



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

September 13, 2000

A-125042

DANIEL CLEARFIELD ESQUIRE
WOLF BLOCK SHORR & SOLIS-COHEN
212 LOCUST STREET
SUITE 300
HARRISBURG PA 17110

Gas Safety Plan for Philadelphia Gas Works.

DOCKETED
SEP 15 2000

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on September 13, 2000 has adopted an Order in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty
James J. McNulty
Secretary

DOCUMENT
FOLDED

law
encls
cert. mail

See attached list
for additional parties
of record.

DANIEL CLEARFIELD ESQUIRE
WOLF BLOCK SHORR & SOLIS-
COHEN
212 LOCUST STREET
SUITE 500
HARRISBURG PA 17110

OFFICE OF CONSUMER ADVOCATE
10 WALNUT STREET
FORUM PLACE 5TH FLOOR
HARRISBURG PA 17101-1921

OFFICE OF TRIAL STAFF
PO BOX 3265
3RD FLOOR PITNICK BLDG
HARRISBURG PA 17105-3265

OFFICE OF SMALL BUSINESS
ADVOCATE
COMMERCE BLDG SUITE 1102
300 NORTH SECOND STREET
HARRISBURG PA 17101

COMMUNITY LEGAL SERVICES
INC
1424 CHESTNUT STREET
PHILADELPHIA PA 19102-2505

PHILADELPHIA GAS COMMISSION
1515 ARCH STREET 9TH FLOOR
PHILADELPHIA PA 19103

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

1. REPORT DATE: September 11, 2000	2. BUREAU AGENDA NO. SEPT-2000-L-130*
3. BUREAU: Law	
4. SECTION(S):	5. PUBLIC MEETING DATE:
6. APPROVED BY: Director: B. Pankiw, 7-5000 Supervisor: K. Moury, 2-8883	September 13, 2000 
7. PERSONS IN CHARGE: Stanley E. Brown, 3-3968	
8. DOCKET NO.: A-125042	

- 9. (a) CAPTION (abbreviate if more than 4 lines)**
(b) Short summary of history & facts, documents & briefs
(c) Recommendation

DOCUMENT FOLDER

(a) Gas Safety Plan for Philadelphia Gas Works.

b) On June 22, 1999, Governor Tom Ridge signed into law the *Natural Gas Choice and Competition Act* (Act). The Act revised the Public Utility Code, 66 Pa.C.S. §§101, et seq., by inter alia, adding Chapter 22, relating to restructuring of the natural gas utility industry. Section 2212(b) of the Act provides that public utility service being furnished or rendered by a city natural gas distribution operation within its municipal limits will be subject to regulation and control by the Commission as of July 1, 2000. Philadelphia Gas Works (PGW) falls under the definition of a "natural gas distribution company. 66 Pa.C.S. §2202. With the upcoming winter months and the possibility of severe winter weather during this period, the Commission is of the opinion that PGW should be more vigilant in its pipeline inspections.

(c) The Law Bureau recommends that the Commission adopt the proposed order, which directs PGW to develop a more aggressive gas safety plan by October 16, 2000.

10. MOTION BY: Commissioner Chm. Quain Commissioner Brownell - Yes
Commissioner Wilson - Yes
SECONDED: Commissioner Bloom Commissioner Fitzpatrick - Yes

CONTENTS OF MOTION:

Staff recommendation adopted.

Statement of Chairman John M. Quain attached.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105

GAS SAFETY PLAN FOR
PHILADELPHIA GAS WORKS

PUBLIC MEETING-
SEPTEMBER 13, 2000
SEPT-2000-L-130*
DOCKET NO. A-125042

STATEMENT OF CHAIRMAN JOHN M. QUAIN

On June 22, 1999, Governor Tom Ridge signed into law the Natural Gas Choice and Competition Act, revising Chapter 66 of the Public Utility Code, and among other things, conferring regulatory authority of Philadelphia Gas Works ("PGW") to the Public Utility Commission. On July 1, 2000, this Commission assumed jurisdiction of PGW.

Even at this early date, we are cognizant of certain factors which call for stringent monitoring of the safety of the system, including the high percentage of cast iron pipes, the age of the system, and the high density of service connections per mile of main. Accordingly, we must require PGW to increase its pipeline safety measures immediately to identify and correct any deficiencies in the pipeline system as we approach the winter heating season.

We encourage PGW to consult with the Commission's Gas Safety Division for input, and we anticipate that the aggressive inspection plan developed by PGW will enhance the safety of the system in the coming winter months.

9-13-00

DATE


JOHN M. QUAIN, CHAIRMAN

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg PA 17105-3265

Public Meeting held September 13, 2000

Commissioners Present:

John M. Quain, Chairman, Statement attached
Robert K. Bloom, Vice-Chairman
Nora Mead Brownell
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

Gas Safety Plan for Philadelphia Gas
Works.

Docket No. A-125042

ORDER

DOCKETED
SEP 15 2000

BY THE COMMISSION:

On June 22, 1999, Governor Tom Ridge signed into law the *Natural Gas Choice and Competition Act* (Act). The Act revised the Public Utility Code, 66 Pa.C.S. §§ 101 et seq., by inter alia, adding Chapter 22, relating to restructuring of the natural gas utility industry. The Pennsylvania Public Utility Commission (Commission) is the agency charged with implementing the Act.

DOCUMENT
FOLDER

Section 2212(b) of the Act provides that public utility service being furnished or rendered by a city natural gas distribution operation within its municipal limits will be subject to regulation and control by the Commission as of July 1, 2000. Philadelphia Gas

Works (PGW) falls under the definition of a “natural gas distribution company.” 66 Pa.C.S. §2202.

As stated in the Act, the Commission’s regulatory authority over PGW is of the same force as if the service were rendered by a public utility under section 102 (relating to definitions). 66 Pa. C. S. §2212(c). Moreover, the provisions of the Public Utility Code, with the exception of Chapters 11 (relating to certificates of public convenience), 19 (relating to securities and obligations) and 21 (relating to relations with affiliated interests), apply to PGW.

Section 1501 of the Public Utility Code requires every public utility to furnish and maintain safe and adequate facilities and to make all such repairs to its facilities as shall be necessary for the safety of its patrons, employees, and the public. 66 Pa. C.S. §1501. Particularly since PGW is in the midst of a full scale “refurbishment” with new management that is dedicated to addressing financial matters, the Commission wishes to stress the importance of continuing to prioritize the safety of PGW’s facilities during the upcoming winter months.

At the outset, the Commission is cognizant of PGW’s obligation to comply with the federal pipeline safety regulations at 49 C.F.R. Parts 191, 192, 193 and 199, which have been adopted by the Commission at 52 Pa. Code §59.33(b). In fact, according to PGW’s reports, it currently schedules inspections on a more frequent basis than is required. However, these regulations reflect the *minimum* safety standards for all gas transmission and distribution facilities in the Commonwealth. With the upcoming winter months and the possibility of severe winter weather during this period, the Commission is

of the opinion that PGW should be more vigilant in its pipeline inspections. This is particularly appropriate in view of the fact that the Commission has only recently assumed jurisdiction over the operations of PGW and our familiarity with PGW's system is somewhat limited.

The Commission is aware that PGW has over 3,000 miles of gas mains in its system with 1,750 miles of cast iron pipes. This represents the highest percentage of cast iron in a system in the United States. Considering the age of PGW's system, as well as the high density of service connections per mile of main, we are taking extraordinary measures to ensure that safety inspections occur much more frequently than required by federal standards during this initial winter season. Of course, implementing more frequent inspections is in addition to other routine measures already in place for monitoring safety such as the collection of emergency response data and damage prevention plans.

