

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

PSU - Set 1

Question No. PSU 1-009:

Regarding the announced plan to permanently remove portions of Columbia's distribution system connecting Columbia Gas Transmission (CPG) to the State College area ("planned removal"):

- a. Specifically identify, provide and explain the process and all documents relied upon by Columbia in its decision.
- b. Provide and identify all documents and communications regarding such removal including but not limited to the reasons thereof, between CPG and Columbia.
- c. Provide and identify all documents and communications regarding such removal between Columbia and all entities, persons, customers, corporations, partnerships other than CPG.
- d. Identify all individuals, including their position and employer, involved in the decision making process for the planned removal in 7 (a) above.
- e. Regarding the planned removal, identify and detail:
  - i. all maintenance and replacements and upgrades undertaken by Columbia in the past 20 years on such distribution line, including the amount of dollars per each year, the specific maintenance, replacement or upgrade undertaken;
  - ii. explain why any such maintenance, replacement or upgrade was insufficient to warrant continued use of the line;
  - iii. identify what must be done and at what cost to have the line capable of use and why that is not being pursued;

- iv. identify the useful life of such facility and the period over which Columbia has claimed depreciation expense for such facility;
- v. identify and explain how Columbia has and will treat any early retirement of such facility for ratemaking purposes;
- vi. identify the original cost and present net rate base value of such facility;
- vii. identify the GDS customers who currently schedule their supplies on CPG who will no longer be able to do so due to the plan to remove Columbia's distribution;
- viii. identify and provide the alleged "completed thorough review of the pipeline facilities from Snowshoe to State College;"
- ix. identify and provide which "certain parts" of the Columbia distribution pipeline will be taken out of service and itemize for each what the cost of replacement requirements and costs are for each certain part;
- x. identify and detail all alternatives considered by Columbia to taking such facility out of service;
- xi. identify and detail all classes of customers by throughput for each of the last 20 years that receive gas via the Snowshoe to State College pipeline to be taken out of service;
- xii. identify and provide copies of all inspections conducted by Columbia regarding the condition of this line over the last 20 years and if no inspections occurred explain why. The copy of inspections should identify the section or certain part of the pipeline inspected;
- xiii. identify the composition and age of the pipeline's "certain parts" that Columbia relies upon for its decision to permanently take out of place;
- xiv. identify any rights of way, easements, or other property rights to occupy that will lapse or revert to the landowner or

easement or right of way grantor if the pipeline in whole or in part is taken out of service;

- xv. identify and provide all documents and communications that considered or addressed this line in Columbia's Long-Term Infrastructure Improvement Plan (L TIIP) or that Columbia considered in developing its L TIIP; and
- xvi. identify the anticipated change in throughput at each of the other delivery points or PODs feeding the distribution system to State College due to the permanent removal of the distribution line connecting CPG to the State College area.
  - 1. Provide and identify such information by customer class.

Response:

NOTE: Due to the volume of the documentation that is responsive to the various subparts of this data request, attachments to this response are being provided in electronic format only.

- a. Please see attachments 1-009 A – D.
- b. No communications took place between CPG and CPA regarding removal of a portion of the Snowshoe lateral.
- c. Please see attachments 1-009 (c) A, 1-009 (c) B and 1-009 (c) C.
- d. Please see attachment 1-009 (d) A.
- e.
  - i. Please see PSU 1-009(e)(i) Attachment A
  - ii. Columbia commissioned a MAOP study by a third party engineering firm (RCP). This study was completed to identify existing documentation and to verify the MAOP of this pipeline. The results of the study indicated that documentation was incomplete for the majority of pipeline D-10018. Transmission pipelines without adequate pressure test records will require hydrostatic testing of the pipeline

due to the current IVP flowchart developed by PHMSA to satisfy the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011. (section 23 60139 (d))

A study by an engineering consulting firm (GTS) was performed to assess the better of the two options between a hydrostatic test of the pipeline or replacement. The study indicates replacement of pipeline D-10018 is recommended over hydrostatically testing the pipeline. Further, hydrostatically testing of a pipeline of this vintage is not recommended due to the pre-code nature of this pipe and unknown pipe attributes.

- iii. Please see the answer to ii above and PSU 1-009 (a) Attachment C.
- iv. The useful life for pipe is 72 years. Columbia has recognized depreciation expense every month since the in-service date of the asset.
- v. Early retirements are book to the reserve and included in the calculation of the depreciation rates.
- vi. Will supplement.
- vii. There are two individual GDS customer accounts, both Penn State University accounts in University Park, that schedule their own supplies on a stand alone basis into this area and would no longer be able to do so with the removal of the identified portion of Columbia's distribution system. The remaining GDS accounts are under NGS aggregation groups and do not schedule their own supplies into this area.
- viii. Please see PSU 1-009 (a) Attachment A - D.
- ix. Please see PSU 1-009 (a) Attachment A - D.
- x. Please see PSU 1-009 (a) Attachment A - D.
- xi. Will supplement.
- xii. Please see PSU 1-009(e)(xii) Attachment A – L.

