**807 KAR 5:026. Gas service; gathering systems.**

RELATES TO: KRS Chapter 278, 49 C.F.R. 192
STATUTORY AUTHORITY: KRS 278.040(3), 278.485
CERTIFICATION STATEMENT:
NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.040(3) authorizes the Public Service Commission to adopt, in keeping with KRS Chapter 13A, reasonable administrative regulations to implement the provisions of KRS Chapter 278. KRS 278.485(1) requires gas service to be furnished at rates and charges determined by the commission. KRS 278.485(3) authorizes the commission to prescribe safety standards for installation of service lines. This administrative regulation applies to service from natural gas gathering pipeline systems.

Section 1. Definitions. For purposes of this administrative regulation:

(1) "Average volumetric rate" means the rate of a local gas distribution utility subject to rate regulation by the commission, which is an average of the utility's volumetric retail gas sales rates for residential customers.

(2) "Customer line" means all equipment and material required to transfer natural gas from the tap on the gathering line to the customer's premises and includes the saddle or tapping tee, the first service shutoff valve, the meter, and the service regulator, if one is required.

(3) "Customer meter" means the device that measures the transfer of gas from the pipeline company to the consumer.

(4) "Gas company" means the owner of any producing gas well or gathering line.

(5) "Gathering line" means a pipeline that transports gas from as current production facility to a transmission line or main.

(6) "Interior line" means pipe used to transfer natural gas from the point of entry into a building to the point or points of use.

(7) "Price index" means the average of the producer price index-utility natural gas (PPI 05-5) for the most recent twelve (12) month period as published monthly by the United States Department of Labor, Bureau of Labor Statistics.

Section 2. Construction Standards. Construction not specifically addressed by this administrative regulation shall meet applicable requirements of the "American National Standard Code for Pressure Piping, Gas Transmission and Distribution Piping Systems (ASME B31.8)" 2016 edition, as published by the American Society of Mechanical Engineers, Two Park Avenue, New York, N. Y. 10016-590.

Section 3. Requirements for Service.

(1) Persons desiring gas service under KRS 278.485 shall apply at the local gas company office. Applications shall contain:

(a) The name and address of the applicant.

(b) The purpose for which gas is requested.

(c) The name and address of the contractor who will install the customer line.

(d) The name and address of the gas company from which service is requested.

(2) The gas company shall furnish the applicant with construction drawings specifying the installation methods and the materials for service installation.

(3) Prior to providing service, the gas company shall furnish a copy of the application to the commission.

(4) Upon receipt of a copy of the application, the commission shall cause the customer line to be inspected for compliance with this administrative regulation prior to commencement of service.

(5) The commission shall notify the applicant by mail if the customer line does not comply with commission specifications. If subsequent inspection reveals that defects have not been corrected, the commission shall notify the gas company, and the gas company shall take no further action on the application until the defects have been corrected.

(6) The gas company shall furnish, install, and maintain the meter and the service tap, including saddle and first service shutoff valve, which shall remain its property. The gas company shall ensure that its name appears on each of its meters.

(7) All other approved equipment and material required for the service shall be furnished, installed, and maintained by the customer at his expense and shall remain his property.

(8) If leaks or other hazardous conditions are detected in the customer line, the gas company shall discontinue service until the hazardous conditions have been remedied.

Section 4. Connections to High Pressure Gathering Lines.

(1) Connections shall be smaller than the diameter of the gathering line.

(2) Connections shall be on the upper one-half (1/2) of the gathering line surface, and at a forty-five (45) degree angle, if practicable.

(3) Connections shall be at right angles to the center line of the gathering line.

(4) A service shutoff valve shall immediately follow the connection to the gathering line.

(5) A drip tank shall be installed preceding the regulating equipment, unless the gas company has dehydrated the natural gas supply prior to providing to the customer.

Section 5. Control and Limitation of Gas Pressure.

