

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MT. CARMEL HIGH SCHOOL)	
_____)	CASE NO. 2000-470
)	
ALLEGED VIOLATIONS OF)	
ADMINISTRATIVE REGULATION)	
807 KAR 5:022)	

O R D E R

Mt. Carmel High School ("Mt. Carmel") is a master meter system operator that receives natural gas from Jefferson Gas. As a master meter operator, Mt. Carmel is subject to the safety jurisdiction of the Commission, pursuant to KRS 278.040 and KRS 278.495. Mt. Carmel 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 October 2, 2000, in which Commission Staff alleges the following five violations:

1. No record of annual maintenance on key valves. 807 KAR 5:022, Section 14(25), and 49 CFR Part 192.747. This is a repeat violation.
2. No record of annual maintenance on regulators and relief valves. 807 KAR 5:022, Section 14(21), and 49 CFR Part 192.739.

3. Failure to update the system's Operation and Maintenance Plan. 807 KAR 5:022, Section 13(2)(a), and 49 CFR Part 192.603(a).

4. Failure to update the system's Emergency Plan. 807 KAR 5:022, Section 13(9), and 49 CFR Part 192.615(a).

5. No record for the annual leak survey. 807 KAR 5:022, Section 14(13), and 49 CFR Part 192.723.

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

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

1. Mt. Carmel shall appear before the Commission on December 12, 2000, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky for the purposes 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 Mt. Carmel, dated October 2, 2000, a copy of which is appended hereto, is made part of the record of this proceeding.

3. Within 20 days of the date of this Order, Mt. Carmel shall submit to the Commission a written response to the allegations contained in the Comprehensive Inspection Report.

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 30th day of October, 2000.

By the Commission

ATTEST:

Deputy Wth H. Fowler
Executive Director

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 2000-470
DATED OCTOBER 30, 2000

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

MT. CARMEL HIGH SCHOOL
VANCLEVE, KENTUCKY

October 2, 2000

BRIEF

The comprehensive inspection of the natural gas piping system of the Mt. Carmel High School ("Mt. Carmel") in Vancleve, Kentucky was conducted on June 20 & 23, 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

Mt. Carmel is a master meter operator with 20 buildings that receives natural gas from Jefferson Gas. It then redistributes the gas throughout the campus for various purposes including cooking, hot water, boilers, and heating.

A master meter system is defined in 49 CFR Part 191.3 as a pipeline system for delivering gas within, but not limited to, a definable area such as a mobile home park, housing or apartment complexes where the operator purchases gas from an outside source for resale through a gas distribution system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly or through other means, such as rent.

The intent of this inspection and subsequent inspections of other master meter operators is to afford the residents of these master meter complexes the same standards of safety that are required by other operators.

During the office inspection, a review was made of Mt. Carmel's Operating and Maintenance and Emergency Plans, and records relating to valve maintenance, leakage surveys and other pertinent records. Several deficiencies were found during the office inspection.

During the field inspection, checks were made on meter settings, regulators, relief valves and system valves. Leroy Detwiler accompanied me on this inspection. No deficiencies were found during the field inspection.

FINDINGS

The following deficiencies were found during the inspection.

1. There is no record of annual maintenance on key valves. 807 KAR 5:022, Section 14(25) and 49 CFR Part 192.747. **THIS IS A REPEAT VIOLATION FROM THE OCTOBER 27,1997 COMPREHENSIVE INSPECTION REPORT.**

2. There is no record of annual maintenance on regulators and relief valves. 807 KAR 5:022, Section 14(21) and 49 CFR Part 192.739.

3. The Operation and Maintenance ("O&M") Plan needs to be updated. 807 KAR 5:022, Section 13(2)a, and 49 CFR Part 192.603(a).

4. Emergency Plan needs to be updated. 807 KAR 5:022, Section 13(9), and 49 CFR Part 192.615(a).

5. There is no record for the annual leak survey. 807 KAR 5:022, Section 14(13) and 49 CFR Part 192.723.

RECOMMENDATIONS

It is recommended that Mt. Carmel:

1. Check all key valves on the system every year and maintain the records.
2. Check regulators and relief valves annually for proper operation.
3. Update the O&M Plan.
4. Update the Emergency Plan.
5. Conduct a leak survey over the entire system.

It is further recommended that the Commission initiate a hearing to allow Mt. Carmel 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, (270) 753-2151 or (800) 455-9427, email: itskga@idd.net, web address: <http://www.kygas.org>.

Respectfully submitted,

Earl H. Alderman, Jr.
Gas Utility Investigator

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