

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RICHARDSVILLE GAS COMPANY, INC.)	
_____)	CASE NO. 2002-00311
)	
ALLEGED VIOLATIONS OF)	
KRS 278.992 AND ADMINISTRATIVE)	
REGULATION 807 KAR 5:022, SECTION 8(5))	

O R D E R

Richardsville Gas Company, Inc. (Richardsville Gas) is a natural gas distribution company serving approximately 50 customers in Warren County, Kentucky. Richardsville Gas, as a natural gas utility, is subject to Commission regulation and enforcement action pursuant to KRS 278.040 and KRS 278.495. Richardsville Gas is also subject to Commission safety 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 the penalty provisions contained in KRS 278.992.

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 Administrative Regulation 807 KAR 5:022, Section 8(5), which requires utilities to conduct periodic meter tests based upon a prescribed schedule.

Commission Staff has submitted to the Commission a Comprehensive Inspection Report of Richardsville Gas, dated July 29, 2002, in which Commission Staff alleges the following violations:

1. No Operator Qualification Plan has been implemented as required by 49 CFR Part 192.809(a).
2. There are no records for a leak survey as required by 49 CFR Part 192.723.
3. There has been no odorant testing by instrument as required by 49 CFR Part 192.625. This is a repeat violation.
4. Meter testing is not current as required by Administrative Regulation 807 KAR 5:022, Section 8(5). This is a repeat violation.
5. The Operation and Maintenance plan is not updated as required by 49 CFR Part 192.605.
6. The Emergency Plan is not updated as required by 49 CFR Part 192.615.
7. The Damage Prevention plan is not updated as required by 49 CFR Part 192.614.
8. The continuing education program has not been published in the local newspaper as required by 49 CFR Part 192.616.
9. Local contractors have not been notified of the damage prevention program as required by 49 CFR Part 192.614(c)1.
10. There are no records that relief valve calculations have been reviewed as required by 49 CFR Part 192.743. This is a repeat violation.

Based on its review of the Comprehensive Inspection Report and being otherwise sufficiently advised, the Commission finds *prima facie* evidence exists that Richardsville Gas has failed to comply with the above-cited administrative regulations.

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

1. Richardsville Gas shall appear on October 22, 2002 at 10:00 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 as contained in the Comprehensive Inspection Report dated July 29, 2002, and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) and KRS 278.992(1) for these alleged violations. According to Kentucky law, corporations or foreign entities are required to be represented by an attorney authorized to practice in the Commonwealth of Kentucky in appearances before the Commission.

2. The Comprehensive Inspection Report of Richardsville Gas, dated July 29, 2002, a copy of which is appended hereto, is made part of the record of this proceeding.

3. Neither opening statements nor witnesses summaries of pre-filed direct testimony will be permitted.

4. Within 20 days of the date of this Order, Richardsville Gas shall submit to the Commission a written response to the allegations contained in the Comprehensive Inspection Report.

5. Any motion for continuance of a hearing set by the Commission shall be made only for good cause and sufficiently in advance of the hearing date to allow time for the Commission to rule upon the motion.

6. 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 11th day of September, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles H. [unclear]", written over a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00311

DATED September, 11, 2002

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

COMPREHENSIVE INSPECTION REPORT

RICHARDSVILLE GAS COMPANY, INC.
Bowling Green, Kentucky

July 29, 2002

BRIEF

Earl H. Alderman, Jr. conducted a comprehensive inspection of the natural gas facilities of Richardsville Gas Company, Inc. (Richardsville) on June 20, 2002. 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

Richardsville is a privately owned, gas distribution system operating in Warren County, Kentucky, and serving approximately 50 customers.

A review was made of Richardsville s Operating and Maintenance, Emergency, Damage Prevention, Operator Qualification Plan and Anti-Drug Plans during the office portion of the inspection. Also during the office visit, records were reviewed concerning the leak survey, system patrolling, odorization, valve maintenance, and regulator and relief valves.

During the field inspection, checks were made on main line valves, residential and commercial meter settings and regulator stations.

Glenn Miller, President of Richardsville, assisted on this inspection.

FINDINGS

The following deficiencies were found:

1. No Operator Qualification Plan has been implemented. *49 CFR Part 192.809(a).*
2. There are no records for a leak survey. *49 CFR Part 192.723.*
3. No odorant testing has been done by instrument. *49 CFR Part 192.625.*

This is a repeat violation from the May 29, 1996 Comprehensive Report.

4. Meter testing is not current. *807 KAR 5:022, Section 8(5).* **This is a repeat violation from the May 29, 1996 Comprehensive Report.**

5. The Operation and Maintenance (O & M) plan needs to be updated. *49 CFR Part 192.605.*

6. The Emergency Plan needs to be updated. *49 CFR Part 192.615.*

7. The Damage Prevention plan needs to be updated. *49 CFR Part 192.614.*

8. The continuing education program has not been in the local newspaper as required. *49 CFR Part 192.616.*

9. Local contractors have not been notified of the damage prevention program. *49 CFR Part 192.614(c)1.*

10. There are no records showing that relief valve calculations have been reviewed. *49 CFR Part 192.743.* **This is a repeat violation from the May 29, 1996 Comprehensive Report.**

RECOMMENDATIONS

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

Respectfully submitted,

Earl H. Alderman, Jr.
Gas Utility Investigator

EHA:dcp
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