

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement	:	
	:	
v.	:	C-2024-3050319
	:	
Peoples Natural Gas Company, LLC	:	

RECOMMENDED DECISION

Before
Jeffrey A. Watson
Administrative Law Judge

INTRODUCTION

This Initial Decision addresses a gas explosion resulting in: (1) a fatality; (2) four injuries; (3) the destruction of one residence; and (4) damage to two other residences. The Bureau of Investigation and Enforcement (I&E) filed a Formal Complaint alleging numerous violations of the Public Utility Code and the Code of Federal Regulations in connection with the gas explosion. Peoples Natural Gas Company LLC (Peoples, Respondent, Company) did not file an Answer to the Formal Complaint. I&E and Peoples filed a Joint Petition for Settlement.

After an exhaustive and careful review of the record, this decision recommends that the Commission deny approval of the Joint Petition for Settlement because there is not substantial evidence to support the conclusion that the Settlement is in the public interest.

HISTORY OF THE PROCEEDING

On July 26, 2021, a natural gas explosion occurred at a residence in the Borough of Tyrone, Pennsylvania, resulting in the death of one person, four injuries, the complete destruction of one residence and significant damage to two other residences. On July 26, 2024, the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement, filed a Formal Complaint with the Commission against Peoples Natural Gas Company LLC, alleging numerous violations of the Public Utility Code, and other Commission and federal regulations. As relief, I&E requested that the Commission: (1) find Peoples to be in violation of the Public Utility Code, Commission regulations, and/or Code of Federal Regulations for each of the twenty-two (22) counts set forth in I&E's Complaint; (2) impose a cumulative civil penalty upon Peoples in the amount of Eight Hundred Thousand Dollars (\$800,000.00); (3) direct Peoples to perform each of the corrective actions detailed in the Complaint; and (4) order such other remedies as the Commission may deem appropriate.

On August 7, 2024, Peoples filed a letter request directed to the Commission Secretary requesting an extension of time to file an answer to the Formal Complaint, which was granted by Secretarial Letter issued on August 8, 2024.

On September 11, 2024, Peoples filed a second letter request directed to the Commission Secretary requesting an extension of time to file an answer to the Formal Complaint, which was granted by Secretarial Letter issued on September 12, 2024.

On October 11, 2024, Peoples filed a third letter request directed to the Commission Secretary requesting an extension of time to file an answer to the Formal Complaint, which was granted by Secretarial Letter issued on October 15, 2024. The October 15, 2024 Secretarial Letter extended the filing deadline to October 18, 2024.

To date, no answer has been filed by Peoples to the Formal Complaint in this proceeding and no Certificate of Satisfaction was filed by I&E.

On October 18, 2024, Peoples filed a letter with the Commission Secretary requesting an extension of time to file a Joint Petition for Settlement, advising that the Parties had reached a settlement in principle on all issues in this proceeding and this case was assigned to the undersigned presiding officer.

On January 17, 2025, the Parties filed a Joint Petition For Approval Of Settlement (Joint Petition, Settlement Petition or Settlement). Attached to the Joint Petition were Joint Proposed Conclusions of Law, marked as Appendix A; I&E's Statement in Support of the Joint Petition For Approval of Settlement, marked as Appendix B; and Peoples Statement In Support Of Settlement, marked as Appendix C.

Following the assignment to the undersigned administrative law judge, on March 28, 2025, an Interim Order was entered noting that while a Formal Complaint was filed by I&E seeking various remedies, including a civil penalty to be assessed against Peoples: (1) no answer or responsive pleading was filed by Peoples to the Formal Complaint; (2) no evidentiary hearing was held before any tribunal; (3) there was no sworn testimony taken in any proceeding related to this incident; and (4) there was no stipulation of facts in this proceeding. Thus, there was no evidentiary record to properly consider or support the proposed Settlement. Accordingly, the Interim Order provided the Parties with an opportunity to file any appropriate and timely pleadings, file a proposed stipulation of fact to be entered into the evidentiary record, file a modified settlement with proposed stipulated facts or to otherwise address the issues raised, including the appropriateness and factual basis to consider a civil penalty and any other relief proposed in the Settlement. The Order also provided that, in the event that no additional filings are made by the Parties within 60 days of the date of the Order, on or

before June 15, 2025, a status report would be provided to the undersigned presiding officer.

Subsequently, the undersigned presiding officer was advised by counsel for I&E that the March 28, 2025 Order, which was filed with the Commission Secretary, was not served upon the Parties.

On September 3, 2025, a further Interim Order was entered extending the deadlines set forth in the March 28, 2025 Interim Order and permitting the Parties to file any appropriate and timely pleadings, proposed stipulation of fact to be entered into the evidentiary record, or to file a modified settlement with proposed stipulated facts or to otherwise address the issues raised in this proceeding, on or before September 30, 2025. On September 30, 2025, I&E and Peoples filed a Joint Stipulation of Facts in Support of Settlement.

On October 17, 2025, an Interim Order was entered approving the Joint Stipulation of the Bureau of Investigation and Enforcement of the Public Utility Commission and Peoples Natural Gas Company LLC, filed by the Parties on September 30, 2025, and admitting the stipulation into the evidentiary record to support the Joint Petition For Approval of Settlement in this proceeding. In addition, the evidentiary record was closed.

On October 27, 2025, an Interim Order was entered rejecting the settlement, reopening the record and requiring the Parties to file a status report addressing the issues raised in the order and the dates on which the Parties were available to conduct an evidentiary hearing in March of 2026. No status report was filed by the Parties.

Instead, on December 5, 2025, Peoples and I&E filed a Joint Petition for Interlocutory Review (Petition). On December 12, 2025, I&E filed an amended brief in

support of the Petition. On December 15, 2025, Peoples filed a brief in support of the Petition. On December 18, 2025, the Commission entered an Opinion and Order, which answered the following Material Questions in the negative:

- (a) In a Joint Settlement, is a Party required to admit violations in order for the settlement to be approved?
- (b) Should the ALJ have rejected the Settlement and ordered an evidentiary hearing without issuing a Recommended Decision?¹

In addition, the Commission declined to answer the following Material Question:

- (a) Did the Parties provide sufficient evidence to demonstrate that the settlement is in the public interest?

