

CASE

NUMBER:

99-234

HISTORY INDEX FOR CASE: 1999-234
COLUMBIA GAS OF KENTUCKY, INC.
Investigation - Service
GAS LEAK AT 1414 BRYANT AVENUE, LEXINGTON

IN THE MATTER OF COLUMBIA GAS OF KENTUCKY, INC.
ALLEGED VIOLATION OF COMMISSION REGULATION
807 KAR 5:027, SECTION 3(1)(C)

SEQ NBR	ENTRY DATE	REMARKS
0001	06/14/1999	Order scheduling hearing on 7/29/99 at 9:30; resp. to allegations due 7/6/99.
M0001	06/17/1999	KIMRA COLE COLUMBIA GAS-RESPONSE TO INCIDENT
M0002	07/01/1999	RICHARD TAYLOR COLUMBIA GAS-MOTION REQUESTING INFORMAL CONFERENCE
0002	07/09/1999	Order scheduling 7/14 informal conference
0003	07/21/1999	Informal Conference Memorandum
M0003	09/07/1999	SMITTY TAYLOR COLUMBIA GAS OF KY-SETTLEMENT AGREEMENT
0004	10/12/1999	Receipt for payment of \$500 received per Settlement Agreement
0005	11/17/1999	FINAL ORDER; INCORPORATES SETTLEMENT AGREEMENT; ASSESSES \$500 CIVIL PENALTY
M0004	12/16/1999	JUDY COOPER/COLUMBIA GAS-RESPONSE TO FINAL ORDER INCLUDING GUIDELINES OF ANCILLARY EQUIPMEN

Lexington Office:
PO Box 14241
Lexington, KY 40512-4241

606 288-0215 Phone
606 288-0258 Fax

Mr. Eddie B. Smith
Gas Branch Manager, Engineering
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED

DEC 16 1999

PUBLIC SERVICE
COMMISSION

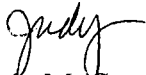
December 16, 1999

Dear Eddie,

Pursuant to the Commission's Order in Case No. 99-234, Columbia Gas of Kentucky hereby provides the guidelines it developed for the use of ancillary equipment. The guidelines are attached hereto.

If you have any questions, please do not hesitate to call me at (606) 288-0242.

Sincerely,



Judy M. Cooper
Manager, Regulatory Services

Attachment

Use of Motorized Equipment in Excavations and Trenches Not Associated with Welding Operations

When a grinder, brush, or other motorized equipment is used in an excavation or trench containing a live gas facility or piping that is being abandoned, the following safety equipment and procedures are required by the employee using the tool:

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PUBLIC SERVICE
COMMISSION

Acceptable Outer Wear:

- 100% cotton trousers
- 100% cotton long sleeve shirt or 100% cotton coverall, or,
- 100% cotton long sleeve shirt outer wear such as Carhart jacket or coverall
- Welder's gloves

Safety Equipment:

- Oxygen monitor
- Hard hat with face shield
- Fire extinguisher off of truck and up wind of excavation

Excavation Inspection Prior to Using a Grinder:

- Verification with soap and CGI that the excavation is free of leakage
- Ends of excavation must be cleared of combustible concentrations of gas prior to using a grinder, brush, or other motorized pipe scaling equipment in the excavation
- Absence of gas must be verified by using a CGI.

Use of Motorized Equipment in An Excavation:

- A grinder or other motorized equipment may not be used to cut or weaken a bolt or other fastener securing a fitting to a gas facility that has not been purged completely of gas. 100% purging must be verified with a CGI prior to starting grinding procedures.
- A grinder or other motorized equipment may not be used to cut into or cut apart any gas facility that has not been purged completely. 100% purging must be verified with a CGI prior to starting grinding procedures.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-234
COLUMBIA GAS OF KENTUCKY, INC.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on November 17, 1999.

