CASE NUMBER:
99-240
IN THE MATTER OF THE PETITION OF THE UNION LIGHT, HEAT AND POWER COMPANY FOR WAIVER

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CERTIFICATE OF SERVICE

RE: Case No. 1999-240
THE UNION LIGHT, HEAT AND POWER COMPANY

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 February 24, 2000.

Parties of Record:

James B. Gainer
Legal Division
The Union Light Heat & Power Co
139 E. Fourth Street
Cincinnati, OH. 45202

Honorable John J. Finnigan,
Senior Counsel for The Union Light, Heat and Power Company
P. O. Box 960, Rm. 25 AT II
139 East Fourth Street
Cincinnati, OH. 45201 0960

[Signature]
Secretary of the Commission

SB/sa
Enclosure
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF THE UNION LIGHT, HEAT AND
POWER COMPANY FOR A DEVIATION FROM 807
KAR 5:006, SECTIONS 25(5)(A)(1) AND (2)

ORDER

On June 14, 1999, The Union Light, Heat and Power Company ("ULH&P") applied to the Commission for a deviation from Administrative Regulation 807 KAR 5:006, Sections 25(5)(a)(1)\(^1\) and (2).\(^2\) By our Order of September 23, 1999, we denied ULH&P's application. ULH&P then petitioned for rehearing of this Order. On November 5, 1999, we granted this petition. On December 1, 1999, following an informal conference with Commission Staff, ULH&P withdrew its application and moved for dismissal of this proceeding without prejudice. Having considered the motion and being otherwise sufficiently advised, the Commission finds that the motion should be granted.

IT IS THEREFORE ORDERED that:

1. ULH&P's motion is granted.

2. ULH&P's application for deviation is dismissed without prejudice.

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\(^1\) Administrative Regulation 807 KAR 5:006, Section 25(5)(a)(1) states: "At intervals not to exceed every fifteen (15) months but at least once each calendar year, the utility shall inspect and visually examine . . . [a]ccessibility of the curb box and valve on a service line."

\(^2\) Administrative Regulation 807 KAR 5:006, Section 25(5)(a)(2)(c) states: "At intervals not to exceed the periodic meter test intervals, the curb box and valve on the service line shall be inspected for operable condition."
Done at Frankfort, Kentucky, this 24th day of February, 2000.

By the Commission

ATTEST:

[Signature]
Executive Director
November 29, 1999

Hon. Helen Helton
Executive Director
Public Service Commission of Kentucky
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

RE: In the Matter of The Petition of The Union Light, Heat and Power Company For A Deviation from 807 KAR 5:006, Sections 25(5)(A)(1) and (2)
Case No. 99-240

Dear Ms. Helton:

Enclosed are an original and fifteen (15) true copies of The Union Light, Heat and Power Company’s Notice of Withdrawal of Request for Deviation for docketing in the above captioned case.

Please date stamp the extra copies of the enclosed application upon filing and return in the enclosed, self-addressed envelope for our files.

Very truly yours,

John J. Finnigan
Senior Counsel

JJF/nlb

Enclosures
COMMONWEALTH OF KENTUCKY  
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF THE UNION LIGHT, HEAT AND POWER COMPANY FOR A DEVIATION FROM 807 KAR 5:006, SECTIONS 25(5)(A)(1) and (2)  

CASE NO. 99-240

NOTICE OF WITHDRAWAL OF REQUEST FOR DEVIATION

The Union Light, Heat and Power Company ("ULH&P") initiated this action by seeking a waiver from the requirements of 807 KAR 5:006, Sections 25(5)(A)(1) and (2). The Commission issued an Order in this action on September 23, 1999, denying ULH&P's request for a waiver. ULH&P filed an application for a re-hearing in order to seek clarification of the administrative requirements at issue.

ULH&P representatives met with the Commission Staff informally on November 18, 1999 to discuss the matter. Following this discussion, ULH&P has decided to withdraw its request for deviation. ULH&P will formulate a new plan relating to its meter testing and curb box, valve, service regulator, vent and relief valve vent inspections, then present this plan to the Commission in a new proceeding that ULH&P intends to file prior to the end of the year.

For the foregoing reasons, ULH&P respectfully withdraws its request for a deviation and requests that this proceeding be dismissed without prejudice to ULH&P's right to re-file another request for deviation as described herein.
Respectfully submitted,

THE UNION LIGHT, HEAT
AND POWER COMPANY

By: John J. Finnigan, Esq. (86657)
James B. Gainer, Esq. (87288)
Associate General Counsel
The Union Light, Heat and Power Company
P. O. Box 960, Rm. 25 ATII
Cincinnati, Ohio 45201
Phone: (513) 287-3601
Attorneys for The Union Light, Heat and Power Company

Doc. 52000
November 23, 1999

Hon. Helen Helton
Executive Director
Public Service Commission of Kentucky
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

RE: In the Matter of The Petition of The Union Light, Heat and Power Company For A Deviation from 807 KAR 5:006, Sections 25(5)(A)(1) and (2)
Case No. 99-240

Dear Ms. Helton:

Enclosed are an original and fifteen (15) true copies of The Union Light, Heat and Power Company’s Notice of Withdrawal of Application for Re-hearing for docketing in the above captioned case.

Please date stamp the extra copies of the enclosed application upon filing and return in the enclosed, self-addressed envelope for our files.

Very truly yours,

John J. Finnigan
Senior Counsel

JFJ/nlb

Enclosures
COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF THE UNION LIGHT, HEAT AND POWER COMPANY FOR A DEVIATION FROM 807 KAR 5:006, SECTIONS 25(5)(A)(1) and (2)

CASE NO. 99-240

NOTICE OF WITHDRAWAL OF APPLICATION FOR RE-HEARING

The Union Light, Heat and Power Company ("ULH&P") initiated this action by seeking a waiver from the requirements of 807 KAR 5:006, Sections 25(5)(A)(1) and (2). The Commission issued an Order in this action on September 23, 1999, denying ULH&P’s request for a waiver. ULH&P filed an application for a re-hearing in order to seek clarification of the administrative requirements at issue.

ULH&P representatives met with the Commission Staff informally on November 18, 1999 to discuss the matter. Following this discussion, ULH&P has decided to withdraw its request for re-hearing. ULH&P will formulate a new plan relating to its meter testing and curb box, valve, service regulator, vent and relief valve vent inspections, then present this plan to the Commission in a new proceeding that ULH&P intends to file prior to the end of the year.

For the foregoing reasons, ULH&P respectfully withdraws its request for a re-hearing without prejudice.
Respectfully submitted,

THE UNION LIGHT, HEAT
AND POWER COMPANY

By:  

John J. Finnigan, Esq. (86657)
James B. Gainer, Esq. (87288)
Associate General Counsel
The Union Light, Heat and Power Company
P. O. Box 960, Rm. 25 ATII
Cincinnati, Ohio 45201
Phone: (513) 287-3601
Attorneys for The Union Light, Heat and Power Company

Doc. 52000
October 5, 1999

James B. Gainer
Legal Division
The Union Light Heat & Power Co
139 E. Fourth Street
Cincinnati, OH. 45202

Honorable John J. Finnigan,
Attorney for The Union Light,
Heat and Power Company
P. O. Box 960, Rm. 25 AT II
139 East Fourth Street
Cincinnati, OH. 45201 0960

RE: Case No. 99-240

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

Sincerely,

Stephanie Bell
Secretary of the Commission

Enclosure
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF THE UNION LIGHT, HEAT AND POWER COMPANY FOR A DEVIATION FROM 807 KAR 5:006, SECTIONS 25(5)(A)(1) AND (2)

ORDER

The Union Light, Heat and Power Company ("ULH&P") has petitioned for rehearing on the Commission's Order of September 23, 1999. It requests clarification of the administrative requirements pertaining to service regulator, vent, relief valve vent, curb box and valve operability inspections. It further requests an informal conference with Commission Staff to discuss the issues related to its petition for rehearing.

Having considered ULH&P's petition and being otherwise sufficiently advised, the Commission finds that the petition should be granted and that an informal conference be convened. Following this conference and our consideration of any evidence adduced at this conference, we will then clarify our Order of September 23, 1999 to address ULH&P's regulatory responsibilities for inspecting certain customer facilities.

IT IS HEREBY ORDERED that:

1. ULH&P's Petition for Rehearing is granted.

2. An informal conference shall be held in this matter on November 18, 1999 at 1:00 p.m., Eastern Standard Time, in Hearing Room 2 of the Commission's offices at 677 Comanche Trail, Frankfort, Kentucky.
Done at Frankfort, Kentucky, this 5th day of November, 1999.