(1) If maximum gas pressure on the gathering line is capable of exceeding sixty (60) psig, a service regulator shall be installed between the service shutoff valve and the customer meter, and a secondary regulator shall be installed between the service regulator and the customer meter. Regulators shall be spring type, and the service regulator shall not be set to maintain pressure higher than sixty (60) psig. A spring type relief valve shall be installed to limit pressure on the inlet of the service regulator to sixty (60) psig or less.

(2) Every customer line shall be equipped with a properly-sized spring type relief valve to avoid over pressuring the customer line. The valve may be part of the final stage regulator.

(3) Regulators shall not be bypassed.

(4) Each relief valve shall be vented into outside air, and all vents shall be covered to prevent water and insects from entering.

(5) All metering and regulating equipment shall be as near to the gathering line as practicable, in accordance with safe and accepted operating practices.

(6) Regulating equipment shall be properly protected by the customer.

Section 6. Customer Lines and Metering Facilities.

(1) The customer shall furnish and install the customer line from the tap to the point of use. The customer shall secure all rights-of-way and railroad, highway, and other crossing permits. The customer line shall be laid on undisturbed or well compacted soil in a separate trench, avoiding all structures and hazardous locations. A structure shall not be erected over the line.

(2) A branch tee or other connection shall not be installed on the line to serve any user other than the customer without prior written consent of the gas company and the customer. If consent is given, service to each user shall have an automatic shutoff valve with manual reset located on the riser in a horizontal position. The shutoff valve shall have maximum operating pressure of eight (8) ounces PSIG with a shutoff pressure setting of not less than two (2) ounces.

(3) Customer lines shall not be constructed nearer than thirty-six (36) inches to any subsurface structure.

(4) Customer lines, including the connection to the main, if feasible, shall be checked for leaks by the gas company prior to first use. If it is not feasible to test the connection to the main before first use, it shall be tested for leaks at the operating pressure when placed into service. Customer lines shall be tested by the gas company with air, natural gas, or inert gas at fifty (50) psig for at least thirty (30) continuous minutes.
(5) Customer lines shall be purged after testing to remove any accumulated air.
(6) Metering pressure shall not exceed eight (8) ounces or.5 psig.
(7) Steel customer lines shall be constructed of black finish steel pipe, shall have a diameter determined by the maximum hourly load for the gas service, and shall conform to standards in the Standard Specification for Pipe, Steel, Black, and Hot-dipped, Zinc Coated, Welded and Seamless (A53/A53M-12) 2012 edition, as published by the American Society for Testing and Materials, 100 Barr Harbor Drive, PO Box C700, West Conshohocken, Pennsylvania 19428-2959. All joints and fittings shall be coated or taped, in accordance with manufacturer's recommendations, from the gas meter to the outlet side of the stopcock located on the riser entering the building. Steel customer lines shall be installed with at least twelve (12) inches of cover on private property and at least eighteen (18) inches of cover on streets and roads. If the steel customer line passes through tillable land, the trench shall be of sufficient depth to permit twenty-four (24) inches of backfill above the service line.
(8) Each steel customer line shall have two (2) insulating joints, one (1) between the secondary regulator and the customer meter, and one (1) at the point of entry into the building.
(9) Plastic customer lines shall have a diameter determined by the maximum hourly load for the gas service and shall meet the Standard Specification for Polyethylene (PE) Gas Pressure Pipe, Tubing and Fittings (D2513-16a), 2016 edition, as published by the American Society for Testing and Materials, 100 Barr Harbor Drive, PO Box C700, West Conshohocken, Pennsylvania 19428-2959. Plastic customer lines shall be installed with at least twelve (12) inches of cover on private property and at least eighteen (18) inches of cover on streets and roads. If passing through tillable land, the plastic customer line shall be installed with at least twenty-four (24) inches of cover. Plastic customer lines shall be buried with an electrically conductive wire to enable inspectors to locate the plastic line. All joints in plastic lines shall be made by persons operator-qualified in accordance with 49 C.F.R. Part 192 to make plastic pipe joints. A plastic line shall not be installed above ground.
(10) Customer lines shall enter the building above ground level, and a stopcock valve shall be located on the riser.
(11) Each customer's service shall have an automatic shutoff valve with manual reset to stop gas flow if gas pressure fails. The valve may be part of the final stage regulator and shall have operating pressure of eight (8) ounces with shutoff pressure setting of not less than two (2) ounces.
(12) A combustible gas in a distribution line must contain a natural odorant or be odorized so that at a concentration in air of one-fifth of the lower explosive limit, the gas is readily detectable by a person with a normal sense of smell.

