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**PSC Rules on \$500,000 Settlement Related to Home Explosion in Schenectady
— Additional Conditions Imposed on National Grid to Resolve Penalty Action —**

ALBANY — The New York State Public Service Commission (Commission) today determined that a proposed settlement of a penalty action against National Grid’s upstate business, under which National Grid would set aside \$500,000 for the benefit of customers relating to gas safety, would be acceptable, with modifications. The Commission’s action concludes a proceeding against the utility for alleged violations of Commission gas safety rules designed to protect the public.

“The Commission has zero tolerance for violations of its gas safety standards,” said Commission Chair **Audrey Zibelman**. “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.”

The case arose out of an explosion that occurred in an unoccupied residential property in Schenectady on August 10, 2014. While there were thankfully no injuries or deaths, the explosion completely destroyed a two-family house. Natural gas delivered on a National Grid service line was the source of the explosion. A subsequent Department of Public Service investigation found that National Grid had failed to properly disconnect or lock the gas service to the building when the account was discontinued, a direct violation of both Commission regulations and National Grid’s own procedures.

Based on this investigation, the Commission commenced an enforcement proceeding to assess a penalty against National Grid. Rather than litigate the issue, the company negotiated a settlement, which offers additional benefits for customers beyond the penalty that could have been obtained through litigation.

The Commission’s order today conditionally accepts a resolution of the case proposed jointly by National Grid and Department of Public Service staff under which the company will provide \$500,000 for the benefit of customers.

A condition imposed by the Commission is a requirement that the company forgo a deduction of this amount from its State or federal income taxes. If the company declines to provide a commitment not to take the State and federal income tax deductions, the case will be remanded for an evidentiary hearing and determination by the Commission on a potential penalty assessment. The Commission also directed that the company to undertake a special outreach initiative targeting the Paige Street

community. The purpose of the outreach will be to inform the community about the efforts being taken to eliminate the possibility of future accidents from occurring.

The \$500,000 being set aside would be used to pay for a pilot program to evaluate new technologies that would allow the company to discontinue delivery of natural gas to the customer and lock the meter even if the meter and/or the locking device is located only within the customer's premises.

In addition to the \$500,000 payment, the company also agreed to adjust its call center scripts and procedures, its gas usage data analysis, and its procedures applicable to vacant properties to improve the company's ability to identify properties at which gas service is not, but should be, locked. The company would also increase its efforts to relocate meters from inside to outside customers' premises.

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-0171 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.