PENNSYLVANIA PUBLIC UTILITY COMMISSION Harrisburg, Pennsylvania 17120

PUC Bureau of Investigation & Enforcement vs. Peoples Natural Gas Company LLC

Public Meeting of November 9, 2023 3024990-OSA Docket No. M-2023-3024990

MOTION OF VICE CHAIR KIMBERLY BARROW

This matter concerns a Peoples Natural Gas Company (Peoples) over-pressurization event that occurred on April 29, 2020, in Robinson, Pennsylvania. The event caused three furnaces to flare and catch fire, and resulted in the replacement of 11 furnaces, 70 heaters, 194 valves, 135 water tank valves, and one range.

The primary cause of the over-pressurization event was the incorrect installation of pressure gauges during a regulator inspection as well as the failure of three Peoples technicians to follow Peoples' procedures for that type of job. The Commission's independent Bureau of Investigation and Enforcement (I&E) concludes however that beyond this failure during the operation, the training of Peoples' employees was not sufficient to fully qualify technicians for these types of jobs. Finally, I&E concluded that the design of the regulator station also contributed to the over-pressurization event.

On July 31, 2023, I&E and Peoples submitted a Joint Petition for Approval of Settlement (Settlement). The proposed Settlement provides that Peoples Natural Gas Company agrees to pay a total civil penalty of \$250,000. Additionally, Peoples agrees to an extensive list of modifications of operational practices regarding how the utility trains technicians and prepares for regulator station inspections and bypass valve operations. Peoples further agrees to modify its system to include equipment to prevent incidents like this.

Upon review of the Settlement and Statements in Support of the same, I believe that the Settlement must be augmented with supplemental information so that the Commission can make an informed decision regarding whether the Settlement is in the public interest.

First, the Settlement should be supplemented by the Parties to clearly and publicly indicate the costs of replacing the private property damaged by this incident. This information is only accessible to the Parties and should be included in the Settlement, and I see no reason why these costs should be confidential. Second, the Parties should explain how the cost to remediate the damage to private property will be paid for. For example, whether insurance will cover the replacement of these private facilities, whether Peoples' shareholders will bear those costs, or whether cost recovery will be sought in rates. Finally, the Parties should comment on their intentions regarding recovery of the civil penalty in rates.

THEREFORE, I MOVE THAT:

1. The Commission's Bureau of Investigation and Enforcement and Peoples Natural Gas Company LLC shall supplement the record in the Settlement within twenty (20) days of entry of an opinion and order consistent with this Motion. If supplemental information is not submitted, the Settlement shall be deemed withdrawn.

- 2. Upon receipt of the supplemental information, the Office of Special Assistants shall prepare an opinion and order summarizing the settlement and supplemental information for the Commission's review, and if approved, for publication in the *Pennsylvania Bulletin* consistent with 52 Pa. Code § 3.113(b)(3).
- 3. The Office of Special Assistants shall prepare an opinion and order consistent with this Motion.

November 9, 2023 Date

Kimberly Barrow, Vice Chair