

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

Public Meeting held December 5, 2024

Commissioners Present:

Stephen M. DeFrank, Chairman  
Kimberly Barrow, Vice Chair  
Kathryn L. Zerfuss  
John F. Coleman, Jr.  
Ralph V. Yanora

Pennsylvania Public Utility Commission,  
Bureau of Investigation and Enforcement

M-2024-3038111

v.

Columbia Gas of Pennsylvania, Inc.

**ERRATA NOTICE**

This is to advise all parties of record that the Opinion and Order entered on December 5, 2024, in the above-captioned proceeding, contains numerous spelling errors on pages 1-2, 4, and 6-9 of the Attachment – Appendix C.

On pages 1, 2, 4, and 6-9, the word “bum-through” appears in place of “burn-through.” This instance occurs on pages 1 and 2 at ¶ 1, page 4 at ¶¶ 8.B. and G., page 6 at ¶ 14, pages 7 and 8 at ¶ 17, and page 9 at ¶ 22.

On page 3 at ¶ 6, the word “described” appears in place of “describled.” Also, on page 3 at ¶ 8.A., “§ 162(£)” appears in place of “§ 162(f).”

On page 6 at ¶ 12, “selious” appears in place of “serious;” “propeliy” appears in place of “property;” and “telms” appears in place of “terms.”

On page 7 at ¶ 15, “m” appears in place of “in.” Also, on page 7 at ¶ 17, “colTecting” appears in place of “correcting.”

On page 8 at ¶ 19, “histoly” appears in place of “history.”

On page 9 at ¶ 21, “lisk” appears in place of “risk.” Also, on page 9 at ¶ 24, “C1mmission” appears in place of “Commission.”

The corrected pages of the Opinion and Order are attached to this notice. Please release the incorrect pages in your copy of the Opinion and Order.

The Opinion and Order on the PA PUC website will be corrected as indicated above. Please accept our apologies for any inconvenience this may have caused you.

Thank you.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, :  
Bureau of Investigation and Enforcement's :  
Investigation of Columbia Gas of : Docket No. M-2024-3038111  
Pennsylvania, Inc.'s welding burn-through :  
on a regulator station in Rochester, Beaver :  
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 Settlement Agreement submitted in the 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")(Columbia Gas and I&E referred to collectively as "the Parties") engaged in extensive exchange of information and negotiation and, as a result, I&E and the Company have agreed upon the terms embodied in the Settlement Agreement. Columbia Gas submits that the Settlement Agreement is in the public interest, as supported by the following factors:

**I. BACKGROUND**

1. As described in the Joint Petition for Approval of Settlement ("Settlement" or "Settlement Agreement"), this Settlement resolves an investigation by I&E relating to a welding burn-through that I&E's Pipeline Safety Division observed during an

October 14, 2021 inspection of Columbia Gas's Regulator Station #4539 located in Rochester, Beaver County, Pennsylvania and the in-service repair of that welding burn-through.

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.

## **II. PARTIES' POSITIONS**

4. The averments of I&E contained in the Settlement Agreement were formulated without the benefit of a hearing and certain averments are or may be disputed by Columbia Gas. As stated in Paragraph 26 of the Settlement, had this matter been fully litigated rather than resolved through this Settlement, Columbia Gas would have contended that it did not violate provisions of the Public Utility Code, Commission regulations, and/or Code of Federal Regulations.

5. 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 if this settlement is rejected by the Commission or otherwise properly withdrawn by either of the parties.

**III. SETTLEMENT AGREEMENT**

6. The parties to the Settlement Agreement have engaged in extensive and detailed discussions with respect to each of the matters described in Paragraphs 11 through 25 under the heading "Background" and the alleged violations in Paragraphs 25 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.

7. Columbia Gas has been cooperative and pro-active in addressing the concerns identified in the Settlement Agreement, including the alleged violations identified in Paragraph 25 of the Settlement Agreement.

8. Based upon the foregoing, under Paragraph 31 of the Settlement Agreement the parties have agreed to the entry of an Order directing as follows:

**A. Civil Penalty:**

Columbia Gas will pay a civil penalty in the amount of Nine Thousand Dollars (\$9,000.00) pursuant to 66 Pa.C.S. § 3301(c). Said payment will be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement. \*\*\*  
\*\*\* The civil penalty will not be tax deductible pursuant to Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f). Columbia Gas will not seek recovery of any portion of any agreed upon total civil penalty amount in any future ratemaking proceeding.

**B. Procedures Related to Welding Burn-Throughs and In-Service Repairs:**

Columbia Gas shall develop procedures and directions to either cut out and/or repair welds with a burn-through on in-service pipelines and review the procedure with all employee and contract welders welding on Columbia Gas facilities.

**C. Procedures Related to Revocation of Welder Qualifications:**

Columbia Gas shall amend its Welding Manual, to reference the Columbia Operator Qualification Plan Section E: Reasonable Cause to Verify Qualification, and "Review of Individuals (Field Failures)" as they pertain to welder performance. Columbia Gas will also ensure that employees and contractors are knowledgeable about this procedure.

