

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120**

Public Meeting held April 20, 2023

Commissioners Present:

Gladys Brown Dutrieuille, Chairman  
Stephen M. DeFrank, Vice Chairman  
Ralph V. Yanora  
Kathryn L. Zerfuss  
John F. Coleman, Jr.

Pennsylvania Public Utility Commission,  
Bureau of Investigation and Enforcement

M-2022-3012079

v.

Columbia Gas of Pennsylvania, Inc.

**OPINION AND ORDER**

**BY THE COMMISSION:**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is a proposed Revised Joint Petition for Approval of Settlement (Settlement, Settlement Agreement, or Petition) filed on February 27, 2023, by the Commission's Bureau of Investigation and Enforcement (I&E) and Columbia Gas of Pennsylvania, Inc. (Columbia Gas or the Company) (collectively, the Parties), with respect to an informal investigation conducted by I&E. Both Parties filed Statements in Support of the Settlement. The Parties submit that the proposed Settlement is in the public interest and is consistent with the Commission's Policy Statement at 52 Pa. Code

§ 69.1201, *Factors and Standards for Evaluating Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations*. Petition at 18.

Before issuing a final decision on the merits of the proposed Settlement, and consistent with the requirement of 52 Pa. Code § 3.113(b)(3), we shall publish the Settlement in the *Pennsylvania Bulletin* and provide an opportunity for interested parties to file comments regarding the proposed Settlement.<sup>1</sup>

### **History of the Proceeding**

This matter concerns a natural gas explosion that occurred on July 31, 2019, at 100 Park Lane in Washington, Washington County, Pennsylvania (100 Park Lane). At least four individuals were injured as a result of the explosion. No fatalities occurred. The explosion demolished the entire residential structure at 100 Park Lane and caused severe damage to three vehicles that were located on the property. One other residence was condemned as a result of the explosion, and numerous other homes were damaged. Pipeline Safety Inspectors from I&E's Gas Safety Division responded to the scene on the day of the explosion and initiated an investigation. Petition at 5.

Thereafter, the Parties entered into negotiations and agreed to resolve the matter in accordance with the Commission's policy to promote settlements at 52 Pa. Code § 5.231. *Id.* The original Joint Petition for Approval of Settlement (Original Settlement) was filed on March 4, 2022. By Tentative Order entered June 16, 2022, the Commission afforded interested parties an opportunity to file comments on the Original

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<sup>1</sup> As discussed, *infra*, because of the nature of the incident as described in the Settlement, it is appropriate to publish the Settlement in the *Pennsylvania Bulletin*.

Settlement. Comments were filed by North Franklin Township, Richard Culbertson, Columbia Gas, Office of Consumer Advocate, and I&E. The Settlement was submitted pursuant to the Commission’s Opinion and Order entered December 27, 2022 (*December 2022 Order*). In the *December 2022 Order*, the Commission, upon consideration of the comments filed, requested additional information regarding: (1) whether any remedial measures stemming from the 2018 MA Event [an over-pressurization and explosions event caused by Columbia Gas of Massachusetts on September 13, 2018] were recommended for Columbia Gas and, if so, whether they were effectuated; (2) an estimated timeline for completion of each of the corrective actions proposed in the Original Settlement; and (3) an accounting of the monetary damage caused by the explosion and if Columbia ratepayers will be responsible for the financial liability associated with the explosion. *December 2022 Order* at 23-24. In response, the Settlement addresses each of these matters in Attachments 1 through 3, respectively. As previously indicated, the Parties filed the instant Settlement on February 27, 2023.

## **Background**

### **The Distribution System**

Columbia Gas and NPL Construction Co. (NPL), the construction contractor used by Columbia Gas on this project, were working on an incremental mainline uprating project as part of the Company’s “Dewey Avenue Replacement Project” (Project) at the time of the explosion. The Project was a two-phase project initiated by Columbia Gas on March 8, 2019 to install new main and uprate existing main from its operating pressure of Low Pressure (LP), ~ 11 inches of water column, to a Maximum Allowable Operating Pressure (MAOP) of 45 pounds per square inch gauge (psig). The uprate portion of the Project involved facilities on Nokomis Drive, Mineola Avenue, Iola Avenue and Winona Avenue in Washington, PA. It was expected to impact approximately sixty of the Company’s customers. Columbia Gas failed to include the

residence at 100 Park Lane on the Company's maps for the Project, and, therefore, it was mistakenly omitted from the scope of the Dewey Avenue Replacement Project. While the house did have a different street address from other houses included in the Project, the service line for this residence was tapped off the Company's Mineola Avenue facilities – facilities that were within the scope of the Project. Petition at 5-6.

On August 23, 2019, a joint evaluation was conducted by the State Fire Marshal and I&E Pipeline Safety personnel to determine the cause of the 100 Park Lane explosion. It was determined that the primary cause of the explosion was the over pressurization of the house piping and appliances since the service line to the 100 Park Lane residence was not equipped with a service regulator at the time of the incremental pressure uprating. The source of the gas was surmised to be natural gas leaks occurring around the gas appliances located inside the residence. Petition at 7.

If this matter had been fully litigated, I&E would have proffered evidence and legal arguments to demonstrate that Columbia Gas committed, *inter alia*, the following violations:

- a. Columbia Gas did not use reasonable effort to protect the public from danger in that it failed to identify all gas and non-gas customers within the scope of its Dewey Avenue Replacement Project, an alleged violation of 52 Pa. Code § 59.33(a).
- b. Columbia Gas did not adequately inspect adjacent structures to the gas main(s) involved in the incremental uprating, in that it failed to identify that the service line at 100 Park Lane would be affected by its Dewey Avenue Replacement Project, an alleged violation of 52 Pa. Code § 59.35.
- c. Columbia Gas uprating procedures were inadequate in that the procedures failed to require the inspection of all abutting and adjacent structures to gas main(s)

involved in an incremental uprating project before significantly increasing the normal operating pressure of a distribution or transmission pipeline, an alleged violation of 49 CFR § 192.13(c).

- d. Columbia Gas Incremental Uprate Plan did not identify the adjacent structure of 100 Park Lane as being affected by its Dewey Avenue Replacement Project, an alleged violation of 49 CFR § 192.553(c).
- e. Columbia Gas' design failed to include operating, and maintenance history of the segment of pipeline before increasing the operating pressure above the previously established MAOP in that it did not include the service at 100 Park Lane in its design documents and procedures for the uprating project, an alleged violation of 49 CFR § 192.557(b)(1) and 52 Pa. Code § 59.33(a).
- f. Columbia Gas' leak survey before increasing the operating pressure above the previously established MAOP from ~ 11 inches of water column to 45 psig did not include 100 Park Lane, an alleged violation of 49 CFR § 192.557(b)(2) and 52 Pa. Code § 59.33(a).
- g. Columbia Gas failed to account for the service line at 100 Park Lane and therefore failed to install a service regulator on the service line before the Company increased the operating pressure of the distribution system from ~ 11 inches of water column to 45 psig, an alleged violation of 49 CFR § 192.557(b)(6).
- h. Columbia Gas failed to furnish and maintain adequate, efficient, safe and reasonable service and facilities and make such repairs, changes, alterations, substitutions, extensions and improvements in or to its service and facilities necessary or proper for the accommodation and safety of its patrons, employees and the public, thereby placing the safety of its customers, employees

and the public in danger, an alleged violation of 66 Pa. C.S. § 1501.

Petition at 12-14.

Columbia Gas fully acknowledges the seriousness of the allegations and recognizes the need to prevent future reoccurrences. Petition at 15.

### **Terms and Conditions of the Settlement**

The Parties submit that the Settlement Agreement is in the public interest because it effectively addresses I&E's allegations that are the subject of the I&E informal investigation and addresses the concerns set forth in comments to the Original Settlement, as noted in the *December 2022 Order*. The Parties aver that the Settlement represents a compromise by both I&E and Columbia Gas of their competing positions. The Parties urge the Commission to approve the Settlement in its entirety and without modification, as being in the public interest and consistent with the Commission's Policy Statement at 52 Pa. Code § 69.1201 governing settled proceedings involving violations of the Public Utility Code (Code) and the Commission's Regulations. The Parties further state that the Settlement constitutes a carefully crafted package representing reasonably negotiated compromises on the issues addressed therein. Petition at 20-22.

The Settlement consists of the Revised Joint Petition for Approval of Settlement containing the terms and conditions of the Settlement, Attachments 1 through 3 addressing the additional information requested in the *December 2022 Order*, Proposed Ordering Paragraphs (Appendix A to the Petition) and the respective Statements in Support of the Settlement of I&E (Appendix B to the Petition) and Columbia Gas (Appendix C to the Petition), filed on February 27, 2023.

The essential terms of the Settlement are set forth in Paragraphs 48-49 of the Petition. Petition at 14-18. These terms and conditions are excerpted in relevant part (footnotes omitted for brevity), as follows:

48. Pursuant to the Commission's policy of encouraging settlements that are reasonable and in the public interest, the Parties held a series of discussions that culminated in this Settlement. I&E and Columbia [Gas] desire to (1) resolve I&E's informal investigation; and (2) settle this matter completely without litigation. The Parties recognize that given the inherent unpredictability of the outcome of a contested proceeding, there are mutual benefits of amicably resolving the disputed issues. The terms and conditions of the Settlement, for which the Parties seek Commission approval, are set forth below.
  
49. I&E and Columbia Gas, intending to be legally bound and for consideration given, desire to fully and finally conclude this investigation and agree that a Commission Order approving the Settlement without modification shall create the following rights and obligations:
  - a. Civil Penalty:

Respondent will pay a civil penalty in the amount of \$990,000.00 pursuant to 66 Pa.C.S. § 3301(c). Said payment shall be made within thirty (30) days of the date of the Commission's Final Order approving the Settlement Agreement and shall be made by certified check or money order payable to the "Commonwealth of Pennsylvania." Columbia Gas will not seek recovery of any portion of the total civil penalty amount in any future ratemaking proceeding and agrees that it will not be tax deductible under Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f).

b. Corrective Actions:

Columbia Gas recognizes the seriousness of this matter and will promptly take the following steps to prevent a similar occurrence:

- 1) Revise its Upgrading Procedure Gas Standard [GS 5500.400] to require the inspection of all abutting and adjacent structures to gas main(s) involved in an incremental upgrading project before significantly increasing the normal operating pressure of a distribution or transmission pipeline above the previously established MAOP. Significantly shall mean the increase in operating pressure requiring a change in service regulation or an incremental increase in pressure as required by 192.557(c).
- 2) Develop and implement a program or process which ensures identification of the location, main, and pressure system for each service line tap within Columbia Gas service territory. This program or process must be able to identify properties where the actual tap location differs from the street address.
- 3) Modify the minimum requirements found in Exhibit A under Gas Standard GS 3020.012 for service line records to include street names and address or geospatial data. Where the actual tap location differs from the street address, the service line sketch will include street names and address, until such time the service line record is fully contained within the Company's Geographic Information System. Retrain all impacted Columbia Gas employees on all Company standards that outline the

minimum requirements for service line records which includes the locations of the tap and the main. Create a QA/QC program to review service line records to ensure they meet the minimum requirements of the Company standards. Create a program to review all existing service line records to ensure that the record meets the minimum requirements. Establish procedures to identify all service lines in and around every project which significantly increases the MAOP of the system or an incremental increase in pressure as required by 192.557(c), including physical inspections and record inspections of all adjacent structures. This shall include marking out the service location or other equivalent confirmation method prior to any 15 uprate. The mark out or other equivalent confirmation method must include verification of service location.

- 4) Develop a buffer zone with a minimum of a 500-foot radius of the main to be uprated to capture and verify all service locations of all structures. This buffer zone should consider the length of the service lines.
- 5) Enhance personnel training, including field, management, supervision and engineering. The Company must develop an uprate training module that incorporates the new procedural changes. This training should be provided to all impacted employees, including management and engineering staff on three (3) year intervals. This training module must also address the low pressure conversions, or re-qualifications.

- 6) Develop a process to ensure pipeline system updates are correctly mapped. When substantive mapping or record errors are encountered, conduct a causal evaluation investigation into why the maps or records are incorrect so that Company can develop best practices and training programs to help ensure the errors are reduced or eliminated.
- 7) Consider mapping system enhancements that would include the following:
  - a) Enhance the information retained on the Service Line Records (SLR) designating a new data field or a symbol(s) in an existing data field which gives clear indication that a tap location differs from the actual service address. When the tap itself is not depicted in GIS, this designation should be usable within the GIS database and not solely based in a comment section on a scanned tap card. Conflate the mapping/asset information using high-quality road-edge/centerline information;
  - b) Capture and store X, Y, and Z coordinates for facility locations (and other asset data) through means which comport with acceptable industry standards;
  - c) Complete a “Visualization Tool,” which will visualize what is connected to mains via service points and will be linked to service record information and drawings; and

- d) Capture and store information including but not limited to location of main service taps, curb valves, and other such appurtenances and pipe anomalies for legacy pipe when mains and services are “out of service” through the use of in-line cameras, geo-spatial technology and/or other means.
  
- 8) Discontinue use of incremental uprates for low pressure to elevated pressure. Utilize requalification (air pressure test) process to convert low pressure to elevated pressure systems.

If the Settlement is approved by the Commission without modification, I&E shall be deemed to have released Columbia Gas from all past claims that were made or could have been made by the Commission for monetary and/or other relief based on allegations that the Company failed to comply with the allegations that are the subject of the instant I&E informal investigation. Petition at 18.

