

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BLAINE CITY GAS COMPANY)	
_____)	CASE NO. 2000-417
)	
ALLEGED VIOLATIONS OF)	
ADMINISTRATIVE REGULATION)	
807 KAR 5:022 and 49 CFR 189-199)	

O R D E R

Blaine City Gas Company ("Blaine") is a municipally owned natural gas distribution system serving the city of Blaine, Kentucky. Blaine serves approximately 70 customers.

As a municipally owned gas distribution system, Blaine is subject to the safety jurisdiction of the Public Service Commission ("Commission") pursuant to KRS 278.495(2). Blaine 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 and 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 August 23, 2000. The report alleges that Blaine is in violation of 34 pipeline safety regulations as follows:

1. There are no written procedures on file for joining plastic pipe. 807 KAR 5:022, Section 6(2)(b), and 49 CFR Part 192.273.
2. There is no corrosion control program. 807 KAR 5:022, Section 10(3), and 49 CFR Part 192.455.
3. There are no patrolling records on file. 807 KAR 5:022, Section 13(2)(b), and 49 CFR Part 192.603.
4. There is no operating and maintenance plan. 807 KAR 5:022, Section 13(3), and 49 CFR Part 192.605.
5. There are no written procedures for continuing surveillance. 807 KAR 5:022, Section 13(7), and 49 CFR Part 192.613.
6. There is no damage prevention program. 807 KAR 5:022, Section 13(8), and 49 CFR Part 192.614.
7. There is no list on file that includes the identity, on a current basis, of persons who normally engage in excavation activities in the vicinity of the pipeline. 807 KAR 5:022, Section 13(8)(b)(1), and 49 CFR Part 192.614(c)(1).
8. The records demonstrate a failure to maintain a written program designed to provide notification to the public in the vicinity of the pipeline and actual notification to persons identified in 807 KAR 5:022, Section 13(8)(b)(1), and 49 CFR Part 192.614(c)(1) as often as needed to make them aware of the existence and purpose of the damage prevention program and how to learn the location of underground pipelines prior to excavation activities. 807 KAR 5:022, Section 13(8)(b)(2), and 49 CFR Part 192.614(c)(2).

9. There is no emergency plan. 807 KAR 5:022, Section 13(9)(a), and 49 CFR Part 192.615.

10. There are no written procedures for receiving, identifying, and classifying notices of events that would require an immediate response by the operator. 807 KAR 5:022, Section 13(9)(a)(1), and 49 CFR Part 192.615(a)(1).

11. There are no written procedures for establishing and maintaining adequate means of communication with appropriate fire, police, and other public officials. 807 KAR 5:022, Section 13(9)(a)(2), and 49 CFR Part 192.615(a)(2).

12. There are no written procedures for a prompt and effective response to a notice of each type of emergency, including gas, fire, explosion or natural disaster near or involving a building with a gas pipeline or pipeline facility. 807 KAR 5:022, Section 13(9)(a)(3), and 49 CFR Part 192.615(a)(3).

13. There is no list on file of the availability of personnel, equipment, tools, and materials, as needed at the scene of emergency. 807 KAR 5:022, Section 13(9)(a)(4), and 49 CFR Part 192.615(a)(4).

14. There are no written procedures for actions directed toward protecting people first and then property. 807 KAR 5:022, Section 13(9)(a)(5), and 49 CFR Part 192.615(a)(5).

15. There are no written procedures for emergency shutdown and pressure reduction in any section of the operator's pipeline system necessary to minimize hazards to life or property. 807 KAR 5:022, Section 13(9)(a)(6), and 49 CFR Part 192.615(a)(6).

16. There are no written procedures for making safe any actual or potential hazard to life or property. 807 KAR 5:022, Section 13(9)(a)(7), and 49 CFR Part 192.615(a)(7).

17. There are no written procedures for notifying appropriate fire, police, and other public officials of gas pipeline emergencies and coordinating with them both planned responses and actual responses during an emergency. 807 KAR 5:022, Section 13(9)(a)(8), and 49 CFR Part 192.615(a)(8).

18. There are no written procedures for safely restoring any service outage. 807 KAR 5:022, Section 13(9)(a)(9), and 49 CFR Part 192.615(a)(9).

19. There is no record of operating personnel having been trained in emergency procedures. 807 KAR 5:022, Section 13(9)(b)(2), and 49 CFR Part 192.615(b)(2).

20. There is no established continuing educational program to enable customers, the public, appropriate government organizations, and persons engaged in excavation related activities to recognize a gas pipeline emergency for the purpose of reporting it to the operator or appropriate public officials. 807 KAR 5:022, Section 13(9)(d), and 49 CFR Part 192.616.

21. There are no procedures for the investigation and analysis of accidents and failures. 807 KAR 5:022, Section 13(10), and 49 CFR Part 192.617.

