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| **PENNSYLVANIA****PUBLIC UTILITY COMMISSION****Harrisburg, PA 17105-3265** |
|  |  Public Meeting held November 9, 2016 |
| Commissioners Present:Gladys M. Brown, Chairman Andrew G. Place, Vice Chairman, Statement John F. Coleman, Jr. Robert F. Powelson  David W. Sweet  |
| Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement  v. Columbia Gas of Pennsylvania, Inc. |  M-2016-2378672 |

**OPINION AND ORDER**

**BY THE COMMISSION:**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is a Joint Petition for Approval of Settlement Agreement (Settlement) filed on May 5, 2016, by the Commission’s Bureau of Investigation and Enforcement (I&E) and Columbia Gas of Pennsylvania, Inc. (Columbia or Company) (collectively, Parties). Each Party also filed a Statement in Support of the Settlement.

**History of the Proceeding**

This matter concerns two informal investigations initiated by I&E’s prosecutory staff at the request of I&E’s Gas Safety Division (GSD). The investigations relate to two incidents on Columbia’s system associated with the Company’s infrastructure replacement projects in Coraopolis, Allegheny County, and Wampum, Lawrence County, Pennsylvania, and have been consolidated at this docket. The GSD’s initial investigations suggested that further investigations were warranted to examine whether the actions of Columbia or its contractors violated state regulations, federal regulations, and/or the Company’s operating procedures.

By letter dated August 26, 2013, I&E requested that Columbia provide responses to various inquiries and document requests. Based on its investigation, I&E concluded that sufficient data had been gathered to substantiate allegations of violations of state and federal gas safety regulations.

The Parties entered into negotiations and have agreed to resolve this matter in accordance with the Commission’s policy to promote settlements at 52 Pa. Code

§ 5.231. The Parties filed the instant Settlement on May 5, 2016.

**Background**

**1. Coraopolis Incident**

 On July 24, 2013, a contractor crew, consisting of a foreman; an operator; two flagmen; three laborers; and a supervisor, was working for Columbia on a main replacement project in the area of Coraopolis Road, Long Valley Drive, Laurel Ridge Road, and East Ridge Road in Coraopolis, Pennsylvania. Settlement at 4-5. In addition to the contracting crew, three Columbia employees were on-site as construction coordinators. The project involved the installation of plastic main to replace an existing steel main. After the installation of the new line on July 24, 2013, the system was pressure tested and did not hold pressure, indicating that there was a leak on the line.

 On July 25, 2013, the contractor crew and Columbia construction coordinators returned to the job site to leak test the new line. During this task, the approximately 2,200 foot main was cut into three sections and pressurized to determine whether each section held air and, if not, to locate and repair a leak found. The first segment of the main was tested at 90 psig. This segment held air but was not depressurized once the test was finished. Next, the second section of the pipe was tested and depressurized upon successfully holding pressure. The final 700 foot segment of the pipe was then tested and did not hold pressure. The contractor crew continued to try to isolate the leak by excavating and testing this segment at its midpoint and determined that the leak was located in the final 320 foot section between the midpoint of the new main section and the regulator. *Id*. at 5.

 At approximately 2 p.m., a contractor employee returned to the first section of the line that was tested to cut the cap off of the line in preparation for reconnecting the pipe segments. The contractor employee began to cut a six-inch plastic end cap from the first main segment using a single-wheel rotary pipe cutter, seemingly unaware that the segment was still under pressure. In the process of making the cut, the end cap blew off from the pressurized main segment and struck the contractor employee in the lower leg, resulting in severe injury. An accompanying contractor crew member at the first main segment excavation immediately called 911. An ambulance arrived within ten minutes and transported the injured employee to the Allegheny General Hospital emergency room.

 I&E was unable to determine, based on its investigation, whether the contractor employee was directed to return to the first segment of main in order to cut the end cap from the main or whether the employee was acting on his own volition. The GSD’s post-incident investigation indicated that Columbia had proper procedures in place for testing its facilities. *Id*. at 6. However, the investigation indicated that a contractor foreman on site during the incident was not in compliance with the Company’s operating procedures, Columbia Gas Standard 1150.005, which requires individuals who are responsible for emergency actions and all construction and maintenance personnel, to successfully pass the M-7, Abnormal Operating Conditions qualification test. *Id*. at 6-7.

