

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND ELECTRIC	)	
COMPANY FOR A LIMITED DEVIATION FROM THE	)	CASE NO.
REQUIREMENTS OF 49 CFR 192.939	)	2015-00419

ORDER

The Louisville Gas and Electric Company ("LG&E") filed a petition on December 16, 2015, seeking a state waiver of the reassessment interval required by 49 CFR 192.939. LG&E's petition states that a longer reassessment interval is necessary given its product supply during the heating season, and that LG&E has taken steps to ensure the safety of the covered segment until the reassessment is complete. Pursuant to the provisions of 49 U.S.C.A. § 60118, the state authority, acting under an agreement with the U.S. Secretary of Transportation, may waive compliance with a safety standard. On March 9, 2016, LG&E filed a request to withdraw its petition for a state waiver, stating that a waiver is no longer needed. LG&E's request to withdraw its petition is based on the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration's ("PHMSA") recently revised response to Frequently Asked Question ("FAQ") Number 41. There are no intervenors in this matter.

At issue in this matter is a 19-mile natural gas transmission pipeline known as the Ballardsville West gas transmission pipeline ("Ballardsville Pipeline"), which is located in Oldham and Jefferson counties and is an intrastate pipeline under the jurisdiction of the Commission. LG&E's prior assessment of the Ballardsville Pipeline was conducted on

February 2, 2006. Based on PHMSA's prior interpretation of 49 CFR 192.939, and given the 10-year maximum reassessment interval required for this pipeline, LG&E was required to conduct the reassessment on or before February 2, 2016.

LG&E states that the Ballardsville Pipeline was recently modified to allow the required assessment to be made using ILI tools, which provide a more comprehensive assessment than other assessment options and provide additional quantitative data regarding the integrity of the pipeline. LG&E also states that because of the variable diameter and internal diameter restrictions of the Ballardsville Pipeline, a special ILI pull unit is required to conduct the assessment, but that its access to this tool had been limited. Because the Ballardsville Pipeline is a one-way feed, LG&E expressed concern about maintaining adequate supply during the heating season, should the ILI tool become stuck during the in-line inspection. For these reasons, LG&E asked to be able to conduct the reassessment after the end of the heating season, which was beyond the maximum ten-year reassessment interval.

Effective January 3, 2012, Congress amended Title 49 of the United States Code, which in part clarified that a pipeline operator must calculate certain assessment intervals as *calendar* rather than *actual* years. PHMSA recently provided further clarification of this revision in its revised response FAQ Number 41 of the Gas Integrity Management Rule. FAQ Number 41 and PHMSA's response are contained below:

Question:

Does the requirement that gas pipeline operator establish assessment intervals not to exceed a specified number of years mean calendar years (i.e., pipe assessed in 2004 must

be re-assessed during 2011) or actual years? [Originally issued 06/09/2004] [Revised 02/22/2016]

Response:

Re-assessments must be conducted in accordance with an operator's procedures for determining the appropriate reassessment interval. Prior to the enactment of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, the maximum interval was set using actual years from the date of the previous assessment . . . Note that this change from actual years to calendar years is specific to gas pipeline reassessment interval years and does not alter the actual year interval requirements which appear elsewhere in the code for various inspection and maintenance requirements.

PHMSA's revised response to FAQ Number 41, which changes the reassessment interval from *actual* to *calendar* years for natural gas pipelines, allows LG&E to conduct its reassessment of the Ballardsville Pipeline during the calendar year 2016. Therefore, the Commission finds that LG&E's request to withdraw its petition for state waiver is reasonable and should be granted.

IT IS THEREFORE ORDERED that:

1. LG&E's request to withdraw its petition for a state waiver for the reassessment of the Ballardsville Pipeline is granted.
2. This case is dismissed and removed from the Commission's docket.

By the Commission



ATTEST:

  
Acting Executive Director

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