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**NOTICE OF PROBABLE VIOLATIONS,
PROPOSED CIVIL PENALTIES, AND
NOTICE OF FORTHCOMING REQUEST FOR AGENCY ACTION**

HAND DELIVERED

August 6, 2007
Mr. Ronald W. Jibson
Vice President, Operations
Questar Gas Company
180 East 100 South
P.O. Box 45360
Salt Lake City, UT 84145-0360

RE: Saratoga Springs Explosion

Dear Mr. Jibson:

On February 6, 2007 and subsequent thereto, representatives of the Utah Division of Public Utilities, Pipeline Safety Section ("Division") conducted an investigation of the explosion related to the Roper house located at 682 North Badger Lane, Saratoga Springs, Utah which exploded on February 6, 2007. This incident resulted in two fatalities and one injury. The Roper residence was destroyed, and there was minor damage to the adjacent residence.

The Division of Public Utilities' pipeline safety staff investigated this incident, conducted pursuant to U.C.A. § 54-13-4 and other related Utah statutes, and 49 U.S.C. § 60101 et seq. Through delegation from the U.S. Department of Transportation, the State of Utah regulates, inspects and enforces intrastate gas pipeline safety requirements which are applicable to Questar Gas. The Utah Public Service Commission ("Commission") has been designated as the appropriate agency for "establishing safety standards and practices for intrastate pipeline transportation and shall make and enforce rules required by the federal Natural Gas Pipeline Safety Act to maintain state control over the regulation of intrastate pipeline transportation." U.C.A. § 54-13-2. The Commission promulgates appropriate rules, including those which "incorporate the safety standards

established under the federal Natural Gas Pipeline Safety Act that are applicable to intrastate pipeline transportation,” pursuant to U.C.A. § 54-13-3. In R746-409-1, the Commission “adopts and incorporates by this reference, C.F.R. Title 49, Parts 190, 191, 192, 193, and 199, as amended, October 1, 2004. Persons owning or operating an intrastate pipeline facility in Utah, or a segment thereof, as well as persons engaged in the transportation of gas, shall comply with the minimum safety standards specified in these Parts of CFR Title 49.” As a result of this investigation, it appears that Questar Gas has committed probable violations of the following Pipeline Safety Regulations, Title 49 CFR Part 192, as adopted by the Commission at R746-409-1. The items inspected and the probable violations are:

1. 49 C.F.R. § 192.13(c)

(c) Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

Questar Gas’ Operation and Maintenance Standard Practice, 5-0-8, Underground Gas Leak Procedure (2-20-96) states:

4. Safety

Ensure maximum precautions are taken for the safety of the general public and company personnel when a gas leak is detected. When a gas leak is determined an emergency, or when determine action priorities and considerations and for obtaining and submitting information for a DOT report, follow the emergency procedures referenced in paragraph 2.1.

Furthermore, Questar Gas’ emergency plan mandates:

3.6 Gas Within or in the Vicinity of Buildings.

(a) Evacuate buildings and immediately repair any leaks when the following situations occur:

Any gas is detected within a building, or in the ground within 10 feet (20 feet during the winter season) of a building.

It has been determined that Questar Gas committed a probable violation by failing to ensure maximum precautions for the safety of the general public and company personnel and by not following its plans and procedures. Although Mrs. Roper and her daughter, Olivia Roper, were evacuated from the house, Questar Gas permitted Mrs. Roper to accompany Questar Gas employee Mr. Larry Radford into the house when the house was not safe for the public to enter. This conclusion is based upon the

investigation conducted by the DPU, the actions taken by Questar Gas and Mrs. Roper, statements by witnesses, and the fact that the house exploded shortly after Mrs. Roper and Mr. Radford entered it, resulting in the deaths of Mrs. Roper and Mr. Radford, and the injury to Miss Roper and associated property damage.

