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April 7, 2010

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

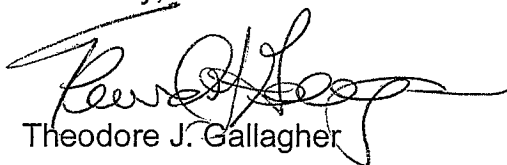
**Re: Proposed Rulemaking for Revision of 52 Pa. Code Chapters 57, 59,
65 and 67 Pertaining to Utilities' Service Outage Response and
Restoration Practices
Docket No. L-2009-2104274**

Dear Mr. McNulty:

Enclosed please find an original and sixteen (16) copies of Comments of Columbia Gas of Pennsylvania, Inc. to Proposed Rulemaking Order regarding the above-referenced matter. Please file the original and fifteen (15) copies and return the extra copy to me, file stamped, in the self-addressed envelope provided.

I thank you for your assistance.

Sincerely,



Theodore J. Gallagher

enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Rulemaking for Revision of	:	
52 Pa. Code Chapters 57, 59, 65 and 67	:	Docket No. L-2009-2104274
Pertaining to Utilities' Service Outage	:	
Response and Restoration Practices	:	

**COMMENTS OF COLUMBIA GAS OF PENNSYLVANIA, INC.
TO PROPOSED RULEMAKING ORDER**

A. INTRODUCTION

On November 10, 2009, the Commission entered a Proposed Rulemaking Order in the above-captioned proceeding. Therein, the Commission proposed to adopt regulations governing the utilities' service outage response and restoration practices. The proposed rulemaking addresses such practices for electric, natural gas, and water utilities; however these comments being filed by Columbia Gas of Pennsylvania, Inc. ("Columbia") will remain specific to Chapters 59 and 67, which are applicable to natural gas utilities. As proposed, the new regulations expand definitions and reporting requirements under § 59.11 "Gas Service" and § 67.1 "Service Outages" as they relate to outage response and restoration practices. On March 6, 2010 the Proposed Rulemaking Order was published in the *Pennsylvania Bulletin*. The Commission directed comments on the Proposed Rulemaking Order to be submitted within 30 days of publication in the *Pennsylvania Bulletin*. Subsequently, the Energy Association of Pennsylvania ("EAPA") sought and received a two-day extension of time for itself and its member companies to file comments, making the comments due on April 7, 2010.

Columbia, by and through its attorneys, submits its Comments in response to the Commission's Proposed Rulemaking Order and Annex A attached thereto. At the outset, Columbia commends to the Commission's attention and consideration the Comments submitted by the EAPA, particularly the EAPA's discussion of issues not addressed herein. In addition to the EAPA's Comments on those issues, Columbia submits its own Comments in order to highlight issues that will significantly impact practices already in place around which outage response and restoration practices have proven successful in the Columbia territory.

B. BACKGROUND

Columbia is a natural gas distribution company ("NGDC"), providing natural gas supply service and natural gas distribution service to approximately 413,000 customers in 26 counties in western, central, and south-central Pennsylvania, subject to the Commission's regulatory jurisdiction. Columbia serves its customers through nearly 7,000 miles of pipeline in the Commonwealth, and the majority of such pipeline is buried underground.

This rulemaking precipitated from a service interruption to over 450,000 customers and severe damage to electric distribution facilities as a result of Hurricane Ike in 2008. On April 30, 2009, the Commission adopted a staff-issued report entitled *Electric Distribution Company Service Outage Response and Restoration Practices Report* ("Electric Report") developed by an investigation into electric company outage response and restoration practices initiated after Hurricane Ike. The Report recommended for further action, which includes the instant Proposed Rulemaking Order and companion Proposed Policy Statement.

Columbia and other NGDCs experience significantly less outages than their electric counterparts by the very nature of the infrastructural differences. Moreover, Columbia is not aware of any complaints concerning its outage response and reporting. Columbia's largest

outage in the past 20 years occurred in 2003 when 7,222 customers lost gas service for approximately 72 hours. During this outage, and Columbia's immediate efforts to restore service, Columbia was applauded for its response and restoration practices.

The Commission seeks comments as to whether the findings in the Electric Report should be expanded to the gas, water/wastewater, and electric industries for a more uniform approach to reporting.

C. COMMENTS

1. General.

Columbia supports the Commission's desire to ensure utilities are communicating and responding effectively during unscheduled service outages. While Columbia understands that standardizing outage response and restoration practices across electric, water, and natural gas utilities could be beneficial, Columbia believes that applying the findings in a report specific to electric distribution companies is inappropriate because infrastructure and operational differences between gas and electric utilities require different outage response and restoration practices that take these infrastructural and operational differences into account. As noted above, the largest Columbia outage in 20 years was 7,222 customers—not even close to the magnitude of outages caused by Hurricane Ike. If the Pennsylvania natural gas industry incurred an outage equivalent to the magnitude of the outage caused by Hurricane Ike, that would effectively mean multiple interstate natural gas transmission lines experienced outages—resulting in outages not just to Columbia customers, but a large part of the Eastern United States. The pipeline industry is structured much differently than the electric transmission industry since the gas pipeline industry was designed from its inception to transmit gas from the Gulf to the Northeast rather than the design of the electric transmission industry which is more regional in nature. This

fundamental difference requires a different level of involvement by the gas pipeline companies in major restoration efforts, and as such, standardized outage and restoration practices that apply to both electric and gas industries is not desirable.

