
Request of the Division of Public Utilities for Enforcement Action under the Natural Gas Pipeline Safety Act against Dominion Energy Utah	<u>DOCKET NO. 21-057-24</u> <u>ORDER APPROVING SETTLEMENT</u> <u>STIPULATION</u>
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ISSUED: January 20, 2022

SYNOPSIS

The Public Service Commission (PSC) approves a Settlement Stipulation that resolves a Request of the Division of Public Utilities for Enforcement Action under the Natural Gas Pipeline Safety Act against Dominion Energy Utah.

1. PROCEDURAL HISTORY

On October 1, 2021, pursuant to Utah Code Ann. § 54-7-1, the Division of Public Utilities (DPU) and Dominion Energy Utah (DEU) filed a Motion to Approve Joint Stipulation and Request for Scheduling Conference. The Settlement Stipulation (the “Settlement”) resolves a Request for Enforcement Action filed by DPU related to an explosion that occurred on February 16, 2019.

On October 13, 2021, the PSC issued its Scheduling Order and Notice of Virtual Hearing.

On December 14, 2021, the PSC held a hearing during which DEU and DPU provided testimony supporting the Settlement. On December 15, 2021, DPU filed a correction to its testimony regarding the initial penalty it sought against DEU for the alleged violations described in the Settlement.

2. BACKGROUND

a. The Settlement

The Settlement describes an explosion that occurred at a condominium complex in Alta, Utah on February 16, 2019 (“Incident”), and explains that a combination of static and dynamic forces from snow and ice caused the gas piping associated with the meter near the back of a condominium unit to break, leading to the explosion. According to the Settlement, DEU notified DPU’s Pipeline Safety section on the same day, and DPU visited the site of the Incident for an investigation shortly thereafter.

On May 12, 2020, DPU sent a draft notice of probable violations, proposed civil penalties, and proposed compliance order (“Notice”) to DEU. The Notice included six alleged violations of the Code of Federal Regulations, and DEU’s then Standard Practice relating to the placement, location, and installation of natural gas meters and other equipment. The Notice proposed [...] up to the maximum civil penalty allowed by Utah Code Ann. § 54-13-8 and R746-409-1 *et seq.* DEU denies all of the allegations in the Notice. Since submitting the Notice, DEU and DPU have held arms-length discussions and determined that the Settlement is just, reasonable, and in the public interest.

Consistent with the Settlement, DEU commits to taking steps to prevent a similar incident from happening in the future including (1) updating its Standard Practices for placement of meters and snow shelters; (2) applying the new and updated Standard Practices to future meter installations; (3) submitting changes to its Utah Natural Gas Tariff No. 500 to the PSC for approval, within sixty days of receiving an order in this docket; and (4) updating its Operator Qualification Program relating to snow shelters and placement of meters.

Among other things, DEU also identified Park City, Ogden Valley, Brian Head, and Cedar Highlands as areas within its service territory that are more likely to experience high snowfall. DEU testified at the hearing that the buildings in Alta, Utah, were inspected in 2019.¹ DEU has scheduled all high occupancy structures with meters placed after 2010 for review by November 2021² under DEU's updated Standard Practices, according to the Settlement, and DEU expects to inspect the remaining structures in the high snowfall areas by November 2022.

DEU also agrees in the Settlement to provide new regular reports to DPU and the PSC related to meter snow shelters, including quarterly reports detailing its progress inspecting the remaining structures and snow shelter placements. DEU commits to notifying the PSC and DPU once all inspections are completed. DEU will also inspect each meter in its system during its normal inspection cycle, which is every five years, to determine whether additional snow protection is necessary.

DPU and DEU also agree that DEU will contribute \$100,000 at shareholders' expense to help cover the costs for the installation of new snow shelters.

b. Testimony at Hearing

At hearing, DEU witness Mr. Mendenhall testified that "while the parties were[] [un]able to agree to all of the allegations in the [N]otice, we were able to agree on all the steps ... [DEU] should take moving forward related to meter protection."³ DEU also summarized the key terms and conditions of the Settlement, explained the progress being made in inspecting all the

¹ December 14, 2021 Hr'g Tr. at 10.

² At hearing, DEU testified that it was able to inspect 1400 of the meters, and that 320 of them already had meter protection, and that another 452 needed installation of meter protection. Hr'g Tr. at 9.

³ Hr'g Tr. at 6.

required meters outlined in the Settlement, the estimated total cost of adding additional snow shelters, and testified that the Settlement is just and reasonable in result.⁴

DPU witness Mr. Voellinger testified that he was on call when DEU reported the Incident, so he responded to the scene to conduct DPU's investigation.⁵ Mr. Voellinger also testified that "the [S]ettlement satisfactorily resolves [DPU's] concerns presented in the draft [N]otice."⁶ DPU further testified it supports the Settlement as just and reasonable in result.⁷ DPU also highlighted certain terms and conditions of the Settlement, stating that DEU had addressed its concerns, including those related to public safety, and the Settlement provides a reasonable compromise between the parties over the contested issues.⁸ Mr. Voellinger concluded by requesting the PSC approve the Settlement as filed.⁹

No party opposed the Settlement.

3. DISCUSSION, FINDINGS OF FACT, AND CONCLUSIONS OF LAW

The PSC has jurisdiction over the Incident under Title 54, Chapter 13, Natural Gas Pipeline Safety (the "Act").¹⁰ DEU is involved in the intrastate transportation of gas, and DPU's Pipeline Safety section inspects and makes recommendations related to the enforcement of intrastate pipeline safety to the PSC.

We find that the commitments made by DEU in the Settlement will better protect meters and associated equipment, in particular in high snowfall areas, from snow, and reduce the

⁴ *Id.*, at 6, 13, 16, 6, respectively.

⁵ *Id.*, at 18.

⁶ *Id.*, at 19.

⁷ *Id.*, at 22.

⁸ *Id.*, at 19-22.

⁹ *Id.*, at 22.

¹⁰ Utah Code Ann. § 54-13-1 et seq.

possibility of similar accidents occurring in the future. We also find that updating DEU's Operator Qualification Program is reasonable and, together with the planned inspections and meter protection measures, will result in better protection against risk to life and property, consistent with the Act. We also find that the inspection and reporting schedules outlined in the Settlement are reasonable.

As set forth in Utah Code Ann. § 54-7-1, settlement of matters before the PSC is legislatively encouraged at any stage of a proceeding. The PSC may adopt a Settlement after considering the interests of the public and other affected persons, if the PSC finds it is in the public interest. Having reviewed the Settlement, testimony provided at hearing, and hearing no opposition to the Settlement, we find and conclude the Settlement is just and reasonable in result and in the public interest.

4. ORDER

Based on the findings of fact and conclusions of law we reference above, we approve the Settlement. We direct DEU to file its updated tariffs consistent with the Settlement and this Order within 60 days from the issuance of our Order.

DATED at Salt Lake City, Utah, January 20, 2022.

/s/ Yvonne R. Hogle
Presiding Officer

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Approved and Confirmed January 20, 2022 as the Order of the Public Service

Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#321970

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on January 20, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

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