



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

RELIABILITY & SECURITY

IN THE MATTER OF AN ALLEGED VIOLATION OF) ORDER APPROVING
PIPELINE SAFETY REGULATIONS BY NEW JERSEY) SETTLEMENT
NATURAL GAS COMPANY WITH RESPECT TO AN)
INSPECTION OF THE COMPANY'S NATURAL GAS)
PIPELINE FACILITIES IN PARSIPPANY, NEW)
JERSEY) DOCKET NO. GS19111462

Party of Record:

Craig Lynch, New Jersey Natural Gas Company

BY THE BOARD:

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

BACKGROUND

This matter has been opened to the Board following an investigation of an alleged natural gas pipeline safety violation found by the Board's Bureau of Pipeline Safety ("Board Staff" or "BPS") during a November 30, 2017 inspection of pipeline facilities owned and operated by NJNG¹. As a result of the inspection and subsequent investigation, it was determined that NJNG was in probable violation of external corrosion control requirements in Part 192 of the Code of Federal Regulations (C.F.R.). An inspection of Company records revealed that a pipeline system installed in Parsippany, New Jersey in 1987 consisting of sections of 2-inch and 4-inch steel pipe was not monitored for corrosion until July 8, 2016 in violation of 49 C.F.R. §192.465(a) which requires each pipeline that is under cathodic protection to be tested at least once each calendar year, but with intervals not exceeding 15 months².

¹ The inspection was conducted over a 2-day period beginning on November 16, 2017 and concluding on November 30, 2017.

² Cathodic protection is an electrochemical process where electrical current is applied to buried metal to stop or slow corrosion reaction on metal surfaces.

In addition to the probable violation, it was determined that NJNG was subject to a Notice of Amendment concerning the Company's procedural manual for operations, maintenance, and emergencies. Although not a probable violation, NJNG's standards, operations, maintenance and emergency ("SOME") manual did not satisfy the requirements of 49 C.F.R. §192.605(b)(2) which requires the Company to include, in the manual, procedures to cathodically protect pipelines consistent with external corrosion control rules in Subpart I of 49 C.F.R. §192.

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. 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.

By letter dated April 12, 2018, Board staff sent a Notice of Probable Violation (NOPV) and Notice of Amendment (NOA) letter to NJNG citing a probable violation of 49 C.F.R. §192.455(a)(2) – "Corrosion control: Buried or submerged pipelines installed after July 31, 1971"; 49 C.F.R. §192.465(a) – "External corrosion control: Monitoring"; and notice to amend the Company's SOME manual to satisfy the requirement of 49 C.F.R. §192.605(b)(2) – "Procedural manual for operations, maintenance, and emergencies". In response, NJNG requested the opportunity to present new relevant information concerning the NOPV. The additional information was reviewed by BPS and as a result, it was determined that NJNG satisfied the requirements of 49 C.F.R. §192.455(a)(2) to cathodically protect the pipeline system against external corrosion within 1 year after completion of construction. NJNG did not, however, contest the Company's failure to perform annual corrosion testing of the pipeline as required by 49 C.F.R. §192.465(a).

A revised NOPV and NOA was sent on June 8, 2018 which included an offer of settlement providing for a one-time payment to the Treasurer of the State of New Jersey in the amount of Fourteen Thousand Dollars (\$14,000.00). In addition to the one-time payment, NJNG would agree to remedy the findings outlined in the NOPV dated June 8, 2018.

On June 21, 2018, NJNG sent an Answering Certification accepting the offer of settlement ("Settlement") along with a payment in the amount of \$14,000.00 for the alleged violation.

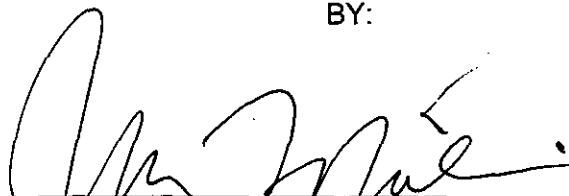
The Board reviewed the Settlement and **HEREBY FINDS** it to be a reasonable Settlement of the outstanding issues, in the public interest, in accordance with law and in accordance with the intent and purpose of the Natural Gas Pipeline Safety Act of 1968 as amended, 49 U.S.C.A. § 1671, et seq. and all 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 June 21, 2018 as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

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


This Order shall be effective on February 29, 2020.

DATED: 2/19/20


BOARD OF PUBLIC UTILITIES
BY:



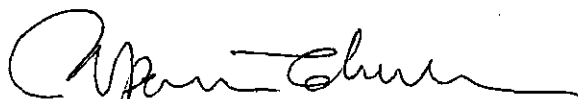
JOSEPH L. FIORDALISO
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MARYANNA HOLDEN
COMMISSIONER



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.

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NEW JERSEY NATURAL GAS COMPANY WITH RESPECT TO AN INSPECTION OF THE
COMPANY'S NATURAL GAS PIPELINE FACILITIES IN PARSIPPANY, NEW JERSEY
DOCKET NO. GS GS19111462

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