

City of Ford

P.O. Box 108 Ford, Kansas 67842 (620) 369-2247

The State Corporation Commission Of The State of Kansas

Docket No. 17-FORP-219-SHO

The City of Ford is a small community that operates a municipal gas system serving 127 customers. I'd like to introduce myself to you. I'm Penny L McAllister, the City Clerk. I have been on the job for 3 months. We also have a new maintenance supervisor, Bruce Bazil. I hope that with your guidance we will resolve these judgments against the City of Ford Gas Company.

The Commission's Order dated December 22, 2016 directed the City of Ford to show any and all remedial action taken to correct the serious and concerning discoveries discussed in Staffs Report and Recommendation. Our answer to the Commission's findings are as follows:

Show of Cause:

Count 1: A rectifier station was found to be inoperable in August of 2016. Ford's contractor had previously informed the City of the criteria not being met in April of 2016. An inoperable rectifier station is an apparent violation of 49 C.F.R. 192.463 as adopted by K.A.R. 82-11-4.

Response: The City of Ford has repaired the gas system's cathodic protection system. On February 15, 2017, Fanshler Corrosion Service Inc installed a vertical 15-13" x 60" graphite anodes with coke breeze and water system and repaired the rectifier stack. The invoice for this work is attached. At this time, the cathodic protection system is working and meets the regulation's criteria.

Count 2: The August 2016 inspection found that virtually all aboveground gas piping in the system had no protective coating and exhibited atmospheric corrosion. Failing to clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere is an apparent violation of 49 C.F.R. 192.4 79 as adopted by K.A.R. 82-11-4.

Response: We are repainting all exposed pipes at this time. We are also replacing meters as needed.

Count 3: the City of Ford did not respond to Staffs evaluation issued August 23, 2016, and has an extensive history of failing to respond timely to Staffs inspection results. Failure to respond to and return the evaluation letter and evaluation form detailing the actions taken by the operator, or setting forth a proposed plan to bring the operator's system into compliance with the safety standards [described in Article 11 of Kansas Administrative Regulations chapter 82] is an apparent violation of K.A.R. 82-11-6(b).

Response: We apologize for not timely responding to Staff's evaluation forms. After receiving the Commission's Order, we provide a reply to Staff on February 3, 2017. A copy is attached. In the future, we will provide timely response to Staff's inspection results.

KANSAS CORPORATION COMMISSION

JUN 14 2017

UTILITIES DIVISION

Commission Staff's Report and Recommendation findings concerning lost gas:

Response: Staff's Report states the City of Ford could not account for 17% of the gas the city sold in 2015. While we did report 17% lost, I believe it was a calculation error. I have talked with Pro Energy Solutions, our gas supplier, and they provided me with a spread sheet that calculates the units of gas that we sell to our customers in the same measurement units as the units of gas we buy from them. By comparing gas in the same measurement units, our lost and unaccounted for gas is 7.265% for the year 2016. I believe this addresses Staff's concern with the 17% gas shortage.

As Ford is a small system I ask that you reconsider the civil penalty against the City of Ford. With the recent changes that we have made to our city staff, I believe we will be a more responsible gas system operator. We will also make safety and regulatory compliance a priority. I am more than willing to work with you in resolving all compliance issues we have.

Penny L McAllister
City Clerk
City of Ford

Lori Amaro



Mayor
City of Ford

INVOICE

FANSHIER CORROSION SERVICE, INC.

PHONE (620) 792-4051 • 2010 North U.S. Hwy. 281

GREAT BEND, KANSAS 67530-8712

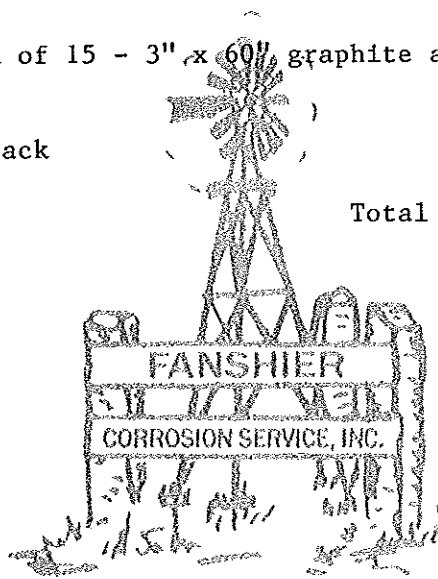
RES. & SHOP PHONE
(620) 792-3147

SOLD TO City of Ford
Attn: Jim Goracke
PO Box 108
Ford, KS 67842

OUR INVOICE NO. 3450
OUR INVOICE DATE Feb 15, 2017
YOUR ORDER NO.
DATED
TERMS:

LEASE

Vertical installation of 15 - 3" x 60" graphite anodes with coke breeze and water system	\$15,700.00
Repair rectifier - stack	\$ 250.00
Total	\$15,950.00



Established 1958

City of Ford

From: "Leo Haynos" <l.haynos@kcc.ks.gov>
Date: Wednesday, May 31, 2017 1:19 PM
To: "City of Ford" <fordks@ucom.net>
Subject: FW: response to order to show cause

Here is your response to the show cause order

From: City of Ford [mailto:fordks@ucom.net]
Sent: Friday, February 03, 2017 1:18 PM
To: Leo Haynos
Subject: response to order to show cause

To: Kansas Corporation Commission;
Attention: Leo Haynos

Leo please accept our response's on the order to show cause:

In regards to 49 C.F.R. 192.463: We have received and approved a bid from Fanshier construction to install a Ground bed and Black Hills has been requested oversee the installation.

The Bid was approved November 16th and work is scheduled to be completed the week of the February 13th 2017 Weather permitting.

In regards to 49 C.F.R. 192 479 Atmospheric Corrosion: Meter sets and above ground appurtenances cleaning and painting has been on going since October 25, 2016, and is scheduled to continue until completion as weather allows.

In regards to Loss and unaccounted for gas loss: We are in the process of setting up a program to figure our L & U monthly. We are also working with KGM formerly Derosset to assure our billing on the irrigation gas will be billed correctly.

Thank you for your consideration and Cooperation in this matter.

City Of Ford
310 e 8th
Po box 108
Ford Kansas, 67842
Holly Behee
City Clerk
Phone 620-369-2247

6/1/2017