

BEFORE

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) Case No. 15-1351-GA-GPS
Pipeline Safety Standards and Related)
Matters.)

FINDING AND ORDER

The Commission finds:

- (1) Columbia Gas of Ohio, Inc. (Columbia) is a public utility and a natural gas company within the meaning of R.C. 4905.02, 4905.03, and 4905.90, 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. 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 GPS rules incorporate the United States Department of Transportation's GPS regulations, as contained in 49 C.F.R. 40, 191, 192, and 199.
- (2) On July 24, 2015, and August 28, 2015, Staff filed its Natural Gas Pipeline Failure Investigation Report (Investigation Report) and its Staff Report of Investigation (Staff Report) (jointly, Reports), respectively, detailing the results of its investigation into Columbia's compliance with the GPS rules following an incident that occurred on March 21, 2015, when a house located in Upper Arlington, Ohio, exploded. According to the Investigation Report, the house located at 3418 Sunningdale Way (the house) was destroyed, seven additional homes were damaged and rendered uninhabitable, and over twenty additional homes sustained structural damage, culminating in estimated property

damage of over \$9,000,000, and, thus, meeting the definition of an incident, pursuant to Ohio Adm.Code 4901:1-16-01(K) and 49 C.F.R. 191.3. (Investigation Report at 1.)

- (3) In the Staff Report, Staff states that its investigation revealed that a series of events caused the explosion. Initially, the original service line at the house was shut off and a new plastic service line was installed sometime between 1985 and 1997. The original service line was not properly abandoned, as it remained connected to the main, the end of the line was not plugged or sealed, and the curb valve remained accessible and operable. In 1990, the city of Columbus Water Department (Water Department)¹ created a second water tap card for the house for an unknown reason that mistakenly identified as the water curb valve the location of the improperly abandoned gas line curb valve. On March 20, 2015, the improperly abandoned gas line curb valve was operated by a Water Department employee who was attempting to disconnect water service to the house and misidentified the improperly abandoned gas line curb valve as the water curb valve. Thereafter, natural gas began to flow from the Columbia main into the improperly abandoned gas line and build up against the foundation of the house to an explosive concentration, causing the explosion at 2:47 p.m. on March 21, 2015. (Staff Report at 6-7.) Following its investigation, Staff concluded that Columbia violated 49 C.F.R. 192.13(c) and 192.727(d) by failing to follow its own operation and maintenance procedures, and failing to discontinue properly its service to the house (Staff Report at 5-6).
- (4) After consideration of the information in the Reports, Staff offered the following recommendations in its Staff Report:
 - (a) Columbia must develop a process to proactively identify inaccurate curb box locations in its pipeline system through a review of service line data whenever conducting maintenance or design reviews at a

¹ The Water Department is outside of the Commission's jurisdiction; consequently, neither the Reports nor this Finding and Order addresses the actions or policies of the Water Department, other than as necessary in discussing the facts of this case.

location. This process must be developed in coordination with the GPS Staff and incorporated into appropriate Columbia procedures.

- (b) Columbia must review its public awareness program under 49 C.F.R. 192.616 that requires programs to educate appropriate government organizations on possible hazards associated with unintended release from a gas pipeline facility. These provisions must include education of local water departments in Columbia's service territory on the possibility that gas valves may be misidentified as water main valves, particularly in situations where more than one water service valve is identified at a given property.
- (c) Columbia must review the portion of its operator qualifications (OQ) program required under 49 C.F.R. 192, Subpart N, that covers the abandonment of service lines, incorporate lessons learned from this incident investigation into its OQ training program, and provide this training to all Columbia employees whose job duties include the abandonment of service lines.
- (d) Finally, given the severity of the violations, a forfeiture of \$400,000 should be assessed pursuant to R.C. 4905.95(B)(1)(b) against Columbia for failure to comply with the GPS requirements for the abandonment of service lines.

(Staff Report at 7.)

- (5) On December 18, 2015, Columbia and Staff filed a Stipulation and Recommendation (Stipulation), which would resolve all of the issues in this case. The Stipulation provides, among other things, that, after discussions between Columbia and Staff regarding the recommendations in the Staff Report, Columbia agrees to

complete the following actions summarized below, which Staff agrees will satisfy its recommendations. The Commission notes that this summary is not inclusive of the entire stipulation and is not intended to replace or supplement the text of the stipulation.

- (a) Columbia must enhance its records management. More specifically, Columbia must undertake actions to enhance and improve its records, including:
 - (i) Columbia must obtain and record global positioning system locations of curb boxes by incorporating curb box locations into its current process of internally recording facility locations, in order to provide a common repository for Columbia's facility locations. Columbia must commit to substantially complete the collection of global positioning system coordinates on all operating main lines, service lines, and curb valves by 2023.
 - (ii) Columbia must enhance records for its curb box and service line locations through the infrastructure replacement program (IRP) by confirming service line and curb box locations and creating or correcting records for any facilities not recorded or incorrectly recorded. Additionally, the IRP process shall provide for the retirement of older main line pipelines and installation of all service lines to a new pipeline in order to ensure service lines are abandoned appropriately.
 - (iii) Columbia must enhance records through its service line records review by forming an internal task force to research and review its distribution information system service line records. The review is intended to analyze available records to

isolate areas that may require further action or investigation, on which Columbia will diligently follow up to explain. Columbia must complete this review and update the Commission's Staff by December 31, 2016.

- (b) Columbia must increase public awareness on unintended release of gas safety and gas infrastructure safety. Specifically, Columbia must update its public awareness program to educate the public, emergency responders, excavators, and public officials on gas infrastructure safety, including how to respond to a gas odor, calling before excavating, and how to respond to unintended gas release and inadvertent operation of gas valves. Columbia must complete this update by December 31, 2016.
- (c) Columbia must enhance public official outreach regarding gas safety. In further detail, Columbia must engage public officials and other utility operators in educational outreach regarding the possibility of misidentification of gas valves as water main valves. This shall include Columbia contacting at least three large operators of water utility infrastructure located in its operating centers to request an opportunity to meet face-to-face to share information and identify potentially incorrectly marked facilities, and to submit at least one document to each water company in operation in its service territory. Columbia must submit a list of the applicable operators to Staff within 30 days of approval of the Stipulation and must complete the outreach by December 31, 2016.
- (d) Columbia must educate its employees, first responders, and municipalities on gas infrastructure safety. More specifically, Columbia shall provide opportunities for first

responders and public officials to utilize its training facility when it is completed, as well as its training programs, in order to provide education on service line, curb valve, and gas safety. Where organizations are unable to travel to the training facility, Columbia shall provide training opportunities within local service areas.

- (e) Columbia must revise and update its training curriculum. In order to carry out this requirement, Columbia shall incorporate into its training curriculum revisions any lessons learned from the incident investigation in order to ensure that all pertinent employees receive enhanced training curriculum. Additionally, Columbia shall require its employees to verify its gas infrastructure on all qualifying work orders upon the rollout of global positioning system technology, including the precise location of the main line, service line, curb valve, and gas meter. Further, Columbia employees shall be trained to review the work location and identify abnormalities associated with facilities upon arrival at the work location. Columbia must revise and implement the training curriculum by December 31, 2016.
- (f) Columbia must pay a civil forfeiture of \$200,000, and must hold, in abeyance, \$200,000, which may be assessed if Columbia fails to fulfill its obligations under the Stipulation. The civil forfeiture of \$200,000 shall be paid within 10 business days of the Commission's order adopting the Stipulation, payable by certified check to the "Treasurer State of Ohio" and delivered to Staff. Columbia may not recover the forfeiture in any pending or future proceeding before the Commission, as set forth by Ohio Adm.Code 4901:1-16-14(C). The \$200,000 in abeyance shall be held until the

Commission issues an order stating that Columbia has fulfilled its obligations under the Stipulation, and shall be discharged upon Columbia's compliance with this Stipulation as determined by Commission order. The \$200,000 held in abeyance shall become payable if the Commission finds that Columbia has failed to comply with the Stipulation, and may not be recovered in any pending or future proceeding before the Commission as set forth by Ohio Adm.Code 4901:1-16-14(C).

