

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Investigation of Co-)
lumbia Gas of Ohio, Inc. Relative to its)
Compliance with the Natural Gas Pipe-) Case No. 15-1351-GA-GPS
line Safety Standards and Related Mat-)
ters.)

STIPULATION AND RECOMMENDATION

Rule 4901-1-30, Ohio Administrative Code (O.A.C.) provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. The purpose of this document is to set forth the understanding and agreement of Columbia Gas of Ohio, Inc. (“Columbia”) and the Staff of the Public Utilities Commission of Ohio (“Staff”). Columbia and Staff¹ are (“Parties”) to this Stipulation and Recommendation (“Stipulation”), and recommend that the Public Utilities Commission of Ohio (“Commission”) approve and adopt this Stipulation, which resolves all of the issues in this case.

This Stipulation is supported by adequate data and information; represents a just and reasonable resolution of the issues raised in this proceeding; violates no regulatory principle or precedent; and is the product of lengthy, serious bargaining among knowledgeable and capable Parties to resolve the issues. While this Stipulation is not binding on the Commission, it is entitled to careful consideration by the Commission. For purposes of resolving certain issues raised by this proceeding, the Parties stipulate, agree and recommend as set forth below. Except for dispute resolution purposes in this proceeding, neither this Stipulation, nor the information and data contained therein or attached, shall be cited as precedent in any future proceeding for or against either Party, or the Commission itself. Nothing in this Stipulation is intended to limit the Commission’s statutory enforcement authority. This Stipulation is a reasonable compromise involving a balancing of competing positions and it does not necessarily reflect the position that either Party would have taken if these issues had been fully litigated.

¹ Pursuant to O.A.C. 4901-1-10(C) and 4901-1-30, Staff is deemed a party for purposes of entering into this Stipulation.

The Signatory Parties fully support this Stipulation and urge the Commission to accept and approve the terms found below.

WHEREAS, all of the related issues and concerns raised by the Parties have been addressed in the substantive provisions of this Stipulation and reflect, as a result of such discussions and compromises by the Parties, an overall reasonable resolution of all such issues. This Stipulation is the product of the discussions and negotiations of the Parties and is not intended to reflect the views or proposals that either Party may have advanced acting unilaterally. Accordingly, this Stipulation represents an accommodation of the diverse interests represented by the Parties and is entitled to careful consideration by the Commission;

WHEREAS, this Stipulation represents a serious compromise of complex issues and involves substantial benefits that would not otherwise have been achievable; and,

WHEREAS, the Parties believe that the agreements herein represent a fair and reasonable resolution of the issues raised in this case;

NOW, THEREFORE, the Parties stipulate, agree and recommend that the Commission make the following findings and issue its Opinion and Order in this case approving this Stipulation in accordance with the following:

1. Columbia is a natural gas company within the meaning of R.C. 4905.02, 4905.03(E) and 4905.90(J)(1), and is therefore a public utility and an operator subject to the ongoing jurisdiction and supervision of the Commission pursuant to R.C. 4905.02, 4905.04, 4905.05, 4905.06 and 4905.90 through 4905.96, respectively. Accordingly, Columbia is required to comply with the gas pipeline safety (“GPS”) rules in O.A.C. Chapter 4901:1-16, which set forth the safety standards and requirements for intrastate gas pipeline facilities subject to the Commission’s jurisdiction. The GPS rules include the United States Department of Transportation’s GPS standards and requirements contained in Title 49 C.F.R. Parts 191, 192, 199 and 40, which the Commission adopted *In the Matter of Adopting Chapter 4901:1-16 of the Ohio Administrative Code*, PUCO Case No. 90-1031-GE-ORD, and which the Commission has revised at various times, most recently *In the Matter of the Commission's Review of Its Rules in Chapter 4901:1-16 of the Ohio Administrative Code, Regarding Gas Pipeline Safety*, PUCO Case No. 13-2237-GA-ORD.

2. Columbia maintains a gas distribution pipeline system that provides service to more than 1.4 million customers in Ohio.
3. The Gas Pipeline Safety Staff of the Commission investigated an explosion fire at 3418 Sunningdale Way, Upper Arlington, Ohio that occurred on March 21, 2015. The scope of Staff's investigation was limited to Columbia's actions, policies, and procedures and how they contributed to the explosion that resulted in estimated property damage of \$50,000 or more to that property and to some other homes around that property, meeting the definition of an "incident" according to O.A.C. 4901:1-16-01(K). The incident was reportable to both the Commission and the U.S. Department of Transportation under O.A.C. 4901:1-16-05(A)(1) and 49 C.F.R. 192.
4. 49 C.F.R. 192.13(c) requires that operators maintain, modify as appropriate, and follow the plans, procedures, and programs that they are required to establish. Staff alleges that Columbia did not follow its own Operation and Maintenance procedures at the time of a service line abandonment, which required Columbia to cut the service line off at the main, and plug or seal all open ends of the abandoned pipe; fill the abandoned curb box with concrete or similar material; and create a service line order or tap card for the new service line installed.
5. 49 C.F.R. 192.727(d) requires that whenever service to a customer is discontinued, one of the following must be complied with: (1) the valve that is closed to prevent the flow of gas to the customer must be provided with a locking device or other means designed to prevent the opening of the valve by persons other than those authorized by the operator; (2) a mechanical device or fitting that will prevent the flow of gas must be installed in the service line or in the meter assembly; or, (3) the customer's piping must be physically disconnected from the gas supply and the open pipe ends sealed. Staff alleges that Columbia did not properly discontinue service because the customer's curb valve was closed to prevent the flow of gas to the customer, but no means to prevent the opening of the valve by persons other than those authorized by Columbia was provided. There was no mechanical device or fitting installed in the service line or meter assembly to prevent the flow of gas, and the open end of the service line terminating at the building foundation was not sealed.

6. In its Report, Staff made four recommendations to the Commission as a result of Staff's investigation. After discussions between Columbia and Staff regarding these recommendations, Columbia agrees to complete the following actions, and Staff agrees that completion of these actions shall satisfy Staff's recommendations:

a. **Enhance Records Management.**

Columbia will undertake the following actions to enhance and improve its records:

1. Obtain and Record GPS Locations of Curb Boxes. Columbia has begun the process of enhancing its internal records of facility locations, such as main lines and service lines. Columbia will integrate data collection of curb valve locations into this program to provide pinpoint location of facilities to be included in Columbia's records. This data collection initiative and record enhancement process will provide a common repository for all of Columbia's facility records. Columbia will accelerate the collection of GPS data points for all main lines, service lines, and curb valves throughout its service territory, beginning in January 2016. Columbia will commit to substantially complete the data collection of GPS coordinates on all operating main lines, service lines, and curb valves by 2023.

2. Enhance Records for Curb Box and Service Line Locations Through the Infrastructure Replacement Program ("IRP"). Through Columbia's Infrastructure Replacement Program, Columbia continues to replace and map service lines throughout its service territory. As Columbia continues to implement this program, Columbia will confirm service line and curb box locations, and will create or correct records for any facilities not currently recorded or recorded incorrectly. In addition, the IRP process provides for retirement of older main line pipelines and the installation of all service lines to a new pipeline. This additional safety measure ensures service lines are abandoned appropriately.

3. Enhance Records through Service Line Records Review. Columbia will form an internal task force to research and review Columbia's Distribution Information System ("DIS") service line records. This review will analyze available records to isolate abnormalities or anomalies which may require further action or investigation. Through

multiple avenues cited in this remediation section, Columbia will diligently follow up to explain these outliers. Columbia will complete this review and update Commission Staff by December 31, 2016.

- b. **Increase Public Awareness on Unintended Release of Gas Safety and Gas Infrastructure Safety.** Columbia will update its public awareness program, which is designed to educate the affected public, emergency responders, excavators, and public officials on gas infrastructure safety. The update will explain how to respond to an odor of gas, and calling before excavating. The program also will be updated to include information on the safety elements of natural gas infrastructure, and will provide guidance on how to respond to the unintended release of gas, as well as including how to respond in the event gas valves are inadvertently operated. Columbia will complete this update by December 31, 2016.
- c. **Enhanced Public Official Outreach Regarding Gas Safety.** Columbia operational leaders and other company personnel will engage public officials and other utility operators in educational outreach regarding the possibility of gas valves being misidentified as water main valves, particularly with properties with multiple facility records for gas or water infrastructure. Columbia will directly contact at least three large operators of water utility infrastructure located in each of its 11 operating centers. This outreach will request an opportunity to meet face-to-face and share non-confidential facility information, and request water utility operators to review their internal records for abnormalities associated with potentially incorrectly marked facilities. Further, Columbia will commit to submit at least one document in hard copy form to each water company in operation throughout its service territory. Columbia will submit a list of these operators to PUCO Staff within 30 days of the approval of this Stipulation. Columbia will complete this outreach by December 31, 2016.
- d. **Educate Columbia, First Responders, and Municipalities on Gas Infrastructure Safety.** Columbia is currently in the process of building a training facility for its operations employees. Part of the purpose of this training facility is to provide employees a controlled environment to properly abandon service lines and operate live facilities. Columbia will also provide opportunities for first responders and public officials to utilize the facility and training programs, as an additional

way to educate and train personnel on service line, curb valve, and gas safety. Columbia will also utilize and provide training opportunities within local service areas to ensure training is provided to organizations not able to travel to the centralized location.

