

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Re: Focused Management Audit
of Columbia Gas of
Pennsylvania, Inc.

Public Meeting: August 15, 2013
2290672-AUD
Docket No. D-2012-2290672

STATEMENT OF COMMISSIONER JAMES H. CAWLEY

Before us is the Focused Management and Operations Audit of Columbia Gas of Pennsylvania, Inc. ("Columbia Gas" or "Company"). The audit report contains 12 recommendations. In response to the audit, Columbia Gas has submitted an Implementation Plan dated July 10, 2013, indicating acceptance of 11 recommendations and rejection of one recommendation. Columbia Gas indicated that it plans to complete implementation of all accepted recommendations by the end of December 2014.

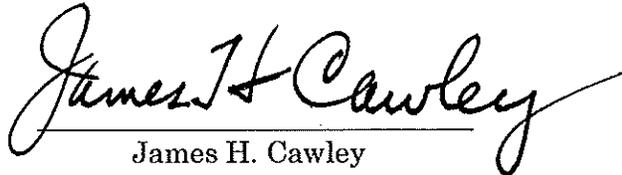
Among the recommendations are three issues dealing with Columbia's need to augment training, recruitment and hiring of additional field operations employees. These issues include:

- Excessive overtime - Using 600 hours as the upper annual limit (established by Columbia), the Audit Staff reviewed overtime levels for the field operations employees whose overtime exceeded 600 hours annually from 2007 to October 2012. During this period, the Audit Staff determined that there were years in which as many as 25 individual employees worked in excess of 600 hours in overtime. This is over 11 hours a week of overtime.
- Need to fill vacant job positions: As of November 2012, Columbia Gas had 66 vacant, open, or unfilled positions out of its 626 total operation-related positions. In 2011 and 2012, there were many transfers from the Field Operations Department to newly formed positions in the Construction Department which were created as part of the Company's efforts to accelerate first generation pipe replacement. In addition to the high number of open positions, 247 Pennsylvania field operations employees will be eligible to retire in the next five years. Although the exact retirement dates for certain positions are indefinite (i.e., some employees may choose to work several years past the date of eligibility, in most cases age 55), the Company should prepare for these retirements in advance since technical positions often take time to be fully trained (e.g., at least 1½ years for field operations positions).
- Slow emergency dispatch response times: There were 272 emergency dispatches over 15 minutes in duration, and most dispatches that took more than 15 minutes occurred during off hours (i.e., overnight, weekends, or holidays), with the weekends accounting for the most occurrences with 121 or 44.5% of the ten-month total. Columbia Gas should strive to improve its methodology of dispatching responders so that all emergency dispatches can be completed within 15 minutes of the emergency call taking place. The

Company should determine if either the dispatching system needs enhancements or if proper staffing, modifying of shift work, or call out methodologies need to be improved.

As noted, Columbia has commendably agreed to address and correct these issues by the end of next year so as to ensure adequate field operations staff are available to provide reliable and safe distribution service.

August 15, 2013


James H. Cawley
Commissioner