



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

February 19, 2015

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission, Bureau of Investigation  
and Enforcement v. Continental Communities, LLC and Hickory  
Hills MHC, LLC  
Docket No. C-2014-

Dear Secretary Chiavetta:

Enclosed for filing please find the original copy of the Formal Complaint in the above referenced case, on behalf of the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission. Copies have been served on the parties of record in accordance with the Certificate of Service.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam D. Young".

Adam D. Young  
Prosecutor  
PA Attorney ID No. 91822

Counsel for the Bureau of  
Investigation and Enforcement

Enclosures

cc: As per Certificate of Service

RECEIVED  
2015 FEB 19 PM 4:15  
PA PUC  
SECRETARY'S BUREAU

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED

2015 FEB 19 PM 1:15

Pennsylvania Public Utility Commission, :  
Bureau of Investigation and Enforcement, :  
Complainant :

PA PUC  
SECRETARY'S BUREAU

v. : Docket No. C-2014-

Continental Communities, LLC :  
And :  
Hickory Hills MHC, LLC :

**NOTICE**

A. **You must file an Answer within 20 days of the date of service of this Complaint.** 52 Pa. Code § 5.61(a). The date of service is the mailing date as indicated at the top of the Secretarial Letter. See 52 Pa. Code § 1.56(a). The Answer must raise all factual and legal arguments that you wish to claim in your defense, include the docket number of this Complaint, and be verified. You may file your Answer by mailing an original to:

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

B. The answer must be in writing and (1) set forth in paragraphs numbered to correspond with the complaint; (2) advise the parties and the Commission as to the nature of the defense; (3) admit or deny specifically all material allegations of the complaint; (4) state concisely the facts and matters of law relied upon; and, (5) include a copy of a document, or the material part of a document when relied upon in the answer. If the writing or a copy is not available, the answer must set forth that the document is not available and the reason, and set forth the substance of the document. 52 Pa. Code § 5.61(b).

C. Alternatively, you may eFile your Answer using the Commission's website at [www.puc.pa.gov](http://www.puc.pa.gov). The link to eFiling is located under the Filing & Resources tab on the homepage. If your Answer is 250 pages or less, you are not required to file a paper copy. If your Answer exceeds 250 pages, you must file a paper copy with the Secretary's Bureau. If you choose to e-file, hard copies should be mailed to:

Adam D. Young, Prosecutor  
Wayne T. Scott, First Deputy Chief Prosecutor  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265

D. If you fail to answer this Complaint within 20 days, the Bureau of Investigation and Enforcement will request that the Commission issue an Order imposing the penalty.

E. You may elect not to contest this Complaint by paying the civil penalty within 20 days. Your check or money order for the civil penalty should be payable to the Commonwealth of Pennsylvania and mailed to:

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

F. If you file an Answer which either admits or fails to deny the allegations of the Complaint, the Bureau of Investigation and Enforcement will request the Commission to issue an Order imposing the penalty set forth in this Complaint.

G. If you file an Answer which contests the Complaint, the matter will be assigned to an Administrative Law Judge for hearing and decision. The Judge is not bound by the penalty set forth in the Complaint, and may impose additional and/or alternative penalties as appropriate.

H. If you are a corporation, you must be represented by legal counsel. 52 Pa. Code §1.21.

I. Alternative formats of this material are available for persons with disabilities by contacting the Commission's ADA Coordinator at 717-787-8714.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2014-
	:	
Continental Communities, LLC	:	
And	:	
Hickory Hills MHC, LLC	:	

---

**FORMAL COMPLAINT**

---

NOW COMES the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement (“I&E”), by its prosecuting attorneys, pursuant to section 501 of the Gas and Hazardous Liquids Pipelines Act, 58 P.S. § 801.501, and files this Formal Complaint against Continental Communities, LLC. (“Continental Communities”) and Hickory Hills MHC, LLC (“Hickory Hills”) (collectively, “Respondents”) alleging violations of the Gas and Hazardous Liquids Pipelines Act, 58 P.S. § 801.101 *et seq.* (“Act 127”), and Code of Federal Regulations. In support of its Formal Complaint, I&E alleges the following:

**Parties and Jurisdiction**

1. The Pennsylvania Public Utility Commission (“PUC” or “Commission”) with a mailing address of P.O. Box 3265, Harrisburg, PA 17105-3265, is a duly

constituted agency of the Commonwealth of Pennsylvania empowered to regulate pipeline operators pursuant to section 501(a) of Act 127, 58 P.S. § 801.501(a).

2. Complainant is the Commission's Bureau of Investigation and Enforcement, which is the bureau established to take enforcement actions against public utilities and other entities subject to the Commission's jurisdiction pursuant to 66 Pa. C.S. § 308.2(a)(11); *See also Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (August 11, 2011) (delegating authority to initiate proceedings that are prosecutory in nature to I&E).

3. Complainant's prosecuting attorneys are as follows:

Adam D. Young  
Prosecutor  
[adyoung@pa.gov](mailto:adyoung@pa.gov)  
717.772.8582

Wayne T. Scott  
First Deputy Chief Prosecutor  
[wascott@pa.gov](mailto:wascott@pa.gov)

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265

4. Respondent Continental Communities, LLC is a privately-held company formed in 1997 under the laws of the state of Illinois. The Company currently owns, operates and manages numerous manufactured housing communities, including respondent Hickory Hills MHC, LLC, and maintains a principal business address at 2015 Spring Road Suite 600 Oak Brook, IL 60523.

5. Respondent Hickory Hills MHC, LLC is a Pennsylvania Limited Liability Corporation established in 1998 with a principal business address at 121 Hickory Hills Drive, Bath, PA 18014.

6. Respondents Continental Communities and Hickory Hills are “pipeline operators” as that term is defined under the Gas and Hazardous Liquids Pipeline Act, 58 P.S. § 801.102, in that they “own[] or operate[] equipment or facilities in [the Commonwealth of Pennsylvania] for the transportation of gas or hazardous liquids by pipeline or pipeline facility regulated under Federal pipeline safety laws.”

7. The Gas and Hazardous Liquids Pipeline Act, 58 P.S. § 801.102, defines “pipeline facility” as “a new or existing pipeline . . . facility or building used in the transportation of gas or hazardous liquids . . . .”

8. The Gas and Hazardous Liquids Pipeline Act, 58 P.S. § 801.102, defines “gas” as “natural gas, liquefied natural gas . . . and other gas as defined under the Federal pipeline safety laws.”

9. The Gas and Hazardous Liquids Pipeline Act, 58 P.S. § 801.102, defines “transportation of gas” as “the gathering, transmission or distribution of gas by pipeline or the storage of gas.”

10. The Federal Pipeline Safety Laws, 49 CFR § 192.3 defines “gas” as “natural gas, flammable gas, or gas which is toxic or corrosive.” Additionally, the same section defines “petroleum gas” as, among other things, “propane. . . .”

11. Section 501(a) of Act 127, 58 P.S. § 801.501(a), authorizes and obligates the Commission to supervise and regulate pipeline operators within this Commonwealth consistent with federal pipeline safety laws.

12. Section 501(a)(7) of Act 127, 58 P.S. § 801.501(a)(7), authorizes the Commission to enforce federal pipeline safety laws and, after notice and opportunity for a hearing, impose civil penalties and take other appropriate enforcement action.

13. Section 502(a) of Act 127, 58 P.S. § 801.502(a), authorizes the Commission to impose civil penalties on pipeline operators who violate the Act. Under section 502(a), pipeline operators can be subject to a civil penalty provided under federal pipeline safety laws or section 3301(c) of the Public Utility Code, 66 Pa.C.S. § 3301(c), whichever is greater. Section 3301(c) of the Public Utility Code, 66 Pa.C.S. § 3301(c), allows for the imposition of a separate civil penalty for each violation and each day's continuance of such violation(s).

14. Respondents, as pipeline operators, are subject to the power and authority of this Commission pursuant to Section 501(b) of Act 127, 58 P.S. § 801.501(b), which requires pipeline operators to comply with the Act and the terms and conditions of the orders issued under the Act.

15. Pursuant to the Commission's regulations at 52 Pa. Code § 59.33(b), the Commission's Gas Safety Division, which is part of I&E, also has the authority to enforce federal gas pipeline safety regulations set forth in 49 U.S.C.A. §§ 60101, *et seq.* and implemented in 49 C.F.R. Parts 191-193, 195 and 199, 49 C.F.R. §§ 191-193, 195 and 199.

16. Pursuant to the provisions of the applicable Commonwealth and federal statutes and regulations, the Commission has jurisdiction over the subject matter of this complaint and the actions of Respondents related thereto.

**Background**

17. On February 15, 2014, The Commission's Gas Safety Division was notified by the Pennsylvania Emergency Management Agency (PEMA) about a possible propane gas explosion that occurred on February 14, 2014 at approximately 9:15pm.

18. Gas Safety Inspector Rob Horensky arrived at the scene of the propane explosion, 118 Hickory Hills Dr., Bath, PA, at approximately 3:30pm on February 18, 2014. Based upon his observations of the propane distribution system and the explosion site, Mr. Horensky concluded that the distribution system was jurisdictional and the incident warranted further investigation.

19. On Thursday, February 20, 2014 at approximately 2:00pm, Gas Safety Supervisor Michael Chilek arrived at 118 Hickory Hills Dr. ("the residence") to continue the investigation into the explosion as well as the history of the propane distribution system. After conducting its own investigation into the incident and reviewing the state police investigation report, summary of witness interviews, and the autopsy report, the Gas Safety Division determined:

- a. The resulting explosion and fire completely destroyed the residence of Hilda Parsons and William Donald Neith Sr. at 118 Hickory Hills Drive, Bath, PA, and caused severe damage to surrounding properties. Two



adjacent properties on either side of 118 Hickory Hills Dr. were rendered uninhabitable. One resident of 118 Hickory Hills Dr., William Donald Neith Sr., was caught in the explosion and suffered multiple blunt force trauma wounds resulting in his death. Another individual at the adjacent property 119 Hickory Hills Dr. suffered a minor head injury.

- b. Hickory Hills' propane distribution system was approximately three (3) miles in length, and served 301 metered customers of the mobile home park. Each of these residences had a separate meter/regulator to reduce the propane gas pressure to between 11 and 13 inches of water column (wci). The propane normally left the on-site, above-ground 30,000-gallon storage tank at a pressure between 10 and 15 pounds per square inch (psi).
- c. The original pritec-coated steel pipe was installed in about 1970 at the inception of the mobile home park. The steel distribution pipe is 2" in diameter with steel service lines of 1" in diameter. Approximately 1/3 of the original 2" steel distribution pipe has been replaced with 2" diameter plastic pipe, and some of the 1" steel service lines have been replaced with plastic service lines.
- d. The distribution system was, at one time, protected by a cathodic protection (CP) system, which would impress a small electric current on the pipeline to prevent loss of electrons from the metal in the form of corrosion. At the time of the incident, the CP system was no longer working and/or not operating.

- e. A leak survey conducted on September 26, 2006 revealed eight (8) underground leaks on this distribution system, and recommended, among other things, a metallic pipe replacement program for the entire system.
- f. On June 12, 2012, Psycher's Landscaping provided Hickory Hills with an estimate for excavating the leaking gas line at 118 Hickory Hills Drive to facilitate the repair of the line.
- g. Subsequent correspondence from Psycher's Landscaping dated October 27, 2014 states that changes to the scope of the project omitted the excavation of the leaking lines at 118 Hickory Hills Drive, as well as several other locations.
- h. On June 18, 2012, JTS Plumbing and Heating provided an estimate to Hickory Hills for the installation of new gas lines throughout specified parts of the mobile home park.
- i. In the early morning hours of January 7, 2014, the residents at 118 Hickory Hills Dr. awoke with no heat. One of the residents, Hilda Parsons, contacted the Hickory Hills office, who immediately sent a maintenance worker to the residence. The maintenance worker replaced the regulator at the meter set, and after doing so, the heat worked again. From this point forward, Hilda Parsons and the deceased William Neath began smelling the odor of propane gas both inside and outside of their home.
- j. The residents contacted Hickory Hills' office multiple times about the odor of propane over the next few weeks. Hickory Hills sent maintenance

worker William Gordon Noble to the residence several times, but he was unable to find a leak. A “gas sniffer” was unable to identify the source of a leak, but Mr. Noble admitted to the state police that the smell of propane gas was really bad, especially under the residence. Hickory Hills Community Manager John William Boehm then referred Ms. Parsons to a local handyman named Dale “Smitty” Smith.

- k. Mr. Smith is a self-employed handyman with previous work experience and certifications in propane gas system repairs. Mr. Smith came to the residence on or about January 31, 2014 accompanied by Mr. Noble and checked all the gas fittings inside and underneath the residence, but could not find a leak.
- l. Mr. Smith and Mr. Noble returned to the residence on February 4, 2014 because the residents again complained of the strong odor of propane gas. Mr. Smith could smell a strong odor of gas when he exited his vehicle in the driveway of the residence. Inside the house, he described the odor of gas to be about 6 out of 10, so he once again began checking all the fittings underneath and inside the residence. Upon checking some fittings near the hot water heater he noticed that the odor of propane gas was strongest in this area. The gas regulator/meter was located immediately through the exterior wall of the residence behind where the water heater was located.
- m. Mr. Smith fixed a nut on the copper pipe attached to a “T” fitting adjacent to the gas meter. Mr. Smith received a voicemail from Hilda Parsons

stating that the problem “appeared” to be fixed, however, the smell of propane gas returned a few days later. Ms. Parsons indicated that the smell would return intermittently, but that it could always be smelled in the area of the parking pad (driveway) and the front door.

- n. In the weeks leading up to the incident, John William Boehm reported receiving several other complaints from residents smelling propane gas, but the maintenance workers were unable to find any leaks.
- o. In the two weeks leading up to the incident, both next-door neighbors reported smelling propane gas, which got progressively worse each day to the point that when they would step out of their house, it would burn their eyes.
- p. On February 14, 2014, the day of the incident, the odor of propane gas was very strong outside the house near the area of the porch steps, and inside the house throughout, but especially strong, once again, in the area of the water heater.
- q. Ms. Parsons stated that on the evening of the incident, the decedent, William Neith had been burning candles in the residence to mask the odor of gas, which they did only after being told over and over again that it was safe to stay in their home.
- r. At approximately 9:15pm On February 14, 2014, the propane gas that had built up underneath and inside the residence ignited, resulting in a catastrophic explosion that took the life of Mr. William Neith Sr.

- s. On March 7, 2014 gas safety inspectors from the Public Utility Commission instructed Hickory Hills to perform a pressure test on the service line at 118 Hickory Hills Drive. The pressure was tested at 10psi from the tap at the service line to the riser protruding a few feet above the ground. The service line failed to hold pressure for more than a few seconds. This pressure test was performed by Hickory Hills' contractor Franchelli Enterprises.
- t. On March 11, 2014, Franchelli Enterprises removed the service line to 118 Hickory Hills Drive. The service line was wrapped in a tarp and stored by Hickory Hills in their maintenance shed.
- u. On March 26, 2014, the service line was viewed and photographed intact at the Hickory Hills service shed with a representative of the Commission's gas safety division present, as well as engineers and lawyers representing both Continental Communities and the homeowners insurance of 118 Hickory Hills Drive. The service line/riser, regulator, and meter were then shipped to AEL Laboratories in New Jersey for analysis.
- v. On March 27, 2014, the distribution pipe was disconnected from the 30,000 gallon above ground propane tank, and all customers were switched to bottled gas.
- w. On June 19, 2014, a metallurgical investigative analysis was performed on the service line/riser, regulator, and meter. The results of the investigation show that the cause of the propane gas leak was localized corrosion of the

steel pipe (riser) where the pipe was in contact with the ground and at the point where the riser emerged from the ground.

### **Legal Standards**

20. Pursuant to 49 C.F.R. § 192.8, “pipeline operators” are required to determine if the onshore pipelines they operate are onshore gathering lines, and then whether the onshore gathering lines are regulated. Regulated onshore gathering lines are subject to inspection and enforcement, reporting obligations and other requirements. In addition, pipeline operators must determine the class locations of regulated onshore pipelines. The Gas Safety Division of I&E relies on pipeline operators to completely and accurately report jurisdictional pipeline miles so that the Gas Safety Division may inspect those facilities.

21. Both prior to and after the time that Act 127 became effective on February 20, 2012, respondents Continental Communities and Hickory Hills owned and operated approximately two (2) miles of equipment and facilities in the Commonwealth for the transportation of propane gas by pipeline.

