



Agenda Date: 7/13/22
Agenda Item: 6A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

RELIABILITY & SECURITY

IN THE MATTER OF ALLEGATIONS OF VIOLATIONS OF)
LAW BY ELIZABETHTOWN GAS COMPANY WITH)
RESPECT TO AN INCIDENT AT 107 KING GEORGE)
ROAD IN PENNINGTON, NJ ON OCTOBER 30, 2019) ORDER APPROVING
SETTLEMENT
DOCKET NO. ES21030639

Parties of Record:

Deborah Franco, Esq., on behalf of Elizabethtown Gas Company

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a Stipulation of Settlement ("Stipulation") between Staff of the Board's Division of Reliability and Security, Bureau of One Call ("Staff") and Elizabethtown Gas Company ("ETG" or "Company") (collectively, "Parties") to resolve an alleged violation of One-Call regulations.

I. BACKGROUND

On October 30, 2019, an underground natural gas line was damaged as a result of excavation, resulting in an explosion and fire which destroyed a single-family residence ("Residence") located at 107 King George Rd., Pennington, New Jersey ("Incident").

II. INVESTIGATION AND ANALYSIS

Staff conducted a detailed and comprehensive investigation which included a review and evaluation of ETG's compliance with the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq., and all rules and regulations promulgated thereto, as well as N.J.A.C. 14:2 (collectively, "Applicable Laws"). Specifically, Staff's investigation included, but was not limited to, the procedures, documents, actions, and other circumstances surrounding the Incident. As a result, Staff determined that a build-up of natural gas inside the basement of the Residence was the likely source of the explosion and fire.

During the investigation, Staff found certain probable violations of the Applicable Laws. On August 28, 2020, Staff provided ETG with correspondence explaining the probable violations which related to marking, reporting, and the company's investigation of the Incident. While the destruction of property that occurred at 107 King George Rd. may not have been a direct result of the probable violations discovered by Staff, these did occur in conjunction with the Incident.

The Company contested Staff's conclusions and probable violations. Staff and the Company engaged in settlement negotiations and executed a stipulation of settlement ("Stipulation") on November 4, 2021, a copy of which is attached hereto as Exhibit A.

III. SUMMARY OF SETTLEMENT TERMS:

The Stipulation provides, in pertinent part, as follows:¹

1. As a compromise of civil penalties for alleged violations of Applicable Laws, ETG, without any admission of any violation of law or wrongdoing, shall make a one-time payment of Two Hundred Fifty Thousand Dollars (\$250,000.00) to the Treasurer of the State of New Jersey. This Stipulation represents a settlement of all claims the Board may have against ETG regarding alleged violations of the Applicable Laws in connection with the Incident.
2. ETG's agreement to pay the foregoing sum is not an acknowledgement of non-compliance with any law, including the Applicable Laws, Board Orders or Board requirements, nor is it an admission of any wrongdoing or violation of any law, Board Orders, or Board requirements. As such, the agreement does not constitute any admission of liability.
3. In addition, ETG hereby agrees to explore the use of terrestrial LiDAR or comparable technology to record measurements and details during the investigation of future natural gas incidents. Within six months of the effective date of this Stipulation, ETG will report its findings to Board Staff and subsequently discuss with Board Staff the suitability of incorporating such technology into future investigations of natural gas incidents.
4. ETG further agrees that it has an ongoing obligation to comply with all prior Board Orders and is subject to appropriate statutory penalties should evidence of incidents of non-compliance dating from the issuance of a Board Order in this matter forward be found and determined after appropriate notice and opportunity be heard.
5. ETG agrees that it will not seek to recover any portion of this sum from ratepayers.
6. The Parties agree that the terms of the Stipulation shall not be cited or otherwise used by or against each other or other parties or argued as binding persuasive precedent in this or any other forum, except in any proceeding to enforce the Stipulation or the terms and conditions thereof and/or the Board Order adopting the Stipulation.

IV. DISCUSSION AND FINDING

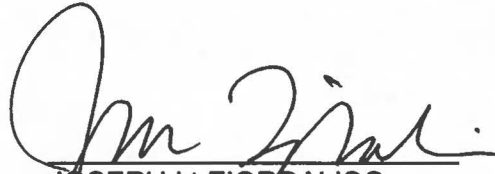
After careful review of the record in this matter, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as if fully provided in this Order.

¹ Should there be a discrepancy between the terms of this summary and the terms of the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in this Order. Each paragraph is numbered to coincide with the paragraphs of the Stipulation.


The effective date of this Order is July 20, 2022.

