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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

file

In the Matter of the Investigation of :
The East Ohio Gas Company :
Relative to its Compliance with the :
Natural Gas Pipeline Safety :
Standards and Related Matters. :

Case No. 99-1439-GA-GPS

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STIPULATION AND RECOMMENDATION

Pursuant to Section 4901-1-30 of the Ohio Administrative Code, the East Ohio Gas Company (Company) and the Staff of the Gas Pipeline Safety Division of the Public Utilities Commission of Ohio (Staff) mutually enter into and submit this Stipulation and Recommendation for the Commission's consideration in this case. The Staff and the Company believe this agreement reasonably addresses and resolves all issues presented in this case and, therefore, request that the Commission consider and approve this agreement in its entirety.

I. Background

This agreement arises out of a Staff investigation of an August 22, 1999 incident in Kingsville, Ashtabula County, Ohio, that involved a natural gas explosion which caused property damage and injuries to two people. The investigation revealed leakage in a customer's service line, apparently caused by corrosion.

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Technician Andrea Smith Date Processed 3/15/00

II. AGREEMENT

(1) The Company agrees to pay the sum of seventy-five thousand dollars (\$75,000) within ten (10) days of the Commission's Order adopting this Stipulation and Recommendation. This payment constitutes a compromise forfeiture for alleged noncompliances set forth in the Staff's Notice of Probable Noncompliance dated November 8, 1999. Payment of the above amount shall be by check payable to "Treasurer, State of Ohio" and shall be mailed to the Commission's Fiscal Division. The Commission-issued case number shall be identified on the check.

(2) The Company shall implement a comprehensive program to review all available records and maps to identify all "irregularly" installed service lines.¹ The Company agrees to perform thorough leakage surveys on all irregularly installed service lines within 60 days of their identification. The Company shall submit the results of those surveys to the Chief of the Gas Pipeline Safety Section within 18 months of issuance of the Commission's Order in this case.

(3) During the next scheduled leak survey cycle, the Company shall inspect for indications of irregularly installed service lines and shall record the locations of all such lines found as a result of the inspections.

(4) The Company agrees to implement training programs for its field investigators regarding identification, maintenance and odor response procedures for

¹ "Irregularly" installed service lines are gas lines that carry gas from East Ohio's main to the ultimate consumer where the service lines were not installed perpendicular to the main and do not enter the property from the front of the building.

irregularly installed service lines.

(5) Nothing in this Stipulation and Recommendation shall in any way preclude or limit the Staff or the Commission from initiating an investigation or pursuing independent civil forfeitures and/or compliance orders arising from any future violations relating to irregularly installed service lines.

(6) The Company's participation in this Stipulation and Recommendation shall not be construed as an admission as to the accuracy of any allegation or assertion raised in the Notice of Probable Noncompliance, and this Stipulation and Recommendation shall not be used by either party in any other proceeding other than a proceeding to enforce the terms of this agreement.

(7) Consistent with the terms of this Stipulation and Recommendation, the Company and the Staff agree to waive further procedural steps, including, without limitation, the filing of a Staff Report and an adjudicatory hearing on this matter, and the Company waives any right to seek judicial review or to otherwise challenge or contest the validity of the Commission's Order issued in this case.

(8) The Company and the Staff agree that, if the Commission rejects all or any part of this Stipulation and Recommendation, or otherwise materially modifies its terms, either party shall have the right, within five (5) business days of the Commission's Order, either to file an application for rehearing or to terminate and withdraw this Stipulation and Recommendation by filing a notice with the Commission. If an application for rehearing is filed, and if the Commission does not thereafter accept the Stipulation and Recommendation, without material modification, either party may

terminate and withdraw from the Stipulation by filing a notice with the Commission within five (5) business days of the Commission's decision on rehearing. The Company and the Staff further agree that, if the Stipulation and Recommendation is withdrawn, the Staff will issue a Staff Report and a hearing will be scheduled in order to litigate the issues raised in this proceeding.

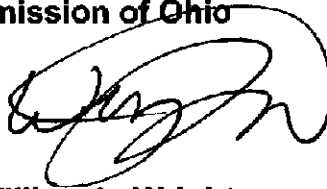
The undersigned respectfully join in requesting that the Commission adopt this Stipulation and Recommendation and issue an Opinion and Order approving the terms of this agreement.

The East Ohio Gas Company



By:
Helen L. Liebman
Its Attorney

**The Staff of the Public Utilities
Commission of Ohio**



By:
William L. Wright
Assistant Attorney General