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ENGINEERING DIVISION

February 24, 2016

Inside svc's
420K inside mtrs
10-15K in gorges

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

VP Gas Distribution
Baltimore Gas & Electric Company
1699 Leadenhall St.
Baltimore, MD 21230

Advisory
Bulletins

**NOTICE OF PROBABLE VIOLATION
PROPOSED COMPLIANCE ORDER
PROPOSED CIVIL PENALTY
(COMAR¹ 20.57/58.02.05)**

Dear [REDACTED]

On September 23, 2015, the Public Service Commission of Maryland's Engineering Division (PSCED) conducted an inspection of an explosion at 12218 Sleepy Horse La. in Columbia, MD 21044. The purpose of this investigation was to ensure compliance with Federal and State pipeline safety regulations. As a result of this investigation several areas of non-compliance were found to exist. These areas of non-compliance are described below:

49 CFR² 192.13 (c) – General

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

49 CFR 192.353 (a) and (c) Customer Meters and Regulators: Location.

(a) Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage, including, if installed outside a building, vehicular damage that may be anticipated. However, the upstream regulator in a series may be buried.

¹ Code of Maryland Regulations

² Code of Federal Regulations

(c) Each meter installed within a building must be located in a ventilated place and not less than 3 feet (914 millimeters) from any source of ignition or any source of heat which might damage the meter."

BGE Gas Distribution Standards manual section GD 203 – 1 V.A.1. GENERAL – Capacity Design – System Planning – ENGINEERING DESIGN states:

"V. Location of Service Equipment (Ref. Gas Tariff Sec.6)

A. General: Meter locations are agreed upon by the Customer and the Company, subject to final approval by the Company. Under normal conditions an outdoor location is required.

1. An acceptable meter location shall be free of any conditions detrimental to the metering equipment, and such location shall not create a hazard of inconvenience. The Customer shall maintain at least three feet of unobstructed space in front of the meter, and such space shall be free of any source of ignition or heat which may damage the meter or related equipment. The Company may require the Customer to provide, at the Customer's expense, suitable protective equipment for the meter or exposed service riser."

BGE Gas Distribution Standards manual section GC 402 – 1 II.C. and L. GENERAL – Gas Measurement - Location states:

"II. General Rules

The following general rules shall govern the location of meter and regulation equipment. If the location for the gas measurement equipment does not meet these specifications, consult the Supervisor of the Meter Engineering & Standards Unit.

C. Gas metering assemblies will not be installed in places where it may be subjected to damage, such as driveways & sidewalks (without suitable protection), public passages, halls, coal bins, under porches, in crawl spaces, etc. or where it will be subjected to excessive corrosion, extreme temperature or sudden changes in temperatures. The preferred location of a gas meter is not under a window, but may be allowed if all other possible locations are not available.

L. If gas metering assemblies cannot be installed outdoors per the BGE Metering Location Standard, a customer may request the meters to be installed in a garage provided there is adequate protection from impact and damage. The customer is required to provide adequate protection."

According to the investigation, the homeowner hit the gas piping inside the garage while backing the car out of the garage. The homeowner indicated that the vehicle's door was open when the damaged occurred. The homeowner did not check to see what was struck. As a result of the damage to the gas piping, a release of gas occurred and filled the structure with gas.

The investigation determined that the meter involved in the incident was installed inside a garage without a proper protection against vehicular and other damages. There was less than 3 feet space in front of the meter and the passage where a vehicle could transit.

BGE failed to follow Federal pipeline safety regulations and its own Gas Distribution Standards regarding meter location and protection against vehicular and other damages.

PROPOSED COMPLIANCE ORDER

Within 30 days of receipt of this Notice of Provable Violation, BGE shall submit documentation to the Public Service Commission Engineering Division to document the actions taken on the following recommendation(s).

1. BGE shall identify and protect its meters located inside garages that are susceptible to vehicular and other damages. This is to be accomplished through the identification and protection of the meters over the next 5 years as BGE conducts its leak survey program. BGE shall report annually to the PSCED by April 1st, starting in 2017, the number of meters identified and protected.
2. Within 120 days BGE shall provide protection for the remaining meters in the Clary's Chase Development where the explosion took place. Report to the PSCED by June 1, 2016 the number of meters protected.
3. Within 30 days BGE shall describe the methodology that it will implement to ensure that every new and renovated gas meter, inside and outside of buildings, is installed with appropriate protection against vehicular and other damages in accordance with 49 CFR 192.353.

RESPONSE OPTIONS (Proposed Compliance Order)

1. Agree to the proposed compliance order.
2. Request the execution of a consent order.³
3. Object to the proposed compliance order and submit written explanation, information, or other materials in answer to the allegations in the notice.

³ A document executed jointly by you and the Commission's Engineering Division in which you agree that the violations have occurred and agree to certain penalties or required compliance.

4. Request a hearing under 3-102(c), Public Utility Companies Article.

Failure to respond in writing within thirty days shall result in a Civil Penalty as outlined in COMAR 20.57.02.05 and 13-203 of the Public Utility Companies Article and Related Laws. The written response must clearly indicate which of the four response options has been chosen.

PROPOSED CIVIL PENALTY

BGE shall pay a Civil Penalty of \$25,000.00. This fine has been assessed after considering the size of the gas distribution system, the gravity of the violations contained in this NOPV and the good faith shown to achieve compliance.

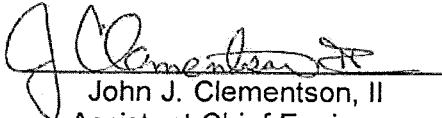
The maximum civil penalty under 13-203, Public Utility Companies Article, is \$100,000 for each violation for each day that the violation persists. The maximum civil penalty shall not exceed \$1,000,000 for any related series of violations.

RESPONSE OPTIONS (Proposed Civil Penalty)

1. Pay the penalty.
2. Submit an offer in compromise of the proposed civil penalty.
3. Object to the proposed civil penalty and submit a written explanation, information, or other material to mitigate the proposed civil penalty.
4. Request a hearing under 3-102(c), Public Utility Companies Article.

The written response must clearly indicate which of the four response options has been chosen.

Sincerely,


John J. Clementson, II
Assistant Chief Engineer