ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMMISSION'S INVESTIGATION INTO THE COMPLIANCE OF ROACHDALE MUNICIPAL GAS UTILITY WITH PIPELINE SAFETY STANDARDS AND MATTERS RELATING TO THE SAFETY OF ITS GAS DISTRIBTUION SYSTEM PURSUANT TO INDIANA CODE CHAPTER 8-1-22.5	)	CAUSE NO. 44014 APPROVED: DEC 07 2011

ORDER OF THE COMMISSION

Presiding Officers:
Kari A.E. Bennett, Commissioner
Loraine L. Seyfried, Administrative Law Judge

On April 5, 2011, based upon a request received by the Pipeline Safety Division ("Pipeline Safety") of the Indiana Utility Regulatory Commission ("Commission") and pursuant to Ind. Code ch. 8-1-22.5, the Commission commenced this investigation into the Town of Roachdale's operation of the Roachdale Municipal Gas Utility ("Roachdale") and its compliance with pipeline safety standards.

In accordance with the Commission's May 4, 2011 Prehearing Conference Order, Pipeline Safety filed its direct testimony and exhibits on July 1, 2011. Roachdale filed its direct testimony and exhibits on September 2, 2011. On September 15, 2011, the Indiana Office of Utility Consumer Counselor ("OUCC") filed its direct testimony and exhibits. Pipeline Safety filed its reply testimony on October 14, 2011.

Pursuant to notice as provided by law, proof of which was incorporated into the record, an evidentiary hearing in this Cause commenced on October 24, 2011, at 9:30 a.m. in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the hearing, the parties presented their prefiled testimony and the witnesses were cross-examined. No member of the general public appeared or sought to participate in these proceedings.

Based upon the applicable law and the evidence herein, the Commission now finds as follows:

1. **Notice and Jurisdiction.** Due, legal and timely notice of the public hearings in this Cause was given and published as required by law. Roachdale is a municipally owned utility as defined in Ind. Code § 8-1-2-1 and is subject to, among other requirements, the gas pipeline safety standards and requirements set forth in Ind. Code ch. 8-1-22.5 and 170 IAC 5-3. Accordingly, the Commission has jurisdiction over Roachdale and the subject matter of this proceeding.

2. **Roachdale's Characteristics.** The Town of Roachdale ("Town") operates a municipal gas utility consisting of a natural gas distribution system. Roachdale is engaged in the

distribution and provision of natural gas to the public within the State of Indiana, including the Town of Roachdale, and serves approximately 400 customers.

3. Background and Requested Relief. On March 29, 2011, Pipeline Safety requested the Commission commence an investigation into the compliance of Roachdale with pipeline safety standards and issue an appropriate order addressing violations and safety issues. In its request, Pipeline Safety indicated it had been working with Roachdale since 2004 to address the aging and corroding steel gas distribution mains and the copper service connections and now believed complete replacement of the system to be necessary. Pipeline Safety also indicated that inspections performed since 2004 revealed violations of pipeline safety standards, including issues with emergency valves, underground leaking, recordkeeping and emergency response planning.

Ind. Code § 8-1-22.5-4(3) provides that Pipeline Safety, through the Commission, may:

> [w]henever a particular pipeline facility is found to be hazardous to human life or property, require, through the issuance of a hazardous condition order, the person who owns, operates, or leases such pipeline facility to take such action necessary to remove such hazards. Except in cases where immediate or extreme emergency is found to exist, such order shall not be issued until such person is afforded an opportunity to present the person's views and any facts bearing on the situation.

In addition, Ind. Code § 8-1-22.5-7 authorizes the imposition of civil penalties for violations of Chapter 22.5 and the Commission's rules after notice and opportunity for a public hearing. On April 5, 2011, the Commission commenced this investigation.

4. Evidence Presented.

A. Pipeline Safety's Direct Evidence. Mr. Michael Orr, Assistant Director for Pipeline Safety, offered various exhibits consisting of a chronological timeline of activities, inspection reports and correspondence concerning Roachdale in support of Pipeline Safety's position that Roachdale needs to move forward quickly with replacement of the natural gas distribution system and come into compliance with state and federal regulations. Mr. Dan Novak, Pipeline Safety Engineer, testified concerning the specific violations noted during the inspections.