By the Commission

ATTEST:

[Signature]

Executive Director
October 15, 1999

VIA OVERNIGHT DELIVERY

Helen Helton
Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P. O. Box 615
Frankfort, KY 40602

Re: Case No. 99-240

Dear Executive Director Helton:

An Application was filed in this proceeding by The Union Light, Heat and Power Company (ULH&P) on June 14, 1999. The Commission, by Order dated September 23, 1999 denied the request to deviate from 807KAR 5:006, Section 25(5)(a)(1) and (2) as well as the request to inspect customer service regulators, vents and relief valves on a geographic basis. By Application for Re-hearing tendered for filing on October 15, 1999, ULH&P is seeking clarification of the Commission’s September 23, 1999 Order.

On behalf of ULH&P, I am requesting an informal conference with the Commission staff to discuss the issues involved in this proceeding. It is our expectation that such a conference would assist ULH&P in meeting its regulatory obligations in an economic and efficient manner and would likely reduce the resources required of the Commission in addressing the company’s Application for Rehearing. Your prompt consideration of this request is appreciated.

Very truly yours,

[Signature]
October 14, 1999

VIA OVERNIGHT MAIL

Hon. Helen Helton
Executive Director
Public Service Commission of Kentucky
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

RE: In the Matter of The Petition of The Union Light, Heat and Power Company For A Deviation from 807 KAR 5:006, Sections 25(5)(A)(1) and (2)
Case No. 99-240

Dear Ms. Helton:

Enclosed are an original and fifteen (15) true copies of The Union Light, Heat and Power Company’s Application for Re-hearing for docketing in the above captioned case.

Please date stamp the extra copies of the enclosed application upon filing and return in the enclosed, self-addressed envelope for our files.

Very truly yours,

John J. Finnigan
Senior Counsel

JJF/nlb

Enclosures
COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF THE UNION LIGHT, HEAT AND POWER COMPANY FOR A DEVIATION FROM 807 KAR 5:006, SECTIONS 25(5)(A)(1) and (2) )

CASE NO. 99-240

APPLICATION FOR RE-HEARING

Pursuant to KRS §278.400, The Union Light, Heat and Power Company ("ULH&P") applies to the Commission for a re-hearing on the Commission’s Order entered in this action on September 23, 1999. ULH&P requests re-hearing in order to seek clarification of the administrative requirements pertaining to service regulator, vent, relief valve vent, curb box and valve operability inspections.

In its original request for waiver in this case, ULH&P sought a change in the inspection cycles for curb boxes and valve accessibility. 807 KAR 5:006, Section 25(5)(a)(1) requires the utility company to inspect the curb box and valve accessibility every 15 months, but at least once per calendar year. 807 KAR 5:006, Section 25(5)(b) and (c) requires each utility company to inspect the service regulator, vent, relief valve vent, curb box and valve for operability at the same interval as the periodic meter tests intervals. ULH&P’s waiver request sought permission to change these inspection cycles to combine the curb box and valve accessibility and these operability inspections into one 3-year cycle, to be performed at the same time as ULH&P’s leak survey. The Commission denied ULH&P’s request for waiver in its Order dated September 23, 1999.
ULH&P no longer seeks to perform the curb box and valve accessibility inspections on a 3-year cycle. Instead, ULH&P proposes to maintain its current practice of inspecting curb box and valve inspections annually.

ULH&P seeks clarification regarding the administrative requirements for performing service regulator, vent, relief valve vent, curb box and valve operability inspections. KAR 25 Section 2(c) provides that each utility company shall inspect this equipment for operability “at intervals not to exceed the periodic meter test intervals.” Given the fact that the Commission has approved ULH&P’s earlier waiver request to conduct statistical meter testing, ULH&P requests an order from the Commission that ULH&P is permitted to perform the service regulator, vent, relief valve vent, curb box and valve operability inspections at the same time that ULH&P is at the customer’s premises to perform meter work under the statistical meter sampling program. If these operability inspections are required to be performed on a schedule different from the visits for statistical meter testing, then this defeats the purpose of the statistical meter sampling program.

