



**For Immediate Release:** 11/15/18

John B. Rhodes, Chair

**Contact:**

James Denn | James.Denn@dps.ny.gov | (518) 474-7080

<http://www.dps.ny.gov>

<http://twitter.com/NYSDPS>

**18098/18-G-0094**

## **National Grid's Long Island Gas Business Faces Potential Financial Penalty — Penalty Considered for Repeated Failures to Protect Gas Pipelines from Corrosion —**

**ALBANY** — The New York State Public Service Commission (Commission) today ordered National Grid's Long Island gas business to explain why the Commission should not commence a penalty action against the company for repeated violations of gas safety regulations that are designed to ensure that underground gas pipelines are protected from corrosion and why the Commission should not appoint a third party to monitor National Grid safety procedures.

"The Commission has zero tolerance for violations of its gas safety standards," **Commission Chair John B. Rhodes said.** "We will hold utilities strictly accountable when they do not comply with our rigorous gas safety rules with tougher, more significant penalties for violations."

The Commission acted after its pipeline safety investigators identified continued low cathodic protection levels on pipes at National Grid's Northport Regulator Station, along with other regulator stations on Long Island. Cathodic protection is required on steel pipe to prevent corrosion; if corrosion is not prevented, the integrity of the pipe may be compromised, and, among other problems, an incident is more likely to occur. To compound the problem, while National Grid was in the process of correcting the cathodic protection problem at Northport, investigators learned of similar cathodic protection problems at the Commack Regulator Station, also on Long Island.

Staff's investigation, which included a review of operations and maintenance records associated with delivery points for the Iroquois Pipeline system at the Northport Regulator Station, the Commack Regulator Station, and one, specifically identified pipeline segment, found that underground control lines and a pipeline segment, subject to specific cathodic protection requirements, did not demonstrate adequate or compliant cathodic protection levels. Moreover, despite assurances to the contrary, National Grid has not taken sufficient remedial action to correct its own findings of inadequacy within the required time period specified in pipeline safety regulations.

The gas transmission line to the Northport Regulator Station is a high-pressure transmission pipe system. A failure of any high-pressure line due to corrosion, which cathodic protection is intended to prevent, could cause a catastrophic explosion that would jeopardize public safety and, since Northport is a power plant, cause numerous customer electric outages.

The initial investigation found that although company inspectors had revealed and recorded substandard cathodic protection conditions on segments of pipes at Northport, the company had not taken the required corrosion maintenance corrective action for three years even though it should have

done so within one year after discovery of the problem on each segment. While the cathodic protection at this site has not yet experienced through-wall corrosion, cathodic protection levels were so low as to be essentially non-existent.

National Grid has 30 days to respond to the Commission's order. In its response, the company is required to demonstrate why a penalty action should not be commenced against National Grid and, thereafter, a penalty assessed against it for the company's multiple failures to comply with regulations and why the Commission should not order the appointment of a third-party quality assurance monitor to audit National Grid's performance on an ongoing basis, at shareholders' expense, related to its cathodic protection program.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.ny.gov](http://www.dps.ny.gov) and entering Case Number 18-G-0094 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.