The exhibits indicate that since 2004, Pipeline Safety has conducted annual inspections of Roachdale's gas distribution system and associated records, including its Operation and Maintenance ("O&M") procedures. The December 2, 2004 inspection revealed multiple violations with O&M procedures and inspection requirements for the regulator station. In 2004, Roachdale hired Utility Safety and Design, Inc. ("USDI") to inspect its regulator stations on an annual basis and to develop a new O&M manual, which USDI completed on February 1, 2005. On February 3, 2005, USDI recommended that due to the age, materials, installation methods and maintenance history of the gas distribution system, Roachdale begin planning for the replacement of the gas system.

After conducting an inspection of Roachdale on October 20, 2005, Pipeline Safety requested Roachdale develop and adhere to a written Replacement Program for the replacement of all copper

service lines within its gas distribution system. The copper service lines were causing the steel mains to corrode, resulting in a deterioration of the system. Roachdale responded that it would change out approximately 40 copper services each year starting in 2007 until all 379 copper services were replaced. Pipeline Safety requested Roachdale provide biannual reports of its progress to retire the copper service, and noted if there was an increase in leaks due to corrosion, the requested ten year timeframe for replacing the copper services may be shortened.

In January 2007, USDI notified Pipeline Safety that Roachdale began its Replacement Program in 2006 due to leaks found during the leak survey conducted by USDI, and a total of ten copper services were replaced. USDI also discovered a section of PVC main and sections of corroded and poorly coated steel mains that were added to the Replacement Program.

Pipeline Safety conducted an inspection on December 5, 2007, which noted that the number of copper services had increased to 390, but 50 of those had been replaced. The inspection also revealed noncompliance with emergency valve inspection requirements. Another inspection was conducted by Pipeline Safety in May 2008, which revealed additional noncompliance with external corrosion control requirements, regulator and relief station capacity checks, and pipeline testing and recordkeeping requirements.

On September 29, 2008, USDI informed the Town that it was not achieving the annual replacement goal of 40 copper service lines because a significant amount of time was spent repairing leaks and replacing short sections of main, which were either leaking or so severely corroded that a new service tap could not be made. USDI noted many of the main lines were in such poor condition due to poor or improper coating of the original steel pipe, inadequate cathodic protection for unknown periods of time, and the sacrifice to the copper services over the years. Therefore, USDI recommended suspension of the copper service replacement plan and replacement of the entire gas distribution system or, if funds did not allow, the systematic replacement of the majority of the mains and all copper and steel service lines in the system based on a risk analysis to determine priority.

Pipeline Safety again conducted an inspection in November 2009. This report indicated that approximately 80 copper service lines had been replaced. However, it noted Roachdale had made a bond request to secure funding to replace the system. The report also indicated noncompliance with requirements to maintain leak repair records, pressure testing and public awareness documentation.

On March 4, 2010, a meeting between Pipeline Safety and Roachdale was held concerning Roachdale's ongoing issues and poor performing gas system. Pipeline Safety addressed past and present concerns with the operation of the system as documented in previous annual inspections and correspondence from USDI. Roachdale indicated it was attempting to secure approval from the U.S. Department of Agriculture ("USDA") on its bond request. Once the bond was secured, USDI would send a bid package to approved contractors for system replacement, which was expected to begin at the end of the summer. The meeting concluded with Roachdale agreeing to respond to outstanding violations and its plans for securing qualified operators for the system.

Pipeline Safety continued to conduct inspections and meetings with Roachdale's new operator, Greg Poole, throughout 2010. Inspections during 2010 continued to reveal significant

noncompliance with recordkeeping, leak repair, O&M, testing and emergency response and public awareness requirements.

On March 29, 2011, Pipeline Safety Director William Boyd requested the Commission begin a formal investigation to determine the appropriateness of issuing a hazardous condition order based on its findings of persistent operational violations of pipeline safety standards resulting in potential hazards to human life and property. Pipeline Safety noted the continuing noncompliance with safety requirements, the significant deterioration of the system and Roachdale's failure to secure financing for the replacement of the system.

Mr. Novak testified that the Roachdale system is an aging non-cathodic protected bare steel system and without cathodic protection, it will continue to deteriorate resulting in numerous leaks. Mr. Novak indicated that Roachdale's odorizer is outdated and difficult to operate, making it difficult to properly regulate the flow of odorant in the gas. He stated that this poses a significant safety hazard if the public cannot detect leaks due to the lack of odorant in the system. Mr. Novak also indicated that three of Roachdale's seven critical gas valves were not operational, one of which was located within 100 feet of an elementary school. He stated that because Roachdale does not have an adequate isolation plan and three of seven identified valves are inoperable, the only option in an emergency is to shut down the entire system, which could create issues, especially in the winter. Mr. Novak opined the entire system is in need of replacement and cannot merely be repaired to meet safety standards.

