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John B. Rhodes, Chair

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PSC Issues Tough New Gas Safety Rules in New York

— New Requirements Improve Upon Most Stringent Gas Safety Rules in the Nation;
Ensures Only Qualified Inspectors Examine Plastic Fusions on Gas Pipes —

ALBANY — The New York State Public Service Commission (Commission) today announced that natural gas utilities will be required to disqualify inspectors of plastic fusions on natural gas pipes who had previously approved a visually unacceptable fusion until the inspector has been fully retrained and requalified. Utilities will also be required to inspect other work completed by any fuser and inspector who completed or passed a fuse that is later deemed a visually failing fuse from the date that fuse was made or inspected.

"State law requires all utilities to provide safe and adequate service," **said Commission Chair John B. Rhodes.** "The Commission's ongoing commitment to adopt well-reasoned, stringent, improvements in gas safety regulations better ensure that the infrastructure and underground pipes that transport and deliver gas to consumers are properly maintained and secured, and that the utilities face severe financial penalties if they fail to adhere to the safety regulations."

In addition to new inspection requirements, all major gas utilities will be required to develop and submit quality assurance and control programs. The programs will propose, for Department approval, standards that each utility will use to determine the need for re-digs and inspection of completed projects when on-site inspections have shown such re-digs of completed work by fusers and inspectors are necessary.

In 2015, the Commission ordered all large gas utilities to revise their procedures related to completing the fusing of plastic connections on plastic gas distribution pipes, most of which are replacing leak-prone cast iron delivery pipes. Under those safety rules, gas utilities must ensure that all plastic fusions be inspected by a qualified person other than the person who did the work prior to pipe being placed into service. In addition, the names of the person making the fuse and the inspector must be recorded, as well as the fuse location. Finally, all plastic fusions exposed during the normal course of business must be visually inspected and remediated if they fail such inspection. Today's new rules seek to enhance earlier gas safety efforts.

The new regulations announced today are part of the overall reform effort to increase state oversight of utilities. Reforms put forth by Governor Andrew M. Cuomo in 2013 strengthened the enforcement mechanisms of the Commission to ensure that major electric and gas utility companies are held accountable and responsive. The Commission is now able to pursue penalties that reflect a

percentage of the utility's gross revenues after a hearing. Financial penalties imposed under both processes are the responsibility of utility shareholders.

Because of rigorous Commission oversight, gas utilities have steadily and substantially reduced the number of leaks in the system. In rare instances where a leak poses an actual safety hazard, the Commission requires the utility to take immediate and aggressive steps to eliminate the hazard. Of all types of material used for natural gas piping, high-density polyethylene plastic has the fewest leaks, and all plastic piping is pressure-tested after fusion and prior to being energized to ensure that it will hold at pressures significantly higher than what it is expected to experience while in service.

This proceeding was begun in response to a Department of Public Service investigation into the 2014 East Harlem gas incident in which a failed plastic fusion, completed and inspected by the same employee of a contractor, had failed. The failure contributed to a tragic explosion and several deaths. After learning that the person who had completed the fuse had lapsed plastic fusion qualifications, a further review revealed that the testing the person had received had not included a vital component to show proficiency in completing plastic fusions – the destructive testing of the hands-on portion of plastic fusion qualification.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 14-G-0212 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.