

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE:

SHOW CAUSE PROCEEDING AGAINST CITY OF
CLARKSVILLE, TENNESSEE FOR VIOLATIONS
OF THE TPUC GAS PIPELINE SAFETY RULES,
APPLICABLE FEDERAL SAFETY REGULATIONS
AND LAW AND FOR FAILURE TO COMPLY
WITH SETTLEMENT AGREEMENT

DOCKET NO.
17-00139

SETTLEMENT AGREEMENT

In order to bring this matter to a conclusion, the Director of the Gas Pipeline Safety Division ("GPSD", "Party Staff") of the Tennessee Public Utility Commission ("Commission" or "TPUC") and the City of Clarksville, Tennessee ("City") have agreed to certain terms and conditions to resolve this matter. The Party Staff and the City request Commission approval of this Settlement Agreement.

BACKGROUND

GPSD is responsible for enforcement of state and federal pipeline safety requirements pursuant to the Commission's jurisdiction under Tenn. Code Ann. § 65-28-106. The City is an operator within the Commission's pipeline safety jurisdiction. Following an inspection by GPSD personnel on December 1-3, 2015, GPSD issued Safety Inspection Evaluation # 15-168 on January 11, 2016, citing the Company for violations of state and federal pipeline safety standards, including a failure to comply with 49 CFR 192.747 concerning specific requirements for leakage surveys and documentation of leakage surveys. GPSD assessed a civil penalty against the Company for the violations.

Pursuant to Tenn. Rules & Regs 1220-4-5-.47(6)(a) and (b), the Company was provided an opportunity to respond to Safety Inspection Evaluation #15-168 and to meet with the Director of GPSD to resolve the violations in an informal meeting on April 7, 2016. A resolution was reached. As part of a settlement in lieu of a civil penalty, the City agreed to a series of actions, including the documentation and completion of a leakage survey of the City's complete system with a deadline of August 1, 2017.

Following an inspection on August 1, 2017, GPSD determined the City failed to complete the agreed upon survey and provide supporting documentation. The City disputed the survey the City performed breached the terms of the settlement agreement between GPSD and the City. The Party Staff requested the opening of a show-cause docket.¹ A docket was opened by the Commission and a Hearing Officer was appointed to determine whether a Show Cause proceeding should be initiated against the Company.² Subsequent discussions between the Director of GPSD and the City have resulted in an agreement to resolve the leakage survey violation stemming from Safety Inspection Evaluation # 15-168.

SETTLEMENT TERMS

In order to resolve this matter, the Director of GPSD and the City (collectively the "Parties") have agreed to the following:

1. The City will pay a civil penalty to the Commission in the amount of \$11,863.00;
2. The Parties agree this Settlement Agreement shall have no precedential effect in any future or pending proceeding or GPSD inspection or be binding on any of the Parties in this or any other jurisdiction except to the limited extent necessary to the enforcement and implementation of the provisions hereof.

¹ *Party Staff Memorandum* (December 1, 2017).

² *Order Appointing Hearing Officer* (December 15, 2017).

3. The terms of this Settlement Agreement have resulted from extensive negotiations between the signatories and terms herein are interdependent. The Parties jointly request the Commission adopt this Settlement Agreement in its entirety without modification.
4. If the Commission does not accept the settlement in whole, the Parties are not bound by any position or term set forth in this Settlement Agreement. By agreeing to this Settlement Agreement, the Parties reserve the right to continue litigation in this matter should the Commission reject in whole or part of the Settlement Agreement.
5. No provision of this Settlement Agreement shall be deemed an admission of a party or constitute a waiver of a position by any party.
6. Should the Director of GPSD determine the Company has breached the Settlement Agreement, the Party Staff reserves the right to renew or continue litigation and/or seek enforcement of the Settlement Agreement.

The foregoing is agreed and stipulated to this 7th day of December, 2018.

On behalf of the Party Staff:



Pete Hut, PE
Director, Gas Pipeline Safety Division
Tennessee Public Service Commission
502 Andrew Jackson Building
4th Floor
Nashville, TN 37243

Date: 12/7/18

On behalf of the City of Clarksville:

AB Kim Mangelsen

Date: 12/6/18

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing document has been served by electronic mail, postage pre-paid U.S. first-class mail, and/or delivering a copy by hand, upon the following person(s):

On this the 7th day of December, 2018

Ryan L. McGehee

Ryan L. McGehee