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September 10, 2015

PARTIES OF RECORD

Re: Case No. 2015-00178

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Staff Attorney, at 502/782-2581.

Sincerely,



Jeff Derouen
Executive Director

Enclosures

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2015-00178

FROM: Jonathan Beyer, Staff Attorney

DATE: September 10, 2015

RE: Informal Conference of September 10, 2015

Pursuant to the Commission's August 18, 2015 Order, an informal conference was held in this matter on September 10, 2015. A list of attendees is attached.

Beginning the conference, the parties discussed the timeline regarding Carrollton Utilities' ("Carrollton") determination that the May 27, 2014 explosion was not a reportable incident as defined in 49 CFR 191.3. Mr. Bill Osborne for Carrollton stated that the determination was made on May 28, 2014, the day after the event. Mr. Osborne further stated that Carrollton received the local fire department's report, dated May 28, 2014, on June 12, 2014. Mr. Osborne stated that their determination remained the same after their review of the local fire department's report. Mr. Osborne stated that the initial phone call to the National Response Center, pursuant to 49 CFR 191.5, was made out of an abundance of caution.

Mr. Osborne and Mr. Tim Pearson expanded upon the timing and rationale for why the initial PHMSA report was filed on July 28, 2014. Mr. Pearson stated that the report was filed subsequent to being contacted by Commission Staff members whom inquired into the status of the report in July of 2014.

Staff questioned Carrollton as to their belief regarding why the event was not reportable pursuant to 49 CFR 191.3(3). Mr. Osborne responded that while the event may have been significant to the homeowner, the loss to the utility was minor. He stated that damage to utility property was only several hundred dollars and therefore was not a significant event such that it would trigger the reporting requirement. Mr. Osborne discussed some of the remedial measures Carrollton has taken since the event, including training on PHMSA regulations. The parties also discussed the reporting obligations of a non-jurisdictional gas pipeline operator such as Carrollton.

Staff noted that Carrollton's motion to dismiss remains pending before the Commission. The parties discussed the options for proceeding with this matter, and Carrollton requested the Commission adjudicate its motion to dismiss. Finally, Mr. Osborne inquired whether the record should be supplemented with documentation of the remedial measures Carrollton has performed. Staff stated that the Commission is always concerned with safety and such information would be beneficial to the Commission. Accordingly, the parties agreed that Carrollton may tender documentation to the record of its remedial measures within 10 days of the date of the conference.

Finding that no party had any further questions, the conference was adjourned.

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