- xiii. The Snowshoe lateral is an 8” steel lateral. The pipe was constructed in 1958 and operates at its current MAOP based on documentation from 1969.
- xiv. CPA will maintain existing easements on the line regardless of whether or not it is in service.
- xv. This line was not individually considered in the CPA’s approved LTIIP. As noted in the approved LTIIP, Columbia employs a systemic approach toward pipeline replacement based on the needs driven by the distribution system. Replacements are determined based on age and condition of the pipe, geographical proximity, leak history, the capacity needs of the area and the expected growth in system demand requirements.

Annually, Columbia attempts to identify the highest risk segments of pipe and prioritizes those replacements each year. Columbia’s approach targets larger geographical replacement areas mixed with individual high risk segments to insure efficient utilization of capital. This is consistent with Columbia’s Distribution Integrity Management Program (“DIMP”).

Annually, the distribution system is assessed and projects are reprioritized based on the most current data available, making the list of projects included in the approved LTIIP a dynamic roster subject to modifications based on emerging conditions.

- xvi. Will supplement.

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- xiv. identify any rights of way, easements, or other property rights to occupy that will lapse or revert to the landowner or

easement or right of way grantor if the pipeline in whole or in part is taken out of service;

- xv. identify and provide all documents and communications that considered or addressed this line in Columbia's Long-Term Infrastructure Improvement Plan (L TIIP) or that Columbia considered in developing its L TIIP; and
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- d. Please see attachment 1-009 (d) Attachment A.
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due to the current IVP flowchart developed by PHMSA to satisfy the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011. (section 23 60139 (d))

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- iii. Please see the answer to ii above and PSU 1-009 (a) Attachment C.
- iv. The useful life for pipe is 72 years. Columbia has recognized depreciation expense every month since the in-service date of the asset.
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- viii. Please see PSU 1-009 (a) Attachment A - D.
- ix. Please see PSU 1-009 (a) Attachment A - D.
- x. Please see PSU 1-009 (a) Attachment A - D.
- xi. Will supplement.
- xii. Please see PSU 1-009(e)(xii) Attachment A – L.

- xiii. The Snowshoe lateral is an 8” steel lateral. The pipe was constructed in 1958 and operates at its current MAOP based on documentation from 1969.
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- xvi. Will supplement.

<u>Department</u>	<u>Individual</u>	<u>Company</u>	<u>Position</u>
<b>Regulatory</b>	Mark Kempic	CPA	President, Columbia Gas of Pa
	Nancy Krajovic	CPA	Director, Rates and Regulatory Affairs
	Nicole Paloney	CPA	Director, Rates and Regulatory Affairs
<b>Legal - Regulatory</b>	Ted Gallagher	NCSC	Senior Counsel
	Andy Tubbs	NCSC	Senior Counsel
<b>Operations</b>	Mike Davdison	CPA	VP/General Manager Operations
	Kevin Steele	CPA	Manager, System Operations
<b>Gas Systems Supply</b>	Heather Bauer	NCSC	VP, Commercial Operations
	Mike Anderson	NCSC	Director, Supply Development
<b>Gas Systems Planning</b>	Brad Stuck	NCSC	Manager, Gas Systems Planning
<b>New Business</b>	Dave Bokash	NCSC	Manager, Large Customer Relations
	Doug Nusbaum	NCSC	VP, Sales and Marketing
	Scott Phelps	NCSC	Director, Large Customer Relations
<b>Engineering</b>	Nelson White	CPA	Manager, Field Engineering
	Jack Gill	NCSC	Project Manager 1, Engineering Services

Question No. PSU 1-009-SUPPLEMENTAL

Respondent: N. Paloney

M. Davidson

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- vi. Please see PSU 1-009(e)(vi).
- vii. There are two individual GDS customer accounts, both Penn State University accounts in University Park, that schedule their own supplies on a stand alone basis into this area and would no longer be able to do so with the removal of the identified portion of Columbia's distribution system. The remaining GDS accounts are under NGS aggregation groups and do not schedule their own supplies into this area.
- viii. Please see PSU 1-009 (a) Attachment A - D.
- ix. Please see PSU 1-009 (a) Attachment A - D.
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- xvi. It is anticipated that the throughput from Snowshoe POD will decrease dramatically and throughput will be a very small amount, on the order of 20 Dth/day at maximum, to supply the remaining taps on the northern portion of the Snowshoe to State College pipeline. It is anticipated that the DTI POD at Pleasant Gap will pick up those volumes that previously came through the Snowshoe POD (save the volumes for the customers on the northern portion mentioned above) and also to likely offset some of the throughput from the TETCO POD at DTI. It is anticipated the volumes delivered thru the Eastern States PODs will be reduced to zero or near zero.