

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

KENTUCKY PUBLIC SERVICE COMMISSION )  
 )  
VS. ) CASE NO. 9438  
 )  
MR. KAY PIGMON D/B/A )  
MEADES BRANCH GAS AND WATER )

SHOW CAUSE ORDER

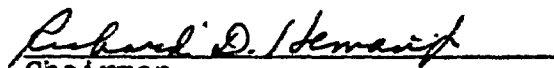
On February 11 and 12, 1985, the Commission received numerous complaints from customers of Meades Branch Gas and Water ("Meades Branch") in regard to undesirable and potentially hazardous conditions in the Meades Branch area of Lawrence County, Kentucky. The Commission staff investigated this complaint and notified Meades Branch, in writing, of the need for improved construction, better maintenance and more attentive operation. (See Appendix A)

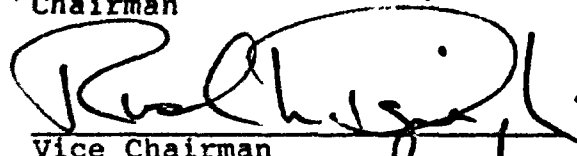
The Commission, having considered the matter and being advised, HEREBY ORDERS that this case be and it hereby is set for hearing on December 18, 1985, at 1:30 p.m., Eastern Standard Time, in Hearing Room No. 2, in the offices of the Commission in Frankfort, Kentucky.

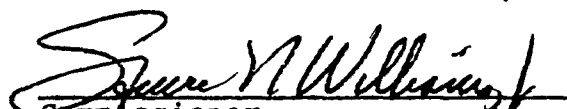
IT IS FURTHER ORDERED that Meades Branch shall appear at the hearing and show cause, if any it can, as to why it should not be subject to the penalties prescribed in KRS 278.990 for failure to comply with the Commission's regulations.

Done at Frankfort, Kentucky, this 24th day of October, 1985.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

August 27, 1985

Mr. Kay Pigmon  
Route 4, Box 185  
Louisa, Ky 41230

Dear Mr. Pigmon:

Enclosed is a copy of a Report on the Investigation of Complaints Relative to Natural Gas and Fresh Water Service by/to Customers on Meades Branch in Lawrence County, Kentucky.

This Report indicates that you are operating a utility as defined by Kentucky Public Service Commission Law [KRS 278.010(3)(b)].

You are requested to acknowledge the receipt of this Report on or before September 25, 1985. In your response please tell us the number of customers, the utility service furnished and the rates charged.

Your prompt response will help us in the handling of the complaints and with our responsibility to assure safe, adequate customer services.

Your failure to answer may lead to enforcement actions by the Commission.

Sincerely,

A handwritten signature in dark ink, appearing to read "Claude G. Rhorer, Jr.".

Claude G. Rhorer, Jr., Director  
Division of Utility Engineering  
and Services

CGR/REB/lr  
Enclosure

cc: Forest Skaggs, Secretary  
Jack Hughes, Legal Division  
Byrnes Fairchild, Water Section, Engineering Division

R E P O R T

TO: Claude G. Rhorer, Jr. *CR*  
Director  
Division of Utility Engineering and Services

THRU: E. Scott Smith, Chief Engineer *ESS.*  
Larry L. Amburgey, Investigator Supervisor *LA*

FROM: R. E. Bruflat  
Utility Investigator  
Gas Section

DATE: April 23, 1985

RE: Investigation of Complaints Relative to Natural Gas and  
Fresh Water Service by/to Customers on Meades Branch in  
Lawrence County, Kentucky

HISTORY AND BRIEF

My January 30, 1985, memo\* was followed on February 11 and 12, 1985, by hotline complaints\* from residents on Meades Branch. These people do not want their names used--they fear gas and water service cutoffs by a Mr. Kay Pigmon, current operator of the system supplying them natural gas and/or water.

