

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120**

Pennsylvania Public Utility Commission,  
Bureau of Investigation and Enforcement v.  
Philadelphia Gas Works

Public Meeting July 16, 2013  
2278312-OSA  
Docket No. C-2011-2278312

**JOINT MOTION OF  
CHAIRMAN ROBERT F. POWELSON  
AND VICE CHAIRMAN JOHN F. COLEMAN, JR.**

Before the Commission today for disposition is the Initial Decision (I.D.) of Administrative Law Judge Angela T. Jones (ALJ Jones) adjudicating the Formal Complaint filed by the Commission's Bureau of Investigation and Enforcement (I&E) against Philadelphia Gas Works (PGW or Company) related to the tragic natural gas explosion that occurred January 18, 2011 on Torresdale Avenue, Philadelphia. Also pending before the Commission in this matter are PGW's Exceptions to the I.D.

By way of background, I&E filed a Complaint with the Commission on December 15, 2011, following an extensive investigation into the causes of the January 18, 2011 explosion. I&E's Complaint contained 334 counts of gas safety violations by PGW in relation to this incident. PGW filed an Answer to the Complaint on February 6, 2012, acknowledging the tragic nature of the incident but denying all material aspects of I&E's Complaint. The parties subsequently entered into settlement negotiations, which culminated in a Joint Petition for Settlement (Settlement) that was filed with the Commission on November 14, 2012. According to the terms of the Settlement, the parties agree that:

- A. PGW shall pay a civil settlement of \$400,000, which it shall not seek recovery of in any future proceeding before the Commission;
- B. PGW will contribute \$100,000 to the existing smoke alarm program operated by the Fire Prevention Division of the Philadelphia Fire Department;
- C. PGW has already implemented, or will implement in the future, 19 different modifications to its operating procedures, all of which are set forth in Appendix A of the Settlement.

ALJ Jones issued the above-referenced I.D. on January 28, 2013, approving the Settlement as filed. PGW subsequently filed Exceptions regarding the ALJ's rejection of a possible alternative allocation of the \$400,000 civil settlement.

We must start by noting that the explosion at issue took the life of a 19-year-old PGW employee, injured five other employees and caused hundreds of thousands of dollars of property damage. While we are moving to approve the agreed-upon civil settlement and contribution to the Philadelphia Fire Department's Fire Prevention Division, we remain far from convinced that these amounts adequately penalize PGW for their numerous actions and inactions that culminated in these devastating losses. The Commission is, however, limited by the statutory

civil penalty limits that were in place at the time of the incident and by the fact that PGW, as a municipally-owned utility, operates on a cash-flow basis. Nonetheless, had the current \$2 million fine limit been in place at the time of the explosion, we likely would have advocated for the fine and contribution amounts to be increased beyond those contained in the Settlement before us here today.

Given these limitations, though, we agree with ALJ Jones's evaluation of the Settlement and find it to be in the public interest with one modification. Just as with this Commission's recent disposition of I&E's Formal Complaint against UGI Utilities, Inc. – Gas Division (UGI) for the catastrophic explosion in Allentown in February, 2011, we believe that PGW should explore enhanced leak detection measures and file a pilot program to utilize one or more of those enhanced leak detection measures. However, if at all possible, PGW should utilize a different vendor than UGI to give the Commission and all interested stakeholders the opportunity to evaluate more than just one of the various technologies available. This filing shall be made within 45 days of the entry of a Final Order in this proceeding, after which interested parties shall be given the opportunity to provide comments. The Commission shall consider any comments and approve, modify or reject the pilot program within 75 days of its filing.

**THEREFORE, WE MOVE THAT:**

1. Philadelphia Gas Works file a pilot program designed to test enhanced leak detection measures within 45 days of entry date of a Final Order in this proceeding, or of the Tentative Order becoming final by operation of law;
2. Interested parties file comments on the pilot leak detection program within 20 days of its filing and the Commission approve, modify or reject this pilot program within 75 days of its filing;
3. The Parties to the Settlement notify the Commission within five business days of entry to the Tentative Order whether they accept the additional terms imposed by this Motion;
4. The Tentative Order be considered a Final Order in the event that neither of the settling Parties objects to these modifications;
5. If either settling Party objects to the additional terms imposed herein, the Initial Decision be reversed and this matter be remanded to the Office of Administrative Law Judge for such further proceedings as may be necessary; and
6. The Office of Special Assistants prepare a Tentative Order consistent with this Motion.

  
**ROBERT F. POWELSON**  
CHAIRMAN

  
**JOHN F. COLEMAN, JR.**  
VICE CHAIRMAN

**DATE: July 16, 2013**