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John B. Rhodes, Chair

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**National Grid LI to Pay \$1.98 Million to Settle Gas Explosion Investigation
— Payment Resolves Investigation Against National Grid for 2015 Gas Explosion that
Injured Two People; Second Violation in One Year Earns Utility Stiff Penalty —**

ALBANY — The New York State Public Service Commission (Commission) today approved a proposal that would resolve a possible penalty action against National Grid’s natural gas business on Long Island for a gas incident that occurred on February 11, 2015, causing severe injury to two people.

“The Commission has zero tolerance for violations of its gas safety standards,” **Commission Chair John B. Rhodes said.** “Backed by tougher, more significant penalties for safety violations implemented by Governor Andrew M. Cuomo, we will hold utilities strictly accountable when they do not comply with our rigorous gas safety rules. Compliance is one of the most important ways that utilities make gas service safe as required by our statute.”

On February 11, 2015, an explosion occurred at 21 Old Country Road in Water Mill, Suffolk County. The explosion destroyed the property and seriously injured two people inside the residence, who had to be air-lifted to the hospital. No one had been living at the residence at the time of the explosion. The incident was caused when the workers, who were performing demolition inside the home, struck a gas pipe in the basement through which gas service had been provided by National Grid’s gas subsidiary.

After the gas explosion, Department of Public Service’s investigation identified two violations of the PSC’s regulations. The first regulation required National Grid to disconnect or lock the service to 21 Old Country Road when the customer asked that gas service to the building be discontinued; the second required the company to follow its own procedures for discontinuing gas service. Based on this investigation, the Commission commenced an enforcement proceeding to assess a penalty against National Grid. However, rather than litigate the issue, the company negotiated a settlement, which offers specifically identified benefits for customers.

Because this was the second National Grid gas incident within one year that was attributable to an unlocked gas service, the settlement included a \$500,000 penalty against National Grid. Six months before the Water Mill incident, in August 2014, there was a gas explosion at a house on Paige Street in Schenectady caused by an unlocked gas service; no one was injured in that explosion.

The settlement funds, to be paid for entirely by company shareholders, will be used for two programs that will improve gas safety. First, \$1.48 million will be used to install excess flow valves (EFVs) with

locations chosen pursuant to a risk-based analysis. EFVs began to be installed in the 1990's because they restrict the flow of gas on the services on which EFVs are installed if/when the service is damaged. If one had been in place at 21 Old Country Road, the impacts of the explosion would likely have been reduced or avoided altogether.

The remaining \$500,000 will be used to educate small contractors and homeowners completing inside renovations. Small contractors and homeowners are not otherwise the specific target of gas safety education, like outside excavators are; therefore, directed education on the importance of contacting utilities prior to renovations and demolition work will improve gas safety. The unprecedented program being created will include a direct mail campaign to individual residents and small contractors as well as in-person training/education sessions.

The direct notice to homeowners reminding them of the need to turn off utilities before major inside renovations begin aims to inform them and their contractors of potential dangers that can result during the demolition and renovation process. If this program proves successful, staff may look to expand the program beyond the Long Island area.

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 15-G-0298 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.