 Based on its investigation, I&E contends that Columbia and its contractor failed to “exercise reasonable care to reduce the hazards to which employees, customers, and others may be subjected to” by not taking adequate precautions to prevent the contractor employee from being injured while taking action to reconnect the two pipeline segments, because no one advised the contractor employee that the section of newly installed plastic pipe from Coraopolis Road to Laurel Ridge Road was still under pressure from the earlier test. If proven, this omission would constitute a violation of 52 Pa. Code § 59.33(a). Additionally, I&E contends that Columbia and its contractor failed to follow Columbia Standard 1500.010, Section 3 “SAFETY DURING TESTING,” subsections b and g, which provide that: “[d]uring the test, all personnel shall be kept clear of the piping under pressure” and “[t]he tested system shall be depressurized through a valve before any fittings are loosened or removed,” because the contractor employee was not given notice that the main segment he was working on was still under pressure and he unknowingly proceeded to cut the end cap fitting off the pressurized main. If proven, this would be a violation of 49 C.F.R. § 192.13(c). Settlement at 9.

**2. Wampum Incident**

On November 25, 2013, Columbia was notified of a gas supply problem in the area of East Clyde Street in Wampum, Pennsylvania. Columbia contacted a contractor crew that was engaged in a new plastic construction job for Columbia in the area to help resolve the issue, and Columbia personnel were also on site. That morning, the contractor’s crew members arrived and began to shut off services in the problem area. Before pigging[[1]](#footnote-1) the main line, services were also cut off at the main and capped; air compressors and light plants were set up; two areas were excavated to allow an entry and an exit point to the main gas line; and the gas was turned off on the main line.

Pigging began on the afternoon of November 25, 2013. Contractor employees were stationed at each end of the pipe, one launching the cleaning pig and one receiving it. *Id*. at 7. Several pig runs were conducted. On the last run, the contractor employee at the receiving end of the pigging operation sustained injuries to his foot and ankle. Following a call to 911, the employee was transported to a local hospital for treatment.

The GSD’s post-incident investigation resulted in a finding of violations of the Commission’s Regulations. The investigation indicated that a contractor employee who was a member of the contractor crew performing service line work on site at the time of the incident was not in compliance with the Company’s operating procedures, Columbia Gas Standard 1150.005, which requires individuals who are responsible for emergency actions and all construction and maintenance personnel to successfully pass the Installing, Replacing and Repairing Gas Service Lines qualification test. *Id*. at 8.

Based on its investigation, I&E alleges that Columbia and its contractor failed to “exercise reasonable care to reduce the hazards to which employees, customers, and others may be subjected to” by failing to take adequate precautions to prevent the contractor employee from being injured while pigging the main gas line. If proven, this would constitute a violation of 52 Pa. Code § 59.33(a). Settlement at 9-10.

While Columbia Gas disputes or disagrees with some or all of the alleged violations, the Company recognizes the need to prevent such alleged violations and the benefits of amicably resolving the investigation. *Id*. at 10.

**Terms of the Settlement Agreement**

The Parties entered into the Settlement to resolve I&E’s informal investigations and to settle this matter completely without litigation in a formal proceeding. The Parties have agreed to the following Settlement terms:

a. Pursuant to 66 Pa. C.S. § 3301(c), Columbia will pay a civil penalty of fifty thousand ($50,000) dollars.[[2]](#footnote-2) Said payment shall be made by certified check payable to “Commonwealth of Pennsylvania” and forwarded to the Commission Secretary, with notice to the prosecuting attorney of said payment, within thirty (30) days of the date of the Final Order approving this Settlement.

b. Columbia has taken corrective action and implemented revisions to its operating procedures, which will act as safeguards against similar incidents occurring in the future. The pertinent actions taken by Columbia are briefly described as follows:

i. Columbia will enhance its operator qualification (“OQ”) program by accelerating its roll out of the enhanced OQ training for Columbia contractors from its current planned three-year cycle to a two-year cycle.

