

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's : Case No. 16-1578-GA-COI  
Investigation into Ohio Rural Natural :  
Gas Co-Op and Related Matters. :

**PREPARED TESTIMONY**

**OF**

**PETER CHACE  
SERVICE MONITORING AND ENFORCEMENT DEPARTMENT  
GAS PIPELINE SAFETY DIVISION**

**STAFF EXHIBIT\_\_\_**

**August 30, 2016**

1 1. Q. Please state your name and business address.

2 A. My name is Peter A. Chace. My address is 180 E. Broad Street,  
3 Columbus, Ohio 43215-3793.  
4

5 2. Q. By who are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO).  
7

8 3. Q. What is your present position with the Public Utilities Commission of  
9 Ohio and what are your duties?

10 A. I am the Gas Pipeline Safety Program (GPS) Manager in the Facility  
11 and Operations Field Division of the Service Monitoring and Enforce-  
12 ment Department. The Gas Pipeline Safety Program monitors compli-  
13 ance with the Federal Pipeline Safety Regulations (49 C.F.R. 191 and  
14 192) and the Ohio Administrative Code section 4901:1-16 ("Gas Pipe-  
15 line Safety") and recommends enforcement actions to the Commission  
16 if appropriate.  
17

18 4. Q. Would you briefly state your educational background and work history?

19 A. I have a bachelor's degree Chemistry (1988) from the University of  
20 Michigan, and a Master's degree in Mathematics and Statistics (1996)  
21 from Miami University. From 1988 until 1994 I was a commissioned  
22 officer in the United States Navy. I graduated from Naval Nuclear Pro-

1           pulsion School in 1989 and then served as an engineering officer on  
2           board the USS Carl Vinson (CVN 70) where I gained a general  
3           knowledge of engineering principles. From 1997 to 1999 I was  
4           employed by the Battelle Memorial Institute in Columbus OH as a  
5           Statistician. From 1999 to 2007, I was employed by the Office of the  
6           Ohio State Fire Marshal where I served as the Chief of the Bureau of  
7           Underground Storage Tank Regulations (BUSTR), an organization that  
8           regulates the operation of underground petroleum storage tanks and the  
9           remediation of petroleum releases from regulated tanks into the envi-  
10          ronment. From 2007 to 2009, I was employed as a project manager by  
11          two environmental engineering firms, BJAAM Environmental (2007-  
12          2008) and August Mack Environmental (2008-2009). In 2009, I joined  
13          the PUCO as the Gas Pipeline Safety program manager and have served  
14          in that capacity since then.

15  
16       5.    Q.   What is the purpose of your testimony is this case?

17       A.   My testimony provides an account of the enforcement actions taken  
18           against Ohio Rural Natural Gas Co-op since February 11, 2015 and  
19           support staff's position that ORNG's facilities are dangerous to persons  
20           and property.

**March 10, 2015**

6. Q. Can you describe the events surrounding the March 10, 2015 Notice of Probable Noncompliance?

A. On February 11, 2015 the GPS section investigated a natural gas pipeline system that was being installed in the Newton Falls area by an operator unknown to the PUCO. Field investigation revealed that a 4" plastic natural gas main was being installed by a company called DM Excavating, who informed the investigating GPS inspector they had been employed by Ohio Rural Natural Gas, LLC to install the line. The line was to be supplied by Cobra Pipeline, who had installed a tap off of the Cobra V341 10" steel transmission line operating at 400 psig. Ohio Rural Natural Gas, LLC was in fact unknown to the PUCO and had not obtained an Operator ID number from the U.S. Department of Transportation, Office of Pipeline Safety. Ohio Rural Natural Gas, LLC did not have any established procedures for installing plastic pipe and DM Excavating was using procedures used by Dominion East Ohio for this installation.

7. Q. How did the Gas Pipeline Safety section find out about this?

A. The GPS section received an anonymous complaint that I deemed to be credible and worthy of investigation.

1 8. Q. Who investigated the incident?

2 A. GPS Inspector Keith Topovski

3

4 9. Q. Was Ohio Rural Natural Gas, LLC registered with the Public Utilities  
5 Commission of Ohio and the United States Department of Transporta-  
6 tion?

7 A. No. At that time, the company was operating as a distribution company,  
8 which required them to register with the PUCO prior to operating in the  
9 state of Ohio. They were registered with the Secretary of State, but not  
10 the PUCO.

11

12 10. Q. Is the company still operating as a distribution company?

13 A. No. I contacted the company's statutory agent on February 11, 2015  
14 and advised them that they had not obtained a certificate, and they had  
15 to do so in order to operate in Ohio. The next day, the Ohio Rural  
16 Natural Gas, LLC filing was changed to Ohio Rural Natural Gas, Co-op.

17

18 11. Q. How does registering as a cooperative impact the way the company does  
19 business?

20 A. As a cooperative, the PUCO would no longer have any jurisdiction over  
21 the rates being charged and has no authority to set minimum service  
22 standards, but the USDOT and the PUCO still have jurisdiction over

1 pipeline safety issues. I believe this to be the reason for the sudden  
2 change in company designation.

3  
4 12. Q. What does it mean to have “plans, procedures, etc.”?

5 A. Natural Gas Pipeline operators are required by the Pipeline Safety  
6 Regulations to establish a number of plans and procedures prior to oper-  
7 ation. Procedures must be developed and followed for new construc-  
8 tion, to ensure the pipeline and pipeline components are installed  
9 correctly and will not fail, which would result in a potentially hazardous  
10 release of natural gas from the pipeline system. Procedures are also  
11 required to operate and maintain the system safely, to respond to gas  
12 leaks and emergencies, to make local emergency response officials and  
13 the general public aware of the pipelines in the area, and to provide  
14 appropriate training for personnel. None of the plans and procedures  
15 required by the Pipeline Safety Regulations had been established by  
16 Ohio Rural Natural Gas, LLC at the time of the initial complaint  
17 investigation.

18  
19 13. Q. Can you explain what the rule is designed to enforce?

20 A. The Pipeline Safety Regulations (49 C.F.R. 192) are designed to ensure  
21 gas pipelines are constructed, operated and maintained in a manner that  
22 will minimize the chance of a release of gas from the pipeline system

1 that may result in a fire or explosion. These regulations are developed  
2 by the U.S. Department of Transportation and are enforced by the  
3 Commission at the state level.  
4

5 14. Q. How dangerous is it for a pipeline company to operate without comply-  
6 ing with this rule?

7 A. Failure to comply with the Pipeline Safety Regulations increases the  
8 chance of a pipeline being installed incorrectly, or suffering damage or  
9 deterioration resulting in a potentially hazardous release of gas.  
10

11 15. Q. Was a notice of probable non-compliance issued?

12 A. Yes. A Notice was issued on March 10, 2015.  
13

14 16. Q. What was the company's response?

15 A. Ohio Rural Natural Gas responded in a letter dated 3/27/15 and written  
16 by a Michael Panzarella, who identified himself as the compliance man-  
17 ager for the Ohio Rural Natural Gas Co-operative and was also the  
18 compliance manager for Cobra Pipeline. In this letter ORNG agreed to  
19 cease all operations until they had developed an operations and main-  
20 tenance manual, emergency response plan, operator qualification plan,  
21 integrity management plan, and public awareness plan. The letter also

1 proposed to pressurize the installed gas main after this was completed,  
2 with increased leak surveys and line patrols.

3  
4 17. Q. Did they cease all operations?

5 A. No. On April 3, 2015 Staff witnessed ORNG installing service lines in  
6 the Newton Falls area. ORNG stopped this activity after Staff contacted  
7 ORNG President Darryl Knight.

8  
9 18. Q. How long did it take for the company to respond with the necessary  
10 plans, procedures, etc.?