For the foregoing reasons, ULH&P respectfully requests that the Commission grant its request for a re-hearing to clarify the Commission’s prior Order in this action so as to allow ULH&P to conduct the service regulator, vent, relief valve vent, curb box and valve operability inspections according to the same schedule as ULH&P visits customer premises to perform the statistical meter testing.
Respectfully submitted,

THE UNION LIGHT, HEAT
AND POWER COMPANY

By: [Signature]

John J. Finnegan, Esq. (86657)
James B. Gainer, Esq. (87288)
Associate General Counsel
The Union Light, Heat and Power Company
P. O. Box 960, Rm. 25 ATII
Cincinnati, Ohio 45201
Phone: (513) 287-3601
Attorneys for The Union Light, Heat and Power Company

Doc. 50392
CERTIFICATE OF SERVICE

RE: Case No. 99-240
THE UNION LIGHT, HEAT AND POWER COMPANY

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 September 23, 1999.

Parties of Record:

James B. Gainer
Legal Division
The Union Light Heat & Power Co
139 E. Fourth Street
Cincinnati, OH. 45202

Honorable John J. Finnigan,
Attorney for The Union Light, Heat and Power Company
P. O. Box 960, Rm. 25 AT II
139 East Fourth Street
Cincinnati, OH. 45201 0960

____________________________________
Secretary of the Commission

SB/sa
Enclosure
ORDER

On June 14, 1999, The Union Light, Heat and Power Company ("ULH&P") applied to the Commission for authority to deviate from 807 KAR 5:006, Section 25(5)(a)(1) and (2).^1

ULH&P proposes to eliminate the annual curb box and valve accessibility inspection, and to substitute for it an inspection of curb box and valve operability every 3 years in conjunction with its leak survey. Currently ULH&P inspects each curb box and valve for accessibility annually and for operability every 10 years.

In addition, ULH&P requests permission to perform a 10-year residential customer service regulator, vent, and relief valve inspection geographically by dividing its service area into 10 sections and inspecting the equipment of each section annually,

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^1 807 KAR 5:006, Section 25(5)(a)(1), states "At intervals not to exceed every fifteen (15) months but at least once each calendar year, the utility shall inspect and visually examine accessibility of the curb box and valve on a service line."

807 KAR 5:006, Section 25(5)(c), states "At intervals not to exceed the periodic meter test intervals, the curb box and valve on the service line shall be inspected for operable condition."
one section per year. 807 KAR 5:006, Section 25(5)(a)(2)(b),\textsuperscript{2} requires the utility to inspect the equipment every 10 years. ULH&P indicates that the geographical inspection may exceed the 10-year inspection requirement to a maximum of 19 years.

ULH&P states that eliminating annual curb box inspections and performing curb box and valve operability checks every 3 years in conjunction with the leak survey will provide a more efficient means of accomplishing the Commission's regulatory objectives. In response to the Commission's Order dated August 12, 1999, ULH&P indicates that 351 curb boxes and valves were inaccessible during 1997 inspections and that number dropped to 237 in 1998. ULH&P indicates that it serves 75,222 residential customers and that approximately 34,000 curb boxes have inside meter sets.

After reviewing the record and being advised, the Commission finds that:

1. ULH&P has requested permission to deviate from 807 KAR 5:006, Section 25(5)(a)(1) and (2), and has proposed to inspect the curb boxes and valves for accessibility and operability every 3 years.

2. ULH&P proposes to conduct the inspection of residential regulators, vents, and relief valves vents geographically by dividing its service area into 10 sections. Each section would be tested once every 10 years.

3. ULH&P has not provided evidence of safe operation by reducing the inspection for curb box and valve accessibility from annually to 3 years.

\textsuperscript{2} 807 KAR 5:006, Section 25(5)(a)(2)(b), states "At intervals not to exceed the periodic meter test intervals, individual residential customer service regulators, vents and relief valve vents shall be checked for satisfactory operation."
4. ULH&P's request for permission to deviate from KAR 5:006, Section 25(5)(a)(1), should be denied because it will reduce the effectiveness of the Commission's gas safety regulations.

5. ULH&P's request to inspect regulators, relief valves and vents geographically should be denied because some of the equipment will not be inspected within the 10 years as required by the Commission's regulations.

IT IS THEREFORE ORDERED that:

1. ULH&P's request for permission to deviate from 807 KAR 5:006, Section 25(5)(a)(1) and (2), is denied.

2. ULH&P's plan to inspect service regulators, relief valves, and vents geographically is denied.

Done at Frankfort, Kentucky, this 23rd day of September, 1999.

