

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RED LINE INDUSTRIAL CONSTRUCTION LLC	)	
	)	
_____	)	CASE NO.
	)	2022-00073
ALLEGED VIOLATION OF UNDERGROUND	)	
FACILITY DAMAGE PREVENTION ACT	)	

OPENING ORDER

Red Line Industrial Construction LLC (Red Line) has been named as a party to an investigation before the Kentucky Public Service Commission (Commission) for allegedly violating the Kentucky Underground Facility Damage Prevention Act (Act).<sup>1</sup>

Pursuant to KRS 278.495(2), the Commission has jurisdiction to regulate the safety of natural gas facilities in Kentucky and to enforce minimum federal pipeline safety standards. Under the Act, the Commission has authority to investigate and assess civil penalties for any violation of the Act that results in excavation damage to an underground facility used to transport natural gas or hazardous liquid subject to federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.* Any person who violates any provision of the Act is subject to assessment of a civil penalty in the amount of \$250 for the first offense, no more than \$1,000 for the second offense within one year, and no more than \$3,000 for the third and any subsequent offense. Additionally, any person whose violation of the Act results in damage to an underground facility containing any flammable, toxic, corrosive,

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<sup>1</sup> KRS 367.4901 through KRS 367.4917.

or hazardous material or results in the release of any flammable, toxic, corrosive, or hazardous material is subject to an additional penalty of up to \$1,000.

Following receipt of a report of excavation damage to its underground gas pipeline from an operator, Commission Staff (Staff) conducted an investigation and prepared an Incident Report, a copy of which is attached to this Order as an Appendix. In its Incident Report, Staff cites Red Line for violation of the following provision of the Act:

KRS 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.

Based on its review of the Incident Report and being otherwise sufficiently advised, the Commission finds prima facie evidence that Red Line violated the Underground Facility Damage Prevention Act. The Commission further finds that a formal investigation into the excavation damage incident should be conducted.

IT IS THEREFORE ORDERED that:

1. Red Line shall submit to the Commission, via email sent to [PSCED@ky.gov](mailto:PSCED@ky.gov) with the case number of this proceeding in the subject line of the message, a written response to the allegations contained in the Staff Incident Report within 20 days of receipt of this Order.

2. **Any partnership, corporation, or business entity (including a limited liability company) must be represented by an attorney licensed to practice law in Kentucky, and such representation includes the filing of papers with and appearances at hearings before the Commission.**

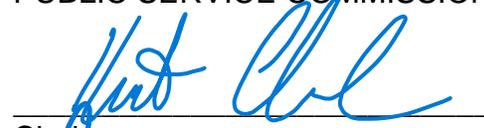
3. An individual may submit a response to the allegations contained in the Staff Incident Report without the representation of an attorney.

4. The Staff Incident Report 42976 in the Appendix to this Order is made a part of the record in this case.

5. **Please note that notice of a hearing to be held in this matter will be mailed to Red Line once proof of service is received by the Commission. Parties who fail to appear after service will be subject to entry of a default judgment against them.**

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PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Commissioner

ENTERED  
MAR 24 2022 rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2022-00073 DATED MAR 24 2022

27 PAGES TO FOLLOW

# PIPELINE DAMAGE INVESTIGATION REPORT

## Investigation Information

<b>KY PSC Investigator(s)</b> John E. Gowins	<b>Incident ID</b> 42976
<b>Incident Date</b> 9/5/2020 7:45:00 AM	<b>Report Submitted</b> 9/29/2020 12:00:00 AM

## OPERATOR INFORMATION

<b>Operator</b> Atmos Energy Corporation	<b>Reported By</b> Anthony Stallins
<b>Phone</b> (270) 779-4849	<b>Email</b> anthony.stallins@atmosenergy.
<b>Incident Location</b> 3629 EDNA CT UNIT 42927, OWENSBORO 3629 Edna Ct Unit 42927 Owensboro, KY 42301	<b>Locate Ticket Number</b> 2008310773
Davies	

## EXCAVATOR INFORMATION

<b>Name of Excavator</b> Sidney, Leon	<b>Organization ID</b> 612774
<b>Phone</b> 951-972-0386	<b>Email</b> leon.sidney86@gmail.com
<b>Excavator Address</b> Red Line Construction Industrial LLC 405 W Cedar St Hinton, IA 51024	<b>Locate Ticket Number</b>

## INCIDENT

### Locate Ticket Summary

Ticket #	Valid	Initial Date	Expiration Date (21 calendar days from Initial date )	Incident Date	# of Days Expired	Within Scope of Excavation
2008310773	Yes	8/31/20	9/20/20	9/5/20	N/A	Yes

Excavation Within 18" (Approximate Location)	Gas Or Hazardous Liquids		Type Of Equipment Used	Cost of Damage	Amount Billed
	Contained	Released			
Yes	Yes	Yes	Mechanized	\$824.00	\$824.00

