

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEREK ENGINEERING, INC. – ALLEGED )  
VIOLATION OF UNDERGROUND FACILITY ) CASE NO. 2019-00235  
DAMAGE PREVENTION ACT )

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on August 9, 2019 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on August 9, 2019 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on August 9, 2019.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/AU61HCfB9kc>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 22<sup>nd</sup> day of August 2019.

A handwritten signature in black ink that reads "Gwen R. Pinson". The signature is written in a cursive style with a large initial 'G' and a long horizontal stroke at the end.

---

Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky

David B Blandford  
Derek Engineering, Inc.  
734 W. Main St.  
Suite 200  
Louisville, KENTUCKY 40202

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DEREK ENGINEERING, INC. – ALLEGED	)	CASE NO.
VIOLATION OF UNDERGROUND FACILITY	)	2019-00235
DAMAGE PREVENTION ACT	)	

CERTIFICATION

I, KaBrenda L. Warfield, hereby certify that:

1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on August 9, 2019. Hearing Log, is included with the recording on August 9, 2019.
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of August 9, 2019.
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of August 9, 2019 and the time at which each occurred.

Signed this 19<sup>th</sup> day of August, 2019.



*KaBrenda L. Warfield*  
KaBrenda L. Warfield, CKP  
Paralegal Consultant

*Jacqueline Hartzell*  
Jacqueline Hartzell, Notary Public  
State at Large  
Commission Expires: July 25, 2022  
ID#: 605476



Date:	Type:	Location:	Department:
8/9/2019	Show Cause Hearing	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Michael Schmitt  
 Clerk: KaBrenda Warfield

Event Time	Log Event	
8:45:00 AM	Session Started	
8:45:01 AM	Session Paused	
9:03:35 AM	Chairman Schmitt Note: Warfield, KaBrenda	Chairman Schmitt stating preliminary remarks and introduction of Vice Chairman Cicero and Commissioner Mathews.
9:03:35 AM	Session Resumed	
9:04:39 AM	Chairman Schmitt Note: Warfield, KaBrenda	This proceeding is being video recorded which will be the official record in the case.
9:05:24 AM	Chairman Schmitt Note: Warfield, KaBrenda	This proceeding is also being broadcast live over the internet this morning. I'm not sure we will continue to do that but we have been broadcasting all hearings and most other things that occur in this room live.
9:05:24 AM	Chairman Schmitt Note: Warfield, KaBrenda	This proceeding is also being
9:05:45 AM	Chairman Schmitt Note: Warfield, KaBrenda	
9:06:41 AM	Chairman Schmitt Note: Warfield, KaBrenda	For anyone that may be watching today's hearings involve the hearing of evidence potentially in fourteen cases were the Investigative Division of the Public Service Commission has issued civil penalty assessments against individuals and business entities alleging violations of the Kentucky Underground Facility Damage Prevention Act.
9:07:01 AM	Chairman Schmitt Note: Warfield, KaBrenda	So this morning we have I think potentially fourteen cases on the Docket, but doubt from looking out into the hearing room that there are fourteen people or entities here.
9:07:43 AM	Chairman Schmitt Note: Warfield, KaBrenda	So I will call the Docket and then ask Mr. Park who is representing the Division of Inspections about the status of these cases whether anything has been done with respect to continuing any of the cases and specifically whether service of process has been perfected.
9:07:54 AM	2019-00155 - BURL RUSSELL Note: Warfield, KaBrenda	Once we get through that, if we have a formal hearing or anything to be held we can do that and get it out of the way.
9:08:31 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Park do you know anything about Mr. Russell?
9:08:41 AM	2019-00156 - KEITH GUTTERMAN Note: Warfield, KaBrenda	Mr. Russell is not here. We will call his name one more time before we are finished.
9:09:07 AM	Chairman Schmitt - Staff Atty Park PSC Note: Warfield, KaBrenda	Has Mr. Gutterman been served to your knowledge? That will be sustained.

9:09:10 AM Chairman Schmitt  
Note: Warfield, KaBrenda For the benefit of anyone here or anyone watching we made a determination that these hearings will be held on the fourth Friday of every month.

9:09:30 AM 2019-00158 - SCOTT EXCAVATING, INC.  
Note: Warfield, KaBrenda Has Scott Excavating, Inc. been served with process?