Parties of Record:

Richard S. Minch
Manager, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY. 40512 4241

Richard S. Taylor,
Attorney for Columbia Gas of KY
315 High Street
Frankfort, KY. 40601

Marjorie H. Brant,
Attorney for Columbia Gas of KY
P.O. Box 117
Columbus, OH. 43216 0117

Stephanie J. Bell

Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)
_____) CASE NO. 99-234
)
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:027, SECTION 3(1)(C))

O R D E R

On June 14, 1999, the Commission issued an Order to Columbia Gas of Kentucky, Inc. ("Columbia") to show cause why it should not be found in violation of 807 KAR 5:027, Section 3(1)(c), and penalized under KRS 278.992(1). The Commission set a hearing for July 29, 1999 to determine if Columbia should be assessed a penalty, pursuant to KRS 278.992(1), for the alleged violation. On June 30, 1999, Columbia filed a response to the Commission's Order, and requested an informal conference with Commission Staff. Pursuant to the Commission's Order, an informal conference was held on July 7, 1999. At that conference, Commission Staff and Columbia entered into a Settlement Agreement in which Columbia agreed to waive a formal hearing and to pay \$500 in settlement of this case.

After due consideration of the foregoing, and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement dated September 8, 1999 is fair and reasonable, and should be approved.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, attached hereto, is hereby incorporated into this Order as if fully set forth herein.

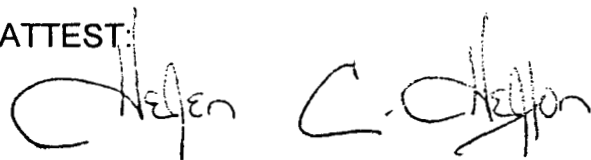
2. Within 10 days of the date of this Order, Columbia shall pay a civil penalty of \$500 to the Commonwealth of Kentucky in settlement of this case. This payment shall be in the form of a cashier's check made payable to Kentucky State Treasurer and shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

3. Within 30 days of the date of this Order, Columbia shall provide to the Commission's Gas Branch personnel a copy of its newly developed guidelines covering the safe and appropriate use of ancillary equipment.

Done at Frankfort, Kentucky, this 17th day of November, 1999.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 99-234 DATED NOVEMBER 17, 1999
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)	
)	
_____)	CASE NO. 99-234
)	
ALLEGED VIOLATION OF COMMISSION)	
REGULATION 807 KAR 5:027, SECTION 3(1)(C))	

SETTLEMENT AGREEMENT

WHEREAS, on July 14, 1999, an informal conference was held between Commission Staff and representatives of Columbia Gas of Kentucky, Inc. ("Columbia") for the purpose of discussing matters to aid in the disposition of this proceeding; and

WHEREAS, Columbia has asserted that it had not violated Commission regulations and that it had set out the basic facts in its memorandum filed June 30, 1999; and

WHEREAS, Columbia and Commission Staff differ in their interpretation of the requirements and exceptions under 807 KAR 5:027, Section 3(1)(c), and 807 KAR 5:027, Section 3(2) based upon the facts, as set out in the Incident Investigation Report attached to the Commission's Order of June 14, 1999 and Columbia's memorandum filed June 30, 1999;

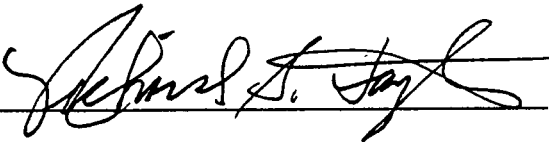
NOW, THEREFORE, based upon negotiations with Commission Staff, it was agreed that:

1. There were no further facts to be submitted to the Commission and Columbia waived its right to a public hearing.

2. Columbia agrees to the imposition of a civil penalty of \$500 in settlement of this matter.

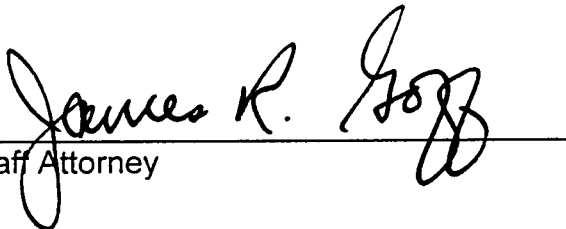
3. Within 10 days after the approval of this settlement agreement by the Commission, Columbia will pay Five Hundred Dollars (\$500) by cashier's check payable to the Kentucky State Treasurer.

COLUMBIA GAS OF KENTUCKY, INC.

By 

Date 9/7/99

PUBLIC SERVICE COMMISSION OF KENTUCKY


Staff Attorney

Date 9-8-99

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)	
ALLEGED VIOLATION OF COMMISSION)	CASE NO.
REGULATION 807 KAR 5:027,)	99-234
SECTION 3(1)(C))	

RECEIPT OF PAYMENT

This is to acknowledge receipt of one check in the amount of \$500.00, payable to Kentucky State Treasurer on September 10, 1999 from Columbia Gas of Kentucky, Inc. This represents full payment of the penalty assessed against them in the above-styled action.