The Commission further ordered that this matter shall be returned to the Office of Administrative Law Judge for the issuance of a Recommended Decision pertaining to the Joint Petition for Approval of Settlement filed by I&E and Peoples as expeditiously as possible. For the reasons set forth below, this decision recommends that

¹ In its Opinion and Order, the Commission concluded that 52 Pa. Code § 5.232(d), provides, in part, that when presiding officers make any ruling on settlement petitions they must do so in the form of initial or recommended decisions. However, Section 5.232(d), 52 Pa. Code § 5.232(d), provides in full as follows:

(d) Review of settlement by the presiding officer. The settlement petition will be reviewed by the presiding officer, if one has been assigned. If the presiding officer rules on the petition, the ruling will be made in the form of an initial or recommended decision, subject to § 5.537 (relating to rate case settlements), if approved, *or in the form of an order, if disapproved*. The presiding officer will determine if the settlement is in the public interest.

52 Pa. Code § 5.232(d) (emphasis added).

the Commission reject the proposed settlement because the Parties' agreement is not supported by sufficient evidence to conclude that it is in the public interest.

FINDINGS OF FACT

The Parties stipulated to the following facts:

A. Overview of Peoples

1. Peoples is a "public utility" as that term is defined at 66 Pa.C.S. § 102,² as it is engaged in providing public utility service as a natural gas distribution company ("NGDC") to the public for compensation. Peoples, 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.

2. At the end of 2021, Peoples maintained a distribution system of approximately 13,054.2 miles of gas mains and 695,039 service lines³ in Pennsylvania.

² "Public utility" is defined 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.

66 Pa.C.S. § 102.

³ Note that in 2021, Peoples was comprised of both Peoples Natural Gas Company LLC and Peoples Gas Company LLC. The totals for the end of 2021 reflect the combined total miles and services for both divisions. The companies were merged in 2023 and are now one legal entity.

B. The Distribution System

3. Peoples provides natural gas service to the Borough of Tyrone, Pennsylvania.

4. Peoples owns and operates a 6-inch plastic gas main installed along Pennsylvania Avenue, Tyrone, Pennsylvania. This gas main was installed in 1976 and operated at approximately seven ounces (twelve inches water column), with a maximum allowable operating pressure of 1 psig.

C. The Incident

a. Background

5. The Borough of Tyrone contracted with Glenn Johnston, Inc. (“GJI”) for the rebuilding and replacement of its aging water system infrastructure.

6. As part of the contract, GJI was to install new water mains and service connectors on Pennsylvania Avenue, between 10th and 16th Streets.

b. Date of the Incident

7. On July 26, 2021, GJI engaged in excavation activities in the 1300 block of Pennsylvania Avenue.

8. On July 26, 2021, GJI utilized a Roddie Pit Shot horizontal directional drill⁴ to bore a hole for a new water line.

9. During its excavation activities, GJI's employees operating the Roddie Pit Shot horizontal directional drill struck and bored through Peoples' 6-inch main, creating a 2-inch hole entering the bottom half of the plastic main at approximately the seven to eight o'clock position and exiting at the four to five o'clock position.

10. On July 26, 2021 at 11:52 a.m., a foreman for GJI contacted Peoples Call Center to report an outside odor of gas. Peoples Call Center is responsible for receiving, identifying, and classifying all in bound calls, including emergencies, between 7:00 am and 5:00 pm.

11. During the call to Peoples Call Center, the GJI foreman reported the address of 1306 Pennsylvania Avenue, but did not indicate that he worked for GJI, that excavation and/or drilling activities were taking place, that anyone could have damaged Peoples' natural gas facilities or that his crew possibly struck a gas line. The GJI foreman only identified himself as a contractor who smelled gas outside beside an existing service near the shut off that goes to the house. The GJI foreman also did not indicate that he was, in fact, part of a GJI crew that was drilling a bore hole for a water line to an open lot adjacent to 1306 Pennsylvania Avenue (not a bore hole to the reported address). The Peoples Call Center representative read the caller the precautions pursuant to Peoples' policies and procedures.

⁴ A horizontal direction drill is a type of boring tool that creates a narrow hole in which small diameter pipes can be installed and is a basic form of trenchless technology using a pneumatic devise to push rods through the subsurface to create an underground path for the new installation.

12. The Peoples Call Center employee who spoke to the GJI foreman was not required by Peoples' procedures or any other law to ask if the caller/contractor could have damaged or struck a gas pipeline.

13. Peoples Call Center issued an emergency service order at 12:04 p.m. and contacted Peoples Operations Center, alerting the Operations Center to the emergency service order. The Operations Center is responsible for receiving, identifying, classifying, and dispatching employees for emergencies.

14. At 12:05 p.m., Peoples dispatched a field customer serviceman ("FCS") for an outside odor of gas to 1306 Pennsylvania Avenue.

15. Peoples FCS arrived at the scene at approximately 12:28 p.m.

16. Shortly after arrival, Peoples FCS called his supervisor ("Supervisor") to request the assistance of a Peoples' operations and maintenance crew ("O&M"). Subsequently, a Peoples' O&M crew was dispatched to the site.

17. At 12:50 p.m., Peoples FCS placed another phone call to his Supervisor to report a serious incident involving suspected bore or missile damage to the Peoples' gas main line. Neither at this point nor at a later point in the FCS's interaction with GJI did GJI inform Peoples of any suspected bore or missile damage to the Peoples' gas line.

18. In sworn deposition testimony in other proceedings, Peoples FCS testified that, prior to the explosion, he informed the residents of 1306 Pennsylvania Avenue twice that they needed to evacuate the building.

19. Also sometime before the explosion, Peoples FCS entered the residence through the basement to determine if gas was present inside the structure.

20. At approximately 1:08 p.m., a natural gas explosion occurred at the residence located at 1306 Pennsylvania Avenue.

21. Prior to the explosion, because the Peoples FCS was unable to complete his investigation and Peoples O&M crew had not yet arrived on scene, Peoples was unable to shut off gas service to the area or the service lines to the residences in the immediate vicinity.

