

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
CASE #: 2017-00120

IN RE:

BASIL C. POLLITT, INDIVIDUALLY  
D/B/A THE GAS GROUP, INC.  
A/K/A THE GAS GROUP.

**RESPONSE OF BASIL POLLITT AND THE GAS GROUP  
TO THE INSPECTION REPORT OF 10-31-17**

Come the Respondents, Basil Pollitt/Gas Group, by counsel, and in response to the Inspection Report served electronically on or about 10-31-17 states as follows:<sup>1</sup>

**INTRODUCTION**

1. The Inspection Report is 79 pages in length. Pages 5 through 79 are relevant only if the Gas Group line is a public utility which it is not. Accordingly, the instant response will confine itself to pgs 1 through 4 of the Report.

**RESPONSE**

2. At the top of pg.1 the "Inspection Date(s)" are identified as 10-9-17 and 10-17-17. A meeting at the office of the undersigned counsel took place on 10-9-17 for the purpose of obtaining information and reviewing records. A physical inspection of the gathering line took place the following day, 10-10-17, not 10-17-17. This error is likely of little relevance. Pg. 1 further contains information related to the "Gas Supplier" and provides that on the date of the inspection "Southern Kentucky Energy" was supplying gas at the northern end of the line. Beneath that is a

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The factual assertions contained in this Response are sworn to via the attached affidavit of Basil Pollitt. Ex. A.

column labeled “Unaccounted for Gas” and indicates: “Undetermined. 3 wells are unmetered. 3 wells have meters.” All producing wells belonging to Gas Group at the southern end of the line that are operational are metered. Indeed, at present only the Runner well is operational.

3. Pg. 3 is titled “Probable Violations”. It begins by placing in context the 139 violations. Toward that end it is noted that Gas Group did not have “4 required plans” (damage prevention, operator qualification, DIMP and public awareness). These plans however are applicable only to a public utility not a gathering line. At any rate the introductory paragraph notes that many of the 139 violations are the subset of not having the aforementioned plans.

4. The Report proceeds with state code “violations” and cites 807 KAR 5:022 Section 8 (5) (a) (1) which requires testing of meters “at least once every ten years”. In response to this Gas Group provides that all meters are replaced more frequently than every 10 years. That is to say Gas Group has no meter that is 10 years old nor has it ever had a meter that was 10 years old.

5. The next violation references 807 KAR 5:022 Section 13 (17) which relates to the odorization of gas.<sup>2</sup> The gas that Gas Group transports is combined with the gas of Southern Kentucky Energy at the southern end of the line. The Richardsville “drip tank” where the odorization was measured is approximately 3 miles north of the “Runner” well which is the source of the Gas Group’s gas. The gas that was tested at the Richardsville “drip tank” was entirely SKE gas. If there is insufficient odorization the problem likely lies with SKE. Gas Group will confer with SKE as to address this issue which is readily correctable.

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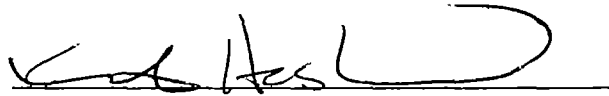
The report indicates that the odorization test was performed 10-17-17. Gas Group notes that the inspectors did not bring the necessary testing equipment on the 10<sup>th</sup>. Apparently, the test was performed on the 17<sup>th</sup>. Gas Group was not present for this.

6. At pg. 3 the Report continues with a section labeled “Gathering Line System Inspection” which contains 3 numerical paragraphs. Gas Group combines its response to numerical paragraphs 1 (meters no having automatic shut off in the event of a loss of pressure) and 3 (no record indicating that the PSC inspected the Farm Tap service lines). When the line was constructed in the early 90’s Gas Group met with the PSC concerning the service lines and meters. In attendance at the meeting was Basil Pollit, Owen Wilson and a PSC inspector (Pollitt cannot recollect the name). The inspection took place at 909 Pruitt Road (the premises of a Farm Tap customer). The meter Gas Group intended to use was approved. It did not have an automatic shut off valve. Pollitt notes that all appliances used by the Farm Tap customers have automatic shut off valves in the event of a loss of pressure. In addition to this the Farm Taps also have manual shut off valves. At any rate Pollitt remembers the inspection because the primary concern of the PSC was not the meter, which, as indicated, was approved. The concern was with the service line piping. Pollitt recollects that there was a high demand for the type of piping normally used which made it difficult to obtain. Piping known as “Quail Piping” however was available. The PSC inspector indicated a lack of familiarity with the product and wanted to test same as to insure that it met standards. Pollitt provided PSC “Quail Piping” for testing purposes. Pollitt verily believes a micrometer was used to confirm thickness and that the “Quail Piping” was otherwise determined safe and compliant. Thereafter PSC advised Pollitt that the “Quail Piping” was in fact suitable for use as a service line. Upon receiving the approvals the Farm Taps were installed.

