

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FAILURE OF KEN-GAS OF KENTUCKY, INC.) CASE NO. 9987
TO COMPLY WITH A COMMISSION ORDER)

O R D E R

On July 27, 1987, an informal conference was conducted between Commission staff and representatives of Ken-Gas of Kentucky, Inc., ("Ken-Gas") to discuss the construction costs related to the Burkesville gas system, a change in the anticipated supplier, and the design and installation of the system. At the conclusion of the conference, Ken-Gas agreed to supply additional information on these issues, including design and construction plans with specifications.

On August 6, 1987, the Commission received from Ken-Gas a set of construction drawings and other information. Staff has reviewed these construction drawings and determined that they are unacceptable. The drawings are deficient in the following areas:

1. Nothing in the drawings depicts the precise location and size of pipe, location of key valves, relief valves, regulators, anodes, and related operation and safety equipment.
2. No indication of the pressures on the system, and at what points on the system these pressures will be. How many pressure gauges will be utilized, and where will they be located?

3. No composition drawing of the regulator station. What equipment will exist, how will it be installed, and at what pressures will it be set?

4. No piping plans.

5. General Note No. 3 states that the contractor is responsible for maintaining "as-built" drawings. This is unacceptable. Any "as-built" drawings submitted to the Commission must have been signed off by a registered engineer. As stated in the May 22, 1987, Order, "as-built" drawings shall be submitted to the Commission within 60 days of substantial completion of the system. One purpose of "as-built" drawings is to use them as verification by a third party (the engineer) of what the contractor has installed.

The Commission concludes that the construction drawings submitted do not allay its concern regarding the design and construction of the Burkesville gas system and compliance with 807 KAR 5:022. While Ken-Gas has elected to disregard the May 22, 1987, Order by starting construction, the Commission cannot conclude that the design and construction of the system complies with Commission regulations until adequate design and construction plans with specifications have been submitted.

After reviewing the record and being advised, the Commission **HEREBY ORDERS** that Ken-Gas shall submit 7 days prior to the hearing on September 3, 1987, information which demonstrates that the deficiencies referenced herein have been corrected and whatever other information Ken-Gas may have which demonstrates that the gas system complies with 807 KAR 5:022.

It is FURTHER ORDERED that Ken-Gas shall have available for testimony at the hearing the following individuals: Ken Turner; Walton Haddix; Bruce Harmon, consulting engineer; and Kendall Seaton, financial consultant.

Done at Frankfort, Kentucky, this 21st day of August, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Haman, Jr.
For the Commission

ATTEST:

Executive Director