The proposed Settlement is conditioned on the Commission’s approval without modification of any of its terms or conditions. If the Commission does not approve the proposed Settlement or makes any change or modification to the proposed Settlement, either Party may elect to withdraw from the Settlement. Petition at 20.

The Parties agree that the underlying allegations were not the subject of any hearing and that there has been no order, findings of fact or conclusions of law rendered in this proceeding. Further, by entering into this Settlement Agreement, Respondent has made no concession or admission of fact or law and may dispute all issues of fact and law for all purposes in any other proceeding. This Settlement may not be used by any other person or entity as a concession or admission of fact or law. The Parties acknowledge

that this Settlement Agreement reflects a compromise of competing positions and does not necessarily reflect any party's position with respect to any issues raised in this proceeding. Petition at 20-21.

This Settlement represents a complete settlement of I&E's informal investigation against Columbia Gas' alleged violations of the Code and the Commission's Regulations. The Parties expressly acknowledge that this Settlement Agreement represents a compromise of positions and does not in any way constitute a finding or an admission concerning the alleged violations of the Code and the Commission's Regulations. Petition at 22.

### **Discussion**

Pursuant to our Regulations at 52 Pa. Code § 5.231, it is the Commission's policy to promote settlements. The Commission must, however, review proposed settlements to determine whether the terms are in the public interest. *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered January 7, 2004).

In reviewing settlements that resolve informal investigations, the Commission will provide other potentially affected parties with the opportunity to file comments regarding a proposed settlement prior to issuing a decision. The Commission's Regulations at 52 Pa. Code § 3.113(b) provide as follows:

#### **§ 3.113. Resolution of informal investigations.**

\* \* \*

- (b) Under 65 Pa. C.S. Chapter 7 (relating to Sunshine Act), the Commission's official actions resolving informal investigations will be as follows:

\* \* \*

- (3) When the utility, or other person subject to the Commission's jurisdiction, has committed to undertake action to address or remedy a violation or potential violation of the act or to resolve another perceived deficiency at the utility, in the form of a settlement with the Commission staff or other resolution of the matter, the Commission's consideration of the settlement or approval of the utility's action will occur at public meeting. Except for staff reports and other documents covered by a specific legal privilege, documents relied upon by the Commission in reaching its determination shall be made part of the public record. **Before the Commission makes a final decision to adopt the settlement or to approve the utility's action, the Commission will provide other potentially affected persons with the opportunity to submit exceptions thereon or to take other action provided for under law.**

52 Pa. Code § 3.113(b) (emphasis added). *See also Pa. PUC, Bureau of Investigation and Enforcement v. PPL Electric Utilities Corporation*, Docket No. M-2012-2264635 (Order entered September 13, 2012); *Pa. PUC, Bureau of Investigation and Enforcement v. Liberty Power Holdings, LLC*, Docket No. M-2019-2568471 (Order entered August 8, 2019).

### Conclusion

Before issuing a decision on the merits of the proposed Settlement, and consistent with the requirement of 52 Pa. Code § 3.113(b)(3), and for the reason(s) stated above, we believe it is appropriate to provide interested parties an opportunity to file comments on the proposed Settlement. Therefore, we will: (1) publish this Opinion and

Order and a copy of the proposed Settlement (including Appendices) and Statements in Support, attached hereto, in the *Pennsylvania Bulletin*; and (2) provide an opportunity for interested parties to file comments regarding the proposed Settlement within twenty-five days of the date of publication in the *Pennsylvania Bulletin*; **THEREFORE,**

**IT IS ORDERED:**

1. That the Secretary's Bureau shall duly certify this Opinion and Order along with the attached Revised Joint Petition for Approval of Settlement (including Appendices) and the Statements in Support thereof, at Docket No. M-2022-3012079, and deposit them with the Legislative Reference Bureau for publication in the *Pennsylvania Bulletin*.

2. That within twenty-five (25) days of the date that this Opinion and Order and the attached Revised Joint Petition for Approval of Settlement (including Appendices) and the Statements in Support thereof are published in the *Pennsylvania Bulletin*, interested parties may file comments concerning the proposed Settlement.

3. That a copy of this Opinion and Order, together with the attached Revised Joint Petition for Approval of Settlement (including Appendices) and the Statements in Support thereof, at Docket No. M-2022-3012079, shall be served on the Office of Consumer Advocate and the Office of Small Business Advocate.

4. That, subsequent to the Commission's review of any comments filed in this proceeding, at Docket No. M-2022-3012079, a final Opinion and Order will be issued by the Commission.

**BY THE COMMISSION,**

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: April 20, 2023

ORDER ENTERED: April 20, 2023

# **Attachment**



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF  
INVESTIGATION  
&  
ENFORCEMENT

February 27, 2023

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility  
Commission Commonwealth  
Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission, Bureau of Investigation and  
Enforcement's Investigation of Columbia Gas of Pennsylvania, Inc.'s July 31,  
2019 Uprating Incident at 100 Park Lane, Washington, Washington County,  
Pennsylvania  
Docket No. M-2022-3012079  
**Revised Joint Petition for Approval of Settlement**

Dear Secretary Chiavetta:

Enclosed for electronic filing is the Revised Joint Petition for Approval of Settlement in the above-referenced proceeding including Attachments 1 through 3 as well as the following Appendices: (1) Appendix A – Proposed Ordering Paragraphs; (2) Appendix B - the Bureau of Investigation and Enforcement's Statement in Support; and (2) Appendix C - the Statement in Support of Columbia Gas of Pennsylvania, Inc.

Copies have been served on the parties of record in accordance with the Certificate of Service.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'M Swindler'.

Michael L. Swindler  
Deputy Chief Prosecutor  
PA Attorney ID No. 43319  
(717) 783-6369  
[mwindler@pa.gov](mailto:mwindler@pa.gov)

MLS/jfm  
Enclosures

cc: Kathryn G. Sophy, Director, OSA (*via email only - Word Version*)  
Kimberly A. Hafner, Deputy Director - Legal, OSA (*via email only - Word Version*)  
Richard A. Kanaskie, Director, I&E (*via email only*)  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, :  
Bureau of Investigation and Enforcement’s :  
Investigation of Columbia Gas of : Docket No. M-2022-3012079  
Pennsylvania, Inc.’s July 31, 2019 Uprating :  
Incident at 100 Park Lane, Washington, :  
Washington County, Pennsylvania :

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**REVISED JOINT PETITION FOR APPROVAL OF SETTLEMENT**

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TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to 52 Pa. Code §§ 5.41 and 5.232, the Pennsylvania Public Utility Commission’s (“Commission” or “PUC”) Bureau of Investigation and Enforcement (“I&E”) and Columbia Gas of Pennsylvania, Inc. (“Columbia Gas” or “Company”) hereby submit this Revised Joint Petition for Approval of Settlement (“Settlement” or “Settlement Agreement”) to resolve all issues related to the explosion that occurred on July 31, 2019 at 100 Park Lane in Washington, Washington County, Pennsylvania. The original Joint Petition for Approval of Settlement was filed on March 4, 2022. By Tentative Order entered June 16, 2022, the Commission afforded interested parties an opportunity to file comments on the settlement. Comments were filed by North Franklin Township, Richard Culbertson, Columbia Gas, Office of Consumer Advocate and I&E. This re-filing of the settlement is submitted pursuant to the Commission’s Opinion and Order entered December 27, 2022 (“December 27 Order”). In its December 27 Order, the Commission, upon consideration of the comments filed, requested additional

information regarding 1) whether any remedial measures stemming from the 2018 MA Event were recommended for Columbia Gas and, if so, whether they were effectuated; 2) an estimated timeline for completion of each of the corrective actions proposed in the Settlement; and 3) an accounting of the monetary damage caused by the explosion and if Columbia ratepayers will be responsible for the financial liability associated with the explosion. In response, these matters have each been addressed in Attachments 1 through 3, respectively. With the inclusion herein of the additional information sought by the Commission in its December 27 Order, I&E and Columbia Gas (hereinafter referred to collectively as the “Parties” or “Joint Petitioners”) respectfully request that the Commission approve the Settlement, as revised, without modification for the compelling public interest reasons set forth, *infra*. Also attached are Proposed Ordering Paragraphs (**Appendix A**) and Statements in Support of the Settlement expressing the individual views of I&E (**Appendix B**) and Columbia Gas (**Appendix C**).

## **I. INTRODUCTION**

1. The Parties to this Settlement Agreement, as revised, are the Pennsylvania Public Utility Commission’s Bureau of Investigation and Enforcement, by its prosecuting attorneys, 400 North Street, Harrisburg, PA 17120, and Columbia Gas of Pennsylvania, Inc., a natural gas utility with a primary mailing address of 121 Champion Way, Suite 100, Canonsburg, PA 15317.

2. The Pennsylvania Public Utility Commission is a duly constituted agency of the Commonwealth of Pennsylvania empowered to regulate public utilities within this Commonwealth, as well as other entities subject to its jurisdiction, pursuant to the Public

Utility Code (“Code”), 66 Pa.C.S. §§ 101, *et seq.*

3. I&E is the bureau within the Commission established to prosecute complaints against public utilities. *See Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011) (delegating authority to initiate proceedings that are prosecutory in nature to I&E); *See also* 66 Pa.C.S. § 308.2(a)(11).

4. Columbia Gas is a “public utility” as that term is defined at 66 Pa.C.S. § 102,<sup>1</sup> as it is engaged in providing public utility service as a natural gas distribution company (“NGDC”) to the public for compensation.

5. Section 501(a) of the Code, 66 Pa.C.S. § 501(a), authorizes and obligates the Commission to execute and enforce the provisions of the Code.

6. Section 3301(c) of the Code, 66 Pa.C.S. § 3301(c), authorizes the Commission to impose civil penalties on any person or corporation, defined as a public utility, who violates any provisions of the Code or any regulation or order issued thereunder governing the safety of pipeline or conduit facilities in the transportation of natural gas, flammable gas, or gas which is toxic or corrosive. Section 3301(c) further provides that a civil penalty of up to Two Hundred Thousand Dollars (\$200,000.00) per violation for each day that the violation persists may be imposed, except that for any

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<sup>1</sup> At 66 Pa.C.S. § 102, “Public utility” is defined under that term at subsection (1)(i) as:

- (1) Any person or corporations now or hereafter owning or operating in this Commonwealth equipment or facilities for:
  - (i) Producing, generating, transmitting, distributing or furnishing natural or artificial gas, electricity, or steam for the production of light, heat, or power to or for the public for compensation.

related series of violations, the maximum civil penalty shall not exceed Two Million Dollars (\$2,000,000.00) or the penalty amount provided under Federal pipeline safety laws, whichever is greater.

7. Civil penalties for violations of Federal pipeline safety laws and regulations are adjusted annually to account for changes in inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Pub. L. 114-74, § 701, 129 Stat. 599, 28 U.S.C. § 2461 note (Nov. 2, 2015) (amending the Federal Civil Penalties Inflation Adjustment Act of 1990). The most recent adjustment made by the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (“PHMSA”) relevant to this incident occurred on July 31, 2019, and revises the maximum civil penalty to Two Hundred and Eighteen Thousand, Six Hundred and Forty-Seven Dollars (\$218,647.00) for each violation for each day the violation continues, with a maximum penalty not to exceed Two Million, One Hundred Eighty-Six Thousand, Four-Hundred and Sixty-Five Dollars (\$2,186,465.00) for a related series of violations. 84 Fed. Reg. 37071 (July 31, 2019).

8. Pursuant to Section 59.33(b) of the Commission’s regulations, 52 Pa. Code § 59.33(b), I&E’s Safety Division has the authority to enforce Federal pipeline safety laws and regulations set forth in 49 U.S.C.A. §§ 60101-60503 and as implemented at 49 CFR Parts 191-193, 195 and 199, and to apply the federal civil penalty. The federal pipeline safety laws and regulations proscribe the minimum safety standards for all natural gas and hazardous liquid public utilities in the Commonwealth.

9. Columbia Gas, in providing natural gas distribution service to the public for

compensation, is subject to the power and authority of this Commission pursuant to Section 501(c) of the Code, 66 Pa.C.S. § 501(c), which requires a public utility to comply with Commission regulations and orders, including Federal pipeline safety laws and regulations.

## **II. BACKGROUND**

10. On July 31, 2019, at approximately 4:00 PM, a natural gas explosion occurred at 100 Park Lane, Washington, PA 15301 (“100 Park Lane”), a residential home in the North Franklin service territory of Columbia Gas. The homeowner, Deborah Braden, and two (2) firefighters were onsite at the time of the explosion. At least four (4) individuals were injured as a result of the explosion. No fatalities occurred.

11. The explosion demolished the entire residential structure at 100 Park Lane and caused severe damage to three (3) vehicles that were located on the property. One other residence was condemned as a result of the explosion, and numerous other homes were reportedly damaged.

12. In addition to local emergency personnel, Pipeline Safety Inspectors from I&E’s Safety Division responded to the scene on the day of the explosion and initiated an investigation. The following background consists of a summary of the findings from that investigation.

### **A. The Distribution System**

13. Columbia Gas and NPL Construction Co. (“NPL”), the construction contractor used by Columbia Gas on this project, were working on an incremental mainline uprating project as part of the Company’s “Dewey Avenue Replacement

Project” at the time of the explosion.

