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Commonwealth of Kentucky
Public Service Commission
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James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

June 17, 2014

PARTIES OF RECORD

Re: Case No. 2014-00063
An Investigation into the Jurisdictional Status of the Rt. 504 Gas Line Operations

The enclosed Pipeline Safety Branch Incident Reports have been filed in the record of the above-referenced case. Any comments regarding the same should be directed to Virginia Gregg, Staff Attorney, at (502) 782-2584.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

VG/kar

Enclosure

PIPELINE SAFETY BRANCH INCIDENT REPORT FORM
KENTUCKY PUBLIC SERVICE COMMISSION
(502) 564-3940

Date of Call NA / / Time of Call AM PM ET CT

Caller: Name NA Title

Phone () Address

Company Involved Kentucky Frontier Gas OPID #

Date of Incident 1 / 7 / 14 Time of Incident NA AM PM ET CT

Location of Incident: County Magoffin City Salyersville

Address NA

Did Incident Cause: Fatality? Yes No Number? Injury? Yes No Number?

Names of Injured or Fatalities

Estimated Cost of Damages: (Include gas loss and structural loss.) Gas \$ NA Structural \$ NA

Did the following occur: A. Explosion B. Blowing Gas C. Fire D. Evacuation

Description & Possible Cause of Incident: See Attached

Number of Customers Out of Service # 203 Date & Time Service Restored 1 / 8 / 2014 4:30 P.M.


Corrective Actions Taken: See Attached

Incident reportable under 807 KAR 5:027? Yes No
Regulation application: Kentucky Federal

Under what criteria is this incident reportable? 40 or more people off for 4 hours or more

Is Follow-up Action Required by Company? Yes No

Cause Code: Corrosion 3RD Party Damage Construction Other Suicide Undetermined

SIGNATURE 
DATE 02-05-14

TITLE MANAGING MEMBER

Description and possible cause of Incident:

During the early morning hours of January 6th, 2014, our “after hours” answering service began receiving an influx of phone calls from customers whose gas service was either experiencing low pressure or had completely gone out. Our Field Supervisor began an investigation into this issue and discovered that as a result of the record low temperatures within our service area, our gas suppliers had lost volume and as a consequence our line pressure dropped below levels that permitted Kentucky Frontier Gas (KFG) to sustain viable pressure required to satisfactorily serve all of our customers. Our line pressure had dropped to 3lbs at our major feed into the Cow Creek System.

Corrective Actions Taken:

As this was an emergency situation, KFG had to decide on a short term action that would relieve the immediate problem. The problem was that we could not rely on our traditional sources of supply into the Cow Creek System. Our alternative was to move gas from an adjacent system that we also operate. Consequently, we began moving gas from the Auxier Road Gas system into the Cow Creek system; this began to stabilize the pressure, but was not sufficient to operate the system. Therefore, the decision was made to shut in a section of customers on KY Rt 40 in the Cow Creek System, this action prevented further customer losses and also allowed pressure to build more quickly throughout the system. As soon as the pressure was high enough to sustain all customers, our Field Technicians went to each home affected and restored service.

Our long term solution to this problem is to add a more reliable gas supplier to our feeds into Magoffin County. As of this date, we have made arrangements with EQT for a new tie in that should supply adequate volumes to minimize this issue happening in the future.

PIPELINE SAFETY BRANCH INCIDENT REPORT FORM
KENTUCKY PUBLIC SERVICE COMMISSION
(502) 564-3940

Date of Call / / Time of Call AM PM ET CT

Caller: Name NA Title

Phone () Address

Company Involved Kentucky Frontier Gas OPID #

Date of Incident 1 / 23 / 14 Time of Incident Around 8:30 AM PM ET CT

Location of Incident: County Magoffin City Salyersville

Address

Did Incident Cause: Fatality? Yes No Number? Injury? Yes No Number?

Names of Injured or Fatalities NA

Estimated Cost of Damages: (Include gas loss and structural loss.) Gas \$ NA Structural \$ NA

Did the following occur: A. Explosion B. Blowing Gas C. Fire D. Evacuation

Description & Possible Cause of Incident: See Attached

Number of Customers Out of Service # 40-50 ^{Est} Date & Time Service Restored 1 / 24 / 14 Late Afternoon

Corrective Actions Taken: See Attached

Incident reportable under 807 KAR 5:027? Yes No
Regulation application: Kentucky Federal

Under what criteria is this incident reportable? 40 or more people off for 4 hours

Is Follow-up Action Required by Company? Yes No

Cause Code: Corrosion 3RD Party Damage Construction Other Suicide Undetermined

SIGNATURE [Signature]
DATE 02-21-14

TITLE MANAGING MEMBER

Description and possible cause of Incident:

This incident began in the evening hours of January 23rd, 2014, our "after hours" answering service began receiving phone calls from customers whose gas service was either experiencing low pressure or had completely gone out. As reported in our previous reported incident, our gas suppliers were unable to handle the demand from the extraordinarily cold temperatures that our area was experiencing.

Corrective Actions Taken:

This incident occurred during a second round of extreme low temperatures for our area in a three week time span. Although Kentucky Frontier Gas employees had taken every precaution conceivable to prevent this from happening a second time, nearly all of our supplies are received from local well production and the local wells were not able to meet the demand brought on by the record breaking subzero weather. We were able to deliver sufficient gas supply to the majority of our customers and by late afternoon of 1-24-14 everyone's service was restored. As of this date, we have had no further outages and continue to work on a solution that will prevent this from happening in the future.

Our long term solution to this problem is to add a more reliable gas supply to the Magoffin County customers via Interstate pipelines. We have made arrangements with EQT for a new tie in that should supply adequate volumes to minimize this issue happening in the future.