

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF INDIANA UTILITIES)	CASE NO.
CORPORATION FOR DEVIATION FROM)	2011-00213
807 KAR 5:022, SECTION 13(17)(G)(4))	

ORDER

On June 21, 2011, Indiana Utilities Corporation ("Indiana Utilities") filed an application seeking a deviation from 807 KAR 5:022, Section 13(17)(g)(4),¹ to allow it to conduct monthly, rather than weekly, samplings of natural gas in its system for proper odorant concentration. On October 14, 2011, Indiana Utilities provided additional information in response to Commission Staff's ("Staff") information request. On December 6, 2011, several remaining issues were discussed and clarified during an informal teleconference between Indiana Utilities and Staff.² There were no intervenors in this case.

Indiana Utilities is a natural gas company that obtains its gas supply from a purchase point on Stone Street Road in Louisville, Kentucky and serves approximately 3,100 customers in Harrison County, Indiana. Its system consists of 137 miles of mains with five miles in Kentucky. It serves no customers in Kentucky. Indiana Utilities states that its employees currently work a varied amount of time in Kentucky based on the

¹ 807 KAR 5:022, Section 13(17)(g)(4), states "Separately odorized systems with more than ten (10) customers shall be sampled for proper odorant level at least once each week."

² Informal Conference Memo (filed Dec. 7, 2011).

weather. Prior to the closure of the Sherman Minton Bridge, which connects Indiana and Kentucky, it took an Indiana Utilities employee 45 minutes to get to its pipeline in Kentucky from its office in Indiana. Following the bridge closure, travel time more than doubled. Indiana Utilities asserts that the main reason it is seeking a deviation from weekly odorant testing is the staff time required and the effect this has on its overall operations.³

In Response to Staff's Initial Information Request, Indiana Utilities asserts that it maintains a commitment to its Kentucky facilities, as evidenced by its activities, which include the following at a minimum: a test is performed with a Heath Tech Odorator⁴ to sample odorant levels at the end of its pipeline on a monthly basis; pressure charts are changed at its Louisville station once monthly; cathodic protection readings are checked at 20 test points along the five-mile pipeline twice annually; the five-mile pipeline in Kentucky is walked each calendar year, not exceeding 15 months, with a Heath Tech Detecto-Pac 3; leak surveys are conducted and regulators are cleaned annually; and requests for locates are accommodated, which can average over one a week during the construction season.⁵

Both 49 CFR 192.625 and 807 KAR 5:022, Section 13(17)(a) define the odorization of gas as follows:

³ Indiana Utilities Company Response to Initial Information Request of Commission Staff (filed Oct. 14, 2011), Item 1. When an employee is required to conduct odorization testing in Kentucky, a member of Indiana Utilities' construction crew will be unavailable to perform other required tasks such as locates, connects, and leak calls.

⁴ The Heath Tech Odorator is calibrated twice annually by Verification Services, Inc.

⁵ Indiana Utilities Company Response to Initial Information Request of Commission Staff (filed Oct. 14, 2011), Items 3 & 4.

Combustible gas in a distribution line shall contain a natural odorant or be odorized so that at a concentration in air of one-fifth (1/5) of the lower explosive limit (approximately one (1) percent by volume), gas is readily detectable by a person with a normal sense of smell.

Although Indiana Utilities serves no customers in Kentucky, a review of the area surrounding this five-mile span of pipeline confirms that the area is densely populated. All five miles are in Class 3 locations, subject to the above odorization requirements. Indiana Utilities claims that the potential impact radius (PIR) is about 100 feet from the pipeline and, although there are two schools near the pipeline, estimated to be 600 and 500 feet from the pipeline, Indiana Utilities does not consider them as high consequence areas.⁶ A Class 3 location⁷ is defined as:

- (i) Any class location unit that has 46 or more buildings intended for human occupancy; or
- (ii) An area where the pipeline lies within 100 yard (91 meters) of either a building or a small, well-defined outside area (such as a playground, recreation area, outdoor theater, or other place of public assembly) that is occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period. (The days and weeks need not be consecutive.)

Indiana Utilities' objection to weekly testing of odorant in its combustible gas appears to be based on its interpretation that the required testing take place in Kentucky. 807 KAR 5:022, Section 13(17)(g)1, specifically states that "[t]he utility shall sample gases in each separately odorized system at approximate furthest point from injection of odorant." There is no requirement that the odorant testing take place in

⁶ Id., Item 5.

⁷ 49 CFR 192.5(3).

Kentucky, as the odorant's effectiveness decreases as it moves into Indiana and away from its injection point.

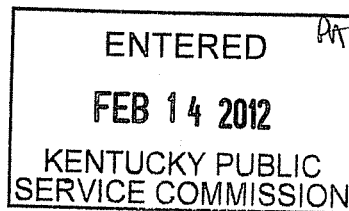
After considering the evidence of record herein, the Commission finds that:

1. Indiana Utilities injects odorant into its gas system in Louisville, Kentucky.
2. 807 KAR 5:022, Section 13(17)(g)4, requires sampling for the proper odorant level at least once a week.
3. 807 KAR 5:022, Section 13(17)(g)1, requires that odorant sampling be conducted at approximate furthest point from injection of odorant.
4. Indiana Utilities is not required to conduct odorant sampling for its system in Kentucky, but may do so at its Indiana office.

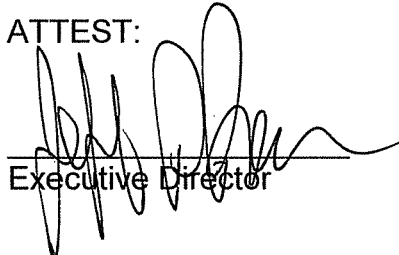
The Commission being otherwise sufficiently advised, IT IS HEREBY ORDERED that:

1. Indiana Utilities' request for a deviation from 807 KAR 5:022, Section 13(17)(g)4 is denied.
2. Indiana Utilities shall test its gas for the proper odorant level at least once weekly.
3. Indiana Utilities shall test its gas for the proper odorant level at the furthest point in Kentucky from injection of the odorant or at a location in Indiana.

By the Commission



ATTEST:


Executive Director

Case No. 2011-00213

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