

ORDER NO. 89248

IN THE MATTER OF AN
 INVESTIGATION OF WASHINGTON
 GAS LIGHT COMPANY REGARDING
 A BUILDING EXPLOSION AND FIRE
 IN SILVER SPRING, MARYLAND ON
 AUGUST 10, 2016

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BEFORE THE
 PUBLIC SERVICE COMMISSION
 OF MARYLAND

 CASE NO. 9622

Date: September 5, 2019

ORDER TO SHOW CAUSE

On August 10, 2016, a natural gas-fueled explosion and fire partially collapsed a 14-unit apartment building located at 8701 Arliss Street in Silver Spring, Maryland.¹ This accident caused the deaths of seven residents and injuries to 65 others as well as three firefighters.

The National Transportation Safety Board (“NTSB”)² investigated this accident and issued its formal “Pipeline Accident Report” on June 10, 2019 (the “Report”), which includes its findings as to the probable cause of the explosion as well as several safety recommendations directed towards Washington Gas Light Company (“WGL”). The NTSB concluded that the probable cause of the accident was

the failure of an indoor mercury service regulator with an unconnected vent line that allowed natural gas into the meter room where it accumulated and ignited from an unknown ignition source.

¹ The explosion also damaged an adjacent apartment building – 8703 Arliss Street – which shared a common wall with building 8701.

² The NTSB is an independent federal agency dedicated, among other things, to pipeline safety. Pursuant to the Code of Federal Regulations – 49 CFR § 831.4 – the NTSB’s investigations do not assign fault or liability to any party. Rather, they are fact-finding proceedings without formal issues or adverse parties.

Contributing to the accident was the location of the mercury service regulators where leak detection by odor was not readily available.³

The NTSB further concluded that WGL may have failed to detect this disconnection because it did not require its technicians to verify the connection of vent lines for indoor service regulators following service work.⁴ WGL disputes the NTSB's conclusions regarding the probable cause of the accident.

The Report recommended that WGL enact five separate safety measures as a result of its findings:

- (1) Throughout the WGL network, the company should implement an audit program to verify that its service forms accurately reflect the location and condition of mercury service regulators (P-19-009);
- (2) WGL should revise its procedures and field forms to require technicians to verify the integrity of the vent lines following service work to the indoor service regulators (P-19-010);
- (3) WGL should establish a detailed schedule for the replacement of all mercury service regulators throughout its service territory, giving the highest priority to regulators located inside multi-family dwellings (P-19-011);
- (4) WGL should install all new service regulators outside occupied buildings (P-19-012); and
- (5) WGL should relocate existing inside service regulators outside of the building whenever the company replaces the meter, regulator or gas service line. Again, WGL should prioritize multi-family dwellings over single-family dwellings (P-19-013).⁵

³ Report at pg. 41.

⁴ *Id.* at pg. 40.

⁵ Report at pg. 43.

The NTSB also recommended that the Commission audit and verify WGL's mercury regulator replacement program and supervise the overall replacement process.⁶ The Commission orders WGL to provide an implementation plan describing its process for compliance with those recommendations.

Subsequent to the issuance of the Report, the Commission found that in 2003, WGL committed to replace all 66,793 mercury service regulators located inside customers' premises over ten years.⁷ Specifically, in Case No. 8959,⁸ WGL witness Hardeep S. Rana, the Chief Engineer for WGL, described WGL's ten-year program to accomplish the removal of these regulators. Mr. Rana stated:

The Company estimates that there are 66,793 mercury regulators located inside customers' premises in Maryland. Washington Gas has begun a program to replace 6,679 of these regulators with spring-type regulators each year over a ten-year period...

In evaluating the resources needed for this replacement program over the ten-year period, a Company study concluded a staff of 7 employees, including supervision and scheduling, plus contractor crews will be responsible for the mercury regulator replacement program in Maryland.⁹

Based upon this testimony, the Commission approved an upward adjustment to WGL's test year expenses of \$654,000 for the replacement program, which was reflected in the company's revenue requirement.¹⁰ The subsequent record in Case No. 8959 does not reveal how or whether the company took any steps to remove mercury service regulators pursuant to its ten-year plan, which should have been completed in 2013.

⁶ Report at §§ 2.3.9 & 2.3.10 (pgs. 28-30).

⁷ Direct Testimony of Hardeep S. Rana ("Rana Direct"), Case No. 8959 (March 31, 2003) at pgs. 12-14.

⁸ *In The Matter Of The Application Of Washington Gas Light Company For Authority To Increase Existing Rates And Charges For Gas Service And To Implement An Incentive Rate Plan*, 94 Md. PSC 329 (2003).

⁹ Rana Direct at 12.

¹⁰ 94 Md. PSC at 366-67 (2003).

Additionally, COMAR 20.55.09.01 requires utilities such as WGL to “exercise reasonable care to reduce the hazards to which its employees, its customers, its contractors, and the general public may be subjected.” Taken as a whole, the NTSB’s finding that WGL failed to connect the indoor mercury service regulator to the vent line (or discover the disconnection) may raise an issue of whether there has been a violation of COMAR or the provisions of WGL’s tariff. Accordingly, the Commission directs WGL to file with the Commission a detailed response to the NTSB’s findings as to the probable cause of the August 10, 2016 explosion within 30 days of the date of this order. Depending upon WGL’s response and the record developed subsequent to this response, the Commission will examine whether WGL exercised reasonable care to protect the public safety as required by COMAR, and consider whether a civil penalty pursuant to PUA § 13-201 or any other remedy following future proceedings, is appropriate.

As discussed above, the Commission also requires WGL to file an implementation plan (the “Plan”) that describes how WGL intends to implement the five recommendations contained within the NTSB’s June 10, 2019 Report. This Plan shall also detail how WGL intends to prioritize implementation, provide cost projections associated with the Plan, as well as any variables that may impact these cost projections. Finally, the Plan shall evaluate any risks associated with implementing the Plan as well as all measures WGL intends to take to minimize these risks.

Additionally, the Commission directs WGL to provide evidence regarding the execution of its ten-year program to remove all indoor mercury service regulators by 2013, as described by Mr. Rana and approved by the Commission in Case No. 8959. The

subsequent record in Case No. 8959 does not explain whether WGL completed the replacement of these regulators prior to the incident.

Any interested party may file a written reply to WGL's position as to the probable cause of the August 10, 2016 explosion in Silver Spring, WGL's proposal to address the NTSB's recommended safety measures, as well as WGL's 2003 mercury service regulator relocation program within 20 days after WGL's filing.

Following WGL's compliance filings with the Commission as well as the replies filed by other parties, the Commission will schedule a hearing in the Silver Spring area to receive input on the issues raised in this Order and allow members of the public, public officials, WGL, and any other interested party the opportunity to provide comment for the Commission's consideration.

IT IS THEREFORE, this 5th day of September, in the year Two Thousand Nineteen, by the Public Service Commission of Maryland,

ORDERED that Washington Gas Light Company shall file with the Commission within 30 days of this order:

- (1) Its response to the probable cause findings of the NTSB in its June 10, 2019 "Pipeline Accident Report";
- (2) Its Implementation Plan pursuant to which Washington Gas Light Company intends to implement the recommendations in the NTSB's June 10, 2019 "Pipeline Accident Report", as discussed above; and
- (3) An evaluation of the risks associated with implementing the Plan as well as all measures Washington Gas Light Company intends to take to minimize these risks.

IT IS FURTHER ORDERED that within 30 days, Washington Gas Light Company shall provide evidence regarding the status of the mercury regulator replacement program and if not completed, show cause why the Commission should not impose a civil penalty on Washington Gas Light Company pursuant to PUA § 13-201, or any other appropriate penalty:

(4) For failing to meet its 2003 stated commitment in Case No. 8959 to replace all mercury regulators located inside customers' premises over a ten-year period; and/or

(5) For failing to use funds collected from ratepayers and approved for the purpose of removing mercury regulators for the intended purpose.

By Direction of the Commission,

/s/ David J. Collins

David J. Collins
Deputy Executive Secretary