22. At the time of explosion, Peoples FCS was in the basement of 1306 Pennsylvania Avenue and sustained injuries.

23. At approximately 1:08 p.m., the explosion was reported to local emergency services.

24. The explosion resulted in one fatality, four injuries, complete destruction of one residence (1306 Pennsylvania Avenue), severe damage to a second residence (1308 Pennsylvania Avenue), and fire damage to a third residence (1310 Pennsylvania Avenue).

25. Peoples FCS was one of the injured and was transported to a nearby hospital for medical attention.

26. After the explosion, a four-block area around the incident site was evacuated.

27. Peoples' O&M crew arrived shortly after the explosion.

28. At approximately 3:18 p.m., Peoples squeezed off the main line low-pressure pipe near the intersection of 13th Street and Pennsylvania Avenue and at the intersection of Cottage Street and Pennsylvania Avenue.

29. Due to the intensity of the fire at 1306 and 1308 Pennsylvania Avenue, Peoples' crew could not turn off the curb valves for the service lines at 1306, 1308, or 1310 Pennsylvania Avenue following the explosion. Gas was shut off successfully at approximately 3:18 p.m.

30. At some time after the explosion, electric services were turned off in a four-block radius around the incident site.

31. Peoples brought in additional personnel to conduct walking and mobile leak surveys following the explosion.

32. At approximately 6:30 p.m. on the date of the incident, a representative of Peoples informed the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement, Pipeline Safety Inspectors ("Pipeline Safety") who were on scene of Peoples' plan to excavate and repair suspected boring damage to 6-inch plastic main line near 1306 Pennsylvania Avenue.

33. Shortly after 8:00 p.m., Peoples excavated and exposed the damaged 6-inch main. A 2-inch hole was discovered entering the bottom half of the plastic main at approximately the seven to eight o'clock position and exiting at the four to five o'clock position.

34. Shortly after 10:00 p.m., Peoples completed the installation of a pretested pipe section and fittings to repair the damaged 6-inch main.

c. Days following Incident

35. By end of day on July 27, 2021, electric service had been restored to the area, except for the three residences damaged in the explosion and fire.

36. By end of day on July 29, 2021, gas service was restored to the area, with the exception of one customer, two customers that declined to have their gas turned back on, and the three residences damaged in the explosion and fire.

SETTLEMENT TERMS

In their Joint Petition for Approval of Settlement, I&E and Peoples agreed to the following Settlement terms, repeated below verbatim:

36. I&E and People, intending to be legally bound and for consideration given, desire to fully and finally conclude this litigation and agree that a Commission Order approving the Settlement without modification will create the following rights and obligations:

A. Civil Penalty:

Peoples will pay a civil penalty in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000.00) 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 and will be made by certified check or money order payable to the “Commonwealth of Pennsylvania.” The docket number of this

proceeding, C-2024-3050319, will be indicated with the certified check or money order and the payment will be sent to:

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

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). Peoples will not seek recovery of any portion of any agreed upon total civil penalty amount in any future ratemaking proceeding.

B. Donation for the Purchase of Methane Detectors:

In addition to the civil penalty described above, Peoples will make a donation in the amount of Fifty Thousand Dollars (\$50,000.00) to Tyrone, PA, area fire departments for the purchase and distribution of methane detectors to local businesses and residents. Said donation will be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement. Peoples will not seek recovery of any portion of any agreed upon total donation amount in any future ratemaking proceeding.

C. Recovery of Costs to Implement:

Peoples and I&E agree that any Settlement Agreement will not prohibit Peoples from seeking recovery of the costs it has incurred or may incur to implement the remedial actions identified in this Settlement.

D. Call Center Procedures and Responses:

Peoples will add language to its Call Center training materials and procedures that requires Call Center employees to ask the caller if they potentially damaged a Peoples facility when the caller indicates that they are a contractor. If the contractor's answer is yes or unknown, the Peoples' Call Center employee shall instruct the caller to contact 911. Further, Peoples will add language to its Operations Center training materials and procedures that after dispatching the emergency Order for a potential pipeline damage, Peoples' Operations Center employees are required to call 911 to confirm that they were notified of potential pipeline damage and advise 911 that the Company is responding to a broken line.

E. Responding to Outdoor Leak Emergencies:

When responding to an outdoor leak emergency, if an on-site Peoples representative discovers suspected damage to its facilities during the course of the on-site investigation, the Peoples representative will notify its Operations Center to contact 911, as soon as safely and reasonably possible.

F. Complete Documentation:

Peoples will complete documentation (electronic or otherwise) of the initial site visit based on the best information available at that time and within a reasonable time after Peoples has deemed the situation safe.

G. Drug and Alcohol Testing:

Pursuant to the requirements in 49 CFR Part 199, if Peoples has an employee onsite at the time of a PHMSA reportable incident, Peoples will (a) test each surviving covered employee whose performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the incident; or (b) to document its decision not to test a covered employee.

H. Review of Leak Investigation Procedures:

Peoples will review its standard operating procedures, job procedures, and trainings related to leak investigations to ensure consistency across all Peoples documentation. Thereafter, the Company agrees to reconcile any inconsistencies across its procedures and trainings within twelve (12) months following the date of a Final Commission Order in this proceeding.

I. Retaining a Third-Party for Development of Trainings:

Peoples will retain a third-party consultant to compile all procedures and trainings related to emergency responses and develop trainings that are consistent with each other and the emergency response procedures in place. Peoples will engage the third-party consultant within three (3) months of a Final Commission Order in this proceeding.

J. Update Procedures Related to Evacuating and Contacting 911:

Peoples will update its procedures and trainings to provide detailed directions and indicate under what circumstances evacuating and contacting 911 emergency services is a necessary safety measure. The Company will initiate training related to these updated procedures within six (6) months of the updates.

K. Training on Updated Emergency Response Procedures:

Peoples will provide training for any updated processes or procedures related to emergency response within six (6) months of the effective date of any changes to said processes and procedures.

L. Submission of Incident Reports Pursuant to 49 CFR § 191.9:

Peoples will gather all required data for submission of a complete incident report electronically, as required under 49 CFR § 191.9. Peoples will use “best available” information at the time of submission to complete the electronic incident reports. As more information becomes available, Peoples agrees to file supplemental updates to the incident reports.

M. Collaboration with Electric Distribution Companies:

Peoples agrees to document when a request is made to the involved electric distribution company (“EDC”) to shut off power to impacted premises. Peoples agrees to document when it determines and communicates to the EDC that it is safe to restore power to those premises. Peoples will actively engage with EDCs, in its service areas, to promote collaboration in responding to natural gas incidents.

N. Emergency Simulations:

Peoples will conduct emergency simulations for its Operation Center employees and for its Customer Contact Center employees on an ongoing basis, consistent with its procedures. The first emergency simulation, involving Operations Center employees and Customer Contact Center employees, will occur within six (6) months of a Final Commission Order in this proceeding.

O. Evaluation of Emergency Simulations and Trainings:

Peoples will enhance its annual Emergency Simulation training to evaluate the effectiveness of the simulations. The evaluation will be a combination of a quality assurance (“QA”) analysis of the presentation and engagement of the exercise by the Compliance department, and a proficiency review of the field employees participating in the training. The QA analysis will evaluate the level of interactive participation by the employees and grade their ability to identify the appropriate procedures and actions necessary to respond to the emergency. Following the exercise, the employees will be tested to evaluate proficiency of their specific functional areas (i.e., FCS, O&M, GM&R, Leak Survey, etc.) related to the simulation. Peoples will invite Pipeline Safety to observe trainings and simulations. After observing a training or simulation, Pipeline Safety personnel will be afforded the opportunity to provide comment, suggestions, or feedback for improvement to trainings and simulations to Peoples. With the intention of improving its emergency response training, Peoples will give due consideration to any comments, suggestions, or feedback received from Pipeline Safety.

P. Monitored Excavation Inspections:

Peoples will perform periodic Monitored Excavation Inspections of the trenchless excavations it has direct notice or observation of, based on a risk based approach in connection with a PA One Call ticket(s). During a Monitored Excavation Inspection of a PA One Call ticket that involves trenchless technology, Peoples agrees to verify that the contractor has employed prudent techniques to verify the location of the gas facilities potentially impacted. If the contractor fails to follow the requirement to employ prudent techniques, Peoples will take the following actions:

- Communicate with the contractor the One Call requirements to verify the position of the gas facilities during trenchless excavations;
- Submit an AVR to the Damage Prevention Council of notice of failure by the contractor to verify the position of the gas facilities during trenchless excavation;

- Document the conversation with the contractor and the 19 submission of an AVR; and
- Generate a follow-up work order to revisit the project to verify the contractor adheres to the PA One-Call Law requirements for additional trenchless activity.

When attending a Complex Project pre-construction meeting, Peoples will question the project owner as to whether excavation includes trenchless technology to identify and flag the ticket as "trenchless." 7

Q. Implementation of Incident Command System (“ICS”) Training:

Peoples will implement Incident Command System (“ICS”) Training for certain necessary job functions related to emergency response within six (6) months of a Final Commission Order in this proceeding.

See Joint Petition at 15-19.

DISCUSSION

The Commission’s evaluation of whether to approve a settlement is not based on a “burden of proof” standard, as is utilized for contested matters. The Commission reviews proposed settlements to determine whether the terms are in the public interest.⁵ By definition, a “settlement” reflects a compromise of the positions that the parties of interest have held, which arguably fosters and promotes the public interest.

This is a case where a member of the public lost his life and the gas explosion caused significant residential property damage. In reviewing the settlement, the Commission must ensure that an appropriate investigation was conducted and determine

⁵ *Pub. Util. Comm’n v. Golden Triangle Constr., Co., Inc.*, Docket No. C-2020-3022293 (Opinion and Order entered Aug. 25, 2022); *Pa. Pub. Util. Comm’n v. C.S. Water and Sewer Assocs.*, 74 Pa.P.U.C. 767 (1991).

what happened to cost an individual his life and to destroy the property of other members of the community, so hopefully this horrible tragedy will not be repeated.⁶

On July 26, 2021, the stipulation of facts by I&E and Peoples suggests that GJI, a contractor for the municipality that was rebuilding its water system infrastructure, struck and bored through Peoples' 6-inch main, creating a 2-inch hole entering the bottom half of the plastic main. A report of a gas odor where the contractor was working was made to Peoples at 11:52 a.m. At 1:08 p.m. an explosion occurred killing a resident, injuring four people, completely destroying one residence, severely damaging a second residence, and resulting in fire damage to a third residence.

I&E, which is charged with investigating gas safety issues for the public, filed a verified complaint alleging, in part, that Peoples, through its acts and omissions, failed to furnish and maintain adequate, efficient, safe and reasonable service and facilities for the accommodation and safety of the public, thereby placing the safety of its customers, employees and the public in danger. I&E requested that the Commission impose a cumulative civil penalty upon Peoples in the amount of \$800,000.00, and to direct Peoples to perform each of the corrective actions detailed in its Complaint.

Peoples, although required by Commission regulations to file a verified response to the Formal Complaint, and after extensions to file an Answer, has never filed a verified Answer or pleading to answer the allegations.⁷

As set forth in more detail below, this Settlement does not meet the public interest standard. The terms set forth in the Statements in Support of Settlement filed by Peoples and I&E contradict each other, even though the Parties stipulated to the facts

⁶ 66 Pa.C.S. § 501.

⁷ 52 Pa. Code § 5.61.

without any evidence being presented to the Commission or the conduct of an evidentiary hearing where important questions and issues could have been addressed and possibly answered. The settlement terms are nothing more than a promise by Peoples to comply with the law. Further, there is not sufficient evidence to apply the *Rosi* factors and conclude that the civil penalty set forth in the Settlement is in the public interest.

In its Statement in Support of Settlement, I&E asserts that Peoples's conduct includes the following: (1) failed to take necessary actions to minimize the hazards of released gas; (2) failed to use every reasonable effort to protect public from danger; (3) failed to train its Call Center and Operations Center employees on its Emergency Response Plan; (4) failed to submit the Department of Transportation Form RSPA F 7100.1; (5) failed to conduct a post-incident review to ensure that its emergency response procedures were followed and were adequate; (6) failed to have a root cause analysis developed; (7) failed to conduct post-accident drug and alcohol testing of its employee or document the decision not to administer the test; and (8) the aforementioned failures created an unsafe and hazardous condition. Although I&E notes that it has not alleged that Peoples was the direct or proximate cause of the excavation damage or gas leak, I&E asserts the actions and inactions of Peoples described above constitute conduct that placed the public safety at risk.

In contrast, Peoples, in its Statement in Support of Settlement, asserts the natural gas incident was not caused by any action of Peoples. Peoples further submits the Complaint filed by I&E asserts deficiencies in Peoples' personnel training, call center and response practices, record keeping, and monitoring of third-party excavations. However, according to Peoples, none of I&E's asserted deficiencies played any factor in the incident.

The Parties' positions contradict one another. Yet the Parties propose stipulated facts and a Settlement that fails to address the nature and extent of the investigation conducted or to justify the settlement terms proposed. In order to approve a settlement, the settlement must be supported by substantial evidence. In addition, it has

been long established that, in determining the acceptability of a settlement, the proposed terms and conditions must be in the public interest. Based on the existing record, the Commission cannot conclude that the settlement terms will in fact protect the public and include commitments beyond compliance with Peoples' existing legal obligations.

Here, we know a report of a gas odor where the contractor was working was made to Peoples at 11:52 a.m. At 1:08 p.m. an explosion occurred killing a resident, injuring four people, and causing extensive property damage. In its Statement in Support, I&E details the deficiencies in Peoples' conduct in responding to the 11:52 a.m. phone call and Peoples' failure to comply with procedures after the incident.

For example, I&E asserts that Peoples failed to conduct post-accident drug and alcohol testing of Peoples Customer Serviceman after the incident and that Peoples failed to document, in its records, the decision not to conduct a drug and alcohol test of Peoples Customer Serviceman. I&E also asserts Peoples failed to properly record monthly inspections of its fire extinguishers after having been previously alerted to this issue by Pipeline Safety; and that Peoples 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. Obviously, these are very serious allegations raised in a verified pleading, averred under the penalty of perjury, by I&E.

Peoples, in their unverified Statement in Support of Settlement, simply concludes that the fatal incident was not caused by any action of Peoples, and that none of the allegations by I&E played any factor in the incident. Although one man is dead and several properties were damaged or destroyed, the Parties failed to provide any information or evidence to explain the nature and extent of the investigation conducted by the Parties

and further support that the proposed Settlement is in the public interest. It is hard to imagine an issue that would create more concern and fear to the public, yet the presiding officer was asked to approve the Settlement, first without any stipulation of facts or evidence and subsequently without any explanation regarding the nature and extent of the investigation of a gas explosion that resulted in the death of a member of the Tyrone community.

Furthermore, I&E raised serious issues concerning the failure of Peoples to conduct post-accident drug and alcohol testing of Peoples Customer Serviceman, who was dispatched at 12:05 p.m. and was unable to shut off the gas service to any of the structures or successfully cause his supervisor or O&M crew to respond to the site for over an hour from the time of dispatch, to the time of the explosion at 1:08 p.m. I&E further averred, in its verified Formal Complaint that, after the incident, Peoples failed to document, in its records, the decision not to conduct a drug and alcohol test of Peoples Customer Serviceman. Yet again, Peoples failed to file a verified answer to respond to the allegations by I&E and the Parties failed to provide any explanation regarding the nature and extent of their investigation of these very serious allegations and any substantive results of an investigation, if conducted. But the presiding officer, and the Commission, are asked to approve such a Settlement, which presents numerous unanswered allegations and no credible evidence to ensure the public that Peoples' obligation to provide reasonable and safe service is being met.

Instead, in the Statements in Support of Settlement, the Parties provide inconsistent positions, with I&E asserting that, based upon the enumerated acts and omissions by Peoples, such failures created an unsafe and hazardous condition. Peoples, in its Statement in Support of Settlement, concluded that none of the allegations alleged by I&E played any factor in the fatal incident and that the Settlement documents and stipulation of facts fail to acknowledge a single act or failure to act by Peoples that caused

or contributed in any way to the unsafe conditions and devastating explosion alleged by I&E.

In sum, the nature and extent of the investigation by the Parties as to the cause of this tragedy, which would permit the Commission to ascertain that the causes of the damages can be addressed and never repeated, is not disclosed by the Parties. Had an evidentiary hearing been conducted, a record of the investigation, evidence and sworn facts would have been made and recorded for the benefit of the public. Here, the public is not even provided a summary of the investigation conducted or the facts and results that were revealed by the investigation, in the Settlement documents.

Peoples takes the position that *none* of the acts or omissions by Peoples played *any* factor in the incident, but does not address its alleged failure to follow regulatory procedures. I&E argues that the actions and omissions by Peoples, as described in I&E's Statement in Support, including failing to protect the public from danger, failing to properly train its staff, failing to properly and timely investigate and/or report its investigation, failing to test Company personnel involved for drugs and alcohol and to report the failure to conduct testing, placed the public safety at risk.

In its Statement in Support of Settlement, Peoples asserts the fatal incident was not caused by any action of Peoples, but was caused by the actions of GJI, who Peoples alleges failed to exercise due care or employ prudent techniques within the tolerance zone of Peoples marked facilities. Upon the arrival of Peoples' customer serviceman, Peoples argues GJI failed to inform Peoples that GJI struck the line or that GJI undertook various self-help measures that hindered Peoples emergency response efforts, including inserting rags in the receiving pit bore hole. Peoples claims GJI then left the scene, leaving Peoples' serviceman to investigate what he thought was only an outside odor.

As explained above, any settlement approved by the Commission must be supported by substantial evidence. Evidence must be credible and reliable. It does not appear that the Parties engaged in any meaningful investigation. The stipulated facts relating to GJI's role in the 2021 explosion are at best hearsay. Indeed, Stipulated Fact No. 18 is based upon Peoples' FCS "sworn deposition testimony," but the Parties also represent that "no sworn testimony has been taken in any proceeding."⁸ Further, there are significant gaps in the timeline set forth in the Stipulated Facts, including what occurred from 12:28 p.m. when Peoples FCS arrived at the scene to when the explosion occurred at 1:08 p.m., including what time the O&M crew arrived, after Peoples FCS called his supervisor to request assistance. The Parties do not indicate what information was communicated by or to the FCS, the purpose of the call, any details regarding the request for assistance, the response provided to the FCS, or the extent or results of any investigation or interview with the FCS and the Supervisor, if any. The Parties do not indicate the time the O&M crew was contacted by the Supervisor or other Company representative, the time the O&M crew was dispatched, the reason for any delay, what information was communicated by or to the Supervisor or O&M crew, any details regarding the dispatch of the O&M crew, or the extent or results of any investigation or interview with the FCS, Supervisor, and O&M crew members, if any. The Parties do not indicate where the Supervisor or O&M crew were at the time of the explosion, why they had not yet arrived at the site, the reason for any delay, why the time the dispatch and arrival of the O&M crew is not known or disclosed, any details regarding the dispatch of the O&M crew, the time and location when and where the Supervisor and O&M crew members reported to work that date, initiated and ended their breaks and lunch breaks and the extent or results of any investigation or interview with the FCS, Supervisor, and O&M crew members.

In short, the facts included in Stipulation of Facts are not substantial evidence for the Commission to conclude that the remediation measures agreed to in the Settlement

⁸ Joint Petition ¶ 33.

are responsive to I&E's view that Peoples' procedures and conduct fell short. Further, in large part, the remedial measures in the Settlement are nothing more than Peoples' promise to comply with the law. Avoiding litigation where there is a death and significant property damage does not, by itself, serve the public interest.

Civil Penalty

In consideration of Peoples's payment of a civil penalty and the remedial measures agreed upon by the Parties, I&E explains it has agreed to release Peoples from all past claims that were or could have been made for monetary and/or other relief based on allegations associated with the explosion at 1306 Pennsylvania Avenue, Tyrone, Pennsylvania, on July 26, 2021. The Parties do not disclose whether any additional terms or provisions of any agreement or release have been entered into between the Parties or terms that I&E has agreed to abide by.

The Commission's Policy Statement sets forth the 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.⁹ Unfortunately, there is simply not sufficient evidence to properly and adequately assess the facts and circumstances presented in this proceeding in order to properly conclude whether the proposed civil penalty is in the public interest.

In its Statement in Support of Settlement, I&E explains the first factor considers whether the conduct at issue was of a serious nature, which may warrant a higher civil penalty while conduct that is less egregious warrants a lower amount.¹⁰ According to

⁹ 52 Pa. Code § 69.1201.

¹⁰ 52 Pa. Code § 69.1201(c)(1).

I&E, Peoples's conduct included, in part, that it: failed to submit the Department of Transportation Form RSPA F 7100.1; failed to conduct a post-incident review to ensure that its emergency response procedures were followed and were adequate; failed to have a root cause analysis developed; and failed to conduct post-accident drug and alcohol testing of its employee or document the decision not to administer the test. I&E submits that the conduct alleged in the Complaint does not involve willful fraud or misrepresentation, but is of a more serious nature than a mere administrative error, but provides no evidence or explanation to support this conclusion.

I&E also asserts Peoples failed to submit the Department of Transportation Form RSPA F 7100.1, failed to conduct a post-incident review to ensure that its emergency response procedures were followed and were adequate and failed to have a root cause analysis developed. No details were provided by the Parties to support or negate any of these averments or to explain the significance of such allegations.

I&E also averred that the Company failed to conduct post-accident drug and alcohol testing of its employee or document the decision not to administer the test. I&E alleged that the Peoples field serviceman was dispatched at 12:05 p.m., arrived at the scene at approximately 12:28 p.m., at some undesignated time, called his supervisor to request the assistance of a Peoples' operations and maintenance crew, at 12:50 p.m., for an unspecified reason, and placed another phone call to his Supervisor to report a serious incident involving suspected bore or missile damage to the Peoples' gas main line. In addition, the Parties further stipulated that, at some undesignated time, before the explosion, Peoples FCS entered a residence through the basement to determine if gas was present inside the structure, and that at approximately 1:08 p.m., the natural gas explosion occurred at 1306 Pennsylvania Avenue. For some unknown reason, Peoples O&M crew had not yet arrived on scene prior to the explosion, and Peoples was unable to shut off gas service to the area or the service lines to the residences in the immediate vicinity. No facts were provided to

explain why the Company failed to conduct post-accident drug and alcohol testing of its employee or document the decision not to administer the test.

Similarly, I&E averred in its Complaint and in its Statement in Support of Settlement that the failures by the Company created an unsafe and hazardous condition. I&E concludes that any conduct involving an emergency response to a gas leak should be taken seriously due to the inherent danger involved when pipelines leak, rupture, or otherwise fail, as evidenced by the instant gas explosion. I&E asserts the actions and inactions of Peoples described above constitute conduct that placed the public safety at risk, and therefore, I&E concludes the civil penalty is warranted in this case. However, I&E fails to provide any explanation or details to support these conclusions.

The second factor considers whether the resulting consequences of Peoples' 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.¹¹ According to I&E, the consequences in this case include one fatality, four injuries, complete destruction of one residence, severe damage to a second residence, and fire damage to a third residence. I&E asserts Peoples's failure to train its personnel on emergency response procedures, failure to follow its procedures in response to an emergency, and its failure to conduct required post-incident review and testing, resulted in the safety of its customers, employees, and the public being placed in danger.

I&E concludes the agreed-upon civil penalty and remedial measures of the Settlement acknowledge that serious consequences occurred and are designed to further enhance the safety of Peoples' service and facilities, especially as it pertains to the improved training of its employees to respond to emergencies, improved procedures related to

¹¹ 52 Pa. Code § 69.1201(c)(2).

emergency and excavation damage responses, and proactive collaboration with electric companies and inspections of trenchless excavations.

As stated above, the remedial measures provided in the Settlement are minimal and amount to compliance with the law. Therefore, these conclusions are not supported by any facts or details to establish the alleged acts or omissions by Peoples and how such acts or omissions caused or contributed to the damages sustained in this proceeding.

The third factor to be considered under the Policy Statement is whether the alleged conduct was intentional or negligent.¹² “This factor may only be considered in evaluating litigated cases.”¹³ Whether Peoples’ alleged conduct was intentional or negligent does not apply here since this matter is being resolved by settlement of the Parties.

The fourth factor to be considered is whether Peoples has made efforts to change its practices and procedures to prevent similar conduct in the future.¹⁴ In response to the July 26, 2021 explosion, I&E submits that Peoples has engaged in or agreed to take appropriate measures to correct some unspecified conduct and prevent similar unspecified future conduct. I&E asserts that each of the remedial actions and commitments described at Paragraph 36 of the Settlement Agreement address the alleged conduct at issue and are designed to prevent a similar incident from occurring again. I&E asserts these actions will place Peoples in a better position to oversee the construction and maintenance of its facilities, improve its quality control, and reduce risk in its existing and future facilities. I&E concludes these improvements will provide a significant benefit to public safety.

¹² 52 Pa. Code § 69.1201(c)(3).

¹³ *Id.*

¹⁴ 52 Pa. Code § 69.1201(c)(4).

Again, the Parties failed to provide any details or specifics regarding what its investigation revealed or any specific information to establish the alleged acts or omissions by Peoples and how such acts or omissions caused or contributed to the damages sustained in this proceeding. Therefore, it is impossible to conclude that the remedial measures set forth in the Settlement require more than measures that Peoples should have in place regardless. This contributes nothing to the analysis of whether the civil penalty is in the public interest.

The fifth factor to be considered relates to the number of customers affected by the Company's actions and the duration of the violations.¹⁵ The explosion resulted in one fatality, four injuries, complete destruction of one residence, severe damage to a second residence, and fire damage to a third residence. I&E asserts that the incident resulted in the evacuation of a four-block radius around the incident site and gas and electric services were restored relatively quickly and "relatively few customers" were affected, and they were only affected for a short period of time.

The sixth factor to be considered relates to the compliance history of Peoples. I&E asserts Peoples has had two instances of compliance issues in the preceding 10-year time period,¹⁶ as discussed below.

According to I&E, in *Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC (Peoples 2022)*,¹⁷ Peoples paid a civil penalty in the amount of

¹⁵ 52 Pa. Code § 69.1201(c)(5).

¹⁶ The Commission limited the review of the compliance history of a long-time certificated natural gas public utility to the past ten-years when the matter concerned alleged gas safety violations. *Pa. Pub. Util. Comm'n, Bureau of Investigation and Enforcement v. UGI Utilities, Inc. – Gas Division*, Docket No. C-2018-3005151 (Order entered Oct. 29, 2020) at 27.

¹⁷ *Pa. Pub. Util. Comm'n v. Peoples Natural Gas Co. LLC*, Docket No. M-2022-3028365 (Order entered Aug. 4, 2022).

\$195,000 in connection with the failure of a temporary regulator station that resulted in a natural gas leak and service outages. In that matter, I&E asserted the conduct of Peoples included the following: (1) failure to construct the temporary meter station in accordance with comprehensive written specifications or standards; (2) the temporary meter station was constructed in a manner that it failed to maintain structural integrity; (3) use of plastic piping that was not designed with enough flexibility to prevent thermal expansion or contraction from causing excessive stresses on the coupling; (4) failure to take all practicable steps to protect the temporary meter station from unstable soil or other hazards that may cause the pipeline to move or sustain abnormal loads; (5) failed to place line markers around the perimeter of the station and to indicate the underground location of the inlet and outlet pipeline; (6) failed to install the temporary meter station in a manner that minimized shear or tensile stresses; and (7) failed to protect the temporary meter station from accidental vehicular damage.

In *Pennsylvania Public Utility Commission v. Peoples Natural Gas Co. LLC*, (*Peoples 2023*),¹⁸ I&E asserts Peoples paid a civil penalty in the amount of \$250,000 in connection with an over-pressurization event that occurred in Peoples' distribution system serving Robinson, Pennsylvania. I&E asserted the conduct of Peoples included the following: (1) failure to have sufficient safety standards to protect against accidental overpressure; (2) failure to establish sufficient training materials; (3) operating steel or plastic pipelines in excess of maximum operating pressure; and (4) failure to ensure employees have the necessary knowledge and skills to safely perform such tasks.

Both of these cases indicate situations where Peoples had insufficient procedures in place to prevent property damage.

¹⁸ *Pa. Pub. Util. Comm'n v. Peoples Natural Gas Co. LLC*, Docket No. M-2023-3024990 (Order entered May 9, 2024).

The seventh factor to be considered relates to whether the Company cooperated with the Commission’s investigation, including “[f]acts establishing bad faith, active concealment of violations, or attempts to interfere with Commission investigations may result in a higher penalty.”¹⁹ Since the filing of the Complaint, I&E concludes that Peoples has been cooperative with I&E related to identifying policies and procedures, facilities, and training that can be further improved to assist Peoples in enhancing the safety and reliability of service and to satisfy the commitments that I&E has required in the settlement process. I&E submits the Parties have agreed on safety enhancements without the need for lengthy litigation and determined that it was in their respective best interest, as well as in the public interest, to settle this matter and to reach an amicable agreement as to an appropriate civil penalty.

Again, no details were provided regarding the nature and extent of the investigation by I&E. Rather, the record indicates that Peoples cooperated with the negotiation of the settlement agreement. Further, Peoples failed to file an answer to the complaint despite numerous extensions of time in which to do so. Peoples never provided an explanation for its failure.

The eighth factor to be considered is the appropriate settlement amount necessary to deter future violations.²⁰ I&E concludes that given the nature of Peoples’s conduct, which has never been adequately detailed in the Settlement, and the nature of the resulting consequences, a civil penalty amount of \$325,000.00, which is not tax deductible, nor recoverable from ratepayers, is an appropriate penalty payment in this case. I&E further submits that the \$50,000 donation to Tyrone, PA, area fire departments for the purchase and distribution of methane detectors to local businesses and residents, in addition to the

¹⁹ 52 Pa. Code § 69.1201(c)(7).

²⁰ 52 Pa. Code § 69.1201(c)(8).

monetary cost of Peoples' performance of all of the remedial measures is sufficient to deter Peoples from committing future violations.

Yet Peoples has not accepted any responsibility for its response on July 26, 2021. Peoples asserts the Complaint filed by I&E alleges deficiencies in Peoples' personnel training, call center and response practices, record keeping, and monitoring of third party excavations, none of which played any factor in the incident.

As set forth above, there are many missing facts regarding the timeline of Peoples' actions. In its Statement in Support of Settlement, Peoples asserts the tragic incident was not caused by any action of Peoples, but was caused by the actions of GJI. Upon the arrival of Peoples' customer serviceman, Peoples argues GJI failed to inform Peoples that GJI struck the line or that GJI undertook various self-help measures that hindered Peoples emergency response efforts, including inserting rags in the receiving pit bore hole. Peoples claims GJI then left the scene, leaving Peoples' serviceman to investigate what he thought was only an outside odor. The source of this information is not provided. Despite these allegations by Peoples, there is no evidence in the stipulation of facts or Settlement to establish what investigation or discovery was conducted by the Parties or the presentation of any facts, reports or evidence to support such conclusions. Thus, it is difficult to consider the deterrent effect of the settlement on future conduct when details of the violations here have not been sufficiently addressed.

The ninth factor to be considered relates to past Commission decisions in similar situations.²¹ Without citing any details or comparable Settlements, I&E concludes that the instant Settlement provides comparable or superior relief to prior enforcement matters involving similar pipeline safety violations. I&E further concludes this Settlement is consistent with unidentified past Commission actions, in that a substantial civil penalty

²¹ 52 Pa. Code § 69.1201(c)(9).

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.”²² I&E stresses that the additional relevant factor, whether the case was settled or litigated, is of pivotal importance here as a settlement avoids the necessity for the governmental agency to prove elements of each allegation. I&E’s assessment of the value of avoiding litigation misses the very serious nature of what occurred and the public’s interest in assuring that the Commonwealth’s utilities are exercising the utmost care in ensuring the safety of its citizens.

Although Commission policy promotes settlements, achieving a settlement to avoid litigation, alone, is not a sufficient basis to conclude that a settlement is in the public interest.²³ The evidentiary record in this proceeding is insufficient to establish substantial evidence to properly consider or support the proposed Settlement or that the proposed Settlement is in the public interest. Despite numerous conclusions by the Parties, the Settlement fails to set forth a nexus between the remedial measures and civil penalty and Peoples actions related to the July 26, 2021 explosion.

Therefore, for all the reasons discussed above, after a careful and exhaustive review of the record, I am constrained to recommend that the Commission reject the Joint Petition or Settlement and direct that evidentiary hearings be held.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the parties to and subject matter of the dispute. 66 Pa.C.S. §§ 501, 701.

²² 52 Pa. Code § 69.1201(c)(10).

²³ See 52 Pa. Code § 5.231.

2. Peoples is a “public utility” as that term is defined at 66 Pa.C.S. § 102, as it is engaged in providing public utility service as a natural gas distribution company (NGDC) to the public for compensation.

3. Peoples, 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. 66 Pa.C.S. § 501(c).

4. Pursuant to Section 59.33(b) of the Commission’s regulations, 52 Pa. Code § 59.33(b), I&E’s Pipeline 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. The Federal pipeline safety laws and regulations prescribe the minimum safety standards for all natural gas and hazardous liquid public utilities in the Commonwealth. 52 Pa. Code § 59.33(b).

5. Section 3301(c) of the Code, 66 Pa.C.S. § 3301(c), which is specific to gas pipeline safety violations, 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. 66 Pa.C.S. § 3301(c).

6. Section 3301(c) further provides that a civil penalty of up to Two Hundred Thousand Dollars (\$200,000) per violation for each day that the violation persists may be imposed, except that for any related series of violations, the maximum

civil penalty shall not exceed Two Million Dollars (\$2,000,000) or the penalty amount provided under Federal pipeline safety laws whichever is greater. 66 Pa.C.S. § 3301(c).

7. The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), on December 28, 2023, revised the maximum civil penalty to Two Hundred Sixty-Six Thousand, Fifteen Dollars (\$266,015) for each violation for each day the violation continues, with a maximum penalty not to exceed Two Million, Six Hundred Sixty Thousand, One Hundred Thirty-Five Dollars (\$2,660,135) for a related series of violations. 84 Fed. Reg. 89560 (Dec. 28, 2023).

8. It is the policy of the Commission to encourage settlements. 52 Pa. Code § 5.231(a).

9. The Commission has adopted a policy statement which enumerates the standards that it uses to evaluate civil penalties. 52 Pa. Code § 69.1201.

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

11. 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. Section 701 of the Code, 66 Pa.C.S. § 701, authorizes the Commission, inter alia, to hear and determine complaints against public utilities for violations of any law or regulation that the Commission has jurisdiction to administer or enforce. 66 Pa.C.S. §§ 501(a), 701.

12. Section 3301(c) of the Code, 66 Pa.C.S. § 3301(c), which is specific to gas pipeline safety violations, 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. 66 Pa.C.S. § 3301(c).

13. Section 3301(c) further provides that a civil penalty of up to Two Hundred Thousand Dollars (\$200,000) per violation for each day that the violation persists may be imposed, except that for any related series of violations, the maximum civil penalty shall not exceed Two Million Dollars (\$2,000,000) or the penalty amount provided under Federal pipeline safety laws, whichever is greater. 66 Pa.C.S. § 3301(c).

14. 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.

15. Section 701 of the Code, 66 Pa.C.S. § 701, authorizes the Commission, inter alia, to hear and determine complaints against public utilities for violations of any law or regulation that the Commission has jurisdiction to administer or enforce. 66 Pa.C.S. § 701.

16. It is not in the public interest to grant the Joint Petition for Approval of Settlement filed by the Parties on January 17, 2025.

ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the Joint Petition for Approval of Settlement filed by Bureau of Investigation and Enforcement and Peoples Natural Gas Company LLC at Docket No. C-2024-3050319 be denied.

Date: January 29, 2026

/s/
Jeffrey A. Watson
Administrative Law Judge