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NEWS RELEASE

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PSC Website Has the 411 on Changes to 811 Enforcement Updated information explains new enforcement measures to protect natural gas and hazardous liquid pipelines from excavation damage

FRANKFORT, Ky. (June 28, 2018) – The Kentucky Public Service Commission (PSC) has updated its website, psc.ky.gov, with information on the new enforcement program aimed at preventing excavation damage to natural gas or hazardous liquid pipelines.

Under a change to Kentucky's Underground Facility Damage Prevention Act that takes effect July 14, the PSC will investigate dig-ins that damage pipelines and will be able to impose financial penalties if violations are uncovered.

Information on the statutory changes and the PSC investigation and enforcement process can be found here: <u>https://psc.ky.gov/PSC_WebNet/GasExcavationDamage.aspx</u>.

PSC Chairman Michael Schmitt urged anyone who is planning an excavation that may be in the vicinity of natural gas or hazardous liquid pipelines to first visit the PSC website to learn about the requirements of the law and the consequences of violating it.

"The goal of the new provisions in the law is to reduce the unacceptably high number of dangerous dig-in incidents involving natural gas pipelines," he said. "The purpose of the enforcement provisions is not to be punitive, but to create a greater incentive for Kentuckians to familiarize themselves with the requirements of the underground facility protection law and to abide by them."

Information on the PSC website includes the text of the current law, the coming changes and a list of Frequently Asked Questions (FAQs) about Kentucky's program to prevent damage to underground utility facilities.

"As the law takes effect and the PSC begins enforcement activities, the website will be updated with additional information and will address questions and issues that may emerge," said PSC Executive Director Gwen R. Pinson. "We will work with both excavators and operators to make this new process as effective and efficient as possible."

Like every other state, Kentucky has a statewide 811 service that, by law, must be called at least two working days prior to beginning excavation. This advance notification is intended to allow ample time for utility lines to be located and marked so that excavation can proceed safely. Natural gas providers and hazardous liquid pipeline operators are required to provide the location of their lines to the 811 center.

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The new law (Senate Bill 104), enacted by the Kentucky General Assembly and signed by Governor Matt Bevin, gives the PSC the authority to enforce existing provisions in Kentucky statutes that are intended to protect natural gas and hazardous liquids pipelines. The PSC will investigate incidents of damage to pipelines to determine whether a location request to 811 was made in a timely manner, whether the pipeline was located accurately and properly, and whether the excavation was conducted safely.

Excavators, including homeowners, could be penalized for not calling 811, ignoring location markers or using improper excavation methods. Operators could be penalized for not responding to requests to locate lines or for improperly or inaccurately locating or marking underground facilities.

Penalties are up to \$1,250 for a first violation, \$2,000 for a second violation, and \$4,000 for subsequent violations.

"Not every incident in which a gas line is hit will result in a violation being issued and a penalty assessed, especially if 811 has been called," said John Lyons, director of the PSC Division of Inspections, which will investigate incidents. "However, a failure to call 811 will trigger an enforcement action."

About 240 entities operate natural gas or hazardous liquid pipelines in Kentucky. They include local gas distribution companies fully regulated by the PSC and municipal natural gas providers and other entities such as housing authorities that are regulated by the PSC for safety only.

In 2017, there were more than 1,200 incidents in Kentucky in which a gas line was damaged during an excavation – or about 23 per week. Many involved a failure to call 811 before beginning excavation.

Once the changes to the law were enacted, the PSC began making organizational changes in order to fulfill its new responsibilities to investigate and enforce the requirement to call 811 prior to beginning an excavation, Pinson noted. The PSC also has launched an extensive public outreach effort, she said.

"We have been meeting with key stakeholder groups, including natural gas providers and the construction industry, to make sure that everyone understands the changes to the law," Pinson explained. "In an order issued June 4, the PSC also required natural gas distribution companies to communicate with their customers about these changes in the first bills issued after July 2."

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.

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