

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, FEBRUARY 21, 2023

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COMMONWEALTH OF VIRGINIA, *ex rel.*

2023 FEB 21 A 11: 50

STATE CORPORATION COMMISSION

v.

CASE NO. URS-2022-00055

WASHINGTON GAS LIGHT COMPANY,
Defendant

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 ("Safety Standards") for gas pipeline facilities used for intrastate transportation¹ and for hazardous liquid pipeline facilities used for intrastate transportation.² The Commission is

¹ The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities 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 the minimum Safety Standards for hazardous liquid pipeline facilities 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*

authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. 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 Washington Gas Light Company ("Company" or "WGL"), 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. § 192.63 (a) – Failure of the Company to use a component that is marked in accordance with the standard to which it was manufactured.
- (b) 49 C.F.R. § 192.285 (a) – Failure of the Company to ensure that a person who makes a plastic pipe joint has been qualified under the applicable joining procedure.
- (c) 49 C.F.R. § 192.605 (a) – Failure of the Company to have an adequate procedure for the repair of plastic pipelines.
- (d) 49 C.F.R. § 192.605 (a) – Failure of the Company to follow its Engineering and Operating Standards, Section 3222, by improperly downgrading a Grade 1 leak.

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 Safety Standards for hazardous liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

- (e) 49 C.F.R. § 192.605 (a) – Failure of the Company to follow its Engineering and Operating Standards, Section 4101, by not ensuring a pipeline was marked on the ground to within 2 feet of its actual location.
- (f) 49 C.F.R. § 192.605 (a) – Failure of the Company to follow on one occasion its Engineering and Operating Standards, Section 5374, by not using separate excavations for squeeze-off tools.
- (g) 49 C.F.R. § 192.751 (a) – Failure of the Company to take steps to minimize the danger of accidental ignition.
- (h) 49 C.F.R. § 199.105 (b) – Failure of the Company on three occasions to perform post-accident drug testing on an employee whose performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident.
- (i) 49 C.F.R. § 199.225 (a) (1) – Failure of the Company on 10 occasions to perform post-accident alcohol testing on an employee whose performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident.

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 Two Hundred and Thirty-Eight Thousand Dollars (\$238,000), of which One Hundred and Eighty-Two Thousand Dollars (\$182,000) shall be paid contemporaneously with the entry of this Order. The remaining Fifty-Six Thousand Dollars (\$56,000) shall be due as outlined in Undertaking Paragraph (4) herein and may be suspended and subsequently vacated, in whole or in part, by the Commission, provided the Company timely takes the actions required by Undertaking Paragraph (2) herein and tenders the requisite certifications as required by Undertaking Paragraph (3).

(2) With the entry of this Order, the Company shall undertake the following remedial actions:

- (a) The Company shall discontinue use of Straub Coupling as a permanent repair on its plastic pipelines. By January 1, 2024, the Company shall discontinue the use of the Straub Coupling as a temporary repair on its pipelines.
- (b) The Company shall update the following language in its Engineering and Operating Standards Section 4086: "Use only natural gas-rated materials." Instead, the Company's procedures should reflect only the use of materials that meet the requirements of 49 C.F.R. § 192 by no later than October 1, 2022.
- (c) The Company shall amend its Operations and Maintenance Manual, Section 3222 - Leak Grading, Repair, and Monitoring Criteria, to require the following:
 - (i) a gas indication of 3 percent or more (gas in air) inside of substructure³ be graded as a Grade 1 leak;
 - (ii) any gas indication on a Company owned facility inside a structure⁴ be graded as a Grade 1 leak;⁵
 - (iii) any gas indication on a Company owned facility within 10 feet or less of a building wall be graded as a Grade 1 leak.⁶
- (d) The Company shall amend its Operations and Maintenance Manual, Section 5374 – Minimizing Personnel Exposure to Natural Gas, to require that during a repair of a plastic pipeline of 6 inches or greater, personnel shall perform a squeeze off in a separate location(s) from the repair site.

(3) On or before October 1, 2022, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit detailing its compliance with Undertaking Paragraph (2) executed by the Vice President of the Company, certifying that the Company

³ For the purpose of this Order, gas indication inside a substructure means any combustible gas indicator reading of 3 percent or more (gas in air) in a small substructure, including a WGL substructure (valve box, test station box, etc.), from which gas could likely migrate.

⁴ For the purpose of this Order, a structure is any building designed for human occupancy.

⁵ The Company shall address any gas indication on non-Company owned facilities, not reportable to the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), inside a structure as a Grade 1 leak pursuant to its Grade 1 leak procedures.

⁶ The Company shall address any gas indication on non-Company owned facilities, not reportable to PHMSA, within 10 feet or less of a building wall as a Grade 1 leak pursuant to its Grade 1 leak procedures.

completed the remedial actions set forth herein. Such affidavit should reference Case No. URS-2022-00055.

(4) Upon timely receipt of said affidavit, the Commission may vacate up to Fifty-Six Thousand Dollars (\$56,000) of the amount set forth in Undertaking Paragraph (1). Should the Company fail to tender the affidavit required by Undertaking Paragraph (3), or fail to take the action required by Undertaking Paragraph (2), payment of Fifty-Six Thousand Dollars (\$56,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for the Company's failure to accomplish the actions required by Undertaking Paragraphs (2) and (3). If, upon investigation, the Division and the Office of General Counsel determine that the reason for said failure justifies a payment lower than Fifty-Six Thousand Dollars (\$56,000), a reduction in the amount due may be recommended to the Commission. The Commission shall determine the amount due and, upon such determination, the Company shall immediately tender to the Commission said amount.

