STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY

October 26, 2026

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

NOTICE OF VIOLATION AND CIVIL PENALTY IN THE AMOUNT OF $50,000

YOU HAVE TWENTY DAYS FROM THE RECEIPT OF THIS NOTICE TO REQUEST IN WRITING A HEARING BEFORE THE PUBLIC UTILITIES REGULATORY AUTHORITY

Franklyn Reynolds
President
UIL Holdings Corporation
180 Marsh Hill Road
Orange, CT 06477

Re: Notice of Violation and Assessment of Civil Penalty

DOCKET NO. 26-10-13 ASSESSMENT OF CIVIL PENALTY AGAINST THE SOUTHERN CONNECTICUT GAS COMPANY FOR PIPELINE SAFETY VIOLATIONS

Dear Mr. Reynolds,

The Public Utilities Regulatory Authority (Authority or PURA) has reason to believe that the Southern Connecticut Gas Company (SCG or Company) failed to perform joining in accordance with Title 49 of the Code of Federal Regulations (49 C.F.R.), Part 192 (Pipeline Safety Standards); specifically, 49 C.F.R. §§ 192.273(b) and 192.273(c) as incorporated by reference in General Statutes § 16-280c.

Consequently, the Authority is issuing this Notice of Violation (Notice) for violation of 49 C.F.R. §§ 192.273(b) and 192.273(c). See General Statutes § 16-41(c).[1]

[1] If the Authority has reason to believe that a violation has occurred for which a civil penalty is authorized by General Statutes § 16-41(a), the Authority must notify the alleged violator and (1) identify the statute, regulation, or order involved; (2) provide a short and plain statement of the alleged violation; (3) state the

As a result of this charged violation, the Authority prescribes a civil penalty of fifty thousand dollars ($50,000). See General Statutes §§ 16-41 and 16-280e.[2] In addition, the Authority orders SCG to return any recovered civil penalty dollars to ratepayers, and to obtain Authority approval to recover expenditures based on this Notice. See General Statutes § 16-11.

I. APPLICABLE LAWS

SCG is a public service company and gas company. General Statutes § 16-1(a)(3) and (5); Conn. Agencies Regs. § 16-11-1. In exercising its powers under Title 16, the Authority examines and regulates "the expansion of the plant and equipment of existing public service companies [and] the operations and internal workings of public service companies" in accordance with certain enumerated principles. General Statutes § 16-19e(a). Notably, those principles include "that the authority and all public service companies shall perform all of their respective public responsibilities with economy, efficiency and care for public safety . . . ." Id.

"[F]ederal safety standards applicable to the transportation of gas established under the provisions of the federal act, contained in 49 CFR 191 to 49 CFR 193, inclusive, and 49 CFR 199 . . . shall be the standards of the state," and a violation of said standards constitutes a violation of Title 16 of the General Statutes of Connecticut. General Statutes §§ 16-280b and 16-280c.

The Company is subject to the following safety standards:

49 C.F.R. § 192.273(b) which requires that "[e]ach joint must be made in accordance with written procedures that have been proven by test or experience to produce strong gas tight joints."

49 C.F.R. § 192.273(c) which requires that "[e]ach joint must be inspected to insure compliance with this subpart."

II. STATEMENT OF VIOLATIONS CHARGED

On July 27, 2026, a member (Inspector) of the Authority's Gas Pipeline Safety Unit (GPSU) inspected an SCG contractor (Crew) perform a service line tie-over to a newly installed main for 11 Trumbull Place, North Haven. During this tie-over, the existing service line was squeezed to stop the flow of gas, cut and reconnected to the new main.

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prescribed civil penalty for the violation; and (4) advise the alleged violator of the right to a hearing. General Statutes § 16-41(c).

[2] General Statutes § 16-280e(a) states that "[a]ny person that violates any provision of the federal act, any regulation issued under the federal act, any provision of this chapter or any regulation adopted by the authority pursuant to subsection (b) or (c) of section 16-280b, shall be subject to a civil penalty not to exceed the higher of the maximum civil penalty provided under 49 USC 60122(a), as amended, or 49 CFR 190.223(a), as amended from time to time."

The remaining section of service line still connected to the old main was capped so the squeeze could be released.

A Honeywell Perfection stab-type end cap was used to perform the capping. The pipe was marked with the stab depth (Mark) and the end cap was installed by a member of the Crew (Joiner). After the end cap was installed, the Inspector noticed the Mark was unusually far away from the edge of the end cap. The Joiner noticed this as well and made a general comment stating he thought he messed up the Mark (see figure 1). Instead of measuring to ensure the Mark was within the joining procedure parameters, the Joiner proceeded to start releasing the squeeze tool. The Inspector immediately ordered the Joiner to stop. The Joiner complied with the Inspector's order, and the Inspector explained the issue to the Crew. The distance from the Mark to the edge of the end cap was measured at approximately three-quarters of an inch (see figure 2). The joining procedure requires the Mark to be within three-eighths of an inch from the edge of the end cap (see figure 3). Since the Mark was outside of the joining procedure parameter, the end cap was cut out, and a new end cap was installed in accordance with the joining procedures.



Figure 1

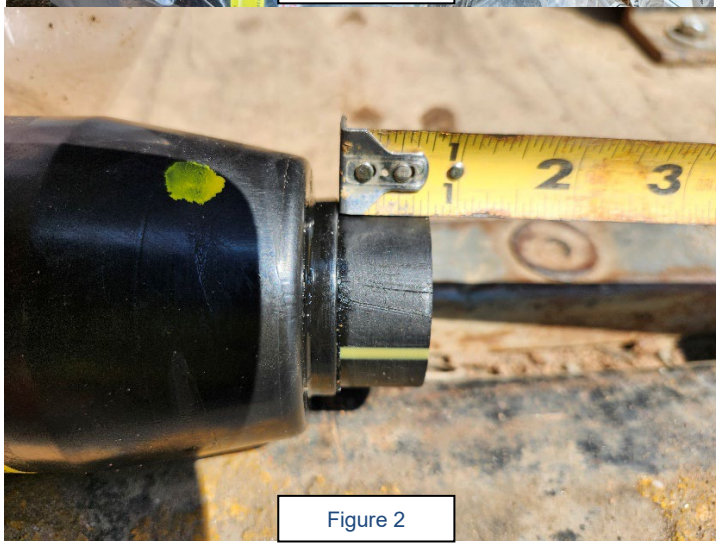


Figure 2

The Honeywell Perfection stab-type end cap is classified as a mechanical fitting. SCG's procedures for joining are located in the 2026 Unified Construction Standards, Appendix M. Section 6.0 of Appendix M states "Mechanical fittings come with full instructions for installation, either on the package or in the box. **Refer to the manufacturer's instructions for installation procedures, including tools required; e.g. torque wrench, pipe wrench and chamfer tool."**

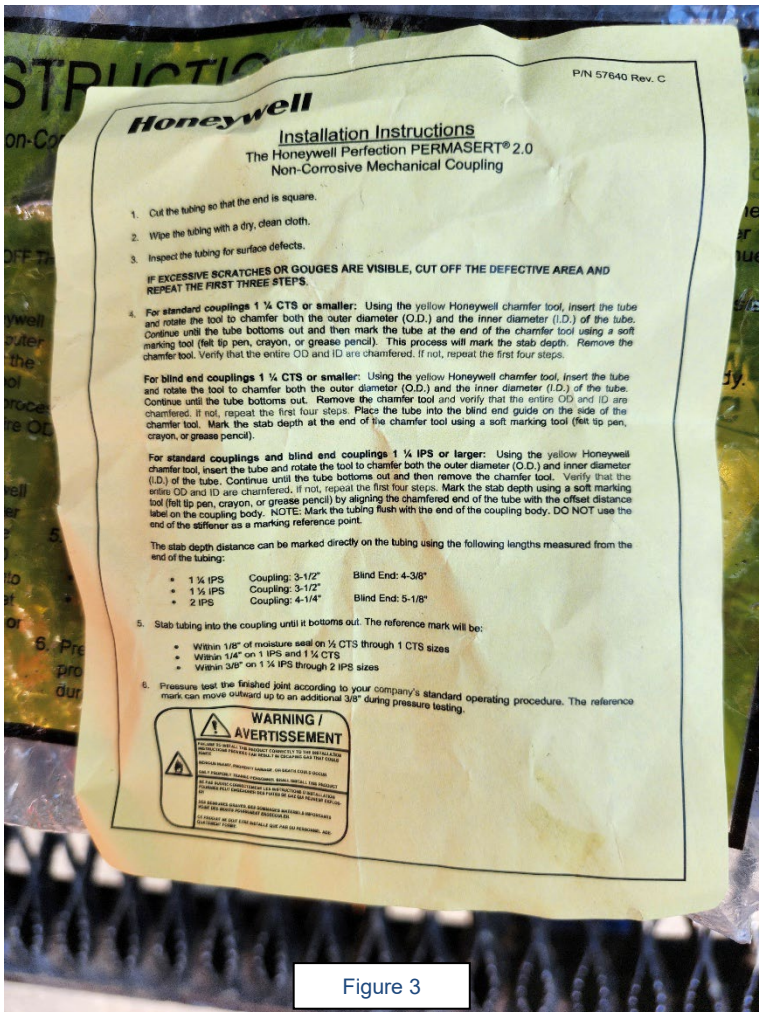


Figure 3

A. VIOLATION OF 49 C.F.R. § 192.273(b).

SCG failed to ensure the end cap was installed in accordance with its written procedures. This constitutes a violation of 49 C.F.R. § 192.273(b), which requires that "[e]ach joint must be made in accordance with written procedures that have been proven by test or experience to produce strong gastight joints." According to the joining procedures, the acceptable distance from the stab depth mark to the entrance of the end cap is three-eighths of an inch. The actual distance was approximately three-quarters of an inch.

