

One Year Later: Utility-Related Losses: What We've Learned and What You Should Know

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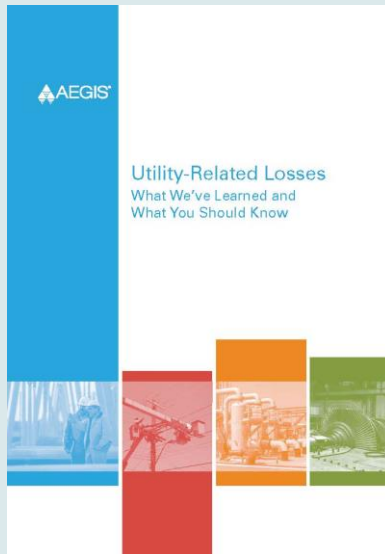
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## Claim statistics

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### Annual Paid Amounts

5 Year comparison

In millions



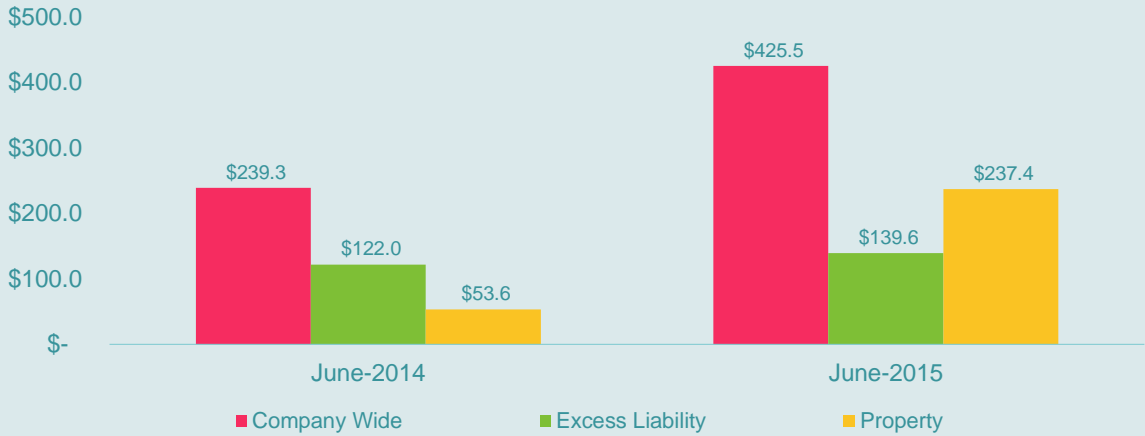
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### Paid Amounts

6 month 2014 / 2015 comparison

In millions



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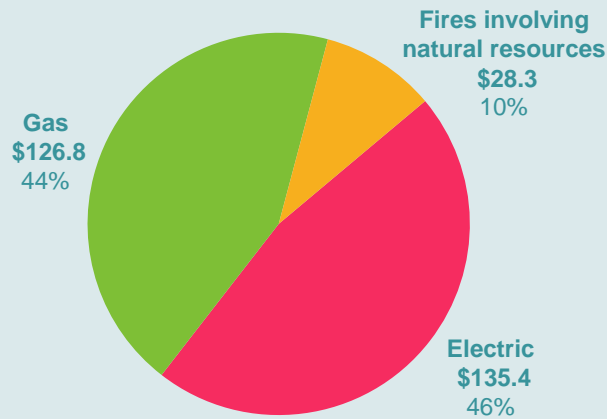


### Excess Liability Paid

1/1/2014 – 6/30/2015

Gas, electric, fires involving natural resources

In millions



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## Electric & gas claims

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## Electric Claims

<b>Paid Amount</b>	<b>Cause of Loss</b>
\$28,000,000	Two children contacted energized guy wire
\$7,700,000	Claimant electrocuted after contacting two energized, downed primary conductors which had fallen during a thunderstorm

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## Gas Claims

<b>Paid Amount</b>	<b>Cause of Loss</b>
\$35,000,000	Gas explosion due to contractor striking a gas main
\$5,000,000	An explosion and fire damaged a single family home and two adjacent properties

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Electric and gas loss details

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## Electric Claim Details – 1<sup>st</sup> Case (\$28 million)

Two children contacted energized guy wire

### Background

- Line erected in 1970's; company's construction standard not clear; NESC req't – either grounded at point of attachment or down guy insulator below lowest energized component
- Guy wire parted from anchor and dangled near children's wooden playset
- Homeowner called utility on a weekend

### Instructions from CSR

- Call back during the week; unable to access information
- No crew dispatched
- No other calls made to utility

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## Electric Claim Details – 1<sup>st</sup> Case (\$28 million)

Two children contacted energized guy wire

### Lessons learned

- CSR should initiate trouble ticket and advise to stay a safe distance away
- Troubleshooter should be dispatched
- Company design standards to comply with NESC requirements
- Inspection program to meet the intent of the NESC
- Personnel conducting overhead patrols should be trained to identify unsafe conditions

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## Electric Claim Details – 2<sup>nd</sup> Case (\$7.7 million)