(5) 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.

(6) Although the civil penalty in this Order is assessed to WGL, the probable violations can be attributed to WGL and its contractors. However, WGL 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.

(7) 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.

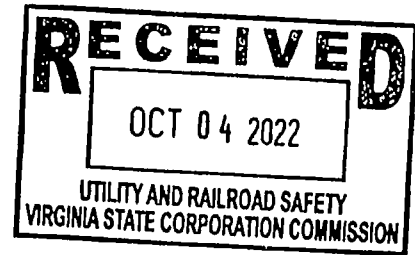
Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00055.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by WGL is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Two Hundred and Thirty-Eight Thousand Dollars (\$238,000).
- (4) On September 30, 2022, the Company filed an executed affidavit detailing its compliance with Undertaking Paragraph (2) of this Order.
- (5) The sum of One Hundred and Eighty-Two Thousand Dollars (\$182,000) tendered contemporaneously with the entry of this Order is accepted.
- (6) As the Company has timely complied with the actions required in Undertaking Paragraph (2) of this Order, the remaining Fifty-Six Thousand Dollars (\$56,000) is hereby vacated.
- (7) This case is hereby dismissed.

Commissioner Patricia L. West participated in this matter.

A COPY hereof shall be sent by the Clerk of the Commission to: Mr. Donald "Blue" Jenkins, President, Washington Gas Light Company, 6801 Industrial Road, Springfield, Virginia 22151, blue.jenkins@washgas.com; and the Commission's Office of General Counsel; Office of the Commission Comptroller; and Divisions of Utility and Railroad Safety and Utility Accounting and Finance.

2022 OCT 04 10:00



COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. URS-2022-00055

WASHINGTON GAS LIGHT COMPANY,
Defendant

ADMISSION AND CONSENT

The Defendant, Washington Gas Light Company, 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: 09/29/2022

Washington Gas Light Company

By: [Signature]

PAUL ZOKOSKY (Vice President Operations)
ON BEHALF OF LAURA BOISVERT

Title: _____

**Virginia State Corporation Commission
eFiling CASE Document Cover Sheet**

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Case Number (if already assigned)	URS-2022-00055
Case Name (if known)	Commonwealth of Virginia, ex rel. State Corporation Commission v. Washington Gas Light Company, Case No. URS-2022-00055
Document Type	OTHR
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**Washington
Gas**

A WGL Company

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Meera Ahamed
Office of General Counsel
(202) 624-6622 (Direct)
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September 30, 2022

BY ELECTRONIC FILING

Mr. Bernard Logan, Clerk
Virginia State Corporation Commission
Document Control Center
Tyler Building, First Floor
1300 East Main Street
Richmond, Virginia 23219

**Re: Commonwealth of Virginia, ex rel. State Corporation Commission v.
Washington Gas Light Company, Case No. URS-2022-00055**

Dear Mr. Logan:

In accordance with Ordering Paragraph (3) of the State Corporation Commission's Order of Settlement issued in the captioned proceeding, enclosed for filing is the Affidavit of Senior Vice President, Utility Operations, of Washington Gas Light Company.

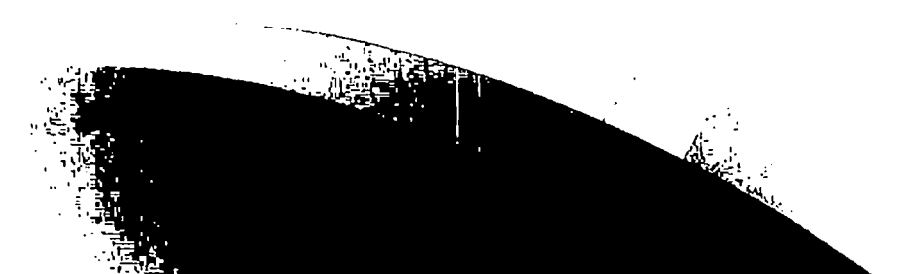
Thank you for your assistance with this matter.

Sincerely yours,

Meera Ahamed, Esquire
Associate General Counsel
Office of the General Counsel

Enclosure

cc: Ms. Lauren Govoni – Director, Division of Utility and Railroad Safety
Mr. Aaron Campbell, Office of the General Counsel




2022 SEP 29 10 33 AM

AFFIDAVIT

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX, to wit:

Laura Boisvert, Senior Vice President, Utility Operations, of Washington Gas Light Company, being first duly sworn, on this 29th day of September 2022, files this affidavit in accordance with Undertaking Paragraph (3) of the Commission's Order of Settlement in Case No. URS-2022-00055 ("Order of Settlement") and affirms that the Company has either completed or is in the process to timely complete the remedial actions set forth in Undertaking Paragraphs (2) (a), (b), (c) and (d) of the Commission's Order of Settlement.

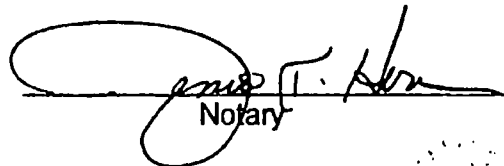
JESSICA T. HERAS
NOTARY PUBLIC
REGISTRATION # 7348812
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES
MAY 31, 2026



Laura Boisvert
Senior Vice President, Utility Operations
Washington Gas Light Company

Paul Zohorsky - VP Operations
on behalf of Laura Boisvert

SUBSCRIBED AND SWORN TO before me this 29th day of September 2022.



Notary

My commission expires

May 31, 2026