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VIA OVERNIGHT MAIL

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JUL 28 2004
PUBLIC SERVICE COMMISSION

July 27, 2004

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

Re: In the Matter of the Request of The Union Light, Heat and Power Company for a Waiver of the Requirements of 49 CFR 192 Appendix B Relating to Tensile Testing
Case No. 2004-00298

Dear Ms. O'Donnell:

Enclosed please find an original and 12 copies of the Application of the Union Light, Heat and Power Company for Permission to use Small-Sized Steel Pipe Samples for Tensile Testing Required Under The Commission's Gas Pipeline Safety Rules.

Please file-stamp the extra copies and return them in the overnight envelope provided.

If you have any questions, please do not hesitate to contact me at (513) 287-3601.

Sincerely,

John J. Finnigan, Jr.

JJF/sew
Enclosures

BEFORE

THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of the Request of The Union Light, Heat and Power Company For a Waiver of the Requirements of 49 CFR 192 Appendix B Relating to Tensile Testing	))))))	Case No. 2004-00298

APPLICATION FOR PERMISSION
TO USE SMALL-SIZED STEEL PIPE SAMPLES FOR
TENSILE TESTING REQUIRED UNDER
THE COMMISSION'S GAS PIPELINE SAFETY RULES

1. The Union Light, Heat and Power Company (ULH&P) is a Kentucky corporation providing natural gas and electric service to approximately 88,000 customers in Northern Kentucky and, as such, is a public utility pursuant to KRS 278.010. ULH&P's principal office and principal place of business is at 107 Brent Spence Square, Covington, Kentucky 41011, and its mailing address is P. O. Box 960, Cincinnati, Ohio 45201. Pursuant to 807 KAR 5:001, Section 8(3), ULH&P states that a certified copy of its Articles of Incorporation, as amended, is on file with the Commission in Case No. 6566. ULH&P is subject to the Commission's jurisdiction to regulate the safety of natural gas facilities, pursuant to KRS 278.495(2)(a).

2. Also pursuant to KRS 278.495(2)(a), the Commission has authority to enforce the minimum safety standards promulgated by the U.S. Department of Transportation pursuant to 49 U.S.C. § 60101 *et seq.* Under KRS 278.280(2), the Commission has authority to promulgate rules for the furnishing of a commodity by a utility. The Commission has promulgated rules relating to gas safety and service in 807

KAR 5:022. In Appendix A to these rules, the Commission has incorporated API Specification 5L, entitled *API Specification for Line Pipe*, published by the American Petroleum Institute. Pursuant to 807 KAR 5:022 Section 18, the Commission has authority to permit deviations from these rules. In this proceeding, ULH&P respectfully requests authorization to use small-sized samples for tension testing of steel pipe and fittings, pursuant to the procedures provided for under 49 CFR 192.7(b), Appendix B(11)(D) and 192.107, and as more fully described below.

3. Under 49 CFR 192.07, a gas pipeline operator's steel pipe must meet either of two different yield strength levels that the pipe during tensile testing, depending on whether the manufacturer's yield strength specifications are known or unknown. If the manufacturer's yield strength specifications are unknown, the testing must follow the protocol prescribed in 49 CFR Part 192 Appendix B (II)(D). In turn, Appendix B (II)(D) provides that the pipe must meet a prescribed minimum yield strength of 24,000 p.s.i. or, in the alternative, the operator can establish the standard for yield strength for the pipe by following the testing procedure set forth at API Specification 5L, and incorporated in the GPS rules by reference pursuant to 49 CFR 192, and at 807 KAR 5:022 Appendix A.

4. API Specification 5L, Section 9.10.2.1 prescribes that the tensile testing shall conform to the requirements of ASTM A 370, *Methods and Definitions for Mechanical Testing of Steel Products.* ASTM A 370, Section 5 describes the tension test for steel pipe, and generally incorporates the test methods set forth in ASTM E 8, *Standard Test Methods for Tension Testing of Metallic Materials.* ASTM A 370, Section 5.1 states that a "full-section specimen" should be used for the tension test prescribed therein. ASTM E 8, Section 6.4 prescribes a standard size for specimens to be tested, and

also prescribes that other sizes of small round specimens may be used, provided that the gage length for measurement of elongation is four times the diameter of the specimen.

5. ULH&P requests permission to use test smaller-sized test specimens with an outside diameter of 0.1 to 0.2 inches when performing tensile testing required under the rules. In support of this request, ULH&P states that it recently had independent tensile testing performed on steel pipe using this size for the test specimens. The testing followed the protocol in ASTM E 8, Section 6.4 for testing of small-sized specimens. The testing showed that the pipe had a yield strength of greater than 53,000 p.s.i., which is substantially greater than the 24,000 p.s.i. yield strength for pipe that does not undergo tensile testing, as set forth in 49 CFR Part 192, Appendix B (II)(D) and 49 CFR 192.107(b)(2). This testing establishes that the safety of ULH&P's gas pipeline system would not be compromised if ULH&P uses such smaller-sized specimens for the tensile testing required by these rules. A copy of the test report is provided at Attachment A hereto.

6. The benefits of allowing ULH&P to use the smaller-sized specimens are as follows. First, ULH&P intends to extract the samples from pipe that is in-service, and using the smaller-sized samples will allow ULH&P to extract the samples in a more efficient manner. Second, ULH&P will be able to use smaller stopple fittings when extracting the samples, which are easier to install and less obtrusive. Third, using the smaller-sized samples will reduce the overall cost of tensile testing, without diminishing the safety benefits of the testing in any manner.

WHEREFORE, ULH&P respectfully requests that the Commission authorize it to use small-sized samples for tensile testing of steel pipe and fittings, as requested herein.

Respectfully submitted,

THE UNION LIGHT, HEAT AND POWER COMPANY

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