c. In addition to remedial actions already taken by the Company, Columbia will take the following corrective action:

 i. Provide physical identifiers on all sections of main under test pressure where the main is exposed. An example of an identifier could be a band that slips over the exposed main indicating the main is under test pressure. The Company will revise Gas Standard 1500.010 to reflect this process;

ii. Revise its training procedures relative to pressure testing pipelines to incorporate an Abnormal Operating Condition for working around a pressurized main. Include Sections 2. RESPONSIBILITY and 3. SAFETY DURING TESTING of Gas Standard 1500.010, Pressure Testing;

iii. Revise Columbia Gas Standard 1500.010, Pressure Testing, to specify a main should be blown down after the test is completed unless there is a valid reason to keep it under pressure;

iv. Review all current qualifications that for all contractors that have performed for Columbia to confirm that all records are accurate and provide the Commission’s GSD with any discrepancies found;

v. Verify that all required contractors and Columbia employees have successfully completed training relative to preventing and responding to potentially hazardous situations, establish a method to confirm this regularly, and provide the Commission’s GSD with a list of non-qualified individual(s);

vi. Include training procedures relative to Gas Standard 3000.500 – Internal Cleaning of Pipelines (Pigging) to provide sufficient material to adequately train employees and contractors going forward on proper pigging procedures;

vii. Retrain all current employees and contractors on the revised Gas Standard 3000.500 – Internal Cleaning of Pipelines (Pigging) and provide to GSD completed attendance sheets indicating the names of all attendees and the time and place of each training session[.]

Settlement at 10-11.

In consideration of the Company’s agreement to pay a civil penalty and other non-monetary relief, as set forth in the Settlement, I&E agrees to forebear from instituting any formal complaint that relates to the matters described in the Settlement and the related conduct of the Company, its employees, and its contractor’s employees, as described in the Settlement. The Parties state that nothing contained in the Settlement shall adversely affect the Commission’s authority to receive and resolve any informal or formal complaints filed by any affected party with respect to the alleged incidents, except that no further sanctions may be imposed by the Commission for any actions identified in the Settlement. *Id*. at 12. Additionally, none of the provisions of the Settlement or the statements in the Settlement shall be considered an admission of any fact or culpability. As the Settlement does not make any findings of fact or conclusions of law, the Parties intend that the Settlement and the Statements in Support thereof not be admitted as evidence in any potential civil proceeding involving this matter. *Id*. at 14.

The Settlement is conditioned upon the Commission’s approval of its terms and conditions, without modification. The Parties reserve the right to withdraw from the Settlement if it is modified. *Id*. at 13.

**Discussion**

We note that, consistent with Section 5.231 of our Regulations, 52 Pa. Code § 5.231, it is our policy to promote settlements. However, before taking final action on the proposed Settlement, we must first seek public comment pursuant to Section 3.113(b)(3) of our Regulations, 52 Pa. Code § 3.113(b)(3).

**Conclusion**

Before issuing a decision on the merits of the proposed Settlement, consistent with Section 3.113(b)(3) of our Regulations, 52 Pa. Code § 3.113(b)(3), we are providing an opportunity for interested parties to file comments; **THEREFORE**,

 **IT IS ORDERED:**

 1. That this Opinion and Order, together with the attached Settlement Agreement and the Statements in Support thereof, shall hereby be entered for comments.

 2. That a copy of this Opinion and Order, together with the attached Settlement Agreement and the Statements in Support thereof, shall be served on the Office of Consumer Advocate, the Office of Small Business Advocate, and the Bureau of Investigation and Enforcement.

3. That comments to this Opinion and Order, together with the Settlement Agreement and the Statements in Support thereof, will be considered timely if filed within twenty (20) days of the date of entry of this Opinion and Order.

4. That, subsequent to the Commission’s review of the comments filed in this proceeding, a final Opinion and Order will be issued.

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 **BY THE COMMISSION,**

Rosemary Chiavetta

 Secretary

(SEAL)

ORDER ADOPTED: November 9, 2016

ORDER ENTERED: November 9, 2016

1. “Pigging” is the practice of using devices known as pigs to perform various maintenance operations on a pipeline, including, but not limited to, cleaning and inspecting the pipeline. The pigs used in this case were cleaning pigs. Settlement at 7 n.3. [↑](#footnote-ref-1)
2. Columbia agrees not to seek recovery of any portion of this payment in a future ratemaking proceeding. [↑](#footnote-ref-2)