

COMMISSIONERS:
JULIE I. BROWN, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL
(850) 413-6199

Public Service Commission

February 25, 2016

Mr. Gordon L. Gillette, President
People's Gas System (Florida), Inc.
702 N. Franklin Street
Tampa, FL 33602-4429

VIA OVERNIGHT MAIL

NOTICE OF VIOLATION AND INITIATION OF SHOW CAUSE PROCEEDING

RE: Peoples Gas Systems (Florida), Inc. – Apparent violations of Sections 368.01-05, Florida Statutes, and Chapter 25-12, Florida Administrative Code, and Possible implementation of show cause proceedings pursuant to Section 368.061, Florida Statutes.

Dear Mr. Gillette:

Pursuant to the Florida Gas Safety Law of 1967 and the United States Gas Pipeline Statute,¹ the Florida Public Service Commission (Commission) is charged with establishing, administering and enforcing the rules and regulations governing safety standards of any entity “engaged in the operation of gas transmission or distribution facilities” in the State of Florida.² Chapter 25-12, Florida Administrative Code (F.A.C.), prescribes the various safety standards, rules and regulations adopted by the Commission, including the “Minimum Federal Safety Standards and reporting requirements prescribed by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA),”³ that govern entities engaged in the operation of gas transmission or distribution facilities in Florida. Any person or entity who violates any rule or regulation adopted by the Commission under The Gas Safety Law shall be subject to a civil penalty of up to “\$25,000 for each violation for each day the violation”

¹ Sections 368.01-.061, Florida Statutes (F.S.), (“The Gas Safety Law of 1967”); and 49 U.S.C. §§60105-60106 (2006) (governing State Pipeline Safety Program certifications and agreements).

² Section 368.05(1), F.S.; see also, http://primis.phmsa.dot.gov/comm/FactSheets/States/FL_State_PL_Safety_Regulatory_Fact_Sheet.htm?nocache=1609

³ Rule 25-12.005, F.A.C.

persists, or a maximum penalty of “\$500,000 for a series of related violations.”⁴ In addition, the Commission may initiate an action for an injunction in any state to compel the observance of the Gas Safety Law, or “any rule, regulation or requirement of the [C]ommission made thereunder.”⁵

In June 2013, the Commission conducted an audit of Peoples Gas Systems (Florida), Inc. (PGS or Company) to review and examine the processes, systems, and internal controls used by PGS to perform inspections of its distribution facilities. The purpose of the audit was to assess the Company’s compliance with the Commission and PHMSA’s rules and regulations, and to determine the adequacy of the Company’s management oversight of compliance issues. In September 2013, the results of the Commission’s audit were published in a “Review of Peoples Gas Distribution Facility Inspections” (2013 Audit).⁶ The Commission’s 2013 Audit found that between 2010 and 2013:

- (1) PGS failed to timely complete inspections;
- (2) PGS failed to comply with Commission rules;
- (3) PGS’ Management had knowledge of noncompliance;
- (4) PGS’ lack of oversight of and attention to compliance inspection reviews permitted detected compliance deficiencies to develop and persist;
- (5) PGS’ inadequate record-keeping and internal planning systems permitted compliance deficiencies to develop and persist; and
- (6) PGS acknowledged the magnitude of its compliance deficiencies.⁷

As a result of the Commission’s 2013 Audit, PGS developed a corrective action plan to address its compliance deficiencies and adopted organizational and operational changes in order to better address its compliance deficiencies.⁸

In June 2015, a review of PGS operations, including recent field and record inspections was conducted by Commission staff. The review showed that PGS continued to have safety and compliance deficiencies, including repeat violations of many of the rules identified in the 2013 Audit, not only in its Tampa and St. Petersburg Divisions, but in its other divisions across the state of Florida.⁹

In July 2015, a meeting was held between Commission Executive staff and PGS representatives to discuss the Company’s ongoing safety and compliance deficiencies, including the potential for possible enforcement action by the Commission. A follow-up audit of the Company’s system was initiated by the Commission immediately following the July meeting.

⁴ Section 368.061(1), F.S.

⁵ *Id.*, at subsection (3).

⁶ FPSC “Review of Peoples Gas Distribution Facility Inspections – September 2013,”

<http://www.floridapsc.com/publications/pdf/electricgas/PeoplesGas2013.pdf>

⁷ 2013 Audit, p. 3-4.

⁸ 2013 Audit, p. 15-29, “PGS Response to Commission Audit Findings”; and p. 37-44, Appendix 3 “PGS Initial Corrective Action Plans for Tampa and St. Petersburg Divisions.”

⁹ Although the Commission’s Audit was limited to the PGS Tampa and St. Petersburg Divisions, Commission audit staff noted that most of the Company’s internal procedures, practices and controls examined and described in the Audit applied statewide. *See*, 2013 Audit, p. 1.

The purpose of the audit was to assess the adequacy and effectiveness of the Company's response to the Commission's 2013 Audit, including all corrective actions taken by the Company.

The results of the Commission's follow-up audit were published in "Peoples Gas System Distribution Facility Inspections Follow-up Audit" (2015 Audit) in November 2015.¹⁰ The Commission's 2015 Audit found that:

- (1) PGS failed to complete leak surveys timely as required by Rule 25-12.040, F.A.C., during the period October 2013 through September 2015;
- (2) PGS management-level employees failed to maintain and document adequate awareness of and accountability for required inspection activities during 2014 and 2015, including allowing inspection results to be falsified and remain undetected in some instances;
- (3) PGS failed to achieve the intended full use and benefits of the GL Essentials system by September 2015;
- (4) PGS reduced the value and effectiveness of its Division Compliance Reviews as a result of changes made during 2014 and 2015 to the scope, content and structure of the reviews; and
- (5) TECO Energy Audit Services failed to play a sufficient role in auditing PGS operations.¹¹

In addition, the 2015 Audit found that, while PGS compliance initiatives since the 2013 Audit appropriately targeted the greatest needs for improvement and some progress was made, substantial additional efforts were needed to accomplish a change in culture and practices within the Company to fully support compliance with state and federal safety regulations.¹² Finally, the 2015 Audit noted that additional monitoring by the Commission was necessary to confirm that such changes are accomplished.

The results of the Commission's 2015 Audit indicate that PGS continued to have serious safety and compliance deficiencies since the 2013 Audit and did not adequately address the compliance deficiencies as outlined in the corrective action plan the Company submitted to the Commission in response to the 2013 Audit. On February 10, 2016, an informal meeting was held between Commission staff and PGS representatives. At the meeting, PGS presented comments on 32 of the 172 violations cited by the Commission between June 2013 and December 2015, which PGS believes do not rise to the level of finable violations. After reviewing the violations, rules and information presented by PGS, staff removed 16 of the 32 violations disputed by PGS for the purposes of the possibility of assessing penalties only. PGS did not dispute the other 140 violations.

¹⁰ FPSC "Peoples Gas Distribution Facility Inspections Follow-up Audit – November 2015," http://www.floridapsc.com/Files/PDF/Publications/Reports/General/Electricgas/PGS_follow-up_audit.pdf

¹¹ 2015 Audit, pgs. 3-5.

¹² *Id.*, p. 3.

Pursuant to Section 368.061, F.S., please be advised that the staff of the Florida Public Service Commission will be making a recommendation to the Commission to initiate a show cause proceeding against Peoples Gas Systems for violations of Commission statutes, rules and regulations. The proceeding would be based upon Peoples Gas Systems' repetitive safety compliance deficiencies and violations of Chapter 25-12, F.A.C. A table listing the 156 violations to be included in the proceeding is attached hereto as Attachment "A."¹³ Please be aware that should the Commission find PGS in violation of Commission and/or PHMSA rules and regulations, in addition to being authorized to impose fines of up to \$25,000 for each day the violation continues, Section 368.061, F.S., authorizes the Commission to impose a statutory lien upon the real and personal property of PGS, as well as initiate an action in circuit court to compel the Company's compliance.