11 A. On June 16, 2016 GPS investigator Keith Topovski and Mary  
12 McKelvey reviewed plans and procedures provided by ORNG that were  
13 developed by a third party contractor, Utility Technologies International  
14 (UTI).

15  
16 19. Q. Was the manual they acquired sufficient for compliance?

17 A. No. The manual lacked several covered tasks requiring training under  
18 the Operator Qualifications rule, procedures covering welding of piping  
19 and components were not available, plans had not been developed for  
20 the company Public Awareness and Drug and Alcohol screening and  
21 prevention programs, and ORNG had not determined a Maximum  
22 Allowable Operating Pressure (MAOP) for their installed pipelines.

1 20. Q. Was ORNG advised of the problems with the programs the submitted?

2 A. Yes. This information was conveyed to ORNG by GPS Inspector Keith  
3 Topovski via e-mail.  
4

5 21. Q. Did ORNG obtain the necessary registration from the Department of  
6 Transportation?

7 A. Yes. On July 21, 2015, Staff received a letter from ORNG attorney  
8 Richard Parsons stating that ORNG had complied with all state and  
9 Federal regulations and intended to start providing service to its mem-  
10 bers on August 3, 2015.  
11

12 22. Q. At that time had ORNG cured the deficiencies with their plans and pro-  
13 cedures?

14 A. No.  
15

16 23. Q. Did Staff advise them that they were not authorized to commence  
17 services?

18 A. On July 24, 2015 I responded in writing to Mr. Parsons and stated that  
19 the line needed to have a Maximum Allowable Operating Pressure  
20 (MAOP) established prior to being placed into operation. I also advised  
21 that since the line was installed prior to ORNG having established con-

1           struction procedures, ORNG needed to perform leak surveys with a  
2           Staff member present to ensure the line was properly installed.

3

4   24.   Q.   Did ORNG comply with the order?

5           A.   No. On September 3, 2015 Staff determined that ORNG had pressur-  
6           ized the line in question although they had not yet established service to  
7           customers. This line was pressurized without a valid MAOP being  
8           determined or without Staff being present as required in the July 24,  
9           2015 letter.

10

11   25.   Q.   How large is the line in question?

12           A.   Approximately 7300 feet.

13

14   26.   Q.   Can you describe the events surrounding the inspection of September 3,  
15           2015?

16           A.   Chris Domonkos discovered the line had been pressurized during a  
17           follow up visit to the site.

18

19   27.   Q.   Did they have staff approval to pressurize the line?

20           A.   No

21

22   28.   Q.   As of September 3, 2015 had they complied with the July 24 letter?

1 A. No

2

3 29. Q. How long had the pipeline been operating without compliance?

4 A. Unknown, although I suspect the line was charged on August 3, 2015 as  
5 ORNG said they would do that in their letter.

6

7 30. Q. What was staff's response?

8 A. On September 14, 2015 I wrote to Darryl Knight, President of ORNG  
9 stating our findings made on September 3, 2015 and stated that in order  
10 to remain in service the line in question needed to be subject to a full  
11 uprating under Subpart K of the Pipeline Safety Regulations, a process  
12 intended to increase pipeline MAOP, with Staff present.

13

14 31. Q. Did the company comply?

15 A. ORNG eventually conducted the uprate procedure on October 5-8 with  
16 Staff present.

17

18 **December 1, 2015**

19 32. Q. Can you describe the events surrounding the December 1, 2015 Notice  
20 of Probably Compliance?

21 A. On November 20, 2015 Staff received a complaint from a Jeff Heidnik  
22 of Orwell Natural Gas that ORNG had cut an Orwell Natural Gas main

1 line to take over Orwell's customers at 6272, 6273, and 6275 Tin Man  
2 Road in Mentor, Ohio without Orwell's permission. Several customers  
3 claimed they were not advised of the supplier change even though con-  
4 sent forms were submitted to Orwell signed by all of the customers.  
5 Work was performed on Orwell facilities without permission from  
6 them. The individuals performing the work were not qualified to per-  
7 form work on their facilities. Staff investigation found this complaint to  
8 be an accurate description of what occurred  
9

10 33. Q. How did the Gas Pipeline Safety section find out about this?

11 A. A phone call from a Jeff Heidnik of Orwell Natural Gas.  
12

13 34. Q. Who investigated the incident?

14 A. GPS Investigator Chris Domonkos.  
15

16 35. Q. What did Mr. Domonkos' investigation determine?

17 A. It was discovered that the persons installing the new ORNG pressure  
18 Metering and Regulating (M&R) station, main, service lines and meters  
19 did not have the required qualifications for the work they were per-  
20 forming. They were not trained on ORNG procedures for installing  
21 these systems. ORNG had also incorrectly installed the system pressure

1 regulator, had not performed pressure testing to verify the integrity of  
2 the line, and had not determined a MAOP for the system.

3  
4 36. Q. Can you describe the issues with the M&R station?

5 A. A Metering and Regulating (M&R) station both meters gas supplied to  
6 the customer and reduces line pressure in the piping from the station to  
7 the customer meters. The pressure regulators and other portions of the  
8 station were installed incorrectly, and the persons installing them were  
9 not qualified to perform the installation, meaning they could not show  
10 they had received training on how to install them in accordance with US  
11 Department of Transportation Pipeline Safety Regulations Subpart O,  
12 “Operator Qualifications”.

13  
14 37. Q. What are the safety concerns with the way it was being constructed?

15 A. The Pipeline Safety Regulations requires each M&R station to have a  
16 backup means of overpressure protection. This is usually accomplished  
17 by installing two pressure regulators in series. The second regulator is  
18 there to provide overpressure protection in case the first one fails. The  
19 backup regulator used by ORNG (a Fisher 627M model regulator) at  
20 this site requires a sensing line to monitor outlet pressure to use as a  
21 feedback mechanism to ensure that proper pressure is maintained.  
22 However, this sensing line was not installed which could cause the reg-

1           ulator to fail in the open position. This left the system without a backup  
2           means of overpressure protection, and in the event of a regulator failure  
3           the downstream piping would be pressurized to a level beyond what it  
4           was designed to safely operate at.

5           The station was also designed with a bypass valve that was not locked  
6           to prevent unauthorized operation, and was installed without an  
7           upstream isolation valve to stop the flow of gas to the station in the  
8           event of an emergency.

9           Finally, upstream piping was connected to the inlet of the M&R station  
10          directly instead of through the use of a riser, exposing the inlet piping to  
11          damage and increasing the possibility of the inlet piping detaching from  
12          the M&R station. Staff required ORNG to correct all these deficiencies  
13          and on November 23, 2016 observed ORNG fix the M&R station.

14  
15   38. Q.   How dangerous would it be for an M&R station to operate with these  
16           problems?

17       A.   A pressure regulator failure, damage to the station, or unauthorized  
18           operation of unsecured valves at the station would result in an over-  
19           pressurization of the downstream piping and customer meters with no  
20           readily available way to stop the flow of gas to the station, resulting in  
21           gas leaks and an increased potential for an explosion and fire.

1 39. Q. Is the construction of the M&R station something that would be covered  
2 in the operations, procedures and plans?

3 A. Yes. Pressure regulator station construction and installation was cov-  
4 ered in the manual of procedures ORNG had acquired from UTI.

5

6 40. Q. In your opinion was ORNG following the procedures and plans they  
7 submitted to the PUCO in response to the March 10, 2015 Noncompli-  
8 ance letter?

9 A. No. If the ORNG employees had been trained on and followed their  
10 own procedures these deficiencies noted above would not have  
11 occurred.

12

13 41. Q. With regards to the meters, what were the issues with their installation?

