of this year.

24 Q. And did he then make a report to the State Fire Marshal  
25 concerning his investigation?

- 1 A. He did.
- 2 Q. And could you tell us what that may have consisted of  
3 and then what action your Department took in regard to  
4 that report?
- 5 A. Yes, sir. He approached it on two items of concern,  
6 the first one being out of 815 KAR 10:050, Section F-  
7 3000.2, where the three 2,000 gallon L.P. gas  
8 containers installed at this facility shall be removed  
9 from service until which time an installation permit  
10 has been obtained from the Office of the State Fire  
11 Marshal. The Item No. 2 was taken out of the National  
12 Fire Protection Association Codes, No. 58, which deals  
13 with L.P. gases, and it states that ASME aboveground  
14 type L.P. gas containers shall not be used for  
15 underground L.P. gas service, and references for that  
16 are Section 3-2.4.8. As a result of these findings,  
17 Mr. Thompson wrote on 4-1-99 that the compliance date  
18 should be immediate and forwarded this copy to the  
19 office.
- 20 Q. And would it be fair to say that, as a result of this  
21 finding by the State Fire Marshal's Office, you have,  
22 in fact, ordered the Housing Authority to take these  
23 gas containers out of service or discontinue the use of  
24 them?
- 25 A. That is correct.

1 Q. And would such an undertaking by the Fire Marshal's  
2 Office - could you say that this almost would be  
3 regarded as an emergency type situation, is the way you  
4 take these orders?  
5 A. Yes, mainly because the aboveground storage tanks were  
6 used underground without proper corrosion protection.  
7 Q. Okay. And would the Housing Authority be permitted to  
8 use these tanks until such time as they are either  
9 replaced or a suitable temporary situation . . .  
10 A. The answer to that would be no. What we would like to  
11 see them do is put in a temporary aboveground storage  
12 in the interim to cover the period of time that they  
13 need to evacuate the tanks and withdraw them from the  
14 ground.  
15 Q. You did not examine any of the other - did you or did  
16 your Department examine any of the other system that  
17 was hooked to the tanks, or are you just primarily  
18 concerned with the tanks themselves?  
19 A. This particular document deals with the vessels  
20 themselves and the storage.  
21 MR. GOFF:  
22 That's all the questions I have of this witness.  
23 Thank you. If you have any, you may ask.  
24 MS. VANCE:  
25 Well, the discussion that I had with Mr. Thompson

1 is I am arranging for temporary service at this  
2 time, and he's to meet with me tomorrow regarding  
3 that.

4 A. Very good. Thank you.

5 HEARING OFFICER SHAPIRO:

6 So basically what you've done, Mr. Raby, is you've  
7 told them that they can no longer use the system  
8 that's in place?

9 A. That's correct.

10 HEARING OFFICER SHAPIRO:

11 And, as I understand from what you just said, Ms.  
12 Vance, that system is going to be replaced?

13 MS. VANCE:

14 We're going to replace the whole system entirely,  
15 but temporarily I have arranged for a tank to be  
16 set up and we're hooking it onto our system.

17 HEARING OFFICER SHAPIRO:

18 When is that going to be done?

19 MS. VANCE:

20 Tomorrow.

21 HEARING OFFICER SHAPIRO:

22 Tomorrow?

23 MS. VANCE:

24 Yeah, if we can get it in there, it's going to be  
25 done tomorrow.

1 Q. Mr. Raby, you gave us a copy of, I assume, the report  
2 or the Order that was entered in this case.  
3 A. That's correct.  
4 Q. And would you agree to make a copy of that as a part of  
5 your testimony?  
6 A. Yes, sir.  
7 HEARING OFFICER SHAPIRO:  
8 Do you have a copy of this?  
9 MS. VANCE:  
10 Yes, I do.  
11 MR. GOFF:  
12 Let's mark that . . .  
13 HEARING OFFICER SHAPIRO:  
14 Just Staff Exhibit 1.  
15 MR. GOFF:  
16 . . . as Staff Exhibit 1.  
17 HEARING OFFICER SHAPIRO:  
18 Yeah. You want to move it into the evidence?  
19 MR. GOFF:  
20 Yes, I move that it be made a part of his  
21 testimony.  
22 HEARING OFFICER SHAPIRO:  
23 So ordered.  
24 STAFF EXHIBIT 1  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. GOFF:

I have nothing further of this witness.