14. The “Dewey Avenue Replacement Project” (“Project”) was a two-phase project initiated by Columbia Gas on March 8, 2019 to install new main and uprate existing main from its operating pressure of Low Pressure (LP) ~ 11 inches of water column to a Maximum Allowable Operating Pressure (“MAOP”) of 45 pounds per square inch gauge (“psig”). The uprate portion of the Project involved facilities on Nokomis Drive, Mineola Avenue, Iola Avenue and Winona Avenue in Washington, PA. It was expected to impact approximately sixty (60) of the Company’s customers.

15. The Columbia Gas distribution system in the uprate portion of the Project area involved a total of approximately 2,780-feet of 2-inch, 3-inch and 4-inch existing plastic main, which was installed in 1995, 1998, 2013, and 2019.

16. Columbia Gas failed to include the residence at 100 Park Lane on the Company’s maps for the Project, and, therefore, it was mistakenly omitted from the scope of the Dewey Avenue Replacement Project. While the house did have a different street address from other houses included in the Project, the service line for this residence was nevertheless tapped off the Company’s Mineola Avenue facilities – facilities that were within the scope of the Project. As a result of this oversight and other Company missteps described *infra*, the 100 Park Lane explosion occurred.

17. The Columbia Gas distribution system at 100 Park Lane consisted of a plastic main with plastic service lines. The main was located at the dead end of Mineola Ave and was 2-inch Polyethylene plastic pipe. The service line was 1-inch Polyethylene plastic pipe and was 255 feet in length and ran from the end of the main located near

Mineola Ave. Columbia Gas renewed the main in 2013 and installed the service line to 100 Park Lane on June 20, 2013.

18. At the time of the explosion, the distribution system was operating at a pressure of forty (40) psig.

19. On August 23, 2019, a joint evaluation was conducted by the State Fire Marshal and I&E Pipeline Safety personnel to determine the cause of the 100 Park Lane explosion. It was determined that the primary cause of the explosion was the over pressurization of the house piping and appliances since the service line to the 100 Park Lane residence was not equipped with a service regulator at the time of the incremental pressure uprating. The source of the gas was surmised to be natural gas leaks occurring around the gas appliances located inside the residence.

**B. Chronology of the Events**

20. At or about 6:50 AM on July 30, 2019, Columbia Gas and NPL personnel arrived at the site of the Project to begin working on the incremental uprating.

21. At approximately 9:20 AM, Columbia Gas's Gas Measurement & Regulation (GM&R) personnel activated the temporary regulator station located along Nokomis Drive, near State Route 18 ("SR-18").

22. At or around 10:05 AM, the system was raised to one (1) psig. Following the increase, gauges were verified at separation points.

23. At approximately 10:20 AM, the system was raised to two (2) psig, and a leak survey was conducted.

24. At or around 10:55 AM, the system was raised to thirteen (13) psig.

Following the increase, another leak survey was completed.

25. At or about 11:30 AM, the incremental uprating was stopped due to reported weather issues.

26. At approximately 7:35 AM on the following day, July 31, 2019, NPL leak surveyors were notified to perform a leak survey on the distribution system. During I&E-Safety Division's subsequent investigation of the incident, it was reported that after receiving this notification, NPL crews surveyed the area by walking over the gas lines with detectors to locate any potential leaks. Additionally, NPL reported that its crews checked each house with a meter set believed to encompass the Project for leaks. According to NPL, no leaks were identified.

27. At or around 8:45 AM, the system pressure was increased from thirteen (13) psig to twenty-four (24) psig. A leak survey was conducted following the pressure increase, and it was reported that no leaks were found.

28. At approximately 9:40 AM, the system pressure was further increased to thirty-five (35) psig. A leak survey was completed following the increase, and it was reported that no leaks were found.

29. At or around 10:30 AM, the system pressure was increased for a final time to forty-five (45) psig. Leak surveyors completed a final leak survey at approximately 11:44 AM, and it was reported that no leaks were found.

30. At or around 11:50 AM, GM&R was given approval by the Columbia Gas supervisor to return the system to the normal operating pressure of 40 psig.

31. At approximately 3:50 PM, homeowner Deborah Braden returned to her residence at 100 Park Lane and smelled a strong odor of gas. Ms. Braden immediately called 911.

32. Two firefighters responded to Ms. Braden's emergency call. It was reported that the firefighters shut off the gas to the residence at the meter once they arrived on scene.

33. Seconds after Ms. Braden and the first responders exited the residence, an explosion occurred. The explosion levelled the 100 Park Lane residence, also resulting in another home being condemned and allegedly causing damage to other residences in the area. Three vehicles located on the property at 100 Park Lane were also severely damaged.

34. The explosion also resulted in alleged bodily injuries to at least four people. The injuries that were allegedly sustained included lacerations, concussions from flying debris, as well as one firefighter being thrown from the site of the explosion.

35. The explosion resulted in the temporary curtailment of natural gas service to approximately sixty (60) Columbia Gas customers.

36. At approximately 3:55 PM, the Company's Uprate Leader was notified of the incident.

37. At or around 4:03 PM, the Columbia Gas Uprate Leader directed the NPL Construction Crew Supervisor to close the outlet valve at the temporary regulator station located along Nokomis Drive, near State Route 18 ("SR-18").

38. At approximately 4:31 PM, I&E's Pipeline Safety regional supervisor notified an I&E Safety Division investigator of the explosion and directed him to proceed to the site of the explosion.

39. The assigned I&E Safety Division investigator arrived at the site of the explosion at approximately 5:30 PM and began coordinating the incident investigation with field personnel. Personnel from the North Franklin Volunteer Fire Department and the State Police Fire Marshals were also on scene. The I&E Safety investigator assessed the area with the Operations Compliance Manager for Columbia Gas and the Vice President and General Manager of Columbia Gas of Maryland and Pennsylvania. At this time, I&E's Safety Division requested that the Company conduct a leak survey of all impacted areas.

40. At or about 5:30 PM, a residence located at 240 Park Avenue, Washington, PA 15301, was toured and inspected by I&E's Safety Division at the request of the homeowner. The home was found to be damaged as a result of the explosion.

41. At the same time, a residence located at 268 Park Avenue, Washington, PA was toured by I&E's Safety Division at the request of the owner and landlord. As a result of the explosion, this residence was condemned because there were structural cracks on the walls and the floor was lifted and displaced.

42. At approximately 6:45 PM, Columbia Gas separated the main from the service line at 100 Park Lane to terminate the flow of natural gas to the residence. The Company conducted a pressure test at or about 6:52 PM, which indicated that the service line was at or about 92 psig for ten (10) minutes. The Company's Standard Operation Procedures require service lines to be tested with air at least 90-psig for five to ten

minutes during leak investigations. The pressure test held, and no leak was detected.

**C. Columbia Gas Uprating Procedure Deficiencies**

43. It is the position of I&E that this incident was due to the lack of overall Company oversight of critical tasks. The fact that the Company's Project maps were not accurate should have been discovered through an engineering review or by field personnel during the course of the Project. The improvement to the service line at 100 Park Lane was relatively recent (2013) and these records should have made clear that this residence, albeit located on a different street, was nevertheless within the parameters of the Project and should have been identified at the time of the uprating.

44. It is I&E's position that the Incremental Uprate Plan (0001-19-0238117-00) ("IUP") followed by Columbia Gas personnel on July 31, 2019 was inadequate in that the structure at 100 Park Lane was not included or identified on any of the Company's Project Maps related to the Dewey Avenue Replacement Project.

45. It is I&E's position that the Incremental Uprate Plan (0001-19-0238117-00) followed by Columbia Gas personnel on July 31, 2019 was inadequate in that the Plan's directive that uprate procedures begin only "after it has been confirmed that all of the required customer service lines, associated meter work, and main line replacement, along the involved streets [Nokomis Drive, Mineola Ave, Iola Ave and Winona Ave, North Franklin Township, Washington County, Pennsylvania]...has been successfully completed" was incomplete in that it failed to include Park Lane as an involved street in the Dewey Avenue Replacement Project. *See, IUP, page 1.*

46. It is I&E's position that Columbia Gas Upgrading Procedure Gas Standard [GS 5500.400] was inadequate at the time of the explosion in that it did not require the Company to physically inspect and record the inspection of all adjacent structures within the area of its upgrading project. The Company did not take into consideration the length of service lines in establishing an appropriate buffer zone to identify adjacent structures along the perimeter of the project.

### III. ALLEGED VIOLATIONS

47. Had this matter been litigated, I&E would have proffered evidence and legal arguments to demonstrate that Columbia Gas committed, *inter alia*, the following violations:

- a. Columbia Gas did not exercise reasonable care when it failed to identify all gas and non-gas customers within the scope of its Dewey Avenue Replacement Project. The Company did not use reasonable effort to protect the public from danger in that: 1) the Company's upgrading project plans omitted 100 Park Lane in the design phase of the upgrading project; 2) there was no mark out of the service to 100 Park Lane in the days prior to the explosion; 3) the Company did not discover the omission of the service line to 100 Park Lane during the course of construction; and 4) the Company's Project Maps used in performing the project did not take into consideration the length of service lines in establishing an appropriate buffer zone to identify adjacent structures.

If proven, I&E alleges that such conduct violated 52 Pa. Code § 59.33(a) (requiring public utilities to use reasonable effort to properly warn and protect the public from danger, and to exercise reasonable care to reduce the hazards to which employees, customers and others may be subjected to by reason of its equipment and facilities).

- b. Columbia Gas did not adequately inspect adjacent structures to the gas main(s) involved in the incremental upgrading, in that it failed to identify that the service line at 100 Park Lane would be affected by its Dewey Avenue Replacement Project.

If proven, I&E alleges that such conduct violated 52 Pa. Code § 59.35 (requiring that structures abutting or adjacent to the gas mains shall be inspected to confirm the utility's records as to the presence or absence of a gas service line on each property).

- c. Columbia Gas uprating procedures were inadequate in that the procedures failed to require the inspection of all abutting and adjacent structures to gas main(s) involved in an incremental uprating project before significantly increasing the normal operating pressure of a distribution or transmission pipeline. The procedures were not sufficiently detailed to allow the identification of all affected structures. Records are kept in a manner that would not have allowed properties with different street addresses to be identified in the scope of uprate projects.

If proven, I&E alleges that such conduct violated 49 CFR § 192.13(c) (requiring that each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under 49 CFR Subpart A).

- d. Columbia Gas Incremental Uprate Plan (0001-19-0238117-00) did not identify the adjacent structure of 100 Park Lane as being affected by its Dewey Avenue Replacement Project.

If proven, I&E alleges that such conduct violated 49 CFR § 192.553(c) (requiring that each operator who uprates a segment of pipeline shall establish a written procedure that will ensure that each applicable requirement of 49 CFR Subpart K-Uprating is complied with).

- e. Columbia Gas' design failed to include operating, and maintenance history of the segment of pipeline before increasing the operating pressure above the previously established MAOP in that it did not include the service at 100 Park Lane in its design documents and procedures for the uprating project.

If proven, I&E alleges that such conduct violated 49 CFR § 192.557(b)(1) and 52 Pa. Code § 59.33(a).

- f. Columbia Gas' leak survey before increasing the operating pressure above the previously established MAOP from ~ 11 inches of water column to 45 pounds per square inch gauge ("psig") did not include 100 Park Lane.

If proven, I&E alleges that such conduct violated 49 CFR § 192.557(b)(2) and 52 Pa. Code § 59.33(a).

- g. Columbia Gas failed to account for the service line at 100 Park Lane and therefore failed to install a service regulator on the service line before the Company increased the operating pressure of the distribution system from ~ 11 inches of water column to 45 pounds per square inch gauge (“psig”).

If proven, I&E alleges that such conduct violated 49 CFR § 192.557(b)(6) (requirement that before increasing operating pressure above the previously established maximum allowable operating pressure, the operator shall install a service regulator on each service line and test each regulator to determining that it is functioning if the pressure in mains or service lines, or both, is to be higher than the pressure delivered to the customer.)

- h. As set forth in subparagraphs a through g, *supra*, Columbia Gas failed to furnish and maintain adequate, efficient, safe and reasonable service and facilities and make such repairs, changes, alterations, substitutions, extensions and improvements in or to its service and facilities necessary or proper for the accommodation and safety of its patrons, employees and the public, thereby placing the safety of its customers, employees and the public in danger.

If proven, I&E alleges that such conduct violated 66 Pa.C.S. § 1501.

#### **IV. TERMS OF SETTLEMENT**

48. Pursuant to the Commission’s policy of encouraging settlements that are reasonable and in the public interest,<sup>2</sup> the Parties held a series of discussions that culminated in the original settlement. Subsequent to the entry of the Commission’s December 27 Order and referral of this matter back to I&E, the Parties engaged in further discussions in order to gather the additional information sought by the Commission so that the Commission could make an informed determination that the Settlement, as

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<sup>2</sup> See 52 Pa. Code § 5.231(a)

revised, is in fact in the public interest. I&E and Columbia Gas desire to: (i) terminate I&E's informal investigation; and (ii) settle this matter completely without litigation. Columbia Gas fully acknowledges the seriousness of the allegations and recognizes the need to prevent future reoccurrences. Moreover, the Parties recognize that this is a disputed claim, and given the inherent unpredictability of the outcome of a contested proceeding, the Parties further recognize the significant and more immediate benefits of amicably resolving the disputed issues through settlement as opposed to time-consuming and expensive litigation. The terms and conditions of the Settlement, for which the Parties seek Commission approval, are set forth below.

