

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE COMMISSION'S
INVESTIGATION INTO OHIO RURAL
NATURAL GAS CO-OP AND RELATED
MATTERS.

CASE NO. 16-1578-GA-COI

ENTRY

Entered in the Journal on August 15, 2016

{¶ 1} Ohio Rural Natural Gas Co-op (ORNG) is a pipeline company as defined in R.C. 4905.03 and an operator as defined in R.C. 4905.90, and, pursuant to R.C. 4905.90 through 4905.96, is subject to the jurisdiction and supervision of this Commission. Accordingly, ORNG is required to comply with Ohio Adm.Code Chapter 4901:1-16, which sets forth the safety standards and requirements for intrastate gas pipeline facilities subject to the jurisdiction of the Commission. Pursuant to Ohio Adm.Code 4901:1-16-03(A), these rules adopt the United States Department of Transportation's gas pipeline safety (GPS) regulations contained in 49 C.F.R. Parts 40, 191, 192, and 199.

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

{¶ 3} On July 15, 2016, Staff filed a report regarding the results of a series of investigations into ORNG's facilities, operations, and records (Staff Report). In its report, Staff asserts there have been multiple, repeated instances of non-compliance by ORNG from February 2015 to May 2016 and that ORNG's operational system is a potential threat to human life and property. Staff believes its enforcement procedures have been ineffective in obtaining compliance and that ORNG is a willful and persistent violator of GPS regulations. Therefore, Staff recommends the Commission take the following actions:

- (a) Determine that ORNG's facilities are hazardous to life and property;

- (b) Require ORNG to immediately cease all construction and operation of regulated gas pipelines until all of the remaining items from Staff's December 1, 2015 corrective action plan and all of the violations in Staff's May 12, 2016 audit are corrected;
- (c) Require ORNG to fully cooperate with Staff in returning to and maintaining compliance with the GPS regulations on its entire system, including any newly constructed facilities; and
- (d) Assess the recommended forfeiture totaling \$600,000 against ORNG.

{¶ 4} By Entry on August 1, 2016, in order to assist the Commission in its review of the findings in the Staff Report, the attorney examiner established a procedural schedule. Direct testimony was to be filed by August 16, 2016, and an evidentiary hearing was to commence on August 23, 2016. Additionally, the attorney examiner directed ORNG to immediately work towards full compliance with the December 1, 2016 corrective action plan, as well as the May 12, 2016 audit. ORNG was also directed to fully cooperate with Staff.

{¶ 5} On August 9, 2016, ORNG filed a motion to continue the case schedule and a memorandum in support. ORNG asserts Staff's recommendations, if adopted, would put ORNG out of business and that it needs additional time to properly address all of the allegations in the Staff Report. Further, ORNG states its counsel has scheduling conflicts due to business and familial obligations. Accordingly, ORNG requests a one-month continuance of the procedural schedule.

{¶ 6} The attorney examiner recognizes that counsel for ORNG has presented justification for a continuance of the hearing. However, based on Staff's finding that

ORNG's operational system is a potential threat to human life and property, any continuance should be limited. Accordingly, a two-week extension of the procedural schedule should be granted and the procedural schedule will be as follows:

- (a) Direct testimony on behalf of Staff and ORNG shall be filed by August 30, 2016.
- (b) An evidentiary hearing shall commence on September 6, 2016, at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, 11th Floor, Hearing Room 11-C, Columbus, Ohio 43215-3793.

Absent extraordinary circumstances, no further continuances will be granted.

{¶ 7} It is, therefore,

{¶ 8} ORDERED, That ORNG's motion for continuance be granted as set forth above and that the procedural schedule set forth in paragraph 6 be adopted. It is, further,

{¶ 9} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Nicholas Walstra

By: Nicholas Walstra
Attorney Examiner

sef/vrm

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Case No(s). 16-1578-GA-COI

Summary: Attorney Examiner Entry setting forth a procedural schedule; electronically filed by Vesta R Miller on behalf of Nicholas Walstra, Attorney Examiner, Public Utilities Commission of Ohio