

2013 NAPSR Southern Region Meeting



State of State Report
Commonwealth of:

KENTUCKY

State Program General

● Number of operators	2012	2011
● Total # of Operators and Units	219 (250 Units)	225 (257)
● LDC Operators –	25 (56 units)	24(56 units)
● Municipal Operators –	52	52
● Master Meter Operators –	107	113
● Intra Transmission Ops –	30	30
● Gathering Line Operators -	5	5
● Number of inspectors	4	4
● Inspection-Person Days	476	472

Program Operational Overview

- **Description:** In 1970 the PSC was selected by the General Assembly as the state agency to enforce the pipeline safety standards, which is performed through Certification by PHMSA
- **Philosophy:** Foster the provision of safe and reliable service at a reasonable price to the customers of jurisdictional utilities while providing for the financial stability of those utilities by setting fair and just rates, and supporting their operational competence by overseeing regulated activities.
- **Focus:** **Safety is the priority, not just compliance!**

Enforcement Statistics 2012

- # of probable violations found – 153
- # of probable violations resolved – 109
- # of 2012 issues carried over – 76
- # of compliance actions taken – 50

Top 5 Enforcement Issues in 2012

1. 192.1005/192.1015 – DIMP
2. 192.616 – Public Awareness
3. 192.805 – OQ
4. 192.625 – Odorization
5. 192.603 – Records



2012 Pipeline Asset Statistics

- Intrastate Gas:
 - Transmission mileage: 1282
 - Distribution mileage: 17,368
 - Number of services: 863,000



Incidents

- Total # of incidents during the year
 - 2012 year end total – 0 reportable per 191
 - Change from 2011 – 4 (2 fire first)
- # Serious incidents during the year
 - 2012 year end total – 0 reportable per 191
 - Change from 2011 – 2
 - Comments

Incident Descriptions

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Incident Descriptions



Incident Descriptions



Incident Descriptions



Incident Descriptions



Incident Descriptions

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Incident Descriptions

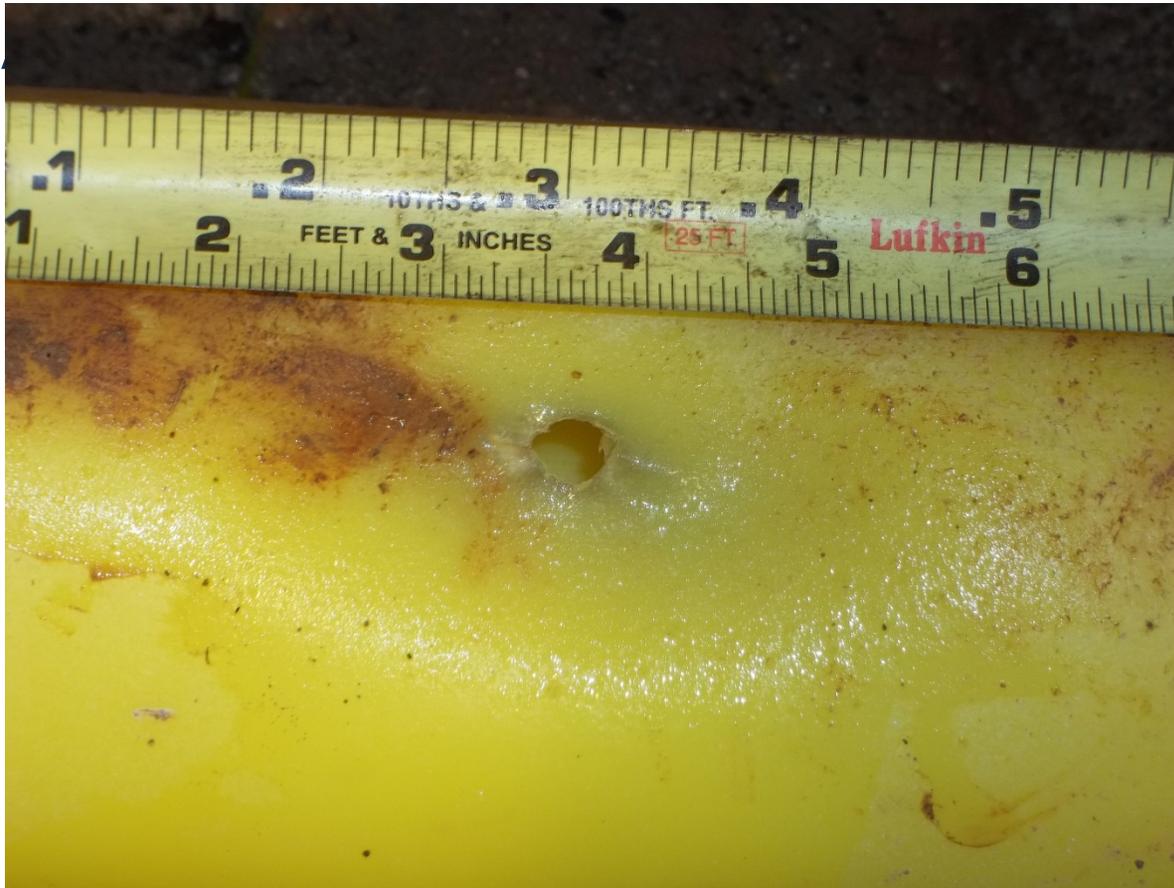


Incident Descriptions



Incident Descriptions

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Enforcement/Civil Penalties

Two civil penalties were issued in 2013 as a result of the 2011/2012 incident investigation and a 2012 compliance inspection.

- **2011 LG&E Incident: \$250,000 fine issued (\$125,000 payable, \$125,000 probated), series of corrective actions required**
- **2012 Compliance Inspection – Municipal: \$9,000 fine issued (\$1,500 payable, \$7,500 probated), series of corrective action required**

Damage Prevention Update

- Will one call exemptions affect your grant funding?
 - Not currently on “the list” of states, but could have impact in the future. Exemptions include:
 - Excavation by operator (own easement no other utilities)
 - Routine road maintenance, railroad maintenance
 - Tilling of soil for agricultural purposes
 - Private property (non ROW) using non-mechanized equipment
 - Opening of a grave in a cemetery
 - Coal mining operations currently regulated (KRS 350)
 - Utility operator/subcontractor – emergency work
 - Leak migration testing – metal probes inserted by hand
 - Nonintrusive excavating performed by operator to locate own underground facilities in response to notice of excavation

Damage Prevention Update

- Senate Bill 152
 - “Cleans Up Language” (definitions)
 - Creates 3 different types of tickets
 - Normal, Emergency, & Design
 - Locatable Facilities
 - One-call Center Board
 - False notification of Emergency - Fines

Workload Issues

- Are there any external factors that are impacting your ability to accomplish your inspection work-plan?
 - Not at this time

Special Permits Requested / Granted

- Special Permit # 1: N/A
 - Description:
 - Operator:
 - Comments:
- Special Permit # 2: N/A
 - Description:
 - Operator:
 - Comments:

Compendium



- Compendium link:

<http://phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Pipeline/Compendium.pdf>

- KENTUCKY

- Kentucky PSC, Engineering Division, Gas Pipeline Safety
- Web: <http://www.psc.ky.gov>
- Regulated Intrastate Pipeline Systems 112
- Regulated Master Meter Operators 107
- Regulated LNG, LPC, HL Systems 0
- Safety Initiatives that exceed CFR 190-199 19

Comments on your state's Compendium page

- Accuracy of the 2011 data - Yes
- Needed updates - # of operators

Compendium Comments Continued

- Need for an accelerated CI (or other high risk pipelines) replacement programs in your state?
 - Three (3) operators currently have CI in system, two (2) have a formal AMRP in which CI is addressed. Third operator has only 3 miles of CI remaining in system.

Compendium Comments Continued (2)

- Besides civil penalties, what enforcement activities does your state use:
 - Settlement agreements and/or orders requiring corrective actions that are above and beyond regulation requirements.
 - Documentation and records submitted to PSC, must include cost of complying w/corrective actions required
 - Costs may not be recovered through rates

2012 Highlights

- No reportable incidents
- Hosted NAPSAR regional meeting
- Increased civil penalties (\$100K/\$1 Million)
- Inspector attendance/increased involvement in NAPSAR activities



"How glamorous, I've never met a pilot."

2013 Outlook

- DIMP Inspections
- PA Effectiveness Inspections
- Hire additional inspector (construction, gathering, farm taps)
- Municipal and small operator training

