

**ORIGINAL**

Commissioner	Yes	No	Not Participating
Zay			√
Deig	√		
Swinger	√		
Veleta	√		
Ziegner	√		

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

REQUEST OF THE PIPELINE SAFETY DIVISION OF THE )  
INDIANA UTILITY REGULATORY COMMISSION AND )  
INDIANA GAS COMPANY, INC. D/B/A CENTERPOINT )  
ENERGY INDIANA NORTH, FOR APPROVAL OF A ) **CAUSE NO. 46373**  
STIPULATION, CONSENT AGREEMENT, AND WAIVER )  
OF EVIDENTIARY HEARING RESOLVING PROBABLE ) **APPROVED: APR 29 2026**  
VIOLATIONS OF MINIMUM PIPELINE SAFETY )  
STANDARDS AND NOTICE OF THE COMMISSION’S )  
INTENT TO APPROVE THE AGREEMENT. )

**ORDER OF THE COMMISSION**

**Presiding Officers:**  
**Andy Zay, Chairman**  
**Steve Henke, Administrative Law Judge**

On February 25, 2026, the Indiana Utility Regulatory Commission (“Commission”) issued an Order concerning its intent to approve a January 20, 2026 Stipulation, Consent Agreement, and Waiver of Evidentiary Hearing (“Consent Agreement”) between the Commission’s Pipeline Safety Division (“Division”) and Indiana Gas Company, Inc. d/b/a CenterPoint Energy Indiana North (“CEI North”) regarding alleged pipeline safety violations by CEI North unless an objection or request for hearing was filed under this Cause within 20 days.

Twenty days have passed and no objection or request for a hearing has been received.

**1. Commission Jurisdiction.** Under Ind. Code § 8-1-22.5-7(b), the Commission may, after notice and opportunity to be heard, impose a civil penalty against a person that violates Ind. Code ch. 8-1-22.5 or any rules issued under that chapter. CEI North is a person as defined by Ind. Code § 8-1-22.5-1(e). Therefore, the Commission has jurisdiction over CEI North and the subject matter of this proceeding.

**2. Background and Procedural History.** On July 15, 2025, the Division issued a Notice of Probable Violation to CEI North alleging 190 violations during 2024 of CEI North failing to follow its procedures to timely or accurately locate its facilities under Ind. Code § 8-1-26-18. Upon further investigation, the Division and CEI North agreed that the accurate number of violations was 162. The Division entered into the Consent Agreement that resolves the probable violations identified by the Division.

In the Consent Agreement, CEI North agrees to pay a civil penalty of \$207,800. CEI North received a mitigated penalty due to training that CEI North conducted and CEI North’s reduction in damage rate. None of the penalty will be recoverable through CEI North’s Commission-

authorized rates. CEI North also waives the right to a public hearing pursuant to Ind. Code §§ 8-1-22.5-7(b) and 8-1-22.5-10.

**3. Commission Decision.** Based upon the information submitted by the Commission's General Counsel Division, the Commission finds the Consent Agreement reasonably resolves the alleged violations. Accordingly, the Commission approves the Consent Agreement entered into between the Division and CEI North.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. The Consent Agreement entered into between the Division and CEI North, a copy of which is attached to this Order, is approved.

2. Within 90 days of this Order, CEI North shall pay a civil penalty of \$207,800 to the Treasury of the State of Indiana through the Secretary of the Commission.

3. This Order shall be effective on and after the date of its approval.

**DEIG, SWINGER, VELETA, AND ZIEGNER CONCUR; ZAY ABSENT:**

**APPROVED: APR 29 2026**

**I hereby certify that the above is a true and correct copy of the Order as approved.**

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**Dana Kosco**  
**Secretary of the Commission**

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

CONSENT AGREEMENT OF INDIANA GAS COMPANY, INC. D/B/A CENTERPOINT ENERGY INDIANA NORTH AND THE PIPELINE SAFETY DIVISION OF THE INDIANA UTILITY REGULATORY COMMISSION FOR APPROVAL OF MONETARY CIVIL PENALTIES UNDER IND. CODE CH. 8-1-22.5 FOR VIOLATIONS OF MINIMUM PIPELINE SAFETY STANDARDS

CAUSE NO.

**STIPULATION, CONSENT AGREEMENT, AND WAIVER OF EVIDENTIARY HEARING**

Indiana Gas Company, Inc. d/b/a CenterPoint Energy Indiana North (“CEI-N”) and the Pipeline Safety Division (“Division”) of the Indiana Utility Regulatory Commission (“Commission”) voluntarily enter into this Stipulation, Consent Agreement, and Waiver of Evidentiary Hearing (“Agreement”) pertaining to the violations and penalties described herein.

