

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	CASE NO.
<u>ALLEGED VIOLATION OF COMMISSION</u>)	99-378
REGULATION 807 KAR 5:022, SECTION 9(13)(a))	
807 KAR 5:027, SECTION 3(1)(c))	

O R D E R

Louisville Gas and Electric Company (LG&E) is a utility pursuant to KRS 278.010(3)(b). As a natural gas utility, LG&E is subject to Commission jurisdiction pursuant to KRS 278.040 and 278.495(2).

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 at the earliest practicable moment or no later than (2) hours after the incident of any occurrence that results in gas ignition. Likewise, the Commission promulgated 807 KAR 5:022, Section 9(13)(a), which requires:

Each plastic service line outside a building shall be installed below ground level, except that it may terminate above ground and outside the building, if:

1. The above ground part of the plastic service line is protected against deterioration and external damage;

Commission Staff has submitted to the Commission an Incident Inspection Report dated August 27, 1999, appended hereto, which alleges:

1. At approximately 2:30 p.m., Eastern Daylight Time, on June 3, 1999, the Commission received a telephonic notice from Greg Fergason, Regulatory Affairs Coordinator, that a company service line was cut at 12:07 p.m., Eastern Daylight Time, on May 27, 1999, at 156 Anita Springs Court, LaGrange, Kentucky. A lawnmower hit a company service line that was stubbed off above ground. While it is common practice to extend company service lines above ground level during construction before the customer service line has been installed, it is a violation of safety regulations to have gas on the line. The lawnmower cut the one-half inch company service line and ignited the gas. The lawnmower was destroyed but no injuries occurred. 807 KAR 5:022, Section 9(13)(a) requires the above ground part of the plastic service line to be protected against deterioration and external damage.

2. On June 3, 1999, a week after the incident, the Commission received notice from LG&E that the incident had occurred. 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 (2) hours following the discovery of gas ignition.

Based on its review of the Incident Inspection Report and being otherwise sufficiently advised, the Commission finds that prima facie evidence exists that LG&E has failed to comply with Administrative Regulation 807 KAR 5:027, Section 3(1)(c) and 807 KAR 5:022, Section 9(13)(a).

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

1. LG&E shall appear before the Commission on November 4, 1999, at 9:00 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 violation of Administrative Regulation 807 KAR 5:027, Section 3(1)(c) and 807 KAR 5:022, Section 9(13)(a) and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for this alleged violation.

2. LG&E shall submit to the Commission within 20 days of the date of this Order a written response to the allegations contained in the Incident Inspection Report.

3. The Incident Inspection Report of August 27, 1999, a copy of which is appended hereto, is made part of the record of this proceeding.

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 20th day of September, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 99-378
DATED SEPTEMBER 20, 1999

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

INCIDENT INSPECTION REPORT

LOUISVILLE GAS & ELECTRIC COMPANY, INC
LaGrange, Kentucky

August 27, 1999

BRIEF

On May 27, 1999, an employee of Louisville Gas & Electric Company, Inc. (LG&E) was notified of a natural gas line that had been cut and had ignited. This line was squeezed off, stopping the flow of gas. This incident investigation is conducted in accordance with the Public Service Commission (PSC) policy of inspecting all jurisdictional gas 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

At 2:30 PM, EDT, June 3, 1999, the PSC received a telephonic notice from Greg Fergason, Regulatory Affairs Coordinator, that a company service line was cut at 12:07 PM, EDT, on May 27, 1999, at 156 Anita Springs Court, LaGrange, Kentucky. Someone operating a lawnmower hit a company service line that was stubbed off aboveground. This is common practice to extend company service lines above ground level during construction before the new or existing home has run the customer service line. However, this line had gas on it, which violates safety regulations with plastic lines aboveground.

The lawnmower cut the one-half inch company service line and ignited the gas. The lawnmower was destroyed but no injuries occurred.

The lawnmower cut the one-half inch company service line and ignited the gas. The lawnmower was destroyed but no injuries occurred.

Commission Regulation, 807 KAR 5:027, Section 3(1)(c), requires this Commission be notified at the earliest practicable moment but no later than two (2) hours following discovery; each utility shall give notice to the Commission in accordance with subsection (3) of this section of any incident that results in the gas ignition.

FINDINGS

The following deficiencies were found:

1. This Commission was not properly notified of an incident involving the ignition of gas. LG&E notified the Commission 7 days after the incident. 807 KAR 5:027, Section 3(1)(c).
2. Plastic pipe with main line pressure had extended aboveground. 807 KAR 5:022, Section 9(13)(a) and 49 CFR Part 192.375(a).

RECOMMENDATIONS

It is recommended that LG&E review its notification policy with employees that are required to respond to such instances.

It is further recommended that the Commission initiate a hearing to allow LG&E to show cause why it should not be penalized for failure to comply with Commission regulations.

Respectfully submitted,

Jeffrey M. Schroeder
Gas Utility Investigator

JMS:dcp