

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HOUSING AUTHORITY OF MT. VERNON	)	
	)	
_____	)	CASE NO. 99-095
	)	
ALLEGED VIOLATIONS OF	)	
ADMINISTRATIVE REGULATION	)	
807 KAR 5:022	)	

O R D E R

The Housing Authority of Mt. Vernon ("Mt. Vernon") is a master meter system operator with 20 units that receives propane gas from 3 underground storage tanks which are located on the property. Mt. Vernon redistributes the gas throughout the housing complex for various purposes.

Mt. Vernon is subject to the safety jurisdiction of the Commission, pursuant to KRS 278.040 and KRS 278.495. Mt. Vernon is also subject to Commission jurisdiction under the authority of and in compliance with federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations of 49 CFR 189-199.

Pursuant to these statutes and 49 CFR 189-199, the Commission promulgated Administrative Regulation 807 KAR 5:022. Commission Staff has submitted to the Commission a Comprehensive Inspection Report, dated March 1, 1999, in which Commission Staff alleges:

1. There is no maximum allowable operating pressure ( MAOP ) for the distribution system. 49 CFR, Part 192.619(a), and 807 KAR 5:022, Section 13(11).

2. Tracer wire is not buried with the plastic gas pipe. 49 CFR, Part 192.321(e), and 807 KAR 5:022, Section 6(12).

3. Lack of an Operating & Maintenance Plan for the system. 49 CFR, Part 192.605(a), and 807 KAR 5:022, Section 13(3).

4. The relief valve capacities have not been calculated. 49 CFR, Part 192.739, and 807 KAR 5:022, Section 13(21).

5. There are low or no corrosion readings on some sections of the steel system. Test wires from rectifier to storage tanks have been unhooked in the past for months at a time. There are no test wires on several service lines. 49 CFR, Parts 192.455, 192.469, 192.491, and 807 KAR 5:022, Section 10(4), (11) and (22).

6. There are no shut-off valves on any storage tanks. 49 CFR, Part 192.181, and 807 KAR 5:022, Section 4.

7. No regulator inspection records could be found. 49 CFR, Part 192.739, and 807 KAR 5:022, Section 14(21).

Based on its review of the Comprehensive Inspection Report, and being otherwise sufficiently advised, the Commission finds that *prima facie* evidence exists that Mt. Vernon has failed to comply with Administrative Regulation 807 KAR 5:022.

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

1. Mt. Vernon shall appear before the Commission on April 12, 1999, at 1:30 p.m., Eastern Daylight 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 Administrative Regulation 807 KAR 5:022, and of showing

cause why it should not be subject to the penalties prescribed in KRS 278.992(1) for these alleged violations.

2. The Comprehensive Inspection Report of the Housing Authority of Mt. Vernon, dated March 1, 1999, a copy of which is appended hereto, is made part of the record of this proceeding.

3. On or before April 5, 1999, Mt. Vernon shall submit to the Commission a written response to the allegations contained in the Comprehensive Inspection Report.

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of March, 1999.

By the Commission

ATTEST:

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Executive Director