

## STATE OF MICHIGAN

## BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Commission Staff's )  
 Incident Investigation involving gas ) Non-Compliance Report  
 facilities owned by Michigan Consolidated ) 00-12KB  
Gas Company )

## STIPULATION AND SETTLEMENT

On October 28, 1999, three employees of Michigan Consolidated Gas Company (MichCon) were injured while attempting to repair a plastic gas main that had been broken by a third party contractor. The injuries occurred when the escaping gas ignited, burning the three employees. The Commission Staff conducted an investigation of this incident and concluded that the ignition was caused by discharge of static electricity from the plastic main. The Commission Staff prepared the captioned Non-Compliance Report dated May 31, 2000, relative to this incident which alleged that MichCon violated certain provisions of the Michigan Gas Safety Code and recommended that MichCon be subjected to a civil penalty of \$5,000.00.

MichCon submitted a written response dated August 31, 2000, to the Non-Compliance Report (Attachment A). Subsequently, Staff and MichCon representatives (the Parties) discussed what additional steps were appropriate to fully resolve the issues related to the Non-Compliance Report.

As a result of those discussions, the Parties agreed that this Stipulation and Settlement together with MichCon's response to the Non-Compliance Report will resolve these matters. Accordingly, the Parties stipulate and agree as follows:

1. This Stipulation and Settlement is submitted pursuant to Section 78(2) of the Michigan Administrative Code of 1969 (MAPA). MichCon agrees to waive its procedural rights to a hearing under 1969 PA 165 (Act 165), the Commission's rules promulgated under Act 165 and the MAPA.
2. The Parties agree to waive Section 81 of the MAPA provided this Stipulation and Settlement is approved by the Commission without modification.
3. MichCon shall pay \$5,000 as a penalty for Non-Compliance citation 00-12KB. By agreeing to this penalty in order to resolve this matter, MichCon specifically does not admit or concede any liability regarding the cause of the gas escape, ignition or injuries.

4. The Parties join in requesting the Commission to expeditiously review and approve this Stipulation and Settlement by minute action at a regularly scheduled Commission meeting.

Michigan Consolidated Gas Company

By: Wayne H. Schafer / Dated: 8/1, 2001

Name  
Its Wayne Schafer, V.P. Gas Distribution

Michigan Public Service Commission Staff

By: Michael Kiss / Dated: 8-16, 2001

Name  
Its