

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>VERIFIED ELECTRONIC APPLICATION</b>	)	
<b>OF LOUISVILLE GAS AND ELECTRIC</b>	)	
<b>COMPANY FOR APPROVAL OF STATE</b>	)	
<b>WAIVER OF THE REASSESSMENT</b>	)	<b>CASE NO. 2019-00222</b>
<b>INTERVAL REQUIRED BY 49 C.F.R.</b>	)	
<b>§192.939</b>	)	

**LOUISVILLE GAS AND ELECTRIC COMPANY’S**  
**VERIFIED APPLICATION FOR A STATE WAIVER OF THE**  
**REASSESSMENT INTERVAL OF MULTIPLE PIPELINES**

Pursuant to 807 KAR 5:001, 49 U.S.C. § 60118(d), 49 C.F.R. § 190.341, and 49 C.F.R. § 192.943, Louisville Gas and Electric Company (“LG&E”) respectfully requests, as a precautionary measure, a state waiver of the reassessment interval for the High Consequence Areas (“HCAs” or “covered segments”) of the Magnolia 16, Penile to Paddy’s, Western Kentucky A, and Trimble County Pipelines. LG&E is required under 49 C.F.R. § 192.939 to conduct the reassessment of these HCAs by December 31, 2019.

As set forth in more detail herein, LG&E seeks an extension of time, up to and including June 30, 2020, to complete the reassessment of these HCAs. LG&E states that it will take proactive measures effective January 1, 2020, above and beyond regulatory requirements, to ensure the safety of the HCAs until the reassessment is completed, if the reassessment is not completed by December 31, 2019. LG&E also states that it plans to conduct the reassessment of the HCAs referenced above prior to December 31, 2019, but it has only been able to identify two geometry multi-diameter tools and one magnetic flux leakage (“MFL-A”) multi-diameter tool in existence available for use in conducting in-line inspections (“ILI”) of the Magnolia 16, Penile to Paddy’s, and Western Kentucky A Pipelines. The vendor has indicated it may have

an additional MFL-A tool capable of gathering data in the pipelines if a custom pull unit was designed and built. LG&E has asked the vendor to verify the tool's capabilities and provide a proposal for the pull unit development, but the timing is uncertain. As a result, there is limited availability of the ILI tools needed to conduct integrity assessments of these pipelines.

Geometry and MFL-A inline inspection tools have already been run through the Trimble County Pipeline this year, but the data will not be analyzed and provided to LG&E for a couple of months. LG&E cannot therefore guarantee at this time that the inspections already conducted were successful. However, preliminary indications are the necessary data was obtained.

Due to the fact that Western Kentucky A pipeline has 16-inch, 20-inch and 22-inch pipe, it is being inspected in two series of ILI tool runs. A middle section of the pipeline, from Erica Way to Stonestreet Road, containing 20-inch and 22-inch pipe will be inspected with ILI tools capable of gathering data in both 20-inch and 22-inch pipe. The full pipeline will then be inspected with tools capable of passing through 16-inch, 20-inch and 22-inch pipe, but only gathering data on 16-inch and 20-inch pipe. A geometry inline inspection tool has already been run through the Western Kentucky A pipeline from Erica Way to Stonestreet Road this year, but the data will not be analyzed and provided to LG&E for a couple of months. LG&E cannot therefore guarantee at this time that the inspection already conducted was successful. However, preliminary indications are the necessary data was obtained.

On June 3, 2019, the Kentucky Public Service Commission ("Commission") issued an Order in Case No. 2017-00482 stating that "any request for a waiver of a transmission pipeline integrity reassessment interval shall be filed at least 180 days before the end of the required

reassessment interval.”<sup>1</sup> LG&E is scheduled to run the ILI tools, but won’t know prior to July 3, 2019 (180 days before the end of the required reassessment interval) whether its attempts will be successful. In addition, LG&E is constrained on when it can run an ILI tool because it must maintain product supply during the heating season. Furthermore, if one of the inline inspection tools were to become damaged, a tool capable of completing the inspections may not be available. Therefore, LG&E is applying for this state waiver now in order to comply with the Commission’s Order of June 3, 2019.

The Commission does not have specific rules covering state waivers. Therefore, LG&E is submitting this Application consistent with 807 KAR 5:001, Section 14. State authorities, including the Commission, have authority under 49 U.S.C. § 60118(d) to grant waivers to intrastate pipeline operators, including LG&E. State waivers are substantively the same as special permits that the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) grants to interstate pipeline operators. Before the state may issue a state waiver to an intrastate pipeline operator, however, the state must provide at least 60 days’ notice to PHMSA to review and either object or approve the Application. *See* 49 U.S.C. § 60118(d). To provide sufficient background in support of this Application for a state waiver, LG&E is providing the technical details and requirements for a special permit under 49 C.F.R. § 190.341.

In support of this Application, LG&E states as follows:

1. **807 KAR 5:001, Section 14 – Information to be Contained in State Waiver Application**
  - a. **Section 14(1): Each application shall state the full name, mailing address, and electronic mail address of the applicant, and shall contain fully the facts on which the application is based, with a request for the order,**

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<sup>1</sup> *In the Matter of: Application of Louisville Gas and Electric Company for Approval of State Waiver of the Reassessment Interval Required by 49 C.F.R. §192.939, Case No. 2017-00482, Order of June 3, 2019, pp. 18-19.*

**authorization, permission, or certificate desired and a reference to the particular law requiring or providing for the information.**

LG&E's full name and address are:

Louisville Gas and Electric Company  
Post Office Box 32010  
220 West Main Street  
Louisville, Kentucky 40202

LG&E may be reached by electronic mail at the electronic mail addresses of its counsel and representatives set forth below:

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LG&E sets forth the factual and legal basis to support this Application in Section 2, below.

- b. Section 14(2): If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.**

LG&E was incorporated in Kentucky on July 2, 1913, and is currently in good standing in Kentucky.

**2. Section 190.341(c) – Information to be Contained in Special Permit Application**

- a. The name, mailing address, and telephone number of the applicant and whether the applicant is an operator**

LG&E's name, mailing address and telephone number are set forth in Section 1, above.

LG&E is the pipeline operator.

- b. A detailed description of the pipeline facilities for which the special permit is sought, including:**

- i. The beginning and ending points of the pipeline mileage to be covered and the Counties and States in which it is located;**

LG&E operates a natural gas transmission pipeline known as the Magnolia 16 Pipeline. The entire Magnolia 16 Pipeline is approximately 39.9 miles, but the HCAs are only 3.83 miles in total length. The locations of the HCAs are shown on a map in Attachment A, which is provided pursuant to a Petition for Confidential Protection. These HCAs are located in Hardin County.

LG&E operates a natural gas transmission pipeline known as the Penile to Paddy's Pipeline. The entire Penile to Paddy's Pipeline is approximately 11.36 miles, but the HCAs are only 2.82 miles in total length. The locations of the HCAs are shown on a map in Attachment A, which is provided pursuant to a Petition for Confidential Protection. These HCAs are located in Jefferson County.

LG&E operates a natural gas transmission pipeline known as the Western Kentucky A Pipeline. The entire Western Kentucky A Pipeline is approximately 22.35 miles, but the HCAs are only 5.57 miles in total length. The locations of the HCAs are shown on a map in Attachment A, which is provided pursuant to a Petition for Confidential Protection. These HCAs are located in Jefferson County.

LG&E operates a natural gas transmission pipeline known as the Trimble County Pipeline. The entire Trimble County Pipeline is approximately 6.1 miles, but the HCAs are only 0.87 miles in total length. The locations of the HCAs are shown on a map in Attachment A, which is provided pursuant to a Petition for Confidential Protection. These HCAs are located in Trimble County.

**ii. Whether the pipeline is interstate or intrastate and a general description of the right-of-way including proximity of the affected segments to populated areas and unusually sensitive areas;**

The Magnolia 16, Penile to Paddy's, Western Kentucky A, and Trimble County Pipelines are intrastate pipelines under the jurisdiction of the Commission. The pipelines lay in road rights-of-way at some points and traverses private property in other locations. The mileage of the entire Magnolia 16 Pipeline by class is approximately: Class 1 – 21.44 miles; Class 2 – 2.26 miles; Class 3 – 16.18 miles; and Class 4 – 0 miles. The Magnolia 16 Pipeline

has 3.83 miles of pipe located in HCA which was determined by calculating the pipeline potential impact radius. All HCA is in class 3 areas.

The mileage of the entire Penile to Paddy's Pipeline by class is approximately: Class 1 – 0 miles; Class 2 – 0 miles; Class 3 – 11.36 miles; and Class 4 – 0 miles. The Penile to Paddy's Pipeline has 2.82 miles of pipe located in HCA which was determined by calculating the pipeline potential impact radius. All HCA is in class 3 areas.

The mileage of the entire Western Kentucky A Pipeline by class is approximately: Class 1 – 6.51 miles; Class 2 – 1.78 miles; Class 3 – 14.06 miles; and Class 4 – 0 miles. The Western Kentucky A Pipeline has 5.57 miles of pipe located in HCA which was determined by calculating the pipeline potential impact radius. All HCA is in class 3 areas.

The mileage of the entire Trimble County Pipeline by class is approximately: Class 1 – 2.37 miles; Class 2 – 3.14 miles; Class 3 – 0.59 miles; and Class 4 – 0 miles. The Trimble County Pipeline has 0.87 miles of pipe located in HCA which was determined by calculating the pipeline potential impact radius. HCA is in class 1, class 2 and class 3 areas.

