

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE INVESTIGATION  
OF COLUMBIA GAS OF OHIO, INC.  
RELATIVE TO ITS COMPLIANCE WITH THE  
NATURAL GAS PIPELINE SAFETY  
STANDARDS AND RELATED MATTERS.

CASE NO. 20-1759-GA-GPS

## FINDING AND ORDER

Entered in the Journal on February 24, 2021

### I. SUMMARY

{¶ 1} The Commission finds that the joint stipulation and recommendation entered into by Staff and Columbia Gas of Ohio, Inc. is reasonable and should be approved.

### II. DISCUSSION

{¶ 2} Columbia Gas of Ohio, Inc. (Columbia) is a natural gas company as defined in R.C. 4905.03 and a public utility within the meaning of R.C. 4905.02. Columbia is also an operator, as defined in R.C. 4905.90. As such, Columbia is subject to the ongoing jurisdiction and supervision of the Commission, pursuant to R.C. 4905.04, 4905.05, 4905.06, and 4905.90 through 4905.96. Accordingly, Columbia is required to comply with the minimum gas service standards found in Ohio Adm.Code Chapter 4901:1-13, as well as the gas pipeline safety (GPS) rules contained in Ohio Adm.Code Chapter 4901:1-16, which set forth the safety standards and requirements for intrastate gas pipeline facilities subject to the Commission's jurisdiction. Pursuant to Ohio Adm.Code 4901:1-16-03(A), the Commission has also adopted the GPS regulations of the United States Department of Transportation contained in 49 C.F.R. Parts 40, 191, 192, and 199.

{¶ 3} R.C. 4905.91 provides that the Commission may investigate any service, act, practice, policy, or omission by an operator to determine its compliance with R.C. 4905.90 through 4905.96 and the pipeline safety code.

{¶ 4} Ohio Adm.Code 4901:1-16-12 provides that the Commission may initiate a GPS proceeding after, among other things, an incident has occurred and that, unless

otherwise ordered, Staff shall file with the Commission and serve upon the operator a written report of investigation within 90 days after service of the entry that initiates the proceeding.

{¶ 5} On December 3, 2020, Staff filed its investigative report (Staff Report or Report).

{¶ 6} On December 11, 2020, Staff and Columbia filed a joint stipulation and recommendation, which proposes to resolve all issues in this case.

**A. Staff Report**

{¶ 7} On December 3, 2020, Staff filed its Report detailing the results of its investigation into Columbia's compliance with the GPS rules following an incident that occurred on October 1, 2020, when Columbia received an alarm indicating a pipeline over-pressurization occurred at Columbia's Kitts Hill Road Compressor Station, 8358 State Route 141, Kitts Hill, Ohio in Lawrence County. According to the Report, on Wednesday, September 30, 2020, Columbia employees disconnected the Kitts Hill regulator station from the segment of pipeline connecting it to gas pipeline R-501, and connected the station to R-601 through a temporary piping connection. On Thursday, October 1, 2020, Columbia received a high-pressure alarm from the Kitts Hill regulator station. Pressure continued to rise and ultimately exceeded the 175 pounds per square inch gauge (psig) maximum allowable operating pressure (MAOP). Staff concluded that the over-pressurization event at Kitts Hill was caused by the pressure regulator control lines remaining connected to an isolated segment of piping supplying gas from line R-501, instead of being relocated to sense pressure on the regulator station's new source of supply, line R-601. Staff notes that, while Columbia's initial response was appropriate, its failure to recognize a potentially hazardous condition and stop work was a contributing factor towards the over-pressurization. Further, Staff concludes that Columbia failed to follow its gas standard GS1680.010 "Tie-ins and Tapping Pressurized Pipelines," which required Columbia to create a written Tie-in Plan for the installation on September 30, 2020. (Report at 4-9.)

