

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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September 30, 2009

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

RE: Pennsylvania Public Utility Commission
v.
The Peoples Natural Gas Company d/b/a
Dominion Peoples
Docket No. M-2009-2086651

Dear Secretary McNulty:

Enclosed for filing are the Comments of the Office of Consumer Advocate, in the above-referenced proceeding.

Should you have any questions, please contact me at the number above.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Barrett C. Sheridan".

Barrett C. Sheridan
Assistant Consumer Advocate
PA Attorney I.D. # 61138

Enclosure

cc: Rhonda L. Daviston, Law Bureau (via e-mail only)
Susan George, Dominion Resources Services, Inc. (via e-mail only)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	
Law Bureau Prosecutory Staff	:	
	:	
v.	:	Docket No. M-2009-2086651
	:	
The Peoples Natural Gas Company	:	
d/b/a Dominion Peoples	:	

COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE

By Order and Opinion entered September 10, 2009, the Public Utility Commission (PUC or Commission) invited comments regarding a Settlement negotiated by the PUC's Law Bureau Prosecutory Staff (Prosecutory Staff) and The Peoples Natural Gas Company d/b/a Dominion Peoples (Dominion Peoples). The Office of Consumer Advocate supports approval of the Settlement but respectfully recommends the addition of a reporting requirement and clarification that Dominion Peoples may not seek rate recovery of the \$30,000 committed to educational outreach.

I. COMMENTS

The Settlement negotiated by Prosecutory Staff and Dominion Peoples is intended to resolve an informal investigation commenced by Prosecutory Staff regarding

several public safety concerns identified in the May to June 2007 period. Specifically, contractors operated backhoes which damaged pipelines on two occasions in different locations in May 2007. In one case, the line had been abandoned by Dominion Peoples. In the other, the line was not properly identified by the Dominion Peoples staff person responsible for line location. Additionally, a PUC Gas Safety Inspector checking on valve maintenance at several Dominion facilities identified Dominion employees who lacked the necessary qualifications or whose credentials had expired, possible violations of federal gas safety laws.

The Settlement between Prosecutory Staff and Dominion Peoples includes commitments by Dominion People to: a) train and re-qualify its workers related to Abandonment of Inactive Service Line procedures, b) train and re-qualify all its line locators, c) inspect all valves in the Dominion Peoples area which had been previously inspected by unqualified employees, and d) provide information the PUC's Gas Safety Division regarding these re-qualification steps. The OCA supports these provisions which should improve the safety of the gas utility service provided by Dominion Peoples. Additionally, the Settlement provides that Dominion Peoples should cease and desist from committing any further violations of gas safety regulations. The OCA submits that this provision reaffirms Dominion Peoples' obligation to operate the gas distribution system safely and by qualified personnel.

Prosecutory Staff and Dominion Peoples amended the Settlement to conform with Commissioner Christy's recommendation that the \$5,000 proposed penalty be designated as a one time addition to Dominion Peoples' Low Income Usage Reduction Program budget for 2009. Dominion Peoples will not request recovery of this amount in rates. The OCA supports this amendment as it will assist more eligible home owners in weatherizing their

homes. Such weatherization efforts provide savings to customers and provide a public benefit.

The Settlement also provides that Dominion Peoples will spend \$30,000 on two education projects: a) to create and provide an educational program directed at school children that addresses safety-related issues associated with natural gas, and b) to create and provide an education program directed at contractors who engage in subsurface excavation, to address safety-related issues associated with excavation near pipelines. The OCA supports these educational efforts. To assure that the Settlement is in the public interest, the OCA submits that certain limited clarification should be considered. First, it should be clarified that Dominion Peoples will not request recovery of the \$30,000 expense in rates in the future. Second, the OCA is concerned that guidelines are very general, have no specified time frame for execution, and provide no reporting requirement to assure compliance. The OCA recommends that Dominion Peoples provide the Commission with a summary of its education efforts, including copies of any informational hand-outs, and a letter certifying that the funds have been expended. Compliance with this additional requirement by a date certain would also appear reasonable. The OCA notes that Dominion Peoples' outreach to educate school children and contractors on gas safety issues may serve as a model for similar outreach efforts by other gas utilities. A modest requirement to report on and document the implementation of the two projects, by a date certain, would enhance the public benefits provided by the Settlement.

The OCA supports approval of the amended Settlement, subject to the clarifications regarding the \$30,000 for gas safety education as described above.

Respectfully Submitted,



Barrett C. Sheridan

Assistant Consumer Advocate

PA Attorney I.D. # 61138

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Consumer Advocate

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Dated: Sept. 30, 2009

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