**A. Jurisdiction and Procedural Posture**

1. The Division is responsible for the administration and enforcement of compliance with pipeline safety standards applicable to transportation and related pipeline facilities established under the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 60101 et seq.) (the “PHMSA Standards”) and under Indiana Code ch. 8-1-22.5. The Division is also responsible for the administration and enforcement of compliance with the pipeline safety standards adopted by the Commission for the State of Indiana in 170 IAC 5-3, which adopts and adds to the federal safety standards.

2. CEI-N is a “public utility” as that term is defined in Ind. Code § 8-1-2-1 and is a “person who engages in transportation or who owns, operates, or leases pipeline facilities” within the meaning of Ind. Code § 8-1-22.5-6 and subject to the pipeline safety standards and the jurisdiction of the Commission.

3. Division staff perform inspections and other activities to verify compliance with the pipeline safety standards and issues Notices of Probable Violation (“NOPVs”) and Notices of Proposed Penalties (“NOPPs”) to pipeline

operators subject to the Commission’s jurisdiction in instances where non-compliance with the PHMSA standards is alleged.

**B. Specific Violations**

4. On July 15, 2025, the Division issued NOPV 12705-20250715 to CEI-N. The NOPV alleged 190 violations by CEI-N occurring in 2024, each consisting of an instance when CEI-N failed to follow its own procedures by failing to timely or accurately locate its facilities in response to a notice of excavation submitted through what is commonly known as Indiana 811. Following the NOPV, the Division and CEI-N agreed that the 190 total was erroneous, and the accurate number of violations was 162.

5. CEI-N’s own procedures require it to timely and accurately locate its facilities in accord with the Indiana 811 law found at Ind. Code § 8-1-26-18.

6. By failing to follow its own procedures, CEI-N violated 192 C.F.R. 605(a). By failing to properly locate their underground facilities through accurate maps, records, and temporary markings, CEI-N violated 49 CFR 192.614, both federal statutes being incorporated in state law by 170 IAC 5-3-0.6.

7. A copy of the NOPV is attached hereto as **Attachment 1**.

**C. Advisory Penalty Matrix**

8. On May 3, 2021, the Commission transmitted by letter an Advisory Penalty Matrix to natural gas operators setting forth advisory penalties for the failure to timely or accurately locate a gas operator’s pipeline and facilities, effective after July 1, 2021.

9. The Advisory Penalty Matrix includes a graduated penalty schedule for assessing increasing penalties depending on the number of violations committed by a gas operator.

10. Based on the 162 violations in the NOPV, application of the Advisory Penalty Matrix would result in the following penalty:

<b>Penalty Level</b>	<b>Number of violations in level</b>	<b>Per violation in level</b>	<b>Penalty total in each level</b>
1	0 – 3	0	0
2	4- 20	\$1,000	\$17,000
3	21 - 100	\$2,500	\$200,000

4	101-162	\$5,000	\$310,000
Total			<b>\$527,000</b>

11. The Advisory Penalty Matrix is attached hereto as **Attachment 2**.

12. The Advisory Penalty Matrix's continued use for 2024 is attached hereto as **Attachment 3**.

**D. Agreed Civil Penalty**

13. The Commission may impose penalties against CEI-N for violations of the pipeline safety standards of up to \$25,000.00 for each violation for each day that the violation persisted, up to a maximum of \$1,000,000.00 for a related series of violations. The Division discovered 162 violations committed by CEI-N. All are subject to a maximum \$25,000 fine for each violation, for each day the violation persisted. See Ind. Code § 8-1-22.5-7.

14. However, CEI-N provided a response to the NOPV on October 4, 2025, following multiple deadline extensions. In CEI-N's response, it stated that CEI-N onboarded a contractor to enhance local quality and facilitate field engagement with excavators. CEI-N also proactively completed 1,473 Locate Audits, held 1,139 Field Meeting with excavators in 2024, and educated each of the 521 unique excavators that damaged CEI-N facilities. 122 of the 521 excavators were repeat offenders and 53% of the repeat offenders confirmed documented training classes or tailgate meetings. CEI-N stated it reduced its damage rate as a result of its efforts. CEI-N's response is attached hereto as **Attachment 4**.

15. Thereafter, the Division sent an NOPP to CEI-N on October 17, 2025. Following the NOPP, The Division and CEI-N agreed to reduce the total violations to 161 and reduce the total amount of the proposed penalty under the Advisory Penalty Matrix to \$519,500. Additionally, based on the training that CEI-N conducted, the NOPP proposed a 25% reduction (\$129,875) of the fine. Based on the reduced damage rate, the NOPP proposed a 35% reduction (\$181,825), for a total proposed penalty of \$207,800.00. The NOPP letter is attached hereto as **Attachment 5**.

16. CEI-N responded to the NOPP, by letter, on December 4, 2025. In CEI-N's response, it agreed to the 25% and 35% reductions proposed in the NOPP and does not contest the \$207,800.00 penalty. CEI-N's response is attached hereto as **Attachment 6**.

