



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

RELIABILITY & SECURITY

IN THE MATTER OF ALLEGATIONS OF )  
VIOLATIONS OF PIPELINE SAFETY )  
REGULATIONS BY SOUTH JERSEY GAS )  
COMPANY WITH RESPECT TO A GAS PIPELINE )  
SAFETY INSPECTION IN WEST DEPTFORD, NEW )  
JERSEY, ON OCTOBER 20, 2017 ) ORDER APPROVING  
SETTLEMENT  
  
DOCKET NO. GS19050643

**Party of Record:**

**Stacy A. Mitchell, Esq.**, South Jersey Gas Company

**BY THE BOARD:**

By this Order, the New Jersey Board of Public Utilities ("Board") considers an Offer of Settlement from South Jersey Gas Company ("SJG") to resolve alleged violations of natural gas pipeline safety regulations.

**BACKGROUND**

This matter has been opened to the Board following an investigation of alleged natural gas pipeline safety violations found by the Board's Bureau of Pipeline Safety ("Board Staff" or "BPS") during an October 20, 2017 field inspection of pipeline facilities owned and operated by SJG. On October 20, 2017, Board Staff conducted a construction inspection of plastic service installations performed by Crown Pipeline Construction ("Crown"), a contractor for SJG, at 52 and 55 Holly Drive in West Deptford, New Jersey. During the field inspection, Board Staff observed a Crown employee performing an electrofusion plastic pipe joint without the proper credentials. Based on the inspection, it was determined that Crown employees were performing plastic pipe joints on SJG's system without the proper pipe joining qualifications as required by Title 49 Part 192 of the Code of Federal Regulations.

Following the inspection, Board Staff notified SJG of its findings and requested information concerning any other locations where the unqualified Crown employee may have performed plastic pipe joints for SJG, and any locations where plastic pipe joints were performed by unqualified individuals. On October 30, 2017, BPS staff received a response from SJG, which revealed that the unqualified Crown employee had performed 17 electrofusion plastic pipe joints during calendar year 2017. SJG further revealed through their own internal review that an

additional 40 plastic pipe joints were performed by 7 unqualified Crown employees between September 11, 2017 and October 19, 2017. On November 29, 2017, BPS Staff conducted an inspection of SJG records at the company's Glassboro office, and as a result of the records inspection the list of plastic pipe joints performed by unqualified individuals was updated to 67. BPS Staff later confirmed that a previously reviewed record of a plastic pipe joint was also performed by an unqualified individual, bringing the total number to 68.

Following Board Staff's investigation, SJG removed Crown from SJG construction work; tested the unqualified electrofusion tapping tees and fittings discovered during the investigation; and held meetings with employees and contractor personnel to address operator qualification and electrofusion issues.

Pursuant to Section 60105(a) of the Natural Gas Pipeline Safety Act of 1968 as amended (49 U.S.C. 1671 et seq.), New Jersey certifies to the Secretary of Transportation, under the Constitution and laws of the State of New Jersey, that it has regulatory jurisdiction and enforcement authority of the safety standards by injunction and monetary sanctions for any suspected violation of the Federal Safety Standards promulgated in Parts 192, 193, 199 and 40 of Title 49 of the Code of Federal Regulations (C.F.R.). Enforcement authority is vested in the Board pursuant to the Natural Gas Safety Act, N.J.S.A. 48:10-2, et seq. and all regulations promulgated thereto.

On February 5, 2019, Board staff sent a Notice of Probable Violation (NPV) letter to SJG citing violations of minimum federal pipeline safety regulations C.F.R. §192.13(c), §192.285 and §192.805(b) – Operator Qualification and Plastic Pipe Joining. In the NPV, Board Staff offered SJG a compromise and settlement in lieu of civil administrative penalties for the alleged violations. In response, SJG engaged Board Staff in settlement discussions and on April 3, 2019 Board Staff sent a revised NPV with an offer of settlement which provided for a one-time payment to the Treasurer of the State of New Jersey in the amount of One Hundred and Five Thousand Dollars (\$105,000.00). In addition to the payment, SJG would agree to implement the following remedy to the SJG MAXIMO computer program:

1. By December 31, 2019, provide the capability to allow gas facility records to be searched by pipe joiner and crew foreman.
2. Upon implementation, coordinate with BPS Staff to review the upgraded capability.

By letter dated April 17, 2019, SJG sent an Answering Certification accepting the offer of settlement ("Settlement") along with a payment in the amount of \$105,000.00 for the alleged violations.

The Board reviewed the Settlement and **HEREBY FINDS** it to be a reasonable Settlement of the outstanding issues, in the public interest, in accordance with law and in accordance with the

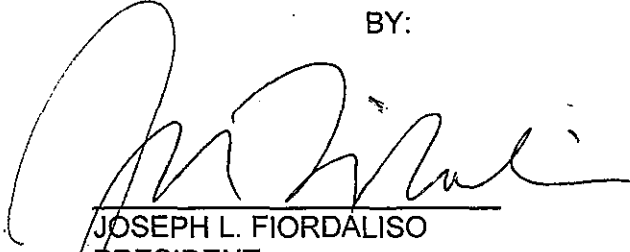
intent and purpose of the Natural Gas Pipeline Safety Act of 1968 as amended, 49 U.S.C.A. § 1671, et seq. and all regulations promulgated thereto, the Natural Gas Safety Act, N.J.S.A. 48:10-2, et seq. and all regulations promulgated thereto, and N.J.A.C. 14:7, et seq. Therefore, the Board **HEREBY APPROVES** and **ADOPTS** the Answering Certification dated April 17, 2019 as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board **HEREBY ORDERS** SJG to comply with the terms of the Answering Certification as presented.

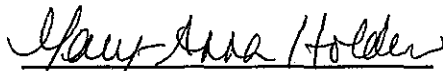
This Order shall be effective on December 30, 2019.

DATED: 12/20/19

BOARD OF PUBLIC UTILITIES  
BY:



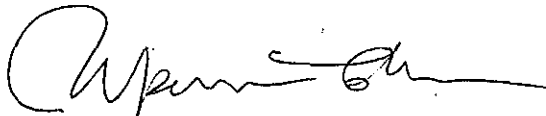
JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
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 PIPELINE SAFETY  
REGULATIONS BY SOUTH JERSEY GAS COMPANY WITH RESPECT TO A GAS PIPELINE  
SAFETY INSPECTION IN WEST DEPTFORD, NEW JERSEY, ON OCTOBER 20, 2017  
DOCKET NO. GS19050643

SERVICE LIST

Stacy A. Mitchell, Esq.  
South Jersey Gas Company  
One South Jersey Plaza  
Folsom, NJ 08037

Brent Schomber  
South Jersey Gas Company  
One South Jersey Plaza  
Folsom, NJ 08037

**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, NJ 08625-0350

Aida Camacho-Welch  
Secretary of the Board  
[Board.secretary@bpu.nj.gov](mailto:Board.secretary@bpu.nj.gov)

**Division of Reliability & Security**

Joseph Costa  
[Joseph.costa@bpu.nj.gov](mailto:Joseph.costa@bpu.nj.gov)

Lauren Mattox  
[Lauren.mattox@bpu.nj.gov](mailto:Lauren.mattox@bpu.nj.gov)

**Counsel's Office**

Heather Weisband, Esq.  
[Heather.weisband@bpu.nj.gov](mailto:Heather.weisband@bpu.nj.gov)