By the Commission

ATTEST:

[Signature]
Executive Director
August 31, 1999

Hon. Helen Helton  
Executive Director  
Public Service Commission of Kentucky  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: In the Matter of Petition of The Union Light, Heat and Power Company For a Deviation From Administrative Regulation 807 KAR 5:006, Sections 25(5)(a)(1) and (a)(2)

Dear Ms. Helton:

Enclosed are an original and seven (7) true copies The Union Light, Heat and Power Company's data responses in the above captioned case pursuant to Order issued by the Kentucky Public Service Commission dated August 12, 1999.

Please date stamp the extra copy of the enclosed application upon filing and return in the enclosed, self-addressed envelope for our files.

Very truly yours,

[Signature]

John J. Finnigan  
Senior Counsel

Enclosures

The Cincinnati Gas & Electric Company  
PSI Energy, Inc.
THE UNION LIGHT, HEAT AND POWER COMPANY

Responses to Order Issued by the Kentucky Public Service Commission in Case No. 99-240
1. Provide ULH&P's proposed plan for inspecting the operability of curb boxes and valves every three years.

RESPONSE: ULH&P conducts its distribution leak survey program on a three year cycle. ULH&P proposes to inspect curb box and valve operability in conjunction with its leak survey program. (See attached map) ULH&P believes that elimination of the annual curb box inspection; performance of a curb box and valve operability check every three years in conjunction with the leak survey will provide a more efficient means of accomplishing the Commission's regulatory objectives.

Witness responsible: Trannis Morgan
2. Under ULH&P's proposed plan for inspecting the operability of curb boxes and valves, will a customer's gas service be interrupted when the operability inspection is conducted?

**RESPONSE:** No, the customer's gas service will not be interrupted.

**Witness responsible:** Ken Dierker
3. Provide a color-coded map that shows how inspections for regulators, vents, and relief valves will be conducted on a geographical basis. This map shall state the year during which inspections in each geographical area will be conducted and the number of residential customers currently served in each area.

RESPONSE: Please see the attached.

Witness responsible: Ed Grothaus
4. Provide for each of the last three calendar years the results of ULH&P’s inspections for the accessibility of curb boxes and valves. For each calendar year, state the number of curb boxes that ULH&P found during those inspections to be inaccessible.

RESPONSE:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number Inspected</th>
<th>Number Inaccessible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>67,864</td>
<td>351</td>
</tr>
<tr>
<td>1998</td>
<td>68,274</td>
<td>237</td>
</tr>
<tr>
<td>1999</td>
<td>69,617</td>
<td>144 *</td>
</tr>
</tbody>
</table>

*through 8/13/99; program 72% complete

Witness responsible: Ken Dierker
5. a. How many of ULH&P’s curb boxes have outside meter sets?

**RESPONSE:** Approximately 35,000 curb boxes have outside meter sets.

Witness responsible: Trannis Morgan
5. b. How many of ULH&P’s curb boxes have inside meter sets?

**RESPONSE:** Approximately 34,000 curb boxes have inside meter sets.

**Witness responsible:** Trannis Morgan
6. Do all ULH&P service tees incorporate positive shut-off valves? Explain.

**RESPONSE:** No. Approximately one-third of services has positive shut-off tees. Some examples of services that do not have positive shut-off tapping tees would be those services tapped off of cast iron mains, or joint trench services (common trench with other utilities) where the tapping tee is located on the cross-over main.

Witness responsible: Trannis Morgan
7. a. How many ULH&P service tee shut-off valves are readily accessible with ordinary available tools and not located under hard service (sic)?

RESPONSE: Information is not available on the type of surface the service tee is located under. All service tee shut-off valves are readily accessible with ordinary tools available on construction & maintenance vehicles. At the time of gas service installation, Gas Standard 3.7.1 is followed in order to meet 807 KAR 5:022 Section 9(17) code requirement to determine if a curb valve is required.

Witness responsible: Ken Dierker / Trannis Morgan
7. b. How many ULH&P service tee shut-off valves are located under pavements or hard service (sic)?

RESPONSE: See 7(a) above.
7. c. Provide the inspection reports upon which the responses to Items 7(a) and 7(b) are based.