**# of Offences**  
(Including this incident)

<b>Excavator</b>	<b>Last Offence Incident #</b>	<b>Last Offence Incident Date</b>	<b>Revert to 1<sup>st</sup> Offence Date</b> (Last Offence Date +365 Days)
1 <sup>st</sup>	N/A	N/A	N/A

The operator reports that Red Line Construction Industrial, installing a fence at 3629 Edna Ct, cut a 3/4" PE service with an auger attachment on an excavator. Red Line had a locate ticket and the line was correctly marked. Contractor would not hand expose the line prior to digging. This damage was due to Red Line Industrial Construction using mechanized equipment inside the 18" approximate location (tolerance zone).

**INVESTIGATION**

July 29, 2021

- Called 951.972.0386, spoke Leon Sidney, he acknowledged responsibility for the violation and agreed to the reduced penalty and remedial measure. The company address has changed to 401 5<sup>th</sup> Street, Merrill IA, 51038.

**VIOLATION**

KRS 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.

# Gas Excavation Damage Report

## Atmos Energy Corporation

Submitted 9/29/2020 Incident ID: 42976

[Set back to Edit](#)[Staff Edit](#)[Print \(PDFForm.aspx?Rpt=GasInvestigation&IG=42976\)](#)

### Reported By:

**Name:** Anthony Stallins  
**Phone:** (270) 779-4849  
**Email:** anthony.stallins@atmosenergy.com

### Gas Line Incident Occured:

**Date:** 9/5/2020  
**Time:** 7:45 AM

### Details:

**Reported Date:** 9/8/2020 3:42 PM

### Incident Location Address:

**Location:** 3629 EDNA CT UNIT 42927, OWENSBORO  
**Address:** 3629 Edna Ct Unit 42927  
**City:** Owensboro  
**State:** KY  
**County:** Daviess  
**Zip:** 42301  
**Confirm Code:** S

**Number of Customers out:** 1

**Was gas or hazardous liquids contained in the underground facility?**

**Was gas or hazardous liquids released into the atmosphere?**  \*

3/2020

**Locate Request Ticket No.:** 2008310773

**Excavator:** Contractor

### Excavator Address:

**First Name:** Leon  
**Last Name:** Sidney  
**Organization ID:**  
**Company:** Red Line Industrial Construction  
**Phone:** 951-972-0386  
**Email:** leon.sidney86@gmail.com

**Address:** 405 W Cedar St  
**City:** Hinton  
**State:** IA  
**Zip:** 51024  
**Confirm Code:** Y  
**Excavation Damage:** Failure to use hand tools where required

**Description of Incident** Cut 3/4" PE service line. Locate Ticket. One customer off. No injuries.

### Summary Information

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9/29/2020

**Full details such as the cause** Red Line Industrial Construction, installing a fence at 3629 Edna Ct, cut a 3/4" PE service with an auger attachment on an excavator. Red Line had a locate ticket and the line was correctly marked. Contractor would not hand expose the line prior to digging. This damage was due to Red Line Industrial Construction using mechanized equipment inside the 18" approximate location (tolerance zone). Atmos' First Responder Zac Ferrell, after the damage was repaired, would explain to the contractor the 18" approximate location (tolerance zone) portion of the KY Dig Law and the need to always hand expose before excavating inside the 18".

**Extent of the damage** The damage service was repaired and service restored to the one affected customer.

**Cost of the damage** \$824.00

**Steps taken to prevent re-occurrence** Red Line Industrial Construction made aware of the need to use non-mechanized equipment inside the 18" approximate location (tolerance zone).

**Amount billed to excavator** \$824.00

## NORMAL NOTICE

Ticket : 2008310773 Date: 08/31/2020 Time: 10:09 Oper: MRYAN Chan:000

State: KY Cnty: DAVIESS City: OWENSBORO  
Subdivision:

Address : 3629  
Street : EDNA CT  
Cross 1 : OBRYAN BLVD  
Location: LOCATE THE ENTIRE PROPERTY  
:  
Boundary: n 37.737029 s 37.734133 w -87.150484 e -87.147612

Work type : INSTALLIN A FENCE  
Done for : LEON SIDNEY  
Start date: 09/02/2020 Time: 10:30 Hours notice: 48/48 Priority: NORM  
Ug/Oh/Both: U Blasting: NO Emergency: N  
Duration : N/A Depth: 4 FEET

Company : RED LINE INDUSTRIAL CONSTRUCTION Type: CONT  
Co addr : 405 W CEDAR ST  
City : HINTON State: IA Zip: 51024  
Caller : LEON SIDNEY Phone: (951)972-0386  
Contact : LEON SIDNEY - CELL Phone:  
Mobile : (951)972-0386  
Email : LEON.SIDNEY86@GMAIL.COM

Submitted date: 08/31/2020 Time: 10:09  
Members: 0038 0132 0139 0315 0372 0438

\* Responses are current as of 07/29/2021 09:31 AM

<u>Service Area</u>	<u>Utility Type(s)</u>	<u>Customer Service Contact</u>	<u>Positive Response</u>
OWENSBORO MUNICIPAL UTILITIES WATER AND ELECTRIC 0038	ELECTRIC, WATER		
ATMOS ENERGY 0132	PIPELINE	ATMOS ENERGY CUSTOMER SERVICE (888) 954-4321	
AT&T DISTRIBUTION 0139	COMMUNICATIONS	AT&T DISTRIBUTION CUSTOMER SERVICE (888) 757-6500	
REGIONAL WATER RESOURCE AGENCY 0315	SEWER		
TIME WARNER CABLE 0372	CABLE TV	TIME WARNER CABLE CUSTOMER SERVICE (800) 892-2253	Does conflict, underground facilities have been marked.
OWENSBORO MUNICIPAL UTILITIES FIBER OPTIC 0438	FIBER OPTIC		



# IOWA SECRETARY OF STATE

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#### Searched Red Line

Business No.	Legal Name	Status
612774	REDLINE CONSTRUCTION INDUSTRIAL LLC	Active
Type	State of Inc.	Modified
Legal	IA	No
Expiration Date	Effective Date	Filing Date
PERPETUAL	9/2/2019 5:35 AM	9/2/2019 5:35 AM
Chapter	CODE 489 DOMESTIC LIMITED LIABILITY COMPANY	

#### Names (Viewing 1 of 1)

Type	Status	Modified	Name
Legal	Active	No	REDLINE CONSTRUCTION INDUSTRIAL LLC

#### Registered Agent or Reserving Party

Full Name	
UNITED STATES CORPORATION AGENTS, INC.	
Address	Address 2
8421 UNIVERSITY BLVD., SUITE M	
City, State, Zip	
DES MOINES, IA, 50325	

#### Home Office

Full Name	
405 W. CEDAR ST.	
Address	Address 2
HNTON, IA, 51024	

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- File 2021 Biennial Report

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### THIRD PARTY DAMAGE FORM

eAM WO#: 18778330

Construction Order Number: C 0579304

Leak Asset #: 709739

Project Number: 050-23957

Rate Division: 009

#### INCIDENT DETAILS

Date of Damage: 09/05/2020 Time of Damage: 07:45 AM

Was the Regulatory Commission called? Yes Incident Number:

Address/Location: 3629 Edna Ct. unit 42927 Cross Street: OBryan

City: Owensboro County/Parish: Daviess State: Ky

- ROW: Public-City Street, Private Business, Dedicated Public Utility Easement, etc.

#### EXCAVATOR DETAILS

Company Name: Red Line Industrial Construction

Address: 405 W Cedar St

City: Hinton State: IA Zip: 51024

Contact Name: Leon (L.J.) Sidney Phone: 951-972-0386

- Excavator Type: Contractor, County, Farmer, Municipality, etc.

#### Pipeline Damage With:

- Auger, Backhoe/Trackhoe, Boring, Drilling, Directional Drilling, Explosives, etc.

#### Work Performed:

- Agriculture, Bldg Construction, Cable TV, Curb/Sidewalk, etc.

Excavator Incur Downtime: Yes No Unknown How much Downtime? Downtime Cost Incurred?

#### AFFECTED FACILITY DETAILS

Was any Facility Damaged? Yes No Release of Product? Yes No Unknown Location: Above Ground Below Ground

Did Excavator Notify Atmos Energy through the OneCall Notification Center? Yes No Unknown

Center Name: Locate Ticket Number:

Did Excavator Notify Atmos Energy Directly? Yes No Unknown

Excavator Notified 911? Yes No Unknown Name:

Facility Type: Distribution Gathering Service/Stub Transmission Unknown/Other

Pipeline Material: Bare Steel Coated Steel Cast Iron PE PVC Other

Facility Damaged On: Body of Pipe Coating Housing Other Protective Device

Type of Pipeline Damaged: Intrastate Interstate Unknown

Pipeline Status: Active Idle New Pipe (no product) Abandoned (no product)

Damaged Pipe Diameter: 25 inches Depth of Facility: 2 feet 10 inches

Joint Trench: Yes No Unknown

#### DAMAGE & IMPACT DETAILS

Damaged by: Third Party Operator Operator's Contractor Caused Service Interruption: Yes No

Requires Regulatory Notification: Yes No Customer Affected: 1

Death/Hospitalization Number of Injuries: 0

Property Damage > \$50,000 Type of Injuries: 0

Estimated gas loss > 3 million cubic feet Number of Fatalities: 0

Outage Hours: 3

Restoration Cost:

**DAMAGE & IMPACT DETAILS CONT'D**

Root Cause of Damage:  No notification made to the OneCall Center  Failure to test-hole (pot hole)  
 Notification to OneCall Center made, but not sufficient  Improper backfilling practices  
 Wrong information provided to OneCall Center  Failure to maintain clearance  
 Facility could not be found or located  Other insufficient excavation practices  
 Facility marking or location not sufficient  OneCall Center error  
 Facility was not located or marked  Abandoned facility  
 Incorrect facility maps  Deteriorated facility  
 Failure to maintain marks  Previous damage  
 Failure to support exposed facilities  Data not collected  
 Failure to use hand tools where required  Other

Impact:  Fire/Ignition occur  Any evacuation (Number of people: \_\_\_\_\_)  Any media coverage  Any explosions  
 Any street blocked  Any other impact Comments: Contractor digging with excavator using auger in tolerance zone with out spot holing.

**NOTIFYING, LOCATING, MARKING DETAILS**

Locate Request to OneCall Center Prior to Excavation:  Yes  No  
 Center Name: KY&H OneCall Ticket Number: 2008310773

Date of Notification: 08/31/2020

Original Locator:  Pipeline Operator  Utility Owner  Data Not Collected  Unknown/Other  
 Contract Locator Locator Name: Heath

Marked by White Lining:  Yes  No  Unknown  
 Atmos Energy Rep Onsite:  Yes  No  Unknown  
 Any Special Instructions:  Yes  No  Unknown  
 Locator met with Excavator:  Yes  No  Unknown  
 Facility Gave Positive Response:  Yes  No  Unknown

Marked using Maps:  Yes  No  Unknown  
 Excavator Gave Proper Notice:  Yes  No  Unknown  
 Locate Procedures Followed:  Yes  No  Unknown

Date of Positive: 08/31/2020 Time of Positive: 10:19  AM  PM

Excavator made 2nd call to OneCall:  Yes  No  Unknown  
 Reason:  No positive response to first call  Positive response is unclear or incorrect  All clear appears questionable  Other

2nd Notice Ticket Number: \_\_\_\_\_ Date of 2nd Notice: \_\_\_\_\_

Facility gave positive response to 2nd notice:  Yes  No  Unknown  
 Date of Positive: \_\_\_\_\_ Time of Positive: \_\_\_\_\_  AM  PM

Facility Marks Visible:  Yes  No  Unknown  
 Marked by Paint:  Yes  No  Unknown  
 Marked by Flags:  Yes  No  Unknown  
 Method used to Locate:  Conductive  Inductive  Unknown  Other: \_\_\_\_\_  
 Another type of Marking Use:  Yes  No  Unknown: \_\_\_\_\_  
 Facility Marked Correctly:  Yes  No  Unknown/Other: \_\_\_\_\_  
 Reason Not Marked:  Pipeline was not marked  Portion of pipeline was not marked  Pipeline was not marked accurately  
 Improper type of marking  Other: \_\_\_\_\_  
 Distance of Inaccurate Marks from Pipeline: \_\_\_\_\_ feet \_\_\_\_\_ inches

**OTHER INFORMATION**

Line Pressure: 55 psig Pipe Damage: (Length) .75 inches (Width) .75 inches  
 Leak Duration: 75 minutes Locate Priority: \_\_\_\_\_ FERC Account: \_\_\_\_\_  
 Insurance Company: \_\_\_\_\_ Agent Name: \_\_\_\_\_ Phone #: \_\_\_\_\_  
 Locate Mark within State Law:  Yes  No Police Report Number: \_\_\_\_\_  
 Pre-Damage Photos:  Yes  No Post-Damage Photos:  Yes  No Billing Required:  Yes  No

**LABOR**

Name	Title	Reg Time	Overtime	Drive Time
<u>Zac Ferrell</u>	<u>Sr. S.C. Tech</u>	<u>3</u>		
<u>Robbie Porter</u>	<u>Crew Leader</u>	<u>3</u>		

**EQUIPMENT**

	Quantity	Time		Quantity	Time
1/2 Ton Truck	<u>1</u>	<u>3</u>	Trencher		
1 Ton Truck			Backhoe	<u>1</u>	<u>3</u>
2 Ton Truck			Compressor		
Dump Truck			Boring Machine		
Welder	<u>1</u>	<u>3</u>	Other		

Comments: Contractor hit 3/4" service with excavator. Dig Remote bell hole. Squeezed off, construction on site to make repairs.  
 Completed By: Z. Ferrell Date: 9-5-20





































\*Red Line Industrial Construction LLC  
405 W Cedar St  
Hinton, IOWA 51024

\*Red Line Industrial Construction LLC  
401 5th Street  
Merrill, IOWA 51038