{¶ 8} The Kitts Hill source of gas supply change was planned as part of Columbia Gas Transmission's Buckeye Express Pipeline project. This project involved abandoning the R-501 supply line and replacing it with a new pipeline (R-801). Stations supplied by the R-501 line would be switched to line R-601, which is a pre-existing line that shares a common right-of-way with line R-501. Staff notes that e-mail correspondence shows Columbia was aware on or before May 1, 2020, that the project called for work at the Kitts Hill station. This work occurred on September 30, 2020, when Columbia's employees disconnected the Kitts Hill regulator station from line R-501 and connected it to line R-601 through a temporary connection. After the connection was made to line R-601, a valve was closed that isolated the segment of piping that connected line R-501 to the regulator station inlet so that the gas was no longer being supplied. Upstream pressure sensing control lines used by the regulators at the station were connected to the segment that was isolated, so these sensors continued to sense pressure from the isolated segment of piping in line R-501, not the new segment connected to R-601. (Report at 5.)

{¶ 9} According to the Staff Report, upon receiving the high-pressure alarm from the Kitts Hill regulator station, Columbia responded and was able to start relieving pressure from the line within one hour, when the pressure reached its maximum recorded value of 420 psig. Line pressure fell below the system MAOP of 175 psig in three hours and fourteen minutes. (Report at 5.)

{¶ 10} Upon reducing pressure, Columbia began performing a complete leak survey of the distribution system and reviewed for the presence of components that could have been damaged by high pressure. The investigation by Columbia revealed that "step-down" regulators in place protected customer piping from the over-pressurization event. Columbia restored gas service to the majority of 105 affected customers after replacing certain customer service regulator and pipeline components; this occurred between October 9 and October 12, 2020. (Report at 5.)

{¶ 11} In its Report, Staff states that operators are required to have procedures in

place for operations and maintenance activities as well as standards and specifications for construction activities. Columbia's gas standard GS1680.010 "Tie-ins and Tapping Pressurized Pipelines" defines a "Tie-in Plan" as "a written document that includes requirements and steps for tie-ins and tapping of pressurized pipeline facilities." Staff states that this standard would have both applied to the tie-in at the Kitts Hill regulator station and required Columbia to perform an engineering design review and create a field checklist. Staff indicates that the plan should include requirements such as addressing "safety precautions to prevent abnormal operating conditions." Staff concludes that, if Columbia had met its standard and prepared a written Tie-in Plan for the work at Kitts Hill, the need to relocate the station control lines would have been identified and addressed. Staff notes that it was unable to determine why a Tie-in Plan was not prepared. Further, Staff notes that a photograph of the Kitts Hill regulator station shows that the control lines involved here were located above ground entirely within the regulator station building. Staff states that the Columbia employees performing the work were qualified by a Columbia program and thus should have recognized that the control lines were not relocated along with the station's source of supply. Staff concludes that Columbia's failure to recognize a potentially hazardous condition and stop work was a contributing factor in the over-pressurization event and potentially points to flaws in Columbia's Operation Qualification program. Finally, Staff notes that Columbia's initial response to the event was appropriate and the work performed as part of that response was compliant with the GPS regulations. (Report at 5-7.)

{¶ 12} Following its investigation, Staff states that Columbia violated 49 C.F.R. 192.13(c) and 49 C.F.R. 192.805. Staff states that a pattern exists of Columbia facing over-pressurization events caused by inadvertently isolating or depressurizing gas pressure regulator control lines, and that the corrective action plan implemented by Columbia was not followed by company employees in the instant case. According to the Report, both Staff and the National Transportation Safety Board (NTSB) have previously identified deficiencies in Columbia's adherence to GS 1680.010. Staff specifically points to the

requirement of a written Tie-in Plan being developed by Columbia's parent company, NiSource, Inc., after a significant over-pressurization incident occurred, for which NiSource, Inc. was given recommendations following an investigation by NTSB. (Report at 9-11.)

{¶ 13} In the Report, Staff concluded that Columbia did not have or follow a written Tie-in Plan for the work performed at the Kitts Hill regulator station and that Columbia's failure to successfully implement the corrective action recommended by the NTSB may lead to similar over-pressurization events in the future (Report at 11).

{¶ 14} After consideration of the information in its Report, Staff offered the following recommendations:

- a. Columbia must conduct an internal investigation to determine why a written Tie-in Plan was not created or followed at Kitts Hill as required by Columbia's Gas Standard GS 1680.010 and report these findings to the Commission within 90 days of the Commission issuing a Finding and Order in this case.
- b. Columbia must conduct an internal audit of the effectiveness of the procedures in place to ensure construction plans are reviewed by all applicable departments for accuracy, completion, and correctness. This audit should include a gap analysis of policies, programs, procedures, and practices used for planning new construction against American Petroleum Institute (API) Recommended Practice 1173, "Pipeline Safety Management Systems," and report these findings to the Commission within 90 days of the Commission issuing a Finding and Order in this case.
- c. Columbia must review its Operator Qualification training programs to ensure individuals qualified to work on gas pressure regulators are able

to recognize instances where control lines may be isolated or depressurized during construction.

Finally, Staff recommended a forfeiture of \$250,000 be assessed pursuant to R.C. 4905.95(B)(1)(b) against Columbia for failure to follow its own procedures put into place in response to a significant over-pressurization incident in Merrimack Valley in Massachusetts. Staff noted that future instances of over-pressurizing gas piping systems due to regulator failure during construction may pose a serious danger to the public. (Report at 11.)

***B. Stipulation***

{¶ 15} On December 11, 2020, Staff and Columbia (jointly, Signatory Parties) filed a joint stipulation and recommendation (Joint Stipulation), which proposes to resolve all issues in this case. The following is a summary of the provisions agreed to by the Signatory Parties and is not intended to replace or supersede the Joint Stipulation:

- a. Staff recommended that Columbia conduct an internal investigation to determine why a written Tie-in Plan was not created or followed at Kitts Hill as required by Columbia's Gas Standard GS 1680.010, and report these findings to the Commission within 90 days of the Commission issuing a Finding and Order in this case.
- b. Staff recommended that Columbia conduct an internal audit of the effectiveness of the procedures in place to ensure construction plans are reviewed by all applicable departments for accuracy, completion, and correctness. This audit should include a gap analysis of policies, programs, procedures, and practices used for planning new construction against API Recommended Practice 1173, "Pipeline Safety Management Systems," and report these findings to the Commission within 90 days of the Commission issuing a Finding

and Order in this case.

- c. Staff recommended that Columbia review its Operator Qualification training programs to ensure individuals qualified to work on gas pressure regulators are able to recognize instances where control lines may be isolated or depressurized during construction.
- d. Staff recommended a forfeiture of \$250,000 be assessed pursuant to R.C. 4905.95(B)(1).
- e. Columbia will complete Staff's recommendations, summarized within Paragraph 15(a) – (c) of this Finding and Order, within the timelines outlined in the Staff Report and Joint Stipulation. Further, Columbia will complete implementation of the recommendation in Paragraph 15(c) above within 180 days of the issuance of this Finding and Order.
- f. Columbia will pay a forfeiture of \$250,000. The payment shall be paid within 30 days of the approval of the Joint Stipulation by the Commission. The payment shall be made payable to "Treasurer State of Ohio," and mailed to the Public Utilities Commission of Ohio, ATTN: Fiscal Division, 180 East Broad Street, 4th Floor, Columbus, Ohio 43215-3793. Case No. 20-1759-GA-GPS shall appear on the face of the check.
- g. The Signatory Parties agree that the Joint Stipulation establishes no precedent to be relied upon in any manner in any other proceeding except any proceeding that may be necessary to enforce the provisions of the Joint Stipulation.
- h. The Joint Stipulation constitutes a compromise resolution by the Signatory Parties of all issues raised by the Signatory Parties in this case. The Signatory Parties agree and acknowledge that the Joint