Mr. Novak recommended Roachdale be required to replace the entire gas distribution system and take the following steps in the interim:

1. Replacement of the odorizer;
2. Conduct monthly random "sniff" tests to insure adequate odorant is in the system;
3. Conduct bi-annual leak surveys;
4. Repair any gas leaks, classified by code requirement; and
5. Conduct a public meeting with USDI and major stakeholders to identify all immediate conditions that need to be addressed, including development of emergency procedures.

B. Roachdale's Direct Evidence. Mr. Greg Poole, Roachdale's Gas Superintendent since March 2010, testified Roachdale is actively engaged in addressing the problems identified by Pipeline Safety. He stated Roachdale now has three certified operators able to assist him as needed with the operation of the utility. He testified Roachdale is taking steps to repair leaks as needed, preparing public awareness documents, and working with Pipeline Safety to address their concerns. He also testified that Roachdale recognizes the seriousness of the matter.

Mr. Poole stated Roachdale is pursuing construction and installation of a new gas system, but that it has encountered objection from a few residents that has caused a slowdown. Consequently, the new system is not expected to be in-service for the upcoming winter season. However, Mr. Poole opined that he believes the gas utility system is adequate to provide safe and efficient service while they continue efforts to replace the system.

Mr. Darin Houchin, Vice President for USDI, testified that he has been working with Roachdale since 2002. He stated that he is aware of the issues regarding Roachdale's gas utility operation and believes that prior to 2010 the utility was not properly supervised or managed. However, he believes Roachdale is now working to make improvements.

Mr. Houchin opined that Roachdale is working diligently to safely operate the system as it plans for replacement, including conducting leak surveys every six months. He did note that during the last leak survey, approximately ten underground leaks were discovered that need repair. He emphasized Roachdale would need to remain diligent in its compliance with pipeline safety requirements, especially in leakage investigation, monitoring and repairs.

Ms. Martha Louk, Clerk/Treasurer for the Town, testified the estimated cost of a new gas utility system is $1,102,000. She stated because the Town does not have the necessary funding to finance the construction costs of a new system, the Town sought and received a loan for that amount from the USDA. According to the Roachdale's Exhibit ML-1, the USDA approved the loan on August 17, 2010. She concluded that with the loan and the funds on hand, the Town believes it has sufficient funds to construct and complete the new gas system.

C. OUCC's Direct Testimony. Mr. Jon Dahlstrom, Senior Utility Analyst, testified that based upon review of the evidence, the OUCC supports the Commission's investigation into Roachdale's compliance with pipeline safety requirements and acknowledges the extensive work performed by Pipeline Safety. He stated the OUCC is also supportive of Roachdale's total replacement of the gas system.

Mr. Dahlstrom noted Roachdale has received USDA approval for a loan to replace the utility system, but that construction has yet to begin. He stated the OUCC had been informed that Roachdale may seek to use its power of eminent domain to resolve the remaining easement issues. However, he testified, even if the easement issue could be resolved, construction could not begin until after the upcoming heating season because Roachdale's customers would not have a reliable supply of gas while the system is being replaced.

Mr. Dahlstrom recognized the efforts Roachdale has recently taken to bring the gas utility system into compliance with applicable safety standards, but noted system replacement is the top priority. He testified that even though no Grade 1 leaks (the most serious type of leaks) were found during the most recent leak survey conducted by USDI, the persistent corrosion problem creates a real possibility that leaks will occur during the upcoming heating season.

Until the gas utility system is replaced, Mr. Dahlstrom stated the OUCC recommends close monitoring of the system. This includes having Roachdale provide monthly reports to the Commission regarding:

1. The progress of obtaining easements or other necessary approvals to commence construction of the new gas system;
2. The continuation of the leak surveys conducted by USDI;
3. The identification of any repairs made to the system, including the reason for the repair (e.g., leak identified and scheduled repair);

4. Any changes to the USDA funding;
5. Obtaining a contract for the construction/replacement of the system, including timelines for the project;
6. Any emergencies necessitating immediate action by USDI or other entity to make repairs to the system; and
7. Any other occurrence regarding the gas utility system that may affect the public safety of Roachdale's residents and customers.

