

EXCEPTIONS OF WALLACE MCGAUGHEY

Wallace McGaughey

v.

Peoples Natural Gas Company

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JUL 9 2019

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

To All Parties:

I disagree with Judge Calvelli's determination of the facts presented in the hearing. In his "Introduction" on page 1, he states, "This decision dismisses a formal Complaint filed by a customer of a natural gas distribution company seeking a Commission order directing the company to maintain and repair the customer-owned service line leading to the service address." I never indicated that the pipeline in question was customer-owned and no legal document has been offered by the gas company or the Commission establishing my ownership of said line. As well, the pipeline in question is not on the downstream side of the meter, between the meter and the building wall, it is between the meter and the distribution main pipeline located on the opposite side of the street from the house.

On page 3, of the Initial Decision, Item 4 states: "In October 2018, Mr. McGaughey detected a leak on the gas service line that runs from the meter, located at the edge of the road, to the service address." This statement is also untrue, I never indicated the leak was on the customer side of the meter, in fact it was Peoples Natural Gas Company that indicated to me that the leak was on the piping between the meter and the street distribution main pipeline.

On Page 3, of the Initial Decision, Item 5 states: "The line in question is located between the meter, which is placed by and owned by Peoples, and the location where the gas supply is recorded, and the exterior wall of the service address." This too is untrue, again the pipeline segment in question is between the meter and the distribution main up stream of the meter, NOT on the downstream side of the meter.

On page 3, of the Initial Decision, Item 10 states: "The Peoples Natural Gas Company LLC Tariff, Section 4, sets forth that the customer owns, provides and is responsible for the repair of the Customer-Owned Service Line. Tr.43; Peoples Exhibit B." This section referenced is for monetary determinations for Peoples Natural Gas Company and in no way establishes ownership of pipeline that is governed by Title 49, Code of Federal Regulations, Part 191 and 192.

My claim still holds true and accurate to the Code of Federal Regulations, that Pennsylvania Public Utility Commission and its membership are bound to abide by. Again, as offered into evidence at the hearing and in hardcopy, the following statement, Title 49 § 60104 section (c) binds the Commission to follow the minimum safety regulations as set forth in the law.

Title 49 §60104. Requirements and limitations

(a) Opportunity To Present Views —The Secretary of Transportation shall give an interested person an opportunity to make oral and written presentations of information, views, and arguments when prescribing a standard under this chapter.

(b) Nonapplication — A design, installation, construction, initial inspection, or initial testing standard does not apply to a pipeline facility existing when the standard is adopted.

(c) Preemption — A State authority that has submitted a current certification under section 60105(a) of this title may adopt additional or more stringent safety standards for intrastate pipeline facilities and intrastate pipeline transportation only if those standards are compatible with the minimum standards prescribed under this chapter. A State authority may not adopt or continue in force safety standards for interstate pipeline facilities or interstate pipeline transportation. Notwithstanding the preceding sentence, a State authority may enforce a requirement of a one-call notification program of the State if the program meets the requirements for one-call notification programs under this chapter or chapter 61.

The Commission is required to cause Peoples Natural Gas Company to follow and comply with the Federal Pipeline Safety Regulations, regardless of any Pennsylvania code or legislation that offers a less safe method of operating regulated pipeline systems.

On page 5 of the Initial Decision, Item 2, beginning at Peoples Brief at p.4. states: "Peoples Brief at p.4. Peoples states that the line in question is located between the meter, which is placed and owned by Peoples and the location where the gas supply is recorded, and the exterior wall of the service address." This again is untrue. The pipeline in question is between the meter, placed and owned by Peoples and their distribution main pipeline.

On page 6 of the Initial Decision, Item 3), Judge Calvelli states:

"Complainant Exhibit C-2 (October 18, 2018 letter). Mr. McGaughey relies heavily on this regulation as standing for the proposition that Peoples is required to maintain the service line at issue. However, Mr. McGaughey ignores the express language of this regulation, which merely requires Peoples to create a manual with procedures for operating, maintaining and repairing the pipeline. Nowhere does this regulation state that Peoples itself is required to perform the maintenance and repairs; it simply provides that Peoples must create a procedural manual in that regard."

If Judge Calvelli is correct, then pipeline operators can simply create Operations, Maintenance and Repair Manuals for the operations, maintenance and repair of their regulated pipelines, but have no obligation to actually perform the maintenance or repairs of their pipeline facilities. I do not believe he actually represents this to be true.