HEARING OFFICER SHAPIRO:

Can this witness be excused?

MR. GOFF:

Yes, he can.

HEARING OFFICER SHAPIRO:

Mr. Raby, you're free to leave, if you wish to.

A. Thank you, Your Honor. Thank you.

HEARING OFFICER SHAPIRO:

Is there anything further that you want to put in the record?

MR. GOFF:

I would like to ask Earl about his report, if I might, just very shortly, if you'll . . .

HEARING OFFICER SHAPIRO:

Come around.

WITNESS SWORN

The witness, EARL HOWARD ALDERMAN, JR., after having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. GOFF:

Q. Would you please state your name and occupation for the record, please?

A. My name is Earl Howard Alderman, Jr., and I'm an



1 Investigator for the Public Service Commission.

2 Q. Earl, as the Investigator, did you have occasion to do  
3 an inspection of the Housing Authority of Mt. Vernon's  
4 propane gas system?

5 A. Yes.

6 Q. And, of course, the Inspection Report has been  
7 previously filed in this case and made a part thereof,  
8 but I would just like to ask you just a few questions  
9 concerning it. You found several deficiencies at the  
10 Housing Authority, and I would like for you to tell us  
11 just a little bit about what those are. First was no  
12 maximum allowable operating pressure. What does that  
13 entail?

14 A. Each system, when it's put in new, is supposed to have  
15 a pressure test to make sure that it'll hold the gas,  
16 and you establish, in a plastic system, normally it's  
17 one and a half times whatever you're going to operate  
18 it at to get to the highest point that you can actually  
19 have the gas on that system. So you test it. You set  
20 that at, say, 60 pounds, and then you can't ever exceed  
21 that pressure. You have regulators and relief valves,  
22 then, that will make sure that it doesn't get over  
23 that, and, in this case, we couldn't find any record  
24 that showed that they had done that when it was first  
25 installed. They probably did, but we couldn't find

1 anything.

2 Q. And were you able to determine when it was new or when  
3 it was installed?

4 A. I think it was in 1971, sometime around in there.

5 Q. Okay. That was probably before Ms. Vance was there.

6 A. Yes.

7 Q. I think the second one was no tracer wire buried with  
8 plastic gas pipe. What does that mean?

9 A. You can't find the plastic line once it has been  
10 buried, and you can't see the ditch any more. You  
11 can't find it unless there's a piece of wire in there  
12 to locate it, and some of the plastic has wire and some  
13 doesn't. So there's parts of her system that you  
14 couldn't locate other than just by physically going out  
15 and digging it up, and the tracer wire is there so that  
16 you'll know where it is in case somebody else decides  
17 to dig it up they won't hit it.

18 Q. Won't hit it and . . .

19 A. Tear it out.

20 Q. . . . tear it out and then . . .

21 A. Cause a leak.

22 Q. . . . maybe ignite it?

23 A. Right.

24 Q. No O&M Plan for the system, what is that?

25 A. That's an Operation and Maintenance Plan that gives the

1 basic steps that they need to take to make sure they  
2 have a safe system, or it's something that you let your  
3 employees read that tells you when you do a leak  
4 survey, when you do corrosion surveys, when you do  
5 system patrolling, and who you call if you have an  
6 emergency, what you do when you have certain types of  
7 emergencies. That's what the Operation and Maintenance  
8 Plan involves.

9 Q. And does the Public Service Commission or your office  
10 assist operators in preparing those plans?

11 A. Somewhat.

12 Q. Okay. Relief valve capacities not calculated, what  
13 does that entail?

14 A. When you establish your maximum allowable operating  
15 pressure, you have to have something that will keep  
16 that from being exceeded, . . .