**iii. Relevant pipeline design and construction information including the year of installation, the material, grade, diameter, wall thickness, and coating type; and**

The 3.83 miles of the Magnolia 16 Pipeline in HCA was constructed in the following decades: 94% in 1950s, 2% in the 1970s, 2% in the 1980s, 1% in the 2000s, and 1% in the 2010s. The 3.83 miles of pipe has the following properties. The pipeline within HCA is 99% 16-inch and 1% 20-inch diameter steel. The grade is 98% X42 and 2% X52. The wall thickness is 100% 0.250-inch. The coating is 99% coal tar and 1% fusion bonded epoxy. Of this data, 3.63 miles of the pipe grade reported is based on LG&E's historic construction

practices for the pipe diameter and period of installation and 3.63 miles of the wall thickness is based on data obtained from a magnetic flux leakage (“MFL”) in-line inspection (ILI).

The 2.82 miles of the Penile to Paddy’s Pipeline in HCA was constructed in the following decades: 89% in 1950s, 1% in the 1970s, and 10% in the 2010s. The 2.82 miles of pipe has the following properties. The pipeline within HCA is 46% 16-inch and 54% 20-inch diameter steel. The grade is 89% Grade B, 2% X42 and 9% X52. The wall thickness is 100% 0.250-inch. The coating is 87% coal tar and 13% fusion bonded epoxy. Of this data, 2.52 miles of the pipe grade reported is based on LG&E’s historic construction practices for the pipe diameter and period of installation and 2.52 miles of the wall thickness is based on data obtained from a MFL ILI.

The 5.57 miles of the Western Kentucky A Pipeline in HCA was constructed in the following decades: 35% in 1950s, 3% in the 1960s, 1% in the 1970s, 3% in the 1980s, 14% in the 1990s, 1% in the 2000s, 38% in the 2010s and 5% is not known. The 5.57 miles of pipe has the following properties. The pipeline within HCA is 27% 16-inch, 50% 20-inch and 23% 22-inch diameter steel. The grade is 5% Grade A, 38% Grade B, 21% X42 and 36% X52. The wall thickness is 98% 0.250-inch, 1% 0.281-inch and 1% 0.375-inch. The coating is 62% coal tar and 38% fusion bonded epoxy. Of this data, 2.46 miles of the pipe grade reported is based on LG&E’s historic construction practices and conservative assumptions for the pipe diameter and period of installation and 2.46 miles of the wall thickness is based on data obtained from a MFL ILI.

The 0.87 miles of the Trimble County Pipeline in HCA was constructed in the following decades: 100% in 2000s. The 0.87 miles of pipe has the following properties. All



of it is made of 24-inch diameter steel. The grade is 100% X60. The wall thickness is 100% 0.375-inch. The coating is 100% fusion bonded epoxy.

**iv. Relevant operating information including operating pressure, leak history, and most recent testing or assessment results**

The maximum allowable operating pressure (“MAOP”) of the Magnolia 16 pipeline is 502 psig, of the Penile to Paddy’s pipeline is 305 psig, of the Western Kentucky A pipeline is 292 psig, and of the Trimble County pipeline is 810 psig. Integrity assessments of the Magnolia 16, Penile to Paddy’s, Western Kentucky A, and Trimble County Pipeline HCAs were conducted in 2012. Results indicated the assessed pipe was in good condition in locations which were not replaced/repared. No leaks have been discovered within HCAs in the Magnolia 16, Penile to Paddy’s, and Trimble County Pipelines. One leak occurred on the Western Kentucky A pipeline. The piece of pipe which had leaked was cut out and replaced.

**c. A list of the specific regulation(s) from which the applicant seeks relief**

LG&E seeks relief from the reassessment interval required by 49 C.F.R. § 192.939. LG&E completed its prior assessments in 2012. Thus, LG&E must complete the reassessment of these HCAs by December 31, 2019.

Reassessments may be done using ILI tools, or by performing a pressure test or direct assessment. LG&E expects to meet the December 31, 2019 deadline by using ILI tools which provide more comprehensive and quantitative data regarding the integrity of a pipeline than the other assessment options. LG&E believes running an ILI tool when possible rather than performing a direct assessment is consistent with National Transportation Safety Board and PHMSA preferences. And the Commission has agreed: “the Commission finds that the use of

ILI tools to conduct integrity reassessment is preferable to assessment by other accepted methods.”<sup>2</sup>

LG&E has scheduled the ILI tool on the following dates:

Pipeline Name	Traditional Tool	
	Geometry	MFL-A
Trimble County pipeline (24" line)	Ran June 1, 2019	Ran June 1, 2019
Magnolia 16" pipeline (16" line with 20" road crossings)	Scheduled for September 2019	Scheduled for September 2019
Penile to Paddy's pipeline (16" x 20" line)	Scheduled for September 2019	Scheduled for September 2019
Western Kentucky A pipeline - full length (16"x20" data collected)	Scheduled for August 2019	Scheduled for October 2019
Western Kentucky A pipeline - Erica Way to Stonestreet Road (20"x22" data collected)	Ran June 12, 2019	Scheduled for July 2019

**d. An explanation of the unique circumstances that the applicant believes make the applicability of that regulation or standard (or portion thereof) unnecessary or inappropriate for its facility**

Under § 192.943, an operator may apply for an extension of the reassessment interval if: 1) the ILI tool is unavailable, or 2) to maintain product supply. As noted above, LG&E has scheduled ILI testing of these pipelines prior to the end of 2019. However, given the limited availability of a tool and uncertainty about whether there may be issues that could prevent successful runs of the tool, LG&E is requesting a waiver out of an abundance of caution.

LG&E has been able to identify only one vendor, Rosen, which has an ILI tool capable of performing the required inspections of the Magnolia 16, Penile to Paddy’s, and Western

<sup>2</sup> Case No. 2017-00482, Order of June 3, 2019, p. 14.

Kentucky A Pipelines. It has scheduled inspections of all three pipelines. Tools have been run through some of the pipelines already and preliminary indications are the necessary data has been collected during those tool runs.

At this time, an extension of time for LG&E to complete reassessments may be necessary to maintain product supply during the heating season and/or due to the unavailability of inline inspection tools if a tool were to become damaged. Accordingly, LG&E requests a limited waiver from the reassessment interval requirement set forth in 49 C.F.R. § 192.939, and be allowed to conduct the in-line inspection of its referenced pipelines prior to June 30, 2020, rather than prior to December 31, 2019, because of the need to maintain product supply and/or unavailability of inline inspection tools.

- e. A description of any measures or activities the applicant proposes to undertake as an alternative to compliance with the relevant regulation, including an explanation of how such measures will mitigate any safety or environmental risks**

LG&E intends to conduct leak surveys of the pipelines in HCAs twice a month beginning in January 2020 and continue the leak surveys until the assessment is completed. This will be done for pipe in HCAs where the assessment is not completed by December 31, 2019. The use of leak surveys to ensure pipeline safety is used in federal pipeline safety regulations, such as §192.706.

- f. A description of any positive or negative impacts on affected stakeholders and a statement indicating how operating the pipeline pursuant to a special permit would be in the public interest**

LG&E states there will be no negative impact to stakeholders. LG&E completed integrity assessments in 2012. Because performing a reassessment using ILI tools provides more comprehensive and quantitative data regarding the integrity of a pipeline than other assessment methods, it is in the public's best interest to grant the waiver. LG&E anticipates

that ILI runs will be completed by December 31, 2019. However, extensions through June 30, 2020 are being requested to allow LG&E time to address any complications that may arise.

**g. A certification that operation of the applicant's pipeline under the requested special permit would not be inconsistent with pipeline safety**

LG&E certifies that this application for a waiver is not inconsistent with pipeline safety.

**h. Any other information PHMSA may need to process the application including environmental analysis where necessary**

LG&E will provide any additional information that may be required to support this application.

**WHEREFORE**, Louisville Gas and Electric Company respectfully states that it meets the requirements for an extension of time to conduct its reassessment under § 192.943, requests a reasonable extension of this interval to June 30, 2020, but anticipates that the in-line inspections will be completed prior to December 31, 2019.

Dated: July 3, 2019

Respectfully submitted,



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**CERTIFICATE OF COMPLIANCE**

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Louisville Gas and Electric Company's July 3, 2019 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing was transmitted to the Commission on July 3, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original of the filing will be hand-delivered to the Commission within two business days; and that on July 3, 2019, electronic mail notification of the electronic filing will be provided to the Office of the Attorney General, Office for Rate Intervention, 700 Capitol Avenue, Suite 20, Frankfort, KY 40601.




*Counsel for Louisville Gas and Electric  
Company*

**VERIFICATION**

**COMMONWEALTH OF KENTUCKY )**  
**COUNTY OF JEFFERSON )**    **SS:**

The undersigned, **PETER J. CLYDE**, being duly sworn, deposes and says he is the Manager, Gas Transmission Integrity & Compliance, for Louisville Gas and Electric Company, and that he has personal knowledge of the matters set forth in the foregoing application and the information contained herein is true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_ **PETER J. CLYDE**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 3<sup>rd</sup> day of July 2019

(SEAL)

  
\_\_\_\_\_ Notary Public

My Commission Expires:  
**Judy Schooler**  
**Notary Public, ID No. 603967**  
**State at Large, Kentucky**  
**Commision Expires 7/11/2022**

## **Attachment A - HCA Location Maps**

The entire attachment is Confidential  
and provided separately under seal.