

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on June 11, 2026

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

CASE 26-G-0298 - In the Matter of an Enforcement Proceeding
Against JAT Construction Co., Inc. for Alleged
Violations of 16 NYCRR Part 753 - Protection of
Underground Facilities, in the Service
Territory of Central Hudson Gas & Electric
Corporation.

ORDER DETERMINING PENALTY AND DIRECTING PAYMENT

(Issued and Effective June 17, 2026)

BY THE COMMISSION:

BACKGROUND

On March 28, 2025, while excavating for a sewer replacement at 1 Trinkka Lane, Hopewell Junction, New York, JAT Construction Co., Inc.¹ (Respondent) damaged a 2-inch high-pressure plastic gas main.

New York has implemented a program to protect underground utility infrastructure, which includes regulations in 16 NYCRR Part 753. Specifically, 16 NYCRR §753-3.8 states:

¹ JAT Construction Co., Inc., P.O. Box 247, Selkirk, New York 12158.

"After verifying the location of an underground facility, the excavator shall not employ powered or mechanical excavating equipment closer than four inches in any direction from the staked, marked or otherwise designated or known outside diameter or perimeter of such facility or its protective coating unless agreed to in writing by the operator of the affected underground facility. Any such written agreement shall be furnished to the excavator by the operator, upon request."

Department of Public Service staff (staff) investigated the incident and found evidence that Respondent, on March 28, 2025, did in fact excavate within four inches of the gas pipeline.

As a result, on February 17, 2026, staff issued a Notice of Probable Violation (NOPV) to Respondent via United States Postal Service First-Class Mail. The NOPV stated that failure to respond would be deemed acceptance of the facts as alleged, in which case a penalty would be determined. The First-Class Mail envelope containing the NOPV was not returned, nor did Staff receive any answer from the Respondent. Respondent has not contested the factual allegations in the NOPV.

LEGAL AUTHORITY

Under General Business Law §765(1)(a), for incidents that occurred prior to May 9, 2025, entities that failed to comply with the requirements of 16 NYCRR Part 753 are subject to a civil penalty of up to \$2,500 for the first offense and an additional civil penalty of up to \$10,000 for each succeeding violation that occurred within a 12-month period. Under General Business Law §765(1)(a), for incidents that occurred on or after May 9, 2025, entities that failed to comply with the requirements of 16 NYCRR Part 753 are subject to a civil penalty

of up to \$4,375 for the first offense and an additional civil penalty of up to \$17,500 for each succeeding violation that occurred within a 12-month period. Consistent with Public Service Law §119-b(8), in determining the civil penalty amount in this case, the Commission shall consider the nature, circumstances, and gravity of the violation, history of prior violations, effect on public health, safety, or welfare, and other considerations as necessary.

DETERMINATION

The Commission finds that JAT Construction Co., Inc. committed a violation of 16 NYCRR §753-3.8. In assessing a penalty, the Commission takes notice of the following considerations.

The one-call notification system serves a fundamental and indispensable role in the protection of underground facilities in the State. Absent a one-call ticket, the excavator lacks knowledge of the locations of buried utility infrastructure. Likewise, utilities would not be aware that an excavator may be endangering their facilities. Engaging in mechanized digging without knowing what lies beneath the surface can lead to disastrous consequences, endanger people, property, and the environment, and disrupt utility service. Damage to a gas line can cause an explosion or fire. By failing to comply with the requirements of 16 NYCRR §753-3.8, JAT Construction Co., Inc. needlessly and carelessly created a significant risk to public safety. Thus, the gravity of this violation is substantial. The penalty assessed seeks to sanction JAT Construction Co., Inc. and deter it and others from similar conduct in the future.

To quantify the total amount of gas lost due to avoidable pipeline damage, starting in late 2023, staff began

collecting and calculating gas emissions estimates from pipeline damage incidents. For this incident, staff estimated 1,616,400 cubic feet of gas lost to the atmosphere. In addition, Respondent has no history of adjudicated prior violations that occurred within the preceding 12-month period. Therefore, the statutory maximum civil penalty allowable for this offense is \$2,500. We note that Respondent did not dispute or contest the factual allegations in the NOPV. Thus, the factual allegations are uncontested, and we deem them admitted and established. Here, Respondent engaged in activity that resulted in damage to a gas pipeline that caused the release of gas and evacuation of persons, thus creating a threat to public safety, health, and welfare. In consideration of the nature, circumstances, and gravity of the violation, the Commission determines a penalty of \$2,500 is appropriate for this violation.

In reaching this determination, the Commission relied on evidence collected which includes a one-call notification system ticket search by staff, staff's investigative report, an emergency notification submitted by the operator to staff, and photographs in the record.

The Commission also strongly encourages Respondent to contact UDig NY (315-437-7394) to request a training session covering the use of the one-call notification system and Part 753 requirements. The principals of the company, any employees involved in excavation work, and any support staff that might be involved in making notifications to the one-call center, would benefit from such training.

The Commission orders:

1. A penalty of \$2,500 is determined against JAT Construction Co., Inc. pursuant to Public Service Law §119-b(8).

2. JAT Construction Co., Inc. is directed to remit, by certified check payable to the "Department of Public Service," the sum of \$2,500 in payment of the penalty determined. The \$2,500 sum is subject to State Finance Law §92-S and shall be deposited into the environmental protection fund. The check shall be addressed to:

Laura Ferraro
Director of Finance and Budget
Department of Public Service
Three Empire State Plaza, 16th Floor
Albany, NY 12223-1350

3. If the check is not received within 30 days after issuance of this Order, Department of Public Service staff is authorized to refer the case to the New York State Department of Law with a request that an action to collect the determined penalty be brought in a court of competent jurisdiction.

4. The proceeding is continued, pending compliance with Ordering Clause 2, following which it should be closed.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary