

2024 KGA 16th Annual Expo

Melissa Holbrook
Kentucky
Public Service
Commission

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DAMAGE PREVENTION

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ERIC TOUT, CONSUMER COMPLAINTS ANALYST

2023 Operators

Attachment 1 - Stats on Operators

STATE JURISDICTION AND AGENT STATUS OVER GAS FACILITIES AS OF DECEMBER 31, 2023

Operator Type	State Agency Jurisdiction/ Agent Status		No. of Operators	Operators Inspected		No. of Inspection Units	Units Inspected	
	No ¹	Yes		#	%		#	%
Distribution								
Private		X/60105	19	15	78.9%	48	36	75.0%
Municipal		X/60105	50	31	62.0%	50	31	62.0%
Master Meter		X/60105	104	36	34.6%	104	36	34.6%
LPG		X/60105	0	0	N/A	0	0	N/A
Other		X/60105	0	0	N/A	0	0	N/A
Transmission								
Intrastate		X/60105	23	16	69.6%	23	16	69.6%
Interstate	F		0	0	N/A	0	0	N/A
LNG								
Intrastate	A		0	0	N/A	0	0	N/A
Interstate	F		0	0	N/A	0	0	N/A
Other								
Gathering Lines		X/60105	9	7	77.8%	9	7	77.8%
Offshore Facilities	A		0	0	N/A	0	0	N/A
Total			205	105	51.2%	234	126	53.8%

2024 PHMSA Mandated Inspection Days 520 Construction = 20% 104

Attachment 2 - State Inspection Activity

TOTAL STATE FIELD INSPECTION ACTIVITY AS OF DECEMBER 31, 2023

Operator Type	Standard Comprehensive	Design, Testing and Construction	On-Site Operator Training	Integrity Management	Operator Qualification	Investigating Incidents or Accidents	Damage Prevention Activities	Compliance Follow-up	Total
Distribution									
Private	83.250	63.500	1.500	5.250	4.750	3.500	16.750	3.000	181.500
Municipal	100.250	22.500	1.000	11.750	11.250	1.000	9.250	10.250	167.250
Master Meter	41.500	0.000	0.000	0.000	10.500	0.000	5.250	1.000	58.250
LPG	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transmission									
Intrastate	36.000	5.000	0.000	13.000	6.250	6.000	4.500	0.000	70.750
Interstate	1.000	0.000	0.000	0.000	0.000	4.000	0.000	0.000	5.000
LNG									
Intrastate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interstate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other									
Gathering Lines	23.750	44.000	0.000	0.000	0.000	1.000	0.000	0.000	68.750
Offshore Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	285.750	135.000	2.500	30.000	32.750	15.500	35.750	14.250	551.500

Drug and Alcohol

Total Count of Drug and Alcohol Inspections	20
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Attachment 2 Notes

The standard includes- Public Awareness, PAPE, Drug/alcohol, and Complaint calls.

Interstate: A 4-day BP incident in Muhlenberg County assisted PHMSA Southern Region, and 1-day TC energy investigated 20-inch pipe exposure and sent pictures and info to PHMSA Southern Region.

Drug/Alcohol Inspections: Distribution -3, Transmission- 4, and Municipal- 13.

Construction Inspections

“Overseeing the construction of new pipelines to ensure safety and reliability is one of top missions of PHMSA and the State Partners.”

- 20 % mandated by PHMSA KY PSC 104 days

Construction Inspections

The most common findings from State pipeline construction inspections include:

- Poorly Qualified Construction Personnel
- Poorly Qualified Inspectors by Operators
- Storage and Handling of Pipe
- Improper Procedures
- Failure to Follow Procedures
- Lack of Procedures
- Pre-tested pipe

Construction Notifications

Weekly Construction Project Updates

- 5 largest operators provide a weekly construction summary
 - Project
 - Location
 - Contact
 - Project timeline
- **Inspectors are not required to notify the operator of construction inspections**

Incident Reporting

- ***Incident means any of the following events:***
- (1) An event that involves a release of gas from a pipeline, gas from an underground natural gas storage facility (UNGSF), liquefied natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility, and that results in one or more of the following consequences:
 - (i) A death, or personal injury necessitating in-patient hospitalization;
 - (ii) Estimated property damage of \$ 139,700.00 or more, including loss to the operator and others, or both, but excluding the cost of gas lost. Effective July 1, 2023, the property damage threshold is revised to \$139,700 pursuant to the procedures in Appendix A to 49 CFR Part 191. Refer to the 2023 Gas Property Damage Reporting Threshold Inflation Adjustment notice for more information
 - (iii) Unintentional estimated gas loss of three million cubic feet or more.
- (2) An event that results in an emergency shutdown of an LNG facility or a UNGSF. Activation of an emergency shutdown system for reasons other than an actual emergency within the facility does not constitute an incident.
- (3) An event that is significant in the judgment of the operator, even though it did not meet the criteria of paragraph (1) or (2) of this definition.

Reportable Incidents

Pipeline Operators

- Pipeline operators have regulatory reporting requirements under Part 191 and Part 195 of PHMSA's pipeline safety regulations.
- Within **one hour** of a release of hazardous materials meeting reporting threshold operators must call the NRC at 1-800-424-8802;
- Within **48-hours** operators must submit an update to the NRC; and
- Within **30-days** operators must submit a report on the relevant PHMSA form below. Operators submit the reports online via the PHMSA Portal.
- Operators may provide a courtesy call to AID on the NPIC hotline (888) 719-9033 to provide additional information and updates.

KY PSC

Cited Regulations
2023

KY PSC Compliance Actions

2023

Cited 52 Violations

12 Master meters

11 Municipals

2 Private Distribution

1 Transmission

Civil Penalties

- Standard Inspection resulted in demand letter
Issued \$42,000.00**

2023 Cited Violations

Master Meters

- Not Conducting sniff tests
- Not sending public awareness message twice a year.
- Not conducting patrolling per OM

Distribution, Municipals, and Transmission

- OQ tasks expired
- Not conducting required service line pressure test
- Not conducting odor tests with instrument every 30 days
 - Employees not understanding readings
- Drug/Alcohol plan not meeting 199
- Operator not following O&M plan

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What are we seeing ?

- Not properly trained
- Retirements not passing on information to employees
- Odor tests
- No records
- Poor records

Reminders

- Annual Reports due March 15th
- NPMS updates due March 15th for transmission only
- Have you updated and reviewed plans as required?
- Have you met and maintained liaison with emergency officials per emergency plan and public awareness plan?
- Supervisory Drug / Alcohol Training
- Records & documentation
- Odor tests 30 days
- Pre-tested pipe
- 192.725 Testing disconnected service lines
- PHMSA D&A testing 25%
 - What does your plan say?

Questions ???



Updated PSC Contact Numbers

Personnel	Title	Email	Work Phone	Work Cell
David Nash	Utility Investigator	david.nash@ky.gov		(502) 791-0503
Scott Morris	Utility Investigator	scotta.morris@ky.gov		(502) 791-1350
Kory Kiser	Utility Investigator	Kory.kiser@ky.gov		(502) 791-0237
Chris Bailey	Utility Investigator	christopher.bailey@ky.gov		(502) 791-1393
John Gallimore	Utility Investigator	john.gallimore@ky.gov		(502) 382-1840
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