Stephanie Bell
Secretary of the Commission
Dated October 12, 1999

Stephen R. Byars
Director
External Affairs

Lexington Office:
PO Box 14241
Lexington, KY 40512-4241

606 288-0227 Phone
606 288-0258 Fax

September 13, 1999

Mr. James R. Goff
Attorney
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

Dear Mr. Goff:

Please find enclosed a check payable to the Kentucky State Treasurer in the amount of \$500. The payment is made as part of the settlement agreement in order to close Case NO. 99-234.

Sincerely,



Stephen R. Byars

SEP 15 1999
GENERAL COUNSEL

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
SEP 07 1999
PUBLIC SERVICE
COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)

ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:027, SECTION 3(1)(C))

CASE NO. 99-234

SETTLEMENT AGREEMENT

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WHEREAS, Columbia has asserted that it had not violated Commission regulations and that it had set out the basic facts in its memorandum filed June 30, 1999; and

WHEREAS, Columbia and Commission Staff differ in their interpretation of the requirements and exceptions under 807 KAR 5:027, Section 3(1)(c), and 807 KAR 5:027, Section 3(2) based upon the facts, as set out in the Incident Investigation Report attached to the Commission's Order of June 14, 1999 and Columbia's memorandum filed June 30, 1999;

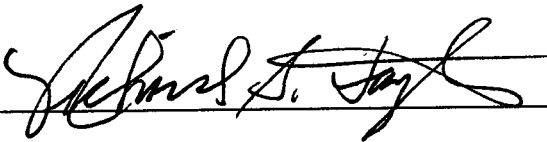
NOW, THEREFORE, based upon negotiations with Commission Staff, it was agreed that:

1. There were no further facts to be submitted to the Commission and Columbia waived its right to a public hearing.

2. Columbia agrees to the imposition of a civil penalty of \$500 in settlement of this matter.

3. Within 10 days after the approval of this settlement agreement by the Commission, Columbia will pay Five Hundred Dollars (\$500) by cashier's check payable to the Kentucky State Treasurer.

COLUMBIA GAS OF KENTUCKY, INC.

By 

Date 9/7/99

PUBLIC SERVICE COMMISSION OF KENTUCKY

Staff Attorney

Date _____



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

July 21, 1999

Ms. Marjorie H. Brant
Columbia Gas of Kentucky, Inc.
Post Office Box 117
Columbus, Ohio 53216-0117

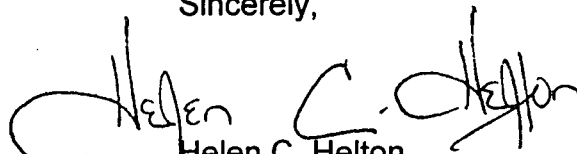
Mr. Richard S. Taylor
315 High Street
Frankfort, Kentucky 40601

Re: Case No. 99-234
Columbia Gas of Kentucky, Inc.
Alleged Violations of Administrative
Regulation 807 KAR 5:027, Section 3(1)(c)

Dear Ms. Brant and Mr. Taylor:

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to J.R. Goff at 502/564-3940, Extension 261.

Sincerely,


Helen C. Helton
Executive Director


JRG/v

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: File
Case No 99-234

FROM: J. R. Goff
Staff Attorney 

DATE: July 20, 1999

RE: Columbia Gas of Kentucky, Inc.
Alleged Violation of Commission Regulation
807 KAR 5:027, Section 3(1)(c)

An informal conference was held on July 14, 1999 at the Commission offices, at the request of Columbia Gas of Kentucky, Inc. ("Columbia") in its response filed June 30, 1999. Those present at the informal conference were:

For Columbia: Mike Webb, Steve Byars, and Hon. Richard Taylor
Commission Staff: J. R. Goff, Eddie Smith, and Larry Amburgey

The Commission Staff outlined the purpose of the meeting and the facts of the alleged violation, and noted the response filed by Columbia. The representatives of Columbia contested the violation and the assessment of any civil penalty for the following reasons:

1. The facts of the case suggest that Columbia had no duty to report the incident, pursuant to 807 KAR 5:027, Section 3(1)(c).
2. Columbia contends that the incident falls under the exemption set forth in 807 KAR 5:027, Section 3(2), in that the incident occurred in connection with planned or routine maintenance.
3. Columbia also pointed out that it has a good safety record, that it has consistently cooperated with the Commission Staff, and that it has revised its procedures to report such an incident.

