



Michael C. Turzai  
Vice President and General Counsel  
375 North Shore Drive  
Pittsburgh, Pennsylvania 15212

[www.peoples-gas.com](http://www.peoples-gas.com)

June 14, 2024

VIA OVERNIGHT MAIL AND EMAIL

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

Re: Bureau of Investigation and Enforcement v. Peoples Natural Gas Company LLC  
Docket No. M-2023-3024990; Report of Compliance

Dear Secretary Chiavetta,

Pursuant to the unanimous Opinion and Order dated May 9, 2024 of the Pennsylvania Public Utility Commission, approving without modification the Joint Petition for Approval of Settlement filed by the parties in the referenced docket, Peoples Natural Gas Company LLC ("Peoples") is required to file a report of compliance.

Enclosed is Peoples' Report of Compliance dated this June 14, 2024. If you have any questions or concerns, please contact me at [Michael.Turzai@peoples-gas.com](mailto:Michael.Turzai@peoples-gas.com) or 724-815-1349.

Sincerely,

Michael C. Turzai  
Peoples Natural Gas Company LLC  
Vice President and General Counsel

Enclosure

Cc: Michael L. Swindler, Deputy Chief Prosecutor, PA PUC Bureau of Investigation & Enforcement (with enclosure via overnight mail and email)

DATE OF DEPOSIT

JUN 14 2024

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and	:	
Enforcement,	:	
Complainant	:	Docket No. M-2023-3024990
v.	:	
	:	
Peoples Natural Gas Company LLC	:	
Respondent	:	

---

**REPORT OF COMPLIANCE**

---

Honorable Commissioners:

Peoples Natural Gas Company LLC (“Peoples”) hereby files this Report of Compliance with respect to the Joint Petition for Approval of Settlement (sometimes “Joint Petition”) filed by Peoples and the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission (“I & E”) in the above-captioned proceeding. I&E’s initial formal complaint arose from an overpressure incident in Robinson, Indiana County, Pennsylvania on April 29, 2020.

I&E is the entity established by statute to prosecute complaints against public utilities pursuant to 66 Pa.C.S. § 308(b). The Pennsylvania Public Utility Commission (“Commission”) has delegated its authority to initiate proceedings that are prosecutorial in nature to I&E and other bureaus with enforcement responsibilities. *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Aug. 11, 2011).

**DATE OF DEPOSIT**

**JUN 14 2024**

PA PUBLIC UTILITY COMMISSION  
SECRETARY’S BUREAU

Peoples is a “public utility” and a “natural gas distribution company” as those terms are defined in Sections 102 and 2202 of the Code, 66 Pa.C.S. §§ 102, 2202. Peoples provides natural gas transmission, distribution, and supplier of last resort services to its customers throughout its certificated service territory subject to the regulatory jurisdiction of the Commission.

The Commission issued a unanimous Opinion and Order on May 9, 2024, in which it concluded that “the Joint Petition for Approval of Settlement executed by the Commission's Bureau of Investigation and Enforcement and Peoples Natural Gas Company LLC, and filed on July 31, 2023, is approved, without modification.”

Beginning on Page 7 of the Opinion and Order, the Commission provides “the full terms and conditions” that have been agreed to by and between I&E and Peoples by quoting and incorporating the non-proprietary portions of Paragraph 38 of the Joint Petition for Settlement, found on pages 11-19 of the Joint Petition. Further, per Sub-Paragraph 38(t), the parties agreed that “Within forty (40) days of the entry date of the Commission’s Final Order approving any Settlement Agreement in this matter, Peoples shall file a report of compliance to confirm that the Company has completed or is on track to complete its remedial obligations set forth, *infra*.”

Thus so, Peoples files this Report of Compliance showing that Peoples has completed or is on track to complete its remedial obligations as set forth in Paragraph 38 of the Joint Petition. The following sets for the status of Peoples’ compliance (Peoples references the non-proprietary language in Paragraph 38 of the Joint Petition):

38. I&E and Peoples, 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 Joint Petition without modification shall create the following rights and obligations:
  - a. Peoples shall pay a civil penalty in the amount of Two Hundred and Fifty

Thousand Dollars (\$250,000) pursuant to 58 P.S. § 801.502 and 52 Pa. Code § 69.1201. Said payment shall be made within thirty (30) days of the entry date of the Commission's Final Order approving the Joint Petition for Approval of Settlement in this matter 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.

**Response:**

**Peoples' payment of civil penalty made payable to Commonwealth of Pennsylvania via Cashier's Check received by Commission on May 23, 2024.**

- b. Peoples agrees that the civil penalty shall not be tax deductible pursuant to Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f).