Section 7. Failure to Pay Bills or Other Default.
(1) Customers shall be required to pay the installation charge and to pay for all gas delivered at rates approved by the commission in accordance with KRS Chapter 278 and 807 KAR Chapter 5. The gas company shall render statements to the customer at regular monthly or bimonthly intervals. Statements shall be rendered within ten (10) days following each billing period. Service shall not be discontinued to any customer for nonpayment of charges unless the gas company has first made a reasonable effort to obtain payment from the customer. The customer shall be given at least forty-eight (48)

hours' written notice of termination, but termination of service shall not be made until at least fifteen (15) days after the original bill has been mailed. Service shall not be reestablished until the customer has paid the gas company all amounts due for gas delivered plus a turn-on charge of twenty-five (25) dollars. If the customer has not paid ]amounts owed, or if the customer has not complied with commission administrative regulations within thirty (30) days from the date the gas is turned off, the gas company may disconnect the customer line from its gathering line. Service shall not be reestablished until the customer has complied with provisions of this administrative regulation pertaining to initial service.

(2) The gas company may require a cash deposit or other guaranty from the customer to secure payment of bills.

Section 8. General Provisions. The gas company shall have reasonable access to the customer's premises, and may shut off gas and remove its property from the premises upon reasonable notice for any of the following reasons:

(1) Need for repairs;
(2) Nonpayment;
(3) Failure to make a cash deposit, if required;
(4) Any violation of this administrative regulation;
(5) Customer's removal from premises;
(6) Tampering with the meter, regulators, or connections;
(7) Shortage of gas or reasons of safety;
(8) Theft of gas;
(9) Any action by a customer to secure gas through his meter for purposes other than those for which it was requested, or for any other party without written consent of the gas company; or
(10) False representation with respect to ownership of property to which service is furnished.

Section 9. Rates and Charges.

(1) Rates. Each gas company shall charge rates filed with and approved by the commission in accordance with KRS Chapter 278 and 807 KAR Chapter 5. A gas company may request an adjustment in its rates to reflect changes in its costs to provide service pursuant to KRS 278.485.

(a) A gas company which provides service pursuant to KRS 278.485 may request an adjustment in rates through a proposed tariff submitted at least sixty (60) days prior to its proposed effective date if:

1. The percentage change in rates does not exceed the percentage change in the price index during the most recent twelve (12) month period immediately preceding the date the proposed tariff is filed; and

2. The proposed rate does not exceed the highest average volumetric rate of a local gas distribution utility approved by the commission in accordance with KRS 278 and 807 KAR Chapter 5 and in effect on the date the proposed tariff is filed. The commission shall provide the current percentage change in the price index and the highest prevailing rate upon written request.

(b) If the proposed percentage increase in rates exceeds the percentage change in the price index but the proposed rate remains below the highest prevailing gas rate approved by the commission, the gas company shall submit, with its proposed tariff, cost data which support the proposed increase. The data shall include the gas company's costs to provide the service during each of the previous two (2) years and shall be current within ninety (90) days of the date the proposed tariff is filed.

(c) A proposed tariff increasing rates shall not be filed with a proposed effective date less than one (1) year later than the last commission approved increase. Once the

commission has determined that sufficient information has been filed with the proposed tariff, the commission shall either approve or deny the proposed adjustment within sixty (60) days. The commission may suspend the proposed tariff beyond the sixty (60) day review period.