For the above reasons, Columbia believes that it should be relieved from the assessment of any civil penalty. Commission Staff stated that it did not agree with Columbia's interpretation of the facts as related to the regulation. Staff indicated it would recommend Columbia be found in violation of the regulation and be assessed a civil penalty of \$500, which is consistent with prior penalties levied by the Commission for this type of violation.

Columbia waived a public hearing and agreed to a settlement of this case and a civil penalty of \$500 for the violation.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

July 9, 1999

Richard S. Minch
Manager, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY. 40512 4241

RE: Case No. 99-234

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)
_____)
)
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:027,)
SECTION 3(1)(C))

CASE NO. 99-234

O R D E R

On June 14, 1999, the Commission issued an Order to Columbia Gas of Kentucky, Inc. ("Columbia") to show cause why it should not be found in violation of 807 KAR 5:027, Section 3(1)(c) and penalized under KRS 278.992(1). The Commission set a show cause hearing for July 29, 1999 to assess a penalty for the violation as set out in KRS 278.990(1). On June 30, 1999, Columbia filed a response to the Commission's Order and requested an informal conference with Commission Staff.

The Commission finds that an informal conference should be held to clarify all issues before the Commission.

IT IS HEREBY ORDERED that:

1. Columbia shall appear before the Commission on July 14, 1999, at 1:30 a.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of an informal conference with Commission Staff to consider any matter which would aid in the disposition of this proceeding.

2. Columbia shall bring all documents to support its position and shall be represented by a corporate officer or counsel authorized to enter into any settlement agreement.

Done at Frankfort, Kentucky, this 9th day of July, 1999.

By the Commission

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUN 30 1999
PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

COLUMBIA GAS OF KENTUCKY, INC.)
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:027,) CASE NO. 99-234
Section 3(1) (C))

MOTION REQUESTING INFORMAL CONFERENCE

Now comes Columbia Gas of Kentucky, Inc. (Columbia), by and through counsel, and pursuant to this Honorable Commission's Order of June 14, 1999, moves for an Order directing the consideration, through informal conference, of matters which would aid in the handling or disposition of this proceeding. In support of this motion, Columbia submits the Memorandum in Response to Incident Investigation Report attached hereto.

RESPECTFULLY SUBMITTED,

By: 

Marjorie H. Brant, Esq.
P. O. Box 117
Columbus, Ohio 43216-0117
Telephone: (614) 460-4658

Richard S. Taylor, Esq.
315 High Street
Frankfort, KY 40601

Attorneys for
COLUMBIA GAS OF KENTUCKY, INC.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 30 1999

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:
COLUMBIA GAS OF KENTUCKY, INC.)
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:027) CASE NO. 99-234
SECTION 3(1) (C))

MEMORANDUM IN RESPONSE TO INCIDENT INVESTIGATION REPORT

In its June 14, 1999 Order in the above-referenced case, the Commission directed Columbia Gas of Kentucky to file, on or before July 6, 1999, a response to the Incident Investigation Report dated May 20, 1999 and filed as an Appendix to said Order, and within the same time frame to file any motion requesting an informal conference for the consideration of matters which would aid in the handling or disposition of this proceeding. Since receipt of that Order, Columbia has reviewed the Incident Investigation Report (hereinafter in "IIR") and the factual circumstances of this case and believes that an informal conference would provide an appropriate forum for its resolution.

The IIR is incorrect insofar as it suggests that a single Columbia employee was dispatched in response to a reported natural gas leak and that in the course of making that response, sustained personal injuries. On May 19, 1999, during the afternoon hours, Columbia personnel were in the general vicinity of 1414 Bryant Avenue, Lexington, Kentucky, conducting a routine supplemental

leakage survey necessitated by local road improvement activity. The survey revealed the presence of a grade one leak, and the Company took immediate action to repair that leak in accordance with its procedures. A three-person plant crew was dispatched, and in the course of making repairs, between 6:00 and 6:15 p.m., there was an ignition of gas, which resulted in one member of the crew receiving first and second degree burns, primarily to his arms.

As the IIR correctly notes, the accident can be linked to an existing repair clamp that was damaged by the backhoe during excavation of the pipeline for purposes of repairing the grade one leak. After attempts to remove the bolt securing the damaged clamp to the pipeline were unsuccessful, the injured employee attempted to use an air-driven grinder to notch and weaken the bolt, which would allow the clamp to be removed and replaced. The grinder cut through the bolt; the clamp came loose, and escaping gas apparently was ignited by sparks from the grinder.

The crew responded appropriately to this emergency situation; they extinguished the fire and began the process of installing a replacement clamp. At this point in time, a Columbia Supervisor, John Toy, arrived at the work site. The extent of the burn injuries to the crewmember was not immediately obvious, and in fact, the entire crew continued to work on making the needed repairs. Around 8:30 p.m., however, when the injured employee's skin began to blister, it became obvious to Mr. Toy that medical

attention should be sought, and despite the employee's continued dismissal of the need for any treatment, Mr. Toy insisted that the injuries be examined. Consequently, Mr. Toy and the employee returned to the service center to get the employee's personal automobile, and both men proceeded independently to the Urgent Treatment Center. There the injured employee was treated and released, and he drove himself home. The next morning, Mr. Toy reported what had occurred to the acting operations manager, Mr. Michael Webb, who advised the Commission's Office of Pipeline Safety.

The factual context of this incident suggests that there was no duty to report this occurrence to the Commission pursuant to 807 KAR 5:027, Section 3(1)(C). Columbia believes that the exemption set forth at 807 KAR 5:027, Section 3(2) applies and that the intent of the regulation was to exclude just such routine, *de minimis* interruptions of service and ignitions as occurred in this instance. The regulation provides that " A utility need not give notice of an incident that meets only criteria of subsections (1)(b) and (c) of this section if it occurred solely as a result of, or in connection with, planned or routine maintenance or construction." The incident at issue here, the ignition of gas with no contemporaneous loss of service, occurred as a direct result of routine maintenance activity, i.e., the repair of leakage discovered in the course of a routine leakage survey. An

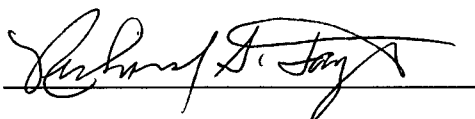
interpretation of the regulation to exempt reporting only incidents which involve both the disruption of service and the ignition of gas would produce an absurd and anomalous result, in that the arguably more significant occurrence (a loss of service and an ignition) would not be reported, while the potentially less significant single occurrence (such as occurred in the instant case) would need to be reported.

While Columbia does not believe it had a duty to provide notice of the occurrence of this particular accident, it nonetheless has redistributed its guidelines for recognizing and reporting "reportable incidents" to its supervisors with instructions that they are to review this information with their plant and service crews. In addition, the Company has begun the development of guidelines covering the safe and appropriate use of ancillary equipment, such as grinders, generally found on crew trucks.

Columbia Gas of Kentucky respectfully requests an informal conference be held for the purpose of consideration of the factual issues raised herein, the actions taken by the Company in the aftermath of this unfortunate accident, and for final disposition of this proceeding.

RESPECTFULLY SUBMITTED,

By:



Richard S. Taylor

Andrew J. Sonderman, General Counsel
Marjorie H. Brant, Esq.
200 Civic Center Drive
P. O. Box 117
Columbus, Ohio 43216-0117
Telephone: (614) 460-4658

Richard S. Taylor, Esq.
315 High Street
Frankfort, KY 40601
Telephone: (502) 223-8967

Attorneys for:
COLUMBIA GAS OF KENTUCKY, INC.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

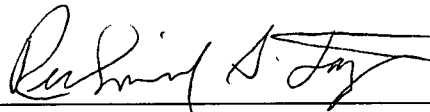
In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)
ALLEGED VIOLATION OF COMMISSION) CASE NO. 99-234
REGULATION 807 KAR 5:027,)
SECTION 3(1)(C))

CERTIFICATE OF SERVICE

The undersigned does hereby certify that the original and ten (10) copies of the above Motion Requesting an Informal Conference and Memorandum In Response to Incident Investigation Report has been filed at the Public Service Commission.

This 30th day of June 1999



Richard S. Taylor, Esq.
315 High Street
Frankfort, KY 40601
Telephone: 502-223-8967

Marjorie H. Brant, Esq.
P.O. Box 117
Columbus, Ohio 43216-0117
Telephone: 614-460-4658

Lexington Office:
PO Box 14241
Lexington, KY 40512-4241

606 288-0215 Phone
606 288-0258 Fax

RECEIVED

JUN 16 1999

GENERAL COUNSEL

June 8, 1999

RECEIVED

JUN 17 1999

PUBLIC SERVICE
COMMISSION

Mr. Eddie Smith, Manager, Gas Branch
Division of Engineering
Public Service Commission
730 Schenkel Lane
Frankfort, Kentucky 40602

Re: 1414 Bryant Avenue
Lexington, Fayette Co. KY

Dear Mr. Smith:

Enclosed please find Columbia Gas of Kentucky's report to the Commission on the above referenced incident.

If you should have questions or comments about the enclosed report, please feel free to call me at 606-288-0234.

Sincerely,

Kimra H Cole

Kimra H. Cole
Director of Operations

Enclosures

cc: R. C. Skaggs
J. W. Kelly
S. R. Byars

RECEIVED

JUN 16 1999

DIVISION OF UTILITY
ENGINEERING & SERVICES

LLA

COLUMBIA GAS OF KENTUCKY

Location of Incident: 1414 Bryant Avenue
Lexington, Fayette County, Kentucky

Date of Incident: May 19, 1999

Description of Incident:

On May 19, 1999 at approximately 6:15 p.m. in front of 1414 Bryant Avenue, in Lexington Kentucky, a Columbia Gas of Kentucky employee received first degree burns on both arms, forehead and ears, and second degree burns on his right arm during a main line leak repair of a 4" LP main. Leakage on the main line had been repaired with leak repair clamps. During excavation of the leak area, the backhoe had damaged an existing clamp on the 4" main. After attempts to remove the bolt securing the damaged clamp to the main were unsuccessful, an employee used an air-driven grinder in an attempt to notch and weaken the bolt so the bolt could be broken and the damaged clamp removed and replaced. While attempting to notch the bolt, the employee cut completely through the bolt, the clamp came loose and escaping gas was ignited by sparks from the grinder.

CAUSE:

The accidental release of gas was due to an employee cutting through a bolt on a damaged repair clamp with an air grinder. Hot metal sparks from the grinding operation ignited the escaping gas.

RESPONSE:

There were three (3) CKY employees on the work site; one CKY employee was in the excavation working on a damaged leak repair clamp when the accidental ignition occurred. The employee working in the excavation immediately exited the excavation, another CKY employee watching the grinding operations with a fire extinguisher extinguished the fire as the employee working in the excavation exited the hole. After the fire was extinguished an employee replaced the clamp on the main. Shortly after the new clamp was installed on the main, a CKY supervisor visited the crew. After learning of the fire from the crew and seeing one employee had been burned, the supervisor took the burned employee to the Urgent Treatment Center. The employee was treated and released. The employee returned to regular duty June 8.

STEPS TAKEN TO PREVENT RECURRENCE:

CKY is in the process of revising applicable procedures to clarify precautionary measures that could have prevented this injury. CKY will provide additional training and conduct meetings with employees to review this incident to minimize the possibility of a recurrence.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

June 14, 1999

Richard S. Minch
Manager, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY. 40512 4241

RE: Case No. 99-234

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

Stephanie Bell

Stephanie Bell
Secretary of the Commission

Z 319 087 340

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Richard Minch
Street & Number	PO Box 40512
Post Office, State, & ZIP Code	Lexington Ky 40512
Postage	\$ 55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

Handwritten: HJ 99 234

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)
)
 _____) CASE NO. 99-234
)
 ALLEGED VIOLATION OF COMMISSION)
 REGULATION 807 KAR 5:027, SECTION 3(1)(C))

O R D E R

Columbia Gas of Kentucky, Inc. ("Columbia") is a Kentucky corporation and is a utility pursuant to KRS 278.010(3)(b). As a natural gas utility, Columbia is subject to Commission jurisdiction, pursuant to KRS 278.040 and 278.495(2).

KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of services by utilities. Pursuant to this statutory directive, the Commission promulgated 807 KAR 5:027, Section 3(1)(c), which requires utilities to give notice to the Commission at the earliest practicable moment or no later than two (2) hours after the incident of any occurrence that results in gas ignition.

Commission Staff has submitted to the Commission an Incident Investigation Report, dated May 20, 1999, which alleges:

1. On May 19, 1999, at approximately 6:00 p.m., Eastern Daylight Time, an employee of Columbia responded to a reported gas leak at 1414 Bryant Avenue, Lexington, Kentucky. It was discovered that this was a Grade 1 natural gas leak. While exposing the 4-inch, low-pressure steel main with a backhoe, the operator hit a

repair clamp previously installed on the main. An employee of Columbia, using an air grinder to cut a notch in a bolt, cut through the bolt, causing the clamp to release from the main and thereby releasing natural gas. The natural gas then ignited, burning the employee.

2. On May 20, 1999, approximately 15 hours after the incident, the Commission received a notice from Columbia that the incident had occurred.

3. 807 KAR 5:027, Section 3(1)(c), requires that the Commission be notified by the utility at the earliest practicable moment, but no later than two hours following the discovery of gas ignition.

Based on its review of the Incident Investigation Report, and being otherwise sufficiently advised, the Commission finds that *prima facie* evidence exists that Columbia has failed to comply with Administrative Regulation 807 KAR 5:027, Section 3(1)(c).

The Commission, on its own motion, HEREBY ORDERS that:

1. Columbia shall appear before the Commission on July 29, 1999, at 9:30 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violation of Administrative Regulation 807 KAR 5:027, Section 3(1)(c), and of showing cause why it should not be subject to the penalties prescribed in KRS 278.992(1) for this alleged violation.

2. Columbia shall submit to the Commission within 20 days of the date of this Order a written response to the allegations contained in the Incident Investigation Report.

3. The Incident Investigation Report of May 20, 1999, a copy of which is appended hereto, is made part of the record of this proceeding.

4. Any motion requesting an informal conference with Commission Staff to consider matters which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 14th day of June, 1999.

By the Commission

ATTEST:


Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-234 DATED 6/14/99

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

INCIDENT INVESTIGATION REPORT

COLUMBIA GAS OF KENTUCKY, INC.
Lexington, Kentucky

May 20, 1999

BRIEF

On May 20, 1999, at approximately 9:00 A.M., EDT, Mike Webb, acting operations manager for Columbia Gas of Kentucky, Inc. ("Columbia") notified this office of an incident that occurred on May 19, 1999. Columbia responded to a grade 1 gas leak that ignited while the employees were attempting to repair the leak. An employee received second degree burns to his right arm and minor burns to his left arm and ears. This incident investigation is conducted in accordance with Public Service Commission ("Commission") policy of inspecting all jurisdictional gas operators. Natural gas operators are jurisdictional to the PSC under KRS 278.040, 278.495 and also through a 5(a) agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the Natural Gas Pipeline Safety Act of 1968.

INVESTIGATION

At approximately 6 P.M., E.D.T., a Columbia crewman responded to a reported gas leak at 1414 Bryant Avenue, Lexington, Kentucky. This leak was classified as a grade 1 leak that must be repaired immediately. While exposing the 4-inch, low-pressure steel main with a backhoe, the operator hit a repair clamp that had been installed previously on this portion of the main. An employee was using an air grinder to cut a notch in the bolt. He cut all the way through the bolt, causing it to release from

around the pipe, causing natural gas to be released. A spark from the grinder apparently ignited the escaping gas, burning the employee. He received second degree burns to his right arm and minor burns to his left arm and ears. He was treated at the Urgent Treatment Center and released. The employee will be off work four working days due to preventing infection of the burned area.

Commission Regulation, 807 KAR 5:027, Section 3(1)(c), requires the Commission be notified at the earliest practicable moment but no later than two (2) hours following discovery of the incident. Each utility shall give notice to the Commission in accordance with subsection (3) of 807 KAR 5:027, Section 3, of any incident that results in unintentional gas ignition.

CONCLUSION

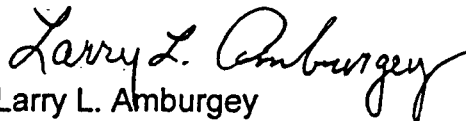
Columbia is in violation of Commission regulations because it did not notify the Commission either at the earliest practicable moment or no later than (2) hours after the incident, per 807 KAR 5:027, Section 3(1)(c). Approximately 15 hours elapsed before the Commission was notified.

RECOMMENDATION

It is recommended that Columbia review its notification policy with employees who are required to respond to such instances. Please provide the Commission with results of this notification.

It is further recommended that the Commission initiate a hearing to allow Columbia to show cause why it should not be penalized for failure to comply with Commission regulations.

Respectfully submitted,



Larry L. Amburgey
Investigator Supervisor
Division of Engineering

ESB

LLA:dcp