

1500 SW Arrowhead Road  
Topeka, KS 66604-4027



Phone: 785-271-3100  
Fax: 785-271-3354  
<http://kcc.ks.gov/>

Susan K. Duffy, Chair  
Dwight D. Keen, Commissioner  
Andrew J. French, Commissioner

Laura Kelly, Governor

**NOTICE OF PENALTY ASSESSMENT**  
**22-DPAX-038-PEN**

July 16, 2021

Steve Yeager  
SJ Electric LLC  
9410 W 61st Street  
Merriam, Kansas 66203

This is a notice of penalty assessment against SJ Electric LLC for violation of the Kansas Underground Utility Damage Prevention Act (KUUDPA) discovered during an investigation conducted on December 16, 2020, by Kansas Corporation Commission Staff. For a full description of the violation(s) and penalty please refer to the Order that is attached to this notice.

IF YOU ACCEPT THE PENALTY: You have been assessed a \$500 penalty. You have twenty (20) days from the date of service of the Penalty Order to pay the fine amount. Checks should be payable to the Kansas Corporation Commission. Payments shall be mailed to the Fiscal Division of the Kansas Corporation Commission, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604, and shall include a reference to the docket number (22-DPAX-038-PEN) of this proceeding.

IF YOU CONTEST THE PENALTY: **You have the right to request a hearing.** Requests for hearings must be made in writing, setting forth the specific grounds upon which relief is sought. The company may electronically file its request for hearing within fifteen (15) days from the date of service of this Penalty Order. The company must also e-mail or mail a copy of the request for hearing to the Litigation Counsel listed below. If the company does not have access to the internet, it must submit an original and seven copies of the request for hearing to the Executive Director at 1500 SW Arrowhead Road, Topeka, Kansas 66604, within fifteen (15) days from the date of service of this Penalty Order, and provide a copy to the Litigation Counsel listed below.

IF YOU FAIL TO ACT: Pursuant to K.A.R. 82-14-6(j), failure to submit a written request for a hearing within fifteen (15) days will be considered an admission of noncompliance and result in the Penalty Order becoming a Final Order. Failing to request a hearing or pay the civil assessment may result in the Commission ordering further sanctions.

Respectfully,

*/s/ Michael Neeley*

Michael Neeley, S. Ct. No. 25027  
Litigation Counsel  
(785)271-3173  
[m.neeley@kcc.ks.gov](mailto:m.neeley@kcc.ks.gov)

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:     Andrew J. French, Chairperson  
                               Dwight D. Keen  
                               Susan K. Duffy

In the Matter of the Investigation of <b>SJ</b>	)	
<b>Electric LLC, of Merriam, Kansas,</b>	)	
Regarding Violation(s) of the Kansas	)	
Underground Utility Damage Prevention Act	)	Docket No. 22-DPAX-038-PEN
(KUUDPA) (K.S.A. 66-1801, <i>et seq.</i> , and	)	
K.A.R. 82-14-1, <i>et seq.</i> ), and the	)	
Commission's Authority to Impose Penalties	)	
and/or Sanctions (K.S.A. 66-1,151).	)	

**PENALTY ORDER**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). The Commission, being duly advised in the premises, and after having examined its files and records, finds and concludes as follows:

**I. JURISDICTION AND BACKGROUND**

1.     The Commission has jurisdiction and authority to administer and enforce the Kansas Underground Utility Damage Prevention Act (KUUDPA), as provided in K.S.A. 66-1801 *et seq.* Likewise, 66-1815 grants the Commission full power and authority to adopt all necessary rules and regulations for carrying out the provisions of K.S.A. 66-1801 through 66-1814, *et seq.*

2.     In its enforcement of KUUDPA, pursuant to K.A.R. 82-14-6, as amended, the Commission may investigate an entity under the Commission's jurisdiction and order a hearing on the Commission's own motion when the Commission believes the entity is in violation of the law or any order of the Commission.

3.     The Commission shall impose civil penalties and injunctive actions against any person or entity subject to and found in violation of the provisions of KUUDPA, or any rule and

regulation, or any order of the Commission. Each violation is subject to a civil penalty, not to exceed \$25,000, for each day that the violation persists, with a maximum civil penalty of \$1,000,000 for any related series of violations. *See* K.S.A. 66-1812, 66-1,151 and amendments thereto; and, K.A.R. 82-14-6.

## **II. ALLEGATIONS OF NONCOMPLIANCE**

4. Pursuant to the above authority, on December 16, 2020 Commission Staff (Staff) investigated the activities and operations of SJ Electric LLC (Respondent). See Report and Recommendation of Staff dated May 27, 2021, a copy of which is attached hereto as Attachment “A”. As a result of this investigation, Staff reports the following:

- a. On December 16, 2020, Staff performed an onsite inspection at 10080 Chestnut Street in Lenexa, Kansas. Staff’s investigation discovered the Respondent caused damage to a Atmos Energy Corporation 2" PE gas main line. No injuries or additional property damage occurred.
- b. Staff learned during its independent investigation that Respondent had not provided Atmos Energy Corporation with a notice of intent to excavate and Kansas One Call had not been called to obtain locate marks.
- c. On December 23, 2020, Staff mailed a Notice of Probable Noncompliance notifying Respondent of the investigation results. The letter instructed Respondent to respond within thirty (30) days and to indicate whether Respondent accepted or disagreed with the findings of Staff’s investigation. The notice also requested Respondent to provide written explanation of the actions taken by Respondent to prevent future KUUDPA violations. In the alternative, the Respondent could provide documentation explaining why

Respondent disagreed with the findings, including identification of any errors in the Notice of Probable Noncompliance. The violation cited is as follows:

K.S.A. 66-1804(a) & (e)

**66-1804. Notice of intent of excavation.** (a) Except in the case of an emergency, an excavator shall serve notice of intent of excavation at least two full working days, but no more than 15 calendar days before the scheduled excavation start date, on each operator having underground tier 1 facilities located in the proposed area of excavation.

(e) The notice of intent of excavation shall contain the name, address and telephone number of the person filing the notice of intent, the name of the excavator, the date the excavation activity is to commence and the type of excavation being planned. The notice shall also contain the specific location of the excavation.

d. As of May 27, 2020, Staff has not received a written response from Respondent in violation of K.A.R. 82-14-6. Pursuant to K.A.R. 82-14-6(e), failure to respond to the Notice of Probable Noncompliance within 30 days shall constitute an admission to all factual allegations made by the Commission Staff and may be used against the Respondent in future proceedings.

5. Based upon the available facts, Staff recommends the Commission find that at the time of the damage alleged herein, Respondent was an excavator conducting excavation activities as defined in K.S.A. 66-1802(d) and (e). Additionally, based upon the available facts, Staff recommends the Commission find Respondent failed to obtain a valid locate ticket and failed to serve notice of intent of excavation as Kansas law requires.

6. Excavating without locates and without ascertaining the location of all underground facilities is considered a high-risk activity with the potential for significant consequences to public

safety. KUUDPA requires the excavator to serve notice of intent of excavation at least two full working days before the scheduled excavation start date. Because providing proper and timely notice of intent and waiting the required amount of time is the most fundamental preventative measure an excavator takes, the fact that SJ Electric LLC failed to comply with this requirement of law warrants the assessment of a civil penalty.

7. Staff recommends the Commission issue SJ Electric LLC a civil penalty of \$500 for the violation of the Kansas Underground Utility Damage Prevention Act as alleged.

### **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

8. Pursuant to K.S.A. 66-1813, the Commission has jurisdiction and authority to administer and enforce the KUUDPA.

9. The Commission finds during the incident described in Staff's Report and Recommendation, Respondent was an excavator conducting excavation activities as defined in K.S.A. 66-1802(d) and (e). Accordingly, the Commission finds it has jurisdiction over Respondent to enforce the KUUDPA.

10. The Commission concludes Respondent violated Kansas law governing underground utilities, including various provisions of KUUDPA, and is therefore subject to sanctions or fines imposed by the Commission. Specifically, the Commission finds Respondent violated K.S.A. 66-1804(a) and (e) by failing to obtain a locate ticket and failing to provide a notice of intent of excavation. As a result of this failure, Respondent damaged underground facilities of Atmos Energy Corporation.