22. Pursuant to Act 127, Respondents Continental Communities and/or Hickory Hills are required to report to the Commission, on or before March 31 of each year, their total intrastate regulated transmission, distribution and gathering pipeline miles in operation for the transportation of gas and hazardous liquids during the prior calendar year.

23. Respondents Continental Communities and/or Hickory Hills failed to register with the Commission as a pipeline operator pursuant to Section 301(c)(1) of Act 127, 58 P.S. § 801.301(c)(1), by March 31, 2012 and March 31, 2013 as required by 58 P.S. § 801.503(d).

24. Had Continental Communities/Hickory Hills MHC properly registered as a pipeline operator, the Commission would have assessed \$1485 for the 2012-13 fiscal year. This represents a cost of \$495 per mile of pipeline that was in operation during the 2011 calendar year.

25. Had Continental Communities/Hickory Hills MHC properly registered as a pipeline operator, the Commission would have assessed \$1899 for the 2013-14 fiscal year. This represents a cost of \$633 per mile of pipeline that was in operation during the 2012 calendar year.

### **Violations**

26. Paragraphs 1-25 above are incorporated herein as if stated in their entirety. I&E has reviewed the actions of Respondents Continental Communities LLC and Hickory Hills MHC, and alleges as follows:

a. Continental Communities and Hickory Hills failed to properly register pipeline facilities with the Public Utility Commission pursuant to Act 127, in that the initial registration was required by March 31, 2012 and the following year by the same date.

This is a violation of 58 P.S. § 801.301(c)(1).

b. Continental Communities and Hickory Hills failed to accurately report to the Commission their total intrastate regulated distribution

pipelines in that they did not report *at least* two (2) miles of propane distribution pipelines both in 2011 and 2012.

This is a violation of 58 P.S. § 801.503(d).

c. Continental Communities and Hickory Hills did not pay an appropriate assessment to the Commission, in that they did not register their total intrastate regulated distribution pipelines for the 2012-13 and 2013-14 fiscal years based upon jurisdictional distribution pipeline miles.

This is a violation of 58 P.S. § 801.503(b).

d. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not prepare or follow a manual of written procedures for its pipeline for conducting operations and maintenance activities and emergency response.

This is a violation of 49 CFR § 192.605(a).

e. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have a manual which included procedures for operating, maintaining, and repairing the pipeline in accordance with Subparts L and M of Chapter 192 (49 CFR § 192.601 and 701 *et seq.*).

This is a violation of 49 CFR § 192.605(b)(1).

f. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have a manual which included procedures for controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of Chapter 192 (49 CFR § 192.451 *et seq.*).

This is a violation of 49 CFR § 192.605(b)(2).

g. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have a manual which included procedures for making construction records, maps, and operating history available to appropriate operating personnel.

This is a violation of 49 CFR § 192.605(b)(3).



h. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have a manual which included procedures for gathering data needed for reporting incidents under Part 191 (49 CFR § 191.1 *et seq*) in a timely and effective manner.

This is a violation of 49 CFR § 192.605(b)(4).

i. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have a manual which included procedures for starting up and shutting down any part of the pipeline in a manner designed to assure operation within the MAOP (Maximum Allowable Operating Pressure) limits prescribed by Chapter 192, plus the build-up allowed for operation of pressure-limiting and control devices.

This is a violation of 49 CFR § 192.605(b)(5).

j. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have a manual which included procedures for periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance, and modifying the procedures when deficiencies are found.

This is a violation of 49 CFR § 192.605(b)(8).

k. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have a manual which included procedures for taking adequate precautions in excavated trenches to protect personnel from the hazards of unsafe accumulations of vapor or gas, and making available when needed at the excavation, emergency rescue equipment, including a breathing apparatus and a rescue harness and line.

This is a violation of 49 CFR § 192.605(b)(9).

l. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have a manual which included procedures for responding promptly to a report of gas odor inside or near a building.

This is a violation of 49 CFR § 192.605(b)(11).

m. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not have written procedures to minimize the hazard resulting from a gas pipeline emergency.

This is a violation of 49 CFR § 192.615(a)(1), (2), (3)(i-iv), (4), (5), (6), (7), (8), (9), (10), and (11).

n. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not furnish its employees who are responsible for emergency action with a copy of the latest portion of the emergency provisions; did not train appropriate operating personnel to assure they are knowledgeable of the emergency procedures; and did not review employee activities to determine whether the procedures were effectively followed.