17 Q. And how . . .

18 A. . . . and the relief valve does that. If something  
19 happens that causes the pressure to increase, the  
20 regulator goes bad or whatever the case may be, that  
21 will relieve it, vent the excess pressure to the  
22 atmosphere so that it doesn't over pressure the lines  
23 going, in her case, to the apartments.

24 Q. Causing something to blow out inside or . . .

25 A. Causing the line maybe to rupture.

- 1 Q. . . . rupture, and how would those be calculated or who  
2 would calculate that?
- 3 A. They can use a formula to calculate it, and I guess a  
4 lot of times in propane systems their propane supplier  
5 would do the calculations for them and make sure that  
6 it's the right size.
- 7 Q. All right. There was low or no corrosive readings on  
8 some of the steel sections. What does that  
9 particularly refer to?
- 10 A. Well, the industry set a minimum for corrosion, a  
11 minimum reading, that you need to be above that  
12 reading. If you're below it, then you have a good  
13 possibility that corrosion is happening right then. So  
14 several spots on it didn't meet that minimum require-  
15 ment. It was below the minimum requirement, and then  
16 we had a few spots that we couldn't test because there  
17 was no way to get to it to test.
- 18 Q. What would that indicate if the reading was below the  
19 minimum requirement?
- 20 A. The pipe was starting to rust. Metal was being eat  
21 away, and the wall thickness would be going down, and  
22 eventually it would be paper thin, and then pop.
- 23 Q. It could rupture?
- 24 A. It could rupture.
- 25 Q. Gas would then leak into the atmosphere or whatever?

1 A. Into the ground, in this case, because this is propane.  
2 Q. Shut-off valves on storage tanks, we've talked about  
3 the tanks a little bit but the valves on them?  
4 A. Okay. The tanks - they couldn't be shut off  
5 individually the way they should be. In other words,  
6 if you have trouble on one and need to work on that,  
7 you just about have to shut everything off before you  
8 can do anything.  
9 Q. So the requirement is to have one for each tank?  
10 A. They need to have an individual shut-off for each one,  
11 each tank.  
12 Q. All right. And there were no regulator inspection  
13 records that you could . . .  
14 A. Could not find any reports or records showing that the  
15 regulators had been inspected annually like they were  
16 supposed to.  
17 MR. GOFF:  
18 All right. I have no further questions.  
19 HEARING OFFICER SHAPIRO:  
20 Okay. Thank you, Mr. Alderman. Anything else?  
21 MR. GOFF:  
22 I have nothing further.  
23  
24  
25

1           The witness, ANETA VANCE, after having been first  
2           sworn, testified further as follows:

3                           EXAMINATION CONTINUED

4           BY HEARING OFFICER SHAPIRO:

5           Q.    Ms. Vance, would you like to make a statement?

6           A.    The only statement I would like to make is that most  
7           all of the record in that were prior to my being the  
8           Director, and it is possible that there were records  
9           that - right before I came, they did a total remodeling  
10          of the office and several of the records have  
11          disappeared.

12          Q.    Ms. Vance, I believe you gave us your name and address  
13          earlier; didn't you?

14          A.    Uh-huh.  Yes.

15          Q.    How long have you been Executive Director of the . . .

16          A.    I started August of 1996.

17          Q.    A little over two years?

18          A.    Uh-huh.

19          Q.    And, as Executive Director, are you in charge of the  
20          Housing Authority itself?

21          A.    Yes, sir.

22          Q.    And what does that consist of?

23          A.    I'm in charge of everything it takes to function, to  
24          operate.

25          Q.    Well, what does the Housing Authority run?

- 1 A. It's a public housing. It provides housing for low  
2 income and very low income, for the elderly. We  
3 maintain the apartments, the grounds.
- 4 Q. How many units do you operate?
- 5 A. I have 30 units. The units we're speaking of here,  
6 there's 20.
- 7 Q. Okay. So there's 20 in one . . .
- 8 A. One site and ten at another site.
- 9 Q. And when did you first become aware of the problems  
10 here?
- 11 A. Well, to this degree, not until I had my annual leak  
12 and corrosion survey which was in August or September  
13 of '98.
- 14 Q. So that's the first time you became aware that there  
15 were problems?
- 16 A. To this degree, yes, and I would like to mention that,  
17 however this may sound, that the inspections that were  
18 made were done at my request.
- 19 Q. Okay. How many inspections were made?
- 20 A. The inspections made by the Public Service Commission  
21 and by the State Fire Marshal. I had had the State  
22 Fire Marshal come and inspect me prior to the Public -  
23 they came in 1997 and could not find anything.
- 24 Q. Okay.
- 25 A. At that time, I didn't have any idea that the tanks