(Stipulation at 4-7.)

- (6) 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 Columbia and Staff refer to Ohio Adm.Code 4901-1-30 as their underlying authority for the Stipulation, the Commission will consider the Stipulation pursuant to our enforcement powers under R.C. 4905.91 and Ohio Adm.Code Chapter 4901:1-16.
- (7) The immediate issue to be decided by the Commission is whether the 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.

Further, R.C. 4905.95 authorizes assessment upon an operator of forfeitures not to exceed \$100,000 for each day of each violation or noncompliance found by the Commission, provided that the aggregate of such forfeitures does not exceed \$1,000,000 for any series of violations or noncompliances. Here, the Commission finds that, given the severity of the violations reported by Staff, \$200,000 is a considerable amount that can be expected to deter Columbia from future violations. Further, holding an additional \$200,000 in abeyance that will become payable if the Commission finds that Columbia does not fulfill the terms of the Stipulation can further be expected to encourage Columbia's compliance with the terms of the Stipulation,

which will, in turn, prevent future incidents. We emphasize that the Commission will not hesitate to impose total forfeitures of a much greater magnitude in future cases involving any operator, if the circumstances of the case justify such action.

In this case, we find that the Stipulation, including the recommended forfeiture of \$200,000, with an additional \$200,000 held in abeyance, is reasonable, given that Columbia will also be required to carry out a number of actions in response to Staff's recommendations. As discussed above in the summary of the Stipulation, those actions include enhancing records management by obtaining and recording global positioning system locations of curb boxes, enhancing records for curb box and service line locations through the IRP, and enhancing records through service line records review; increasing public awareness on unintended release of gas safety and gas infrastructure review; enhancing public official outreach regarding gas safety; educating Columbia employees, first responders, and municipalities on gas infrastructure safety; and revising and updating of training curriculum. Accordingly, we conclude that the Stipulation should be approved and adopted in its entirety.

We further note that the Stipulation specifically provides that nothing in the Stipulation may 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 for any other period.

- (8) 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. As such, the Commission expects that, in addition to undertaking the actions required by the Stipulation, Columbia will 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 gas companies on compliance with the GPS requirements. If Staff identifies any issues of concern that are not immediately resolved by the company 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 company.

It is, therefore,

ORDERED, That the Stipulation and Recommendation filed in this proceeding be approved and adopted in its entirety. It is, further,

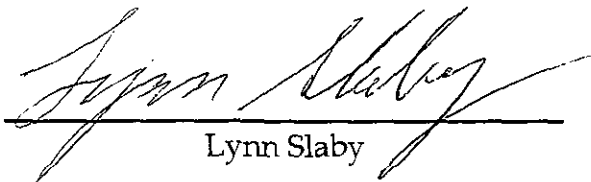
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.

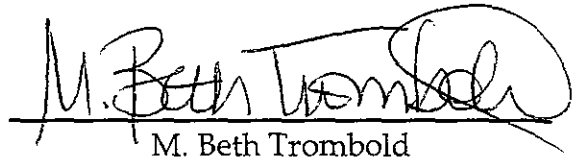
THE PUBLIC UTILITIES COMMISSION OF OHIO



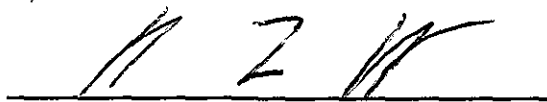
Andre T. Porter, Chairman



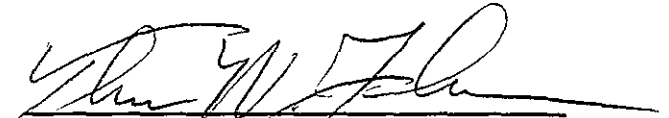
Lynn Slaby



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Secretary