49. I&E and Columbia Gas, intending to be legally bound and for consideration given, desire to fully and finally conclude this investigation and agree that a Commission Order approving the Settlement, as revised, without modification shall create the following rights and obligations:

a. Civil Penalty:

Respondent will pay a civil penalty in the amount of \$990,000.00 pursuant to 66 Pa.C.S. § 3301(c). Said payment shall be made within thirty (30) days of the date of the Commission's Final Order approving the Settlement Agreement and shall be made by certified check or money order payable to the "Commonwealth of Pennsylvania." The docket number of this proceeding shall be indicated with the certified check or money order and the payment shall be sent to:

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Columbia Gas will not seek recovery of any portion of the total civil penalty amount in any future ratemaking proceeding and agrees that it will not be tax deductible under Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f).

b. Corrective Actions:

Columbia Gas recognizes the seriousness of this matter and will promptly take the following steps to prevent a similar occurrence:

- 1) Revise its Upgrading Procedure Gas Standard [GS 5500.400] to require the inspection of all abutting and adjacent structures to gas main(s) involved in an incremental upgrading project before significantly increasing the normal operating pressure of a distribution or transmission pipeline above the previously established MAOP. Significantly shall mean the increase in operating pressure requiring a change in service regulation or an incremental increase in pressure as required by 192.557(c).
- 2) Develop and implement a program or process which ensures identification of the location, main, and pressure system for each service line tap within Columbia Gas service territory. This program or process must be able to identify properties where the actual tap location differs from the street address.
- 3) Modify the minimum requirements found in Exhibit A under Gas Standard GS 3020.012 for service line records to include street names and address or geospatial data. Where the actual tap location differs from the street address, the service line sketch will include street names and address, until such time the service line record is fully contained within the Company's Geographic Information System. Retrain all impacted Columbia Gas employees on all Company standards that outline the minimum requirements for service line records which includes the locations of the tap and the main. Create a QA/QC program to review service line records to ensure they meet the minimum requirements of the Company standards. Create a program to review all existing service line records to ensure that the record meets the minimum requirements. Establish procedures to identify all service lines in and around every project which significantly increases the MAOP of the system or an incremental increase in pressure

as required by 192.557( c), including physical inspections and record inspections of all adjacent structures. This shall include marking out the service location or other equivalent confirmation method prior to any uprate. The mark out or other equivalent confirmation method must include verification of service location.

- 4) Develop a buffer zone with a minimum of a 500-foot radius of the main to be uprated to capture and verify all service locations of all structures. This buffer zone should consider the length of the service lines.
- 5) Enhance personnel training, including field, management, supervision and engineering. The Company must develop an uprate training module that incorporates the new procedural changes. This training should be provided to all impacted employees, including management and engineering staff on three (3) year intervals. This training module must also address the low pressure conversions, or re-qualifications.
- 6) Develop a process to ensure pipeline system updates are correctly mapped. When substantive mapping or record errors are encountered, conduct a causal evaluation investigation into why the maps or records are incorrect so that Company can develop best practices and training programs to help ensure the errors are reduced or eliminated.
- 7) Consider mapping system enhancements that would include the following:
  - a) Enhance the information retained on the Service Line Records (SLR) designating a new data field or a symbol(s) in an existing data field which gives clear indication that a tap location differs from the actual service address. When the tap itself is not depicted in GIS, this designation should be usable within the GIS database and not solely based in a comment section on a scanned tap card. Conflate the mapping/asset information using high-quality road-edge/centerline information;

- b) Capture and store X, Y, and Z coordinates for facility locations (and other asset data) through means which comport with acceptable industry standards;
  - c) Complete a “Visualization Tool,” which will visualize what is connected to mains via service points and will be linked to service record information and drawings; and
  - d) Capture and store information including but not limited to location of main service taps, curb valves, and other such appurtenances and pipe anomalies for legacy pipe when mains and services are “out of service” through the use of in-line cameras, geo-spatial technology and/or other means.
- 8) Discontinue use of incremental uprates for low pressure to elevated pressure. Utilize requalification (air pressure test) process to convert low pressure to elevated pressure systems.

50. Upon Commission approval of the Settlement, as revised, in its entirety without modification, I&E shall be deemed to have released Columbia Gas from all past claims that were made or could have been made by the Commission for monetary and/or other relief based on allegations that the Company failed to comply with the allegations that are the subject of the instant I&E informal investigation.

51. I&E and Columbia Gas jointly acknowledge that approval of this Settlement Agreement, with the addition of further information sought by the Commission, is in the public interest and fully consistent with the Commission’s Policy Statement regarding Factors and Standards for Evaluating Litigated and Settled Proceedings, 52 Pa. Code § 69.1201. The Parties submit that the Settlement Agreement is in the public interest because it effectively addresses I&E’s allegations that are the subject of the I&E informal investigation, addresses the concerns set forth in comments

to the originally submitted settlement, as memorialized in the December 27 Order, promotes public and facility safety, and avoids the time and expense of litigation, which entails hearings, travel for Respondent's witnesses, and the preparation and filing of briefs, exceptions, reply exceptions, as well as possible appeals. Attached as **Appendix B** and **Appendix C** are Statements in Support submitted by I&E and Columbia Gas, respectively, setting forth the bases upon which they believe the Settlement Agreement, as revised, is in the public interest.

**V. CONDITIONS OF SETTLEMENT**

52. This document represents the Settlement Agreement in its entirety. No changes to obligations set forth herein may be made unless they are in writing and are expressly accepted by the Parties. This Settlement Agreement shall be construed and interpreted under Pennsylvania law.

53. The benefits and obligations of this Revised Joint Petition for Approval of Settlement shall be binding upon the successors and assigns of the parties to the Settlement.

54. This Revised Joint Petition may be signed in counterparts and all signatures attached hereto will be considered as originals.

55. In order to effectuate this Revised Joint Petition for Approval of Settlement, the undersigned parties request that the Commission issue a Final Order approving the Petition without modification.

56. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Revised Joint Petition for Approval of Settlement without modification. If the Commission modifies this Settlement Agreement, any party may elect to withdraw from the Settlement and may proceed with litigation and, in such event, this Settlement Agreement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon the other party within twenty (20) days after entry of an Order modifying the Settlement.

The consequence of any party withdrawing from this Revised Joint Petition for Approval of Settlement as set forth above is that all issues associated with the requested relief presented in the proceeding will be fully litigated by the filing of a Formal Complaint unless otherwise stipulated between the parties and all obligations of the parties to each other set forth herein are terminated and of no force and effect.

57. The Parties agree that the underlying allegations were not the subject of any hearing and that there has been no order, findings of fact or conclusions of law rendered in this proceeding. It is further understood that, by entering into this Settlement Agreement, Respondent has made no concession or admission of fact or law and may dispute all issues of fact and law for all purposes in any other proceeding. Nor may this settlement be used by any other person or entity as a concession or admission of fact or law.

58. The Parties acknowledge that this Settlement Agreement, as revised, reflects a compromise of competing positions and does not necessarily reflect any party's

position with respect to any issues raised in this proceeding.

59. This Settlement Agreement, as revised, is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner that is fair and reasonable. This Settlement is presented without prejudice to any position that any of the Parties may have advanced and without prejudice to the position any of the Parties may advance in the future on the merits of the issues in any other proceedings, except to the extent necessary to effectuate or enforce the terms and conditions of this Settlement Agreement. This Settlement does not preclude the parties from taking other positions in any other proceeding but is conclusive in this proceeding and may not be reasserted in any other proceeding or forum except for the limited purpose of enforcing the Settlement by a Party.

60. I&E and Columbia Gas jointly acknowledge that approval of this Settlement Agreement as revised per the December 27 Order is in the public interest and is fully consistent with the Commission's Policy Statement for evaluating litigated and settled proceedings involving violations of the Code and Commission regulations, 52 Pa. Code § 69.1201. The Commission will serve the public interest by adopting this Revised Joint Petition for Approval of Settlement.

61. The Revised Joint Petition for Approval of Settlement avoids the time and expense of litigation in this matter before the Commission, which likely would entail the filing of a Formal Complaint, the preparation for and attendance at hearings, and the preparation and filing of testimony, briefs, reply briefs, exceptions, and reply exceptions. The Parties further recognize that their positions and claims are disputed and, given the

inherent unpredictability of the outcome of a contested proceeding, the Parties recognize the benefits of amicably resolving the disputed issues through settlement.

62. Since the Parties agree to the terms of the Revised Joint Petition for Approval of Settlement, adopting it will eliminate the possibility of any appeal from the Commission Secretarial Letter or Order, thus avoiding the additional time and expense that they might incur in such an appeal.

63. This Settlement consists of the entire agreement between I&E and Columbia Gas regarding the matters addressed herein. Moreover, this Settlement represents a complete settlement of I&E's informal investigation against Columbia Gas' alleged violations of the Public Utility Code and the Commission's regulations as discussed in more detail in Section III. The Parties expressly acknowledge that this Settlement Agreement represents a compromise of positions and does not in any way constitute a finding or an admission concerning the alleged violations of the Public Utility Code and the Commission's regulations. This Settlement shall be construed and interpreted under Pennsylvania Law.

64. The terms and conditions of this Settlement Agreement constitute a carefully crafted package representing reasonably negotiated compromises on the issues addressed herein. Thus, the Settlement Agreement is consistent with the Commission's rules and practices encouraging negotiated settlements set forth in 52 Pa. Code §§ 5.231 and 69.1201.

**WHEREFORE**, the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement and Columbia Gas of Pennsylvania, Inc. respectfully request that the Commission approve the terms of the Revised Joint Petition for Approval of Settlement without modification and in their entirety as being in the public interest.

Respectfully submitted and filed by:

Date: 2/27/2023



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Date: 2/27/2023



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Remedial Measures Stemming from the 2018 MA Event recommended for Columbia Gas of Pennsylvania	Status and Description
<p>Revise the engineering plan and constructability review process across all of your subsidiaries to ensure that all applicable departments review construction documents for accuracy, completeness, and correctness, and that the documents or plans be sealed by a professional engineer prior to commencing work. <b>(NTSB Recommendation P-18-006)</b></p>	<p>Status: Effectuated            Description: CPA revised its Constructability Review process to ensure a thorough review and engagement from all appropriate departments based on project characteristics. CPA also implemented requirements for Professional Engineer oversight and sealing of projects. Both of these stakeholder review expectations are codified in CPA's gas standard GS 2810.050. These actions also address the NTSB's recommendations to states to engage Professional Engineers in natural gas project designs, issued in September 2019 (NTSB Recommendation P-19-17).</p>
<p>Review and ensure that all records and documentation of your natural gas systems are traceable, reliable, and complete. <b>(NTSB Recommendation P-18-007)</b></p>	<p>Status: Effectuated            Description: CPA completed isometric improvements for all low-pressure stations, and published Operational Notice 19-02, which added layers of protection for activities at/near low-pressure stations. Above and beyond the recommendation, CPA has improved its isometric drawings for all pressure stations and formalized the expectations for ongoing isometric updates and maintenance in GS 1750.820.</p>
<p>Apply management of change process to all changes to adequately identify system threats that could result in a common mode failure. <b>(NTSB Recommendation P-18-008)</b></p>	<p>Status: Effectuated            Description: NiSource/CPA developed an asset class risk/threat matrices and created an asset Risk Register for each asset class. Also completed a Probabilistic Risk</p>

	<p>Assessment model for each applicable asset class. NiSource performs annual updates and review of its Asset Management Plan &amp; Risk Register, which support CPA risk analysis and decision making.</p>
<p>Develop and implement control procedures during modifications to gas mains to mitigate the risks identified during management of change operations. Gas main pressures should be continually monitored during these modifications and assets should be placed at critical locations to immediately shut down the system if abnormal operations are detected. <b>(NTSB Recommendation P-18-009)</b></p>	<p>Status: Effectuated</p> <p>Description: Developed and implemented new Gas Standard 1680.010 – Tie-ins and Tapping Pressurized Pipelines, as well as enhanced the written Tie-in procedure to incorporate updated rigor in process safety. Per the new Gas Standard, advanced and execution briefings are required for all Tie-in plans. Additionally, CPA completed a program to add extra overpressure protection to all of its low pressure operating systems. This effort addresses the NTSB’s recommendation to PHMSA regarding low pressure system safety, issued in September 2019 (NTSB Recommendation P-19-15).</p>
<p>Review your protocols and training for responding to large-scale emergency events, including providing timely information to emergency responders, appropriately assigning NiSource emergency response duties, performing multi-jurisdictional training exercises, and participating cooperatively with municipal emergency management agencies. <b>(NTSB Recommendation P-19-018)</b></p>	<p>Status: Effectuated</p> <p>Description: NiSource created a full-time, cross-functional EP&amp;R team to integrate improved preparedness plans and exercises covering a broad range of potential scenarios and levels of emergency. Through ongoing training that includes regular exercises, the EP&amp;R team provides awareness and understanding of all roles during an emergency to appropriate employees across the NiSource gas segment, including CPA, and corporate support teams. Additionally, NiSource created a single EP&amp;R Plan that was implemented across the NiSource gas segment beginning</p>

