

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

DEC 18 2009

B.T.U. GAS COMPANY, INC.

CASE NO. 2007-00403

PUBLIC SERVICE
COMMISSION

Alleged violations of administrative regulation
807 KAR 5:006, 807 KAR 5:022,
807 KAR 5:027 and 49 CFR 191-192

**BTU'S RESPONSE TO EACH ALLEGATION IN UTILITY INSPECTION
REPORT NO. 3**

B.T.U. Gas Company, Inc. files the following information in response to utility inspection report No. 3.

After the informal conference with PSC staff BTU Gas attempted to make significant progress on the deficiencies in the utility inspection report. However, there are still reported deficiencies. Therefore, BTU Gas has retained the services of R.L. Wingate & Associates, Inc., 1112 N. Cleveland Road, Lexington, KY 40509 as an independent consultant to address the issues in the utility inspection report. The consulting work to be done on behalf of BTU will proceed as follows:

Phase I

Develop a Public Awareness Plan to meet the requirements of CFR 49 Part 192.616 and API 1162.

Develop an Operator Qualification Program to meet the requirements of 49 CFR 192 Subpart N.

Develop an Operation and Maintenance Manual to meet the requirements of 49 CFR 192.605.

Once the Phase One tasks have been completed by R.L. Wingate & Associates the development of the manuals and training the employees with the record keeping required the violations noted in the Order of December 1, 2009 can be addressed.

Specifically, paragraph one, two, three, eleven, twelve, thirteen, fourteen, fifteen and seventeen require improvements to the BTU manuals. The Phase One tasks identified to be completed by the development of the manuals by R.L. Wingate will address these issues.

The work by the consultant and the work required by BTU Gas under Phase One will correct the violations in paragraphs one, two, three, eleven, twelve, thirteen, fourteen, fifteen and seventeen of the order of December 1, 2009.

After the Phase One work is completed BTU Gas has contracted with R.L. Wingate & Associates, Inc. to perform Phase two tasks. BTU Gas with the assistance of R.L. Wingate has identified fifteen tasks that the three employees of BTU Gas need to be qualified to perform. These tasks are as follows:

Phase Two

F-1 Join plastic pipe with heat fusion

F-2 Join plastic pipe with mechanic coupling

H-1 Install meter and regulator sets

H-2 Install service lines

L-1a Tapping pipelines with self-tapping tee

L-2 Purging pipelines

L-3 Monitoring Odorization

M-1 Perform patrol and leakage surveys on gas pipeline facilities

M-2 Locate and mark underground facilities

M-3 Test pipelines

M-4 Inspect and test pressure limit stations

M-5a Inspect Emergency Valves

M-7 Prevent Accidental Ignition

M-8 Make field repairs on gas pipelines

M-10 Abandon/deactivate gas pipeline systems

Once the Phase two training and operator qualification has been completed BTU Gas will be able to correct the deficiencies noted in paragraphs one, two, three, four, five, six, seven, eight, nine, ten and eleven of the order of December 1, 2009.

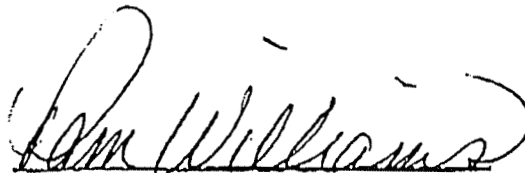
The work by the consultant and the work required by BTU Gas under Phase Two will correct the violations in paragraphs one, two, three, four, five, six, seven, eight, nine, ten and eleven of the order of December 1, 2009.

Respectfully submitted,



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PAM WILLIAMS

STATE OF KENTUCKY

COUNTY OF MAGOFFIN

This Response was produced to me and duly subscribed, sworn and acknowledged to before me by Pam Williams, as the president of BTU Gas, to be her true act and deed as president of the corporation on this the 17th day of December, 2009.

My Commission expires: 10/7/2012


NOTARY PUBLIC
STATE AT LARGE

CERTIFICATE OF SERVICE

I certify the foregoing First Response to the Informal Conference Memorandum has been served by U.S. ~~mail postage pre-paid~~, this the ~~17th~~ day of December, 2009 upon the following: *by hand delivery* ^{18th}

Jeff Derouen
Executive Director
P.O. Box 615
Frankfort, KY 40602-0615


KAREN CHRISMAN