9:09:52 AM 2019-00159 - BRUCE HUBBARD  
Note: Warfield, KaBrenda Is there proof of service on Mr. Hubbard?

9:10:16 AM Chairman Schmitt - Staff Atty Park PSC  
Note: Warfield, KaBrenda That will be sustained.

9:10:25 AM 2019-00160 - JONATHAN HYLTON  
Note: Warfield, KaBrenda Mr. Park has service been achieved on Mr. Hylton?

9:10:49 AM Chairman Schmitt - Staff Atty Park PSC  
Note: Warfield, KaBrenda That will be sustained.

9:10:51 AM 2019-00161 - LONNIE WILLIAMS AND SON EXCAVATING, LLC  
Note: Warfield, KaBrenda Has service been profected on Lonnie Williams and Son Excavating, LLC?

9:11:16 AM Chairman Schmitt - Staff Atty Park PSC  
Note: Warfield, KaBrenda Sustained.

9:11:18 AM 2019-00162 - PREMIER UNDERGROUND, LLC  
Note: Warfield, KaBrenda Mr. Park what is the status of service of process for Premier Underground, LLC?

9:12:02 AM Chairman Schmitt - Staff Atty Park PSC  
Note: Warfield, KaBrenda Thank you.

9:12:05 AM 2019-00163 - GEORGE TAPP EXCAVATION  
Note: Warfield, KaBrenda Mr. Park what is the status of Mr. Tapp in terms of service?

9:13:02 AM Chairman Schmitt - Staff Atty Park PSC  
Note: Warfield, KaBrenda Thank you.

9:13:04 AM 2019-00164 - PRECISION FLOORING & CARPENTRY, LLC  
Note: Warfield, KaBrenda Mr. Park what is the status of Percision Flooring & Carpentry, LLC?

9:13:30 AM Chairman Schmitt - Staff Atty Park PSC  
Note: Warfield, KaBrenda Sustained.

9:13:31 AM 2019-00166 - LINEMAN FARMS, LLC  
Note: Warfield, KaBrenda Mr. Park what is the status of Lineman Farms, LLC?

9:14:00 AM Chairman Schmitt - Staff Atty Park PSC  
Note: Warfield, KaBrenda Sustained.

9:14:02 AM 2019-00167 - HAYDEN CONSTRUCTION CO., INC.  
Note: Warfield, KaBrenda Mr. Park?

9:14:18 AM Chairman Schmitt  
Note: Warfield, KaBrenda Okay.

9:14:20 AM 2019-00168 - PRODIGY CONSTRUCTION CORPORATION, INC.  
Note: Warfield, KaBrenda Yes sir, okay.

9:14:40 AM 2019-00235 - DEREK ENGINEERING, INC.  
Note: Warfield, KaBrenda Okay. Thank you.

9:14:54 AM 2019-00236 - MARCUS HENSLEY  
Note: Warfield, KaBrenda You're Mr. Hensley. Thank you.

9:15:04 AM Chairman Schmitt  
Note: Warfield, KaBrenda Alright. I guess Mr. Russell, Scott Excavation, Premier Underground, LLC, Mr. Tapp, and Hayden Construction are all before the Commission, but have not appeared at least today. So what we will do is pass those cases until the end. And if they appear we'll proceed and give them the opportunity to participate.

