

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LEGACY FARM TOWNHOMES)	
)	
_____)	CASE NO. 99-219
)	
ALLEGED VIOLATIONS OF)	
ADMINISTRATIVE REGULATION)	
807 KAR 5:022 AND 49 CFR 189-199)	

O R D E R

Legacy Farm Townhomes ("Legacy Farm") is a master meter system operator that receives natural gas from the Columbia Gas of Kentucky system. Legacy Farm then redistributes its gas to 152 apartments through a network of steel and plastic pipelines.

Legacy Farm, as a master meter operator, is subject to the safety jurisdiction of the Commission, pursuant to KRS 278.040 and KRS 278.495. Legacy Farm 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. KRS 278.992.

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 April 30, 1999, in which Commission Staff alleges the following violations:

1. No corrosion inspection for 1998 as required by KAR 5:022, Section 10(9) (a) and 49 CFR Part 192.465.

2. No annual valve inspection conducted in 1998 as required by 807 KAR 5:022, Section 14(25) and 49 CFR Part 192.747.

3. No system patrolling conducted in 1998 as required by 807 KAR 5:022, Section 14(12) and 49 CFR, Part 192.721.

4. No leakage survey was conducted in 1998 as required by 807 KAR 5:022, Section 14(13)(b)1 and 49 CFR, Part 192.723.

5. No Operation and Maintenance (O&M) Plan as required by 807 KAR 5:022, Section 13(2) and 49 CFR, Part 192.603.

6. No written Emergency Plan for its natural gas system as required by 807 KAR 5:022, Section 13(9) and 49 CFR, Part 192.615.

Based on its review of the Comprehensive Inspection Report, and being otherwise sufficiently advised, the Commission finds that *prima facie* evidence exists that Legacy Farm has failed to comply with the regulations cited herein.

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

1. Legacy Farm shall appear before the Commission on July 19, 1999, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purposes of presenting evidence concerning the alleged violations of Administrative Regulation 807 KAR 5:022 and 49 CFR 189-199 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 Legacy Farm, dated April 30, 1999, a copy of which is appended hereto, is made part of the record of this proceeding.

3. Legacy Farm shall submit to the Commission within 20 days of the date of this Order a written response to the allegations contained in the Comprehensive Inspection Report.

4. Any motion requesting an informal conference with Commission Staff to consider any matter 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 15th day of June, 1999.

By the Commission

ATTEST:

Executive Director