11. The Commission concludes Respondent shall be assessed a civil penalty, pursuant to K.S.A. 66-1812, in the amount of \$500 for violation of the Kansas Underground Utility Damage Prevention Act.

12. The Commission finds and concludes Respondent shall be afforded an opportunity to request a hearing on the assessment of this civil penalty. Pursuant to K.A.R. 82-14-6(j), the Commission finds and concludes Respondent shall have 15 days from the date of service of this Penalty Order to request a hearing on the matter. A request for hearing must comply with the provisions of K.A.R. 82-1-232(b). Hearings shall be conducted in accordance with K.A.R. 82-1-230.

13. Pursuant to K.A.R. 82-14-6(j), the Commission finds and concludes Respondent's failure to request a hearing within 15 days from the date of service of this Penalty Order, shall be considered an admission of the noncompliance allegations contained herein.

**THE COMMISSION THEREFORE ORDERS THAT:**

A. SJ Electric LLC, of Merriam, Kansas, is hereby assessed a \$500 civil penalty for the violation of the Kansas Underground Utility Damage Prevention Act, K.S.A. 66-1801 through -1816.

B. Pursuant to K.A.R. 82-14-6(j) and amendments thereto, any party may request a hearing by electronically filing its request within fifteen (15) days from the date of service of this Penalty Order, and e-mailing or mailing a copy of the request for hearing to the Litigation Counsel listed on the Notice of Penalty Assessment. If the company does not have access to the internet, it must submit an original and seven copies of the request for hearing to the Executive Director at 1500 SW Arrowhead Road, Topeka, Kansas 66604, within fifteen (15) days from the date of service of this Penalty Order, and provide a copy to Litigation Counsel. Hearings will be scheduled only upon written request. Failure to timely request a hearing shall be considered an admission of the noncompliance allegations contained herein and result in a waiver of Respondent's right to a hearing. A request for hearing must comply with the provisions of K.S.A. 82-1-232(b). Hearings

shall be conducted in accordance with K.A.R. 82-1-230. Furthermore, if a request for hearing is not filed, this Penalty Order will become a Final Order assessing a \$500 civil penalty against Respondent.

C. Attorneys for all parties shall enter their appearances in Commission proceedings by giving their names and addresses for the record. For civil penalties exceeding \$500, a corporation shall appear before the Commission by its attorney, unless waived by the Commission for good cause shown and a determination that such waiver is in the public interest. *See* K.A.R. 82-1-228(d)(2); K.A.R. 82-1-202(a).

D. Pursuant to K.A.R. 82-14-6, if you do not request a hearing, the payment of the civil penalty is due in twenty (20) days from the date of service of this Order. Checks shall be payable to the Kansas Corporation Commission. Payments shall be mailed to the Fiscal Division of the Kansas Corporation Commission, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604. The payment shall include a reference to the docket number (22-DPAX-038-PEN) of this proceeding.

E. Unless a hearing is requested, failure to pay the \$500 civil penalty within twenty (20) days from the date of service of this Penalty Order will result in enforcement action against Respondent, including all sanctions, requirements, and penalties described above being enforceable without further action by the Commission.

**BY THE COMMISSION IT IS SO ORDERED.**

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 07/22/2021



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Lynn M. Retz  
Executive Director

MRN

# **ATTACHMENT A**



**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**TO:** Chairperson Andrew J. French  
Commissioner Dwight D. Keen  
Commissioner Susan K. Duffy

**FROM:** Christie Knight, Damage Prevention Special Investigator  
Leo Haynos, Chief of Pipeline Safety  
Jeff McClanahan, Director of Utilities

**DATE:** May 27, 2021

**SUBJECT: Docket Number:** 22-DPAX-038-PEN  
In the Matter of the Investigation of SJ Electric LLC regarding Violations of the Kansas Underground Utility Damage Prevention Act (KUUDPA) (K.S.A. 66-1801, *et seq.*, and K.A.R. 82-14-1 through 82-14-5) and the Commission's Authority to Impose Penalties and/or Sanctions (K.S.A. 66-1,151). Staff Case No. CK-20-OC-1290.

