

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DELTA NATURAL GAS COMPANY, INC.	)	
_____	)	
ALLEGED VIOLATION OF COMMISSION	)	CASE NO. 99-158
REGULATION 807 KAR 5:027, SECTION 3	)	

O R D E R

Delta Natural Gas Company, Inc. ("Delta") is a Kentucky corporation and is a utility, pursuant to KRS 278.010(3)(b). As a natural gas utility, Delta is subject to Commission jurisdiction, pursuant to KRS 278.040 and 278.495.

KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of services by utilities. Pursuant to this statutory directive, the Commission promulgated 807 KAR 5:027, Section 3(1)(c), which requires utilities to give notice to the Commission of any incident that results in gas ignition.

Commission Staff has submitted to the Commission an Incident Investigation Report dated February 10, 1999, which alleges:

1. On February 6, 1999, an employee of Delta was notified of a natural gas line rupture and ignition. The Delta employee extinguished the fire and service was restored in one hour.

2. On February 8, 1999, the Commission received notice from Delta that a service line break and natural gas fire had occurred on February 6, 1999.

3. 807 KAR 5:027, Section 3(1)(c), requires that the Commission be notified by the utility at the earliest practicable moment, but no later than two hours following the discovery of gas ignition.

Based on its review of the Incident Investigation Report, and being otherwise sufficiently advised, the Commission finds that *prima facie* evidence exists that Delta failed to comply with Administrative Regulation 807 KAR 5:027, Section 3(1)(c).

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

1. Delta shall appear before the Commission on May 25, 1999, at 10:30 a.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 violation of Administrative Regulation 807 KAR 5:027, Section 3(1)(c), and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990 and 278.992(1) for this alleged violation.

2. Delta shall submit to the Commission within 15 days of the date of this Order a written response to the allegations contained in the Incident Investigation Report.

3. The Incident Investigation Report of February 10, 1999, a copy of which is appended hereto, is made a part of the record in this proceeding.

4. Any motion requesting an informal conference with Commission Staff to consider matters which would aid in the handling or 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 27<sup>th</sup> day of April, 1999.

By the Commission

ATTEST:

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Executive Director