D. Pipeline Safety's Reply Evidence. Pipeline Safety presented its October 6, 2011 inspection report. The report indicated approximately 80 copper services had been replaced, semi-annual leak surveys were being conducted and identified leaks were being addressed, all critical valves had been made operational, and recordkeeping was improving. The report also indicated that Roachdale did not have a distribution integrity management program ("DIMP"), but that USDI was in the process of developing one.

E. Evidence on Cross-Examination. At the evidentiary hearing, Mr. Orr testified that Roachdale is still in the process of attempting to satisfy USDA requirements to secure the approved loan. Tr. at A11. While he explained Roachdale's gas system was in poor physical condition, he did not recommend the Commission take over the system or impose penalties. Tr. at A12 - A13. Instead, he recommended that Roachdale be required to replace the system. *Id.* In addition, although he articulated concern with the stability of the gas system, he expressed confidence in Mr. Poole's ability to monitor and address any future leaks in the system. Tr. at A23 - A25.

Mr. Novak agreed with Mr. Orr's assessment of the deteriorating condition of Roachdale's system and Mr. Poole's ability to supervise operation of the utility. Tr. at A35, A43. However, he noted that Roachdale was not equipped to conduct any type of significant work required by the facilities because of its limited staff and equipment. Tr. at A43 - A44. Instead, Roachdale has had to rely upon USDI for such service. Tr. at A50 - A51.

Mr. Poole clarified that in addition to operator assistance from USDI, Roachdale had informal agreements with four other certified operators from neighboring towns to provide assistance as needed. Tr. at A64 - A65. Mr. Poole also expressed his agreement that the gas system should be replaced as soon as possible. Tr. at A58 - A59.

Ms. Louk provided an update on the issues Roachdale had encountered with respect to the easements. She indicated that discussions with the three property owners were continuing and that Roachdale expected to reach resolution on the easements without the need for eminent domain proceedings. Tr. at A80. She further explained that upon obtaining the easements, Roachdale would be in a position to close on the USDA loan and that she believed these funds were still available. Tr. at A75 - A76. However, based upon IURC Staff Exhibit CX-5, Roachdale also has other USDA requirements to satisfy prior to loan closing. She also indicated that if the USDA loan amount is ultimately insufficient to cover the costs of replacing the gas system and the odorizer, Roachdale could, depending on the amount of the insufficiency, seek an increased loan amount from USDA or secure short-term financing from the local bank. Tr. at B57.

Mr. Houchin testified concerning updated cost estimates, which included an additional $138,231 in costs as set forth in IURC Staff's Exhibit CX-1. He expressed an eighty percent confidence level that the USDA loan amount would be sufficient to cover these updated construction costs to replace the system, as well as a new odorizer. Tr. at B12 - B22. However, he noted the construction estimate was based on the project being completed during the non-winter months and without a compressed schedule. Tr. at B16 - B17. Mr. Houchin testified that assuming Roachdale can close on the USDA loan in the near future, an April 1, 2012 start date for construction on the new system was reasonable and that construction could be complete within approximately four months. Tr. at B19 - B48. He recommended that in the interim, Roachdale could increase the frequency of leak detection surveys to every three months and continue to provide immediate response to all notifications of leaks. Tr. at B29 - B30.

With respect to Roachdale's odorizer, Mr. Houchin testified the current one is a bypass type odorizer, which by its nature is difficult to operate so as to maintain a sufficient amount of odor in the gas. Tr. at B35 - B39. He stated there are newer, injection type systems that are better at maintaining sufficient amounts of odor in the gas stream. *Id.* He stated that although the current odorizer is acceptable, it is not preferred, and replacement is recommended. Tr. at B36.

5. **Commission Discussion and Findings.** As noted above, whenever the Commission finds a particular natural gas pipeline facility to be hazardous to human life or property, it is authorized to issue a hazardous condition order requiring the taking of steps necessary to remove such hazards. Ind. Code § 8-1-22.5-4(3). Although the authorizing statute does not include a definition for "hazardous," the Merriam-Webster Online Dictionary defines "hazardous" as "involving or exposing one to risk (as of loss or harm)."[1] Consequently, whether a facility is hazardous, is necessarily a fact specific determination.