**EXECUTIVE SUMMARY:**

Staff is recommending a civil penalty be issued to SJ Electric LLC (SJ) in the amount of \$500 for violation of KUUDPA. SJ did not provide a notice of intent to excavate prior to excavating on December 16, 2020, in Lenexa, Kansas. Failure to provide proper notice of intent before excavating is a violation of K.S.A. 66-1804. A Notice of Probable Noncompliance (PNC) was issued to SJ on December 23, 2020. A follow-up letter was sent to SJ via registered mail on February 1, 2021. SJ did not respond to the PNC within 30 days as required by K.A.R. 82-14-6 (c). A copy of the PNC is included as Attachment I.

**ANALYSIS:**

**Rationale for Penalties:**

A. **Gravity of noncompliance:**

Excavating without a valid One-Call ticket is considered a high-risk activity with the potential for significant consequences to public safety. Staff received notification from Atmos Energy of SJ excavating without a One-Call ticket for the area of 10080 Chestnut Street in Lenexa, Kansas. A search in the One-Call database did not produce a One-Call ticket for SJ for this address prior to the damage. Because SJ never requested locates, the

utility operator was unable to provide the location at which SJ would be required to carefully excavate to avoid damage to an underground facility at any depth. SJ failed to comply with this requirement of the law and warrants the assessment of a civil penalty.

B. Culpability:

SJ is directly responsible for its actions in failing to acquire a One-Call ticket as Kansas law requires.

C. History of noncompliance:

Staff has issued no other KUUDPA Probable Noncompliance(s) to SJ in the past two years.

D. Response of excavator regarding noncompliance(s):

- E. Responses to the PNC and to the follow up PNC sent registered mail, as required by K.A.R. 82-14- 6(c), were not received by Staff. The “failure of a party to submit a timely response to a Notice of Probable Noncompliance shall constitute an admission to all factual allegations made by the commission staff” as per K.A.R. 82-14-6(e).

F. Aggravating/Mitigating Circumstances:

Staff has not determined any circumstances that would cause modification of the \$500 recommended penalty amount.

**RECOMMENDATION:**

Staff recommends a civil penalty be issued to SJ Electric LLC in the amount of \$500 for violation(s) of K.S.A. 66-1804.

Attachment

## ATTACHMENT 1

**PROBABLE NONCOMPLIANCE**

Investigation: CK-20-OC-1290

Company: SJ Electric LLC

Division:

**Regulation:**

**66-1804 (a) & (c) Notice of intent of excavation.**

Notice of intent of excavation.

(a) Except in the case of an emergency, an excavator shall serve notice of intent of excavation at least two full working days, but not more than 15 calendar days before the scheduled excavation start date, on each operator having underground tier 1 facilities located in the proposed area of excavation.

(c) The notice of intent of excavation shall contain the name, address and telephone number of the person filing the notice of intent, the name of the excavator, the date the excavation activity is to commence and the type of excavation being planned. The notice shall also contain the specific location of the excavation.

**PROBABLE NONCOMPLIANCE DESCRIPTION:**

On 12/16/2020, KCC Staff was notified of excavation work resulting in a damage occurring around the area of 10080 Chestnut St in Lenexa, Kansas. KCC alleges SJ Electric LLC was excavating without a One-Call ticket causing damage to an Atmos 2" PE gas main line. There was no One-Call ticket found in the database for this address prior to the damage.

**OPERATOR'S RESPONSE: (Attach verification if needed)**

Operator's Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

PIPELINE SAFETY USE ONLY:

Date reviewed: \_\_\_\_\_

Date reviewed: \_\_\_\_\_

Chief: \_\_\_\_\_

Inspector: \_\_\_\_\_

Inspection Type: One Call Inquiry/Complaint

Date Inspected: 12/16/2020

Inspected By: CK

# **ATTACHMENT B**

1500 SW Arrowhead Road  
Topeka, KS 66604-4027



Phone: 785-271-3100  
Fax: 785-271-3354  
<http://kcc.ks.gov/>

Susan K. Duffy, Chair  
Dwight D. Keen, Commissioner  
Andrew J. French, Commissioner

Laura Kelly, Governor

Steve Yeager  
SJ Electric LLC  
9410 W 61st St  
Merriam, KS 66203

December 21, 2020

KCC Investigation #: CK-20-OC-1290

**Subject: Pipeline Investigation**

**Dear Steve Yeager:**

Pursuant to K.S.A. 66-1801, et. Seq. the Kansas Corporation Commission (KCC) has jurisdiction and authority to investigate and to issue civil penalties for violations of the Kansas Underground Utility Damage Prevention Act (KUUDPA).