1           were in such bad shape. I was more concerned with the  
2           system itself, wanting to make sure that it was  
3           completely safe and workable because I had seen in the  
4           records where we had spent money having work done, and  
5           I was just double-checking everything.

6       Q.     You did that when?

7       A.     In '97.

8       Q.     Okay. Do you know approximately when in '97?

9       A.     No, sir, I don't.

10      Q.     Spring, fall, summer of . . .

11      A.     It would have been probably fall . . .

12      Q.     Fall of '97?

13      A.     . . . because that's when I always have my leak survey  
14           done, my leak and corrosion survey.

15      Q.     So you were not aware of the trouble with the tanks.  
16           Were you aware of any other problems?

17      A.     I knew that there possibly were bad regulators on the  
18           lines, you know, like that they were venting. I did  
19           know that we had one leak that I had repaired, but, as  
20           far as anything major, I did have some valves installed  
21           that I felt were necessary to shut the system down in  
22           case of an emergency.

23      Q.     And what prompted you to call the Public Service  
24           Commission?

25      A.     Well, I knew that, if there was anything that needed to



1 be done - see, my operating budget is very small and  
2 that, if there was anything that was needing to be  
3 repaired, that I would have to apply for emergency  
4 funding. To be able to get emergency funding, you have  
5 to have some backing and that was the whole reason  
6 behind it, . . .

7 Q. So you called . . .

8 A. . . . is to get the backing I needed.

9 MR. BIESEL:

10 That's where I come in and, if you will pass it  
11 over to me, . . .

12 HEARING OFFICER SHAPIRO:

13 Well, let me just . . .

14 Q. Okay. So what you did then is you called the Public  
15 Service Commission, and the Public Service Commission,  
16 in the form of Mr. Alderman, came out and made an  
17 inspection and essentially gave you a list of  
18 everything that was wrong with the system, . . .

19 A. Correct.

20 Q. . . . and, after you received that list, then you  
21 applied to the Department of Housing and Urban  
22 Development for a grant . . .

23 A. Yes.

24 Q. . . . to obtain the financial means to improve the  
25 system?

1 A. Yes.

2 Q. Are you still in the grant application stage or have  
3 you already obtained the grant?

4 A. I haven't, but he has brought it.

5 Q. Okay. Well, let me ask you.

6 A. Okay.

7 Q. So essentially you've asked for a grant?

8 A. Yes.

9 Q. Do you have a system that has been designed for the  
10 units?

11 A. What I'm going to do is - you're talking about my gas  
12 system?

13 Q. Yes.

14 A. I'm just going to eliminate part of it, attach what is  
15 feasible, and eliminate the tanks, and go from there.

16 Q. Can you describe what's going to be put in there, or  
17 would Mr. . . .

18 A. No. I can describe.

19 Q. Okay.

20 A. The way my apartments are arranged, I have a loop gas  
21 system. My tanks are in the front. I'm going to  
22 eliminate the tanks in the front and the loop system  
23 and keep it all operable from the back. I have  
24 property behind the apartments. It's on a bank. The  
25 gas tank will be installed there, run down, and

1 attached to the system that's already in place, and the  
2 plans are to set one tank aboveground, run it down and  
3 attach it to the lines that are already there. We're  
4 replacing the meters, the regulators, all service  
5 lines, installing tracer wires. We're wanting to  
6 eliminate any corrosion protection for the future and  
7 that's what we are proposing to do.

8 Q. You don't mean eliminate. You want to install  
9 corrosion protection.

10 A. Well, I won't need it if I don't have anything metal  
11 underground.

12 Q. Oh, I see what you mean.

13 A. So, if I put in an aboveground tank, eliminate all my  
14 metal, steel piping underground, put in my tracer  
15 wires, I won't need corrosion protection, is my  
16 understanding.

17 Q. And this will all be financed through a grant from HUD;  
18 is that right?

19 A. Yes, sir.

20 Q. And, in the meantime, you're going to take the system  
21 out of service tomorrow, I assume.

22 A. What we're doing, hopefully, being able to accomplish  
23 tomorrow is putting a temporary tank aboveground and  
24 attaching it to the system I have in service right now,  
25 just eliminating the three tanks. I already have one

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

tank pumped dry.

Q. Do you have a time schedule for the completion of the new improvements?

A. Of the whole - what I had applied for?

Q. Yes.

A. I had given myself, at the time that I applied, till June 30.

Q. But that will depend on when you get the financing; is that right?

A. Yes, sir.

HEARING OFFICER SHAPIRO:

Okay. Mr. Biesel, let me get you to raise your right hand, too.

WITNESS SWORN

The witness, ANDREW BIESEL, after having been first duly sworn, testified as follows:

EXAMINATION

BY HEARING OFFICER SHAPIRO:

Q. Let's see. I believe you gave us your address earlier; is that correct?

A. Yes, I did.

Q. Do you have anything you would like to add at this time?

A. Yes. Ms. Vance had obtained a proposal from Moore Pipeline Corrosion Service at Mt. Sterling, Kentucky,

1 and she has and furnished us a copy of their proposal  
2 as to what they have proposed to do, and I've got it  
3 here, and I'm sure Ms. Vance has it as well, and we  
4 would be happy to give that to you. She applied for  
5 emergency funding under the Comprehensive Modernization  
6 Improvement Program. We have 106 Housing Authorities  
7 in the State of Kentucky, about 25,000 dwelling units.  
8 The funding to do modernization work is limited, and  
9 we've been getting about \$12 million a year to spread  
10 out among the smaller Housing Authorities, such as  
11 hers, and it's applied for on a competitive basis.  
12 There's a window in which they can apply for the  
13 funding under normal circumstances, but, in the case of  
14 an emergency, if it's a bona fide emergency, then we  
15 can pull money out of a special reserve from HUD  
16 headquarters in Washington. So we were aware of her  
17 problem starting with her gas line inspection around in  
18 October, but it was too late to do anything as far as  
19 funding for last fiscal year. We normally get all our  
20 funding completed by around August or so. So we asked  
21 for additional information that would declare this an  
22 emergency. Now, I understand this is - you know, it's  
23 putting perhaps the horse before the cart, but we  
24 needed to do that in order to get the funds released in  
25 Washington. So she submitted an application to us that

1 included the findings of the Commission's inspection,  
2 and we have received approval of \$75,000 in funding for  
3 this project from Washington, and we received it this  
4 morning. The paperwork that will follow will take  
5 about three days to get it through the Treasury and all  
6 of that, and then we're going to go ahead and set up a  
7 program for her. I contacted the company that gave her  
8 the proposal, this Moore Pipeline Service in Mt.  
9 Sterling. I contacted them this morning after I got  
10 the information from Washington, and they agreed that  
11 they could get started on this within a week. So I do  
12 not believe that there's any reason for delay. We have  
13 applied for and received the money. We'll make it  
14 available to her as quickly as we can. She has limited  
15 funds of her own. A public housing development like  
16 this, in accordance with the contract that they have  
17 with the federal government, we subsidize any shortfall  
18 that they have in terms of rent versus operating cost  
19 on an annual basis, but that's as far as we go so that  
20 the small Housing Authorities have not much money to  
21 operate on, and, if they have to house people who have  
22 no means to pay, then they have to rely on us for their  
23 funding. We are really, then, a party to this action,  
24 but I believe that Ms. Vance has made every good faith  
25 effort to try to identify and eliminate any kind of

1 hazardous condition that was existent when she came to  
2 the Housing Authority. So the only other thing I would  
3 like to say, on her behalf and ours as well, is that  
4 our funding is limited. We provide assistance to  
5 25,000 families across the State of Kentucky. We feel  
6 that any fines that are imposed on Ms. Vance just  
7 simply draws money away from one taxpayer pot of money  
8 and puts it in another. So we would ask that your  
9 Commission consider that and consider the fact that we  
10 certainly have been trying to do the best we could on a  
11 limited amount of funding.