It is staff's intention to present its recommendation to the Commission at the Commission Conference Agenda on May 5, 2016. A copy of the recommendation will be sent to the Company once it has been filed. PGS and its legal representative are invited to attend the Commission Conference on May 5, 2016, and may address the Commission regarding staff's recommendation.

Should you have any comments or questions regarding this matter, please do not hesitate to contact me at (850) 413-6234 or KCorbari@psc.state.fl.us.

Sincerely,

/s/ Kelley F. Corbari

Kelley F. Corbari,
Senior Attorney

KFC/dl
Attachment "A"

cc: Ansley Watson, Jr., Esq.
C.A. Attal, III, TECO General Counsel
J.R. Kelly, Office of Public Counsel
Charles J. Rehwinkel, Office of Public Counsel
Danielle M. Roth, Office of Public Counsel
Braulio Baez, FPSC Executive Director
Lisa Harvey, FPSC Deputy Executive Director, Technical
Mary Anne Helton, Interim General Counsel
Commission Clerk (Docket No. 150259-GU)

¹³ The violations outlined in Attachment "A" include 156 violations identified by Commission staff between June 2013 and December 2015.

**PHMSA FPSC
RULE VIOLATIONS**

ATTACHMENT "A"

06/2013 - 12/2015

PHMSA RULES

191.11 Distribution System Annual Report

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014

Potential Penalty: \$25,000

192.199 Requirements for Design of Pressure Relief & Limiting Devices

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013

Potential Penalty: \$25,000

192.201 Required Capacity of Pressure Relieving & Limiting Stations

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013

Potential Penalty: \$25,000

192.203 Instrument, Control & Sampling Pipe & Components

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013

Potential Penalty: \$25,000

192.383 Excess Flow Valve Installation

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014

Potential Penalty: \$50,000

192.459 External Corrosion Control: Examination of Buried Pipeline When Exposed

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$50,000

192.463 External Corrosion Control: Cathodic Protection

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSOC	GS-1250	5/14/2014	6/3/2014	6/30/2014	12/9/2014	12/16/2014
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO
PGSSA	GS-1223	12/6/2013	12/16/2013	1/10/2014	10/28/2014	10/29/2014

Potential Penalty: \$75,000

192.465 External Corrosion Control: Monitoring

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSLD	GS-1287	10/31/2014	11/12/2014	12/10/2014	12/24/2014	12/29/2014
PGSOC	GS-1250	5/14/2014	6/3/2014	6/30/2014	12/9/2014	12/16/2014
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$150,000

**PHMSA FPSC
RULE VIOLATIONS**

ATTACHMENT "A"

06/2013 - 12/2015

192.467 External Corrosion Control: Electrical Isolation

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014

Potential Penalty: \$25,000

192.479 Atmospheric Corrosion Control: General

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSBS	GS-1331	1/30/2014	2/6/2014	3/3/2014	3/27/2014	4/9/2014
PGSLD	GS-1224	11/4/2013	12/30/2013	1/10/2014	2/7/2014	2/7/2014
PGSOD	GS-1205	7/1/2013	9/25/2013	10/22/2013	1/16/2014	1/24/2014
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015
TEBPL	GS-1330	1/30/2014	2/6/2014	3/3/2014	3/27/2014	4/9/2014

Potential Penalty: \$225,000

192.481 Atmospheric Corrosion Control: Monitoring

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGPPL	GS-1279	10/10/2014	10/13/2014	11/20/2014	12/23/2014	12/29/2014
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSFM	GS-1284	10/14/2014	10/29/2014	11/11/2014	2/9/2015	2/9/2015
PGSFM	GS-1329	8/4/2015	7/27/2015	8/21/2015	10/14/2015	10/15/2015
PGSLD	GS-1287	10/31/2014	11/12/2014	12/10/2014	12/24/2014	12/29/2014
PGSSA	GS-1346	11/16/2015	10/23/2015	12/14/2015	NONE	NO
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015
PGVPL	GS-1273	9/10/2014	9/22/2014	10/17/2014	12/24/2014	12/29/2014

Potential Penalty: \$250,000

192.487 Remedial Measures: Distribution Lines Other than Cast Iron or Ductile Iron Lines

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSEU	GS-1324	6/17/2015	6/29/2015	NONE	NONE	NO

Potential Penalty: \$25,000

192.491 Corrosion Control Records

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSEU	GS-1324	6/17/2015	6/29/2015	NONE	NONE	NO
PGSOC	GS-1314	5/4/2015	5/11/2015	6/4/2015	7/21/2015	7/21/2015
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO

Potential Penalty: \$75,000

192.5 Class Locations

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSBV	GS-1198	8/15/2013	9/5/2013	10/3/2013	12/10/2013	12/13/2013

Potential Penalty: \$25,000

192.605 Procedural Manual for Operations, Maintenance & Emergencies

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015
PGVPL	GS-1273	9/10/2014	9/22/2014	10/17/2014	12/24/2014	12/29/2014
TEBPL	GS-1330	1/30/2014	2/6/2014	3/3/2014	3/27/2014	4/9/2014

Potential Penalty: \$125,000

**PHMSA FPSC
RULE VIOLATIONS
06/2013 - 12/2015**

ATTACHMENT "A"

192.614 Damage Prevention

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSFM	GS-1216	10/24/2013	11/8/2013	12/6/2013	10/13/2014	10/14/2014
PGSJIU	GS-1317	5/20/2015	5/26/2015	6/24/2015	NONE	NO
PGSSA	GS-1223	12/6/2013	12/16/2013	1/10/2014	10/28/2014	10/29/2014
PGSSA	GS-1292	11/26/2014	12/1/2014	2/9/2015	3/3/2015	3/3/2015
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSSP	GS-1350	12/3/2015	12/15/2015	12/18/2015	NONE	NO

Potential Penalty: \$175,000

192.615 Emergency Plans

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$50,000

192.616 Public Awareness

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGPPL	GS-1200	9/5/2013	9/20/2013	10/21/2013	NONE	1/10/2014
PGSFM	GS-1216	10/24/2013	11/8/2013	12/6/2013	10/13/2014	10/14/2014
PGVPL	GS-1201	9/5/2013	9/23/2013	10/21/2013	NONE	1/10/2014

Potential Penalty: \$75,000

192.625 Odorization of Gas

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSFM	GS-1216	10/24/2013	11/8/2013	12/6/2013	10/13/2014	10/14/2014
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013

Potential Penalty: \$50,000

192.707 Line Markers for Mains & Transmission Lines

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSLD	GS-1287	10/31/2014	11/12/2014	12/10/2014	12/24/2014	12/29/2014
PGSOD	GS-1314	5/4/2015	5/11/2015	NONE	NONE	NO
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$125,000

192.721 Distribution Systems: Patrolling

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$100,000

192.723 Distribution Systems: Leakage Surveys

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSDD	GS-1213	9/19/2013	10/24/2013	11/21/2013	1/14/2014	1/24/2014
PGSDD	GS-1282	9/26/2014	10/17/2014	11/19/2014	NONE	9/22/2015
PGSMI	GS-1274	9/18/2014	10/1/2014	11/18/2014	2/4/2015	2/5/2015
PGSOD	GS-1264	7/14/2014	8/13/2014	9/8/2014	11/10/2014	11/13/2014

Potential Penalty: \$100,000

**PHMSA FPSC
RULE VIOLATIONS**

ATTACHMENT "A"

06/2013 - 12/2015

192.739 Pressure Limiting & Regulating Stations: Inspections & Testing

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSOD	GS-1264	7/14/2014	8/13/2014	9/8/2014	11/10/2014	11/13/2014
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$50,000

192.741 Pressure Limiting & Regulations Stations: Telemetry or Recording Gauges

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013

Potential Penalty: \$25,000

192.743 Pressure Limiting & Regulating Stations: Capacity of Relief Devices

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSOD	GS-1264	7/14/2014	8/13/2014	9/8/2014	11/10/2014	11/13/2014
SCGPL	GS-1266	7/1/2014	8/14/2014	9/26/2014	11/18/2014	11/19/2014
TEBPL	GS-1330	1/30/2014	2/6/2014	3/3/2014	3/27/2014	4/9/2014

Potential Penalty: \$75,000

192.745 Valve Maintenance: Transmission Lines

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGJPL	GS-1265	6/18/2014	8/13/2014	8/27/2014	11/18/2014	11/19/2014

Potential Penalty: \$25,000

192.747 Valve Maintenance: Distribution Systems

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSDD	GS-1282	9/26/2014	10/17/2014	11/19/2014	NONE	NO
PGSOD	GS-1264	7/14/2014	8/13/2014	9/8/2014	11/10/2014	11/13/2014
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014

Potential Penalty: \$100,000

192.805 Qualification Program

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014

Potential Penalty: \$50,000

192.807 Record Keeping - Qualification Records

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014

Potential Penalty: \$50,000

192.809 Qualification - General

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013

Potential Penalty: \$25,000

192.905 How Does an Operator Identify a High Consequence Area

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSBS	GS-1241	4/11/2014	4/14/2014	5/12/2014	5/13/2014	5/14/2014

Potential Penalty: \$25,000

**PHMSA FPSC
RULE VIOLATIONS**

ATTACHMENT "A"

06/2013 - 12/2015

192.1011 What Records Must an Operator Keep

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSFM	GS-1216	10/24/2013	11/8/2013	12/6/2013	10/13/2014	10/14/2014
PGSSA	GS-1223	12/6/2013	12/16/2013	1/10/2014	10/28/2014	10/29/2014

Potential Penalty: \$50,000

192 Appendix D: Criteria for Cathodic Protection & Dermination of Measurements

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSLD	GS-1287	10/31/2014	11/12/2014	12/10/2014	12/24/2014	12/29/2014
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSTA	GS-1326	7/8/2015	7/21/2015	9/18/2015	12/21/2015	12/28/2015
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014

Potential Penalty: \$125,000

Total Violations: 98 \$2,450,000

**PHMSA FPSC
RULE VIOLATIONS**

ATTACHMENT "A"

06/2013 - 12/2015

FPSC RULES

25-12.022 Requirements for Distribution System Valves

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSOC	GS-1314	5/4/2015	5/11/2015	6/4/2015	7/21/2015	7/21/2015
PGSSA	GS-1346	11/16/2015	10/23/2015	12/14/2015	NONE	NO

Potential Penalty: \$50,000

25-12.040 Leak Surveys, Procedures and Classification

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSDD	GS-1282	9/26/2014	10/17/2014	11/19/2014	NONE	NO
PGSEU	GS-1242	3/17/2014	4/15/2014	5/8/2014	8/20/2014	8/28/2014
PGSLD	GS-1224	11/4/2013	12/30/2013	1/10/2014	2/7/2015	2/18/2014
PGSMI	GS-1274	9/18/2014	10/1/2014	11/18/2014	2/4/2015	2/5/2015
PGSMI	GS-1312	4/13/2015	4/20/2015	5/18/2015	10/14/2015	10/15/2015
PGSOD	GS-1205	7/1/2013	9/25/2013	10/22/2013	1/16/2014	1/24/2014
PGSOD	GS-1264	7/14/2014	8/13/2014	9/8/2014	11/10/2014	11/13/2014
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO
PGSPC	GS-1336	9/23/2015	9/14/2015	9/30/2015	10/22/2015	10/26/2015
PGSSA	GS-1223	12/6/2013	12/16/2013	1/10/2014	10/28/2014	10/29/2014
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSSP	GS-1350	12/3/2015	10/15/2015	12/18/2015	NONE	NO
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014
PGSTA	GS-1326	7/20/2015	7/8/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$425,000

25-12.045 Inactive Gas Service Lines

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSMI	GS-1312	4/13/2015	4/20/2015	5/18/2015	10/14/2015	10/15/2015
PGSOD	GS-1264	7/14/2014	8/13/2014	9/8/2014	11/10/2014	11/13/2014
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSTA	GS-1326	7/20/2015	7/8/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$150,000

25-12.050 Facility Identification

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGPPL	GS-1279	10/10/2014	10/13/2014	11/20/2014	12/23/2014	12/29/2014
PGSFM	GS-1216	10/24/2013	11/8/2013	12/6/2013	10/13/2014	10/14/2014
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014
PGSTA	GS-1326	7/20/2015	7/8/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$100,000

25-12.052 Cathodic Protection

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSPC	GS-1208	6/3/2013	10/4/2013	10/30/2013	NONE	1/8/2014
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013
PGSSP	GS-1256	6/23/2014	7/1/2014	7/31/2014	3/20/2015	3/24/2015
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014

Potential Penalty: \$150,000

**PHMSA FPSC
RULE VIOLATIONS**

ATTACHMENT "A"

06/2013 - 12/2015

25-12.055 Odorization of Gas

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGPPL	GS-1279	10/10/2014	10/13/2014	11/20/2014	12/23/2014	12/29/2014
PGSAP	GS-1283	10/17/2014	10/21/2014	11/20/2014	12/24/2014	12/29/2014
PGSLD	GS-1287	10/31/2014	11/12/2014	12/10/2014	12/24/2014	12/29/2014
PGSMI	GS-1274	9/18/2014	10/1/2014	11/18/2014	2/4/2015	2/5/2015
PGSOD	GS-1264	7/14/2014	8/13/2014	9/8/2014	11/10/2014	11/13/2014
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014
PGSTA	GS-1326	7/20/2015	7/8/2015	9/18/2015	12/21/2015	12/28/2015

Potential Penalty: \$175,000

25-12.060 General Records

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSBS	GS-1331	1/30/2014	2/6/2014	3/3/2014	3/27/2014	4/9/2014
PGSEU	GS-1242	3/17/2014	4/15/2014	5/8/2014	8/20/2014	8/28/2014
PGSEU	GS-1324	6/17/2015	6/29/2015	7/28/2015	12/17/2015	12/18/2015
PGSOD	GS-1313	4/24/2015	5/8/2015	6/5/2015	NONE	NO
PGSTA	GS-1192	6/19/2013	7/9/2013	8/6/2013	5/15/2014	5/27/2014

Potential Penalty: \$125,000

25-12.061 System Maps

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSBS	GS-1331	1/30/2014	2/6/2014	3/3/2014	3/27/2014	4/9/2014
PGSJU	GS-1317	5/20/2015	5/26/2015	6/24/2015	10/14/2015	10/15/2015
PGSOC	GS-1250	5/14/2014	6/3/2014	6/30/2014	12/9/2014	12/16/2014
PGSSA	GS-1292	11/26/2014	12/1/2014	2/9/2015	3/3/2015	3/3/2015
PGSSP	GS-1191	6/21/2013	6/26/2013	7/19/2013	12/4/2013	12/12/2013
PGSTA	GS-1326	7/20/2015	7/8/2015	9/18/2015	NONE	NO
TEBPL	GS-1330	1/30/2014	2/6/2014	3/3/2014	3/27/2014	4/9/2014

Potential Penalty: \$175,000

25-12.062 Leak Reports

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSTA	GS-1254	6/3/2014	6/26/2014	7/23/2014	12/23/2014	12/29/2014

Potential Penalty: \$25,000

25-12.082 Construction Notice

PGS Division	Violation	Evaluation Date	Notice Issued	PGS Response	Progress Report	Closed
PGSFM	GS-1216	10/24/2013	11/8/2013	12/6/2013	10/13/2014	10/14/2014
PGSFM	GS-1329	8/4/2015	7/27/2015	8/21/2015	10/14/2015	10/15/2015

Potential Penalty: \$50,000

Total Violations: 58 \$1,450,000

TOTALS:	Violations	Potential Penalty
PHMSA Violations:	98	\$2,450,000
FPSC Violations:	58	\$1,450,000
	156	\$3,900,000