

BTU GAS CO., INC.

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November 15, 2010

Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

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PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen;

In response to the Order November 5, 2010 BTU Gas has been and will continue to work on the deficiencies involved in our case 2007-00403.

I believe we have corrected and submitted to the PSC all of our corrections for the deficiencies. As you are aware BTU had hired Mr. Roger Wingate to help us with our situation. I would like to take the time to break these deficiencies down.

1. Excess Flow Valve – BTU has then in place and notified the PSC June 28, 2008 of this plan.
2. Public Awareness Plan – Was supplied originally to the PSC on November 3, 2008. After we hired Mr. Wingate the new plan was received by the PSC February 10, 2010.
3. Qualification of the men: Mr. Wingate spent the week of June 21, 2010 qualifying our two men. This information was received by the PSC October 26, 2010.
4. The map – The map we have the PSC and BTU completed together. I believe the PSC has a copy of this map.
5. Pipeline Markers – New pipeline markers were put back in place. Pictures of these markers along with their location was received by the PSC June 28, 2010.
6. Above ground pipe – The customer where this above ground pipe was found was notified and the customer has since corrected this violation. This was corrected September 2009.
7. Operation & Maintenance Plans – These were originally submitted to the PSC Nov. 2, 2008. The new plans done by Mr. Wingate were submitted February 10, 2010.
8. Gas Odorization - After the purchase of an odorator and the qualification of the men these tests were performed. These sheets were received by the PSC October 26, 2010. Mr. Larry Rich will be performing this task for BTU Gas now. BTU machine was lost in fire and due to the PSC fine BTU can not at this time afford to replace this machine.
9. Patrolling - The patrolling forms BTU Gas had was supplied to the PSC June 2008 and have been supplied for 2009. See attached sheets for January 2010 to date.
10. Leakage survey – BTU Gas has hired Frontier Gas to perform this task for us. The leakage survey has been completed by Frontier gas. This was received by the PSC November 8, 2010.
11. The Valves – A list of these valves were received by the PSC February 10, 2010. See attached inspection forms. This task has been completed.

12. Pressure stations – A list of these were received by the PSC February 10, 2010. This task has been performed. See attached sheet.

13. Relief Valves – A list of these were received by the PSC February 10, 2010. This task has been performed. See attached sheet.

14. Corrosion – These locations were received by the PSC February 10, 2010. This task has been performed. See attached sheet.


15. 811 – BTU Gas is now a member of 811. Received by the PSC May 25, 2010.

16. Form RSPA F 7100 -1-1 – This form was filed with the PSC April 19, 2010. BTU Gas does not show in the PHMSA system so I have been working with Mr. Jamerson Pender to get an ID number and password to make sure these reports get filed. This report has now been filed and BTU Gas is in their system. This form was received by PSC October 26, 2010.

17. Drug and Alcohol Plan – Filed with the PSC February 19, 2010.

After reviewing the PSC web site (at the direction of Mr. Jason Brangers) I believe we have everything thing to get us back in compliance and we will continue to stay in compliance with the PSC. The annual reports for 2008 and 2009 will be forwarded on to you as soon as the CPA's get them finished. They are working to get these completed. We were going through an audit 2008-2009 that is why these have not been filed.

Sincerely,

A handwritten signature in black ink that reads "Pam Williams". The signature is written in a cursive, flowing style.

Pam Williams
President

BTU GAS COMPANY, INC.
PATROLLING OF GATHERING SYSTEM

Period Covered: Began: January 26, 2010 Ended: January 29, 2010

Areas covered: Elk Creek, Lick Creek, Coon Creek, Dixie, Town, Lakeville,
Royaltan

Map References _____

Leakage indications discovered (describe locations and indications such as
condition of vegetation): _____

Leakage indications reported to: _____

Construction activity along areas: _____

Described any unusual conditions at highway and railroad crossings: _____

Other factors noted which could affect present or future safety or operation of gas
system: _____

Follow up repairs, maintenance or tests resulting from this inspection: _____

Comments: _____

Signature of person in charge of patrol party:



Date: 29-10

Gas pipeline River Crossings for BTU Gas:

All river crossings for gas pipeline in the BTU gas system are bored beneath the river. These gas crossings are checked once a month when the gathering system is patrolled

The listing of the river crossings for the BTU system is as follows:

This sheet is to be completed and kept with the monthly documentation of the patrolling of the gathering system

1. **Lakeville Bridge**

2. Monthly Date the Crossing was checked 11-3-10

3. Name of the Qualified Personnel who checked the Crossing

L.P.

4. Description of the condition of the Crossing _____ **excellent**
working condition, _____ good working condition _____,
needs repair and describe in detail the repair needed:

5. Description of the area and pipeline surveyed:

6. Description of the action taken after survey:

7. **Behind High School** _____

8. Monthly Date the Crossing was checked 11-3-10

9. Name of the Qualified Personnel who checked the Crossing

L.P.

10. Description of the condition of the Crossing _____ **excellent**
working condition, _____ good working condition _____,
needs repair and describe in detail the repair needed:

11. Description of the area and pipeline surveyed:

12. Description of the action taken after survey:

REGULATOR INSPECTION REPORT

Form 6

COMPANY: BTU

Location: EANICOLLIN BULLOCK RT40 PUNCHCOV CREST
SUGER CAMP

Regulator Information

Make: ~~Swagelok~~ _____ Type: Big Joe

Size: 2" _____ Office Size: 1/2

Pressure Rating: Inlet: 80-100 _____ Outlet: 60

M.A.O.P. of System to which it is Connected: 60

Operating Pressure: Inlet: 70 _____ Outlet: 60

Lock Up Pressure: 60 PST

Monitoring Regulator or Relief Setting: YES

Was the Regulator Stroked (to fully open)? Yes _____ No

General Condition of the Station:

Atmospheric Corrosion: Yes _____ No

Support Piping Rigid: Yes _____ No

Station Guards: Yes _____ No

Area Clean of Weeds and Grass: Yes No _____

Capacity at Inlet and Outlet pressure: _____

Corrections Made: _____

Remarks: _____

Inspector: [Signature]

Signature: [Signature] Date: 9-8-10