- e. **Revise and Update Training Curriculum.** In conjunction with building a new facility, Columbia is reviewing and revising its training curriculum surrounding gas facility safety. As part of that review, Columbia will incorporate any lessons learned from the incident investigation into the Operation Qualification training program, and will ensure that all pertinent operations employees, including new hires, receive this enhanced training curriculum. In addition, upon the phased-in rollout of GPS technology throughout Columbia's service territory, Columbia will require its employees to verify its gas infrastructure on all qualifying work orders, defined as work orders requiring exposure of pipeline and operating valves during installation and maintenance activities, as the initial requirement of each such qualifying work order. This includes verifying the precise location of the main line, service line, curb valve, and gas meter. On all other work orders, Columbia employees will be trained to review the work location and identify abnormalities associated with facilities upon arrival at the work location. Columbia will commit to revising the training curriculum and implementing it by December 31, 2016.
7. In regard to the March 21, 2015 incident at issue in this proceeding, Columbia agrees for purposes of settlement to pay a civil forfeiture in the amount of two hundred thousand dollars (\$200,000), and to hold, in abeyance, two hundred thousand dollars (\$200,000), which may be assessed if Columbia fails to fulfill its obligations under this Stipulation.
8. The abeyance shall be held until the Commission issues an order expressly stating that Columbia has fulfilled its obligations under this Stipulation. The abeyance amount shall be discharged and Columbia will no longer be responsible for paying the abeyance amount upon Columbia's compliance with this Stipulation, and upon issuance of the Commission order described in this paragraph.
9. Such civil forfeiture abeyance amount shall become payable if the Commission finds that Columbia has failed to comply with this Stipulation. Columbia

agrees that any and all of the civil forfeiture payment made as a result of this Stipulation will not be collected from customers.

10. The Parties agree that nothing in this Stipulation shall be interpreted to preclude the Commission from opening a GPS case or any other case, assessing other forfeitures and ordering remedies against Columbia for any other violation of the GPS rules uncovered during Staff audits during any other period.
11. The Staff Report filed with the Docketing Division of the Commission on August 28, 2015 should be identified and admitted into evidence as Staff Exhibit 1.
12. This Stipulation shall be designated as Joint Exhibit 1 and admitted into evidence in this proceeding.
13. This Stipulation constitutes a compromise resolution by the Parties of all issues raised by the Parties in this case only for the period of time covered by the Stipulation. The Parties agree that if the Commission rejects all or any part of this Stipulation, or otherwise materially modifies its terms, either Party shall have the right, within thirty (30) days after the date of the Commission's Order, either to file an application for rehearing or to terminate and withdraw from the Stipulation by filing a notice of termination and withdrawal with the Commission in this proceeding. If an application for rehearing is filed and if the Commission does not, on rehearing accept the Stipulation without material modification, Columbia may terminate and withdraw from the Stipulation by filing a notice of termination and withdrawal with the Commission in this proceeding within ten (10) business days after the date of the Commission's Entry on Rehearing. Upon filing of a notice of termination and withdrawal by Columbia, the Stipulation shall immediately become null and void. In such event, a hearing shall go forward and the parties shall be afforded the opportunity to present evidence through witnesses, cross-examine all witnesses, present rebuttal testimony, file briefs on all issues, and to have this proceeding decided on the record and briefs as if this Stipulation had never been executed.
14. The Parties understand and agree that while this Stipulation is not binding on the Commission, it is entitled to the Commission's careful consideration. The Parties agree that the Stipulation promotes sound regulatory policy and the public interest and they urge the Commission to adopt this agreement.

The undersigned hereby stipulate and agree and each represents that it is authorized to enter into this Stipulation this 18th day of December, 2015.

COLUMBIA GAS OF OHIO, INC.

**THE STAFF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO**

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Summary: Stipulation submitted on behalf of the Public Utilities Commission of Ohio.
electronically filed by Mrs. Tonnetta Y Scott on behalf of PUCO