14 A. Staff observed that the installed gas lines up to and including the meters  
15 were not pressure tested to ensure a pressure tight installation. The  
16 Ohio Administrative Code 4901:1-13 also requires operators to perform  
17 a “dial test” when reestablishing service, meaning the dial on the meter  
18 showing gas flow should be observed for several minutes to verify no  
19 gas is passing through the meter, and Staff observed ORNG was not  
20 performing this test.

21 It was later determined that all of the meters installed before Staff’s  
22 arrival at the scene on November 20, 2015 were installed without gas-

1 kets designed to prevent leakage at the metallic connections between the  
2 meter assembly and the inlet and outlet piping. Staff did not observe  
3 these installations and was unaware of the missing gaskets until the  
4 meters started leaking at a later date.

5  
6 42. Q. How many meters were assembled incorrectly?

7 A. There were 57 individual customer meters incorrectly installed at the  
8 facility on November 20, 2015. Approximately 30 of them were  
9 installed without the gaskets. None were installed with proper testing.

10  
11 43. Q. Is the installation of the meters something that would be covered in the  
12 operations, procedures and plans?

13 A. Yes. If ORNG employees had followed the manufacturer's instructions  
14 and followed their own installation procedures this would not have  
15 occurred.

16  
17 44. Q. How did you find out about the incorrectly assembled meters?

18 A. On November 25, 2016 I received a call from an employee at Orwell  
19 who said they were receiving calls about customers smelling gas at the  
20 Tin Man Storage facility, and were calling Orwell to respond as they  
21 were unaware ORNG had taken over service. Staff, Orwell and the

1 Mentor Fire Department then engaged in efforts to contact ORNG to  
2 respond the leaks.

3

4 45. Q. How long after the line was pressurized were the leaks discovered?

5 A. Approximately five days.

6

7 46. Q. When staff investigated the reported leaks, what did they discover?

8 A. Staff discovered the cause of some of the leaks was missing gaskets on  
9 the incorrectly installed meters.

10

11 47. Q. Was a company representative at the Tin Man site?

12 A. Yes. The Operations Manager for ORNG was on site, along with  
13 Thomas Rowland, a contractor from Big Oats Supply.

14

15 48. Q. How long did it take for them to arrive?

16 A. It took approximately 1 hour for a company representative to arrive on  
17 the scene from the time the leaks were first identified. I believe the  
18 Mentor Fire Department was the first to contact them.

19

20 49. Q. Was the company representative prepared to resolve the leak issue?

21 A. No. The ORNG representatives arrived without any of the equipment  
22 necessary to detect leaks and assess whether or not they are potentially

1 hazardous, including a device that was capable of measuring the per-  
2 centage of gas in air.

3  
4 50. Q. Do the Pipeline safety regulations require the company to respond to a  
5 report of possible leaks with leak detection and grading equipment?

6 A. Yes. PUCO rule 4901:1-16-04 section H requires an operator to  
7 respond to a leak report with the necessary equipment to detect and  
8 classify leaks.

9  
10 51. Q. In your opinion was ORNG following the procedures and plans they  
11 submitted to the PUCO in response to the March 10, 2015 Noncompli-  
12 ance letter?

13 A. No. If ORNG had followed their manual their contractor would have  
14 access to the necessary equipment.

15  
16 52. Q. What action did the GPS staff take?

17 A. Staff recommended to the scene commander from the Mentor Fire  
18 Department that given the compliance history of ORNG, gas to the Tin  
19 Man Storage facility be turned off until the leaks could be corrected and  
20 other safety code violations resolved. The Fire Department concurred  
21 with Staff's recommendation and shut and locked the M&R station inlet  
22 valve.

1 53. Q. How long did it take for the company to comply?

2 A. ORNG was working on correcting deficiencies at the Tin Man Storage  
3 facility from December 3, 2015 to December 11, 2015.  
4

5 54. Q. Was staff present to make sure the company complied?

6 A. Yes.  
7

8 55. Q. When did Staff allow the Tin Man site to commence services?

9 A. December 11, 2015  
10

11 **APRIL 5, 2016**  
12

13 56. Q. Please describe the events surround the April 5, 2015 notice of probable  
14 non-compliance

15 A. On March 16, 2016 investigator Chris Domonkos observed ORNG  
16 employees joining plastic piping near the intersection of Ellsworth and  
17 Duck Creek road in Berlin Center, OH (Mahoning County). The  
18 ORNG employees were not joining the piping in accordance with  
19 ORNG procedures or manufacturer's instructions. The employees did  
20 not have a copy of the ORNG joining procedure as required by the  
21 Pipeline Safety Regulations, and Staff questioning determined they were  
22 unaware of the contents of the ORNG joining procedure.

1 57. Q. How did the GPS section find out about this?

2 A. Investigator Domonkos observed ORNG employees working with 4  
3 inch pipe in the public roadways and performed an unscheduled inspec-  
4 tion of their activities.

5

6 58. Q. What did the investigation determine?

7 A. The investigation determined a number of problems with the plastic  
8 pipe joining being performed, including overheating of the pipe ends, a  
9 heating element that appeared damaged and in need of replacement,  
10 pipe not being cleaned prior to fusion, excessive time between heating  
11 and joining, and improper use of a broken alignment clamp. The  
12 observed joints showed evidence of excessive heating and misalignment  
13 and did not pass the criteria for acceptable joints listed in the ORNG  
14 Operations and Maintenance manual or the manufacturers heat fusion  
15 procedures.

16

17 59. Q. Why is this dangerous?

18 A. Any one of the problems observed could result in an inadequate fusion,  
19 resulting in the possibility of the joint failing. The failure would result  
20 in a leak and increased danger of explosion or fire.

21

1     60.   Q.   Is this the same kind of problem that was discovered at the Tin Man  
2                   site?

3           A.   The violations of the Pipeline Safety Regulations are not the same, how-  
4                   ever both instances show a pattern that ORNG employees do not know  
5                   the proper procedure to construct, operate and maintain a gas pipeline  
6                   system and have not received training on it.

7  
8     61.   Q.   Is this the kind of problem that an operation manual is intended to  
9                   avoid?

10          A.   Yes. Operators have to use approved materials and assemble them in  
11               accordance with manufacturer's instructions and with the construction  
12               requirements of the Pipeline Safety Regulations. Documented processes  
13               and procedures and training of employees on those procedures assure  
14               this.

15  
16     62.   Q.   In your opinion was ORNG following the procedures and plans they  
17                   submitted to the PUCO in response to the March 10, 2015 Noncompli-  
18                   ance letter?

19          A.   No. If the ORNG employees had been trained on and followed their  
20               own procedures these deficiencies noted above would not have  
21               occurred.

22

1     63.   Q.   Has the company responded to the PNC letter?

2           A.   Yes.  Staff issued a Notice of Probable Noncompliance on April 5, 2016  
3               that also contained a Compliance Order from Staff requiring ORNG to  
4               cut out and replace plastic joints at their installation at Ellsworth &  
5               Duck Creek road, and in addition cut out and replace plastic joints at a  
6               nearby installation (Ellsworth & Weaver road) that Staff believed was  
7               installed in a similar manner.

8               On April 19, 2016 a Michael Dortch of Kravitz, Brown and Dortch LLC  
9               responded on behalf of ORNG.  The response committed to requalifying  
10              all ORNG employees and contractors on making plastic joints by April  
11              27, 2016.  The letter also contained a counter-offer to excavate and test  
12              ¼ of the joints in the Ellsworth & Duck Creek system, and to perform a  
13              pressure test and leak survey at the Ellsworth & Weaver road system.

14

15    64.   Q.   Is a counter-offer an acceptable response?

16           A.   Staff has no reason to believe any of the joints at either system meet  
17               manufacturer's specifications and do not view the April 19, 2016  
18               response as acceptable.

