COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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KENTUCKY FRONTIER GAS, LLC)	
)	CASE NO. 2019-00320
ALLEGED VIOLATION OF UNDERGROUND FACILITY DAMAGE PREVENTION ACT)	

ORDER

Pursuant to KRS 278.495(2), the Kentucky Public Service Commission (Commission) has jurisdiction to regulate the safety of natural gas facilities in Kentucky and to enforce minimum federal pipeline safety standards. Under the Kentucky Underground Facility Damage Prevention Act (Act), KRS 367.4901 through KRS 367.4917, the Commission has authority to investigate and assess civil penalties for any violation of the Act that results in excavation damage to an underground facility used to transport natural gas or hazardous liquid subject to federal pipeline safety laws, 49 U.S.C. § 60101, et seq. Any person who violates any provision of the Act is subject to assessment of a civil penalty in the amount of \$250 for the first offense, no more than \$1,000 for the second offense within one year, and no more than \$3,000 for the third and any subsequent offense. Additionally, any person whose violation of the Act results in damage to an underground facility containing any flammable, toxic, corrosive, or hazardous material or results in the release of any flammable, toxic, corrosive, or hazardous material is subject to an additional penalty of up to \$1,000.

Following receipt of a report of excavation damage to its underground gas pipeline from an operator, Commission Staff (Staff) conducted an investigation and prepared an Incident Report, a copy of which is attached to this Order as an Appendix. In its Incident Report for incident number 31384, Staff cites Kentucky Frontier Gas, LLC (Kentucky Frontier) for violation of the following provision of the Act:

KRS 367.4909(6)(a) - An operator shall, upon receiving an emergency locate request or a normal excavation locate request inform the excavator of the approximate location and the description of any of the operator's facilities that may be damaged or pose a safety concern because of excavation or demolition.

Based on its review of the Incident Report and being otherwise sufficiently advised, the Commission finds *prima facie* evidence that Kentucky Frontier violated the Underground Facility Damage Prevention Act. The Commission further finds that a formal investigation into the excavation damage incident should be conducted.

IT IS THEREFORE ORDERED that:

- Kentucky Frontier shall submit to the Commission a written response to the allegations contained in the Staff Incident Report within 20 days of the date of this Order.
- 2. Kentucky Frontier shall appear on November 8, 2019, at 9 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard in Frankfort, Kentucky for the purpose of presenting evidence concerning the alleged violation of the Underground Facility Damage Prevention Act, and showing cause why it should not be subject to the penalties prescribed in KRS 367.4917(1) and (4) for this alleged violation.
- 3. A person shall not file a paper or appear at a hearing on behalf of, or otherwise represent, a partnership, corporation, or business entity (including a limited

liability company) or other person unless the person is an attorney licensed to practice law in Kentucky.

- 4. The November 8, 2019 hearing shall be recorded by video only.
- 5. The Staff Incident Report in the Appendix to this Order is made a part of the record in this case.
- This Order shall be served via certified mail, return receipt accepted, to CT
 Corporation System, 306 West Main Street, Suite 512, Frankfort, Kentucky 40601.

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By the Commission

Commissioner Talina Mathews did not participate in this case.

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SEP 1 0 2019

KENTUCKY PUBLIC SERVICE COMMISSION

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APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2019-00320 DATED SEP 1 0 2019

TWO PAGES TO FOLLOW

PIPELINE DAMAGE INVESTIGATION REPORT

Investigation Information

KY PSC Investigator(s) John E. Gowins

Incident ID 31384

Incident Date

2/14/2019 6:00:00 PM

Report Submitted 3/14/2019 2:12:34 PM

OPERATOR INFORMATION

Operator

Kentucky Frontier Gas, LLC

Phone

606-886-2431 ext 100

Incident Location 37.64483 -82.27058 31 Sycamore Addition Ct Forest Hills, KY 41527

Pike

Phone

Reported By Heather Music

Email hmusic@kyfrontiergas.com

Locate Ticket Number NA

EXCAVATOR INFORMATION

Name of Excavator

Scalf, Doug

606-353-8190

Excavator Address Mountain Water District 6336 Zebulon Hwy

Pikeville, KY 41567

Organization ID

Email

Locate Ticket Number

Incident

The Operator reports that the protection notification center (811) was not contacted by the Excavator and the Excavator continued to dig after damages occurred causing additional damages at the above noted Incident Location. A two inch main was damaged and subsequently a tap tee was damaged.

Investigation

On 05/02/19 the Excavator, Mountain Water's Melissa Watson, stated that the above noted Incident Location was covered by Locate Ticket #1901290214 and KY Frontier Gas representatives were on site when the damage occurred. Ms. Watson stated that KY Frontier Gas representatives were on site because they were unsure the location of their facilities.

On 05/06/18 the Excavator, Mountain Water's Waste Water Manager Jamey Keathley, stated that KY Frontier Gas, Dallas (last unknown), was on site during the excavation. Mr. Keathley stated that the main gas line was marked, but KY Frontier Gas was unable to locate the 1 ¼ inch service line. Mr. Keathley stated that Dallas had no idea where the service line ran, he thought that the line ran behind the property at the above noted Incident Location and it was not mapped.

July 2, 2019 held a conference call with Mike Harris, Heather Music, and Steve Shute of Kentucky Frontier Gas, LLC. The discussion revolved around interpretations of the statute language. Mr. Lyons of KPSC explained the perspective of the damage prevention program per the statute. KFG personnel agreed to review the summary of the 13 incidents provided to them and to respond.

KRS 367.4909 (6) (a) An operator shall, upon receiving an emergency locate request or a normal excavation locate request inform the excavator of the approximate location and description of any of the operator's facilities that may be damaged or pose a safety concern because of excavation or demolition.

CT Corporation System Register Agent Kentucky Frontier Gas, LLC 306 W Main Street, Suite 512 Frankfort, KENTUCKY 40601

*Honorable John N Hughes Attorney at Law 124 West Todd Street Frankfort, KENTUCKY 40601

*Kentucky Frontier Gas, LLC 4891 Independence Street, Suite 200 Wheat Ridge, CO 80033

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