12 Q. So you anticipate, though, that this project will be  
13 started within the next few days from what I under-  
14 stand?

15 A. Yes. Yes, sir.

16 HEARING OFFICER SHAPIRO:

17 And how are you putting in the temporary tank, Ms.  
18 Vance? Who's doing that? Is that part of this?

19 MS. VANCE:

20 Our supplier. No. I just arranged with our - I  
21 called my supplier. See, I got this . . .

22 HEARING OFFICER SHAPIRO:

23 Propane supplier?

24 MS. VANCE:

25 Yes.

1 HEARING OFFICER SHAPIRO:

2 So he's going to put it in?

3 MS. VANCE:

4 I just spoke with him this morning and asked him  
5 if he could set me up temporary service, and he  
6 said he could, and I told him I would notify him  
7 when I got back into town.

8 HEARING OFFICER SHAPIRO:

9 Do you have anything you want to ask?

10 CROSS EXAMINATION

11 BY MR. GOFF:

12 Q. What's marked "Exhibit C," is this the document you're  
13 talking about from Moore Pipeline dated October, '98?

14 A. Yeah. I've got an additional piece to that.

15 Q. Okay.

16 A. That's . . . .

17 MS. VANCE:

18 His application - I mean, what he is going to do  
19 is entailed in this. He's going to be helping me  
20 do everything, basically.

21 A. This is an Exhibit that came in with Ms. Vance's  
22 application for emergency funding. Do you have  
23 anything besides this?

24 MS. VANCE:

25 No. This is his original quote that he gave me



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

when he did his survey.

A. Okay. This is what she applied for and is being funded for by us, and I believe she had assistance from Lancaster, Inc., in putting together this as well.

Okay?

MR. GOFF:

Would you make that part of your testimony just for the record?

MS. VANCE:

Sure.

HEARING OFFICER SHAPIRO:

Well, let's make it Staff Exhibit 2.

MR. GOFF:

Staff Exhibit?

HEARING OFFICER SHAPIRO:

Yes.

MR. GOFF:

Very well, Staff Exhibit 2.

STAFF EXHIBIT 2

A. If you're interested, this is her application for the emergency funding.

MS. VANCE:

They should have a . . .

A. You've got a copy of that; don't you?

Q. We have a copy.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MS. VANCE:

Yeah, they should have a copy.

A. Okay. That's good.

Q. That's fine.

HEARING OFFICER SHAPIRO:

Anything else?

MR. GOFF:

No, nothing else.

HEARING OFFICER SHAPIRO:

Well, that should conclude the hearing then.  
Thank you for coming and hopefully you can get  
this mess straightened out, Ms. Vance, and you  
won't have to worry about it any more. The  
hearing is adjourned.

MS. VANCE:

Thank you.

FURTHER THE WITNESSES SAITH NOT  
HEARING ADJOURNED  
OFF THE RECORD

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF KENTUCKY  
COUNTY OF FRANKLIN

I, Connie Sewell, the undersigned Notary Public, in and for the State of Kentucky at Large, do hereby certify the foregoing transcript is a complete and accurate transcript, to the best of my ability, of the hearing taken down by me in this matter, as styled on the first page of this transcript; that said hearing was first taken down by me in shorthand and mechanically recorded and later transcribed under my supervision; that the witnesses were first duly sworn before testifying.

My commission will expire November 19, 2001.

Given under my hand at Frankfort, Kentucky, this the 26th day of April, 1999.

