

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CLOSURE OF INVESTIGATION OF)	
AUGUST 6, 2017 INCIDENT - COLUMBIA)	CASE NO.
GAS OF KENTUCKY, INC.)	2018-00266

ORDER

The Commission, on its own motion, initiates this proceeding to close the investigation of an unintentional ignition of gas that occurred on August 6, 2017, when an employee of Columbia Gas of Kentucky, Inc.'s (Columbia Kentucky) contractor, C.J. Hughes, was performing welding work near Carlisle, Kentucky. Commission Staff (Staff) investigated the incident and found two probable violations of state and federal regulations enforcing minimum pipeline safety standards. Staff issued Columbia Kentucky a Demand for Remedial Measures and Penalty Assessment, a copy of which is attached to this Order as an Appendix, to resolve all compliance and enforcement matters pertaining to the August 6, 2017 incident. Columbia Kentucky paid the proposed penalty and completed all remedial measures required by Staff.

The Commission finds that Columbia Kentucky has addressed to its satisfaction the probable violations cited by Staff in connection with the August 6, 2017 incident. The Commission further finds that the Commission's investigation of the incident should be closed.

IT IS THEREFORE ORDERED that:

1. Columbia Kentucky's payment of Staff's proposed penalty and completion of remedial measures required by Staff is accepted and resolves all alleged violations of

KRS 278.495, 807 KAR 5:022, 807 KAR 5:027, or 49 CFR Part 192, as well as any penalty that could be assessed under KRS 278.992(1), arising out of the August 6, 2017 incident.

2. The Commission's investigation of the August 6, 2017 incident is closed.
3. This case is closed and removed from the Commission's docket.

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By the Commission

ENTERED
AUG 15 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

For 
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00266 DATED **AUG 15 2018**



Matthew G. Bevin
Governor

Charles G. Snively
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
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Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

April 13, 2018

Herbert A. Miller, Jr.
President and Chief Operating Officer
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P.O. Box 14241
Lexington, KY 40512-4241

Re: Columbia Gas of Kentucky, Inc.
August 6, 2017 Carlisle Incident

DEMAND FOR REMEDIAL MEASURES AND PENALTY ASSESSMENT

Dear Mr. Miller:

On August 8, 2017, Columbia Gas of Kentucky, Inc. (Columbia) reported to the Public Service Commission an incident that occurred on August 6, 2017 during the installation of an end cap on a section of 12-inch pipe being removed as part of a road relocation project near Carlisle, Kentucky. According to Columbia's summary incident report, employees of Columbia's contractor, C.J. Hughes, were performing welding work when an unintentional ignition of natural gas occurred. A member of the welding crew suffered first degree burns to the face as a result of the ignition. He received medical treatment at a local hospital and was released. Possible sources of gas leakage were checked but no leaks were found, and the employees completed the welding work.

Commission Staff (Staff) performed an investigation of the incident and prepared the attached incident report. Based on its investigation of the incident, Staff determined that Columbia committed the following violations of state and federal regulations enforcing minimum pipeline safety standards:

1. 807 KAR 5:027, Section 3(1)(c) requires each utility to provide telephonic notice to the Commission of any incident that results in gas ignition within two hours of discovery of the incident. Columbia did not notify the Commission of the Carlisle incident until two days after its occurrence; and
2. 49 CFR Section 192.751(b) prohibits welding on pipe or pipe components that contain a combustible mixture of gas and air in the area of work. Columbia's contractor performed welding on pipe containing a combustible mixture of gas and air.

REMEDIAL MEASURES

In order to address the above violations, the following remedial measures must be completed:

- By June 31, 2018, Columbia shall provide proof of having conducted training, covering the reporting requirements under 807 KAR 5:027 and the safety requirements in 49 CFR Section 192.751, to all applicable staff and contractors who have duties that involve reporting of incidents and prevention of accidental ignition. Copies of the training and supporting documentation shall be mailed to the Public Service Commission, c/o James D. Rice, Pipeline Safety Program Manager, 211 Sower Boulevard, Frankfort, KY 40601.

CIVIL PENALTY

KRS 278.992(1) provides that any person who violates any minimum pipeline safety standard adopted by the United States Department of Transportation or any regulation adopted by the Commission governing the safety of pipeline facilities shall be subject to a civil penalty not to exceed the maximum civil penalty contained in 49 CFR Section 190.223, as of December 31, 2011, for each violation for each day that the violation persists. As of December 31, 2011, the maximum civil penalty under 49 CFR Section 190.223 was \$100,000 per violation per day, not to exceed \$1,000,000 for any related series of violations.

In determining the amount of the proposed penalty, Staff relied upon the assessment factors set forth in KRS 278.992(1): “the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of the violation.” Additionally, Staff considered the assessment factors applied under federal law by the Associate Administrator for Pipeline Safety for the United States Pipeline and Hazardous Materials Safety Administration (PHMSA) to determine the amount of the civil penalty for violation of a federal pipeline safety standard.¹

Upon completing its investigation of this matter, Staff made the following determinations:

1. The performance of welding on a pipe containing a combustible mixture of gas and air in the area of work was a causal factor in a reportable incident;
2. The incident caused personal injury not requiring hospitalization;
3. The incident did not occur in a High Consequence Area and did not result in property damage, loss of service, or gas release; and

¹ Federal law provides that PHMSA shall consider: (1) the nature, circumstances and gravity of the violation, including adverse impact on the environment; (2) the degree of the respondent's culpability; (3) the respondent's history of prior offenses; (4) any good faith by the respondent in attempting to achieve compliance; and (5) the effect on the respondent's ability to continue in business. The Associate Administrator also may consider: (1) the economic benefit gained from the violation, if readily ascertainable, without any reduction because of subsequent damages; and (2) such other matters as justice may require. *See* 49 CFR Section 190.225.

4. Columbia's failure to provide telephonic notice to the Commission within two hours of the incidents minimally affected pipeline safety. Columbia's untimely notice did not cause or contribute to the severity of a reportable incident.

Based on its investigation of this matter and consideration of the penalty assessment factors set forth in KRS 278.992(1), Staff concludes that Columbia should be assessed a civil penalty in the amount of \$30,000.

If Columbia does not wish to contest the proposed civil penalty, Columbia should mail or deliver a cashier's check or money order made payable to the "**Kentucky State Treasurer**" in the amount of \$30,000, within 30 days of the date of this letter, to:

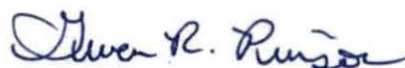
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Payment of the proposed civil penalty and completion of all remedial measures will satisfy and resolve any and all claims against Columbia for any violation of KRS 278.495, 807 KAR 5:022, 807 KAR 5:027, and 49 CFR Part 192, as well as any penalty that could be assessed under KRS 278.992(1), arising out of the August 6, 2017 incident. Columbia's payment of the proposed civil penalty will not be considered an admission by Columbia that it willfully violated any provision of KRS 278.495, 807 KAR 5:022, 807 KAR 5:027, or 49 CFR Part 192. Upon payment of the proposed penalty and submission of proof of completion of remedial measures, the Commission will confirm the resolution of this matter by entry of an order.

If Columbia does not pay the proposed civil penalty within 30 days of the date of this letter, the Commission will assume that Columbia intends to contest the penalty assessment, at which point the Commission will institute an administrative proceeding against Columbia and hold a formal hearing during which Columbia will have an opportunity to present evidence and show cause why it should not be assessed penalties under KRS 278.992(1) as a result of the August 6, 2017 incident.

If you have any questions regarding this demand for remedial measures and penalty assessment, please contact the Commission's Deputy Executive Director and Acting Director of the Division of Inspections, John S. Lyons.

Sincerely,



Gwen R. Pinson
Executive Director

Attachment



Matthew G. Bevin
Governor

Charles G. Snively
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
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Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

Division of Inspections - Gas Pipeline **Safety Branch Incident Report**

Utility/Operator: Columbia Gas of Kentucky(CKY)

Reported By: Timothy McKune, Operations Compliance Manager

Incident Occurred: August 6, 2017

PSC Notified: August 8, 2017

Summary Report (30 Day) Received: September 7, 2017

Location of Incident: Carlisle, Nicholas County, Kentucky

Incident Description:

This incident occurred on August 6, 2017 at approximately 10:30 AM in Nicholas County, KY but the Commission did not received notice until August 8, 2017. A sub-contractor for Columbia Gas of Kentucky, CJ Hughs, was installing an end cap as part of a tie- in plan for a road relocation project. The end cap was to be attached to a twelve inch pipeline by a welding process. The end cap was previously prepared for this task and had a two inch nipple and a two inch valve with a threaded elbow attached. This assembly was heavy and unstable when it was attached with the line-up clamps, the usual method used when two pieces of pipe are joined by the welding process. The welder instructed the welder helper to support the end cap until he made a couple of weld tacks. The end cap was being held by the welder helper so that the end of the elbow was pointed toward one side of the helper's face. When the welder struck the first arc to tack the end cap in place, a flash fire occurred burning the welder helper in the face. He was taken to a local hospital, was treated for first degree burns to the face and released.

Incident Investigation:

This incident was originally investigated by Mr. Steve Samples. Mr. Samples retired before an incident report was prepared. A site visit was not possible by this investigator however the information contained in the investigative report (attachment A) prepared by Columbia Gas contained sufficient detail to make a review of the incident. Therefore the incident description, incident investigation, and findings are based on a review of the Columbia report.

FINDINGS:

1. This incident occurred on Sunday, August 6, 2017. It was not reported to the Commission until Tuesday, August 8(attachment B). Since this incident involved gas ignition the Commission must receive a telephonic notice within two hours of discovery. Therefore, Columbia Gas was in violation of **807 KAR 5:027, Section 3(c).**
2. Federal code requires that gas or electric may not be performed on pipe or on pipe components that contain a combustible mixture of gas and air in the work area. Columbia's investigative report indicated that a flash fire occurred when the welder struck the first arc, therefore a combustible mixture was present inside the end cap. There is a violation of **49 CFR Part 192.751(b).**

Investigated By: Bill Aitken, Utility Inspector IV, KY Public Service Commission

Signed: *Bill Aitken*

Date: January 10, 2018

Attachments: **A. Columbia Summary Report**
 B. Columbia Notification of Incident

Attachment A

Columbia Summary Report

Columbia Gas[®]
of Kentucky
A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

RECEIVED

SEP 07 2017

PUBLIC SERVICE
COMMISSION

September 5, 2017

Mr. James Rice, Assistant Director,
Gas Branch, Division of Engineering
Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40602

Re: August 6, 2017, Latitude: 38.326324 Longitude: -84.09786, Carlisle, Nicholas County, Kentucky

Dear Mr. Rice:

Enclosed please find Columbia Gas of Kentucky's report to the Commission on the above referenced incident.

If you should have any questions or comments about the enclosed report please feel free to call me at 859-288-0241.

Sincerely,



Timothy Mckune

Operations Compliance Manager

COLUMBIA GAS OF KENTUCKY

INVESTIGATIVE REPORT TO THE PUBLIC SERVICE COMMISSION OF KENTUCKY

LOCATION OF INCIDENT: Latitude: 38.326324 Longitude: -84.09786, Carlisle, Nicholas County, Kentucky

DATE OF INCIDENT: August 6, 2017

DESCRIPTION OF INCIDENT:

On August 6, 2017 at 10:30 AM, a sub-contractor for Columbia Gas of Kentucky, CJ Hughes, was installing an end cap as part of their tie-in plan. The end cap, had a 2-inch nipple and a 2-inch valve with a threaded elbow attached and was being held in position by the welder helper. The welder struck the first arc to tack the end cap in place, and a flash fire occurred burning the welder helper. Work immediately stopped, and the injured worker was removed from the excavation. The injured worker was taken to a local hospital and was treated for minor first degree burns on his face and released.

CAUSE

CJ Hughes was performing their planned work to cut out the old section of pipe. There were two stopples installed by TD Williamson, at each end of the pipe section that was going to be cut out. The welder helper began preparing ends of pipe to have end caps installed. After grinding ends of pipe and using the back beveling machine, the crew did not have any indication of any gas readings while they monitored with their combustible gas indicator. The welder then placed the end cap in the line-up clamps and made some adjustments. The end cap had 2-inch nipples and a 2-inch valve with a threaded elbow attached, making it heavy and unstable in the clamps. The welder then instructed his welder helper to support the cap until he got a couple weld tacks made to hold it in place.

When the welder struck the first arc, it flashed causing the fire to come out of the opening of the elbow, which was pointed directly at his welder helper. The flame

went into the face of the welder helper, who was holding the end cap, causing minor first degree burns.

RESPONSE

The welder helper was removed from the excavation and had his injuries assessed and treated using an onsite first aid kit by the site supervisor from CJ Hughes. The supervisor took the welder helper to the local hospital to have a medical professional evaluate the extent of the injuries. The welder helper was treated and released. CJ Hughes and TD Williamson had a safety stand down to discuss the event that just occurred.

Both companies evaluated the situation to determine how to move forward and check for additional leakage. The vent hose was removed at the 2-inch threaded O-ring between the stopples to check for blockage, but none existed. The same amount of leakage that was found earlier that morning was noted coming from the threaded O-ring between the stopples. The threaded O-ring on the east side that was not being used, had a 2-inch stack installed with an air mover, extending approximately 7 feet above grade. The gap at the top and the 2-inch elbow on the end cap were checked again with combustible gas indicator, indicating no gas readings. The 2-inch elbow on the back of the cap was rolled in a safe position and did not need support. The cap was then welded onto the 12-inch line completing the task for the east side.

The contractor inspector from Elk Energy Services, arrived onsite and was briefed on the situation and the actions taken. Columbia's Project Manager then was notified of the incident.

Later that evening, CJ Hughes onsite supervisor sent Columbia's Environmental, Health and Safety Coordinator an email notifying him of the incident.

August 7, 2017

Columbia's Environmental, Health and Safety Coordinator reads email regarding incident, and reaches out to Columbia's Project Manager and CJ Hughes Safety Coordinator to get more information on the incident.

August 8, 2017

A companywide Incident Alert email comes out across Columbia Gas. Pipeline Safety and Compliance Group begin making contact with each other to find out more information around the incident. Columbia Gas of Kentucky Compliance then deemed the incident reportable, and contacted KY PSC to report incident.

STEPS TAKEN TO PREVENT RECURRENCE

Columbia Gas of Kentucky and CJ Hughes have conducted an After Action Review of the incident to review all the events that happened leading up to and after the flash fire. It has been determined that vent stacks and air movers need to be utilized while cutting and welding if there is a threaded O-ring fitting available to vent any blow-by gas getting by a stopple. The injured employee and crew from CJ Hughes has been retrained and coached not put themselves in the line of fire, and to utilize cribbing or jack stand to hold pipe in place. Anytime a large project is being performed, state Commission reporting requirements need to be reviewed and Columbia Gas of Kentucky's emergency manual needs to be readily available to the Project Manager. It was also reviewed that Columbia Gas of Kentucky's Compliance department needs to be notified anytime there is an incident that could be deemed reportable to the Commission.

Attachment B

Columbia Notification of Incident

Rice, James D (PSC)

From: PSC - Pipeline Safety (U.S. DOT)
Sent: Tuesday, August 08, 2017 12:15 PM
To: Rhodes, Jim R (PSC); Rice, James D (PSC); Aitken, Bill (PSC); Glover, Gary W (PSC); Gregg, Virginia W (PSC); Grugin, Joel W (PSC); Holbrook, Melissa C (PSC); Melnykovich, Andrew (PSC); Raff, Richard G (PSC); Samples, Steven D (PSC); McCullough, Mark (PSC); Schmitt, Michael J (PSC); Smith, Renee C (PSC); Newby, Daryl E (PSC); Lyons, John (PSC); Whisman, Jason (PSC)
Subject: FW: Columbia Gas Reportable incident

From: rmtwait@nisource.com
Sent: Tuesday, August 08, 2017 12:14:26 PM (UTC-05:00) Eastern Time (US & Canada)
To: PSC - Pipeline Safety (U.S. DOT)
Subject: Columbia Gas Reportable incident

On 8/6/2017 at 10:30:00 AM a contractor welder and his helper were in the process of welding a cap on the end of an existing main. The main was isolated by two TDW stopple sets approximately 35 feet apart. As the welder struck his arc in order to weld on the cap the crew experienced a flash fire. One employee received minor burns to his face. Contractor employee was taken to a medical facility as a precaution, but was treated and released. Incident is currently under investigation.

Columbia Gas of Kentucky did not receive notification of this incident until 8/8/17 at 11:00 AM.

A 30-day report will follow.

Ryan Twait
Compliance Specialist 1
Columbia Gas of Kentucky
Cell: 859-533-4022
Office: 859-288-0234



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