



Matthew G. Bevin
Governor

Charles G. Snaveley
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

NEWS RELEASE

Contact: Andrew Melnykovich
502-782-2564 or 502-564-3940
502-330-5981 (cell)
Andrew.Melnykovich@ky.gov

PSC Fines Flemingsburg for Natural Gas Safety Violations ***Suspends \$30,000 of \$60,000 penalty; city must provide additional safety training***

FRANKFORT, Ky. (May 3, 2018) – The Kentucky Public Service Commission (PSC) has fined the city of Flemingsburg \$60,000 for safety violations that led to an explosion during repairs to a leaking natural gas line.

In an order issued today, the PSC levied the \$60,000 civil penalty but suspended \$30,000 of the fine, subject to Flemingsburg providing additional training to employees of the city's utility system.

The explosion occurred on January 29, 2016, as employees attempted to repair a leaking natural gas line in Mays Lick, which is in Mason County but is served by Flemingsburg, which is in Fleming County.

After excavating the line to locate the leak, the Flemingsburg crew attempted a temporary repair. Although gas was leaking from a defective joint in the line, an employee used an electric power tool to make repairs.

A spark from the tool ignited the leaking gas, causing a flash and explosion. The employee was injured and had to be hospitalized overnight.

The PSC's investigation of the incident found a number of safety violations, notably allowing the use of a potential ignition source during the repairs. The PSC also found that Flemingsburg had not conducted required drug and alcohol testing of the employees involved in the incident.

At a June 13, 2017 evidentiary hearing in the case, Flemingsburg officials acknowledged the violations and said that they had taken steps to prevent a recurrence.

In today's order, the PSC said that allowing ignition sources close to a leaking natural gas line was a "blatant violation" of both natural gas safety regulations and Flemingsburg's own operations and maintenance manual. The PSC noted that the statutory maximum penalty that could be imposed is \$300,000.

The fact that the city has taken steps to prevent another incident does not mitigate "such an egregious disregard of safety requirements," the PSC said in today's order.

-more-

PSC Fines City of Flemingsburg for Natural Gas Safety Violations – Page 2

Taking into consideration all factors, including the appropriateness of the penalty to the size of the business as required by Kentucky statute, the PSC determined that a fine of \$60,000 is warranted.

But, as noted earlier, the PSC suspended \$30,000 of the penalty on the condition that Flemingsburg provide training to its employees on the safety requirements to keep ignition sources away from gas leaks and give supervisors additional training on drug and alcohol testing obligations.

The training must be completed within three months, and Flemingsburg must certify completion to the PSC within 30 days of the end of the training.

Because it is municipally owned, the rates and services of the Flemingsburg gas system are not regulated by the PSC.

However, the PSC has jurisdiction over the safety of the system. The PSC, under certification by the federal Pipeline and Hazardous Materials Safety Administration, enforces federal gas pipeline safety regulations for all natural gas distribution systems in Kentucky.

The PSC initiated the proceeding against the city of Flemingsburg in March 2017, following the investigation into the incident.

Today's order, a video of the hearing, and other records in the case are available on the PSC website, psc.ky.gov. The case number is 2017-00079.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

-30-

FOLLOW THE PSC ON TWITTER @KYPSC

QUESTIONS OR PROBLEMS REGARDING YOUR UTILITY SERVICE?

CALL THE PSC CONSUMER HOTLINE: 800-772-4636