Based on the evidence presented as set forth above, it is clear that Pipeline Safety has documented numerous violations by Roachdale of pipeline safety standards and requirements since 2004. While the evidence also demonstrates Roachdale has recently begun taking steps to address those violations and improve its operation of the utility, all parties agree that the gas distribution system is rapidly deteriorating and must be completely replaced. The evidence indicates Roachdale has been aware of the significant deterioration in its gas system and the need for complete replacement since 2008, when USDI noted the significant amount of time it was spending replacing corroded mains while also making leak repairs. Yet for various reasons, Roachdale has failed to accomplish the steps necessary to secure financing and begin replacement of the gas system for over three years.

While we are encouraged by Roachdale's recent efforts to improve utility operations and address its noncompliance with pipeline safety standards, Roachdale's physical gas system remains in need of replacement. The evidence is undisputed that the copper services are causing corrosion of the steel mains, which has resulted in the occurrence of gas leaks on the system. While Mr. Houchin believes the likelihood of an incident adversely affecting public safety to be low, he also acknowledges that a leak on the system has the potential, depending on the circumstances, to send

[1] http://www.merriam-webster.com/dictionary/hazardous

gas into a home and create an explosion. Tr. at B27 - B29. *See also* Tr. at A9 - A10. Consequently, until the system is replaced, the Commission finds Roachdale's gas system presents a hazard to human life or property so as to warrant the issuance of this Order.

A. Replacement of the Gas System. The evidence presented at the hearing indicates that Roachdale expects to obtain in the near future the three remaining easements needed to secure the USDA loan to obtain the financing required to commence construction on the new system. The evidence also indicates that commencing construction during the winter months or on an expedited timeframe is likely to drive the costs for replacement beyond the USDA approved loan amount. Both Pipeline Safety and USDI believe that, given the status of the financing, the upcoming winter and the condition of the gas system, a reasonable timeframe for commencing construction is April 1, 2012, with completion within four months. Therefore, the Commission finds that Roachdale shall undertake all necessary steps to complete the replacement of its gas system, including all testing, and place the new system into service no later than October 1, 2012.

Mr. Novak testified that due to the design of the gas distribution system, Roachdale lacks a sufficient isolation plan to minimize safety risks in the event of a pipeline system failure. Tr. at A48. Therefore, when replacing its gas distribution system, Roachdale shall ensure the system design includes an adequate isolation plan.

B. Interim Measures. Based on the evidence presented and the recommendations of the parties, the Commission finds that Roachdale shall implement the following measures immediately upon issuance of this Order:

1. Replace Odorizer. Testimony at the hearing revealed Roachdale's current odorizer is difficult to operate so as to maintain sufficient amounts of odor in the gas stream, and other types of odorizers exist that are more efficient at maintaining odor in the gas. Based on the condition of the gas distribution system and the increased potential for the system to experience leaks, it is critical that any leaks are capable of detection. Having sufficient amounts of odor in the gas stream is therefore essential to alert utility workers, consumers and others to a possible gas leak. Therefore, the Commission finds that Roachdale shall immediately replace its current odorizer, including the odorant tank and pump, with an injection type odorizer. Until the odorizer is replaced, Roachdale shall conduct and document weekly random "sniff" tests to ensure adequate odorant is in the system.

2. Leak Surveys. From the date of issuance of this Order, Roachdale shall conduct quarterly leak surveys until the entire gas distribution system has been replaced and the new system is operational. For each leak identified, appropriate steps based upon leak classification shall be taken and documented.

3. Retention of USDI and compliance with certification requirements. Uncontroverted testimony at the hearing by Pipeline Safety indicates that Roachdale operates the utility with limited personnel and equipment, and therefore relies upon its contractor, USDI, to perform any substantial work or maintenance on the utility. Given the limited staff and resources immediately accessible at Roachdale, the Commission finds Roachdale shall continue to employ USDI, or another contractor with similar capabilities, to assist in operation and maintenance of the utility.

In addition, Roachdale shall ensure that the utility's supervisor has the appropriate certifications or qualifications required to operate a natural gas utility. Roachdale shall also maintain agreements with at least three other certified or qualified operators to provide assistance when necessary to operate the utility.

4. Meeting of Stakeholders. In addition, Roachdale is instructed to convene one or more public meetings for the purpose of addressing, at a minimum, the following: (a) increasing public awareness and knowledge of actions to be taken when a gas leak is suspected, (b) formulation of plans for early detection and reporting of suspected gas leaks, (c) review of evacuation plans and emergency steps to be taken in the event of a reported gas leak or other incident, (d) contingency plans for the provision of alternative sources of heat in the event of an incident. Participants at the meeting should include the Town's elected officials, USDI, Roachdale utility personnel, and local fire and police department personnel. Other participants may include regional representatives of Indiana Homeland Security and the Putnam County Emergency Management Director.