This is a violation of 49 CFR § 192.615(b)(1), (2), and (3).

o. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they did not establish and maintain liaison with appropriate fire, police, and other public officials to learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency; acquaint the officials with the operator's ability in responding to a gas pipeline emergency; identify the types of gas pipeline emergencies of which the operator notifies the officials; and plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.

This is a violation of 49 CFR § 192.615(c)(1), (2), (3), and (4).

p. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they failed to cathodically protect the steel pipe in the distribution system installed before August 1, 1971.

This is a violation of 49 CFR 192.457(b)(3).

q. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they failed to cathodically protect the steel pipe in the distribution system installed after July 31, 1971.

This is a violation of 49 CFR § 192.455(a)(2).

r. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that they could not produce any documentation

pertaining to the level of corrosion control on its distribution system or to the monitoring of its cathodic protection system.

This is a violation of 49 CFR § 192.463(a); 49 CFR § 192.465(a), (b), (c), (d), and (e).

- s. Continental Communities and Hickory Hills violated the Code of Federal Regulations, in that at the earliest practicable moment following the discovery of the incident, they failed to notify National Response Center of the incident by telephone at 800-424-8802 or 202-267-2675 or electronically at <http://www.nrc.uscg.mil>.

This is a violation of 49 CFR § 191.5.

**WHEREFORE**, for all the foregoing reasons, the Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission respectfully requests that:

- a. After consideration of the record, the Office of Administrative Law Judge and the Commission find Continental Communities and Hickory Hills in violation of each and every count as set forth herein, and that Continental Communities and Hickory Hills be assessed a civil penalty in the amount of \$200,000 for each of the thirty-nine (39) violations above (\$7,800,000) up to the maximum civil penalty that may be imposed of two million dollars (\$2,000,000) allowable under 66 Pa.C.S. § 3301(c). Due to the egregious and serious nature of this incident, which includes a fatality, I&E requests that the statutory maximum civil penalty be imposed. Said payment shall be made by certified check payable to the Commonwealth of Pennsylvania and presented to the undersigned prosecutors within twenty (20) days of the date of the Commission's order sustaining this complaint;
- b. That Continental Communities and Hickory Hills, depending on which company operated the pipelines in question, be directed to pay an assessment of \$3,384 for the 2012-13 and 2013-14 fiscal year(s);
- c. That the Commission grant such further relief as is just and reasonable.

Respectfully submitted,



Adam D. Young  
Prosecutor  
PA Attorney ID No. 91822

Wayne T. Scott  
First Deputy Chief Prosecutor  
PA Attorney ID No. 29133

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Date: February 19, 2015

RECEIVED  
2015 FEB 19 PM 1:16  
PA PUC  
SECRETARY'S BUREAU

VERIFICATION

I, Michael Chilek, Supervisor of Gas Safety for the Bureau of Investigation and Enforcement, hereby state that the facts above set forth in the foregoing Formal Complaint are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 relating to the unsworn falsification to authorities.

2-19-15  
Date

OM CK  
Signature

RECEIVED  
2015 FEB 19 PM 1:16  
PA PUC  
SECRETARY'S BUREAU

## CERTIFICATE OF SERVICE

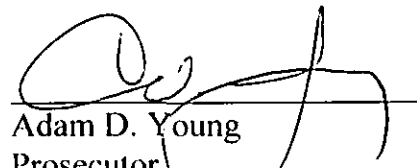
I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

### Service by First Class Mail:

National Registered Agents, Inc.  
116 Pine Street, 3<sup>rd</sup> Floor, Suite 320  
Harrisburg, PA 17101

Daniel T. Van Voorhis,  
President & Chief Executive Officer  
Continental Communities  
2015 Spring Road, Suite 600  
Oak Brook, IL 60523

Mark Malkames, Esquire  
509 Linden Street  
Allentown, PA 18101-1491



Adam D. Young  
Prosecutor  
PA Attorney ID No. 91822

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
(717) 787-5000

Date: February 19, 2015

RECEIVED  
2015 FEB 19 PM 11 15  
PA PUC  
SECRETARY'S BUREAU