

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HOUSING AUTHORITY OF HODGENVILLE )  
 )  
 \_\_\_\_\_ ) CASE NO. 97-421  
 )  
ALLEGED FAILURE TO COMPLY WITH )  
COMMISSION REGULATIONS )

O R D E R

The Housing Authority of Hodgenville ("HA of Hodgenville") is a master meter operator that receives its natural gas from Louisville Gas and Electric Company. HA of Hodgenville then redistributes the gas throughout its three housing sites. There are 54 units in the Miami Court Complex, 30 units in the Polly Avenue Complex and 16 units in the Rose Circle Complex. HA of Hodgenville, as a master meter operator, is under the jurisdiction of the Commission. KRS 278.04; 278.495. The Commission also has jurisdiction by a 5(a) Agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the Natural Gas Pipeline Safety Act of 1968.

KRS 278.040 authorizes the Commission to prescribe regulations for the performance of any service furnished or supplied by any utility.

On August 20, 1997, Staff conducted a comprehensive inspection of HA of Hodgenville and found two deficiencies that were repeat violations. The first deficiency is no patrolling records, which is an apparent violation of 807 KAR 5:022, Section

14(12). The second deficiency is no record of annual maintenance on main valves, and is an apparent violation of 807 KAR 5:022, Section 14(25).

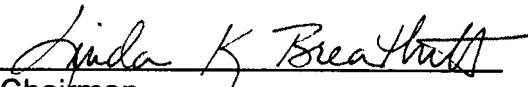
The Commission, on its own motion, HEREBY ORDERS that:

1. HA of Hodgenville shall appear before the Commission on December 9, 1997 at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violations of Commission Regulations 807 KAR 5:022, Section 14(12) and 807 KAR 5:022, Section 14(25), and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) and KRS 278.992(1).


2. Any motion requesting an informal conference with Commission Staff to consider any matter that would aid in the disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 16th day of October, 1997.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION

COMPREHENSIVE INSPECTION REPORT

HOUSING AUTHORITY OF HODGENVILLE  
Hodgenville, Kentucky

September 2, 1997

BRIEF

The comprehensive inspection of the natural gas piping system of the Housing Authority of Hodgenville ("HA of Hodgenville") in Hodgenville, Kentucky was conducted on August 20, 1997. This inspection was conducted in accordance with the Public Service Commission's ("PSC") policy of inspecting all jurisdictional operators. Natural gas operators are jurisdictional to the PSC under KRS 278.040, 278.495 and also through a 5(a) Agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the Natural Gas Pipeline Safety Act of 1968.

INSPECTION

The HA of Hodgenville is a master meter operator that receives natural gas from Louisville Gas and Electric Company. It then redistributes the gas throughout the housing complex for various purposes including cooking, hot water, boilers, and heating. The HA of Hodgenville has three sites. There are 54 units in the Miami Court complex, 30 units in the Polly Avenue complex and 16 units in the Rose Circle complex.

A master meter system is defined in 49 CFR Part 191.3 as a pipeline system for delivering gas within, but not limited to, a definable area such as a mobile home park, housing or apartment complexes where the operator purchases gas from an outside source for resale through a gas distribution system. The gas distribution pipeline system

supplies the ultimate consumer who either purchases the gas directly or through other means, such as rent.

The intent of this inspection and subsequent inspections of other master meter operators is to afford the residents of these master meter complexes the same standards of safety that are required by other operators.

During the office inspection, a review was made of the HA of Hodgenville's Operating and Maintenance and Emergency Plans, and records relating to cathodic protection, leakage surveys and other pertinent records. Two deficiencies were found that were repeat violations.

During the field inspection, a partial corrosion survey was conducted along with checks on residential meter settings. I was accompanied on this inspection by R. K. Keith and Greg Sidebottom. No deficiencies were found during the field inspection.

#### FINDINGS

The following deficiencies were found. These deficiencies are repeat violations.

1. No patrolling records which is a violation of 807 KAR 5:022, Section 14(12).
2. No annual maintenance on main line valves which is a violation of 807 KAR 5:022, Section 14(25).

#### RECOMMENDATIONS

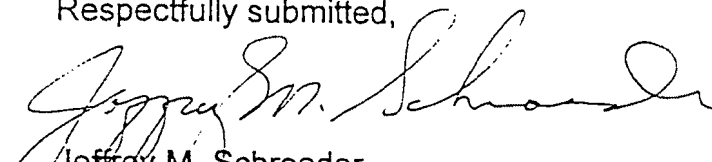
It is recommended that the HA of Hodgenville:

1. Keep records of system patrolling of natural gas piping.
2. Annually inspect all main line gas valves in the system for accessibility and maintain the records.

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September 2, 1997  
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It is also recommended that show cause proceedings be initiated against the HA of  
Hodgenville due to repeated violations in two successive inspections.

Respectfully submitted,



Jeffrey M. Schroeder  
Gas Utility Investigator

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