	<p>on September 1, 2019. In June 2020, tabletop exercises were conducted for CPA (virtually, via WebEx, due to COVID-19). The exercises were designed to assess performance when responding to Level 3 to 5 incidents and highlighted the increased capabilities of the organization.</p>
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	<b>Corrective Actions</b>	<b>Status</b>	<b>Estimated Completion Date</b>	<b>Notes</b>
1	Revise its Uprating Procedure Gas Standard [GS 5500.400] to require the inspection of all abutting and adjacent structures to gas main(s) involved in an incremental uprating project before significantly increasing the normal operating pressure of a distribution or transmission pipeline above the previously established MAOP. Significantly shall mean the increase in operating pressure requiring a change in service regulation or an incremental increase in pressure as required by 192.557( c).	Updated Gas Standards (5500.020, 5500.030, 5500.040) published Jan 1, 2023 requiring inspection of all abutting and adjacent structures for uprates incorporating significant increase in operating pressure. Additional updates to standards under SME review with target publication date of July 1, 2023	Published in September - effective Jan 1, 2023 GS 5500.020, GS 5500.030, GS5500.040, Additional updates under review	Additional updates to define significant under SME review. Scheduled to be effective July 1,2023 with 90 day implementation period. Urates designed after implementation period will be required to follow new standard.
2	Develop and implement a program or process which ensures identification of the location, main, and pressure system for each service line tap within Columbia Gas service territory. This program or process must be able to identify properties where the actual tap location differs from the street address.	Completed process to map service lines in Columbia's GIS system. All new service lines are being mapped. Legacy service line mapping started in early 2020 and Columbia has completed the mapping of 94.4% of all legacy services as of 12-19-2022.	Complete	Completed S/L mapping - which identifies location. 94.4% mapped in GIS as of 12-19-2022. Continue working down remaining. Remaining services being prioritized based on risk (ex. LP and Farm taps)

3	<p>Modify the minimum requirements found in Exhibit A under Gas Standard GS 3020.012 for service line records to include street names and address or geospatial data. Where the actual tap location differs from the street address, the service line sketch will include street names and address, until such time the service line record is fully contained within the Company's Geographic Information System. Retrain all impacted Columbia Gas employees on all Company standards that outline the minimum requirements for service line records which includes the locations of the tap and the main.</p>	<p>This requirement has been communicated and has been built into Columbia's current quality assurance checks and verified on all newly completed service line records as well as during our legacy service line records reviews. This expectation is to be memorialized within GS 3020.012, which is currently under SMR review for additional changes. The target publication date for the updated GS 3020.012 is July 1, 2023.</p>	<p>Completed, to be memorialized in the standard by July 1, 2023.</p>	<p>This has been verbally communicated and CPA is checking all tap cards to ensure information is included. Timing allows to vet through SMR process and incorporate into GS. Also several standard revision requests for GS 3030.012 that need to be reviewed and potentially incorporated into standard.</p>
	<p>Create a QA/QC program to review service line records to ensure they meet the minimum requirements of the Company standards. Create a program to review all existing service line records to ensure that the record meets the minimum requirements.</p>	<p>Columbia implemented a QA/QC process for service line records in early 2021. The process incorporates all newly completed SLRs and a QA/QC team to review legacy SLRs. Any SLR requirement changes are incorporated into the review process at the time of the change.</p>	<p>Complete</p>	<p>Incorporated into our current quality assurance process. Both new and legacy service line records being reviewed to ensure compliance.</p>

	Establish procedures to identify all service lines in and around every project which significantly increases the MAOP of the system or an incremental increase in pressure as required by 192.557( c), including physical inspections and record inspections of all adjacent structures. This shall include marking out the service location or other equivalent confirmation method prior to any uprate. The mark out or other equivalent confirmation method must include verification of service location.	Updated Gas Standards (5500.020, 5500.030, 5500.040) published Jan 1, 2023 requiring inspection of all abutting and adjacent structures for uprates incorporating significant increase in operating pressure. Additional updates to standards under SME review with target publication date of July 1, 2023	Published in September - effective Jan 1, 2023 GS 5500.020, GS 5500.030, GS5500.040, Additional updates under review	GS updates completed for significant pressure uprates.
4	Develop a buffer zone with a minimum of a 500-foot radius of the main to be uprated to capture and verify all service locations of all structures. This buffer zone should consider the length of the service lines.	New Gas Standard requiring minimum 500' buffer zone was updated and effective Jan 1, 2023	Complete	Publish September effective Jan. 1 2023
5	Enhance personnel training, including field, management, supervision and engineering. The Company must develop an uprate training module that incorporates the new procedural changes. This training should be provided to all impacted employees, including management and engineering staff on three (3) year intervals. This training module must also address the low pressure conversions, or re-qualifications	Uprating computer based training (CBT) was created and assigned to all Engineers Oct. 1st, 2022. Additional training currently under development for additional impacted employees. The additional training is scheduled to be completed and rolled out by September 1, 2023	Engineering - Complete, Other impacted party's IP (September 1, 2023)	
6	Develop a process to ensure pipeline system updates are correctly mapped. When substantive mapping or record errors are encountered, conduct a causal evaluation investigation into why the maps or records are incorrect so that Company can develop best practices and training programs to help ensure the errors are reduced or eliminated.	Columbia has an established map revision process that allows all employees to submit map revision requests. Substantive mapping errors are investigated to identify continuous improvement opportunities.	Complete	
7	<b>Consider</b> mapping system enhancements that would include the following:			

7a	Enhance the information retained on the Service Line Records (SLR) designating a new data field or a symbol(s) in an existing data field which gives clear indication that a tap location differs from the actual service address. When the tap itself is not depicted in GIS, this designation should be usable within the GIS database and not solely based in a comment section on a scanned tap card. Conflate the mapping/asset information using high-quality road-edge/centerline information;	Process to map service lines has been completed. Service line records have been hyperlinked to Columbia's GIS system. Conflation of Columbia's mapping information was completed October of 2021.	Complete	Have S/L records hyperlinked in GIS. Conflation has been completed. Additional information available on SMS SharePoint
7b	Capture and store X, Y, and Z coordinates for facility locations (and other asset data) through means which comport with acceptable industry standards;	In 2019 Columbia increased its current GPS program to incorporate capturing GPS coordinates after any newly installed mainline or service line facilities. In 2022, Columbia again updated its process to capture X,Y and Z locations during construction on all capital contract work along with outfitting its internal crews with GPS equipment to capture X,Y and Z coordinates on work performed internally.	Complete	2022 started capturing Coordinates on Construction projects. Ops, currently on most new installs. Not quite at 100% during construction but currently pulling reports and capturing GPS coordinates on all newly installed facilities. Currently meeting/exceeding industry standards.
7c	Complete a "Visualization Tool," which will visualize what is connected to mains via service points and will be linked to service record information and drawings; and	Process to map service lines within Columbia's GIS system has been completed. Service line records have been hyperlinked to Columbia's GIS system.	Complete	Have S/L records hyperlinked in GIS. Conflation has been completed.

7d	Capture and store information including but not limited to location of main service taps, curb valves, and other such appurtenances and pipe anomalies for legacy pipe when mains and services are “out of service” through the use of in-line cameras, geo-spatial technology and/or other means.	This is being presented to Columbia's associated SMR team for consideration. SMR review and any proposed recommendations scheduled to be completed by July 1, 2023	July 1, 2023.	
8	Discontinue use of incremental uprates for low pressure to elevated pressure. Utilize requalification (air pressure test) process to convert low pressure to elevated pressure systems.	Incremental uprates on LP systems were immediately stopped after the incident. Operational Notice 19-10 was released requiring LP uprates to be completed by the requalification method only. This requirement was incorporated into the 5500 series gas standards	Complete	ON 19-10, resumed LP uprates by requalification method only, incorporated into new 5500 series updates.

## Monetary Damages Resulting from North Franklin Event

Type of Damage	Amount
Property (Real & Personal) <sup>1</sup>	\$1,975,425.25
Alternate Cost of Living Expense ("ALE") <sup>2</sup>	\$112,785.58
Personal Injury & Emotional Distress	\$1,004,500.00
Total	\$3,092,710.83

\* All claims for monetary damages were paid through insurance and therefore ratepayers were not responsible for the financial liability associated with the explosion.

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<sup>1</sup> Columbia submits that this amount provides a fair representation of the total value of property damage claims made by third-parties, made directly by individuals or by their insurers.

<sup>2</sup> Living expenses paid to individuals whose homes were uninhabitable for a period of time.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, :  
Bureau of Investigation and Enforcement's :  
Investigation of Columbia Gas of : Docket No. M-2022-3012079  
Pennsylvania, Inc.'s July 31, 2019 Uprating :  
Incident at 100 Park Lane, Washington, :  
Washington County, Pennsylvania :

**PROPOSED ORDERING PARAGRAPHS**

1. That the Revised Joint Settlement Petition filed on February 27, 2023 between the Commission's Bureau of Investigation and Enforcement and Columbia Gas of Pennsylvania, Inc. is approved in its entirety without modification.

2. That, in accordance with Section 3301(c) of the Public Utility Code, 66 Pa.C.S. § 3301(c), within thirty (30) days of the date this Order becomes final, Columbia Gas of Pennsylvania, Inc. shall pay a civil penalty of Nine Hundred Ninety Thousand Dollars (\$990,000.00). Said payment shall be made by certified check or money order payable to "Commonwealth of Pennsylvania" and shall be sent to:

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

3. Columbia Gas of Pennsylvania, Inc. also agrees to promptly take the numerous corrective actions as expressly set forth in the Settlement Agreement that have yet to be implemented, if any.

4. A copy of this Opinion and Order shall be served upon the Financial and Assessment Chief, Bureau of Administration.

5. That the above-captioned matter shall be marked closed upon receipt of the civil penalty.

Pennsylvania Public Utility Commission, :  
Bureau of Investigation and Enforcement's :  
Investigation of Columbia Gas of : Docket No. M-2022-3012079  
Pennsylvania, Inc.'s July 31, 2019 Uprating :  
Incident at 100 Park Lane, Washington, :  
Washington County, Pennsylvania :

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**THE BUREAU OF INVESTIGATION AND ENFORCEMENT'S  
STATEMENT IN SUPPORT OF THE  
REVISED JOINT PETITION FOR APPROVAL OF SETTLEMENT**

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**TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

Pursuant to 52 Pa. Code §§ 5.231, 5.232 and 69.1201, the Pennsylvania Public Utility Commission's ("Commission" or "PUC") Bureau of Investigation and Enforcement ("I&E"), a signatory party to the Revised Joint Petition for Approval of Settlement ("Settlement" or "Settlement Agreement") filed in the matter docketed above, submits this Statement in Support of the Settlement Agreement between I&E and Columbia Gas of Pennsylvania, Inc. ("Columbia Gas" or "Company") (hereinafter referred to collectively as the "Parties" or "Joint Petitioners"). I&E avers that the terms and conditions of the Settlement, as revised, are just and reasonable and in the public interest for the reasons set forth herein.

## I. BACKGROUND

On July 31, 2019, at approximately 4:00 PM, a natural gas explosion occurred at 100 Park Lane, Washington, PA 15301 (“100 Park Lane”), a residential home in the North Franklin service territory of Columbia Gas. The homeowner and two (2) firefighters were onsite at the time of the explosion. At least four individuals were injured as a result of the explosion but there were no fatalities. The explosion demolished the entire residential structure at 100 Park Lane and caused severe damage to three vehicles (3) that were located on the property. One other residence was condemned as a result of the explosion, and numerous other homes were reportedly damaged. In addition to local emergency personnel, Pipeline Safety Inspectors from I&E’s Safety Division responded to the scene on the day of the explosion and initiated an investigation.

At the time of the explosion, Columbia Gas and NPL Construction Co. (“NPL”), the construction contractor used by Columbia Gas on this project, were working on an incremental mainline uprating project as part of the Company’s “Dewey Avenue Replacement Project.” The “Dewey Avenue Replacement Project” (“Project”) was initiated by Columbia Gas on March 8, 2019 to install new main and to increase or uprate the pressure on the existing main. The uprate portion of the Project involved facilities on Nokomis Drive, Mineola Avenue, Iola Avenue and Winona Avenue in Washington, PA and was expected to impact approximately sixty (60) of the Company’s customers. However, Columbia Gas failed to include the residence at 100 Park Lane on the Company’s maps for the Project, and, therefore, it was mistakenly omitted from the scope of the Dewey Avenue Replacement Project. While the house did have a different street address from other houses included in the Project, the service line for this residence was nevertheless tapped off the Company’s

Mineola Avenue facilities – facilities that were within the scope of the Project. As a result of this oversight, the 100 Park Lane explosion occurred.

On August 23, 2019, a joint evaluation was conducted by the State Fire Marshal and I&E Pipeline Safety personnel to determine the cause of the 100 Park Lane explosion. It was determined that the primary cause of the explosion was the over pressurization of the house piping and appliances since the service line to the 100 Park Lane residence was not equipped with a service regulator at the time of the incremental pressure uprating. The source of the gas was surmised to be natural gas leaks occurring around the gas appliances located inside the residence.

I&E and Columbia Gas subsequently engaged in extensive negotiations regarding the resolution of I&E's investigation. On March 4, 2022, the Parties filed a Joint Petition for Approval of Settlement resolving all issues between I&E and Columbia Gas in the instant matter. By Tentative Order entered June 16, 2022, the Commission afforded interested parties an opportunity to file comments on the settlement. Comments were filed by North Franklin Township, Richard Culbertson, Columbia Gas, Office of Consumer Advocate and I&E. By Order entered December 27, 2022 ("December 27 Order"), upon consideration of the comments filed, the Commission requested additional information regarding 1) whether any remedial measures stemming from the 2018 MA Event were recommended for Columbia Gas and, if so, whether they were effectuated; 2) an estimated timeline for completion of each of the corrective actions proposed in the Settlement; and 3) an accounting of the monetary damage caused by the explosion and if Columbia ratepayers will be responsible for the financial liability associated with the explosion. The December 27 Order referred the matter back to I&E and directed that any re-filing of the Settlement be accomplished within

sixty (60) days of the entry of the December 27 Order. In response, the Parties have filed a Revised Joint Petition for Approval of Settlement wherein the additional information sought by the Commission has been addressed in Attachments 1 through 3, respectively. With the inclusion herein of the additional information sought by the Commission in its December 27 Order, I&E respectfully requests that the Commission approve the Settlement, as revised. This Statement in Support is submitted in conjunction with the Settlement Agreement.

