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**PRESS RELEASE**

Date: Jan. 13, 2011

Contact: Jennifer Kocher, Press Secretary

(717) 787-5722 or [jekocher@state.pa.us](mailto:jekocher@state.pa.us)

**PUC OKs $80,000 Settlement with Peoples Gas Following a 2008 Allegheny County Natural Gas Explosion**

HARRISBURG – The Pennsylvania Public Utility Commission (PUC) today finalized an $80,000 settlement with Peoples Natural Gas Co. following a natural gas explosion in Plum Borough, Allegheny County.

The Commission voted 5-0 to approve the settlement, which included an $80,000 civil penalty. Vice Chairman Tyrone J. Christy issued a [partial dissenting statement](http://www.puc.state.pa.us/general/pdf/comm-sm/Christy_Stmt_2027991OSA_011311.pdf) in the case. The company may not recover the money in the settlement through rates. Under the settlement Peoples also agrees to:

* Establish combined damage prevention metrics comprised of six areas;
* Create a performance metric for the total number of corrosion-related leaks;
* Establish a performance metric related to total distribution system pipeline replacement; and
* Refrain from committing any violation of gas safety regulations.

On March 5, 2008, an explosion and fire occurred on Mardi Gras Drive, Plum Borough, which killed Richard Leith and seriously injured his granddaughter. Three houses were destroyed and 11 others were damaged. A November 2008 National Transportation and Safety Board (NTSB) report determined that the probable cause of the explosion and fire was excavation damage by a third party to Peoples’ two-inch distribution line. The damage stripped the pipe’s protective coating and made the pipe susceptible to corrosion and failure. The NTSB determined Peoples was not at fault.

After reviewing the company’s actions, the PUC’s Prosecutory Staff filed a formal complaint alleging that Peoples violated portions of the state Public Utility Code as well as Commission and federal gas safety regulations.  The company does not admit to any wrongdoing under the settlement.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner. For recent news releases, audio of select Commission proceedings or more information about the PUC, visit our website at [www.puc.state.pa.us](http://www.puc.state.pa.us/).

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