C. Reporting Requirements. Roachdale shall immediately file under this Cause and notify Pipeline Safety of the following:

1. Any emergency necessitating immediate action by Roachdale, USDI or other entity to make repairs to the gas distribution system.

2. Any occurrence involving the utility that adversely impacts, or has the potential to adversely impact, public safety.

3. The borders of its current service territory and any plans for growth.

In addition, to ensure the requirements of this Order are met, Roachdale shall file the following reports in this Cause:

1. Monthly reports, beginning 30 days from the date of this Order, that include:

   a. Progress on meeting each USDA loan requirement, including the status of obtaining all required easements.

   b. Any repairs made to the system, including the date of the repair, the reason for the repair, and a description of the repair made.

   c. Progress made on obtaining a contract for the construction and replacement of the gas distribution system, including any changes in the estimated costs.

   d. Status of any construction to replace the gas distribution system.

   e. Changes to the current estimated costs.

2. Notification within two business days of the following:

a. Date of replacement of the odorizer.

b. Leak detection survey reports.

c. Any change in the USDA funding for replacement of the gas distribution system.

d. The start date and end date of construction to replace the gas distribution system.

e. The date the new gas distribution system becomes operational.

D. Pipeline Safety Inspections. The evidence indicates that Pipeline Safety conducts annual inspections of Roachdale. However, given the prior compliance issues and the condition of the utility system, the Commission further finds that Pipeline Safety should increase the frequency of its inspections until the new gas distribution system has been made operational. Pipeline Safety shall conduct a minimum of three inspections during 2012 to monitor overall compliance, as well as replacement of the odorizer, and the designing, planning, bidding and construction of the new distribution system. Pipeline Safety shall file in this Cause a copy of the results from any inspection conducted, noting any recommended actions or noncompliance. Within two weeks of receiving the inspection report from Pipeline Safety, Roachdale shall file under this Cause and with Pipeline Safety its response and corrective actions taken to remedy any noncompliance.

E. Penalties. While Indiana law authorizes the imposition of civil penalties not to exceed $25,000 for each violation of Ind. Code ch. 8-1-22.5, or any rule issued pursuant thereto, for each day that the violation exists, with a maximum penalty of $1,000,000, neither Pipeline Safety nor the OUCC recommended Roachdale be assessed civil penalties now. Instead, Pipeline Safety recommended that the Town be required to spend money investing in a new gas distribution system, which will benefit Roachdale's customers.

Recognizing the general state of the economy and municipal budget issues, the Commission agrees that any funds available to Roachdale are best spent investing in the utility's infrastructure to ensure the provision of safe and reliable natural gas service to its customers. Therefore, the Commission declines to assess civil penalties at this time. However, given Roachdale's history of noncompliance and its failure to timely address issues with its utility system and operation, if Roachdale fails to comply with any provision of this Order or timely remedy any notice of noncompliance by Pipeline Safety, then the Commission will reopen this proceeding for the purpose of addressing such noncompliance and assessing an appropriate civil penalty in accordance with Ind. Code § 8-1-22.5-7.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Roachdale shall immediately replace its odorizer.

2. Roachdale shall replace its gas distribution system and place its new system into service by October 1, 2012.

3. Roachdale shall comply with the interim measures identified in Finding Paragraph 5.B. and the reporting requirements contained in Finding Paragraph 5.C.

4. In accordance with Indiana Code § 8-1-2-70, Petitioner shall pay the following itemized charges within twenty days from the date of the Order into the Treasury of the State of Indiana, through the Secretary of this Commission, as well as any additional costs that were incurred in connection with this Cause:

Commission Charges:	$14,278.25
OUCC Charges:	$ 865.50
Legal Advertising Charges:	$ 143.88
Total:	$15,287.63

5. This Order shall be effective on and after the date of its approval.

ATTERHOLT, BENNETT, LANDIS, MAYS AND ZIEGNER CONCUR:

APPROVED: DEC 07 2011

I hereby certify that the above is a true and correct copy of the Order as approved.

Brenda A. Howe

Brenda A. Howe
Secretary to the Commission