DATED: July 13, 2022

BOARD OF PUBLIC UTILITIES
BY:



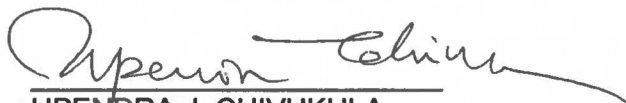
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



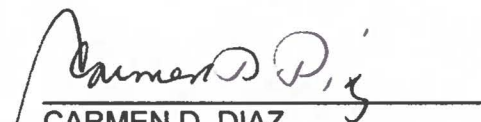
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

CARMEN D. DIAZ
ACTING SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF ALLEGATIONS OF VIOLATIONS OF LAW BY ELIZABETHTOWN GAS
COMPANY WITH RESPECT TO AN INCIDENT AT 107 KING GEORGE ROAD IN
PENNINGTON, NJ ON OCTOBER 30, 2019

DOCKET NO. ES21030639

SERVICE LIST

<p><u>NJ Department of Law and Public Safety</u> Richard J. Hughes Justice Complex Public Utilities Section 25 Market Street, P.O. Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, DAG pamela.owen@law.njoag.gov</p> <p>Matko Ilic, DAG matko.ilic@law.njoag.gov</p> <p>Elizabethtown Gas Company</p> <p>520 Green Lane Union, NJ 07083</p> <p>Deborah M. Franco, Esq. VP, Rates, Regulatory & Sustainability dfranco@sjindustries.com</p> <p>Marc Stubel, Manager, System Integrity sstubel@sjindustries.com</p>	<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Carmen Diaz, Acting Board Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Division of R&S</u></p> <p>Jody Raines, Deputy Director jody.raines@bpu.nj.gov</p> <p>Phil Galka, Bureau Chief phillip.galka@bpu.nj.gov</p> <p>Ann Lang ann.lang@bpu.nj.gov</p> <p>Lauren Mattox lauren.mattox@bpu.nj.gov</p> <p><u>Counsel's Office</u> Heather Weisband heather.weisband@bpu.nj.gov</p>
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Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability

November 4, 2021

Aida Camacho-Welch
Office of the Secretary
NJ Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Re: **IN THE MATTER OF ALLEGATIONS OF VIOLATIONS OF LAW BY
ELIZABETHTOWN GAS COMPANY WITH RESPECT TO AN INCIDENT AT
107 KING GEORGE ROAD IN PENNINGTON, NJ ON OCTOBER 30, 2019
BPU Docket No. ES21030639**

Dear Secretary Camacho-Welch:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of Elizabethtown Gas Company and the Staff of the Board of Public Utilities.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink that reads "Deborah M. Franco".

Deborah M. Franco

DMF:caj
Enclosures

cc: Marc Stubel
Juan Urena
JB Cuartes
Matko Ilic

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

**IN THE MATTER OF ALLEGATIONS
OF VIOLATIONS OF LAW BY
ELIZABETHTOWN GAS COMPANY
WITH RESPECT TO AN INCIDENT AT
107 KING GEORGE ROAD IN
PENNINGTON, NJ ON OCTOBER 30,
2019**

STIPULATION OF SETTLEMENT

BPU Docket No. ES21030639

This Stipulation and Agreement of Settlement (“Stipulation”) is entered into by and between the Staff of the New Jersey Board of Public Utilities and Elizabethtown Gas Company (“ETG” or “Company”) (collectively referred to as the “Parties”) as of this 4th day of November, 2021.

WHEREAS, on October 30, 2019, William Perrine Landscape Services was excavating outside of 107 King George Road in Pennington, NJ. The purpose of the excavation was to install a footing for an addition. The excavator came in contact with natural gas infrastructure belonging to ETG. The contact resulted in a release of natural gas, which caused an explosion and fire, and, moments later, destroyed the single-family residential structure (the “Incident”); and

WHEREAS, the Bureau of One Call and Meter Testing (“Board Staff”) of the New Jersey Board of Public Utilities (“the Board”) commenced an investigation of the Incident, including an evaluation of ETG’s compliance with the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq., and all rules and regulations promulgated thereto, as well as N.J.A.C. 14:2-6.4 (collectively “Applicable Laws”); and

WHEREAS, as part of the investigation, Board Staff advised ETG that it had found certain probable violations of Applicable Laws; and

WHEREAS, ETG denies any violation of the Applicable Laws; and

WHEREAS, the Parties have reached an agreement to resolve any and all claims the Board may have against ETG regarding alleged violations of the Applicable Laws arising from or relating to the Incident in a comprehensive settlement in accordance with the terms of this Stipulation. Each party agrees that this Stipulation represents a fair and reasonable settlement of all issues that were or could have been raised in regard to the Incident or Board Staff’s subsequent investigation; and

WHEREAS, the resolution of this matter through the adoption of the stipulated positions set forth herein best serves the interests of the Parties, supports judicial economy and preservation of valuable judicial, administrative and corporate resources, and is therefore in the public interest.

