

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 25-G-0732 - In the Matter of an Enforcement Proceeding
Against SFJ Design Inc. for Alleged Violations
of 16 NYCRR Part 753 - Protection of
Underground Facilities, in the Service
Territory of KeySpan Gas East Corporation d/b/a
National Grid.

ORDER DETERMINING PENALTY AND DIRECTING PAYMENT

(Issued and Effective June 17, 2026)

BY THE COMMISSION:

BACKGROUND

On May 9, 2025, while excavating for sewer lines at
8615 Beach Channel Drive, Rockaway Beach, New York, SFJ Design
Inc.¹ (Respondent) damaged a ½-inch high-pressure plastic gas
service.

New York has implemented a program to protect
underground utility infrastructure, which includes regulations
in 16 NYCRR Part 753. Specifically, 16 NYCRR §753-3.10(d)

¹ SFJ Design Inc., 328 Eagle Avenue, West Hempstead, New York
11552.

states: "No backfilling shall be done by the excavator in the vicinity of the contact or damage until the operator conducts an inspection and makes any necessary repairs; and, the excavator shall undertake no repairs unless and until authorized by the operator"; and 16 NYCRR §753-3.14(b) states: "In the event of an emergency involving danger to life, health or property as a result of damage to an underground facility containing gas or liquid petroleum products or as a result of an electrical short or escape of gas or hazardous fluids, the excavator shall ... immediately notify 911 and the operator of the affected facility of the exact location, nature of the emergency and of the underground facility which is affected."

Department of Public Service staff (staff) investigated the incident and found evidence that Respondent, on May 9, 2025, did in fact make an illegal repair to the gas service that was not authorized by the operator of the damaged utility and failed to immediately notify 911 and the operator of the damaged gas pipeline.

As a result, on May 27, 2025, staff issued a Notice of Probable Violation (NOPV) to Respondent via United States Postal Service First-Class Mail. A response to the NOPV was received. Staff offered to resolve this matter with a reduced penalty provided the Respondent completed training with New York 811, Inc. However, Respondent failed to provide a response to the Consent Offer.

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 SFJ Design Inc. committed violations of §753-3.10(d) and §753-3.14(b). 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 §753-3.10(d) and §753-3.14(b), SFJ Design 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 SFJ Design 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 7,470 cubic feet of gas lost to the atmosphere. In addition, Respondent has a history of adjudicated prior violations that occurred within the preceding 12-month period.² Therefore, the combined statutory maximum civil penalties allowable for these offenses are \$35,000. Here, Respondent engaged in activity that resulted in damage to a gas pipeline that caused the release of gas, 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 \$35,000 is appropriate for these violations.

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 enforcement request submitted by the operator to staff, a damage investigation report provided by the operator to staff, and photographs in the record.

The Commission also strongly encourages Respondent to contact New York 811, Inc. (631-778-8111) 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

² Case 25-G-0732, In the Matter of an Enforcement Proceeding Against SFJ Design Inc. for Alleged Violations of 16 NYCRR Part 753, Protection of Underground Facilities, in the Service Territory of KeySpan Gas East Corporation d/b/a National Grid, Order Determining Penalty and Directing Payment (issued January 29, 2026).

that might be involved in making notifications to the one-call center, would benefit from such training.

The Commission orders:

1. A penalty of \$35,000 is determined against SFJ Design Inc. pursuant to Public Service Law §119-b(8).

2. SFJ Design Inc. is directed to remit, by certified check payable to the "Department of Public Service," the sum of \$35,000 in payment of the penalties determined. The \$35,000 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