19

20

May 20, 2016

65. Q. Has the GPS staff audited the company's records? When?

A. As part of the PUCO's gas pipeline safety program, Staff inspects the compliance records and operation of all Ohio operators annually, while plans and procedures are inspected bi-annually. ORNG's records, plans and procedures were inspected over the time period March 4 through May 12, along with the records of other operators owned by Mr. Osborne.

66. Q. What did the inspection uncover?

A. The inspection uncovered 21 separate violations of the pipeline safety regulations, including but not limited to no procedures for welding, not providing cathodic protection for any of their installed pipelines, not installing excess flow valves required for customer service lines, not having a leak management program or the capability to classify leaks to determine whether or not they are hazardous, not pressure testing any new piping other than piping that was tested as a result of a compliance action by Staff, not having valid MAOP determinations for any of their piping other than what was directly required through a compliance action by Staff, and not implementing their public awareness program except for one limited mailing to the customers at Tin Man Storage.

1 67. Q. Did the company have any records relating to qualifications of their  
2 employees?

3 A. Yes, however ORNG could not demonstrate any of their employees  
4 were qualified for a number of covered tasks in 2015.

5  
6 68. Q. Did the company have any records of compliance?

7 A. Some compliance records were available, but were incomplete.  
8

9 69. Q. Has the company followed the procedures and plans in the operations  
10 manual they obtained in June of 2015?

11 A. Based on Staff observations of ORNG employees performing construc-  
12 tion, operations and maintenance tasks in the field, no.  
13

14 70. Q. How do you interpret the results of this inspection?

15 A. My interpretation of the inspection results is that ORNG is not follow-  
16 ing the requirements of the Pipeline Safety Regulations, despite the  
17 repeated notices by the Commission staff of safety violations. The lack  
18 of record keeping, coupled with the failure to implement the plan and  
19 procedures contained in the manual they purchased in compliance with  
20 the March 10, 2015 notice shows a blatant disregard for commission  
21 authority and the laws of the State of Ohio.  
22

1 71. Q. Based on the totality of the evidence, what is your conclusion regarding  
2 the operations of Ohio Rural Natural Gas Cooperative?

3 A. ORNG management consistently demonstrates a willful disregard of  
4 safety regulations and has established a pattern of ignoring their own  
5 policies and procedures, and refusing to implement these procedures,  
6 except as part of corrective action plan for violations specifically identi-  
7 fied and documented by Staff in the field.  
8

9 72. Q. What is your recommendation regarding Ohio Rural Natural Gas Co-  
10 operative's operations?

11 A. In my opinion further efforts to obtain compliance through informal  
12 enforcement and operator training will be ineffective. It is my position  
13 that ORNG should not be operating a natural gas pipeline system as  
14 they are unwilling and/or unable to comply with safety regulations  
15 designed to protect human life and property.  
16

17 73. Q. Do you consider ORNG systems to be operated in a hazardous manner?

18 A. Yes. Any gas pipeline systems constructed and operated by ORNG  
19 without direct Staff supervision have to be considered to be constructed  
20 and operated in a manner that is not consistent with the Pipeline Safety  
21 Regulations.  
22

1    74.   Q.   What are you asking the Commission to do?

2           A.   I believe the ORNG gas pipeline system should be declared a hazardous  
3           facility, and immediately cease operations.

4

5    75.   Q.   Does this conclude your testimony?

6           A.   Yes. However, I reserve the right to submit supplemental testimony as  
7           described herein, as new information subsequently becomes available or  
8           in response to positions taken by other parties.

## **PROOF OF SERVICE**

I hereby certify that a true copy of the foregoing Prepared Testimony of Peter Chace, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail, upon the following parties of record, this 30<sup>th</sup> day of August, 2016.

/s/ Werner L. Margard III

**Werner L. Margard III**

Assistant Attorney General

### **Parties of Record:**

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Summary: Testimony Prepared Testimony of Peter Chace submitted by Assistant Attorney General Werner Margard on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio