COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

October 21, 2022

Via Electronic Filing
Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v.
Columbia Gas of Pennsylvania, Inc.
Docket No.: R-2022-3031211
I&E Replies to Exceptions

Dear Secretary Chiavetta:

Enclosed for electronic filing please find **The Bureau of Investigation and Enforcement's Replies to Exceptions** in the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Erika L. McLain

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ELM/ac
Enclosures

cc: Deputy Chief Administrative Law Judge Christopher P. Pell (*via email)*
Administrative Law Judge John M. Coogan (*via email)*
Office of Special Assistants (*via email – ra-OSA@pa.gov*)
Per Certificate of Service (*via email*)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2022-3031211
	:	
Columbia Gas of Pennsylvania, Inc.	:	

REPLY EXCEPTIONS OF THE BUREAU OF INVESTIGATION AND ENFORCEMENT

Erika L. McLain
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Dated: October 21, 2022

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I. INTRODUCTION

On March 18, 2022, Columbia Gas of Pennsylvania, Inc. ("Columbia" or "Company") filed Supplement No. 337 to Columbia's Gas Service Tariff – Pa. P.U.C. No. 9 ("Supplement No. 337") in which Columbia seeks an increase in annual distribution revenues of $82.2 million, to become effective May 17, 2022.

On March 22, 2022, the Bureau of Investigation and Enforcement ("I&E") filed a Notice of Appearance. The Office of Small Business Advocate ("OSBA") filed a Notice of Appearance, Public Statement and formal Complaint on March 28, 2022. The Office of Consumer Advocate ("OCA") filed a Notice of Appearance, Public Statement, and formal Complaint on April 5, 2022, and Petitions to Intervene were filed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), the Pennsylvania Weatherization Provider's Task Force, Inc. ("PWPTF"), and the Retail Energy Supply Association, Shipley Choice, LLC, and NRG Energy, Inc. ("RESA/NRG Parties"). The Pennsylvania State University ("PSU") filed a formal Complaint on April 15, 2022, Columbia Industrial Intervenors ("CII") filed a formal Complaint on April 27, 2022, and Richard C. Culbertson filed a formal Complaint on April 28, 2022.

On April 14, 2022, the Commission issued an Order suspending Columbia's filing by operation of law until December 17, 2022.

On April 20, 2022, Administrative Law Judge Christopher P. Pell ("ALJ Pell") issued a Prehearing Conference Order scheduling a telephonic prehearing conference on April 29, 2022.

A telephonic prehearing conference was held on April 29, 2022 with ALJ Pell presiding. The Parties agreed upon a procedural schedule in this matter which was

presented to ALJ Pell at the prehearing conference. On May 3, 2022, ALJ Pell and Administrative Law Judge John Coogan[1] ("ALJ Coogan") issued a Prehearing Order that memorialized the agreed upon procedural schedule along with discovery modifications.

An evidentiary hearing took place on August 3, 2022. The parties attended the telephonic evidentiary hearing to enter evidence into the record. All cross-examination was waived by the parties except for Columbia witness Djukic who was cross-examined by the RESA/NGS Parties. The evidentiary hearings on August 2, 2022 and August 4, 2022 were cancelled. On August 17, 2022, Counsel for Columbia Gas informed the ALJs via electronic mail that an agreement in principle had been reached by all active parties, excluding Mr. Culbertson, on all issues excluding revenue allocation and rate design. On August 19, 2022, Counsel for Columbia Gas informed the ALJs via electronic mail that all active parties, excluding the Office of Small Business Advocate and Mr. Culbertson, have reached an agreement in principle to resolve the allocation of the negotiated rate increase among the customer classes.

On August 23, 2022, I&E filed a Main Brief in this proceeding. On August 23, 2022, Columbia Gas, OSBA, PSU, and Richard C. Culbertson also filed Main Briefs. On September 2, 2022, Reply Briefs were filed by I&E, Columbia Gas, PSU and OSBA.

Exceptions were filed by OSBA and Richard C. Culbertson on October 14, 2022.

I&E now files these timely Reply Exceptions in response to the Exceptions raised by OSBA and Richard C. Culbertson.

[1] ALJ Coogan was assigned to co-preside in this matter on May 2, 2022.

II. REPLY EXCEPTIONS

1. Reply to OSBA Exception Nos. 1 & 2: The ALJs Properly Adopted the Joint Petition for Non-Unanimous Settlement as it was Supported by Substantial Evidence and Within a Range of Possible Litigated Outcomes and is in the Public Interest. (RD, pp. 104-105).

A. The allocations in the JPNUS are supported by the record.

In its Exceptions, the OSBA claims that the ALJs "failed to recognize that ***no record evidence*** supports the revenue allocation proposed by the JPNUS"[2] and that the ALJs "were incorrect that the revenue allocation proposed in the JPNUS was within a reasonable range of litigated outcomes."[3] To support this argument, the OSBA points to a table,[4] included in the ALJs RD and the OSBA Exceptions, outlining the litigated positions put forward by each party along with the settled upon revenue allocation. The crux of OSBA's concern is that the JPNUS allocates more revenue to the SDS/LGSS customer class than the LDS/LGSS class despite the fact that parties argued for similar increases for both classes. This concern is unfounded for several reasons.

From the outset it is important to note that cost of service studies have long been recognized as a useful tool to determine whether costs are properly allocated between different customer classes and that such studies are a guide to designing rates;[5] however, it is clear that they are not an exact science nor are the results of

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2 OSBA Exceptions, p. 1.
3 OSBA Exceptions, p. 4.
4 OSBA Exceptions, p. 2.
5 Pa. PUC v. Pennsylvania Power & Light Co., 55 PUR 4th 185, 249 (1983).

such studies the only consideration in rate design.[6] To that end, the Commission has recognized that the cost of service study is one factor, although an important one, to be considered when setting rates.[7] Rate design is one of the most subjective elements in ratemaking, which is perfectly demonstrated by OSBA's table comparing the litigation positions and settlement revenue allocations. I&E's litigated position on revenue allocation was based upon the Commission approved Peak and Average Allocated Cost of Service Study ("ACOSS") methodology.[8] I&E was not alone as four out of the five litigated positions presented in the table use some form of the Peak and Average methodology, those being the Company, OCA, OSBA, and I&E. Although the four parties base their own recommendations on the Peak and Average methodology, all four recommendations are different. For example, despite using the same methodology, the Company allocated 8.13% to the residential class while I&E allocated 6.17%. An even more dramatic difference is found with respect to the 11.11% the Company allocated to the SDS/LGSS class and 11.91% to the LDS/LGSS class in contrast to I&E's litigation recommendation of 22.5% and 21.97% respectively. However, through extensive settlement negotiations, the JPNUS allocates 15.39% or $4,627,000 to the SDS class, significantly less than I&E's litigated position.

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6 Pa. PUC v. National Fuel Gas Distribution Corporation, 73 Pa. PUC 552, 621 (1990); Pa. PUC v. Equitable Gas Company, 73 Pa. PUC 301, 347 (1990).

7 Pa. PUC v. West Penn Power Company, 73 Pa. PUC 454, 516-518 (1990) (cost of service studies are used in conjunction with other factors, such as gradualism, to allocate revenue requirement).

8 I&E MB, p. 8.

Although the Commission has long recognized that rate allocation involves judgment and engineering estimates, I&E understands that it is not an unlimited flexibility as the Commonwealth Court in *Lloyd v. Pennsylvania Public Utility Commission*[9] made clear that cost of service is the "polestar" in rate setting. As such, the Court held that a substantial difference in rate of return by class is impermissible as one customer class cannot not subsidize other customer classes over an extended period of time.[10] The OSBA appears to allege that the JPNUS violates these principles because "No party proposed an increase for the SDS class that was more than 1.13 percentage points higher than the rate increase for LDS at the scaled back increase. However, the JPNUS would require SDS customers to face an increase that is 3.68 percentage points higher than that for the LDS class."[11] This difference does not violate *Lloyd* nor does it demonstrate that the JPNUS is flawed as OSBA has failed to demonstrate that the SDS class is, in fact, subsidizing other customer classes. In fact, the record demonstrates that just the opposite is true given that the SDS class was allocated $4,627,000 in the JPNUS and OSBA's analysis showed that it should be allocated $4,627,285 while I&E's analysis showed that it should be allocated $6,762,891. Given that the settlement allocated far less revenue to the SDS class than I&E's recommendation, it is clear that the SDS class is not subsidizing other customer classes.

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9 *Lloyd v. Pa. PUC*, 904 A.2d 1010 (Pa. Commw. 2006).
10 *Lloyd*, 904 A. 2d 1010 (Pa Cmwlth. 2006).
11 OSBA Exceptions, pp 2-3.

Additionally, I&E highlighted that the SDS/LGSS class was Columbia's only customer class that that was moving farther from its cost to serve as I&E witness Cline testified that "from the time of the Company's 2021 base rate case to the current base rate case, the SDS/LGSS rate class has moved farther away from the system average rate of return"[12] and further testified

> [T]he SDS/LGSS class is the only customer class that has had its relative rate of return move further away from the system average relative return following recent base rate cases. This, along with its relative rate of return being below the system average relative rate of return shows that the SDS/LGSS was being subsidized by the RSS/RDS class and that subsidization was not being sufficiently reduced in this base rate case.[13]

To remedy this, I&E reallocated $600,000 from the residential class to the SDS/LGSS class and moved the SDS/LGSS class toward the system average relative rate of return. The table in the OSBA's Exceptions shows I&E recommending a $6,762,891 increase to the SDS/LGSS class; however, through settlement, that class received only an increase of $4,627,000. Under settlement rates, the SDS/LGSS class is not subsidizing other customer classes and, therefore, the allocation does not violate *Lloyd*.

In fact, just the opposite is true as the record shows that the residential class has consistently subsidized Columbia's other customer classes, including the SDS/LGSS and LDS/LGSS classes, in this case and in the Company's 2021 and

[12] I&E St. No. 3, p. 16.
[13] I&E St. No. 3, pp. 17-18.

2020 rate cases.[14] Given that both the SDS/LGSS and LDS/LGSS classes are subsidized by the residential class, OSBA's concern appears to be that the SDS/LDSS class should have received more of the subsidy in the JPNUS because LDS/LGS is being subsidized. While *Lloyd* does not permit substantial, long-term subsidization of one customer class at the expense of other customer classes, it certainly does not create an entitlement to an even greater subsidy as OSBA appears to argue here on behalf of the SDS class.

Additionally, the OSBA assertion that the revenue allocation outlined in the JPNUS does not fall within a range of possible outcomes is false. According to the table,[15] the JPNUS allocates a portion of the revenue increase to each class within the range of the party's litigated positions. There is no allocation that is outside of the range of possibilities presented by the five allocation proposals. For example, the range for the SDS class would be at the low end 5.28% and the high end 22.5% and the SDS class received a 15.39% increase. This is well within the range of possibilities for this class. OSBA claims that "just and reasonable revenue allocation involves much more than simply determining whether the rate increase for any particular class lies within the range of rate increases proposed by all of the parties."[16] However, as mentioned previously, revenue allocation is more of an art than a science and many factors and subjectivity go into each party's position.

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[14] I&E St. No. 3, pp. 15-16.
[15] OSBA Exceptions, p. 5.
[16] OSBA Exceptions, p. 5.

Finally, the OSBA claims that "[n]one of the various parties' revenue allocation proposals assigns a much larger increase to SDS compared to LDS"[17] and asserts that the table demonstrates that there is no record evidence to support the large difference in rate increases between the SDS and LDS classes.[18] OSBA focuses on the percentage of the increase to demonstrate this "large" difference; however, drilling down to the numbers shows that these concerns are unfounded. I&E's litigated position shows that it allocated approximately $1.5 million more to SDS than it did to LDS and the JPNUS reflects a $1.8 million difference between the same classes. This approximate $300,000 of additional revenue allocated to SDS is not "much larger" in the context of allocating the agreed upon $44.5 million revenue increase, especially given that SDS and LDS are not paying their cost to serve.

B. The allocations contained in the JPNUS are in the public interest.

In its exceptions, OSBA determines that the JPNUS "just (1) looks at all the various revenue allocations, (2) cherry-picks whatever result looks best for the various represented classes, and (3) leaves the balance for the unrepresented classes."[19] OSBA further states that, "Only the SDS class is not explicitly represented…Not surprisingly, the JPNUS maltreats the SDS class which is not represented by any of the settling parties."[20]

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17 OSBA Exceptions, p. 5.
18 OSBA Exceptions, p. 3.
19 OSBA Exceptions, p. 6.
20 OSBA Exceptions, p. 7.

As stated in its Statement in Support of Joint Petition for Partial Settlement in this proceeding, through its bureaus and offices, the Commission has the authority to take appropriate enforcement actions that are necessary to ensure compliance with the Public Utility Code and Commission regulations and orders.[21] The Commission established I&E to serve as the prosecutory bureau to represent the public interest in ratemaking and utility service matters, and to enforce compliance with the Public Utility Code.[22] By representing the public interest in rate proceedings before the Commission, I&E works to balance the interest of customers, utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.[23] I&E takes its charge to represent the public interest seriously and OSBA's contentions are wholly incorrect given that I&E put forth its litigation positions and vigorously engaged in the settlement discussions to ensure that the public interest was represented.

OSBA's use of "cherry-pick" and "maltreat" gives the impression that parties took what they wanted for their customer classes and then allocated outrageous amounts to the SDS class. A glance at OSBA's table shows that this is decidedly not true. SDS was allocated $4,627,000 in the Settlement. I&E's litigation position recommended that the class be allocated far more ($6,762,891); Columbia and OCA litigation positions recommended that SDS be allocated less than settlement

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21 Act 129 of 2008, 66 Pa. C.S. § 308.2(a)(J l); 66 Pa. C.S. §§ 101 *et seq.;* 52 Pa. Code§§ 1.1 *et seq.*

22 *Implementation of Act 129 of 2008; Organization of Bureaus and Offices,* Docket No. M-2008-2071852 (Order entered August 11, 2011).

23 *See* 66 Pa. C.S. §§ 1301, 1304.

allocation ($3,339,868 and $4,414,877, respectively); while OSBA's $4,627,285 litigation position recommended exactly what was agreed upon in the JPNUS. Given that the settlement allocation is exactly what OSBA recommended for the SDS class, OSBA's concern is difficult to understand especially given that, like most settlement terms, it fell within the range of being higher than what some parties recommended and lower than what other parties recommended.

Moreover, if the OSBA's "cherry-picking" concern was accurate, it would make sense for the "represented" parties to pick the most favorable numbers within each range. This did not happen as OCA and PSU agreed to take more revenue for their respective classes than what was presented in their litigated positions. Specifically, although the residential class was already subsidizing other customer classes, OCA recommended a 6.7% increase and received a 7.04% increase. Additionally, PSU recommended a 4.15% increase for its class and received an 11.71% increase. Therefore, OSBA's contention that represented parties cherry-picked their preferred allocations and shifted all other revenue to the unrepresented SDS class is demonstrably false.

Although the SDS class was not explicitly represented in this proceeding, I&E reiterates that it participated on behalf of the public interest as a whole. Pursuant to its charge, I&E took a position on revenue allocated to all customer classes, including the SDS class, and asserted its position in both testimony and settlement discussions. The increase allocated to the SDS class is supported by the record and is in the public interest.

2. <u>Reply to OSBA Exception No. 3</u>: The ALJs Properly Approved the JPNUS without Modification. (RD, p. 104).

The OSBA objects to the revenue allocation as agreed to in the JPNUS and as such is claiming that the ALJs approval of the JPNUS is inconsistent with the Commission's Columbia Gas 2021 Order.[24] This argument largely ignores the fact that the JPNUS was a "black box" settlement in which the revenue allocation methodology was not explicitly agreed upon. Black box settlements are common in the context of a base rate case because it is difficult, if not impossible, for the various parties to agree upon most of the specific components of the base rate case; a fact, of which the OSBA, a party to many black box settlements, is well aware. In fact, I&E is unaware of any settlement of a base rate case, including those settlements to which OSBA was a party, that identified a specific revenue allocation methodology. I&E is also unaware of any base rate case settlement which has been rejected by the Commission as a result of not specifying the revenue allocation methodology. Accordingly, specifying an allocation methodology whether in the context of a unanimous or non-unanimous settlement has not historically been required in order for the Commission to approve such settlements.

As with all aspects of the revenue increase, revenue allocation can be arrived at a variety of different ways. In this way, the "black box" nature of the settlement is preferable because it allows the parties to agree upon an ultimate outcome without making compromises to positions they may wish to take in future litigation. Due to the "black box" nature of the JPNUS, the JPNUS does not reflect agreement upon individual

[24] OSBA Exceptions, p. 7.

issues. Line-by-line identification and ultimate resolution of every issue raised in the proceeding is not necessary to find that a settlement is in the public interest, nor could such a result be achieved as part of a settlement.