My memo\* prompted the earliest possible inspection of the Meades Branch situation. This Report reflects some of the undesirable and potentially hazardous conditions found on my inspection trip. The illicit operation of an utility (KRS 278.010(e)(b) & (d)) is indicated.

INSPECTION/INVESTIGATION

Following the hotline complaints\* I made call-backs on February 14, 1985. On these telephone calls\* the complainants related their problems with their natural gas and/or fresh water services.

REPORT - Meades Branch Complaint  
Page Two  
April 23, 1985

The existence of an organized utility operation was outlined during our telephone conversations.

On March 13 and 14, 1985, I visited Meades Branch, talked to some of the customers, inspected the visible natural gas and water plant facilities, tasted the water and took some photos (see attached Photo Pages 1-7).

Two of the customers gave me various copies of their paid receipts (see Exhibits A-1, 2 and 3 attached). It should be noted that a Mr. Kay Pigmon signed one, initialed others, but only wrote in "Meades Branch Gas" on most of the receipts. I was given Mr. Pigmon's telephone number and have been unsuccessful in my repeated efforts to reach him.

#### CONCLUSIONS

It has been determined that the telephone is listed in a Ms. Debra A. Pigmon's name, and the mailing address is Route 4, Box 185, Louisa, Kentucky 41230. It has also been determined that Mr. Pigmon personally collects for his gas and water service at a higher rate than the prior operator, Mr. Ed Miller, used to charge. Notwithstanding, the reported discriminatory, unequal service to preferred customers, the impression is that Mr. Pigmon is poorly managing a utility system(s) (i.e. natural gas and fresh water) much in need of improved construction, better maintenance and more attentive operation.

REPORT - Meades Branch Complaint  
Page Three  
April 23, 1985

Finally, we can conclude that this/these systems present hazards to the health and safety of Meades Branch residents-- customers and others.

RECOMMENDATIONS

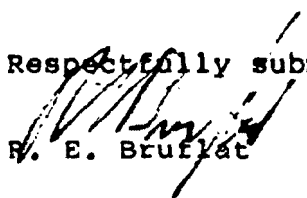
It is recommended that the Commission be made aware of this illicit utility operations(s) so that it can order Mr. Kay Pigmon to show cause, if any he can, as to why he should not be required to uprate his utility systems to acceptable safety and health standards according to Commission Law and the regulations thereto.

It is further recommended that the Commission staff Water Section become informed of and involved in the handling of this situation.

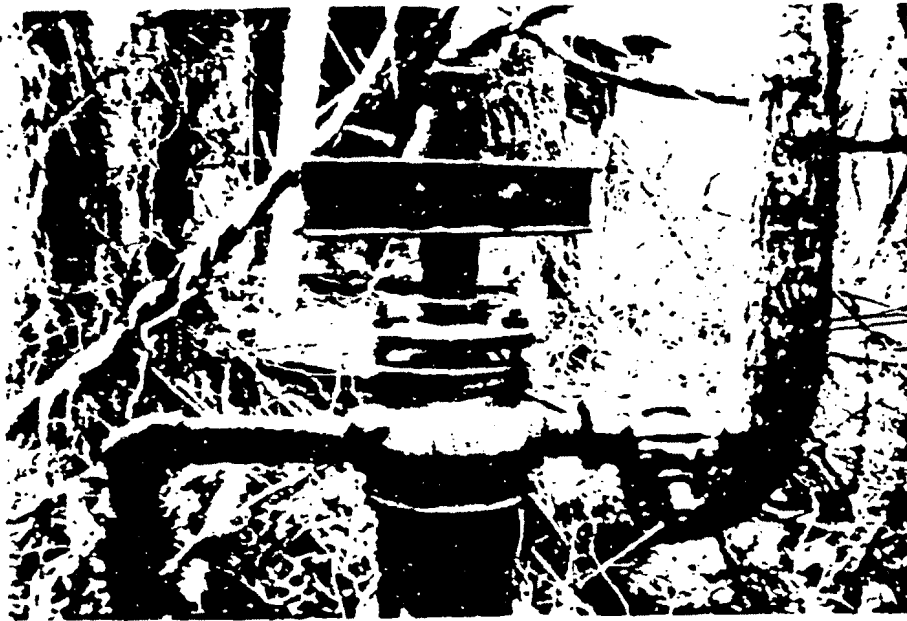
Finally, it is recommended that a copy of this Report be sent to Mr. Kay Pigmon, at the above mentioned mailing address, so that he might be advised of our concerns and pending enforcement action.

\*My memo and copies of the "Hotline" call notes are available in my work file.

Respectfully submitted,

  
R. E. Bruffat

REB/lr  
Attachments

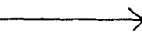


Meade's Branch Gas  
(and Water)  
March 14, 1985

Natural Gas from this well



Is piped to  
serve residents  
on Meade's Branch  
in Lawrence Co



This residence is at  
the end of the road  
(main)



Meade's Branch Gas  
(and Water)  
March 14, 1985

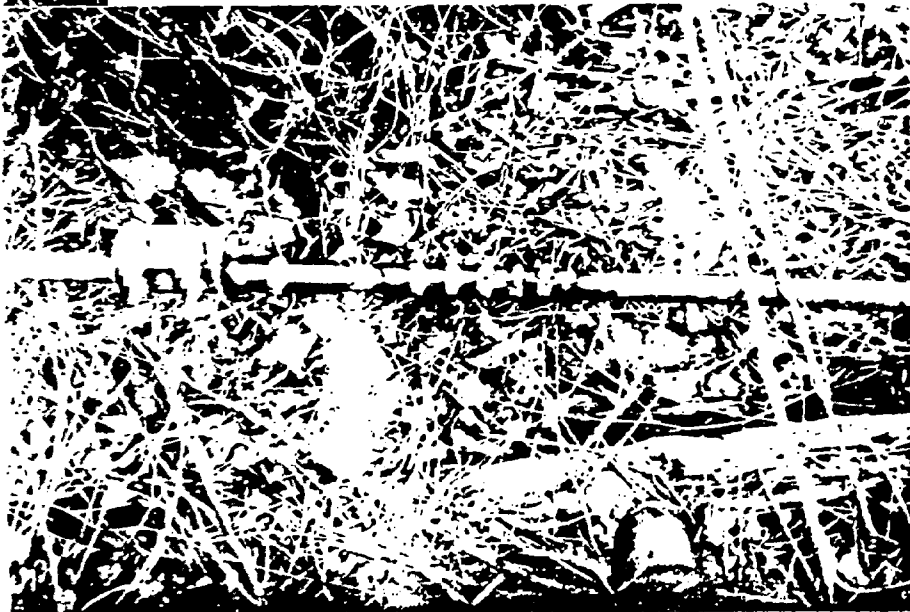


Pressure Regulator\*

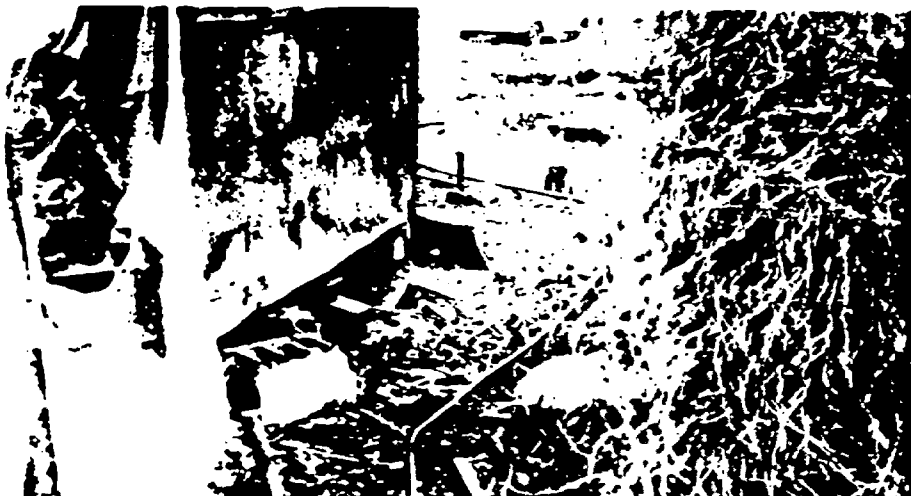
(1)

Closeup of pipe  
section above.

(2)



Water Well Pumphouse  
Drip



\* Regulator and  
Customer service  
connection

(3)



Meade's Branch Gas (& Water)  
March 14, 1985



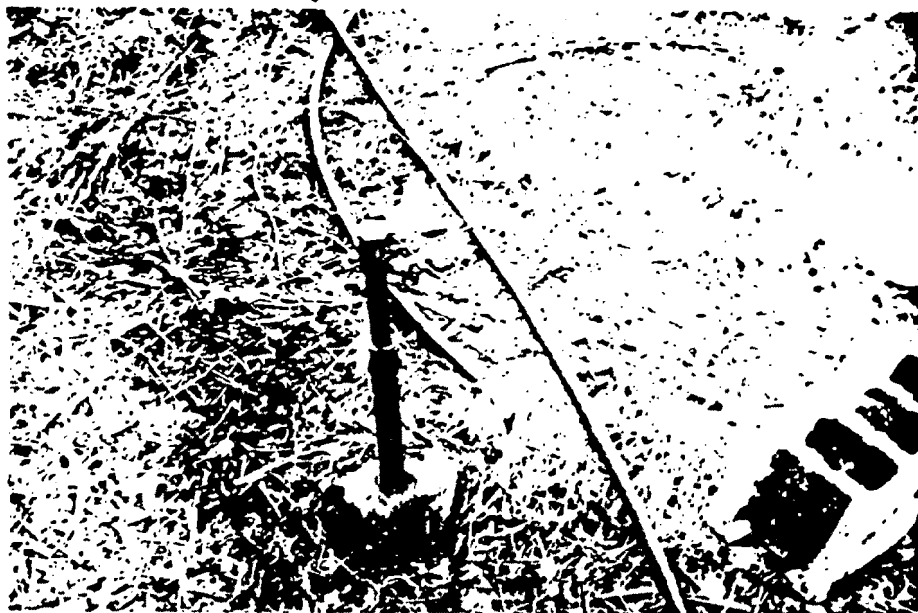
(1)

← Drip drain valve  
slightly opened  
produced sneved  
of moisture and  
oily foam

↑ Drip

Customer service line  
(shown in photo (3) on page -2-)

2 photos taken  
while foam  
sneved from  
drip blowoff



(2)

Meade's Branch Gas (& Water)  
March 14, 1985



Same Customer  
gas service line\*  
as shown on Pages  
-2- and -3-

Close up view of above  
utility line(s) intersection



Drain (service) line

Water Main

Meade's Branch Gas  
( & Water )  
March 14, 1985



Section of Gas Main  
where it crosses a drain  
upstream from the  
regulator setting shown  
on Page -6-

Gas Main ↑

↓ Close up view of  
drain crossing\*



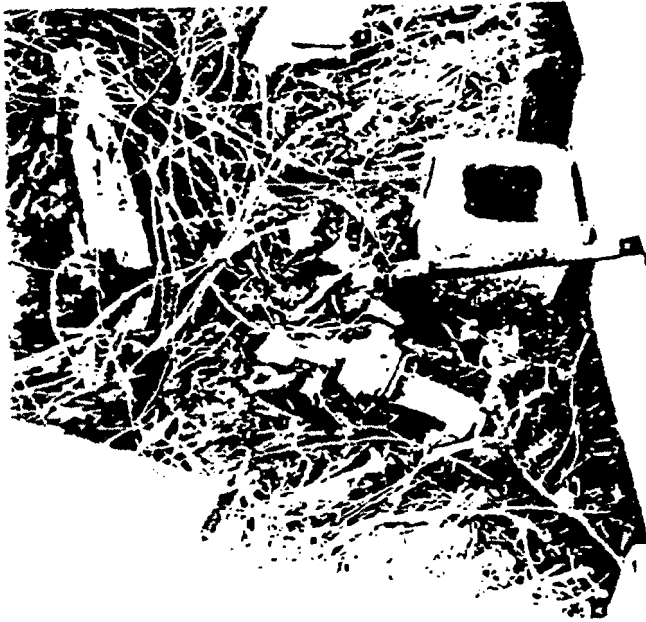
Side Tap →

Gas Main →

Photo # 10 - 5 -

Meade's Branch Gas  
( & Water )  
March 14, 1935

Customer(s) service  
pressure regulator  
setting



Customer service(s) on  
outlet side

Close up of pressure  
regulator on inlet side

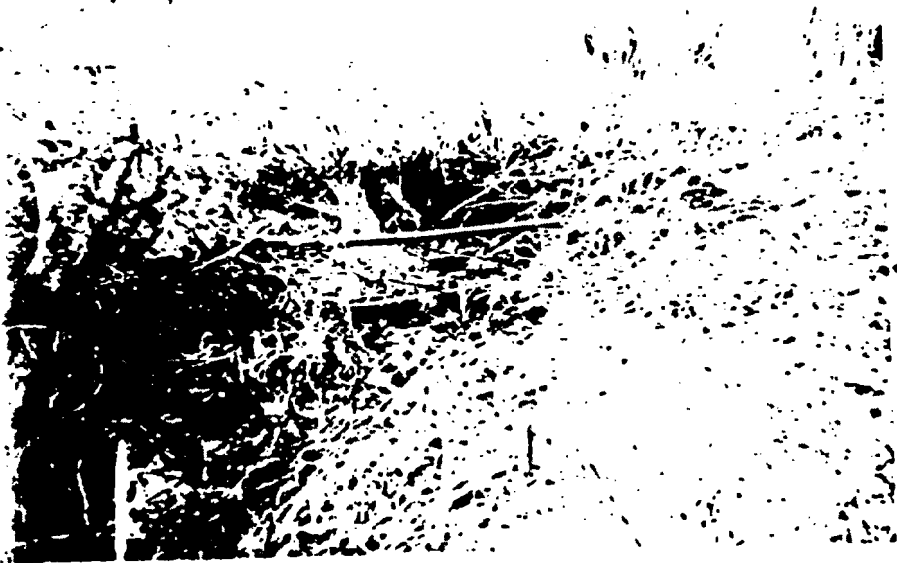
Inside view of above customer(s)  
regulator house

(Note electric light lamp  
to provide heat)



Photo Page - 1 -

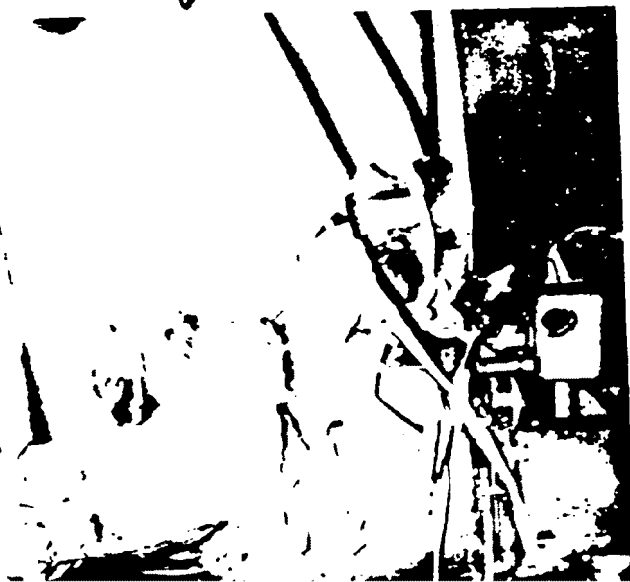
Meade's Branch Gas  
(& Water)  
March 14, 1985