## II. THE PUBLIC INTEREST

Pursuant to the Commission's policy of encouraging settlements that are reasonable and in the public interest, the Parties held a series of settlement discussions. Subsequent to the entry of the Commission's December 27 Order and referral of this matter back to I&E, the Parties engaged in further discussions in order to gather the additional information sought by the Commission so that the Commission could make an informed determination that the Settlement, as revised, is in fact in the public interest. These discussions culminated in this Settlement Agreement, as revised, which, once approved, will resolve all issues related to the instant I&E Investigation. Columbia Gas has been cooperative and proactive with I&E related to identifying policies and procedures, facilities and training that can be further improved to assist the Company in enhancing the safety and reliability of service and to satisfy the commitments that I&E has required in the settlement process.

The Settlement, if approved, will provide substantial public benefits including numerous improvements to the Company's operations and procedures related to, *inter alia*, revisions to uprating procedures, modifications to service line records, enhancements to personnel training and refinements to the Company's mapping system, not to mention the payment of a substantial civil penalty.

Although I&E and Columbia Gas may disagree with respect to I&E's factual allegations, the Company recognizes the need to prevent a similar incident from reoccurring. Further, I&E recognizes that, given the inherent unpredictability of the outcome of a contested proceeding, the benefits of amicably resolving the disputed issues through settlement outweigh the risks and expenditures of litigation. I&E submits that the Settlement, as revised, constitutes a reasonable compromise of the issues involved and is in the public interest as it provides for a number of relevant corrective measures as well as a civil penalty. As such, I&E respectfully requests that the Commission approve the Settlement without modification so that these important public benefits may be realized expeditiously.

### **III. TERMS OF SETTLEMENT**

Under the terms of the Settlement, I&E and Columbia Gas have agreed as follows:

a. Civil Penalty:

Respondent will pay a civil penalty in the amount of \$990,000.00 pursuant to 66 Pa.C.S. § 3301(c). Said payment shall be made within thirty (30) days of the date of the Commission's Final Order approving the Settlement Agreement and shall be made by certified check or money order payable to the "Commonwealth of Pennsylvania." The docket number of this proceeding shall be indicated with the certified check or money order and the payment shall be sent to:

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Columbia Gas will not seek recovery of any portion of the total civil penalty amount in any future ratemaking proceeding and agrees that it will not be tax deductible under Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f).

b. Corrective Actions:

Columbia Gas recognizes the seriousness of this matter and will promptly take the following steps to prevent a similar occurrence:

- 1) Revise its Upgrading Procedure Gas Standard [GS 5500.400] to require the inspection of all abutting and adjacent structures to gas main(s) involved in an incremental upgrading project before significantly increasing the normal operating pressure of a distribution or transmission pipeline above the previously established MAOP. Significantly shall mean the increase in operating pressure requiring a change in service regulation or an incremental increase in pressure as required by 192.557( c).
- 2) Develop and implement a program or process which ensures identification of the location, main, and pressure system for each service line tap within Columbia Gas service territory. This program or process must be able to identify properties where the actual tap location differs from the street address.
- 3) Modify the minimum requirements found in Exhibit A under Gas Standard GS 3020.012 for service line records to include street names and address or geospatial data. Where the actual tap location differs from the street address, the service line sketch will include street names and address, until such time the service line record is fully contained within the Company's Geographic Information System. Retrain all impacted Columbia Gas employees on all Company standards that outline the minimum requirements for service line records which includes the locations of the tap and the main. Create a QA/QC program to review service line records to ensure they meet the minimum requirements of the Company standards. Create a program to review all existing service line records to ensure that the record meets the minimum requirements. Establish procedures to identify all service lines in and around every project which significantly increases the MAOP of the system or an incremental increase in pressure as required by 192.557( c), including physical inspections and record inspections of all adjacent structures. This shall include marking out the service location or other equivalent confirmation method prior to any upgrade. The mark out or other equivalent confirmation method must include verification of service location.
- 4) Develop a buffer zone with a minimum of a 500-foot radius of the main to be upgraded to capture and verify all service locations of all structures. This buffer zone should consider the length of the service lines.

- 5) Enhance personnel training, including field, management, supervision and engineering. The Company must develop an uprate training module that incorporates the new procedural changes. This training should be provided to all impacted employees, including management and engineering staff on three (3) year intervals. This training module must also address the low pressure conversions, or re-qualifications.
- 6) Develop a process to ensure pipeline system updates are correctly mapped. When substantive mapping or record errors are encountered, conduct a causal evaluation investigation into why the maps or records are incorrect so that Company can develop best practices and training programs to help ensure the errors are reduced or eliminated.
- 7) Consider mapping system enhancements that would include the following:
  - a) Enhance the information retained on the Service Line Records (SLR) designating a new data field or a symbol(s) in an existing data field which gives clear indication that a tap location differs from the actual service address. When the tap itself is not depicted in GIS, this designation should be usable within the GIS database and not solely based in a comment section on a scanned tap card.

Conflate the mapping/asset information using high-quality road-edge/centerline information;
  - b) Capture and store X, Y, and Z coordinates for facility locations (and other asset data) through means which comport with acceptable industry standards .
  - c) Complete a “Visualization Tool,” which will visualize what is connected to mains via service points and will be linked to service record information and drawings; and
  - d) Capture and store information including but not limited to location of main service taps, curb valves, and other such appurtenances and pipe anomalies for legacy pipe when mains and services are “out of service” through the use of in-line cameras, geo-spatial technology and/or other means.
- 8) Discontinue use of incremental uprates for low pressure to elevated pressure. Utilize requalification (air pressure test) process to convert low pressure to elevated pressure systems.

Upon Commission approval of the Settlement in its entirety without modification, I&E shall be deemed to have released Columbia Gas from all past claims that were made or could have been made by the Commission for monetary and/or other relief based on allegations that the Company failed to comply with the allegations that are the subject of the instant I&E informal investigation.

I&E and Columbia Gas jointly acknowledge that approval of this Settlement Agreement, as revised consistent with the December 27 Order, is in the public interest and fully consistent with the Commission's Policy Statement regarding Factors and Standards for Evaluating Litigated and Settled Proceedings, 52 Pa. Code § 69.1201. The Parties submit that the Settlement Agreement, as revised, is in the public interest because it effectively addresses I&E's allegations that are the subject of the I&E informal investigation, responds to the concerns set forth in comments to the original settlement and memorialized in the December 27 Order, promotes public and facility safety, and avoids the time and expense of litigation, which entails hearings, travel for Respondent's witnesses, and the preparation and filing of briefs, exceptions, reply exceptions, as well as possible appeals.

Moreover, the additional information provided by Columbia in Attachments 1 through 3 to this Revised Joint Petition expressly and specifically address the concerns raised in the December 27 Order. Attachment 1 sets forth remedial measures recommended for Columbia Gas stemming from the 2018 Massachusetts overpressure event, the source of each recommendation and the status and a description of the implementation of each recommendation. Attachment 2 responds to the request for a timeline for completion of each of the corrective actions set forth in the Settlement by listing and describing each corrective action in detail, providing the current, updated status of each, providing the estimated

completion date of the corrective action, and including notes adding specificity of the Company's actions regarding each corrective action. Attachment 3 responds to the request for an accounting of the monetary damage cause by the explosion, categorizing the damages by type, noting the amounts of each as well as the cumulative total of monetary damages. Attachment 3 further notes that all monetary damages were paid through insurance.

The Commission has in the past approved numerous settlements without chaining the utility to specific, set time frames to implement each and every remedial measure as such a burden could jeopardize the benefits amicably negotiated and gained by the settlement. Nevertheless, the Company has provided good faith estimates for completion of those corrective measures, while also noting those corrective actions that have already been completed.

It is I&E's position that a quantification of the amount of money needed to resolve all damage and injury claims is not imperative for the Commission to reach a conclusion that a settlement is in the public interest. Personal property damage claims and personal injury claims are themselves outside the scope of the Commission's jurisdiction. Nevertheless, in order to comply with the December 27 Order, the Company has provided detail of the monetary damages associated with this event.

As to whether ratepayers would be responsible for the financial liability associated with the explosion, I&E avers that this is best suited to be raised in a Columbia base rate proceeding, and not in this Settlement. No utility, including Columbia in this instance, is precluded from potentially seeking cost recovery of costs incurred or to justify a proposed rate increase. It is during a rate proceeding that parties such as statutory advocates, often challenge such evidence, and demand such accountings from the filing utility. Consequently,

whether Columbia will or will not seek or has or has not sought recovery of costs is not a necessary component of this Settlement that amicably resolves safety concerns and implements remedial measures that are clearly in the public interest.

#### **IV. LEGAL STANDARD FOR SETTLEMENT AGREEMENTS**

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense that the parties must expend litigating a case and, at the same time, conserve precious administrative resources. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. “The focus of inquiry for determining whether a proposed settlement should be recommended for approval is not a ‘burden of proof’ standard, as is utilized for contested matters.” *Pa. Pub. Util. Comm’n, et al. v. City of Lancaster – Bureau of Water*, Docket Nos. R-2010-2179103, *et al.* (Order entered July 14, 2011) at p. 11. Instead, the benchmark for determining the acceptability of a settlement is whether the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm’n v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered January 7, 2004).

I&E submits that approval of the Settlement Agreement in the above-captioned matter, as revised consistent with the December 27 Order, is consistent with the Commission’s Policy Statement regarding *Factors and Standards for Evaluating Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations* (“Policy Statement”), 52 Pa. Code § 69.1201; *See also Joseph A. Rosi v. Bell-Atlantic-Pennsylvania, Inc.*, Docket No. C-00992409 (Order entered March 16, 2000). The Commission’s Policy Statement sets forth ten factors that the Commission may consider in evaluating whether a civil penalty for violating a Commission order, regulation, or statute is

appropriate, as well as whether a proposed settlement for a violation is reasonable and in the public interest. 52 Pa. Code § 69.1201.

**The Commission will not apply the factors as strictly in settled cases as in litigated cases.** 52 Pa. Code § 69.1201(b) (emphasis added). While many of the same factors may still be considered, in settled cases, the parties “will be afforded flexibility in reaching amicable resolutions to complaints and other matters as long as the settlement is in the public interest.” *Id.*

The first factor considers whether the conduct at issue was of a serious nature, such as willful fraud or misrepresentation, or if the conduct was less egregious, such as an administrative or technical error. Conduct of a more serious nature may warrant a higher penalty. 52 Pa. Code § 69.1201(c)(1). I&E alleges that the Company’s procedures that were in place at the time of the incident were deficient in their failure to identify all gas and non-gas customers within the scope of its Dewey Avenue Replacement Project resulting in disastrous consequences. I&E submits that the alleged violations alleged as a result of I&E’s Investigation are of a serious nature and were considered in arriving at the civil penalty and remedial relief set forth in the terms of the Settlement.

The second factor considered is whether the resulting consequences of the Company’s alleged conduct were of a serious nature. When consequences of a serious nature are involved, such as personal injury or property damage, the consequences may warrant a higher penalty. 52 Pa. Code § 69.1201(c)(2). In this case, the natural gas explosion resulted in injuries to at least four individuals, though none were fatal. The explosion destroyed the residential structure at 100 Park Lane and significantly damaged surrounding residences.

The terms and conditions of the Settlement acknowledge that serious consequences occurred and are designed to further enhance the safety of Columbia Gas's service and facilities.

The third factor to be considered under the Policy Statement is whether the alleged conduct was intentional or negligent. 52 Pa. Code § 69.1201(c)(3). "This factor may only be considered in evaluating litigated cases." *Id.* This factor does not apply to the present case since this matter is being resolved through a settlement of the Parties.

The fourth factor to be considered is whether the Company has made efforts to change its practices and procedures to prevent similar conduct in the future. 52 Pa. Code § 69.1201(c)(4). In response to the July 31, 2019 incident, Columbia Gas moved forward to adopt several changes to its policies and procedures. A comprehensive list of these changes is outlined in the Settlement Agreement, and specifically set forth in Attachment 2 to the Revised Joint Petition. Some of the more significant changes include:

- 1) Revise its Upgrading Procedure Gas Standard [GS 5500.400] to require the inspection of all abutting and adjacent structures to gas main(s) involved in an incremental upgrading project before significantly increasing the normal operating pressure of a distribution or transmission pipeline above the previously established MAOP. Significantly shall mean the increase in operating pressure requiring a change in service regulation or an incremental increase in pressure as required by 192.557( c).
- 2) Develop and implement a program or process which ensures identification of the location, main, and pressure system for each service line tap within Columbia Gas service territory. This program or process must be able to identify properties where the actual tap location differs from the street address.
- 3) Modify the minimum requirements found in Exhibit A under Gas Standard GS 3020.012 for service line records to include street names and address or geospatial data. Where the actual tap location differs from the street address, the service line sketch will include street names and address, until such time the service line record is fully contained

within the Company's Geographic Information System. Retrain all impacted Columbia Gas employees on all Company standards that outline the minimum requirements for service line records which includes the locations of the tap and the main. Create a QA/QC program to review service line records to ensure they meet the minimum requirements of the Company standards. Create a program to review all existing service line records to ensure that the record meets the minimum requirements. Establish procedures to identify all service lines in and around every project which significantly increases the MAOP of the system or an incremental increase in pressure as required by 192.557(c), including physical inspections and record inspections of all adjacent structures. This shall include marking out the service location or other equivalent confirmation method prior to any uprate. The mark out or other equivalent confirmation method must include verification of service location.