**Response:**

**Peoples has not and will not seek to have its payment of the civil penalty in this matter designated as a tax deduction in any of its tax filings.**

- c. Within thirty (30) days of the entry date of the Commission's Final Order approving any Settlement Agreement in this matter, Peoples shall review all regulator stations in its distribution system. Peoples has "reviewed all of the low-pressure regulator stations" and agrees to similarly review all medium and high-pressure regulator stations to identify all medium-pressure and high-pressure SRS.

**Response:**

**As to assessment of low-pressure SRS, completed. As to assessment of the medium-pressure and high-pressure SRS, on track to be completed by July 8, 2024. (The term "SRS" references subject**

**regulator stations.)**

- d. The Company agrees to provide lists for medium-pressure and high-pressure SRS identified out of the total number of medium and high-pressure regulator stations within sixty (60) days following entry of a Final Order approving the Settlement Agreement.

**Response:**

**On track. Due date for assessment of medium-pressure and high-pressure SRS is July 8, 2024.**

- e. Peoples agrees to develop a process to rank the specific risk of each SRS.

**Response:**

**Completed.**

- f. Peoples agrees to use the risk model for identifying regulator station improvement project prioritization.

**Response:**

**Completed.**

- g. Peoples agrees to develop a plan and timeline for “reconfiguration.”

**Response:**

**Two-step process. First step: completed.  
Second step: On track.**

- h. Peoples agrees to use the risk model hereto for identifying regulator station improvement projects. The Parties agree that, given higher ranked risks, other remedial projects could rank higher than a planned low-pressure SRS reconfiguration. Nonetheless, the remedial project set forth herein will be undertaken in addition to other identified remedial projects.

**Response:**

**Completed.**

- 1) Peoples shall develop a remediation schedule or preventative and mitigative measures to prevent the pipeline systems from overpressure when the station relief valves are isolated; and

**Response:**

**On track.**

- 2) Peoples shall reconfigure the stations to protect the system from overpressure when maintenance is performed.

**Response:**

**On track.**

- i. Within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement, Peoples shall develop and implement a process that involves a detailed pre-job briefing and checklist for performing regulator station inspections and bypass valve operations. The pre-job briefing shall require technicians to confirm the configuration of the regulator station and identify specific hazards that may be unique to the station that is being inspected.

**Response:**

**Completed.**

- j. Peoples agrees that going forward, the Pre-Job Briefing and the checklist will expressly include any bypass valve operations.

**Response:**

**Completed.**

- k. Peoples agrees that once this process is completely developed, it shall be incorporated into the Company's standard operating procedures and job procedures.

**Response:**

**On track.**

- l. Within thirty (30) days of the entry date of the Commission's Final Order approving any Settlement Agreement in this matter, Peoples shall create a training program for newly trained GM&R technicians.

**Response:**

**Completed.**

- m. Peoples agrees to provide a summary of the training program to include, at minimum, parameters being considered in the specific training and any other detail that can be offered.

**Response:**

**Completed.**

- n. Within thirty (30) days of the entry date of the Commission's Final Order approving any Settlement Agreement in this matter, Peoples shall create drawings of each station that shows where downstream gauges must be placed during bypass operations.

**Response:**

**Completed.**

- o. Within one (1) year of the entry date of the Commission's Final Order approving the Settlement Agreement, Peoples will complete the task of having a drawing for regulator stations.

**Response:**

**On track. Due date is May 10, 2025.**

- p. Peoples agrees to update its Design Manual.

**Response:**

**Completed.**

- q. Within thirty (30) days of the entry date of the Commission's Final Order approving any Settlement Agreement in this matter, Peoples shall create an OQ task for the operation of a bypass valve as a means of regulating downstream pressure in a gas distribution system.

**Response:**

**Completed.**

- r. Within thirty (30) days of the entry date of the Commission's Final Order approving any Settlement Agreement in this matter, Peoples shall change its procedures and/or equipment to maintain the ability to record the actual pressure of an overpressure event in low pressure systems without the gauge or chart maximum pressure being reached.

**Response:**

**On track.**

- s. Peoples agrees that it has a plan in place to install pressure monitoring devices on each of its low-pressure systems. This plan is set forth in its most recent LTIIP as follows:

Peoples' Long Term Infrastructure Improvement Plan ("LTIIP") approved by the Pennsylvania Public Utility Commission at Docket No. P-2020-3021942 on January 14, 2021, sets forth Peoples' plan in place with respect to regulator stations:

"In an effort to reduce the likelihood of future over-pressurization events, similar to the event that occurred in Merrimack, MA, in September 2018, the Companies reviewed their 640 regulated low-pressure systems, which are comprised of 4,500 miles of low-pressure

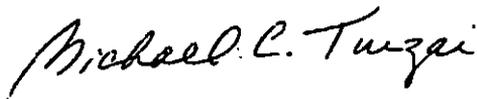
pipeline and over 1,800 regulator stations and serve over 450,000 customers. As a result of that review, the Peoples Companies are proposing to implement three project types intended to mitigate over-pressurization risks as a part of this Combined Distribution LTIP. The Companies will upgrade existing regulator stations by (i) adding remote pressure detection equipment to existing regulator stations, (ii) adding another form of over-pressure protection as applicable, such as adding relief valves or making station piping modifications, and (iii) relocating underground control lines to above-ground locations whenever possible and feasible. The Company proposes to implement this program over an 8-year period, and the total estimated plant additions and costs are approximately \$40,790,000. See Appendix A, pp. 11 - 12. This program will increase the safety and reliability of service of the Peoples Companies systems by investing in upgrades specifically targeted to mitigate the risk of over-pressurization events similar to the events that occurred in Merrimack, MA." Peoples' LTIP pages 6-7.

