

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, MARCH 30, 2017

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170330254

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

v.

CASE NO. URS-2017-00003

COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found at 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards for gas pipeline facilities used for intrastate transportation. In Case No. PUE-1989-00052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia.¹ The Commission is authorized to enforce the Safety Standards for natural gas

¹ *Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte, In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rept. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).*

facilities under § 56-257.2 B of the Code of Virginia ("Code"), which allows the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division") is charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards; has conducted various inspections of records, construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc. ("Company"), the Defendant; and alleges that:

- (1) The Company is a person within the meaning of § 56-257.2 B of the Code.
- (2) The Company violated the Commission's Safety Standards by the following conduct:
 - (a) 49 C.F.R. § 192.181 (c) (2) - Failure of the Company to have a valve operating stem or mechanism readily accessible.
 - (b) 49 C.F.R. § 192.603 (b) - Failure of the Company to keep records necessary to administer calibration of its combustible gas indicators at intervals not exceeding 4 1/2 months, but at least four times each calendar year.
 - (c) 49 C.F.R. § 192.605 (a) - Failure of the Company on two occasions to follow its Gas Standard, GS 3020.010, by not ensuring a minimum of 12 inch radial separation was obtained between a service line and other underground utilities.
 - (d) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Gas Standard, GS 1750.010, by not recognizing and taking appropriate action to correct a partially buried valve at a Farm Tap station.
 - (e) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Gas Standard, GS 2730.020, by not assuring that a fabricated leak repair clamp and the installation procedures for the clamp are in compliance with the applicable Gas Index of Materials Standards.
 - (f) 49 C.F.R. § 192.605 (a) - Failure of the Company to have adequate written procedures for bar holing by not prohibiting the use of electrical or arcing equipment during bar holing operations.
 - (g) 49 C.F.R. § 192.605 (b) (3) - Failure of the Company to provide accurate maps to appropriate operating personnel.

- (h) 49 C.F.R. § 192.751 - Failure of the Company to take steps to minimize the danger of accidental ignition of gas in any area where the presence of gas constitutes a hazard of fire or explosion by not removing all electrically powered tools or equipment from an area where a hazardous amount of gas may be vented.

The Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters arising from the allegations made against it, the Company represents and undertakes that:

(1) The Company shall pay to the Commonwealth of Virginia the amount of Ninety-two Thousand Dollars (\$92,000), which shall be paid contemporaneously with the entry of this Order. The payment shall be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director, Division of Utility and Railroad Safety, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197.

(2) The Company shall revise its procedures to address the violation noted in allegation (2) (f) above by no later than April 1, 2017.

(3) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(4) Although the civil penalty in this Order of Settlement is assessed to Columbia Gas of Virginia, Inc., the probable violations can be attributed to both Columbia Gas of Virginia, Inc. and its contractors; however, the ultimate responsibility for compliance with the Pipeline Safety Standards lies with Columbia Gas of Virginia, Inc. The Company shall bear the financial

responsibility for this civil penalty. Any part of the civil penalties ordered herein that are recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

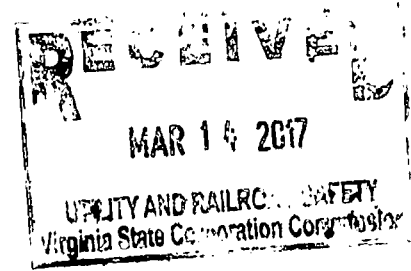
(5) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of compromise and settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2017-00003.
- (2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code, the offer of compromise and settlement made by Columbia Gas of Virginia, Inc. is hereby accepted.
- (3) Pursuant to § 56-257.2 B of the Code of Virginia, the Company shall pay the amount of Ninety-two Thousand Dollars (\$92,000), which shall be paid contemporaneously with the entry of this Order.
- (4) Pursuant to Undertaking Paragraph (3), the settlement reached between the Division and the Company does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does the settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff in such a proceeding.

COMMONWEALTH OF VIRGINIA, *ex rel.*
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v.

CASE NO. URS-2017-00003

COLUMBIA GAS OF VIRGINIA, INC.,

Defendant

ADMISSION AND CONSENT

The Defendant, Columbia Gas of Virginia, Inc., admits the jurisdiction of the Commission as to the party and subject matter hereof and, without admitting or denying the allegations made herein by the Division of Utility and Railroad Safety, hereby consents to the form, substance, and entry of the foregoing Order of Settlement. The Defendant acknowledges that the Order of Settlement entered herein is a public record and is subject to review by the public.

The Defendant further states that no offer, tender, threat or promise of any kind has been made by the Commission or by any member, officer, agent or representative thereof in consideration of this Admission and Consent.

Date: 03/08/2017

Columbia Gas of Virginia, Inc.

By: _____

Title: _____

VP-PS+C