Water main crossing  
of drain (same  
drain shown on page -5-)



Inside views of water well  
pumphouse



No. \_\_\_\_\_ July 6, 1984

Received of \_\_\_\_\_

Twenty dollars & 00/100 \_\_\_\_\_ Dollars

|                        |  |  |
|------------------------|--|--|
| Am of Account          |  |  |
| Am Paid                |  |  |
| June - thru July, 1984 |  |  |
| Balance Due            |  |  |

\$10.00 - water \$10.00

\$20.00 Meadow Branch Fee

paid KP, 7-6-84

No. \_\_\_\_\_ May 1, 1984

Received from \_\_\_\_\_

Forty dollars & 00/100 \_\_\_\_\_ Dollars

For Rent of \$30.00 - water \$10.00

from May 1, 1984 to June 1, 1984

\$40.00 Meadow Branch Fee

paid Kay Johnson

|   |                             |
|---|-----------------------------|
| No. _____   | <u>Sept 20</u> 19 <u>84</u> |
| Received from _____                                       | <u>part</u>                 |
| <u>2000.00</u>  | <u>2000</u> Dollars         |
| For _____ <u>Gas &amp; water</u>                          | <u>KP</u>                   |
| from <u>Sept. 20, 1984</u> to <u>Oct. 20</u> 19 <u>84</u> |                             |
| <u>\$20.00</u>  | <u>Meadow Branch Gas</u>    |

|   |                            |
|---|----------------------------|
| No. _____                                       | <u>Dec 24</u> 19 <u>84</u> |
| Received from _____                             |                            |
| <u>one hundred thirty seven 00/100</u>          | <u>137</u> Dollars         |
| For _____ <u>Gas &amp; water</u>                |                            |
| from <u>Nov 20 1984</u> to <u>March 1, 1985</u> |                            |
| <u>\$137.00</u>                                 | <u>Meadow Branch Gas</u>   |



No. \_\_\_\_\_ Oct 11 1984

Received from \_\_\_\_\_

Forty dollars & 00/100 paid Dollars

For Gas & Water

from Oct 1 1984 to Nov 1 1984

\$40.00 Meadow Branch Gas

No. \_\_\_\_\_ Nov 1 1984

Received from \_\_\_\_\_

Forty dollars & 00/100 Dollars

For Gas & Water

from Nov 1 1984 to Dec 1 1984

\$40.00 Meadow Branch Gas

No. \_\_\_\_\_ July 6 1984

Received of \_\_\_\_\_

Twenty Dollars & 00/100 Dollars

|                    |           |  |
|--------------------|-----------|--|
| Amount of Accounts | <u>20</u> |  |
| Amount Paid        | <u>20</u> |  |
| Balance Due        | <u>0</u>  |  |

\$10.00 - water \$10.00

\$20.00 Meadow Branch Gas

paid K.P. 7-6-84



SUMMARY SHEET\*  
GAS SECTION REPORTS

DATE: 4/23/85

INSPECTOR: Bruce L. T.

NATURAL GAS OPERATOR: Mundy Branch Gas

Intrastate  Interstate

NUMBER OF MAN DAYS: 2 APPROVED: Chief, Gas Section

MODE:  
Memo  Letter  Report

TYPE INSPECTION:  
Routine  Construction   
Other  Complaint Safety & Service

COMPLIANCE ACTION: Yes  No

DEFICIENCIES: Yes  No

CORRECTED DEFICIENCIES: Yes  No  Number 7

COMMENTS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FILE UNDER THE FOLLOWING: \_\_\_\_\_

\*Complete form and attach original to back of each document when submitted to Section Chief for approval.