

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 18, 2019

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

CASE NO. URS-2019-00002

SECRETARY'S OFFICE
DOCUMENT CONTROL CENTER
2019 APR 18 A 11:58

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ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 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 transportation¹ and for hazardous liquid pipeline facilities used for intrastate transportation.² The Commission is authorized to enforce the Gas Safety Standards for natural

¹ 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 ("Gas Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. 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. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

² The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as minimum intrastate hazardous liquid pipeline safety standards ("Hazardous Liquid Safety Standards") in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Hazardous Liquid Safety Standards for liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Hazardous Liquid Safety Standards for hazardous liquid pipeline facilities under Code § 56-555.³ These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), 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" or "CVA"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:
 - (a) 49 C.F.R. § 192.605(a) - Failure of the Company to follow its Gas Standards, Welding Manual, Section 6.3.2, by having a welder weld on an in-service pipeline without using low-hydrogen electrodes.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

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

- (1) The Company shall be assessed a civil penalty in the amount of Forty-six Thousand Dollars (\$46,000), which shall be paid contemporaneously with the entry of this Order.
- (2) Beginning no later than July 1, 2019, the Company shall require that a qualified in-service welding procedure be used for all in-service welds and that any persons performing such in-service welds shall be qualified pursuant to the Commission's Gas Safety Standards and shall follow Company in-service welding procedures.

³ Hereinafter, the "Gas Safety Standards" and the "Hazardous Liquid Safety Standards" are collectively referred to as the "Safety Standards."

(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 is assessed to CVA, the probable violations may be attributed to CVA and its contractors. However, CVA is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is 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 Accounts 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 within 90 days of such booking.

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 settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2019-00002.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by CVA is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Forty-six Thousand Dollars (\$46,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), (4), and (5) are hereby incorporated by reference.

(5) This case is hereby dismissed.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Mr. Phil Wilson, Vice President, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836; and copies also shall be delivered to the Commission's Office of General Counsel, Office of the Commission Comptroller, and Divisions of Utility and Railroad Safety and Utility Accounting and Finance.

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UTILITY AND RAILROAD SAFETY
Virginia State Corporation Commission

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STATE CORPORATION COMMISSION

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Defendant

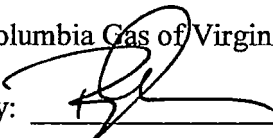
ADMISSION AND CONSENT

The Defendant, Columbia Gas of Virginia, Inc., admits to 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: 3/25/19

Columbia Gas of Virginia, Inc.

By: 

Title: VICE PRESIDENT - GENERAL MANAGER