Black box settlements are not uncommon in Commission practice. Indeed, the Commission has endorsed the use of black box settlements, as discussed in a recent Order approving such a settlement:

> We have historically permitted the use of "black box" settlements as a means of promoting settlement among the parties in contentious base rate proceedings. *See*, *Pa. PUC v. Wellsboro Electric Co*., Docket No. R-2010-2172662 (Final Order entered January 13, 2011); *Pa. PUC v. Citizens' Electric Co. of Lewisburg, PA*, Docket No. R-2010-2172665 (Final Order entered January 13, 2011). Settlement of rate cases saves a significant amount of time and expense for customers, companies, and the Commission and often results in alternatives that may not have been realized during the litigation process. Determining a company's revenue requirement is a calculation involving many complex and interrelated adjustments that affect expenses, depreciation, rate base, taxes and the company's cost of capital. Reaching an agreement between various parties on each component of a rate increase can be difficult and impractical in many cases. For these reasons, we support the use of a "black box" settlement in this proceeding and, accordingly, deny this Exception.[25]

The concept of "black box" settlements does not change when the settlement is non-unanimous and identification of the methodology used to determine the agreed upon revenue allocation is unnecessary. Accordingly, the JPNUS remains silent as to which methodology was used to determine the agreed upon revenue allocation and rate design. As a black box settlement, the Commission would not be overturning any precedent set

[25] *Pa. P.U.C. v. Peoples TWP LLC*, Docket No. R-2013-2355886, p. 28 (Order entered December 19, 2013).

by the 2021 Columbia Gas Order by accepting the JPNUS, nor would it be establishing new precedent as settlements are non-precedential. In fact, the JPNUS indicates that "its terms and conditions may not be cited as precedent in any future proceeding…"[26]

Additionally, it is important to note that a similar situation arose in a recent base rate case proceeding. In the 2020 Pike County Power & Light - Electric base rate case, all parties, except OSBA, agreed upon a rate design and structure culminating in a Non-Unanimous Rate Design Settlement. In that case, the OSBA argued that "a single cost of service study must be identified as the underpinning of the agreed upon compromise rate structure and rate design."[27] The parties to the Settlement indicated that "no single cost of service study methodology was relied upon in reaching the compromise rate structure and rate design, as no single COSS was required as a prerequisite to approval of a "black box" settlement of the revenue allocation among customer classes."[28] Ultimately, the Commission adopted the Recommended Decision approving the black box Rate Design Settlement without modification. The Commission found that the Rate Design Settlement "fairly and equitably resolves the issues impacting residential customers, business customers, and the public interest at large and represents a fair balance of the interests of PCLPC and its customers."[29] Accordingly, the Commission has recently affirmed that non-unanimous black box settlements with respect to revenue allocation and rate design are appropriate and in the public interest.

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[26] Joint Petition for Non-Unanimous Settlement, p. 7, para. 30.
[27] *Pa. PUC v. Pike County Light & Power Company – Electric*, Docket No. R-2020-3022135, p. 32 (Order entered July 21, 2021).
[28] *Id.*, p. 33.
[29] *Id*., p. 35.

Moreover, adding confusion to the issue is the fact that while the OSBA seems to advocate for strict the adherence to Commission precedent, OSBA further admits it would "accept **any** revenue allocation proffered by any party in this proceeding."[30] The OSBA believes that "the issue of the ALJs ignoring Commission precedent to approve the JPNUS seems absurd…"[31] Curiously, however, by stating it would accept **any** revenue allocation the OSBA seems to be agreeing that it would be appropriate for the Commission to adopt the PSU position that does not utilize the Commission's approved Peak and Average Cost of Service methodology and, therefore, would ignore recent Commission precedent that required the use of the Peak and Average Cost of Service methodology in Columbia's 2020 rate case.

As explained in I&E's Brief in Support of the Non-Unanimous Settlement, I&E asserted that the revenue allocation set forth in the Joint Petition not only reflects a compromise of the Joint Petitioners but also recognizes the influence of the Peak and Average methodology.[32] The JPNUS mitigates the subsidies proposed in this rate case and moves each class closer to its actual cost of service, which is consistent with the principles of *Lloyd*.[33] As a black box settlement, the no specific methodology must be adopted by the parties to the Settlement. The ALJs did not err when they approved the JPNUS without modification as the revenue allocation proposed is in the public interest and not contrary to Commission precedent.

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30 OSBA Exceptions, p. 10.
31 OSBA Exceptions. p. 10.
32 I&E MB, p. 9.
33 I&E MB, p. 10.

3. Reply to Richard C. Culbertson Exception Nos. 6 & 12: I&E Proffered Appropriate Expert Testimony (RD, p. 112).

In his Exceptions, Mr. Culbertson states that the testimony of Columbia and I&E with respect to pipeline replacements and the installation of curb valves is self-servicing and that both parties have not shown themselves to be experts in allowable costs as determined by the Codified Federal Regulations.[34]

The subject of I&E witness Merritt's testimony was pipeline safety for which he qualifies as an expert witness. The Commission recognizes Pennsylvania Rule of Evidence 702 which sets forth the standard for qualification of expert witnesses.[35] Under 22 Pa. Code 702, a witness is qualified as an expert by knowledge, skill, experience, training, or education. As evidenced by Mr. Merritt's testimony, Mr. Merritt received his Bachelor of Science Degree in Petroleum and Natural Gas Engineering in 2017 from the Pennsylvania State University. He then joined the Pennsylvania Public Utility Commission's Safety Division in June of 2018.[36] The Safety Division regulates safety standards for pipeline facilities and utilities engaged in the transportation of natural gas and other gas by pipeline. I&E submits that I&E witness Merritt's testimony was appropriate and well within the scope of his expertise. Mr. Merritt offered testimony in the instant proceeding based upon his expert opinion on pipeline safety matters and on behalf of I&E's charge to represent the public interest.

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[34] Culbertson Exceptions, p. 27.
[35] 22 Pa. Code 702.
[36] I&E St. No. 4, p. 1.

Mr. Culbertson states that I&E witness Merritt's testimony is wrong and asks the question "who is the PUC's I&E protecting?"[37] The answer is that Pipeline Safety's goal is to protect the public as Mr. Merritt testified, "I&E Pipeline Safety's goal through intervention in base rate cases is to bring to light potential safety impacts that are observed through reported outcomes of the Company's risk calculations, asset replacement and mitigation efforts, replacement costs, LTIIPs, and risk factor indicators, such as incidents and leaks."[38] Moreover, contrary to Mr. Culbertson's position regarding the accuracy of I&E's testimony, Mr. Merritt's testimony is well supported. For example, Mr. Culbertson's Exceptions question the need for pipeline replacements and allege that, "Unnecessary cost for unnecessary accelerated pipe replacements with associated write-offs is unnecessary – not essential, imprudent, and looks like a source of waste, fraud, and abuse."[39] I&E disagrees as Mr. Merritt offered extensive testimony concerning the need for Columbia to increase its cast iron and bare steel pipeline replace efforts in order to reduce risk on the Company's distribution system. Additionally, Mr. Culbertson took issue with Columbia's practice of not installing curb box safety shutoff valves in order to shut of gas in the event of an emergency.[40] Columbia explained its practice to install a meter valve outside the home as it provides quicker shutoff in the event of an emergency due to the valve being above ground, next to the meter, and easily locatable. I&E agreed that Columbia's practice complied with federal regulations as

37 Culbertson Exceptions, p. 36.
38 I&E St. No. 4, p. 8.
39 Culbertson Exceptions, p. 28.
40 Culbertson Exceptions, pp. 35-36.

there is a shut off valve in a readily accessible location, there is no regulatory requirement to install the shutoff valve at the curb and that it is common practice for operators to install an upstream valve at the riser and not at the curb.[41] Although he disagrees with this position, Mr. Culbertson has failed to offer record evidence that Columbia's practice violates its obligation to provide safe and reliable service.

III. CONCLUSION

For the reasons stated herein, the Bureau of Investigation & Enforcement respectfully requests that the Commission adopt the Joint Petition for Non-Unanimous Settlement without modification as recommended by the ALJs and deny the Exceptions of the Office of Small Business Advocate and Richard C. Culbertson.

Respectfully submitted,

Erika L. McLain
Prosecutor
PA Attorney ID No. 320526

[41] I&E St. No. 4-SR, pp. 10-11.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No.: R-2022-3031211
	:	
Columbia Gas of Pennsylvania, Inc.	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Replies to Exceptions** dated October 21, 2022, in the manner and upon the persons listed below:

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