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John B. Rhodes, Chair

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**National Grid's Long Island Gas Company Faces Gas-Safety Review
— Staff Investigation Uncovers Safety Violations, Stiff Financial Penalties Possible —**

ALBANY — The New York State Public Service Commission (Commission) today issued an order requiring National Grid/KEDLI to show why the Commission should not commence a penalty action in either civil court or before the Commission for a gas-related explosion that occurred on February 11, 2015 in Suffolk County, causing severe injury to two people. The Commission's decision was based upon staff's investigation that found that National Grid failed to follow regulations regarding discontinuance of gas service to the property.

"The Commission has zero tolerance for violations of its gas safety standards," **said Commission Chair John B. Rhodes**. "Under tougher penalties for violations implemented by Governor Andrew M. Cuomo, if National Grid is found to have violated our regulations, it could face a penalty to be paid by shareholders."

The Commission's decision is in response to staff's investigation with respect to the natural gas explosion that occurred in Water Mill, New York, on February 11, 2015 in the service territory of KeySpan Long Island, d/b/a/National Grid. The investigation determined that the cause of the explosion was the existence of gas service at the premises, which, pursuant to gas safety rules, should have been locked two months before the incident. Two workers had been renovating the house at 21 Old Country Road and, on February 11, 2015, struck the natural gas facilities in the basement, causing gas to be released, resulting in the explosion. The workers were airlifted to the hospital with serious, but non-life-threatening, injuries.

National Grid violated the regulatory requirement that gas services be locked whenever a customer asks to discontinue service. Instead, National Grid simply removed the customer's name from the account when they called to close the account. The customer specifically told National Grid that the new owner would not need gas service for the foreseeable future and yet National Grid still failed to lock the service. The explosion occurred two months after that call.

Based upon its investigation, Department staff believes the company violated gas safety regulations. As a result of staff's investigation, National Grid is now directed to show cause, within 30 days, why the Commission should not pursue civil or administrative penalties. This latest incident is of particular concern since it's the second incident resulting from National Grid's gas shut-off practice; a similar incident occurred on August 10, 2014 in Schenectady, NY.

National Grid may be liable for at least \$100,000 per day for a continuing violation from the date the customer informed the company no new customer would be taking gas service until the date of the

incident. In the Schenectady incident, in which there were no injuries, National Grid agreed to pay \$500,000 to ratepayers to settle the matter.

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.