22. There is no established maximum allowable operating pressure. 807 KAR 5:022, Section 13(11), and 49 CFR Part 192.619.

23. No odorization checks are being performed. 807 KAR 5:022, Section 13(17), and 49 CFR Part 192.625.

24. There are no procedures for system patrolling. 807 KAR 5:022, Section 14(12), and 49 CFR Part 192.721.

25. No provisions have been made for leakage surveys. 807 KAR 5:022, Section 14(13), and 49 CFR Part 192.723.

26. No leak surveys are being performed on system. 807 KAR 5:022, Section 14(13)(b), and 49 CFR Part 192.723.

27. There are no test requirements for reinstating service lines. 807 KAR 5:022, Section 14(14), and 49 CFR Part 192.725.

28. There are no written procedures for abandonment or inactivation of facilities. 807 KAR 5:022, Section 14(15), and 49 CFR Part 192.727.

29. There are no annual inspections of regulators and relief valves. 807 KAR 5:022, Section 14(21), and 49 CFR Part 192.739.

30. There are no reviews or recalculations of relief valve capacities. 807 KAR 5:022, Section 14(23), and 49 CFR Part 192.743.

31. There is no annual maintenance on main line valves. 807 KAR 5:022, Section 14(25), and 49 CFR Part 192.747.

32. There are no written procedures for the prevention of accidental ignition. 807 KAR 5:022, Section 14(27), and 49 CFR Part 192.751.

33. There is no written anti-drug plan. 807 KAR 5:023, Section 3, and 49 CFR Part 199.7.

34. There is no written alcohol misuse plan. 49 CFR Part 199.202.

Based on its review of the Comprehensive Inspection Report and being otherwise sufficiently advised, the Commission finds *prima facie* evidence that Blaine

has failed to comply with Administrative Regulation 807 KAR 5:022 and 49 CFR 192 as set out herein.

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

1. Blaine shall appear before the Commission on October 26, 2000 at 9:30 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky for the purpose 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. Within 20 days of the date of this Order, Blaine shall submit to the Commission a written response to the allegations contained in the Comprehensive Inspection Report.

3. The Comprehensive Inspection Report of August 23, 2000, 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 14th day of September, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 2000-417
DATED SEPTEMBER 14, 2000

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

COMPREHENSIVE INSPECTION REPORT

BLAINE CITY GAS COMPANY
Blaine, Kentucky

August 23, 2000

BRIEF

Earl H. Alderman, Jr. conducted a comprehensive inspection of the natural gas facilities at Blaine City Gas Company, ("Blaine") on March 22, April 23, and June 21, 2000. 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, 278.992 and also through a 5(a) Agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the federal pipeline safety laws, 49 U.S.C. § 60101 et seq. and regulations promulgated thereunder.

INSPECTION

Blaine is a municipally owned gas distribution system operating in the City of Blaine, Kentucky, and serves approximately 70 customers.

An attempt was made to review Blaine's Operating and Maintenance, Emergency, Damage Prevention, and Anti-Drug Plans during the office portion of the inspection, but none were found. Also during the office visit, attempts were made to review records concerning the leak survey, system patrolling, corrosion, odorization, valve maintenance, and regulator and relief valves and none were found.

During the field inspection, checks were made on residential meter settings and system valves. Wilma Blevins accompanied me on this inspection.

Deficiencies noted during this inspection will be further discussed in the findings section of this report.

FINDINGS

The following deficiencies were found:

1. There are no written procedures for joining plastic pipe. *807 KAR 5:022, Section 6(2)b and 49 CFR Part 192.273.*
2. There is no corrosion control program. *807 KAR 5:022, Section 10(3) and 49 CFR Part 192.455.*
3. There are no patrolling records. *807 KAR 5:022, Section 13(2)b and 49 CFR Part 192.603.*
4. There is no Operating and Maintenance (“O&M”) Plan. *807 KAR 5:022, Section 13(3) and 49 CFR Part 192.605.*
5. There are no written procedures for continuing surveillance. *807 KAR 5:022, Section 13(7) and 49 CFR Part 192.613.*
6. There is no Damage Prevention Program. *807 KAR 5:022, Section 13(8) and 49 CFR Part 192.614.*
7. There is no list that includes the identity, on a current basis, of persons who normally engage in excavation activities in the vicinity of the pipeline. *807 KAR 5:022, Section 13(8)b(1) and 49 CFR Part 192.614(c)1.*
8. There is no notification to the public in the vicinity of the pipeline and actual notification to persons identified in *807 KAR 5:022, Section 13(8)b(1) and 49*

CFR Part 192.614(c)1 of this section as often as needed to make them aware of the existence and purpose of the damage prevention program and how to learn the location of underground pipelines prior to excavation activities. *807 KAR 5:022, Section 13(8)b(2) and 49 CFR Part 192.614(c)2.*