- 4) Develop a buffer zone with a minimum of a 500-foot radius of the main to be uprated to capture and verify all service locations of all structures. This buffer zone should consider the length of the service lines.
- 5) Enhance personnel training, including field, management, supervision and engineering. The Company must develop an uprate training module that incorporates the new procedural changes. This training should be provided to all impacted employees, including management and engineering staff on three (3) year intervals. This training module must also address the low pressure conversions, or re-qualifications.
- 6) Develop a process to ensure pipeline system updates are correctly mapped. When substantive mapping or record errors are encountered, conduct a causal evaluation investigation into why the maps or records are incorrect so that Company can develop best practices and training programs to help ensure the errors are reduced or eliminated.
- 7) Consider mapping system enhancements that would include the following:
  - a) Enhance the information retained on the Service Line Records (SLR) designating a new data field or a symbol(s) in an existing data field which gives clear indication that a tap location differs from the actual service address. When the tap itself is not depicted in GIS, this designation should be usable within the GIS database and not solely based in a comment section on a scanned tap card.

Conflate the mapping/asset information using high-quality road-edge/centerline information;

- b) Capture and store X, Y, and Z coordinates for facility locations (and other asset data) through means which comport with acceptable industry standards;
  - c) Complete a “Visualization Tool,” which will visualize what is connected to mains via service points and will be linked to service record information and drawings; and
  - d) Capture and store information including but not limited to location of main service taps, curb valves, and other such appurtenances and pipe anomalies for legacy pipe when mains and services are “out of service” through the use of in-line cameras, geo-spatial technology and/or other means.
- 8) Discontinue use of incremental uprates for low pressure to elevated pressure. Utilize requalification (air pressure test) process to convert low pressure to elevated pressure systems.

Each of these modifications to the Company’s internal procedures and commitments address the alleged conduct at issue and are designed to prevent a similar incident from occurring again. Moreover, the improvements provide a significant benefit to public safety.

The fifth factor to be considered relates to the number of customers affected by the Company’s actions and the duration of the violations. 52 Pa. Code § 69.1201(c)(5). In this case, at approximately 4:00 PM on July 31, 2019, a natural gas explosion occurred that resulted in at least four non-life-threatening injuries, demolished the entire residential structure at 100 Park Lane, and caused severe damage to neighboring homes in the area.

The sixth factor to be considered relates to the compliance history of Columbia Gas. 52 Pa. Code § 69.1201(c)(6). An isolated incident from an otherwise compliant company may result in a lower penalty, whereas frequent, recurrent violations by a company may result in a higher penalty. *Id.* Columbia Gas has been the subject of multiple proceedings over the past twelve years where the Commission imposed civil penalties arising from alleged gas safety violations or rejected proposed civil penalties as being inadequate.

Columbia Gas has been the subject of multiple proceedings over the past twelve years where the Commission imposed civil penalties arising from alleged gas safety violations or rejected proposed civil penalties as being inadequate. The following compliance history of Columbia Gas encompasses all but two of the civil penalties imposed on the company between 2010 and 2022. The two instances were omitted because they involved low penalty amounts.<sup>3</sup>

In *Pa. Pub. Util. Comm'n v. Columbia Gas of Pa., Inc.*, Docket No. M-2016-2378672 (Order entered December 7, 2017), a settlement between I&E and Columbia Gas arose following two separate incidents of contractor employee injuries in 2013. The first incident occurred due to failure to warn a contract employee reconnecting two pipeline segments that the section was still under pressure from an earlier test. When the end cap blew off the still-pressurized segment, the contractor employee sustained a severe leg injury. The second incident involved a contractor employee who sustained injuries to his foot and ankle while working at the receiving end of a pigging operation. I&E's post-incident investigations found that a contract employee involved in the pigging operation was not in compliance with Columbia Gas operating procedures, having not successfully passed the qualification test necessary to engage in any construction and maintenance activities. I&E investigations led to allegations that during both incidents Columbia Gas and its contractor failed to exercise reasonable care to reduce the hazards to which employees, customers, and others may be

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<sup>3</sup> See *Pa. Pub. Util. Comm'n v. Columbia Gas of Pa., Inc.*, Docket No. C-2010-2071433 (Order entered August 31, 2012). ("In *White v. Columbia Gas of Pennsylvania, Inc.*, Docket No. F-2009-2096158 (Order entered February 26, 2010), Columbia was ordered to pay a civil penalty of \$250.00 because it failed to provide actual meter readings to a customer as frequently as is required by our Regulations. Finally, in *Harris v. Columbia Gas of Pennsylvania, Inc.*, Docket No. C-2011-2241198 (Order entered January 20, 2012), Columbia was ordered to pay a civil penalty of \$500.00 for failing to provide reasonable and adequate customer service in accordance with its tariff and Commission Regulations.")

subjected. The Commission approved a settlement agreement wherein Columbia Gas agreed to pay a civil penalty amount of \$50,000.00 as a result of these serious employee safety-related incidents.

In *Pa. Pub. Util. Comm'n v. Columbia Gas of Pa., Inc.*, Docket No. M-2014-2306076 (Order entered Dec. 18, 2014), the Commission modified a settlement agreement wherein Columbia Gas agreed to pay a civil penalty following nine separate incidents investigated by I&E. I&E's investigations determined that the conduct of Columbia Gas included the following: (1) failure to check and service valves at the required regulatory intervals; (2) six instances of pipelines operating at pressures exceeding the maximum allowable operating pressure; (3) lack of pressure regulation devices to prevent accidental overpressuring; and (4) excavation damage of a pipeline due to failure to provide temporary marking of buried pipeline in the excavation area and related failures of personnel responding to the location request. The Commission modified the proposed settlement agreement between Columbia Gas and I&E to raise the civil penalty amount from \$110,000.00 to \$200,000.00. The Commission denied reconsideration of the modified amount, stating that the inherent serious nature of a high number of alleged incidents—all gas safety incidents posing a danger to public safety—warranted a higher civil penalty.

In *Pa. Pa. Pub. Util. Comm'n v. Columbia Gas of Pa., Inc.*, Docket No. C-2010-2071433 (Order entered August 31, 2012), the Commission approved a settlement agreement in which Columbia Gas agreed to pay a civil penalty of \$5,000.00 resolving allegations that it released the confidential billing and account information of twenty-two customers.

In *Pa. Pa. Pub. Util. Comm'n v. Columbia Gas of Pa., Inc.*, Docket No. M-2009-15053996 (Order entered August 3, 2010), the Commission approved a settlement agreement

in which Columbia Gas agreed to pay a civil penalty of \$10,000.00 resolving allegations that it failed to keep adequate maps and records of its distribution system and that it failed to locate and mark its buried service line as requested through the One Call System.

In summary, given the compliance history of Columbia Gas as it relates to allegations of gas safety violations over the past decade, the substantial civil penalty of \$990,000.00 in this proceeding is warranted.

The seventh factor to be considered relates to whether the Company cooperated with the Commission's investigation. 52 Pa. Code § 69.1201(c)(7). I&E submits that Columbia Gas cooperated in the Investigation and settlement process in this matter and that such cooperation demonstrates a commitment consistent with public safety goals and objectives.

The eighth factor to be considered is the appropriate settlement amount necessary to deter future violations. 52 Pa. Code § 69.1201(c)(8). I&E submits that a civil penalty amount of \$990,000.00, which is not tax deductible, is sufficient to deter the Company from committing future violations of the nature alleged here. The instant Settlement would contain one of the highest if not the highest civil penalty ever imposed upon Columbia, appropriately recognizing the seriousness of pipeline overpressuring. Thus, all the factors in 52 Pa. Code § 69.1201 were considered when determining whether the civil penalty is appropriate, including the fact that the parties agreed to settle the matter rather than engage in litigation.

The ninth factor to be considered relates to past Commission decisions in similar situations. 52 Pa. Code § 69.1201(c)(9). I&E submits that the instant Settlement provides comparable or even superior relief to prior enforcement matters involving similar pipeline safety violations.

I&E submits that the instant Settlement Agreement, as revised, should be viewed on its own merits and is fair and reasonable. However, in looking at the relevant factors that are comparable to other pipeline matters involving violations of pipeline safety violations that resulted in very serious consequences, the instant Settlement is consistent with past Commission actions in that a substantial civil penalty will be paid and numerous, valuable corrective actions to address the alleged violations will be or have been performed.

The tenth factor considers “other relevant factors.” 52 Pa. Code § 69.1201(c)(10). I&E submits that an additional relevant factor – whether the case was settled or litigated – is of pivotal importance to this Settlement Agreement. A settlement avoids the necessity for the governmental agency to prove elements of each allegation. In return, the opposing party in a settlement agrees to a lesser fine or penalty, or other remedial action. The fines and penalties, and other remedial actions resulting from a fully-litigated proceeding are difficult to predict and can differ from those that result from a settlement. Reasonable settlement terms can represent economic and programmatic compromise while allowing the parties to move forward and to focus on implementing the agreed upon remedial actions.

In conclusion, I&E fully supports the terms and conditions of the Settlement Agreement, as revised. The terms of the Settlement Agreement, along with the additional information provided consistent with the December 27 Order, reflect a carefully balanced compromise of the interests of the Parties in this proceeding. The Parties are confident that the Commission will find this revised reiteration of the Settlement Agreement to be in the public interest. Acceptance of this Settlement Agreement avoids the necessity of administrative and potential appellate proceedings at what would have been a substantial cost to the Parties.

**WHEREFORE**, I&E supports the Settlement Agreement, as revised, as being in the public interest and respectfully requests that the Commission approve the Settlement in its entirety without modification.

Respectfully submitted,



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Dated: February 27, 2023

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement’s	:	
Investigation of Columbia Gas of	:	
Pennsylvania, Inc.’s July 31, 2019 Uprating	:	Docket No. M- M-2022-3012079
Incident at 100 Park Lane, Washington,	:	
Washington County, Pennsylvania	:	

**COLUMBIA GAS OF PENNSYLVANIA, INC.’s  
STATEMENT IN SUPPORT OF SETTLEMENT AGREEMENT**

Columbia Gas of Pennsylvania, Inc. (“Columbia Gas” or “the Company”), by and through its counsel, hereby respectfully submits its Statement in Support of the Revised Joint Petition for Approval of Settlement<sup>1</sup> (“Settlement Agreement”) submitted in the above-captioned proceeding. The terms and conditions of the Settlement Agreement are in the public interest and represent a fair, just, reasonable, and equitable resolution of the matters described therein. Approval of the Settlement Agreement is consistent with the Commission’s *Policy Statement for Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations*, 52 Pa. Code § 69.1201.

Columbia Gas and the Commission’s Bureau of Investigation and Enforcement (“I&E”) engaged in extensive exchange of information and negotiations to reach agreement on the terms of the Settlement Agreement, and Columbia Gas submits that the Settlement Agreement is in the public interest, as supported by the following factors:

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<sup>1</sup> Columbia Gas and I&E had previously submitted a Joint Petition for Settlement for the Commission’s consideration on March 4, 2022, in the above-referenced docket.

## I. BACKGROUND

1. As the Settlement Agreement indicates, this matter resolves an informal investigation initiated by I&E as a result of information provided by the Commission's Safety Division relating to the explosion that occurred on July 31, 2019 at 100 Park Lane in Washington, Washington County, Pennsylvania.

2. I&E and other bureaus with enforcement authority are the entities established by statute to initiate proceedings against public utilities that are prosecutory in nature. (*Delegation of Prosecutory Authority to Bureaus with Enforcement Responsibilities*, M-00940593, Order entered September 2, 1994), as amended by Act 129 of 2008, 66 Pa.C.S.A § 308.2(a)(11). Moreover, pursuant to Section 59.33(b) of the Commission's regulations, 52 Pa. Code § 59.33(b), I&E's Safety Division has the authority to enforce Federal pipeline safety laws and regulations set forth in 49 U.S.C.A. §§ 60101-60503 and as implemented at 49 CFR Parts 191-193, 195 and 199.

3. Columbia Gas has its principal place of business located in Canonsburg, Pennsylvania and at all times relevant to this proceeding was a public utility, as defined by 66 Pa.C.S. § 102, engaged in providing natural gas service to the public for compensation.

4. Columbia Gas and I&E had previously submitted a Joint Petition for Settlement for the Commission's consideration on March 4, 2022, in the above-referenced docket. By Order entered June 16, 2022, the Commission provided interested parties with the opportunity to submit comments of the Joint Petition for Settlement. Comments were filed by: North Franklin Township, the Pennsylvania Office of Consumer Advocate, and Richard C. Culbertson. Reply Comments were filed by I&E and Columbia Gas.

5. By Order entered on December 27, 2022 ("December 27<sup>th</sup> Order"), the Commission denied the Joint Petition for Settlement and referred the matter back to I&E for

further investigation. The December 27th Order stated that the Commission was unable to make an informed determination on the matter without information regarding (1) whether any remedial measures stemming from the 2018 MA Event were recommended for Columbia Gas and, if so, whether they were effectuated; (2) an estimated timeline for completion of each of the corrective actions proposed in the Settlement; and (3) an accounting of the monetary damage caused by the explosion and if Columbia Gas ratepayers will be responsible for the financial liability associated with the explosion. The Order provided that a settlement in the matter could be refiled within sixty days of the entry of the order.