9:15:44 AM	Chairman Schmitt Note: Warfield, KaBrenda	And if not. Mr. Park I'll ask you to go ahead and put on the evidence on behalf of the investigation division.
9:16:08 AM	Chairman Schmitt - witness Hensley Note: Warfield, KaBrenda	Let me ask first. Mr. Hensley are you here by yourself? And you are not represented by counsel?
9:16:14 AM	Chairman Schmitt - witness Hensley Note: Warfield, KaBrenda	And you don't have any witnesses other than yourself? Correct?
9:16:19 AM	Chairman Schmitt - witness Mattingly Note: Warfield, KaBrenda	And Proodigy Construction will you identify yourself for the record please?
9:16:30 AM	Chairman Schmitt - witness Mattingly Note: Warfield, KaBrenda	Are you here by yourself?
9:16:33 AM	Chairman Schmitt - witness Mattingly Note: Warfield, KaBrenda	Are you an owner of Prodigy?
9:16:37 AM	Chairman Schmitt - witness Mattingly Note: Warfield, KaBrenda	That's another issue. Wheter or not you are required to have a attorney.
9:16:48 AM	Chairman Schmitt - Atty Blandford Note: Warfield, KaBrenda	Derek Engineering But then Derek Engineering, Inc. Mr. Blandford correct?
9:17:00 AM	Chairman Schmitt - Atty Blandford Note: Warfield, KaBrenda	Derek Engineering So you're here and you have a witness? Correct?
9:17:03 AM	Chairman Schmitt - Atty Blandford Note: Warfield, KaBrenda	Derek Engineering Because of that I will probably let you go first. Or let Mr. Park put on his case first and you'll have a chance to cross examine and then put on your witness. Unless there is something else you would like to bring to the attention of the Commission before we start?
9:17:58 AM	Chairman Schmitt - Atty Blandford Note: Warfield, KaBrenda	Derek Engineering Alright that's fine.
9:18:01 AM	Chairman Schmitt - Atty Blandford Note: Warfield, KaBrenda	Derek Engineering We have tried to avoid any communication between inspections and the Commission because of the way that we are divided.
9:18:22 AM	Chairman Schmitt - Atty Blandford Note: Warfield, KaBrenda	Derek Engineering Are you satisfied at this time that you have sufficient information?
9:18:56 AM	Chairman Schmitt Note: Warfield, KaBrenda	Alright. Thank you.
9:18:57 AM	Chairman Schmitt Note: Warfield, KaBrenda	That being the case why don't we take a five minute break and let Mr. Blandford come up front here and get situated with his client. And then we will begin and follow up with Mr. Hensley, and then Prodigy Construction.
9:19:17 AM	Chairman Schmitt Note: Warfield, KaBrenda	So we are going off the record here for five minutes. Until say twenty five minutes after nine am.
9:19:26 AM	Session Paused	
9:24:05 AM	Session Ended	

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CERTIFICATION

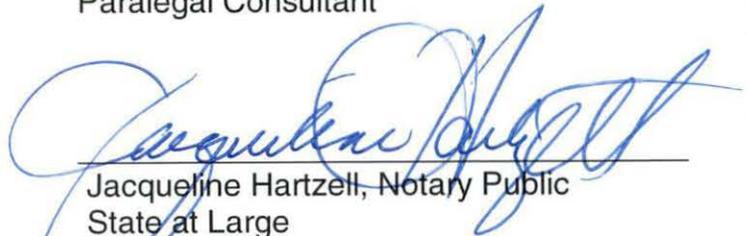
I, KaBrenda L. Warfield, hereby certify that:

1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on August 09, 2019. Hearing Log, Exhibit List, Exhibits, and Witness List are included with the recording on August 09, 2019.
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of August 09, 2019.
4. The Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of August 09, 2019 and the time at which each occurred.

Signed this 22<sup>nd</sup> day of August, 2019.

  
KaBrenda L. Warfield, CKP  
Paralegal Consultant



  
Jacqueline Hartzell, Notary Public  
State at Large  
Commission Expires: July 25, 2022  
ID#: 605476



## Session Report - Detail

2019-00235 09AUG2019

Derek Engineering, Inc.

Date:	Type:	Location:	Department:
8/9/2019	Show Cause Hearing	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Russell Gates; John Gowins  
 Judge: Michael Schmitt  
 Clerk: KaBrenda Warfield