Person contacted energized downed primary conductor in backyard

### Background

- Decayed branch fell onto “tree wire” exposing copper wire following a thunderstorm
- Fire & rescue squad on location; unable to render aid pending de-energizing of line
- Troubleshooter arrived and requested dispatcher to open circuit breaker

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## Electric Claim Details – 2<sup>nd</sup> Case (\$7.7 million)

Person contacted energized downed primary conductor in backyard

### Lessons learned

- Tree trimming to be performed on schedule
- Adherence to company’s work specifications
- Use proper communication

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## Gas Claim Details – 1<sup>st</sup> Case (\$35 million)

Contractor struck gas main causing explosion

### Background

- HDD contractor for underground communications
- Facility locations (mark outs) indicated one gas and one electric facility (there were actually two electric lines)
- Contractor uncovered two plastic black lines (street light conduits) and continued to drill
- Bored through top of gas main
- Contractor reported damage to 911, utility and One Call
- Fire Dept. responded to nearby occupied business
- Utility responded to field location
- Utility then responded to business to take readings

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## Gas Claim Details – 1<sup>st</sup> Case (\$35 million)

Contractor struck gas main causing explosion

### Lessons learned

- Re-emphasize importance of correct facility identification
- Failure to recognize the extent of hazard
- Lack of urgency and failure to convey criticality of evacuation orders
- Emergency responder training to reinforce role and responsibilities during natural gas emergencies

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## Gas Claim Details – 2<sup>nd</sup> Case (\$5 million)

Homeowner struck gas main causing leak / explosion of residential facility

### Background

- Owner attempted to clear clogged kitchen sink
- Rented a rotor-rooter for clogged sewer line
- Became stuck when cutting head struck a natural gas line
- Gas entered home
- Unaware that natural gas line breached the sewer line
- Following day – returned home, opened windows, and attempted to work
- No call placed to gas company

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## Gas Claim Details – 2<sup>nd</sup> Case (\$5 million)

Homeowner struck gas main causing leak/explosion of residential facility

### Lessons learned

- Consider a “call before you clear” program
- Provide safety material regarding sewer lateral breaching to customers, plumbers and contractors
- Consider inspecting distribution systems where trenchless technology had been used as to whether there may be an issue

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## Property claims

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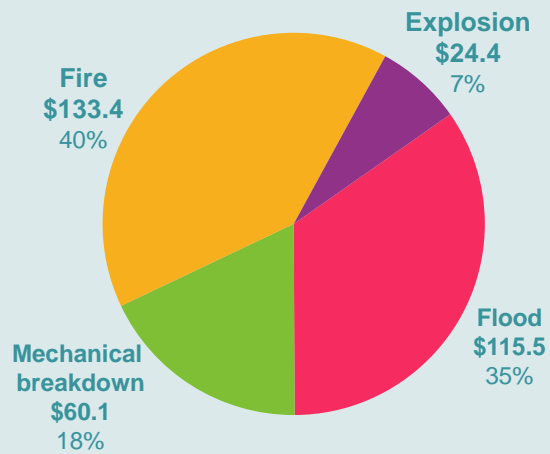


## Property Paid

1/1/2014 – 6/30/2015

*Explosion, fire, flood, mechanical breakdown*

In millions



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## Property Claims

<b>Paid Amount</b>	<b>Cause of Loss</b>
\$29,000,000	Hydrogen explosion in a generator
\$3,750,000	Fire started when an oil leak sprayed oil onto hot turbine casing

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## Property loss details

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## Property Claim Details – 1<sup>st</sup> Case (\$29 million)

Generator hydrogen explosion

### Background

- Planned maintenance outage at coal fired facility
- Generator was filled with air for outage preparation
- Hydrogen supply line not disconnected
- Hydrogen reintroduced into the generator
- Electrostatic discharge spark ignited a combustible mixture of air and hydrogen

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## Property Claim Details – 1<sup>st</sup> Case (\$29 million)

Generator hydrogen explosion

### Lessons learned

- Failure to adhere to required procedures and clearances
- Verify valve positioning on generator's gas control system; hang required tags on valves; disconnect supply line

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## Property Claim Details – 2<sup>nd</sup> Case (\$3.75 million)

Facility fire during routine maintenance

### Background

- In-service oil filter change
- Component under pressure
- Not locked out and tagged out
- Oil flow hand valve in open position
- Lube oil leak resulted in fire under front standard
- CR tripped feed to AC lube oil pump; emergency back-up power started

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## Property Claim Details – 2<sup>nd</sup> Case (\$3.75 million)

Facility fire during routine maintenance

### Lessons learned

- Failure to recognize and confirm correct component
- No emergency manual switch to lockout pump from control room
- Lack of fire suppression system

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## AEGIS Loss Control Products and Services

- *Utility-Related Losses: What We've Learned and What You Should Know* book
- Risk assessments
- Videos
- Webinars
- Focused services
- Utility and property seminars
- Fire protection system training
- Gas operator training

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Thank you!

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