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April 23, 2018

PARTIES OF RECORD

Re: Case No. 2017-00482

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 John Park, Commission Staff Attorney, at (502) 782-2589.

Sincerely,

A handwritten signature in blue ink that reads "Gwen R. Pinson".

Gwen R. Pinson
Executive Director

JP/lj

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2017-00482

FROM: John B. Park, Staff Attorney

DATE: April 23, 2018

RE: Case No. 2017-00482
Application of Louisville Gas and Electric Company for Approval of State
Waiver of the Reassessment Interval Required by 49 C.F.R. § 192.939

Pursuant to Commission Staff's Notice of Informal Conference, which was filed into the record on March 26, 2018, an IC was held in this matter on April 18, 2018, at the Commission's offices in Frankfort, Kentucky, between Commission Staff and representatives of Louisville Gas and Electric Company (LG&E). The purpose of the conference was to discuss the basis of LG&E's request for an extension of time for it to complete the reassessment of the integrity of its Calvary transmission line as required by 49 C.F.R. §192.939. A copy of the sign-in sheet is attached.

LG&E discussed the company's unsuccessful attempts in 2017 to assess the integrity of the Calvary line by use of an in-line inspection ("ILI") tool. LG&E stated that it ceased attempting to run the ILI tool in early December because if the tool were to become stuck in the pipeline it could interfere with product supply during the winter heating season.

LG&E said it plans to attempt another metal loss tool run the first week in May. LG&E stated that it typically takes two months to receive from the tool vendor a report with the results of the assessment. LG&E explained that even if the tool is successfully run through the line, it would not know if the run produced usable data until the report from the vendor is received.

LG&E stated that the use of ILI provides more comprehensive information on pipeline integrity than do the other permitted assessment methods. LG&E stated that for this reason, ILI remains the preferred assessment method for reasons of pipeline safety notwithstanding the delays.

Commission Staff expressed concern that LG&E have a back-up plan in the event that the ILI runs continue to be unsuccessful. If the Commission were to grant an extension to complete the assessment but the May 2018 metal loss tool run were to fail, Staff questioned whether LG&E could complete the assessment by the requested August 31, 2018 extended deadline using an alternative assessment method. Staff noted this could put LG&E in the position of being in violation of the Order.

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Staff asked LG&E to provide it with updates on the metal loss tool run planned for May 2081. LG&E should advise the Commission if the tool successfully passes through the pipeline. Staff also requests LG&E to provide a status update when it receives the report from the tool's vendor and determines whether the run provided usable results.

There being no further business, the informal conference adjourned.

Attachment

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