7. Pg. 4 is titled “Areas of Concern” and contains two numerical paragraphs. The first relates to the absence of records indicating that the regulator contained at the service line is inspected, minimally, every 39 months. Gas Group begins by noting that it does not own this

regulator which is the property of the customer. Be that as it may Gas Group inspects the meters monthly in conjunction with meter readings. If a regulator is failing it vents gas. This alerts Gas Group that there is a problem at which point appropriate action is taken. Additionally, gas line pressure is monitored weekly as to insure that line pressure is within acceptable parameters. Moreover, whenever a meter is replaced the regulator is tested. The average life of a meter is approximately 5 years. In short, the “concern” at issue here is one primarily of record keeping. The substance of the “concern”, inspection of the service line regulator, is performed far in excess of the 39 month standard. The Gas Group will nonetheless inspect all service line regulators (disconnect meters and perform a physical test) within the next 90 days and will maintain a record of same. It will further maintain a record of the service line regulator test in conjunction with its monthly meter reading.

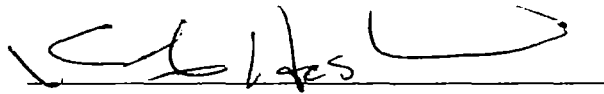
8. The final “concern” relates to Gas Group “determining” whether its line is an “onshore gathering line” or an “onshore regulated gathering line”. Utilizing the formula contained at 49 CFR 192 (8) (a) and 49 CFR 192 (5) Gas Group determines it is an “onshore gathering line”. That is to say the densities described in these regulations contraindicate classification as a “regulated” gathering line. This determination is consistent with Pollitt’s discussion with PSC inspectors on 10-10-17. That is to say the inspectors expressly opined that the population/building densities were inconsistent with a “regulated” onshore gathering line which further had the inspectors opining an absence of jurisdictional authority.



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#### CERTIFICATE OF SERVICE

It is hereby certified that an original and 10 copies of this Brief was sent via U.S. Mail to the Public Service Commission, P.O. Box 615, 211 Sower Blvd. Frankfort, KY 40602-0615 this 18<sup>th</sup> day of September, 2017. It is hereby further certified that a copy of this Response was mailed to the Office of Attorney General, c/o Kent Chandler/Rebecca Goodman/Justin McNeil, Assistant Attorney General, Office of Rate Intervention, 700 Capital Avenue, Suite 20, Frankfort, KY 40601 and Nancy Vinsel, Counsel for the PSC, 211 Sower Blvd. Frankfort, KY, 40601-0615 this 6<sup>th</sup> day of November, 2017.



COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
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IN RE:

BASIL C. POLLITT, INDIVIDUALLY  
D/B/A THE GAS GROUP, INC.  
A/K/A THE GAS GROUP.

**AFFIDAVIT OF BASIL POLLITT**


Comes the Affiant, Basil Pollitt, and having first been duly sworn states as follows:

1. Affiant has personal knowledge of the matters set forth herein.
2. Affiant has read the Response to Inspection Report and incorporates same as if fully set forth herein. Affiant confirms that the factual assertions contained in said Response are true and accurate to the best of his knowledge and belief.

  
Basil Pollitt

Commonwealth of Kentucky     )  
                                                           )  
County of Jefferson             )

Acknowledged, subscribed and sworn to before me by Basil Pollitt this 6<sup>th</sup> day of November, 2017.

  
Notary Public, State at Large  
12-12-20  
Commission Expiration