In its Order, the Commission proposes “to expand [its] regulations to capture more reportable events,” “establish[] deadlines for reporting incidents,” and “[a]s utilities employ better technology to more accurately count their sustained outages, this information [should be] reportable to the Commission and [the Commission] should be made aware of it,” which includes “reporting the number of not only utility workers, but also contract workers specifically assigned to the repair work and mutual aid workers.” Order at p. 4. Columbia supports the Commission’s goal, but urges the Commission to acknowledge the fundamental differences between electric and gas utilities, which Columbia believes renders the need for such revision to gas utility reporting practices unnecessary.

Moreover, Columbia is concerned that the Commission’s proposal to expand the list of reportable information under Chapter 67 will add significant administrative cost that outweighs any discernable benefit. Some of the information that the Commission proposes to have utilities track is specific to electric companies, and is inapplicable the manner in which natural gas companies are operated.

Columbia suggests that we must not lose sight of the fact that standardization is merely a means to an end rather than the end itself. In other words, a standardized protocol is no better than the status quo if it is too difficult or costly to implement. Any standardized protocol should be proven and time-tested. Columbia notes that it, along with several affiliated NGDCs, has long-term experience in operating successful outage response and restoration practices. Columbia has had no complaints resulting from the techniques it employs in such situations.

Furthermore, Columbia offers again that NGDCs simply do not see the magnitude or frequency of outages that the electric utilities incur due to the nature of their infrastructure.

If the Commission, in light of the comments filed by the utilities and the EAPA, decides that a standardized process is necessary, Columbia would urge that NGDCs be allowed to track and recover all costs incurred to implement procedures to comply with the proposals through a non-bypassable surcharge.

2. Specific.

Currently, the Pennsylvania definition of a “reportable accident” in §59.11(b) mirrors the federal definition set out in 49 CFR § 191.3. Columbia believes that expanding the definition to include “injury to a person sufficient that the injured person requires professional medical attention” is overbroad, and would seemingly require the utility to report when an individual is merely examined by a paramedic, and deemed perfectly all right. Columbia fails to discern how reporting this type of information is beneficial, and urges the Commission to leave this definition consistent with the federal definition.

Under § 59.11(b) the Commission proposes adding cyber crimes and “substantial damage” to another utility’s property to the list of reportable incidents. Columbia fails to see the value added by reporting this type of information. Columbia is required by Homeland Security to report cyber crimes. Moreover, damage to another utility’s property would be characterized as third-party damage and, therefore, is already tracked and reported in that respect.

Columbia urges the Commission to consider expanding the timeframe to submit written reports under § 59.11(d) to 30 days, making such reporting consistent with the federal reporting requirements. The natural gas utility incident report is submitted to the Federal Pipeline and

Hazardous Materials Safety Administration (“PHMSA”) within 30 days.¹ Columbia is concerned that five days is an insufficient period of time for any utility to collect accurate data and fully assess such data, and will likely result in an increase to the number of amended reports filed.

In response to the proposed regulations to Chapter 67 “Service Outages,” Columbia respects the value that can be achieved by reporting information, but fails to see the benefit in this case. Specifically, this section requires reporting sustainable outages of a duration of five minutes or more, which is inconsistent with how gas utilities measure outages—a natural gas customer either has gas or does not have gas. Every outage in the gas industry is greater than five minutes, and is further proof of the fundamental operational differences between the gas and electric industries, which impedes attempts to promulgate meaningful standardized outage response and restoration practices that apply to both the natural gas and electric industries. Moreover, the proposed regulation requires reporting “trouble cases [that] are non-outage cases such as line-down calls and emergency calls”—this is clearly inapplicable to gas utilities due to infrastructural differences. In addition, providing the level of detailed information proposed in this section, such as worker functions and parts replaced, will be costly to track and administratively burdensome without yielding discernable benefits. Columbia fails to see any discernable benefit in implementing the findings specific to electric distribution utilities to gas utilities.

D. CONCLUSION

As discussed above, Columbia respectfully submits that standardizing outage response and restoration practices that are specific to the electric industry is inappropriate, given significant infrastructural differences between the two industries. Moreover, the historical

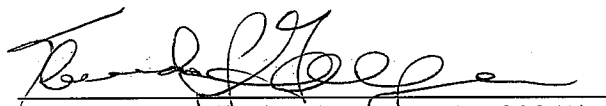
¹ Form PHMSA F 7100.1 *effective* January 1, 2010.

success of outage response and restoration practices in the gas industry shows that gas utilities should not be lumped together with electric utilities with respect to this issue. Additionally, "reportable accidents" should remain consistent with those reportable under the federal standard, and the expanded reporting requirements should be reconsidered as applied to NGDCs. Again, Columbia Gas of Pennsylvania endorses and commends to the Commission's attention the Comments submitted in this matter by the EAPA.

Respectfully submitted,

COLUMBIA GAS OF PENNSYLVANIA, INC.

By:


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Its Attorney

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