



Agenda Date: 1/25/23  
Agenda Item: 6A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
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 PUBLIC )  
SERVICE ELECTRIC AND GAS COMPANY WITH )  
RESPECT TO A GAS PIPELINE SAFETY INSPECTION )  
IN MORRIS PLAINS, NEW JERSEY ON MAY 26, 2021 )

ORDER APPROVING  
SETTLEMENT

DOCKET NO. GS22110688

**Party of Record:**

**Joseph F. Accardo Jr., Esq.**, Public Service Electric and Gas Company

**BY THE BOARD:**

By this Order, the New Jersey Board of Public Utilities ("Board") considers an Offer of Settlement ("Settlement") for Public Service Electric and Gas Company ("PSE&G" or "Company") to resolve alleged violations of natural gas pipeline safety regulations.

**BACKGROUND**

This matter was opened following an investigation of alleged natural gas pipeline safety violations found by the Board's Bureau of Pipeline Safety ("Staff" or "BPS"). On May 26, 2021, BPS conducted a field inspection of PSE&G's installation of a 6-inch polyethylene ("PE") gas main at 200 Tabor Road in Morris Plains, New Jersey. During the inspection, BPS observed a PSE&G crew installing 480-feet of 6-inch, SDR 17, PE pipe. BPS determined that the PSE&G crew was not following pipeline safety regulations concerning inspection of materials, repair of plastic pipe, minimum cover over natural gas pipelines, qualifying persons to make joints in plastic pipe, installation of pipe in a trench, and calibration of equipment utilized in construction. On January 14, 2022, Staff sent a Notice of Probable Violation and Notice of Amendment ("NPV") letter to PSE&G citing violations of state and federal pipeline safety regulations 49 C.F.R. §192.13(c), 192.285, 192.307, and 192.311 and N.J.A.C. §14:7-1.11(c) & (d), 14:7-1.12, and 14:7-1.24.

Staff and PSE&G engaged in numerous settlement discussions. As a result, on December 6, 2022, Staff sent a revised NPV to PSE&G with the following offer of settlement:

1. PSE&G will make a one-time payment to the Treasurer of the State of New Jersey in the amount of \$318,250.00;
2. In accordance with 49 C.F.R. §192.13(c), PSE&G will revise its GDS electrofusion and hydraulic fusion qualification procedures to comply with the regulations contained in 49 C.F.R. §192.285;
3. PSE&G will requalify all PSE&G fusion personnel in conformance with the revised PSE&G electrofusion and hydraulic fusion procedures, as required in (2) above, prior to performing any future fusions after the date of the enforcement letter;
4. In accordance with 49 C.F.R. §192.13(c), PSE&G will revise the PSE&G GDS Part 3, Chapter 4, Section 3.3 to comply with N.J.A.C. §14:7-1.11 which requires a minimum six-inch cushion that surrounds the pipeline on all sides with smooth, clean soil or select fill; and
5. PSE&G will initiate and complete the Hydraulic Fusion and Electrofusion Joint Sampling Program, the details of which are attached hereto as Exhibit A.

By letter dated December 22, 2022, PSE&G sent an Answering Certification accepting the Settlement along with a payment of \$318,250.00.

### **DISCUSSION AND FINDINGS**

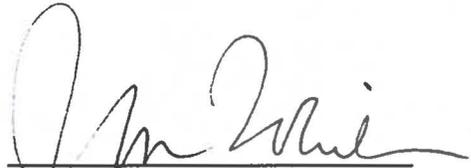
The Board reviewed and analyzed all documents in this matter including, but not limited to, the terms of the Settlement. As such, the Board **HEREBY FINDS** the Settlement to be reasonable, in the public interest, and in accordance with the intent and purpose of the Natural Gas Pipeline Safety Act of 1968 as amended, 49 U.S.C. §1671, et seq. and all regulations promulgated thereto, and the Natural Gas Safety Act, N.J.S.A. 48:10-2, et seq. and all regulations promulgated thereto, and the New Jersey Administrative Code, N.J.A.C. 14:7, et seq. and all regulations promulgated thereto. Therefore, the Board **HEREBY ADOPTS** the Settlement dated December 22, 2022 as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein. As the information contained in the monthly report required by Exhibit A directly relates to costs associated with PSE&G's pipeline facilities, the Board **HEREBY DIRECTS** the Company to file the reports with the New Jersey Division of Rate Counsel simultaneously.

The Board **HEREBY ORDERS** PSE&G to comply with the terms of the Settlement and directives in this Order as presented.

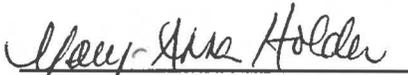
This order shall be effective on February 4, 2023.

DATED: January 25, 2023

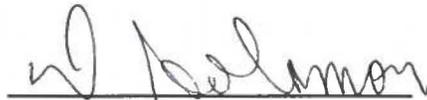
BOARD OF PUBLIC UTILITIES  
BY:



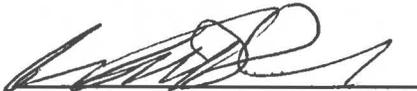
JOSEPH L. FIORDALISO  
PRESIDENT



MARYANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

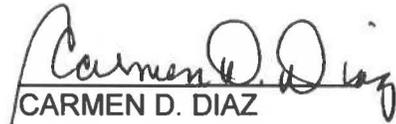


ROBERT M. GORDON  
COMMISSIONER



DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:



CARMEN D. DIAZ  
ACTING SECRETARY

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  
PUBLIC SERVICE ELECTRIC AND GAS COMPANY WITH RESPECT TO A GAS PIPELINE SAFETY  
INSPECTION IN MORRIS PLAINS, NEW JERSEY ON MAY 26, 2021

DOCKET NO. GS22110688

SERVICE LIST

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## **Exhibit A**

**PS # 4–22 NPV & NOA New Jersey Board of Public Utilities (“Board” or “BPU”)  
Follow Up Request  
Public Service Electric and Gas Co. (“PSE&G”)  
Hydraulic Fusion and Electrofusion Joint Sampling Program (“Program”)**

### **Program Reporting:**

- Within 30 days of the effective date of an order accepting this settlement, PSE&G shall provide Board Staff (“Staff”) with the following:
  - A visual inspection checklist that defines:
    - Pass, Marginal, and Fail for hydraulic fusion joints
    - Pass and Fail for electrofusion joints.
  - Staff shall review the visual inspection checklist and respond to PSE&G with proposed revisions, if any, within 15 days of receipt.
- Submit an inspection plan for Legacy Fusion Failures a minimum of one month prior to starting the excavations, which shall include the locations and approximate inspection dates to provide Staff with sufficient notice to attend the inspections.
- Beginning one month after the first inspection, PSE&G shall file a monthly report with Staff detailing the plastic fusion joints examined under the Program provided below. The report shall include the following:
  - The quantity of joints inspected;
  - The type of inspection(s) (i.e. Legacy Failure, New Found Failure, or Opportunistic);
  - The street address of the joint(s);
  - The type of joint inspected (i.e. 6” hydraulic butt, 2”x3/4” electrofusion tee, etc.), Pass/Fail; Inspection result and reason for Fail, and Approximate date of joint installation; and
  - Inspection program costs, detailed below.

### **Program Parameters:**

- **Legacy Fusion Failure Inspections:** All past hydraulic fusion and electrofusion failures of joints installed by PSE&G between February 14, 1980 and January 1, 2022 that failed between January 1, 1996 and January 1, 2022 shall be inspected on or before **December 31, 2023**.
- **New Found Fusion Failure Inspections:** All future hydraulic fusion and electrofusion failures of joints installed by PSE&G between February 14, 1980 and January 1, 2022 shall be inspected **indefinitely, with the inspections occurring no later than 6 months of leak repair**. Should PSE&G identify issues causing a delay in the completion of the inspections with the 6 month time period, PSE&G will notify Staff in advance and indicate the proposed plan to complete the inspection.

- **Opportunistic Joint Inspections**: Inspect a sample size of 200 hydraulic fusions and 200 electrofusion joints that have not yet failed, installed by PSE&G between February 14, 1980 and January 1, 2022. PSE&G will conduct sampling in accordance with the following targeted percentages by installation year of the fuse/joint:
  - **1980-1990: 5%**
  - **1991-2000: 30%**
  - **2001-2010: 30%**
  - **2011-2022: 35%**
- The investigations can be done opportunistically during the course of normal operations and maintenance activities. “Adjacent joints” or “further joint” excavations do not contribute toward this sample size.
  - Out of the 200 required electrofusion joints, remove and destructively test at least 25 visually acceptable electrofusion joints.
  - Inspection Completion Timeframe: **December 31, 2025**

#### **Program Requirements:**

- If the inspection of adjacent or further joints cannot be performed, an explanation must be provided to Staff.
- Visual examination and leakage testing (soap test) is required for all joints inspected.
- Ultrasonic Testing (“UT”) is required for visually marginal hydraulic fusion joints.
- Photograph each fusion joint inspected, regardless of pass/fail, and provide the photograph to Staff.
- Remove all fusion joints that fail visually, fail soap testing, or fail ultrasonic testing upon discovery.

#### **Program Joint Investigation – Hydraulic Fusion:**

**All (1) legacy fusion failures, (2) new found fusion failures, and (3) where opportunistic inspections reveal a joint that does not pass inspection shall be investigated in accordance with the GDS Part 3, Chapter 6, Section 4 by assuming that additional defective joints will be found. Below is a summary of GDS Part 3, Chapter 6, Section 4:**

- Visually defective fusion joints must be replaced (Pt.3, Ch. 6, Sec. 4.4.2).
- Visually marginal fusion joints must pass ultrasonic testing (“UT”). If it fails, cut it out (Pt.3, Ch. 6, Sec. 4.4.2).
- Excavate and inspect the adjacent joints on either side of the failed or defective joint. (One on each side as applicable) (Pt.3, Ch. 6, Sec. 4.4.4).
- Perform further joint excavations if either of the adjacent joints failed visually or failed UT.
- Up to local management to perform the “further joint excavations” if visually marginal but passed the UT (Pt.3, Ch. 6, Sec. 4.4.4).
- If further joint excavations are necessary, select the midpoint of the remaining joints to inspect (Pt.3, Ch. 6, Sec. 4.4.4).
- Further joint excavations are not recommended if either of the “further” joints failed. At this point the entire project is considered suspect and repair/replace must be evaluated (Pt.3, Ch. 6, Sec. 4.4.4).
- If the construction quality of the entire project is suspect and repair/replacement is required, investigate any similar projects performed by the same personnel during the same time period (Pt.3, Ch. 6, Sec. 4.4.4).

- Visual Aid: Red Star = Initial Joint Inspection; Orange Diamond = “Adjacent” Joints, Pink Hexagon = “Further” Joints at Midpoints of Remaining Joints



### Program Joint Investigation – Electrofusion:

**All (1) legacy fusion failures, (2) new found fusion failures, and (3) where opportunistic inspections reveal an electrofuse that does not pass inspection shall be investigated in accordance with the process below:**

- Due to the potential randomized electrofuse installations, further joint inspections shall be identified based upon records indicating the same type of fitting (e.g. tee, coupling, etc) installed by the same personnel during the same time period within the project scope. If the installation was a single fitting (e.g. single service tee installation or single coupling installation) no further inspections need to be performed.
- Visually defective fusion joints or joints that fail the soap test must be replaced.
- Excavate and inspect the adjacent joints on either side of the failed or defective joint (as applicable) based upon the identification process in the first bullet above.
- Perform further joint excavations within the project scope if either of the adjacent joints failed visually or failed the soap test.
- Further joint excavations are not recommended if either of the “further” joints failed. At this point the entire project scope is considered suspect and repair/replace must be evaluated.
- If the construction quality of the entire project is suspect and repair/replacement is required, investigate any similar projects performed by the same personnel during the same time period.

### Program Cost Tracking

PSE&G shall separately track all expenses incurred that are associated with this Program. The sampling costs shall include all costs associated with all aspects of the Program, including, but not limited to, testing of each fusion, the replacement of each fusion, costs to excavate, remediate and restore each location, and administrative, material and labor costs.

### Definitions

- Same personnel: Same mobile data terminal signature as indicated on the electronic installation record where applicable. If the electronic installation record does not include a signature identifying the mobile data terminal, all reasonable efforts will be made to identify the mobile data terminal signature through available electronic records.
- Same time period: Three month period (starting the month prior to install date to the month following the install date).
- Project: Same size, same personnel, same street within same time period bounded by cross streets on either end of the identified street.