

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 OHIO VALLEY GAS CORPORATION, FOR)
 APPROVAL OF A STIPULATION, CONSENT)
 AGREEMENT, AND WAIVER OF EVIDENTIARY)
 HEARING RESOLVING PROBABLE VIOLATIONS OF)
 MINIMUM PIPELINE SAFETY STANDARDS AND)
 NOTICE OF THE COMMISSION’S INTENT TO)
 APPROVE THE AGREEMENT.)**

CAUSE NO. 46374

APPROVED: APR 29 2026

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 22, 2026 Stipulation, Consent Agreement, and Waiver of Evidentiary Hearing (“Consent Agreement”) between the Commission’s Pipeline Safety Division (“Division”) and Ohio Valley Gas Corporation (“OVG”) regarding alleged pipeline safety violations by OVG 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. OVG is a person as defined by Ind. Code § 8-1-22.5-1(e). Therefore, the Commission has jurisdiction over OVG 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 OVG alleging seven violations during 2024 of OVG failing to follow its procedures to timely or accurately locate its facilities under Ind. Code § 8-1-26-18. The Division entered into the Consent Agreement that resolves the probable violations identified by the Division.

In the Consent Agreement, OVG agrees to pay a civil penalty of \$3,000. OVG received a mitigated penalty due to additional training with OVG field personnel in all districts in March 2025. None of the penalty will be recoverable through OVG’s Commission-authorized rates. OVG 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 OVG.

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

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

2. Within 90 days of this Order, OVG shall pay a civil penalty of \$3,000 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.**

Dana Kosco
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

CONSENT AGREEMENT OF OHIO VALLEY
GAS CORPORATION 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**

Ohio Valley Gas Corporation ("OVG") 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. OVG 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 12709-07152025 to OVG. The NOPV alleged 7 violations by OVG occurring in 2024, each consisting of an instance when OVG 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.

5. OVG'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, OVG violated 192 C.F.R. 605(a). By failing to properly locate their underground facilities through accurate maps, records, and temporary markings, OVG 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.

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

11. Based on the 7 violations in the NOPV, application of the Advisory Penalty Matrix would result in the following penalty:

Penalty Level	Number of violations in level	Per violation in level	Penalty total in each level
1	0 - 3	0	0
2	4-7	\$1,000	\$4,000
Total			<u>\$4,000</u>

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

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

D. Agreed Civil Penalty

14. The Commission may impose penalties against OVG 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 7 violations committed by OVG. 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.

15. However, OVG provided a response to the NOPV on July 25, 2025. In OVG's response, it stated that OVG conducted advanced locate training with OVG field personnel in all districts in March 2025. OVG's response is attached hereto as **Attachment 4.**

16. Thereafter, the Division sent a Notice of Proposed Penalty (NOPP) to OVG on October 17, 2025. Based on the advanced locate training that OVG conducted, the NOPP proposed a 25% reduction of the \$4,000 fine, for a total proposed penalty of \$3,000. The NOPP letter is attached hereto as **Attachment 5.**

17. OVG responded to the NOPP, by letter, on October 20, 2025. In OVG's response, it agreed to the 25% reduction proposed in the NOPP and does not contest the \$3,000 penalty. OVG's response is attached hereto as **Attachment 6.**

18. The resulting total penalty agreed to by OVG and the Division is therefore **\$3,000.00**, payable to the general fund of the State of Indiana for the foregoing identified violations.

19. 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 OVG through their Commission-authorized rates and charges.

E. Waiver of Public Hearing

20. OVG agrees the violations as alleged in the NOPV constitute violations of minimum pipeline safety standards and OVG does not contest the payment of the agreed statutory civil penalty for those violations. In the interest of administrative efficiency, OVG 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

21. 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

22. It is so stipulated and agreed this 22nd day of January, 2026.



Greg Bailey
Vice President & Chief Engineer
Ohio Valley Gas Corporation



Miranda Chandler
Director
Pipeline Safety Division

Attachment 1- NOPV



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

Ohio Valley Gas Corporation – OPSID 14180
Greg Bailey, VP & Chief Engineer
111 Energy Park Drive
Winchester, IN 47394

15 July 2025

RE: Notice of Probable Violation or Area of Concern: 12709 – 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 Ohio Valley Gas Corporation 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. Ohio Valley Gas, Corp, 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 Ohio Valley Gas violated their procedures 7 times, each time resulting in 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.
- Label the subject line: NOPV Response 12709 – 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 should you have any questions.

Respectfully,



Miranda Chandler, Director
Pipeline Safety Division

Attachment 2- Advisory Penalty Matrix Letter



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.