Event Time	Log Event	
9:25:35 AM	Session Started	
9:25:36 AM	Chairman Schmitt Note: Warfield, KaBrenda	We are now back on the record. We will now begin a hearing in Case No. 2019-00235 Derek Engineering, Inc. alleged violations of the underground facility damage prevention act and those allegations are a violation of KRS 367.4911(1)(a) Each excavator, or person responsible for an excavation, planning excavation or demolition work shall, not less than two (2) full working days nor more than ten (10) full working days prior to commencing work, notify each affected operator of the excavator's intended work and work schedule. Contacting the applicable protection notification centers shall satisfy this requirement. And then I think the second alleged violation is KRS 367.367.4911(10) When excavation or demolition is necessary within the approximate location of the underground facility, the excavator shall hand-dig or use nonintrusive means to avoid damage to the underground facility.
9:26:52 AM	Chairman Schmitt Note: Warfield, KaBrenda	As I understand it Mr. Park that is the limit of the allegations there are no more alleged violations of the act?
9:27:05 AM	Chairman Schmitt Note: Warfield, KaBrenda	Is that correct Mr. Blandford?
9:27:10 AM	Chairman Schmitt Note: Warfield, KaBrenda	For the record then Mr. Park would you please identify yourself your client and those with you here for the purposes of the reord then I'll ask Mr. Blandford to do the same?
9:27:36 AM	Chairman Schmitt Note: Warfield, KaBrenda	How many witnesses do you expect to have Mr. Park?
9:27:37 AM	New Event Note: Warfield, KaBrenda	How many witnesses do you expect to have?
9:27:49 AM	Chairman Schmitt Note: Warfield, KaBrenda	Who will they be?
9:28:19 AM	Chairman Schmitt Note: Warfield, KaBrenda	So far as this case is concerned you have one witness Mr. Gowins is that correct?
9:28:25 AM	Chairman Schmitt Note: Warfield, KaBrenda	At this time Mr. Blandford would you please identify yourself for the record along with your client and your witness?
9:28:49 AM	Chairman Schmitt Note: Warfield, KaBrenda	So this is the first group of hearings that we've had involving the so called dig law. [Click on the link for Chairman Schmitt's remarks.]
9:29:51 AM	Chairman Schmitt Note: Warfield, KaBrenda	I just wanted to let you know how we'll go because I think this will go very short I don't think that it will take very long. Okay Mr. Park call your witness.

9:30:07 AM	Atty Blandford Derek Engineering Note: Warfield, KaBrenda	Mr. Chair and Mr. Park in order to confirm the conversations that we've had we are willing to stipulate to the accuracy of the incident report.
9:30:21 AM	Chairman Schmitt Note: Warfield, KaBrenda	What can we stipulate?
9:31:00 AM	Chairman Schmitt Note: Warfield, KaBrenda	Let me ask this then and then maybe we can save some time and some testimony. Would you explain Mr. Blandford exactly what happened? [Click on link for Chairman Schmitt's remarks.]
9:31:08 AM	Chairman Schmitt Note: Warfield, KaBrenda	Would you explain Mr. Blandford what happened?
9:31:40 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	But because of incimate weather Derek could not get to the site with in the time period allotted?
9:31:49 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	When they went back and started to work the markers were still in place and there had been no change? Is that correct?
9:32:07 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	And so there was no subsequent notification to come out and mark the line again which would have been required by the statute?
9:32:51 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	Okay so, then when Derek Engineering goes out and they are working within the marked area correct?
9:33:08 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	And what happened?
9:33:51 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	So the second line that was contacted and presumably damage correct? It was damaged?
9:34:03 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	Was within the marked boundary is that true?
9:34:09 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	But the assumption was that since you found one line you had no reason to believe that there would have been a second line with in the same marked boundary?
9:34:24 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	That's your position?
9:34:42 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	Alright so is it accurate to say that the questions that I have asked you and the answers you have given basically are correct and that the Commission can rely on those facts as having been admitted or established without presenting Mr. Gowins as a witness?
9:35:07 AM	Chairman Schmitt - Atty Blandford Derek Engineering Note: Warfield, KaBrenda	So what your position really is, is one of mitigation of damages or mitigation of the civil penalty? Correct?
9:35:14 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Park what's your position?
9:35:56 AM	Chairman Schmitt - Staff Atty Park PSC Note: Warfield, KaBrenda	Did they hit the service line?
9:36:10 AM	Chairman Schmitt Note: Warfield, KaBrenda	Well I haven't seen a diagram or any pictures. I just assumed that the markings set out the zone within which the gas line that LG&E knew about was in a certain area.

9:36:29 AM	Chairman Schmitt - Staff Atty Park PSC Note: Warfield, KaBrenda	But what you are saying is, is that the contact with the LG&E line was or was not with in the marked area?
9:36:44 AM	Chairman Schmitt - Staff Atty Park PSC Note: Warfield, KaBrenda	I think that Mr. Blandford has conceded that. Derek has conceded that. They just say that they didn't believe that there was a second gas line there because they didn't know one gas line from another? Right?
9:37:00 AM	Atty Blandford Derek & Staff Atty Park PSC Note: Warfield, KaBrenda	Discussing photographs they want to introduce as exhibits.
9:37:49 AM	Chairman Schmitt Note: Warfield, KaBrenda	We may need some testimony obviously from Derek's representative to explain.
9:37:55 AM	Chairman Schmitt - Staff Atty Park PSC Note: Warfield, KaBrenda	I guess the question I have is, is there any need Mr. Park for Mr. Gowins to testify?
9:38:18 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	Swearing in of the witness.
9:38:28 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Park you may ask.
9:38:30 AM	Staff Atty Park PSC - witness Gowins Note: Warfield, KaBrenda	Direct Examination.
9:41:00 AM	Staff Atty Park PSC - witness Gowins Note: Warfield, KaBrenda	At this point your honour I would like to approach?
9:41:05 AM	Staff Atty Park PSC - witness Gowins Note: Warfield, KaBrenda	Staff would like to move for admission of this document as PSC Exhibit number one.
9:41:52 AM	Chairman Schmitt Note: Warfield, KaBrenda	Well this is PSC Exhibit one then.
9:41:58 AM	Chairman Schmitt Note: Warfield, KaBrenda	Any objection Mr. Blandford to the photograph?
9:42:03 AM	Chairman Schmitt Note: Warfield, KaBrenda	Okay. Thank you.
9:42:05 AM	PSC EXHIBIT 01 Note: Warfield, KaBrenda	Photograph provided by LG&E that was taken after the locate company located the gas line but prior to excavation.
	Note: Warfield, KaBrenda	Staff Atty Park PSC - witness Gowins
9:42:44 AM	Staff Atty Park PSC - witness Gowins Note: Warfield, KaBrenda	Your honour may I approach?
9:42:48 AM	Staff Atty Park PSC Note: Warfield, KaBrenda	Staff moves to admit this document as PSC Exhibit number two.
9:43:22 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Blandford do you have any objections?
9:43:26 AM	Chairman Schmitt Note: Warfield, KaBrenda	Then let it be admitted as PSC Exhibit two.
9:43:28 AM	PSC EXHIBIT 02 Note: Warfield, KaBrenda	Staff Atty Park PSC - witness Gowins
	Note: Warfield, KaBrenda	Photograph of excavation and damage of service line with yellow marks that were done after the damage to identify the private line.
9:44:28 AM	Staff Atty Park PSC - witness Gowins Note: Warfield, KaBrenda	Your honour may I approach?
9:44:35 AM	Chairman Schmitt Note: Warfield, KaBrenda	Will this be exhibit three?

9:44:57 AM	Staff Atty Park PSC Note: Warfield, KaBrenda	Staff moves to admit this document as PSC Exhibit three.
9:45:00 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Blandford?
9:45:03 AM	Chairman Schmitt Note: Warfield, KaBrenda	Let it be admitted as exhibit three.
9:45:04 AM	PSC EXHIBIT 03 Note: Warfield, KaBrenda	A photograph of the excavation and the damage taken from a different perspective.
9:46:07 AM	Staff Atty Park PSC - witness Gowins Note: Warfield, KaBrenda	Staff Atty Park PSC - witness Gowins I have no further questions.
9:46:09 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Blandford Cross Examination.
9:46:17 AM	Atty Blandford Derek Engineering - witness Gowins Note: Warfield, KaBrenda	Cross Examination.
9:47:20 AM	Atty Blandford Derek Engineering - witness Gowins Note: Warfield, KaBrenda	Thank you. Nothing further Mr. Chair.
9:47:23 AM	Chairman Schmitt Note: Warfield, KaBrenda	I have a couple of questions.
9:47:25 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	How many lines were actually marked?
9:47:51 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	That was the line that was marked by LG&E?
9:47:56 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	As I understand it what the allegation is, is that moving from left to right on PSC Exhibit one Derek was moving from left to right and encountered a private gas line some where before the dotted marked line. Is that correct?
9:48:32 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	And at that point they were hand digging and that was as it should of been. Correct?
9:48:43 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	But after they got past the first gas line the private gas line they went to mechanical digging and damaged the LG&E line. Is that correct?
9:49:01 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	And the LG&E line is the line that is shown in PSC Exhibit three beside the damage marker and the line is bent. Correct?
9:49:17 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	It is also shown on PSC Exhibit two as the more exposed line of the two gas lines. Correct?
9:49:30 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	In so far as Derek Engineering is concerned, is this the first alleged violation of the act that Derek has been involved in?
9:50:07 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	What happened with the other two?
9:50:07 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	This is the third.
9:50:29 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	So what is the maximum civil penalty that Derek would be exposed to as a result of this alleged violation?
9:50:48 AM	Chairman Schmitt - witness Gowins Note: Warfield, KaBrenda	I have no further questions.

