



New Jersey Board of Public Utilities

NEWS RELEASE

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New Jersey Board of Public Utilities Fines Contractor and Natural Gas Utility for Pipeline Safety Violations

TRENTON- Today, the New Jersey Board of Public Utilities (Board) issued its Order fining a utility infrastructure contractor and a regulated natural gas utility company for separate violations of the Underground Facility Protection Act (UFPA) and pipeline safety regulations. The Board approved fines of \$300,000 and \$100,000 for South Jersey Gas (SJG) and Henkels & McCoy, Group (H&M), respectively. Additionally, the Board issued fines totaling \$81,000 against 27 other entities for violations of the 811 Call Before You Dig regulations.

The Board's action on the SJG matter concludes the Board's investigation into SJG's actions in connection with an explosion and fire that occurred at a duplex located at 111 North Broadway Avenue in Pennsville Twp., N.J. on Sept. 15, 2015. The Board's action on the H&M matter concludes its investigation in regards to an incident involving unreported damage and unauthorized repair to a service line located at 554 South Park St. Elizabeth, N.J. on April 5, 2016.

"The Board is very proud that New Jersey's pipeline safety regulations are among the strongest in the nation," said Richard S. Mroz, N.J. Board of Public Utilities President. "And we take all violations of those safety regulations very seriously because any violation can be a potential threat to the safety of the public, utility workers and first responders."

The Board's investigation of the Pennsville explosion and subsequent fire found that a build-up of natural gas inside the basement of the dwelling was the likely source of the explosion and fire. The gas leak was found to be caused by damage to an underground service main line damaged by a SJG contractor during excavation to replace an underground gas main. The explosion and fire did not cause any fatalities or major injuries. The Board's investigation of the contractor's actions in connection with the incident is continuing.

Through the investigation, it was determined that underground facilities were not properly identified and marked as required by the UFPA, and that SJG was in probable violation of the regulations pertaining to natural gas facilities. As part of the settlement agreement reached by SJG and Board staff, SJG made no admission of any violation of law or wrongdoing. As part of the settlement, SJG agreed to make identified corrective actions and process enhancements prior to finalizing the agreement. SJG has agreed to make the following changes to company procedure within six months:

- South Jersey Gas contractors and personnel will make every effort to determine the number and location of meters inside of a structure prior to renewing a service line.

- South Jersey Gas' locating contractors are required to use metal detectors to locate and mark identifying curb boxes and service lines.
- South Jersey Gas employees and contractors will be trained to identify and report any structure or other conditions that violate State or Federal Codes.
- For major replacement projects, South Jersey Gas inspectors will be required to walk all properties to identify obstructed meters, vents or other utility facilities.
- Contractors have and will continue to receive additional excavation training.

The Board's investigation of the Elizabeth incident determined that an H&M crew damaged a service line and attempted to make an unauthorized repair. Further, it was determined that the H&M crew did not call 911 or notify Elizabethtown Gas, the gas distribution company, immediately regarding the damaged service. During the course of the investigation, Board staff became concerned with actions of H&M, particularly the failure by H&M to properly report a natural gas incident to 911.

As a result of the investigation, staff determined that the missed opportunity to take immediate action to protect the public during the incident was inconsistent with the company's written procedures. As part of the settlement agreement reached by H&M and Board staff, H&M made no admission of any violation of law or wrongdoing. As part of the settlement, H&M agreed to make identified corrective actions and process enhancements prior to the finalizing of the agreement. H&M has also agreed to make the following amendments to company's procedures within six months:

- H&M will require all underground crews performing excavation and trenching work in New Jersey to attend annual Locate All Utilities and Records Awareness (LAURA) training, which includes actions steps to be taken when an underground facility is damaged.
- LAURA training will include knowledge testing for any crew member performing underground excavation or trenching before they will be allowed to conduct any excavation or trenching in the State of New Jersey. The testing results will be submitted to Board staff on an annual basis.

Additionally, the Board issued fines totaling \$81,000 in settlements in 27 other cases involving violations of the Underground Facility Protection Act. These cases primarily were for violations of the 811 Call Before You Dig regulations, which included failure to call 811 at least 3-days prior to excavation, failures of excavators' to safely operate around marking and failure of operators of underground facilities to properly mark their facilities.

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