*Connie Sewell*  
\_\_\_\_\_  
Connie Sewell, Notary Public  
State of Kentucky at Large  
1705 South Benson Road  
Frankfort, Kentucky 40601  
Phone: (502) 875-4272

Staff Exhibit 1

Apr 12 99 11:01a

Randy Thompson

606-561-8685

P. 1

Letter Needed

Dept. of Housing, Buildings & Construction  
State Fire Marshal's Office  
Division of Hazardous Materials  
1047 U.S. Hwy. 127 South, Suite 1  
Frankfort, Kentucky 40601-4337  
(502) 564-3626



Case No.: \_\_\_\_\_ Date: 04-01-99

County: Rockcastle No: \_\_\_\_\_ Status: 2

Location Name: Housing Authority of Mt. Vernon

Type of Inspection: L.P. GAS

Street Address: P.O. BOX 456

City: Mt. Vernon State: Ky. Zip Code: 40456

Phone Number: 606-256-4185

Manager/Owner: Aneta Vance NFIRS Code: \_\_\_\_\_

Responsible Party:  
SAME

Street Address:

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone Number:

PURSUANT TO THE AUTHORITY VESTED IN THIS OFFICE BY CHAPTER 227.270 OF KENTUCKY REVISED STATUTES, AN INSPECTION WAS MADE OF THE ABOVE REFERENCED FACILITY. AT THAT TIME THE INSPECTOR FOUND THAT THE FACILITY IS IN VIOLATION OF THE "STANDARDS OF SAFETY" AS ADOPTED IN 815 KENTUCKY ADMINISTRATIVE REGULATIONS 10:020 AND CERTAIN FIRE CODES ADOPTED BY REFERENCE THEREUNDER, SPECIFICALLY.

CODE REFERENCE	FINDINGS AND REMARKS
815 KAR 10:050 Sec. F-3000.2	The Three 2,000 gal. L.P. Gas containers installed at this facility shall be removed from service until which time an installation permit has been obtained from the office of the State Fire Marshal.
NFPA 58 Sec. 3-2.4.8	ASME Aboveground Type L.P. Gas Containers shall not be used for underground L.P. Gas Service.

Deputy State Fire Marshal <u>Randy L. Thompson</u>	Badge No. <u>69</u>	Copy Received By <u>FAXED TO ANETA VANCE</u> <u>@ 606-256-0184 04-01-99</u>	Compliance Date <u>Immediately</u>
---	------------------------	---	---------------------------------------

EXHIBIT C

# MOORE PIPELINE CORROSION SERVICE

1083 IROQUOIS DR.

MT. STERLING, KY. 40353

606-498-2516 Business 606-497-1902 Mobile FID # 61-1289244

OCTOBER 28, 1998

HOUSING AUTHORITY MT. VERNON  
MS. ANITA VANCE, EXECUTIVE DIR.  
P. O. BOX 456  
MT. VERNON, KENTUCKY 40456

RE: MAINTENANCE PROPOSAL.

DEAR MS. VANCE,

CONFIRMING OUR PREVIOUS CONVERSATION, IF REQUESTED WE WILL

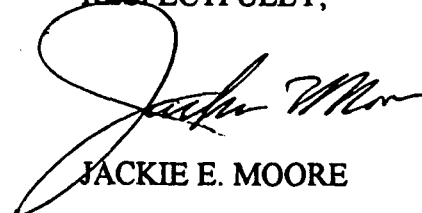
1. Install 20 new gas meters, regulators, anodeless risers, and prefab meter hangers which will replace all above ground piping.
2. Remove steel fittings from the existing underground service lines which will eliminate cathodic protection testing on the service lines.
3. Install underground gas valves on each of (3) gas tank lines which will serve to isolate the tanks independently for repair to tank valves and gauges when empty if necessary.
4. Repair all existing gas leaks above and below ground.

COST INCLUDING MATERIAL LABOR AND EQUIPMENT.

\$ 23,000.00

IF PROPOSAL IS ACCEPTED WE WILL WORK CLOSELY WITH YOUR MAINTENANCE PERSONNEL TO EFFECT A SAFE WORKING ENVIRONMENT.

RESPECTFULLY,



JACKIE E. MOORE

*Staff Exhibit 2*