9. There is no Emergency Plan. *807 KAR 5:022, Section 13(9)a and 49 CFR Part 192.615.*

10. There are no written procedures for receiving, identifying, and classifying notices of events that require immediate response by the operator. *807 KAR 5:022, Section 13(9)a(1) and 49 CFR Part 192.615(a)1.*

11. There are no written procedures for establishing and maintaining adequate means of communication with appropriate fire, police, and other public officials. *807 KAR 5:022, Section 13(9)a(2) and 49 CFR Part 192.615(a)2.*

12. There are no written procedures for a prompt and effective response to a notice of each type of emergency, including gas, fire, explosion or natural disaster near or involving a building with gas pipeline or pipeline facility. *807 KAR 5:022, Section 13(9)a(3) and 49 CFR Part 192.615(a)3.*

13. There is no list of the availability of personnel, equipment, tools, and materials, as needed at the scene of emergency. *807 KAR 5:022, Section 13(9)a(4) and 49 CFR Part 192.615(a)4.*

14. There are no written procedures for actions directed toward protecting people first and then property. *807 KAR 5:022, Section 13(9)a(5) and 49 CFR Part 192.615(a)5.*

15. There are no written procedures for emergency shutdown and pressure reduction in any section of the operator's pipeline system necessary to minimize hazards to life or property. *807 KAR 5:022, Section 13(9)a(6) and 49 CFR Part 192.615(a)6.*

16. There are no written procedures for making safe any actual or potential hazard to life or property. *807 KAR 5:022, Section 13(9)a(7) and 49 CFR Part 192.615(a)7.*

17. There are no written procedures for notifying appropriate fire, police, and other public officials of gas pipeline emergencies and coordinating with them, both planned responses, and actual responses during an emergency. *807 KAR 5:022, Section 13(9)a(8) and 49 CFR Part 192.615(a)8.*

18. There are no written procedures for safely restoring any service outage. *807 KAR 5:022, Section 13(9)a(9) and 49 CFR Part 192.615(a)9.*

19. Operating personnel have not been trained in emergency procedures. *807 KAR 5:022, Section 13(9)b(2) and 49 CFR Part 192.615(b)2.*

20. There is no established continuing educational program to enable customers, the public, appropriate government organizations, and persons engaged in excavation related activities to recognize a gas pipeline emergency for the purpose of reporting it to the operator or appropriate public officials. *807 KAR 5:022, Section 13(9)d and 49 CFR Part 192.616.*

21. There are no procedures for the investigation of failures. *807 KAR 5:022, Section 13(10) and 49 CFR Part 192.617.*

22. There is no established maximum allowable operating pressure (“MAOP”).
807 KAR 5:022, Section 13(11) and 49 CFR Part 192.619.
23. There are no odorization checks being performed. *807 KAR 5:022, Section 13(17) and 49 CFR Part 192.625.*
24. There are no procedures for system patrolling. *807 KAR 5:022, Section 14(12) and 49 CFR Part 192.721.*
25. No provisions have been made for leakage surveys. *807 KAR 5:022, Section 14(13) and 49 CFR Part 192.723.*
26. There are no leak surveys being performed on system. *807 KAR 5:022, Section 14(13)b and 49 CFR Part 192.723.*
27. There are no test requirements for reinstating service lines. *807 KAR 5:022, Section 14(14) and 49 CFR Part 192.725.*
28. There are no written procedures for abandonment or inactivation of facilities. *807 KAR 5:022, Section 14(15) and 49 CFR Part 192.727.*
29. There are no annual inspections on regulators and relief valves. *807 KAR 5:022, Section 14(21) and 49 CFR Part 192.739.*
30. There are no reviews or recalculations on relief valve capacities. *807 KAR 5:022, Section 14(23) and 49 CFR Part 192.743.*
31. There is no annual maintenance on main line valves. *807 KAR 5:022, Section 14(25) and 49 CFR Part 192.747.*
32. There are no written procedures for the prevention of accidental ignition.
807 KAR 5:022, Section 14(27) and 49 CFR Part 192.751.

33. There is no written anti-drug plan. *807 KAR 5:023, Section 3 and 49 CFR Part 199.7.*

34. There is no written alcohol misuse plan. *49 CFR Part 199.202.*

RECOMMENDATIONS

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

It is also recommended that in order to safely operate a natural gas system, maintenance personnel must have training on the safe and proper ways to respond to leakage calls and also how to handle gas in an emergency. This training is available through the Kentucky Gas Association. Further information on the Kentucky Gas Association training seminars may be obtained by contacting Dr. Paul Lyons, Kentucky Gas Association, 92 Chestnut Street, Murray, Kentucky 42071, (502) 753-2151 or (800) 455-9427, email: itskga@ltd.net, web address: <http://www.kygas.org>.

Respectfully submitted,

Earl H. Alderman, Jr.
Gas Utility Investigator

EHA:dcp
0004800-0004801