

# NEWS RELEASE

## INDIANA UTILITY REGULATORY COMMISSION (IURC)

---

101 W. Washington Street, Suite 1500 E., Indianapolis, IN 46204

FOR IMMEDIATE RELEASE

November 29, 2017

**CONTACT INFORMATION:**

Stephanie Hodgin

317-233-4723

[stehodgin@urc.in.gov](mailto:stehodgin@urc.in.gov)

**\$900,000 in Fines Approved for NIPSCO Pipeline Safety Violations**

*IURC approves settlement agreement; fine amount of \$900,000 to NIPSCO is highest in state history*

INDIANAPOLIS – The Indiana Utility Regulatory Commission (IURC) today approved a settlement agreement between the IURC’s Pipeline Safety Division and Northern Indiana Public Service Company (NIPSCO). In the settlement agreement, NIPSCO agreed to pay \$900,000 for past violations, to provide information and ongoing reporting to the Pipeline Safety Division and the Indiana Office of Utility Consumer Counselor (OUCC), and to pay additional civil penalties for violations it may commit going forward. The approved \$900,000 in civil penalties is the highest in state history.

As stated in the Pipeline Safety Division’s petition, the civil penalties were recommended for violations of state pipeline safety standards, which incorporate most federal pipeline safety standards. These include failures by NIPSCO to keep accurate maps and records of its underground facilities, and failure to locate its pipelines in two days as required by its own pipeline safety procedures. In addition to a monetary fine, the settlement agreement also includes additional compliance actions, including reporting performance metrics applicable to locating its facilities, implementing a pipeline safety management system, and encouraging closer coordination between NIPSCO and the Pipeline Safety Division in carrying out their pipeline safety compliance activities.

In addition, the Order states, “... the Commission is extremely concerned that there does not appear to be a sense of urgency on behalf of NIPSCO to update and modernize its pipeline maps and records. Based on the evidence presented and the possible consequences that may occur as a result of being unable to accurately locate its facilities, it is imperative that NIPSCO use its resources to complete these reforms as soon as possible. Therefore, we encourage NIPSCO to consider ways in which it may accelerate its timeline for completion of the digitalization and GIS reform projects and include that in its next TDSIC plan update.”

All funds collected from approved civil penalties will go directly to the state’s General Fund.

In its Order, the Commission states, “Based on the evidence presented we find the Settlement is in the public interest. Not only does the Settlement address improved communication, development of an enhanced safety culture with compliance consistent with industry best practices and specific violations, it also incorporates a prospective mechanism for assessing future damages. Thus, if NIPSCO achieves specific milestones relative to those damage metrics, NIPSCO should mitigate or eliminate the level of penalties through 2019. Because this settlement aligns the public interest

with NIPSCO's performance to the degree that improved performance leads to fewer or no penalties, the public interest is served through improvements achieved in safety and construction practices."

The IURC's Pipeline Safety Division has jurisdiction over intrastate pipelines operated and maintained by utilities such as NIPSCO. It is the division's charge to ensure compliance with all applicable state and federal pipeline safety regulations. If a violation is identified, the Pipeline Safety Division investigates the matter and may request penalties. Properly responding to and locating pipelines is critical to avoiding property damage and personal injury potentially resulting from natural gas explosions.

All submitted documents relating to this case, including the Order approved by the IURC today, can be found on the IURC's Online Services Portal [here](#) and searching for Cause Number 44970.

###

---

The Indiana Utility Regulatory Commission (Commission) is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the Commission is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide safe and reliable service at just and reasonable rates. The Commission also serves as a resource to the legislature, executive branch, state agencies, and the public by providing information regarding Indiana's utilities and the regulatory process. In addition, Commission members and staff are actively involved with regional, national, and federal organizations regarding utilities issues affecting Indiana. For more information, please visit [www.in.gov/iurc](http://www.in.gov/iurc).