**RESPONSE:** See 7(a) above.
8. NO QUESTION NUMBERED 8 LISTED IN ORIGINAL ORDER
9. a. What are the annual savings that ULH&P expects to achieve if the Commission grants the requested deviations?

RESPONSE: A tangible dollar amount cannot be determined. However, performing the customer regulator, vent or relief valve inspection on a geographic basis vs. our current process of unpatterned / indiscriminate locations based on last inspection date only, will allow a cost savings in scheduling entire areas at one time instead of potentially visiting the same street, but a different house each year, causing an unsatisfactory utilization of resources. A cost savings cannot be determined for performing operability inspections every three years instead of every ten years, however an increased safety inspection cycle over the current Kentucky Administrative Code requirement outweighs any savings that could be achieved.

Witness responsible: Trannis Morgan / Ed Grothaus
9. b. Show all calculations and state all assumptions to derive ULH&P's estimated savings.

RESPONSE: See response to 9(a) above.
10. What is the longest period that a residential customer regulator, vent or relief value (sic) could escape inspection as a result of ULH&P's implementation of the proposed geographical based inspections?

**RESPONSE:** In the past, regulator, vents and relief valves were tested in conjunction with the 10-year meter age change program on an unpatterned / indiscriminate 10-year random basis. There is no easy way to determine the last inspection date based on the map number as the attached map proposes to do on a geographic basis. The worst case scenario is that an inspection would extend to 19 years, although the likelihood is minimal due to the aggressive approach we have taken to increase the number of inspections in the first 5 years of the proposed geographic inspection cycle.

**Witness responsible:** Ed Grothaus
August 12, 1999

James B. Gainer  
Legal Division  
The Union Light Heat & Power Co  
139 E. Fourth Street  
Cincinnati, OH. 45202

Honorable John J. Finnigan  
Attorney for The Union Light,  
Heat and Power Company  
P. O. Box 960, Rm. 25 ATII  
Cincinnati, OH. 45201

RE: Case No. 99-240

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

Sincerely,

Stephanie Bell  
Secretary of the Commission

Ss/sa  
Enclosure
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF THE UNION LIGHT, HEAT AND POWER COMPANY FOR A DEVIATION FROM ADMINISTRATIVE REGULATION 807 KAR 5:006, SECTIONS 25(5)(a)(1) AND (a)(2) ) CASE NO. 99-240 )

ORDER

IT IS ORDERED that The Union Light, Heat and Power Company ("ULH&P") shall file the original and 6 copies of the following information with the Commission within 20 days of this Order, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this Order.

1. Provide ULH&P’s proposed plan for inspecting the operability of curb boxes and valves every three years.

2. Under ULH&P’s proposed plan for inspecting the operability of curb boxes and valves, will a customer's gas service be interrupted when the operability inspection is conducted?
3. Provide a color-coded map that shows how inspections for regulators, vents, and relief valves will be conducted on a geographical basis. This map shall state the year during which inspections in each geographical area will be conducted and the number of residential customers currently served in each area.

4. Provide for each of the last three calendar years the results of ULH&P's inspections for the accessibility of curb boxes and valves. For each calendar year, state the number of curb boxes that ULH&P found during those inspections to be inaccessible.

5. a. How many of ULH&P's curb boxes have outside meter sets?
   b. How many of ULH&P's curb boxes have inside meter sets?

6. Do all ULH&P service tees incorporate positive shut-off valves? Explain.

7. a. How many ULH&P service tee shut-off valves are readily accessible with ordinary available tools and not located under hard service?
   b. How many ULH&P service tee shut-off valves are located under pavements or hard service?
   c. Provide the inspection reports upon which the responses to Items 7(a) and 7(b) are based.

9. a. What are the annual savings that ULH&P expects to achieve if the Commission grants the requested deviations?
   b. Show all calculations and state all assumptions to derive ULH&P’s estimated savings.
10. What is the longest period that a residential customer regulator, vent or relief value could escape inspection as a result of ULH&P's implementation of the proposed geographical based inspections?

Done at Frankfort, Kentucky, this 12th day of August, 1999.