9:50:51 AM Chairman Schmitt  
Note: Warfield, KaBrenda Mr. Park do you have anything?

9:50:58 AM Chairman Schmitt  
Note: Warfield, KaBrenda Mr. Blandford any questions?

9:51:01 AM Atty Blandford Derek Engineering - witness Gowins  
Note: Warfield, KaBrenda Recross Examination.

9:51:32 AM Atty Blandford Derek Engineering - witness Gowins  
Note: Warfield, KaBrenda Thank you.

9:51:39 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda Have you ever seen a damage marker?

9:51:51 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda How tall are they?

9:51:58 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda Where is the bottom, I see the top?

9:52:06 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda 36 inches?

9:52:16 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda I was just wondering because we are talking about distance and we see the damage marker and it looks to me like the distance between the two pipes is at least a couple times longer than the damage marker is tall.

9:52:35 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda I have nothing further. Anything else Mr. Blandford?

9:52:38 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda Mr. Park?

9:52:39 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda May this witness be excused or step down for the time being?

9:52:43 AM Chairman Schmitt - witness Gowins  
Note: Warfield, KaBrenda You may step down Mr. Gowins. Any other witnesses Mr. Park?

9:52:48 AM Chairman Schmitt  
Note: Warfield, KaBrenda Okay Mr. Blandford would you like to call your witness?

9:52:52 AM Chairman Schmitt  
Note: Warfield, KaBrenda Mr. Gates.

9:52:53 AM Chairman Schmitt - witness Gates  
Note: Warfield, KaBrenda Swearing the witness in.

9:53:08 AM Chairman Schmitt  
Note: Warfield, KaBrenda Mr. Blandford.

9:53:09 AM Atty Blandford Derek Engineering - witness Gates  
Note: Warfield, KaBrenda Direct Examination.

9:59:40 AM Atty Blandford Derek Engineering - witness Gates  
Note: Warfield, KaBrenda That's all the questions I have Mr. Park may have him.

9:59:44 AM Chairman Schmitt  
Note: Warfield, KaBrenda I would like to ask one question before Mr. Park.

9:59:47 AM Chairman Schmitt - witness Gates  
Note: Warfield, KaBrenda You indicated that Derek had compensated LG&E for damage to the line. Can you tell me about how much that was?

10:00:06 AM Atty Blandford Derek Engineering  
Note: Warfield, KaBrenda We do have that and can submit it.

10:00:08 AM Chairman Schmitt  
Note: Warfield, KaBrenda Well go ahead and file that. At least to me that makes a difference.

10:00:13 AM Atty Blandford Derek Engineering  
Note: Warfield, KaBrenda Looking for LG&E invocie.