On December 16, 2020, the Kansas Corporation Commission's Pipeline Safety Staff conducted an investigation into excavation activities which are believed to involve your company. As a result of this investigation, Staff has identified possible violations committed by SJ Electric LLC. The findings of this investigation are described on the attached form(s).

Kansas law, K.A.R. 82-14-6(c), requires the recipient of this notice to provide a written response to any Notice of Probable Noncompliance. After reviewing the findings, please respond in at least one of the following ways:

- 1) Submit written explanation, a statement of general denial, or other materials contesting the allegations;
- 2) Submit a signed acknowledgement of Commission Staff's findings of noncompliance; or,
- 3) Submit a signed proposal for the completion of any remedial action that addresses the Commission Staff's findings of noncompliance.

Pursuant to K.A.R. 82-14-6(e), failure to respond within 30 days to this Notice of Probable Noncompliance shall constitute an admission to all factual allegations made by the Commission Staff and may be used against the respondent in future proceedings

Please return the evaluation form(s) with any supporting documentation within thirty (30) days of receipt of this report to the address or email below. Any response submitted by email must include an electronic signature and date.

Kansas Corporation Commission  
Pipeline Safety Section  
1500 SW Arrowhead Road  
Topeka, KS 66604-4027  
[kccsafetyresponse@kcc.ks.gov](mailto:kccsafetyresponse@kcc.ks.gov)

Please feel free to contact me directly if you have questions or concerns.

Sincerely,

Leo Haynos /s/  
Chief Engineer  
(785) 271-3278  
[l.haynos@kcc.ks.gov](mailto:l.haynos@kcc.ks.gov)

**PROBABLE NONCOMPLIANCE**

Investigation: CK-20-OC-1290

Company: SJ Electric LLC

Division:

**Regulation:****66-1804 (a) & (e) Notice of intent of excavation.**

Notice of intent of excavation.

(a) Except in the case of an emergency, an excavator shall serve notice of intent of excavation at least two full working days, but not more than 15 calendar days before the scheduled excavation start date, on each operator having underground tier 1 facilities located in the proposed area of excavation.

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**PROBABLE NONCOMPLIANCE DESCRIPTION:**

On 12/16/2020, KCC Staff was notified of excavation work resulting in a damage occurring around the area of 10080 Chestnut St in Lenexa, Kansas. KCC alleges SJ Electric LLC was excavating without a One-Call ticket causing damage to an Atmos 2" PE gas main line. There was no One-Call ticket found in the database for this address prior to the damage.

**OPERATOR'S RESPONSE: (Attach verification if needed)**

Operator's Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**PIPELINE SAFETY USE ONLY:**

Date reviewed: \_\_\_\_\_

Date reviewed: \_\_\_\_\_

Chief: \_\_\_\_\_

Inspector: \_\_\_\_\_

Inspection Type: One Call Inquiry/Complaint

Date Inspected: 12/16/2020

Inspected By: CK

## **CERTIFICATE OF SERVICE**

22-DPAX-038-PEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 07/22/2021.

MICHAEL NEELEY, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3167  
m.neeley@kcc.ks.gov

STEVE YEAGER, REGISTERED AGENT  
SJ ELECTRIC LLC  
214 N 4TH TERRACE  
PO BOX 1209  
LOUISBERG, KS 66053  
steve@sjelectricllc.com

STEVE YEAGER  
SJ ELECTRIC LLC  
9410 W 61ST STREET  
MERRIAM, KS 66203  
steve@sjelectricllc.com

/S/ DeeAnn Shupe  
\_\_\_\_\_  
DeeAnn Shupe