By the Commission

ATTEST:

[Signature]

Executive Director
June 16, 1999

James B. Gainer
Legal Division
The Union Light Heat & Power Co
139 E. Fourth Street
Cincinnati, OH. 45202

Honorable John J. Finnigan
Attorney for The Union Light,
Heat and Power Company
P. O. Box 960, Rm. 25 ATII
Cincinnati, OH. 45201

RE: Case No. 99-240
THE UNION LIGHT, HEAT AND POWER COMPANY
(Deviation) GAS UTILITY INSPECTION

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received June 14, 1999 and has been assigned Case No. 99-240. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

Stephanie Bell
Secretary of the Commission
June 11, 1999

Hon. Helen Helton
Executive Director
Public Service Commission
of Kentucky
730 Schenkel Lane
P. O. Box 615
Frankfort, Kentucky 40602

Re: Petition of the Union Light, Heat and Power Company for Waiver

Dear Executive Director Helton:

Enclosed for filing is an original and 15 copies of The Union Light, Heat and Power Company’s Petition for Waiver from the requirements of 807 KAR 5:006 Sections 25(5)(a)(1) and (2). We are also sending extra copies to be date-stamped and returned to us in the enclosed self-addressed envelope.

If you have any questions, please feel free to call me at (513) 287-3601.

Very truly yours,

John J. Finnigan
Senior Counsel

Enclosures
COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF THE UNION LIGHT, HEAT AND POWER COMPANY FOR WAIVER

PETITION FOR WAIVER

Now comes The Union Light, Heat and Power Company ("ULH&P"), by and through counsel, petitioning the Commission for a waiver from the requirements of 807 Kentucky Administrative Regulations 5:006 Sections 25(5)(a)(1) and (2), and any similar regulatory provisions which prescribe maximum time intervals for certain gas utility inspections. Although these regulatory provisions provide a definite time interval for inspection procedures designed to ensure safe and adequate operation of equipment, they also restrict the ability to carry out such inspections in the most efficient and cost-effective manner.

Specifically, Section 25(5)(a)(1)(c) requires utilities to inspect the accessibility of the curb box and valve on a service line every fifteen months (but at least once every calendar year). In addition, Section 25(5)(a)(2)(c) requires operational checks of the curb box and valve on the service line at intervals not to exceed the periodic meter test intervals. ULH&P requests authority to eliminate the annual curb box and valve accessibility inspection because curb box and valve operational checks assure curb valve accessibility. Thus, accessibility, by default, would continue to be monitored on a schedule concurrent with operational inspections of the curb box and valve. ULH&P currently conducts operability checks once every ten years. In order to accommodate
the more restrictive time intervals recommended for accessibility checks, ULH&P proposes inspection of curb box and valve operability every three years in conjunction with its leak survey. This will provide a more efficient approach to the required inspections while also increasing the inspection frequency beyond those required by the Kentucky Administrative Regulations.

In addition, ULH&P currently performs a ten-year residential customer service regulator, vent and relief valve vent inspection in accordance with Section 25(5)(a)(2)(b). Such inspections, performed in conjunction with the meter age-change program, fail to provide an efficient and cost-effective means of accomplishing the Commission's regulatory objectives. Accordingly, ULH&P desires to perform this inspection geographically. Carrying out inspections on a geographically defined basis allows more efficient utilization of the labor force and a more cost-effective means of achieving regulatory objectives. Importantly, ULH&P plans to continue inspecting residential customer regulators, vents and relief valves on a ten-year cycle. However, during the initial change to inspection on a geographic basis, some regulator, valve and relief valve inspections could exceed the ten-year requirement. Accordingly, ULH&P requests the Commission to grant some latitude in the ten-year regulatory time interval requirement to allow ULH&P to establish and implement its geographical inspection approach.

For all of the foregoing reasons, ULH&P believes that elimination of the annual curb box inspection; performance of a curb box and valve operability check every three years in conjunction with the leak survey; and performance of a geographically oriented
ten-year customer service regulator, vent and relief valve vent check will provide a more efficient and cost-effective means of accomplishing the Commission's regulatory objectives. ULH&P further believes the proposed inspections will continue to assure the safe and adequate operation of its equipment. Accordingly, UHL&P requests the Commission to timely approve its request to waive the requirements of 807 KAR 5:006 Sections 25(5)(a)(1) and (2), and any other regulations restricting the time intervals for gas utility inspection.

Respectfully submitted,

THE UNION LIGHT, HEAT AND POWER COMPANY

By: John J. Finnigan, Esq. (86657)
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Cincinnati, Ohio 45201
Attorney for The Union Light, Heat and Power Company