17. The resulting total penalty agreed to by CEI-N and the Division is therefore **\$207,800.00**, payable to the general fund of the State of Indiana for the foregoing identified violations.

18. Payment of this civil penalty will be made within 30 days of approval by the Commission, and the civil penalty shall not be recoverable by CEI-N through their Commission-authorized rates and charges.

**E. Waiver of Public Hearing**

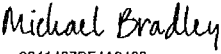
19. CEI-N agrees the violations as alleged in the NOPV constitute violations of minimum pipeline safety standards and CEI-N does not contest the payment of the agreed statutory civil penalty for those violations. In the interest of administrative efficiency, CEI-N waives its right to a public hearing pursuant to Ind. Code §§ 8-1-22.5-7(b) and 8-1-22.5-10 on the matters alleged in the NOPV and the associated penalties. The Parties agree that the facts above together with the attachments hereto constitute an adequate evidentiary record upon which the Commission may base an Order approving this Agreement, including payment of the agreed monetary civil penalty.

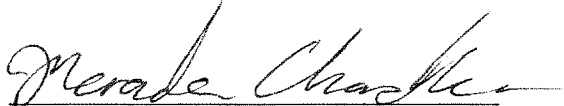
**F. Public Record**

20. This agreement is a public record subject to disclosure upon request under the Indiana Access to Public Records Act, Ind. Code ch. 5-14-3.

**G. Stipulation**

21. It is so stipulated and agreed this 20th day of January 2026.

Signed by:  
  
9041437BF4A9402  
Michael Bradley  
VP Operations Governance & Compliance  
CenterPoint Energy, Inc.

  
Miranda Chandler  
Director  
Pipeline Safety Division

# Attachment 1

# STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
101 W. WASHINGTON STREET, SUITE 1500E  
INDIANAPOLIS, INDIANA 46204-3407

<http://www.in.gov/iurc>  
Office: (317) 232-2701  
Facsimile: (317) 232-6758

CenterPoint Energy Indiana – OPSID 08070 and 18505  
Gregg Maurer, VP Indiana & Ohio Gas  
211 NW Riverside Drive  
Evansville, IN 47708

Cc: Sherri Bell, Compliance Manager, [sherri.bell@centerpointenergy.com](mailto:sherri.bell@centerpointenergy.com)

15 July 2025

RE: Notice of Probable Violation or Area of Concern: 12705 – 07/15/2025

The Pipeline Safety Division (“Division”) of the Indiana Utility Regulatory Commission (“Commission”) hereby provides you notice of the probable violation(s) and/or areas of concern listed below, pursuant to the Division’s authority under Indiana Code chapter 8-1-22.5, the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. § 60101 et seq.), and the Commission’s minimum pipeline safety rules and standards for transportation and related pipeline facilities, Title 170 Indiana Administrative Code Rule 5-3, incorporating 49 CFR Parts 40, 191, 192, 193, 194, 195, 198, and 199. Under Ind. Code § 8-1-22.5-7, the Commission, after notice and opportunity for public hearing, may issue civil penalties not to exceed two hundred thousand dollars (\$200,000) for each violation for each day that the violation persists and not to exceed two million dollars (\$2,000,000) for any related series of violations.

On one or more days including 7/15/2025, a Damage Prevention Inspection was conducted on Indiana Gas Company, Inc. DBA CenterPoint Energy Indiana – North (“CEI-N”) during which the following Probable violations or Areas of Concern were found. Areas of Concern are not considered violations; however, if such concerns continue, they may become probable violations.

You are required to review each listed Probable Violation and/or Area of Concern and provide a written response to the Division with the following information:

- A detailed description of steps that have been or will be completed to correct non-compliance with the below cited rules, including dates such steps were or are anticipated to be taken.
- Steps that you intend to take to prevent a recurrence of the below Probable Violations and/or Areas of Concern, including dates such steps were or are anticipated to be taken.
- Copies of any new or existing written procedures that support the steps taken to correct and further prevent a recurrence of these Probable Violations and/or Areas of Concern.

**A. Probable Violation(s):**

**1. 49 CFR 192.605 – Procedural manual for operations, maintenance, and emergencies.**

CenterPoint Energy of Indiana – North violated their procedures regarding damage prevention activities as required by 49 CFR 192.605 and 49 CFR 192.614, which requires the operator to properly locate their underground facilities through accurate maps, records, and temporary markings. During 2024, CenterPoint Energy of Indiana – North violated their procedures 190 times, each time resulting in a pipeline facility damage due to a failure on the operator’s part to either mark accurately

or on time. This number is pulled from a comparison between the Quarterly damage reports and the Annual report to PHMSA F7100.1-1.