10:00:32 AM	Chairman Schmitt Note: Warfield, KaBrenda	We can get someone to make a copy real quick and then get yours back to you.
10:00:36 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Park is there some body here that can make a copy?
10:00:47 AM	Atty Blandford Derek Engineering Note: Warfield, KaBrenda	Still looking for LG&E invocie.
10:01:04 AM	Atty Blandford Derek Engineering - witness Gates Note: Warfield, KaBrenda	I am going to give you your file so you can find it.
10:01:08 AM	Witness Gates Note: Warfield, KaBrenda	Looking for LG&E invocie.
10:01:24 AM	Witness Gates Note: Warfield, KaBrenda	That is a copy.
10:01:28 AM	Chairman Schmitt Note: Warfield, KaBrenda	Can somebody take possession of that and run and make a copy quickly and come back with it.
10:01:50 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Park. One other question I was going to ask.
10:01:51 AM	Chairman Schmitt - witness Gates Note: Warfield, KaBrenda	What were you doing?
10:02:11 AM	Chairman Schmitt - witness Gates Note: Warfield, KaBrenda	Okay thank you. Mr. Park.
10:02:13 AM	Staff Atty Park PSC - witness Gates Note: Warfield, KaBrenda	Cross Examination.
10:03:20 AM	Staff Atty Park PSC - witness Gates Note: Warfield, KaBrenda	No further questions.
10:03:25 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Blandford anything further?
10:03:31 AM	Witness Gates Note: Warfield, KaBrenda	I've seen these lines outside of the 18 inch variance before [click on link for remarks.]
10:03:45 AM	Staff Atty Park PSC Note: Warfield, KaBrenda	In the case of mislocated or mismarked?
10:04:03 AM	Staff Atty Park PSC - witness Gates Note: Warfield, KaBrenda	I have one further question. Are you familiar with the hit kit?
10:04:18 AM	Atty Blandford Derek Engineering Note: Warfield, KaBrenda	Is that the damage that you are talking about?
10:04:22 AM	Staff Atty Park PSC Note: Warfield, KaBrenda	Staff was able to locate a damage marker.
10:04:28 AM	Chairman Schmitt Note: Warfield, KaBrenda	Is that the hit kit?
10:04:34 AM	Witness Gates Note: Warfield, KaBrenda	I believe that it was purposely built to be 18 inches tall.
10:04:42 AM	Chairman Schmitt Note: Warfield, KaBrenda	It looks to be about ugh.
10:04:56 AM	Chairman Schmitt Note: Warfield, KaBrenda	Yea it's 18, 20 inches or something like that.
10:05:00 AM	Witness Gates Note: Warfield, KaBrenda	They use that so they don't have to pull a tape measure out to see if you were within the _ exactly.
10:05:07 AM	Staff Atty Park PSC - witness Gates Note: Warfield, KaBrenda	Staff has no further questions.
10:05:12 AM	Atty Blandford Derek Engineering Note: Warfield, KaBrenda	I have nothing further your honour.

10:05:14 AM	Chairman Schmitt - witness Gates Note: Warfield, KaBrenda	May this witness be excused?
10:05:16 AM	Chairman Schmitt Note: Warfield, KaBrenda	You may step down sir. Thank you.
10:05:18 AM	Chairman Schmitt Note: Warfield, KaBrenda	Okay we are still waiting on the exhibit right? We'll file that into the record when it comes in.
10:05:27 AM	Chairman Schmitt Note: Warfield, KaBrenda	Mr. Park at this time do you have anything to say about the Division of Inspections position? And then I'll ask Mr. Blandford what his position is.
10:06:07 AM	Staff Atty Park PSC Note: Warfield, KaBrenda	Staff's Position.
10:06:34 AM	Staff Atty Park PSC Note: Warfield, KaBrenda	And your honour we do have copies now.
10:06:41 AM	DEREK EXHIBIT 01 Note: Warfield, KaBrenda	LG&E INVOICE & FEBRUARY 21, 2019 LETTER TO DEREK ENGINEERING FROM CLAIM ADJUSTER
10:07:19 AM	Atty Blandford Derek Engineering Note: Warfield, KaBrenda	ATTY BLANDFORD DEREK ENGINEERING - WITNESS GATES  Mr. Chair what we have presented is Derek Exhibit number one which is an invoice from LG&E to Derek Engineering dated March 23, 2019 for \$2,157.49 with a notation that it was paid on or about March 19, 2019.
10:07:47 AM	Chairman Schmitt Note: Warfield, KaBrenda	Actually there are two pages the other page is the February 21, 2019 letter to Derek Engineering from claim adjuster.
10:08:00 AM	Chairman Schmitt Note: Warfield, KaBrenda	We can just staple these together and make the two pages collectively Derek Exhibit 01.
10:08:07 AM	Chairman Schmitt Note: Warfield, KaBrenda	Alright Mr. Blandford. What is Derek's position?
10:08:18 AM	Atty Blandford Derek Engineering Note: Warfield, KaBrenda	Derek's Position.
10:08:40 AM	Chairman Schmitt Note: Warfield, KaBrenda	If they would have made the second call, would there have been any difference?
10:09:18 AM	Staff Attorney Park PSC Note: Warfield, KaBrenda	Your honour Staff does note one more point.
10:09:20 AM	Atty Park Note: Warfield, KaBrenda	Staff has one more point
10:09:37 AM	Chairman Schmitt Note: Warfield, KaBrenda	Thank you very much gentlemen. Hopefully we will have something out to you by the end of next week.
10:09:53 AM	Chairman Note: Warfield, KaBrenda	If there is nothing further then this hearing is adjourned. Thank you very much.
10:10:02 AM	Session Ended	



## Exhibit List Report

2019-00235 09AUG2019

Derek Engineering, Inc.

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<b>Name:</b>	<b>Description:</b>
DEREK Exhibit 01	LG&E Invoice & February 21, 2019 letter to Derek Engineering from claim adjuster.
PSC Exhibit 01	Photograph provided by LG&E that was taken after the locate company located the gas line prior to excavation.
PSC Exhibit 02	Photograph of excavation and damage of service line with yellow marks that were done after the damage to identify the private line.
PSC Exhibit 03	A photograph of the excavation and the damage taken from a different perspective.



Ticket: 1901161202.00 Timestamp: 1/18/2019 9:21:20 AM

2251713.43905643

PSC EXHIBIT 01







Invoice  
 Louisville Gas and Electric Company  
 820 West Broadway  
 Louisville, KY 40202  
 Attn: Remittance and Collection  
 800-928-1340

INVOICE DATE: 02/21/2019

1215210

REFERENCE NO.: OTPD419  
 DTS INVOICE NO.: 2019021808

AMOUNT DUE: \$2,157.49  
 DUE DATE: 03/23/2019

DEREK ENGINEERING  
 2800 CONSTANT COMET PLACE  
 LOUISVILLE KY 40299

PLEASE RETURN TOP PORTION WITH YOUR PAYMENT  
 PLEASE INCLUDE INVOICE NUMBER ON ALL REMITTANCES

COST TO REPAIR: Damaged Customer Gas Service  
 DAMAGE DATE: 02/15/2019  
 DAMAGE LOCATION: 721 Gagel Ave  
 Louisville, KY 40216

201825.01  
 15-020

LABOR HOURS: 32.00

LABOR COST:

\$1,900.75

MATERIAL COST:

\$33.38

TRANSPORTATION/EQUIPMENT COST:

\$223.36

CONTRACTOR COST:

\$0.00

OTHER DAMAGE COSTS:

\$0.00

MAR 19 2019  
 ck # 17231

MAR 01 2019

TOTAL DUE: \$2,157.49

Louisville Gas and Electric Company · Remittance and Collection · 820 West Broadway · Louisville, KY 40202

*DEREK*



Received  
FEB 25 2019  
Derek Engineering, Inc.

February 21, 2019

Derek Engineering  
2800 Constant Comet Place  
Louisville, KY 40299

Re: LG&E Damages to Customer Gas Service  
Date & Location: 2019, Feb 15 / 721 Gagel Ave / Louisville, KY  
Claim #: GC20191144140  
Invoice #: 2019021808

Dear Sir or Madam,

We are the third party administrator responsible for handling the General Liability and recoveries for Louisville Gas & Electric (LG&E). Our investigation has found that our facilities were damaged by you while you were at the above location.

LG&E has repaired, or performed work to allow the repair of this damage. Attached is the invoice for the costs of repair. We ask that you please remit payment within **60 days**. Please make check payable to Louisville Gas & Electric in accordance with the invoice. In the enclosed envelope, you may forward your payment to:

**LG&E**  
**Attn: Cash Remittance**  
**820 West Broadway**  
**Louisville, KY 40202**

If you are insured against losses such as this, it may simplify matters if you request your insurance agent or company to contact me directly at (502)489-6232 direct M-F, 8 am till 4:30 pm EST.

Sincerely,

Stephanie Newton  
Claims Adjuster / Subrogation Specialist  
US&C

CC:

A Full Service Insurance Agency

1700 Eastpoint Parkway • P.O. Box 23640 • Louisville, KY 40223 • Phone: (502) 244-1343 • Fax: (502) 489-6430

Insurance • Bonds • Third Party Administration

David B Blandford  
Derek Engineering, Inc.  
734 W. Main St.  
Suite 200  
Louisville, KENTUCKY 40202