Next in the same item 3, on page 6, Judge Calvelli states:

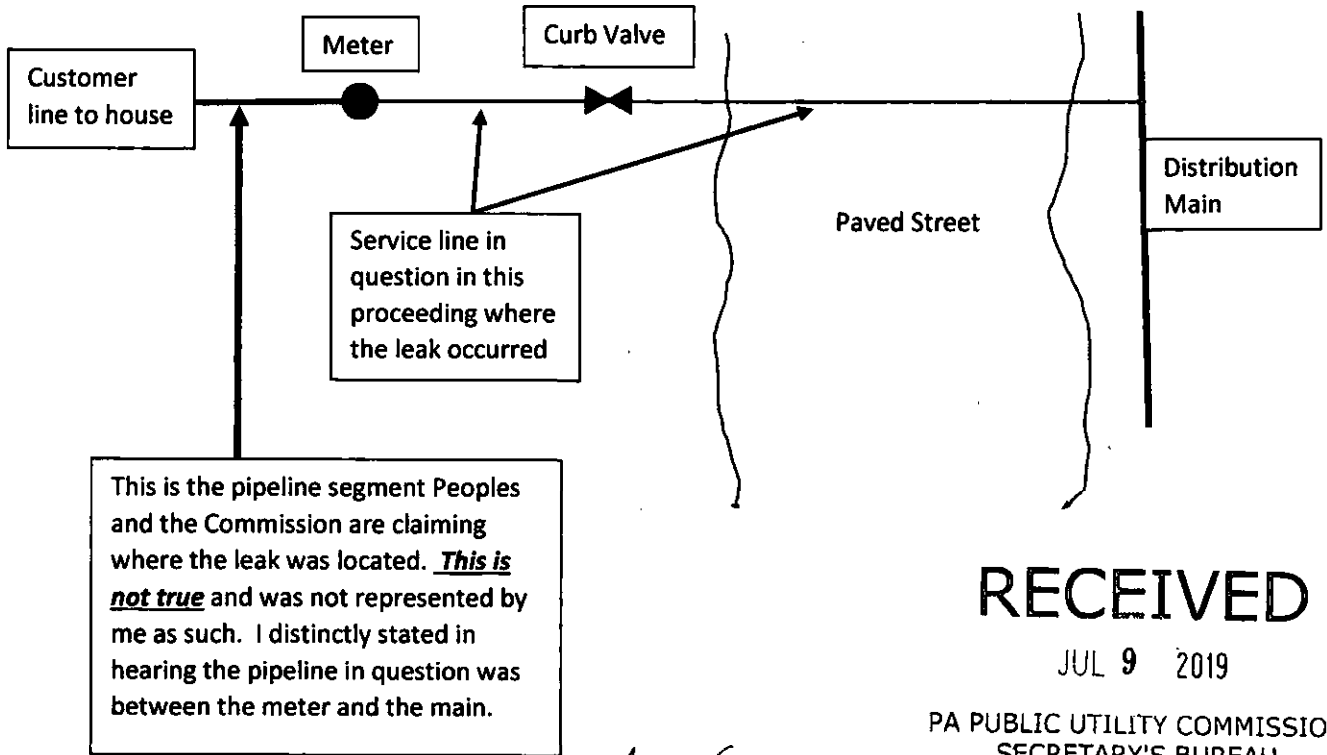
The next factor in reaching this conclusion is that Peoples' Commission-approved Tariff expressly provides that the customer is responsible for maintaining and repairing customer-owned service lines. Additionally, Peoples is required by Section 1510 of the Public Utility Code to furnish, install and maintain service lines in accordance with its filed Tariff. Since Peoples' filed Tariff requires customer-owned service lines to be repaired and maintained by the customer, Peoples contends that it was acting lawfully in requiring Mr. McGaughey to bear the cost and responsibility of fixing the leak. Tr. 43; Peoples Exhibit B; Peoples Brief at pp. 3, 5. Given the evidence in this case, Peoples has demonstrated that the line in question is Mr. McGaughey's customer-owned service line as that term is defined in Peoples Tariff and related Commission filings. Therefore, Mr. McGaughey is responsible for maintaining and repairing the line in question.

As stated above, the Commission can not by statute or Tariff require or allow an operator to ignore the minimum safety regulations as established by 49 CFR 191 and 192. Nothing in the Tariff filing or PA PUC Code 1510 can change or diminish the definition of a service line as stated clearly in 49 CFR 192.3, Service line means a distribution line that transports gas from a common source of supply to any individual customer, to two adjacent or adjoining residential or small commercial customers, or to multiple residential or small customers served through a meter header or manifold. A service line ends at the outlet of the customer meter or at the connection to a customer's piping, whichever is further downstream, or at the connection to customer piping if there is no meter.

I hereby request this Initial Decision be reversed, Peoples Natural Gas Company and any other operators of distribution pipeline systems in the State of Pennsylvania regulated by the Code of Federal Regulations Title 49 Parts 191 ad 192 be ordered to and enforced on to operate, maintain and repair its service lines as defined in the stated Federal Pipeline Safety Regulations. All regulations referenced by the Judge were based on the wrong pipeline segment.

The most important issue in these proceedings is Pipeline Safety. Requiring inexperienced customers to be responsible for maintaining and repairing the high-pressure side of the gas pipeline system, 60 psi or higher, is just asking for similar disasters like seen in New England in recent years. There is no room for non-qualified persons to be working on regulated pipeline systems.

Below is a simple line drawing of the pipeline segment in question in these proceedings. **NOTE**, the line shade green and labeled "Customer line to house" is the only pipe the customer is responsible for, operates at less than 1 psi in most cases, and is the "customer owned pipeline referenced in 49 CFR 192.16.



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Date: 7-9-19

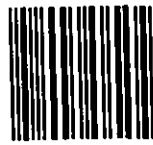
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