B. VIOLATION OF 49 C.F.R. § 192.273(c).

SCG failed to properly inspect joining. This constitutes a violation of 49 C.F.R. § 192.273(c), which requires that "[e]ach joint must be inspected to insure compliance with this subpart." The inspection performed by the Joiner did not insure the end cap was joined in accordance with the written procedures that are required by 49 C.F.R. § 192.273(b).

III. PRESCRIBED CIVIL PENALTY

The Company's failure to comply with Title 16, including the Pipeline Safety Standards, subjects the Company to civil penalties. General Statutes §§ 16-41, 16-280e. The Authority may prescribe civil penalties of up to $10,000 for each violation arising under Title 16. General Statutes § 16-41(a). The civil penalty for violations of the Pipeline Safety Standards shall not exceed $272,926 for each violation for each day, except that the total penalty shall not exceed $2,729,245 for any related series of violations. General Statutes § 16-280e; 49 C.F.R. § 190.223(a).

In determining the amount of the penalty for violations of gas pipeline safety standards, the Authority considers the criteria set forth in 49 U.S.C. § 60122(b), including, among other things:

1. The nature, circumstances, and gravity of the violation, including adverse impact on the environment;
2. With respect to the Company, the degree of culpability, any history of prior violations, and any effect on ability to continue doing business;
3. Good faith effort of the Company in attempting to comply, as well as the self-disclosure or correction of violation prior to discovery by GPSU; and
4. The economic benefit gained from the violation without any reduction because of subsequent damages.

See 49 U.S.C. § 60122(b); General Statutes § 16-280e(b).

Due to the threat to public health and safety posed by the Company's failure to properly perform and inspect joining, the Authority assesses a civil penalty of fifty thousand dollars ($50,000).

IV. RIGHT TO A HEARING

SCG has the right to request a hearing by delivering to the Authority a written application for a hearing within 20 days from the date of receipt of this Notice. General Statutes § 16-41(d). If a hearing is not requested, then this Notice shall, on the first day after the expiration of the 20-day period, become a final order of the Authority, and the matters asserted or charged in the Notice shall be deemed admitted by the Company.

V. CHANGES IN MANNER OF OPERATION

As a public service company, SCG is subject to General Statutes § 16-11, which requires the Authority to:

> keep fully informed as to the condition of the plant, equipment and manner of operation of all public service companies . . . in respect to their adequacy and suitability to accomplish the duties imposed upon such companies by law and in respect to their relation to the safety of the public and of the employees of such companies . . . .

Consistent with this regulatory obligation, the Authority has the power to "order such reasonable improvements, repairs or alterations in such plant or equipment, or such changes in the manner of operation, as may be reasonably necessary in the public interest." General Statutes § 16-11.

VI. ORDERS

As a result of its investigation into this matter, the Authority orders as follows:

1. In accordance with General Statutes §§ 16-41(a) and 16-280e, the Company is assessed a civil penalty in the sum of fifty thousand dollars ($50,000). The Company is directed to apply this sum to the purchase of residential methane detectors (Detectors). The entire penalty is assessed as a result of a violation of law and not for purposes of remediation or restitution. Therefore, the entire penalty amount is nondeductible for tax purposes.

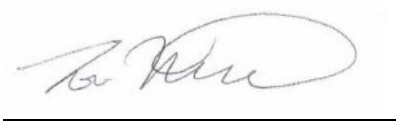
   The Company shall install the Detectors at locations with inside meter sets within 180 days from the date of receipt of this Notice. The Company shall physically retain all relevant records pertaining to the purchase, receipt and deployment of Detectors (Records) for auditing by the GPSU. The Records shall be retained until the GPSU has conducted the audit and notifies the Company that the audit is complete.

2. If SCG recovers any or all of the civil penalty prescribed from another source (e.g., a contractor or an insurance company), the recovered money must be returned to ratepayers through the Purchased Gas Adjustment clause. No later than 20 days from the date of receipt of this Notice, SCG shall file documentation with the Authority showing the amount of money recovered, or if no money will be recovered, a statement to that fact. If SCG has not come to final resolution on this issue at the time of its compliance filing, SCG shall continue to file updates with the Authority every 30 days until it is fully compliant with this order.

3. SCG must obtain the Authority's approval in a future contested distribution rate case in order to recover from ratepayers any money spent on remediation efforts, including but not limited to materials and labor costs necessary to address the deficiencies described in this Notice. In any proceeding in which SCG seeks

recovery of remediation costs related to the events described in this Notice, SCG shall, as part of its application: (1) submit a detailed itemization of the costs incurred to develop the remediation plan; (2) submit a detailed itemization of the costs incurred to implement the remediation plan; (3) identify the specific location or schedules in the application where the preceding costs are quantified for recovery; and (4) provide an explanation as to why the remediation is recoverable from ratepayers.

By order of the
PUBLIC UTILITIES REGULATORY AUTHORITY



Thomas H. Wiehl
Chairman



David Arconti, Jr.
Vice Chairman



Janice A. Beecher
Commissioner



Holly H. Cheeseman
Commissioner



Everett Smith
Commissioner