6. Subsequent to the entry of the Commission's December 27th Order and referral of this matter back to I&E, the Parties engaged in further discussions in order to gather the additional information sought by the Commission so that the Commission could make an informed determination that the Settlement Agreement, as revised, is in fact in the public interest.

## **II. PARTIES' POSITIONS**

7. The averments of I&E contained in sections II.C. and III. of the Settlement Agreement were formulated without the benefit of a hearing and certain averments are or may be disputed by Columbia Gas.

8. The Parties' agreement to settle the matters described in I&E's averments was made without any admission or prejudice to any position that they might adopt during any subsequent administrative or court proceeding of whatever nature, including any necessary subsequent litigation of the issues addressed in the Settlement Agreement in the event that this settlement is rejected by the Commission or otherwise properly withdrawn by either of the parties.

### III. SETTLEMENT AGREEMENT

9. The parties to the Settlement Agreement have engaged in extensive and detailed discussions with respect to the allegations and defenses relating to each of the matters described in Paragraphs 43 through 47 of the Settlement Agreement. The purpose of this Settlement Agreement is to resolve these matters without litigation in a manner that minimizes concerns regarding future similar events.

10. Columbia Gas has been cooperative and pro-active in addressing the concerns identified in Paragraphs 43 through 47 of the Settlement Agreement.

11. Based upon the foregoing, the parties have agreed to the entry of an Order directing as follows in Paragraphs 9 through 10, below:

12. Columbia Gas agrees to pay a total civil penalty of \$990,000.00 within thirty days of the date of the Commission's Final Order approving the Settlement Agreement. Columbia Gas will not seek recovery of any portion of the civil penalty amount in any future ratemaking proceeding, and agrees that it will not be tax deductible under Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f).

13. Columbia Gas agrees to take the following steps to prevent a similar occurrence:

- 1) Revise its Upgrading Procedure Gas Standard [GS 5500.400] to require the inspection of all abutting and adjacent structures to gas main(s) involved in an incremental upgrading project before significantly increasing the normal operating pressure of a distribution or transmission pipeline above the previously established MAOP. Significantly shall mean the increase in operating pressure requiring a change in service regulation or an incremental increase in pressure as required by 192.557( c).
- 2) Develop and implement a program or process which ensures identification of the location, main, and pressure system for each service line tap within Columbia Gas service territory. This program or process must be able to identify properties where the actual tap location differs from the street address.

- 3) Modify the minimum requirements found in Exhibit A under Gas Standard GS 3020.012 for service line records to include street names and address or geospatial data. Where the actual tap location differs from the street address, the service line sketch will include street names and address, until such time the service line record is fully contained within the Company's Geographic Information System. Retrain all impacted Columbia Gas employees on all Company standards that outline the minimum requirements for service line records which includes the locations of the tap and the main. Create a QA/QC program to review service line records to ensure they meet the minimum requirements of the Company standards. Create a program to review all existing service line records to ensure that the record meets the minimum requirements. Establish procedures to identify all service lines in and around every project which significantly increases the MAOP of the system or an incremental increase in pressure as required by 192.557( c), including physical inspections and record inspections of all adjacent structures. This shall include marking out the service location or other equivalent confirmation method prior to any uprate. The mark out or other equivalent confirmation method must include verification of service location.
- 4) Develop a buffer zone with a minimum of a 500 foot radius of the main to be uprated to capture and verify all service locations of all structures. This buffer zone should consider the length of the service lines.
- 5) Enhance personnel training, including field, management, supervision and engineering. The Company must develop an uprate training module that incorporates the new procedural changes. This training should be provided to all impacted employees, including management and engineering staff on three (3) year intervals. This training module must also address the low pressure conversions, or re-qualifications.
- 6) Develop a process to ensure pipeline system updates are correctly mapped. When substantive mapping or record errors are encountered, conduct a causal evaluation investigation into why the maps or records are incorrect so that Company can develop best practices and training programs to help ensure the errors are reduced or eliminated.

7) Consider mapping system enhancements that would include the following:

a) Enhance the information retained on the Service Line Records (SLR) designating a new data field or a symbol(s) in an existing data field which gives clear indication that a tap location differs from the actual service address. When the tap itself is not depicted in GIS, this designation should be usable within the GIS database and not solely based in a comment section on a scanned tap card.

Conflate the mapping/asset information using high-quality road-edge/centerline information;

b) Capture and store X, Y, and Z coordinates for facility locations (and other asset data) through means which comport with acceptable industry standards;

c) Complete a “Visualization Tool,” which will visualize what is connected to mains via service points and will be linked to service record information and drawings; and .

d) Capture and store information including but not limited to location of main service taps, curb valves, and other such appurtenances and pipe anomalies for legacy pipe when mains and services are “out of service” through the use of in-line cameras, geo-spatial technology and/or other means.

8) Discontinue use of incremental uprates for low pressure to elevated pressure. Utilize requalification (air pressure test) process to convert low pressure to elevated pressure systems.

14. Notably, Columbia Gas had already voluntarily initiated several of the terms specified in Paragraph 10 above as part of its response to the incident.

15. As provided in Attachment B of the Settlement Agreement, the terms specified in Paragraph 10 above have largely been completed, with the remaining terms targeted for completion by July 1, 2023.

16. In consideration of the Columbia Gas' payment of a civil penalty in the amount of \$990,000.00, as described herein, and implementation and completion of the corrective actions described above in Paragraphs 10 of this Statement in Support, I&E has expressly agreed to forbear the institution of any formal complaint or other informal investigation that relates to the Columbia Gas' conduct as alleged in Paragraphs 43 through 47 of the Settlement Agreement.

17. Nothing in the Settlement Agreement shall affect the Commission's authority to receive and resolve any informal or formal complaints filed by any affected party with respect to the alleged events covered by the Settlement Agreement, except that no further enforcement action, including but not limited to civil penalties, shall be imposed by the Commission on Columbia Gas for any actions that are within the scope of the Settlement Agreement.

18. Columbia Gas submits that the Settlement Agreement is in the public interest, and therefore requests that the Commission approve the Settlement Agreement as in the public interest. The Settlement Agreement is expressly conditioned upon the Commission's approval under applicable public interest standards without modification, addition, or deletion of any term or condition herein. The parties have agreed that if the Commission Order substantively modifies the terms of the Settlement Agreement, any party may give notice to the other that it is withdrawing from the Joint Petition for Approval of Settlement. Such notice must be in writing and must be given within twenty (20) business days of the issuance of the Final Order which adopts the Settlement Agreement with substantive modifications of its terms. In the event that a party withdraws from the Joint Petition for Approval of Settlement, I&E and Columbia Gas jointly agree that nothing in the Joint Petition shall be construed as an admission against or as prejudice to any position which any party might adopt during litigation of this case.

19. Nothing contained in the Settlement Agreement may be used or construed by any person as an admission of any fact by Columbia Gas. The Settlement Agreement is proposed by the Parties without any admission against, or prejudice to, any position which any Party may adopt during any subsequent administrative or court proceeding of whatever nature.

**IV. COMPLIANCE WITH THE COMMISSION’S POLICY STATEMENT ON LITIGATED AND SETTLED PROCEEDINGS INVOLVING VIOLATION OF THE PUBLIC UTILITY CODE AND COMMISSION REGULATIONS**

20. Columbia asserts that approval of the Settlement Agreement is consistent with the Commission’s *Policy Statement for Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations*, 52 Pa. Code § 69.1201 (“Policy Statement”).

21. Under this Policy Statement, the Commission will consider specific factors when evaluating settlements of alleged violations of the Public Utility Code and Commission’s Regulations. These factors are: (1) Whether the conduct at issue was of a serious nature, such as willful fraud or misrepresentation; (2) Whether the resulting consequences of the conduct at issue were of a serious nature, such as personal injury or property damage; (3) Whether the conduct at issue was deemed intentional or negligent (may only be considered when evaluating litigated cases); (4) Whether the regulated entity made efforts to modify internal policies and procedures to address the conduct at issue and prevent similar conduct in the future; (5) The number of customers affected and the duration of the violation; (6) The compliance history of the regulated entity that committed the violation; (7) Whether the regulated entity cooperated with the Commission’s investigation; (8) The amount of the civil penalty or fine necessary to deter future violations; (9) Past Commission decisions in similar situations; and (10) Other relevant factors. 52 Pa. Code § 69.1201(c).

22. When applied to settled cases, the Commission will not apply the standards as strictly as it will in litigated cases. 52 Pa. Code § 69.1201(b).

23. With regard to the first standard and starting point in the Policy Statement, whether the conduct at issue was of a serious nature, such as willful fraud or misrepresentation, there is no suggestion in the descriptions of alleged violations in the Settlement Agreement that Columbia Gas engaged in willful fraud or misrepresentation. With that said, Columbia Gas recognizes that the provision of natural gas to customers is, by nature, a serious matter, and that inadvertent errors can be serious in nature in that they can result in serious property damage and/or loss of life. The terms of the Settlement Agreement adequately take Columbia's alleged conduct into account, while taking into consideration the Company's response to the incident.

24. With regard to the second standard set out in the Policy Statement, whether the resulting consequences attributable to the conduct at issue were of a serious nature, Columbia submits that its alleged conduct, as described in the Settlement Agreement, including Attachment 3, did result in serious consequences. Columbia submits that the terms of Settlement Agreement recognizes the seriousness of the incident and the corrective actions Columbia has agreed to implement are designed to minimize the likelihood that a similar incident will occur in the future.

25. Since this is a settled matter, the third standard set out in the Policy Statement, whether the alleged conduct at issue was intentional or negligent, is not at issue.

26. Under the fourth standard in the Policy Statement, the Commission will consider modifications that Columbia undertook to prevent a similar situation from occurring in the future. Modifications to be considered include activities such as requiring additional trainings and improving company policies and techniques. Under the Settlement Agreement, as described above, Columbia Gas will adopt numerous changes to its policies and procedures to enhance the safety of its service. With respect to the timing it has taken Columbia implement

changes to its policies and practices, it should be noted that the Company began implementation of several corrective measures immediately after the incident.

27. Regarding the fifth standard in the Policy Statement, which relates to the number of customers affected and the duration of the incident, the incident led to the temporary interruption of natural gas service to approximately sixty (60) Columbia Gas customers. The terms of the Settlement recognize the serious nature of the incident and the number of customers impacted.

28. Regarding the sixth standard in the Policy Statement, the compliance history of Columbia Gas, in the past eleven (11) years, the Company has had two gas safety related incident that have resulted in civil penalties, ranging from \$50,000 to \$200,000, and a third incident is currently pending before the Commission with a proposed civil penalty of \$535,000. *See* Docket Nos. M-2014-2306076; M-2016-2378672; and M-2021-3005572. The increased civil penalties that have been agreed upon between Columbia and I&E in the instant matter reflect this history.

29. Regarding the seventh standard in the Policy Statement, Columbia cooperated fully with I&E in its investigation. There are no facts alleged that would tend to establish bad faith on the part of Columbia Gas, active concealment of violations, or attempts to interfere with the Commission's investigation.

30. Regarding the eighth standard in the Policy Statement, Columbia Gas submits that the civil penalty of \$990,000.00 will adequately serve to deter future violations. The assessment of a \$990,000.00 civil fine would be the highest civil penalty that the Commission has assessed against Columbia Gas to date, and is one of the highest civil penalties assessed against any natural gas distribution company providing utility service in the Commonwealth.

31. Regarding the ninth standard in the Policy Statement, please see Paragraph 26, above.

32. Regarding the tenth standard in the Policy Statement, Columbia Gas submits that it is in the public interest to settle this matter so as to avoid the expense of litigation. Moreover, the Settlement is in the public interest because it will result in public benefits that will promote gas safety and reliability in Columbia's service territory.

33. Columbia Gas submits that both Parties' efforts have resulted in fair and equitable settlement that is in the public interest. The Commission has consistently encouraged settlements to avoid the time and expense associated with litigation. The parties submit that the Settlement Agreement is in the public interest because it recognizes the alleged incidents, while effectively addressing and resolving the issues raised by the investigation, and avoids the time and expense of litigation, which entails hearings, filings of briefs, exceptions, reply exceptions, and appeals. The Company has also agreed to pay a civil penalty and implement a number of corrective actions that will enhance the safety and reliability of service provided by Columbia Gas. The Settlement Agreement clearly meets the standards set forth in Section 69.1201.

**WHEREFORE**, Columbia Gas of Pennsylvania, Inc. respectfully requests that the Pennsylvania Public Utility Commission adopt an order approving the terms of the Settlement Agreement as being in the public interest.

Respectfully submitted  
COLUMBIA GAS OF PENNSYLVANIA, INC.

By:   
\_\_\_\_\_  
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.Date: February 27, 2023

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

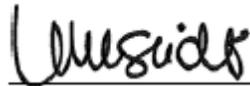
Pennsylvania Public Utility Commission, :  
Bureau of Investigation and Enforcement's :  
Investigation of Columbia Gas of : Docket No. M-2022-3012079  
Pennsylvania, Inc.'s July 31, 2019 Uprating :  
Incident at 100 Park Lane, Washington, :  
Washington County, Pennsylvania :

**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 Electronic Mail:**

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Dated: February 27, 2023