Please respond to this violation with your plans or actions taken to resolve the issue. Mitigative measures that could potentially reduce your violation include but are not limited to:

- Full reduction if Operator at Fault divided by tickets times 1000 ratio is below 0.20.
- More than a .03 change to the Operator at Fault divided by tickets times 1000 ratio.
- Operator has proactively trained 25% of all excavators who damaged their facilities. PSD staff consider training to be at least a half hour of training on the dig law and how to dig safely.

**B. Areas of Concern:** No areas of concern were identified during the inspection.

Your written response to the above listed Probable Violations and/or Areas of Concern must be received no later than **09/13/2025** and sent to the Division as follows:

- Via email to [pipelineinspections@urc.in.gov](mailto:pipelineinspections@urc.in.gov).
- Label the subject line: NOPV Response 12705 – 07/15/2025
- You will receive a response that your email was received within one to two business days. If you do not receive a response that your email was received, please contact the Division at 317-232-0037.

If you want to submit your response in hard copy, please mail it to this address:

Indiana Utility Regulatory Commission  
Attn: Pipeline Safety Division  
101 West Washington Street, Suite 1500 E  
Indianapolis, Indiana 46204

The Division will review your response and provide acknowledgement of receipt. After review of your response, the Division may:

- provide acknowledgement of a satisfactory response;
- request additional information and/or documentation;
- request to meet with you;
- send you a Notice of Proposed Penalties; and/or
- request the Commission initiate an investigation on the matter.

**Failure to respond to a Probable Violation will result in a Notice of Proposed Penalty and/or a request for a Commission investigation. Failure to respond to an Area of Concern will result in additional violations as specified in 170 IAC 5-3-4.1.**

You should remain in contact with the Division with regular updates providing progress made toward resolving the Probable Violations and/or Areas of Concern identified in this letter. Thank you for the courtesy extended during our visit. Please contact the Division at [pipelineinspections@urc.in.gov](mailto:pipelineinspections@urc.in.gov) should you have any questions.

Respectfully,



Miranda Chandler, Director  
Pipeline Safety Division

# Attachment 2



May 6, 2021

## **Re: Pipeline Safety Division Advisory Penalty Matrix for Locate Violations**

Dear Operator:

I am writing to you to provide notice of the establishment of an Advisory Penalty Matrix by the Pipeline Safety Division (“Division”) of the Indiana Utility Regulatory Commission (“Commission”), as part of our obligation in enforcing gas safety regulations in accordance with federal and state law.

As you may know, the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) is the federal agency that oversees the Commission’s Division. PHMSA sets rules and standards for pipeline safety issues nationally. PHMSA evaluates the Division in annual audits to ensure objectives related to pipeline safety inspections and enforcement in Indiana are being met. These evaluations also determine the amount of federal funding the Division receives to continue its important work.

As part of the audit process, PHMSA has reviewed the Division’s work regarding the enforcement of locate violations under 49 Code of Federal Regulations 192.614. In addition, the Division, under authority provided by Indiana Code chapter 8-1-22.5, investigates possible violations of Indiana Code chapter 8-1-26. Although the settlement agreements with Northern Indiana Public Service Company (NIPSCO) and CenterPoint Energy Indiana (approved by the Commission in 2017 and 2018, respectively) were important steps towards improving safety and compliance, PHMSA has directed that enforcement of locate violations and penalties should apply to all jurisdictional gas operators.

To achieve this in an equitable and transparent manner, the Division developed the Advisory Penalty Matrix to set expectations and provide consistency across all Indiana gas operators. The goal of the Advisory Penalty Matrix is to encourage better compliance through progressive penalties that recognize the hazards involved in large numbers of locate violations while also recognizing the inherent differences between larger and smaller gas operators.

It’s important to note that the Advisory Penalty Matrix is considered a starting point. Actual penalties may reflect mitigating and aggravating circumstances or factors, and the penalties in the Matrix would not apply if a violation resulted in an incident or accident, consistent with the Commission’s rules. *See* 170 Ind. Admin. Code 5-3-0.6-6 and -2. Ultimately, the Commission will approve the final penalty amounts based on the evidence presented in each case, including the Advisory Penalty Matrix.

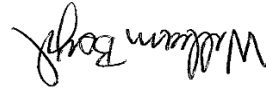
We recognize and appreciate the ongoing efforts by Indiana's gas operators to ensure the provision of safe and reliable service with an astute focus on safety. The Advisory Penalty Matrix was designed to reduce overall risk and emphasize the importance of safety. The Division is committed to developing tools that foster behavior changes, when needed, and incorporate feedback we hear from our PHSMA partners.

The Advisory Penalty Matrix will apply to "Locating Practices Not Sufficient" violations occurring on and after July 1, 2021, based on Part D.1.b of each gas operator's Gas Distribution Annual Report, commonly known as the F7100 Annual Report, due annually on March 15. It will not apply to any operator at fault locate violations that occurred in 2020 or in the first half of 2021. We are providing you this notice to allow you some time to improve your locate practices if necessary.

After your submission of the Gas Distribution Annual Report for CY 2021, due March 15, 2022, if you had more than three operator at fault locate violations occur from July 1, 2021, to December 31, 2021, you will receive a Notice of Probable Violation (NOPV), after which you will have the opportunity to provide your response including any mitigating circumstances before receiving a Notice of Proposed Penalty (NOPP) that will be based on the Advisory Penalty Matrix.

A copy of the Advisory Penalty Matrix is attached with this letter for reference. Please let me know if you have any questions. You can reach me at (317) 232-2718 (office) or (317) 460-8401 (mobile) or [WBoyd@urc.IN.gov](mailto:WBoyd@urc.IN.gov).

Sincerely,



William Boyd

Director

Pipeline Safety Division

Indiana Utility Regulatory Commission

## PSD Advisory Penalty Matrix for Locate Violations for 2021-2022

### Goals/Benefits:

Although the enforcement and penalties for locate violations under the settlement agreements with NIPSCO and Vectren (now CenterPoint Indiana) were important steps, the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) has provided direction that enforcement of locate violations and penalties should apply to all gas operators.

The goal of the Advisory Penalty Matrix is to change behavior through progressive penalties that recognize the hazards involved in large numbers of locate violations and the limited risk by small gas operators with very low numbers of locate violations. Having a penalty matrix sets expectations and provides consistency across all Indiana gas operators.

It’s also important to note that the Advisory Penalty Matrix is a starting point and actual penalties may reflect mitigating and aggravating factors. In addition, the penalties in the Matrix do not apply to an operator violation if the violation results in an incident or accident, as defined in the Commission’s rules, specifically, 170 IAC 5-3-0.6-6 and -2, respectively (an example is the Camby incident in the Vectren settlement).

### PSD Advisory Penalty Matrix:

Penalty Level	Number of violations in level	Per violation in level	Penalty total in each level
1	0 – 3	0	0
2	4 – 20	\$1,000	\$17,000
3	21-100	\$2,500	\$200,000
4	101-200	\$5,000	\$500,000
5	201 +	\$10,000	Max \$10,000 x #

### Comparison Using 2017-2020 Locate Violations:

Utility / Year	# of Violations	Amounts Paid Under Settlements	PSD Advisory Penalties	Max per Statute
Citizens / 2017	20	n/a	\$17,000	\$500,000
Citizens / 2018	13	n/a	\$10,000	\$325,000
Citizens / 2019	14	n/a	\$11,000	\$350,000
Citizens / 2020	21	n/a	\$19,500	\$525,000
NIPSCO / 2017	296	(1) \$900,000 (2) \$765,000	\$1,677,000	\$7,400,000
NIPSCO / 2018	241	\$1,033,000	\$1,127,000	\$6,025,000
NIPSCO / 2019	231	\$1,138,000	\$1,027,000	\$5,850,000
NIPSCO / 2020	211	n/a	\$827,000	\$5,275,000
Vectren / 2017	242	\$736,000	\$1,137,000	\$5,700,000
Vectren / 2018	197	\$584,000	\$702,000	\$4,925,000
Vectren / 2019	205	\$894,000	\$767,000	\$5,875,000
Vectren / 2020	223	n/a	\$947,000	\$5,575,000

**Note: only Citizens, NIPSCO, and Vectren/CenterPoint are shown on this comparison chart, as they are the only gas operators that would have had penalties under the Matrix if it had been in place during 2017-2020. No other gas operator had more than three violations in each of the last four calendar years.**

# Attachment 3

# STATE of INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
101 WEST WASHINGTON STREET, SUITE 1500 EAST  
INDIANAPOLIS, INDIANA 46204-3419

www.in.gov/iurc  
Office: (317) 232-2701  
Facsimile: (317) 232-6758

December 20, 2022

RE: Advisory Penalty Matrix & Staff Changes

Dear Operator:

The Pipeline Safety Division of the Indiana Utility Regulatory Commission will be continuing to utilize the Advisory Penalty Matrix for locate violations in 2023 as we have done for the past two years. This is to continue the Division's efforts to enhance damage prevention in the state and drive down the damage rates to further continue making Indiana safer and a leader in damages.

Additionally, there are upcoming changes within the Division's staff. Starting January 9, 2023, we will have our first Damage Prevention Technician, who will be handling a large portion of damage investigations so our engineering staff can focus on the upcoming audits.

For me, it is bittersweet to announce that my last day with the Indiana Utility Regulatory Commission will be December 30, 2022. I have been tapped for a soon-to-be announced role within the Indiana Statehouse as a senior advisor to a statewide elected official. As part of the transition process, Miranda Erich has been named Interim Director of the Pipeline Safety Division effective December 30, 2022. It has been a pleasure working with all of you for the last several years and know that I will always be an advocate for Pipeline Safety.

Lastly, you should be hearing from Division Staff shortly after the first of the year to start scheduling inspections. Our intention, as spoken about at the Pipeline Safety Conference this past April, is to see every operator more frequently and, as such, most of you will be contacted near the beginning of January 2023 to start the inspection process.

Please contact me, or Miranda Erich, with any questions or concerns. I can be reached at 317-232-7035 or [MiNeal@urc.IN.gov](mailto:MiNeal@urc.IN.gov), and Miranda can be reached at 317-502-2966 or [merich@urc.in.gov](mailto:merich@urc.in.gov).

Have a wonderful Holiday season and it has been a pleasure working with you.

Sincerely,

Michael A. Neal, Director  
Pipeline Safety Division

# Attachment 4



October 4, 2025

Ms. Miranda Chandler, Pipeline Safety Division  
Director Pipeline Safety Division  
Indiana Utility Regulatory Commission  
101 West Washington, Suite 1500 East  
Indianapolis, IN 46204

Subject: Response to IURC Notice of Probable Violation ("NOPV") 12705 20250715

Dear Ms. Chandler:

CenterPoint Energy Indiana ("CEI" or the "Company") values its working relationship with the Indiana Utility Regulatory Commission ("IURC"), particularly the Pipeline Safety Division ("PSD") Staff. Our dedication to the safety of our workforce, assets, and the public remains strong as we reinforce our Safety Management System ("SMS") culture and broaden our commitment to continuous improvement throughout our organization. CEI North welcomes this opportunity to provide additional information in response to the Notice of Probable Violation ("NOPV") letter dated July 15, 2025, for NOPV 12705 20250715.

**A. Probable Violation(s)**

On one or more days including 07/15/2025, a Damage Prevention Inspection was conducted at CenterPoint Energy Indiana North. Probable violation(s) found during this inspection include:

**49 CFR 192.605 - Procedural manual for operations, maintenance, and emergencies.** CenterPoint Energy of Indiana - North violated their procedures regarding damage prevention activities as required by 49 CFR 192.605 and 49 CFR 192.614, which requires the operator to properly locate their underground facilities through accurate maps, records, and temporary markings. During 2024, CenterPoint Energy of Indiana - North violated these procedures 190 times, each time resulting in a pipeline facility damage due to a failure on the operator's part to either mark accurately or on time. This number is pulled from a comparison between the Quarterly damage reports and the Annual report to PHMSA F7100. I-I.

Please respond to this violation with your plans or actions taken to resolve the issue. Mitigative measures that could potentially reduce your violation include, but are not limited to, the following:

1. Operator at Fault divided by tickets times 1000 ratio is below 0.20.
2. More than a .03 change to the Operator at Fault divided by tickets times 1000 ratio.
3. Operator has proactively trained 25% of all excavators who damaged their facilities at least a half hour of training on the dig law and how to dig safely.

**CEI North's Response to NOPV #1:**

**A. Statement of Facts:**

CEI North does not dispute the PSD's finding of 190 occurrences of pipeline facility damage in 2024.

**B. Steps taken to correct the alleged violation**

CEI will continue to prioritize the mitigation and reduction of At Fault damages by maintaining a strong company commitment to Damage Prevention, Public Awareness and Public Safety across all regions. In early 2024, CEI onboarded a contractor, WSB ("WSB") Engineering, to enhance locate quality and facilitate field engagement with excavators. WSB Engineering is focused on damage data enabling proactive excavator outreach, getting in front of risky excavation through education and building relationships between CEI and excavators. Working directly with the area CEI Damage Prevention Coordinator (DPC), WSB reports damage prevention concerns that need elevated attention. Additionally, our locating contractors continue to conduct ongoing remediation training for any errors identified, enhance new employee training, and establish necessary staffing levels.

CEI takes a multi-layered approach to Damage Prevention efforts with excavators. In addition to consistently engaging in the field with our internal crews and second party excavators, CEI proactively completed 1,473 Locate Audits and held 1,139 Field Meetings with excavators in 2024. Overall, 521 unique excavators damaged CEI facilities. When notified of a cut line or damage, CEI North resources completed targeted corrective actions with the excavator for every damage. With that multi-layered approach and activity, of the 521 excavators who had a cut line in 2024, all were redirected and educated as part of the corrective action step in the damage investigation process. However, 122 of the 521 had a repeat event later in 2024. Of the 122 repeat offenders who had two or more damages, 30 have confirmed and documented training classes, and 35 have documented field / tailgate training sessions. There are 57 repeat offenders who did not have a training class. For many of the repeat offenders who have not taken part in either a training class or tailgate training session, our records indicate that CEI contacted them by phone or email to offer training, which was not accepted.

As a result of mitigative measures taken, CEI North saw a year over year decrease in Operator At Fault damages from 0.39 in 2023 to 0.30 in 2024, a net decrease of 0.09. Additionally, we have proactively provided training on 811 dig law and best practices related to damage prevention to all 521 excavators who damaged our facilities. Of the 122 that were repeat offenders, 53% confirmed documented training classes or tailgate meetings.

**C. Steps taken, or that CEI North intends to take, to prevent a recurrence of the alleged violation**

CEI North has and will continue to identify opportunities to engage with and educate excavators. To create an enhanced and more structured approach to excavator outreach we have expanded our Public Awareness department by adding an additional resource. This internal employee's primary responsibilities are to perform Public Awareness activities to include training, educating, and connecting with excavators. To further promote Damage Prevention culture and promote operating in a manner to prevent damages, internal CEI North crews support unlocatable remediation efforts.

CEI North is committed to reducing damages due to locator errors. In April of 2024, CNP hired a vendor (WSB) to assist with increased locate audits focused on quality. WSB uses damage data to target excavators for outreach, relationship building, and education. The CEI North Damage Prevention staff also utilizes this data to ensure locate technicians are following procedures and

practices in accordance with their Operator Qualification status.

Additionally, the CEI North Damage Prevention group maintains a strong working relationship with internal Operations and second-party contractors performing gas work. Damage Prevention metrics are shared and best practices communicated amongst stakeholders. CEI North remains dedicated to reducing damages related to mapping and locate errors. Our ongoing emphasis on public, asset, and workforce safety, combined with a focus on adherence to company policies and procedures, should continue to result in a reduction of damages.

As always, CEI North appreciates the opportunity to provide clarification and discuss the response to NOPV 12705. If you have any further questions, please contact me at 317-408-0287.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lacy R. Shuck".

Lacy Shuck  
Director, Gas Operations

cc: Gregg Maurer, VP Regional Operations  
Shane Alexander, Director Damage Prevention  
Jeffrey Earl, Regulatory/Legal Counsel

# Attachment 5



INDIANA UTILITY REGULATORY COMMISSION  
101 W. WASHINGTON STREET, SUITE 1500E  
INDIANAPOLIS, INDIANA 46204-3407

<http://www.in.gov/iurc>  
Office: (317) 232-2701  
Facsimile: (317) 232-6758

CenterPoint Energy Indiana – North: OPID 8070  
Gregg Mauerer, VP Indiana Gas  
211 NW Riverside Dr  
Evansville, IN 47708

CC: Lacy Shuck, Director, Gas Operations Indiana

November 18, 2025

**Re: Corrected Notice of Proposed Penalty: NOPP No. 12705-20250715**

On July 15, 2025, the Pipeline Safety Division (the “Division”) of the Indiana Utility Regulatory Commission (the “Commission”) sent CenterPoint Energy Indiana – North (“CNP-N”) a Notice of Probable Violations (“NOPV”) 12706-20250715. The Division received CNP-N’s response to the NOPV on October 4, 2025, regarding the violations found surrounding the 2024 Damages rates. Because the nature of the violations is such that the Division believes penalties should be assessed, the Division is now issuing this Notice of Proposed Penalty (“NOPP”).

Under Ind. Code § 8-1-22.5-7, the Commission, after notice and opportunity for public hearing, may issue civil penalties not to exceed two hundred thousand dollars (\$200,000) for each violation for each day that the violation persists and not to exceed two million dollars (\$2,000,000) for any related series of violations. However, in 2021, there as an advisory penalty matrix for how to handle locate violations that led to damages, as follows:

Penalty Level	Number of violations in level	Per violation in level	Penalty total in each level
1	0 – 3	0	0
2	4 – 20	\$1,000	\$17,000
3	21-100	\$2,500	\$200,000
4	101- <b>162</b>	\$5,000	\$305,000
5	201+	\$10,000	\$0
Total			<b>\$519,500</b>

The Proposed Penalty based off the penalty matrix would be \$519,500 for the following **162** damages:

**Violation:** 49 CFR 192.605 – Procedural Manual for operations, maintenance, and emergencies. CenterPoint Energy of Indiana – North violated their procedures regarding damage prevention activities as required by 49 CFR 192.605 and 49 CFR 192.614, which requires the operator to properly locate their underground facilities through accurate maps, records, and temporary markings. During 2024 CenterPoint Energy of Indiana – North violated their procedures 162 times, each time resulting in a pipeline facility damage due to a failure on the operator’s part to either mark accurately or on time. This number is pulled from a comparison between the Quarterly damage reports and the Annual report to PHMSA F7100.1-1.

**However, due to the actions you have taken, and the response provided to NOPV 12705-20250715, the Division has decided to reduce part of the proposed penalty in recognition of mitigative actions taken as listed below:**

- Partial reduction of penalty for having trained more than 25% of the excavator’s who caused at fault damages in 2024.
  - Operator reports having trained 521 out of 521 excavators between CenterPoint Energy Indiana North and CenterPoint Energy Indiana South.
  - This results in a reduction of \$129,875.00, or a 25% reduction, in penalty amount.
- Partial reduction of penalty for having reduced damage rate
  - Operators at fault rate went from 0.39 in 2023 to 0.30 at fault in 2024
  - This results in a \$181,825.00 reduction, or a 35% reduction, in the recommended penalty amount.