By this order, PGW is directed to develop a plan for more aggressive pipeline inspections and leakage surveys this winter. The plan developed by PGW should provide for an inspection schedule that takes into account the effects that corrosion and frost have on certain portions of their pipelines. While it is incumbent upon PGW to establish this schedule, we note that at least monthly or bi-monthly inspections would be appropriate and that possibly even weekly inspections would be necessary depending upon the pipe material. In developing a more aggressive plan for this winter, PGW should also address the types of instruments being used for the testing of pipelines and consider whether adequate procedures are in place to ensure access to inside meters for the inspections. In

developing this plan, PGW should consult with the Commission's Gas Safety Division for input on the details that must be addressed and timeframes that should be employed.

The plan developed by PGW should be filed with the Commission by October 16, 2000, and monthly reports outlining compliance with the plan on an ongoing basis must be submitted to the Commission and the Gas Safety Division of the Commission starting December 15, 2000 for the month of November, and ending on April 15, 2001. The Gas Safety Division will be responsible for monitoring PGW's compliance with the plan during this period; **THEREFORE,**

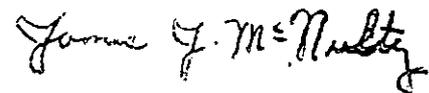
IT IS ORDERED:

1. That PGW, after consultation with the Commission's Gas Safety Division, shall develop a plan for more aggressive pipeline inspections and leakage surveys by October 16, 2000.
2. That the plan developed by PGW shall provide for an inspection schedule that takes into account the effects that corrosion and frost have on certain portions of their pipelines.
3. That PGW shall address the types of instruments being used for the testing of pipelines and consider whether adequate procedures are in place to ensure access to inside meters for the inspections.
4. That the plan developed by PGW shall be submitted to the Secretary, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania 17105-3265, by October 16, 2000. A copy of the plan shall also be submitted to the Gas Safety Division of the Commission. In

addition, monthly reports outlining compliance with the plan on an ongoing basis must be submitted to the Commission and the Gas Safety Division starting December 15, 2000 for the month of November, and ending on April 15, 2001.

5. The plan submitted by PGW shall specifically reference the above-captioned docket number.
6. That a copy of this order shall be served upon the Philadelphia Gas Works, the Office of Consumer Advocate, the Office of Trial Staff, the Office of Small Business Advocate, the Philadelphia Gas Commission and Community Legal Services of Philadelphia.

BY THE COMMISSION,



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: September 13, 2000

ORDER ENTERED: **SEP 13 2000**

M

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 19th day of September, 2000,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of SEPTEMBER 13, 2000 at Docket No. A-125042 on behalf of:

OFFICE OF CONSUMER ADVOCATE

555 WALNUT STREET

FORUM PLACE 5TH FLOOR

RECEIVED
00 SEP 20 PM 3:50
PA. P.U.C.
SECRETARY'S BUREAU

Bonny M. Clokey
Signature

Kindly sign and date this acceptance of service and acknowledgment of receipt, and, return the same for filing to:

SECRETARY'S BUREAU FILE ROOM
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

ACKNOWLEDGEMENT OF RECEIPT & ACCEPTANCE OF SERVICE

AND NOW, to wit, this 18th day of Sept., 2000,

the undersigned, as evidenced by execution hereof, acknowledges receipt, and accepts service of ORDER an official Commission document entered, issued, or otherwise promulgated under date of SEPTEMBER 13, 2000 at Docket No. A-125042 on behalf of:

OFFICE OF TRIAL STAFF

3RD FLOOR PITNICK BLDG

Elaine C. Meisinger
Signature

Kindly sign and date this acceptance of service and acknowledgment of receipt, and, return the same for filing to:

To: → SECRETARY'S BUREAU FILE ROOM
PA PUBLIC UTILITY COMMISSION
B-20, North Office Building
Harrisburg, PA 17105-3265

RECEIVED
00 SEP 18 PM 12:31
PA MJC
OFFICE OF TRIAL STAFF