**Response:**

**On track.**

In conclusion, Peoples files this Report of Compliance showing that Peoples has completed or is on track to complete its remedial obligations as set forth in Paragraph 38 of the Joint Petition. If any additional information is required by the Commission or I&E, Peoples' is willing to augment its report or meet with I&E officials.

Respectfully,



Michael C. Turzai  
Vice President and General Counsel  
Peoples Natural Gas Company LLC

/MCT

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,  
Bureau of Investigation and Enforcement

v.

Peoples Natural Gas Company LLC

Docket No. M-2023-3024990

**CERTIFICATE OF SERVICE**

I hereby certify that I have served a true copy of the foregoing **Report of Compliance**, dated June 14, 2024 upon the parties listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**Service by Overnight Mail and Electronic Mail**

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

Michael L. Swindler  
Deputy Chief Prosecutor  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

DATE OF DEPOSIT

JUN 14 2024

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

*Michael C. Turzai*

\_\_\_\_\_  
Michael C. Turzai  
Vice President and General Counsel  
PA Attorney ID No. 51371  
Peoples Natural Gas Company LLC  
375 North Shore Drive  
Pittsburgh, PA 15212  
[michael.turzai@peoples-gas.com](mailto:michael.turzai@peoples-gas.com)

PRESS FIRMLY TO SEAL



PRESS FIRMLY TO SEAL

PRIORITY MAIL EXPRESS  
FLAT RATE ENVELOPE  
POSTAGE REQUIRED

# PRIORITY

## FOR DOMESTIC AND INTERNATIONAL USE

Retail

U.S. POSTAGE PAID  
PME  
PITTSBURGH, PA 15290  
JUN 14, 2024



17120

### \$30.45

R2305K133438-98

RDC 07

# FLAT RATE ENVELOPE

ONE RATE ■ ANY WEIGHT

To schedule free Package Pickup,  
scan the QR code.



USPS.COM/PICKUP

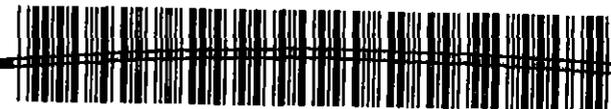


PS10001000006

EP13F July 2024  
OD: 12 1/2 x 9 1/2



### PRIORITY MAIL EXPRESS



EI 108 895 047 US

**CUSTOMER USE ONLY**

**FROM:** (PLEASE PRINT) **PHONE:** ~~724-815-1349~~

MICHAEL C. TURZO  
PEOPLES NATURAL GAS COMPANY LLC  
375 NORTH SHORE DRIVE  
PITTSBURGH, PA 15212

**DELIVERY OPTIONS (Customer Use Only)**

SIGNATURE REQUIRED Note: The mailer must check the "Signature Required" box if the mailer requires the addressee's signature; OR 2) Purchases additional insurance; OR 3) Purchases COD service; OR 4) Purchases Return Receipt service. If the box is not checked, the Postal Service will leave the item in the address mail receptacle or other secure location without attempting to obtain the addressee's signature on delivery.

**Delivery Options**

No Saturday Delivery (delivered next business day)

Sunday/Holiday Delivery Required (additional fee, where available)  
\*Refer to USPS.com® or local Post Office™ for availability.

**TO:** (PLEASE PRINT) **PHONE:** ~~717-772-777~~

ROSEMARY CHIAVETTA, SECRETAR  
PA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET  
HARRISBURG, PA  
17120

■ For pickup or USPS Tracking™, visit USPS.com or call 800-222-1811.  
■ \$100.00 Insurance Included.

**PEEL FROM THIS CORNER**

**PAYMENT BY ACCOUNT (if applicable)**

USPS® Corporate Acct. No. Federal Agency Acct. No. or Postal Service™ Acct. No.

**ORIGIN (POSTAL SERVICE USE ONLY)**

1-Day  2-Day  Military  DPO

PO ZIP Code Scheduled Delivery Date (MM/DD/YY) Postage



CMPC

717-705-1952

To: CHIAVETA, R. PUC

Agency: PUC

Floor:

External Carrier: EXPRESS



EI108895047US

RECEIVED  
JUN 17 2024 8:50 AM

JUN 17 2024

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