**Using the above methods, the division will be recommending a proposed \$207,800.00 penalty. You must provide a written response no later than December 2, 2025, indicating whether you agree to the Proposed Penalty. If you disagree with the Proposed Penalty, you must provide justification for each violation, using the following factors from the federal Pipeline and Hazardous Materials Safety Administration’s methodology under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225 for determining penalties:**

- a. The nature, circumstances, and gravity of the violation, including adverse impact on the environment.
- b. The degree of the operator’s culpability.
- c. The operator’s history of prior offenses.
- d. Good faith by the operator in attempting to achieve compliance.
- e. The effect on the operator’s ability to continue in business.
- f. The economic benefit gained from violation, if readily ascertainable, without any reduction because of subsequent damages.
- g. Such other matters as justice may require.

**Failure to respond to this NOPP, or failure to come to an agreement on the amount of penalty, will result in a request for a Commission investigation.**

If you have any questions or need additional information regarding the penalty reduction, you can reach me at (317) 502-2966 or [MiChandler@urc.in.gov](mailto:MiChandler@urc.in.gov).

Sincerely,

A handwritten signature in cursive script that reads "Miranda Chandler".

Miranda Chandler, Director  
Pipeline Safety Division

Corrections noted in Bold and Underlined

# Attachment 6



CenterPoint Energy Indiana North  
P.O. Box 209  
Evansville, IN 47702-0209

December 4, 2025

Ms. Miranda Chandler, Pipeline Safety Division Director  
Indiana Utility Regulatory Commission  
101 West Washington, Suite 1500 East  
Indianapolis, IN 46204

Subject: Response to IURC Notice of Proposed Penalty ("NOPP") 12705-20250715

Dear Ms. Chandler:

CenterPoint Energy Indiana ("CEI" or the "Company") values its working relationship with the Indiana Utility Regulatory Commission ("IURC") and the Pipeline Safety Division ("PSD") Staff. Our dedication to the safety of our workforce, assets, and the public remains strong as we reinforce our Safety Management System ("SMS") culture and broaden our commitment to continuous improvement throughout our organization. CEI North welcomes this opportunity to provide additional information in response to the Notice of Proposed Penalty ("NOPP") letter dated October 17, 2025, for NOPP 12705-20250715.

**A. Probable Violation(s)**

On one or more days including 07/15/2025, a Damage Prevention Inspection was conducted at CenterPoint Energy Indiana North. Probable violation(s) found during this inspection include:

- 1. 49 CFR 192.605 - Procedural manual for operations, maintenance, and emergencies.** CenterPoint Energy Indiana North violated their procedures regarding damage prevention activities as required by 49 CFR 192.605 and 49 CFR 192.614, which requires the operator to properly locate their underground facilities through accurate maps, records, and temporary markings. During 2024, CenterPoint Energy Indiana North violated these procedures 162 times, each time resulting in a pipeline facility damage. This number is pulled from a comparison between the Quarterly damage reports and the Annual report to PHMSA F7100.1.1.

**However, due to the actions CenterPoint Energy Indiana has taken, and the response provided to NOPV 12705-20250715, the Division has decided to reduce part of the proposed penalty in recognition of mitigative actions taken as listed below:**

- Partial reduction of penalty for having trained more than 25% of the excavators who caused at fault damages in 2024
  - a. Operator reports having field meetings with 521 out of 521 excavators between CenterPoint Energy Indiana North and CenterPoint Indiana South.
  - b. This results in a reduction of \$129,875.00, or a 25% reduction, in penalty amount.
- Partial reduction of penalty for having reduced damage rate

- a. Operator's at fault rate went from 0.39 in 2023 to 0.30 at fault in 2024.
- b. This results in a \$181,825.00 reduction, or a 35% reduction, in the recommended penalty amount. Using the above methods, the division is recommending a \$207,800.00 proposed penalty.

**CEI North's Response to NOPP #1:**

CEI North does not dispute the PSD's finding that it violated 49 CFR 192.605 – Procedural manual for Operations, maintenance, and emergencies which requires the operator to properly locate their underground facilities through accurate maps, records, and temporary markings with respect to the 162 occurrences of pipeline facility damage in 2024. CEI North agrees to the above penalty of \$207,800.00 for these violations.

If you have any further questions, please contact me at 317-408-0287.

Respectfully submitted,



Lacy Shuck

Director, Gas Operations Indiana

cc: Gregg Maurer, VP Indiana Gas Operations

Jeffrey Earl, Regulatory/Legal Counsel