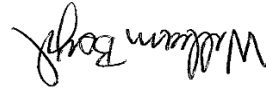
We recognize and appreciate the ongoing efforts by Indiana's gas operators to ensure the provision of safe and reliable service with an astute focus on safety. The Advisory Penalty Matrix was designed to reduce overall risk and emphasize the importance of safety. The Division is committed to developing 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.

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- 2023 Penalty Matrix Update

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, and Miranda can be reached at 317-502-2966 or 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- NOPV Response



OHIO VALLEY GAS

111 Energy Park Drive
P. O. Box 469
Winchester, IN 47394-0469
Phone: (765) 584-6842
Fax: (765) 584-0826
www.ovgc.com

July 25, 2025

Miranda Chandler-Director Pipeline Safety
Indiana Utility Regulatory Commission
101 W. Washington Street, Suite 1500E
Indianapolis, IN 46204

RE: Notice of Probable Violation: 12709-07/15/2025

Dear Ms. Chandler,

Ohio Valley Gas (OVG) is responding to your letter regarding the above-mentioned Notice of Probable Violation dated 15 July 2025.

Probable Violation

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

Ohio Valley Gas Corp. 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, OVG violated their procedures 7 times, each time resulting in 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.

Response:

OVG took a proactive approach and conducted advanced locate training with OVG field personnel in all districts in March of 2025. This training lasted three days in all districts except Portland. Portland's training was shorter due to fewer district staff. The training consisted of hands-on operation of locators, including using various frequencies to locate facilities, along with a written test. In addition, team members were trained to use a locator to identify Cathodic Protection shorts. Proficiency of all trained personnel was verified through demonstrated performance and written testing. Copies of the training sheets are attached.

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg Bailey".

Greg Bailey
Vice President & Chief Engineer
Ohio Valley Gas Corporation

**MORE THAN A COMPANY; PART OF YOUR COMMUNITY!
MAKING PEOPLE'S LIVES BETTER!**

Attachment 5- NOPP



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

Ohio Valley Gas Corporation OPID 14180
Greg Bailey, Vice President
111 Energy Park Drive
Winchester, IN 47394

October 17, 2025

Re: Notice of Proposed Penalty: NOPP No. 12709-20250715

On July 15, 2025, the Pipeline Safety Division (the "Division") of the Indiana Utility Regulatory Commission (the "Commission") sent Ohio Valley Gas Corp ("OVG") a Notice of Probable Violations ("NOPV") **12709-20250715**. The Division received OVG's response to the NOPV on July 25, 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 – 7	\$1,000	\$4,000
3	21-100	\$2,500	\$200,000
4	101-200	\$5,000	\$500,000
5	201+	\$10,000	
Total	7		\$4,000

The Proposed Penalty based off the penalty matrix would be \$4,000 for the following 7 damages:

Violation: **49 CFR 192.605 – Procedural Manual for operations, maintenance, and emergencies.** Ohio Valley Gas, Corp, 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 Ohio Valley Gas violated their procedures 7 times, each time resulting in 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 12709-20250715, 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 performed additional training with their staff.
 - This results in a reduction of \$1,000.00, or a 25% reduction, in penalty amount.

Using the above methods, the division will be recommending a \$3,000.00 proposed penalty. You must provide a written response no later than November 15, 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.

Sincerely,



Miranda Chandler, Director
Pipeline Safety Division

Attachment 6- NOPP Response



OHIO VALLEY GAS

111 Energy Park Drive
P. O. Box 469
Winchester, IN 47394-0469
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www.ovgc.com

October 20, 2025

Miranda Chandler-Director Pipeline Safety
Indiana Utility Regulatory Commission
101 W. Washington Street, Suite 1500E
Indianapolis, IN 46204

RE: NOPP 12709-20250715

Dear Ms. Chandler,

Ohio Valley Gas (OVG) is responding to your letter regarding the above-mentioned Notice of Proposed Penalty.

Violation:

49 CFR 192.605-Procedural Manual for operations, maintenance, and emergencies. Ohio Valley Gas Corp. 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 Ohio Valley Gas violated their procedures 7 times, each time resulting in 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 Quarterly damage reports and the Annual report to PHMSA F7100.1-1.

Response:

OVG agrees to the 25% reduction in the amount of the proposed penalty from \$4,000 to \$3,000 due to actions taken by OVG to mitigate risk and will not contest this penalty.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Greg Bailey', is written over a light blue circular stamp.

Greg Bailey
Vice President & Chief Engineer
Ohio Valley Gas Corporation