(d) A gas company which files a proposed tariff to increase rates shall mail notice to its customers no later than twenty (20) days prior to the filing date of the proposed tariff. The notice shall be dated, shall state the proposed rate and the estimated amount of monthly increase per customer, and shall state that any customer may file comments or a request to intervene by mail to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602.

(e) Instead of a rate adjustment through a proposed tariff, a gas company may file an application with the commission for authority to adjust rates pursuant to 807 KAR 5:001, Section 10. If eligible, the gas company may file under the alternative rate adjustment procedure, 807 KAR 5:076.

(2) Charges.

(a) Any nonrecurring, customer-specific charge, such as those listed in 807 KAR 5:006, Section 8, that is assessed by the gas company shall be listed in its tariff. These charges may be adjusted by filing a proposed tariff with the commission at least thirty (30) days prior to the effective date of the adjustment.

(b) Each gas company may charge $150 for each service tap, including saddle and first shutoff valve which, under this administrative regulation, it shall furnish and install.

(3) Provisions contained in this administrative regulation shall apply only to connections made and services provided pursuant to KRS 278.485 after the effective date of this administrative regulation.

(4) In providing notice as required by Section 9(1)(d) of this administrative regulation, the gas company shall use the following form: NOTICE OF PROPOSED RATE CHANGE (Name of gas company) has filed a request with the Public Service Commission to increase its rates. The rates contained in this notice are the rates proposed by (name of gas company). However, the Public Service Commission may order rates to be charged that differ from the rates in this notice. Any corporation, association, body politic, or person may file written comments or a written request for intervention within thirty (30) days of the date of this notice with the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602. Copies of the request for an increase in rates may be obtained by contacting the gas company at (address of gas company). A copy of the request for an increase in rates is available for public inspection at this address.

Present Rate Proposed Rate Estimated Monthly Increase Per Customer

Section 10. Exceptions.

(1) A utility may submit a written request to the commission to obtain an exception based on good cause for a requirement listed in this administrative regulation. The utility shall attach supporting evidence of good cause to the written request.

(2) Once the request is received, the commission shall determine whether good cause exists to grant an exception to a requirement of this administrative regulation. The commission shall notify the utility, in writing, of:

(a) The decision as to whether good cause exists; and

(b) If good cause exists:

1. The scope and duration of any exception granted; and
2. Any conditions that the utility is required to meet to maintain the exception.

(3) In determining whether good cause exists, the commission shall consider whether the evidence shows that complying with the relevant requirement would be impracticable or contrary to the public interest.

Section 11. Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) "American National Standard Code for Pressure Piping, Gas Transmission and Distribution Piping Systems (ASME B31.8)", 2016 edition, as published by the American Society of Mechanical Engineers, Two Park Avenue, New York, N. Y. 10017-5990;

(b) "Standard Specification for Pipe, Steel, Black, and Hot-dipped, Zinc Coated, Welded and Seamless (A53-/53M)", 2012 edition, as published by the American Society for Testing and Materials, 100 Barr Harbor Drive, PO Box C700, West Conshohocken, Pennsylvania 19428; and

(c) "Standard Specification for Polyethylene (PE) Gas Pressure Pipe, Tubing and Fittings (D 2513-16a)", 2016 edition, as published by the American Society for Testing and Materials, 100 Barr Harbor Drive, PO Box C700, West Conshohocken, Pennsylvania 19428.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Public Service Commission, 211 Sower Boulevard, PO Box 615, Frankfort, Kentucky 40602-0615, Monday through Friday, 8:00 a.m. through 4:30 p.m.

(8 Ky.R. 811; eff. 4-7-1982; 9 Ky.R. 742; 917; eff. 1-6-1983; 16 Ky.R. 2039; eff. 5-13-1990; 22 Ky.R. 2114; 23 Ky.R. 433; eff. 7-19-1996; 44 Ky.R. 2436; 45 Ky.R. 92; eff. 8-6-2018; Crt eff. 3-27-2019; Crt eff. 3-23-2026.)