2. 49 C.F.R. § 192.605(b)(1)

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

Questar Gas committed a probable violation by failing to ensure that the house was clear of natural gas before Mrs. Roper was allowed to enter the house. This conclusion is based upon the investigation by the DPU, actions taken by Questar Gas and Mrs. Roper, statements by witnesses, the fact that the house exploded shortly after Mrs. Roper and Mr. Radford entered it, resulting in the deaths of Mrs. Roper and Mr. Radford, and the injury to Miss Roper and associated property damage.

3. 49 C.F.R. § 192.615(a)(3)(i)

(a)(3) Prompt and effective response to a notice of each type of emergency, including the following:

(i) Gas detected inside or near a building.

Questar Gas' response was not effective as evidenced by the explosion and deaths of Mrs. Roper and Mr. Radford. An effective response would have determined the presence of gas in the house prior to the explosion. An effective response would have not permitted Mrs. Roper to enter the house until there had been a definitive, documented finding that the house was safe for the public to enter. An effective response to gas located inside or near a building would have likely prevented the explosion, deaths, and injury. This conclusion is based upon the investigation by DPU, actions taken by Questar Gas and Mrs. Roper, statements by witnesses, and the fact that the house exploded shortly after Mrs. Roper and Mr. Radford entered it, resulting in the deaths of Mrs. Roper and Mr. Radford, and the injury to Miss Roper and associated property damage.

4. 49 C.F.R. § 192.615(a)(7)

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(7) Making safe any actual or potential hazard to life or property.

It has been determined that Questar Gas committed a probable violation by failing to make safe the house prior to the entry by Mrs. Roper, exposing Mrs. Roper and Mr. Radford to danger. Mrs. Roper was permitted to accompany Mr. Radford into the house prior to a definitive accurate documented finding that the house did not contain any hazardous level of natural gas. This conclusion is based upon the investigation by the DPU, actions taken by Questar Gas and Mrs. Roper, statements by witnesses, and the fact that the house exploded shortly after Mrs. Roper and Mr. Radford entered it, resulting in the deaths of Mrs. Roper and Mr. Radford, and the injury to Miss Roper and associated property damage.

Proposed Civil Penalty

Utah Code Ann. § 54-13-6 further states:¹

(1) Any person who is determined by the commission, after notice and an opportunity for a hearing, to have violated any provision of this chapter or any rule or order issued under this chapter, shall be liable for a civil penalty of not more than \$10,000 for each violation for each day that violation persists.

(2) The maximum civil penalty assessed under this section may not exceed \$500,000 for any related series of violations.

(3) The amount of the penalty shall be assessed by the commission by written notice.

Specific factors to be considered by the Commission when determining the amount of the penalty are set forth in Utah Code Ann. § 54-13-6.

¹The current federal rules permit civil penalties not to exceed \$100,000, with a maximum civil penalty of \$1,000,000 for a related series of violations. Utah's penalty provision has not been updated to reflect this change. In conjunction with a broad group, the DPU is working on draft legislation seeking to Utah's penalties with the penalties allowed under federal law. See 49 CFR 190.223.

The Utah Division of Public Utilities has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that Questar Gas be preliminarily assessed a civil penalty of \$40,000, the maximum amount possible, as follows

<u>Item number</u>	<u>PENALTY</u>
1	\$ 10,000
2	\$ 10,000
3	\$ 10,000
4	\$ 10,000

Notice of Forthcoming Request for Agency Action

Pursuant to Utah Code Ann. § 63-46b-3, the DPU will file a Request for Agency Action with the Commission regarding the above probable violations.

Sincerely,



Al Zadeh,
Pipeline Safety Program Manager
Utah Division of Public Utilities

cc: Alan K. Allred, Questar Gas, President & CEO
C. Scott Brown, Esq., Questar Gas, General Counsel
Colleen L. Bell, Esq., Questar Gas, Senior Corporate Counsel
Abigail E. Mcgrane, Esq., Questar Gas, Senior Corporate Counsel
Constance B. White, Director, Utah Division of Public Utilities
Michael L. Ginsberg, Assistant Attorney General
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