Stipulation is not and shall not be construed as an admission by Columbia regarding any legal or regulatory violation, or regarding any finding or conclusion set forth in the Staff Report in the above-referenced proceeding. The Signatory Parties agree that, if the Commission rejects all or any part of the Joint Stipulation, or otherwise materially modifies its terms, either Signatory Party shall have the right, within 30 days after the date of the Commission's Order, either to file an application for rehearing or to terminate and withdraw from the Joint 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 Joint Stipulation without material modification, either Signatory Party may terminate and withdraw from the Joint Stipulation by filing a notice of termination and withdrawal with the Commission in this proceeding within ten business days after the date of the Commission's Entry on Rehearing. Upon filing a notice of termination and withdrawal by either Signatory Party, the Joint Stipulation shall immediately become null and void. In such event, a hearing shall go forward and the Signatory Parties shall be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to file briefs on all issues, and to have this proceeding be decided, on the record and brief, as if the Joint Stipulation had never been executed.

(Joint Stipulation at 2-3.)

**C. Commission Conclusion**

{¶ 16} Ohio Adm.Code 4901:1-16-11 permits Columbia and Staff to enter into a stipulation in order to resolve any alleged violations of the GPS requirements. Although the Signatory Parties refer to Ohio Adm.Code 4901-1-30 as their underlying authority for



the Joint Stipulation, the Commission will consider the Joint Stipulation pursuant to our enforcement powers under R.C. 4905.91 and Ohio Adm.Code Chapter 4901:1-16.

{¶ 17} The immediate issue to be decided by the Commission is whether the Joint Stipulation, which embodies considerable time and effort by the Signatory Parties, is reasonable and should be adopted. However, as gas pipelines are concerned, the Commission's ultimate goal is to safeguard consumer safety by ensuring that sufficient plans and procedures are in place to prevent future incidents. In this case, we find that the Joint Stipulation, including the recommended forfeiture of \$250,000, is reasonable, given that Columbia will also be required to carry out a number of actions in response to Staff's recommendations. Columbia committed to conducting both an internal investigation and an internal audit, along with reviewing its Operator Qualifications training programs. Accordingly, the Commission finds that the Joint Stipulation should be approved and adopted in its entirety.

{¶ 18} In closing, the Commission emphasizes our commitment to ensuring consumer safety and requiring operators of gas pipelines to take all reasonable steps to provide necessary safeguards. The Commission expects that Columbia, in addition to undertaking the actions required by the Joint Stipulation, will continually review its management and training practices related to GPS requirements and immediately correct any issues of concern. Further, the Commission expects Columbia to notify Staff of any issues that are identified and regularly report to Staff until the issues are resolved. In addition, the Commission directs Staff to continue its diligent efforts to work with Columbia and other operators on compliance with the GPS requirements. If Staff identifies any issues of concern that are not immediately resolved by the operator at issue, the Commission will undertake any action necessary to investigate the situation and reach an appropriate resolution, including the initiation of a formal docket to audit the GPS practices and procedures of any such operator.

### III. ORDER

{¶ 19} It is, therefore,

{¶ 20} ORDERED, That the Joint Stipulation filed in this proceeding be approved and adopted in its entirety. It is, further,

{¶ 21} ORDERED, That Columbia take all necessary steps to carry out the terms of the Joint Stipulation and this Finding and Order. It is, further,

{¶ 22} ORDERED, That nothing in this Finding and Order shall be binding upon the Commission in any future proceeding or investigation. It is, further,

{¶ 23} ORDERED, That a copy of this Finding and Order be served upon each party of record.

COMMISSIONERS:

*Approving:*

M. Beth Trombold  
Lawrence K. Friedeman  
Daniel R. Conway  
Dennis P. Deters

JMD/kck

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 20-1759-GA-GPS**

Summary: Finding & Order finding that the joint stipulation and recommendation entered into by Staff and Columbia Gas of Ohio, Inc. is reasonable and should be approved electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio