

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
and)
GOSHEN UTILITIES, INC.)
_____) CASE NO. 99-042
)
INVESTIGATION INTO ALLEGED UNSAFE UTILITY)
PRACTICES)

ORDER

Goshen Utilities, Inc. ("Goshen") requests Commission approval of its plan to locate and map its existing sewer facilities and to establish a deferred regulatory asset account to book the cost of such mapping. More specifically, Goshen requests that we reduce the scope of our Order of August 24, 1999 in which we required Goshen to develop a plan for mapping and locating all of its existing sewer facilities. In lieu of mapping all of its facilities, Goshen proposes to map the precise location of sewer facilities only in those areas where directional boring has been or will likely be performed. Finding that Goshen's proposal achieves the objectives stated in the Order of August 24, 1999, we approve the proposed plan with modifications.

BACKGROUND

Directional boring is an alternative means of installing or replacing underground gas mains with only minimal site disruption or restoration costs. It has two stages. In the first stage, a steerable drill head bores a pilot hole to a pre-designated point. In the second stage, the drill head is removed and is replaced with a reamer to enlarge the

hole and a swivel that attaches to the pipe. At this point, the entire assembly is pulled back through the pilot hole. No trenches are dug, nor is any landscaping disturbed.

Using directional boring, Louisville Gas and Electric Company (“LG&E”) began installing natural gas mains in February 1998 in the Lakeview Subdivision of northern Oldham County. During the first phase of this project, LG&E installed approximately 4,300 feet of gas main to 56 customers within the subdivision. Hall Contracting, a construction contractor, performed the actual installation. Shortly before beginning this installation, LG&E contacted Goshen and requested that its representative be present during the installation to assist in the location of Goshen’s sewer mains. (Goshen owns and operates gravity fed sewers that serve the Lakeview Subdivision.) A Goshen representative was on site during the installation.

Shortly after LG&E began its extension to Lakeview Subdivision, three residents complained to Goshen of sewer stoppages. Upon inspection, Goshen discovered that LG&E’s contractors had unknowingly pierced Goshen’s gravity fed sewer service lines when installing the gas mains. The newly installed gas main blocked Goshen’s sewer service lines.

The blockage posed a serious safety problem. Homeowners’ efforts to remove a sewer stoppage could have resulted in the rupture of the gas line. Natural gas could then seep into the homes through the sewer and create the potential for a gas explosion. Recognizing the potential safety hazard, Goshen contacted all homeowners in the area and advised them to contact the utility before attempting to clear a sewer service line. It also reported the problem to LG&E’s contractor. LG&E subsequently provided written notice of the problem to the affected customers. Of the 56 residences involved in the first phase of the main extension project, LG&E could confirm safe

installation at only 34 residences. These residences include all residences located on the opposite side of the road or street from the gas main plus the three residences that experienced sewer line blockages.

In September 1998, LG&E resumed gas main extensions to the Lakeview Subdivision. During this phase of the extension, LG&E installed 3,600 feet of gas main to 56 customers. Southern Pipeline, a construction contractor, performed the installation. Prior to installation, LG&E attempted to locate Goshen's sewer lines using a pothole technique. When that technique proved unsuccessful, Southern Pipeline began installing the gas main using the directional boring technique. After learning of Southern Pipeline's action, LG&E ordered a halt to the use of this technique and directed that conventional trenching be used for the remainder of the project. Nine residences were affected by the use of the directional boring technique. Neither utility could confirm that these installations were safe.

After Goshen and LG&E were unable to agree upon a procedure for inspecting the gas and sewer lines of the affected customers, the Commission, in February 1999, directed both utilities to show cause why the current condition of the lines did not pose an unsafe condition. After a hearing in the matter, the Commission, on August 24, 1999, found that an unsafe condition did exist, and directed the utilities to conduct a joint inspection of the facilities and to visually confirm that Goshen's sewer service lines had not been damaged. The Commission further directed Goshen to submit a written plan for locating and mapping all of its existing sewer facilities. This plan was to "enable Goshen to determine the approximate location of its sewer facilities." The Commission also directed LG&E to cease its use of directional boring until "Goshen's sewer facilities have been located and mapped."

Complying with the Commission's Order, Goshen and LG&E jointly inspected the affected facilities in September 1999 using remote video cameras. They discovered one instance of a sewer service line pierced by a gas main. Repairs were made to this line.

GOSHEN'S PROPOSED MAPPING PLAN

Goshen has submitted a mapping plan that does not require the mapping of all existing sewer facilities. It argues that its existing system maps already show the approximate location of existing facilities. It proposes to rely upon these maps in most instances. It further proposes to locate its service lines using a remote video camera in areas that are served by gravity-fed sewer lines, that are not currently receiving natural gas service, and that are likely to receive natural gas service in the near future. Goshen also proposes to conduct additional video mapping on an "as needed" basis. See Goshen's Plan for Locating and Mapping Existing Sewer Facilities at 6.

In support of its plan, Goshen argues that it currently has 75,000 linear feet of sewer main. It estimates that the cost of video mapping its entire system would exceed \$100,000. Such cost, Goshen asserts, would impose a hardship on the utility and its ratepayers. Moreover, it asserts, video mapping the entire system is not cost effective and would not add greatly to the information contained in Goshen's existing system maps. In some portions of Goshen's service area, gas and sewer lines were installed at the same time, thus eliminating the concerns presented in the current case. In other areas, gas service was installed after the installation of sewer lines, using traditional methods. Finally, Goshen notes, safety concerns will exist only when gravity fed sewer lines are involved.

Having carefully reviewed Goshen's proposal, we find that it is reasonable and should be accepted. While video mapping of Goshen's entire system ensures a very accurate map of Goshen's facilities, the costs of such a mapping plan are significant. The benefits from such mapping, moreover, do not outweigh these costs. Goshen's plan, while more limited in scope, will address the safety issues posed by LG&E and other utilities' use of directional boring. Potential safety problems are significantly reduced. Even in those areas where video mapping is performed, visual inspection of the sewer line and gas main should continue to be performed.

Our acceptance of Goshen's mapping plan is conditioned upon modifications to Goshen's service regulations. To reduce the expense and time of locating sewer facilities in the future, we find that Goshen should require persons subsequently connecting to Goshen's wastewater collection system, regardless of their location within Goshen's service area, to install a cleanout¹ outside the serviced structure or building. In addition to permitting the customer or utility to clean a clogged service line more easily, the requirement will allow quick charting of the location and depth of the service line by inserting a metallic rod into the cleanout and following its path with an electronic locating device. Such installation should reduce the expense and time in locating sewer service lines.

REQUEST FOR THE ESTABLISHMENT OF A DEFERRED REGULATORY ASSET ACCOUNT

Goshen proposes to establish a special deferred regulatory asset account to record the expenses associated with its mapping program and to recover those

¹ A cleanout is "[a]ny structure or device which is designed to provide access for the purpose of removing deposited or accumulated materials." American Public Health Association et al., Glossary: Water and Wastewater Control Engineering 64 (3d ed. 1981).

expenses at its next general rate adjustment proceeding. Having considered the request, the Commission finds that the establishment of such an account should be authorized. Our authorization of such account should not be construed as authorizing recovery of the mapping expenses through Goshen's general rates. Such recovery will be considered at Goshen's next general rate adjustment.

SUMMARY

Having considered Goshen's motions and being otherwise sufficiently advised, the Commission HEREBY ORDERS that:

1. Goshen's proposed mapping program is accepted subject to the conditions set forth in Ordering Paragraph 2.

2. Goshen shall revise its service regulations to require all persons connecting to its wastewater collection system after October 31, 2000 to install a cleanout outside the serviced structure or building. This cleanout shall be installed at a point within 2 feet from the structure or building's foundation wall. The diameter of the cleanout shall not be less than 4 inches.²

3. Goshen's request for the establishment of a special deferred regulatory asset account to book all expenses associated with its proposed mapping program is approved.


4. Goshen shall record all expenses associated with its proposed mapping program in a special deferred regulatory asset account. The appropriate treatment of these expenses shall be determined at Goshen's next general rate proceeding.

² See Administrative Regulation 815 KAR 20:110, Section 8.

Done at Frankfort, Kentucky, this 2nd day of October, 2000.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas M. Dixon", written over a horizontal line.

Executive Director