NOW THEREFORE, the Parties hereby agree as follows:

1. As a compromise of civil penalties for alleged violations of Applicable Laws, ETG, without any admission of any violation of law or wrongdoing, shall make a one-time payment of Two Hundred Fifty Thousand Dollars (\$250,000.00) to the Treasurer of the State of New Jersey. This Stipulation represents a settlement of all claims the Board may have against ETG regarding alleged violations of the Applicable Laws in connection with the Incident. No later than thirty (30) days after the date that the Board enters an Order approving this Stipulation, ETG will send a check for Two Hundred Fifty Thousand Dollars (\$250,000.00) payable to the Treasurer of the State of New Jersey to Curtis Elvin, Chief Fiscal Officer, Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, New Jersey 08625. A copy of this check shall be provided to Matko Ilic, Deputy Attorney General, Department of Law and Public Safety, 25 Market Street, P.O. Box 112, Trenton, New Jersey 08625.
2. ETG's agreement to pay the foregoing sum is not an acknowledgement of non-compliance with any law, including the Applicable Laws, Board Orders, or Board requirements, nor is it an admission of any wrongdoing or violation of any law, Board Orders, or Board requirements. As such, the agreement does not constitute any admission of liability. The payment is made as part of a negotiated Stipulation intended to resolve the claims of the respective Parties without further compliance audit or litigation.
3. In addition, ETG hereby agrees to explore the use of terrestrial LiDAR or comparable technology to record measurements and details during the investigation of future natural gas incidents. Within six months of the effective date of this Stipulation, ETG will report its findings to Board Staff and subsequently discuss with Board Staff the suitability of incorporating such technology into future investigations of natural gas incidents.
4. ETG further agrees that it has an ongoing obligation to comply with all prior Board Orders and is subject to appropriate statutory penalties should evidence of incidents of non-compliance dating from the issuance of a Board Order in this matter forward be found and determined after appropriate notice and opportunity to be heard.
5. ETG further agrees that it will not seek to recover any portion of the Two Hundred and Fifty Thousand Dollar (\$250,000.00) payment amount from ratepayers.
6. The Parties agree that the terms of this Stipulation shall not be cited or otherwise used by or against each other or other parties or argued as binding persuasive precedent in this or any other forum, except in any proceeding to enforce the Stipulation or the terms and conditions thereof and/or the Board Order adopting this Stipulation.

7. Should ETG default in either paying amounts set forth in Paragraph 1 above, or in implementing the process improvement measures and other requirements set forth in Paragraph 3 above, the Board shall be entitled to enforce the order pursuant to the Penalty Enforcement Law of 1999 as amended, N.J.S.A. 2A:58-10 et seq., or enter a judgment in the Superior Court of New Jersey or other appropriate forum against ETG and to take such steps as it deems reasonable to collect the amount due plus interest thereon and to otherwise enforce this Stipulation.

8. After this Stipulation has been fully executed, it shall be presented to the Board for approval.

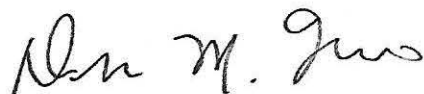
9. Upon approval of this Stipulation by the Board, it shall then constitute the entire agreement between the Bureau of One Call and Meter Testing and ETG with respect to this matter and shall operate as complete and final disposition of the BPU docket by the Board subject only to the terms of this Stipulation.

10. This Stipulation may not be amended in any way, or any part of its provisions waived, except by writing executed by all the Parties to this Stipulation. In the event the Board modifies any provision of this Stipulation, absent express written consent of the Parties, the Stipulation shall be void and the Parties shall be restored to their positions prior to the execution of this Stipulation.

11. This Stipulation may be executed in as many counterparts as there are signatures thereof, each of which shall be original, but all of which shall constitute one and the same instrument. No amendment or waiver of any substantive provision of this Stipulation shall be effective unless it is agreed to by the authorized representative of each party thereto.

12. This Stipulation shall be governed by and construed in accordance with the laws of the State of New Jersey.

NOW THEREFORE, the Parties cause this Stipulation to be executed by their duly authorized officers or officials.



By: _____

Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability
On behalf of Elizabethtown Gas Company

Dated: November 4, 2021

Andrew J. Bruck
Acting Attorney General of New Jersey
Attorney for Board Staff

By: Matko Ilic
Matko Ilic
Deputy Attorney General

Dated: November 4, 2021