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 $100,000

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. 26-10-14 **ASSESSMENT OF CIVIL PENALTY AGAINST THE CONNECTICUT NATURAL GAS COMPANY FOR PIPELINE SAFETY VIOLATIONS**

Dear Mr. Reynolds:

The Public Utilities Regulatory Authority (Authority or PURA) has reason to believe that the Connecticut Natural Gas Company (CNG or Company) exceeded the maximum allowable test pressure in a pipeline in violation of Title 49 of the Code of Federal Regulations (49 C.F.R), Part 192 (Pipeline Safety Standards); specifically, 49 C.F.R. §§ 192.513(c), 192.515(a), and 192.605(a) as incorporated by reference in General Statutes § 16-280c.

Consequently, the Authority is issuing this Notice of Violation (Notice) for violations of 49 C.F.R. §§ 192.513(c), 192.515(a), and 192.605(a). See Conn. Gen. Stat. § 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 Conn. Gen. Stat. § 16-41(a), the Authority must notify the alleged violator and (1) identify the statute,

As a result of these charged violations, the Authority prescribes a civil penalty of one-hundred thousand dollars ($100,000). In addition, the Authority orders the Company to return any recovered civil penalty dollars to ratepayers and to obtain Authority approval to recover expenditures based on this Notice. See Conn. Gen. Stat. § 16-11.

I. APPLICABLE LAWS

CNG is a public service company and gas company. Conn. Gen. Stat. §§ 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. Conn. Gen. Stat. § 16-19e(a). Notably, those principles include "(3) 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. § 192.513(c), which requires that "…the maximum test pressure may not be more than 2.5 times the pressure determined under § 192.121…"

49 C.F.R. § 192.515(a), which requires that "[i]n conducting tests under this subpart, each operator shall insure that every reasonable precaution is taken to protect its employees and the general public during the testing."

49 C.F.R. § 192.605(a), which requires that "[e]ach operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response."

II. STATEMENT OF VIOLATIONS CHARGED

On August 5, 2026, a member of the Authority's Gas Pipeline Safety Unit (GPSU) inspected a CNG crew installing a gas service line to supply a residential home at 372 Griswold Road, Wethersfield, CT. After the service line had been installed one of the

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regulation or order involved; (2) provide a short and plain statement of the alleged violation; (3) state the prescribed civil penalty for the violation; and (4) advise the alleged violator of the right to a hearing. Conn. Gen. Stat. § 16-41(c).

members of the crew (Crewmember) prepared to conduct a pressure test of the facility using compressed nitrogen. A pressure test manifold was attached to the valve on the service riser adjacent to the building. The pressure test manifold included a valve (manifold valve), pressure gauge (manifold gauge), and a connection point for a flexible hose. The manifold gauge had a range of 0-200 pounds-per-square inch gauge (psig). A calibration sticker was affixed to the manifold gauge indicating that it was calibrated on April 17, 2026, and that the calibration was valid through April 17, 2027. The sticker included a calibration certificate number unique to that manifold gauge[2]. The riser valve was in the open position, and the manifold valve was in the partially open position. A nitrogen cylinder with a single stage pressure regulator was connected to the pressure test manifold using a flexible hose. The single stage pressure regulator had a 600-psig relief valve and two pressure gauges (one for inlet and one for outlet pressure). Once the nitrogen cylinder was connected, the Crewmember opened the nitrogen cylinder valve and proceeded to turn the pressure adjustment handle on the pressure regulator clockwise to increase the outlet pressure without observing the pressure gauges. The GPSU observed the pressure indication on the manifold gauge rapidly increase past the 200-psig gauge range; with the needle completing a nearly 360-degree rotation. This observation indicated to the GPSU that the pressure in the plastic service line had exceeded 200 psig. When the Crewmember turned his attention back to the manifold gauge, he immediately shut the nitrogen cylinder valve and released the pressure from the service line through a vent valve on the pressure regulator. The Crewmember then indicated that the manifold gauge was not good, removed it from the manifold, and returned to the service truck with the manifold gauge (See Figure 1 - Pressure Testing Setup).

[2] Calibration is the process of comparing a measuring instrument's values against a known, accurate standard to check for errors and ensure accuracy and precision. The calibration certificate number affixed to the manifold gauge in this case references records that established the accuracy and precision of the specific gauge when it was calibrated.

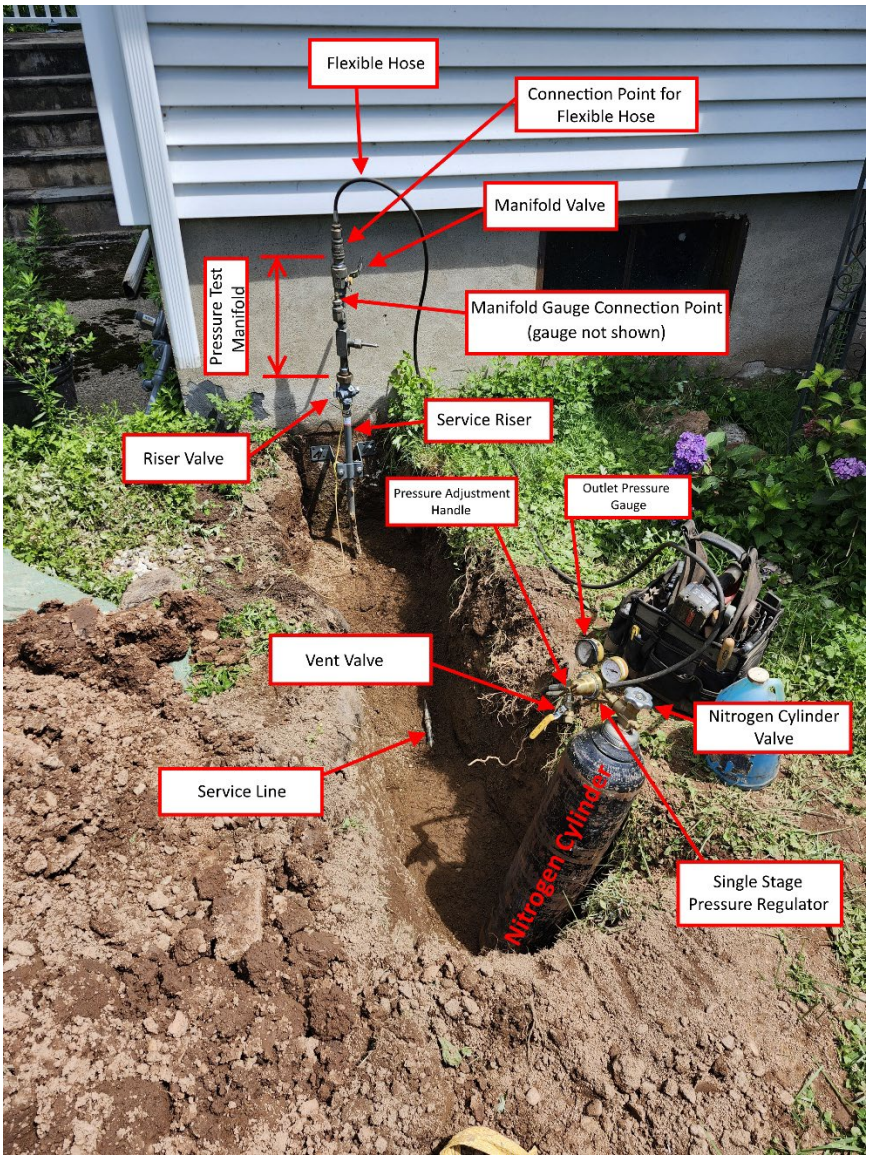


Figure 1 - Pressure Testing Setup

The Crewmember returned with a different pressure gauge (replacement manifold gauge). The replacement manifold gauge had a similar 0-200 psig range and a calibration sticker. The calibration on the replacement manifold gauge featured a unique certificate number that was different from the manifold gauge used earlier. The calibration sticker indicated that the replacement manifold gauge had been calibrated on April 16, 2026, and that the calibration was valid through April 26, 2027. The replacement manifold gauge was installed on the pressure test manifold in place of the manifold gauge used earlier. The manifold valve was placed in the closed position, and the pressure regulator adjustment handle was rotated counterclockwise to lower the pressure setpoint. The nitrogen cylinder valve was opened and the pressure setpoint slowly increased while the outlet pressure gauge was monitored. The Crewmember then opened the manifold valve slightly to slowly introduce pressure to the service line, while monitoring the replacement manifold gauge until the pressure reached approximately 153 psig. The manifold valve was then fully closed, the nitrogen cylinder valve was closed, and pressure was released

from the flexible hose through the vent valve on the pressure regulator. The flexible hose was disconnected from the pressure test manifold, and a pressure test was conducted for approximately 15 minutes. Pressure was released from the service line through the connection point for the flexible hose using the manifold valve.

The GPSU asked the Crewmember why the manifold gauge had been removed and replaced. The Crewmember responded that "[he] shouldn't have used [the manifold gauge], it was damaged at a previous job." Another member of the crew (Foreman), who had not been present when the manifold gauge was removed, then proceeded to prepare to tap the main at 12:47pm. Once the Foreman had removed the service tee cap and installed the wrench on the service tee, the GPSU asked him if he was ready to tap the main (which would introduce natural gas to the service line). The Forman responded that he was ready to tap the main. At this point, the GPSU asked the Foreman not to proceed with the tap.

The GPSU then asked the Crewmember who had over-pressurized the service line if he was aware of what pressure the line had reached when the first test had been conducted. The Crewmember re-iterated that the manifold gauge was no good and should not have been used. The GPSU asked if the Crewmember had observed the pressure on the outlet pressure gauge of the pressure regulator when the manifold gauge had indicated a pressure exceeding 200 psig. The Crewmember indicated that the outlet pressure gauge had read a maximum of 50 psig. The GPSU asked if there was a way the crew could test the manifold gauge to verify that it was reading inaccurately. The crew indicated that they could test the manifold gauge using the compressor on the service truck. The crew assembled a new test manifold and attached the manifold gauge to the compressor on the service truck. As the outlet pressure from the service truck increased, the manifold gauge and the pressure indicator on the service truck appeared to match almost exactly. At 50 psig the manifold gauge read approximately 50 psig. The manifold gauge was tested up to a pressure of approximately 113 psig where the readings were still consistent.

Based on the manifold gauge appearing to read accurately, the CNG Supervisor determined that the entire service line would be replaced. The over-pressured service line was removed, and a replacement service line was installed. The replacement service line was pressure tested with nitrogen to approximately 155 psig for 15 minutes.

On August 7, 2026, the GPSU contacted CNG to follow-up on observations from the inspection. CNG was asked to provide additional information regarding specifically when, and where, the Crewmember believed the manifold gauge had been damaged during a prior job (to ensure that no additional pipeline facilities had been tested outside of the acceptable test pressure range). The GPSU also asked why the manifold gauge was in the service truck if equipment damage was suspected, and how the company addressed the Crewmember's qualifications following the inspection. CNG responded via email on August 13, 2026, indicating that the manifold gauge had not been over-pressurized on a prior job. Based on this information, the Crewmember lied about the manifold gauge being damaged prior to the inspection. Since the manifold gauge was

not over-pressurized on a prior job, it was not removed from the service truck. The response also indicated that the Crewmember's qualifications for pressure testing and recognizing and reacting to abnormal conditions had been "disqualified" (revoked) on August 7, 2026. With its response, CNG provided a copy of the pressure testing procedure applicable at the time of the inspection.

A. VIOLATION OF 49 C.F.R. § 192.513(C)

The Company failed to ensure that the pressure used for its pressure test did not exceed 2.5 times the pressure determined under 192.121, in violation of 192.513(c), which requires that ". . . the maximum test pressure may not be more than 2.5 times the pressure determined under § 192.121. . ." 192.121 establishes criteria for design of plastic pipe, including maximum design pressures for pipe of various materials and manufacturing dates. The GPSU observed that the print line on the over-pressurized service line indicated it was High Density Polyethylene (HDPE) with a diameter of ½ inch Copper Tubing Size (CTS), a wall thickness of 0.090 inches, a material designation code of PE4710, and a manufacturing date of March 26, 2025. Based on this information, the design pressure of the pipe is limited under § 192.121(c)(2)(i), which allows for the highest design factor to be used, provided the pressure does not exceed 125 psig. Based on a maximum permissible design pressure of 125 psig, the maximum allowable test pressure under 192.513(c) is 2.5 times 125 psig or 312.5 psig. By using a manifold gauge with a useable range of 200 psig, and a nitrogen pressure regulator with a relief valve set to 600 psig, the Operator had no way to verify that the pressure in the service line did not exceed the 312.5 psig limit established under 192.513(c). The manifold gauge had no markings or indications of pressure beyond 200 psig (see Figure 2 - Manifold Gauge). Beyond the 200 psig maximum range, the manifold gauge provides no means of determining pressure.

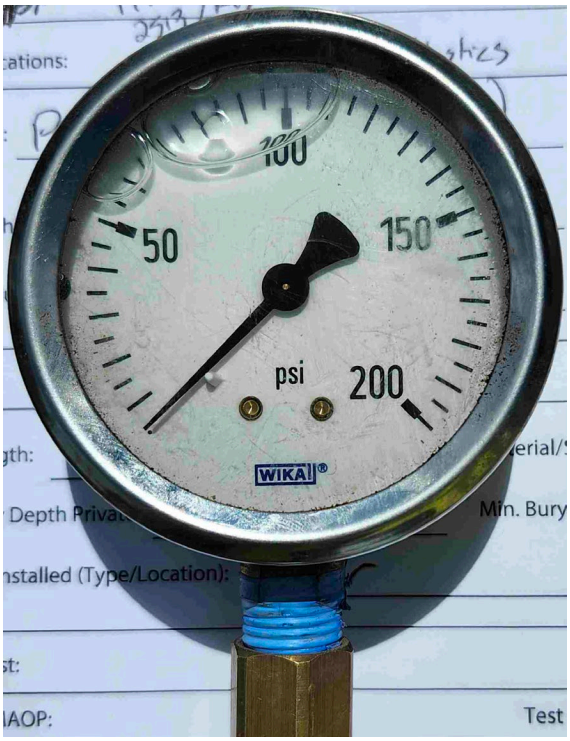


Figure 2 - Manifold Gauge

The GPSU observed that the test pressure exceeded 200 psig during the pressure test. Although the nitrogen pressure regulator featured an outlet pressure gauge, the Crewmember effectively demonstrated that the outlet pressure gauge was not used to limit the test pressure. The Crewmember indicated to the GPSU that the outlet pressure gauge on the nitrogen pressure regulator read a maximum of 50 psig during the pressure test, thereby demonstrating that the outlet pressure gauge was either inaccurate or was not referenced while the manifold gauge read over 200 psig.

B. VIOLATION OF 49 C.F.R. § 192.515(a)

The Company failed to take every reasonable precaution to protect its employees and the general public during a pressure test in violation of 49 C.F.R. §192.515(a), which requires that "[i]n conducting tests under this subpart, each operator shall insure that every reasonable precaution is taken to protect its employees and the general public during the testing." By failing to introduce pressure into the service line in a controlled manner, the Crewmember conducting the pressure test exposed the Company employees, the GPSU inspector, and the public to unnecessary risk. By relying on the nitrogen pressure regulator relief device to limit the test pressure to 600 psig, the stresses in the service line, and the resulting risk of failure during the test, were increased beyond what was necessary. Therefore, CNG did not take every reasonable precaution to protect its employees and the general public during a pressure test, in violation of General Statutes § 16-280c, which incorporates by reference 49 C.F.R. §192.515(a).

C. VIOLATION OF 49 C.F.R. § 192.605(a)

The Company exceeded the maximum allowable test pressure established in its procedures in violation of 49 C.F.R. §192.605(a), which requires that "[e]ach operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response." The Operator's written procedures provide maximum test pressures for service lines in the table titled "Maximum PE Service Test Pressures" in Appendix A of its procedure titled "Unified Construction Standards" (Maximum Pressure Table). The GPSU observed that the over-pressurized service line was made of HDPE. Column 3 of the Maximum Pressure Table indicates that all sizes of HDPE service line have a maximum test pressure of "200 PSIG." The GPSU observed the manifold gauge indicate a pressure exceeding 200 psig. Therefore, CNG did not follow its manual of written procedures, in violation of General Statutes § 16-280c, which incorporates by reference 49 C.F.R. §192.605(a).

III. PRESCRIBED CIVIL PENALTIES

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 ensure test pressure was limited to 2.5 times design pressure, failure to take every reasonable precaution to protect its employees and the general public during a pressure test, and failure to follow its manual of written procedures, the Authority assesses a civil penalty of one-hundred thousand dollars ($100,000).

IV. RIGHT TO A HEARING

The Company 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. 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, the Company is subject to Conn. Gen. Stat. § 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." Id.

VI. ORDERS

As a result of the Authority's 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 one-hundred thousand dollars ($100,000). 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 the Company 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. The Company shall file documentation with the Authority, no later than 20 days from the date of receipt of this Notice, showing the amount of money recovered, or if no money will be recovered, a statement to that fact. If the Company has not come to final resolution on this issue at the time of its compliance filing, the Company

shall continue to file updates with the Authority every 30 days until it is fully compliant with this order.

3. The Company 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 CNG seeks recovery of remediation costs related to the events described in this Notice, CNG 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



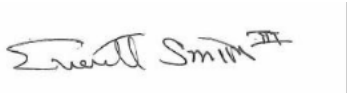
David Arconti, Jr.
Vice Chairman



Janice A. Beecher
Commissioner



Holly H. Cheeseman
Commissioner



Everett Smith
Commissioner