**D. Retraining, Requalification, and Inspection of Welds:**

The welder who performed the burn-through weld at Regulator Station #4539 has been retrained and requalified by Columbia Gas. Within 30 days of the issuance of a final order approving this settlement, Columbia Gas will provide I&E Pipeline Safety a list of all LP project jobs on which this welder completed welds, from which I&E Pipeline Safety will select a sample size and location where Columbia Gas will conduct visual, and if necessary, a non-destructive review of the welds.

**E. Advisory Bulletin and Tailgate Updates:**

Columbia Gas will issue an advisory bulletin and host tailgate updates to all appropriate company and contractor personnel regarding burn-through and in-service welding.

**F. Quality Assurance/Quality Control Practice:**

Columbia Gas will review and amend, as needed, its existing Quality Assurance/Quality Control practice for welds completed by second party contractors. The results of Columbia Gas's review will be made available to I&E Pipeline Safety.

**G. Causal Analysis for Welding Issues:**

Columbia Gas will conduct a causal analysis when a pipeline burn-through occurs on an in-service pipeline. Columbia Gas will also conduct a causal analysis for other weld related issues, as appropriate.

12. 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).

13. 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).

14. Regarding 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 Background or Alleged Violations sections of the Settlement Agreement that Columbia Gas engaged in willful fraud or misrepresentation. Notwithstanding, Columbia Gas recognizes and acknowledges that the provision of natural gas service to the public is, by its nature, a serious matter and that a leaking gas facility associated with a welding burn-through can result in property damage, personal injury and/or loss of life. The terms of the

Settlement Agreement adequately take Columbia Gas's alleged conduct into account, while also taking the Company's response to the incident into consideration.

15. Regarding 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 Gas refers to Paragraph 15 of the Settlement, wherein the parties state that "While the welding burn-through and in-service repair remained in service, there were no explosions, property damage, or injuries." Columbia Gas submits that the terms of the Settlement Agreement, including the proposed civil penalty, appropriately reflect the consequences attributable to the alleged conduct at issue. The corrective actions the Company has agreed to implement are designed to minimize the likelihood that a similar incident will occur in the future.

16. 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.

17. Under the fourth standard in the Policy Statement, the Commission will consider modifications that may include activities such as training and improving company techniques and supervision, as well as the time it took to correct the conduct, and the involvement of top-level management in correcting the conduct. All of these considerations weigh in favor of approval of approving the Settlement in this matter. The Settlement Agreement describes Columbia Gas's commitments regarding: modifications to procedures related to welding burn-throughs and in-service repairs; amendments to the Company's welding manual; retraining and requalification of the welder at issue that Columbia proactively undertook; inspection of a sample of the welder's completed welds (sample size to be selected by I&E); issuance of an advisory bulletin and hosting tailgate updates to employees and contractors; review of the Company's quality assurance/quality control practices, and sharing the results with I&E; causal

analyses for future welding burn-throughs or other weld related issues, and; review and amendment, as needed, of Columbia Gas's in-service welding procedures and related welder training. These measures have been reviewed and approved by the Company's senior management.

18. Regarding the fifth standard in the Policy Statement, no customers were affected by the alleged conduct at issue. Columbia acknowledges that the burn-through and in-service repair of the weld at issue remained in service for approximately four months, and submits that the terms of the Settlement appropriately reflect that duration.

19. Regarding the sixth standard in the Policy Statement, in the past twelve years the Commission has assessed civil penalties ranging from \$50,000 to \$990,000 pursuant to settlements between Columbia Gas and I&E related to allegations of gas safety violations. *See* Docket Nos. M-2014-2306067; M-2016-2378672; M-2021-3005572; and M-2022-3012079.

The alleged conduct in the case that is the subject of the current Settlement Agreement is different than the conduct at issue in those prior matters, and there is no prior history of the Company's safety violations regarding welding in general, or welding burn-throughs and in-service repairs specifically. The civil penalty that Columbia Gas and I&E have agreed upon in the instant matter reflects that history.

20. Regarding the seventh standard in the Policy Statement, Columbia Gas maintains that the Company cooperated with I&E in its investigation. Columbia Gas provided timely responses to data requests submitted to the Company by I&E during the course of its investigation.

21. Regarding the eighth standard in the Policy Statement, Columbia Gas submits that the proposed civil penalty of \$9,000 will adequately serve to deter future violations, especially in light of the non-monetary remedial measures under the Settlement Agreement that are meant to mitigate the risk of future occurrences like the incident that is the subject of this proceeding. As noted above, there is no history of Columbia Gas safety violations regarding welding issues.

22. Regarding the ninth standard in the Policy Statement, as discussed in Paragraph 19, above, the alleged conduct in the case that is the subject of the current Settlement Agreement is different than the conduct at issue in those prior matters. Columbia Gas is unaware of past Commission decisions that address welding burn-throughs and or in-service weld repairs.

23. Regarding the tenth standard in the Policy Statement, Columbia Gas submits that 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 through remedial measures that will promote gas safety and reliability in Columbia Gas's service territory that will benefit the public.

24. 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. Columbia Gas submits that the Settlement Agreement is in the public interest because it recognizes the gravity of the alleged incident, while effectively addressing and resolving the issues raised by the ensuing investigation, and avoids the time and expense of litigation, which would entail hearings, filings of briefs, exceptions, reply exceptions, and possible appeals.