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September 23, 2020

*Via Electronic Filing*

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor (filing room)  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Inc.;  
Docket No. R-2020-3018835;

The Pennsylvania State University v. Columbia Gas of Pennsylvania, Inc.; Docket No.  
C-2020-3020666;

**THE PENNSYLVANIA STATE UNIVERSITY'S MOTION IN LIMINE**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is The Pennsylvania State University's Motion in Limine in the above-referenced proceeding.

If you have any questions, please contact the undersigned.

Very truly yours,

*/s/ Whitney E. Snyder*

Thomas J. Sniscak  
Whitney E. Snyder

*Counsel for The Pennsylvania State University.*

TJS/WES/das

Enclosure

cc: Honorable Katrina Dunderdale (via email [kdunderdal@pa.gov](mailto:kdunderdal@pa.gov))  
Per Certificate of Service (letter and certificate of service only)

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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/s/ Whitney E. Snyder

Thomas J. Sniscak  
Whitney E. Snyder

Dated this 23<sup>rd</sup> day of September, 2020

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2020-3018835
v.	:	
	:	
Columbia Gas of Pennsylvania, Inc.	:	

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**NOTICE TO PLEAD**

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Pursuant to 52 Pa. Code §§ 5.403 and 5.243(e), you are hereby notified that, if you do not file a written response to the enclosed Motion in Limine, a decision may be rendered against you. Any Response to the Motion in Limine must be filed with the Secretary of the Pennsylvania Public Utility Commission, with a copy served to counsel for The Pennsylvania State University, and where applicable, the Administrative Law Judge presiding over the issue.

File with:

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, Second Floor  
Harrisburg, PA 17120

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility	:	
Commission	:	
	:	
v.	:	Docket No. R-2020-3018835
	:	
Columbia Gas of Pennsylvania, Inc.	:	
	:	

**THE PENNSYLVANIA STATE UNIVERSITY’S MOTION IN LIMINE**

Pursuant to 52 Pa. Code §§ 5.403 and 5.243(e), The Pennsylvania State University (PSU or Penn State), by its undersigned counsel, requests Your Honor preclude from admission into the record portions of the Rebuttal Testimony and Exhibits (CPA Statement 1-R and Exhibits AST 7-R, 8-R, and 9-R) and portions of the Rejoinder Testimony (CPA Statement 1-RJ) of Columbia Gas of Pennsylvania (CPA) witness Mr. Andrew Tubbs because he is not an expert witness and his testimony must be limited to his personal knowledge and experience, not engineering opinions.

**I. INTRODUCTION AND SUMMARY OF ARGUMENT**

1. CPA Witness Mr. Tubbs offered testimony and exhibits regarding an engineering study and safety and metering issue at the PSU East Campus Steam Plant. The testimony at issue all relies on engineering study and analysis and is clearly in the realm of the expert witness. However, Mr. Tubbs is not an expert witness, was not offered as a witness, and does not have the requisite scientific, technical or other specialized training or experience related to regarding the technical meter and safety issues, research, data gathering, and engineering opinion to be classified as an expert witness. He is a lawyer, not an engineer. Thus, Mr. Tubbs is a lay witness and his testimony

is limited to his personal knowledge and experience.<sup>1</sup> His hearsay and opinion testimony and exhibits are clearly within the realm of the expert and should not be admitted into the record.<sup>2</sup>

## II. ARGUMENT

### A. Legal Standard for Motion in Limine

2. Under 52 Pa. Code § 5.403, ALJs are vested with the responsibility and authority to control the scope of the evidence admitted to the record and should eliminate proposed evidence and testimony that is either inadmissible or relate to matters that are outside the scope matters raised in the complaint:

- (a) The presiding officer shall have all necessary authority to control the receipt of evidence, including the following:
  - (1) ***Ruling on the admissibility of evidence.***
  - (2) ***Confining the evidence to the issues in the proceeding*** and impose, where appropriate:
    - (i) Limitations on the number of witnesses to be heard.
    - (ii) Limitations of time and scope for direct and cross examinations.
    - (iii) Limitations on the production of further evidence.
    - (iv) Other necessary limitations.
- (b) The presiding officer will actively employ these powers to direct and focus the proceedings consistent with due process.

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<sup>1</sup> The Commission has consistently found that a lay witness is not qualified to testify or offer exhibits related to any issues outside of his or her direct personal knowledge. *See e.g., Lamagna v. Pa. Elec. Co.*, Dkt. No. C-2017-2608014, 2018 WL 6124353, at \*20 (Oct. 30, 2018) (lay witness was “not qualified to testify or offer exhibits related to health and safety issues outside of her direct personal knowledge.”).

<sup>2</sup> The Commission has consistently found that lay witness testimony on technical issues such as health, safety, and the probability of structural failure necessarily “***require expert evidence to be persuasive enough to support the proposing party's burden of proof.***” *Application of PPL Elec. Utilities Corp.*, Dkt. No. A-2009-2082652, 2010 WL 637063, at \*11 (Jan. 14, 2010) (emphasis added); *Pickford v. Pub. Util. Comm'n*, 4 A.3d 707, 715 (Pa. Cmwlth. 2010) (ALJ “properly disregarded” testimony from 13 lay witnesses related to concerns and personal opinions about damage to pipes, lead leaching, toxicity to fish and home filtration expenses because “the nature of these opinions ... was scientific and required an expert.”); *Lamagna v. Pa. Elec. Co.*, Dkt. No. C-2017-2608014, 2018 WL 6124353, at \*20 (Oct. 30, 2018) (finding that lay witness testimony and exhibits regarding technical health and safety issues “carry no evidentiary weight and ... were properly objected to and excluded.”).

...

52 Pa. Code § 5.403 (emphasis added).

3. It is well settled under the Commission’s Rules and Regulations that the presiding ALJ has the authority to control the receipt of evidence in a proceeding. 52 Pa. Code § 5.403; *See also PA PUC v. Penn Estates Utilities, Inc.*, Dkt. No. R-00005031 et al., Opinion and Order (Order entered Feb. 9, 2001) (“This authority includes disposition of the admissibility of evidence as well as imposition of limitations on the scope of evidence to be presented on issues raised in a proceeding. As factfinder, the ALJ determines the direction and focus of a proceeding, consistent with due process”).

1. ALJs have utilized the authority granted by Section 5.403 to exclude evidence or testimony that is inadmissible, improper, or outside the scope of the issues in the proceeding. *See, e.g., Pa. PUC v. PPL Electric Utilities Corporation*, Dkt. Nos. R-2015-2469275, et al. (ALJ Colwell Sixth Prehearing Order issued July 14, 2015) (granting a motion in limine to exclude testimony on issues that were not properly within the scope of the proceeding); *Pa. P.U.C. v. Phila. Gas Works*, Dkt. No. M-00021612, 2002 WL 32063825 (Opinion an Order Dec. 19, 2002) (affirming ALJ’s grant of motion in limine to strike witness statement and certain exhibits in entirety); *Re Structural Separation of Bell Atlantic-Pennsylvania, Inc. Retail and Wholesale Operations*, Dkt. No. M-00001353, 2000 Pa. PUC LEXIS 59 at \*7-9 (Final Order entered September 28, 2000) (affirming the decision of the Administrative Law Judge in that case to exclude certain evidence as “beyond the scope of the proceeding”).

**B. Lay Witness Testimony is Limited to Direct Personal Knowledge**

2. Lay witness testimony is generally limited to facts within a witness’s direct knowledge. A lay opinion on matters that necessarily require scientific, technical, or specialized knowledge and experience is not competent evidence to support a finding of fact. Pa. R.E 701(c)

(“If a witness is not testifying as an expert, testimony in the form of an opinion is limited to one that is ... not based on scientific, technical, or other specialized knowledge within the scope of Rule 702.”).

3. In contrast, Pennsylvania Rule of Evidence 702 sets forth the standard for the qualification of expert witnesses and provides that:

A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if:

- (a) the expert’s scientific, technical, or other specialized knowledge is beyond that possessed by the average layperson;
- (b) the expert’s scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue; and
- (c) the expert’s methodology is generally accepted in the relevant field.

Pa. R.E. 702. *See also Randall v. PECO Energy Co.*, Dkt. No. C-2016-2537666, 2019 WL 2250792, at \*43 (Pa. P.U.C. May 9, 2019), *citing Gibson v. WCAB*, 580 Pa. 470, 485-86, (Pa. 2004) (holding, in part, that notwithstanding the statutory maxim of 2 Pa. C.S. § 505, which mandates a relaxation of the strict rules of evidence in agency hearings and proceedings, the “evidentiary Rules 602, 701, and 702 are applicable to agency proceedings in general...”).

4. Although the Pennsylvania Rules of Evidence are not strictly adhered to by the Commission, the Pennsylvania Supreme Court has nevertheless recognized that any relaxation of the rules of evidence in administrative settings cannot permit lay witnesses to testify to technical matters “without personal knowledge or specialized training.” *Gibson v. W.C.A.B.*, 861 A.2d 938, 947 (Pa. 2004) (holding Rules of Evidence 602 (personal knowledge), 701 (opinion testimony by lay witnesses) and 702 (testimony by expert witnesses) generally applicable in agency proceedings); *Nancy Manes v. PECO Energy Co.*, Dkt. No. C-20015803, 2002 WL 34559041, at

\*1 (May 9, 2002) (the Commission abides by the Pennsylvania Supreme Court’s standard “that a person qualifies as an expert witness if, through education, occupation or practical experience, the witness has a reasonable pretension to specialized knowledge on the matter at issue.”).

5. Accordingly, the Commission has consistently found that a lay witness is not qualified to testify or offer exhibits related to any issues outside of his or her direct personal knowledge. *See e.g., Lamagna v. Pa. Elec. Co.*, Dkt. No. C-2017-2608014, 2018 WL 6124353, at \*20 (Oct. 30, 2018) (lay witness was “not qualified to testify or offer exhibits related to health and safety issues outside of her direct personal knowledge.”).

6. Moreover, to the extent a lay witness offers references to reports or conclusions of others, these may not be considered as substantial evidence necessary to satisfy a complainants’ burden of proof, because a lay witness cannot rely on such information in reaching a conclusion – rather, that is the exclusive role of a qualified expert witness. *Compare Pa. R.E. 701 with Pa. R.E. 703.*

7. While a fact finder may weigh the opinion testimony of a qualified expert, any opinion testimony of an unqualified lay witness must be excluded and should not be given any evidentiary weight. *Gibson v. W.C.A.B.*, 861 A.2d 938, 947 (Pa. 2004); *Miller v. Brass Rail Tavern, Inc.*, 664 A.2d 525, 528 (Pa. 1995).

8. Accordingly, the Commission has consistently found that lay witness testimony on technical issues such as health, safety, and the probability of structural failure necessarily “**require expert evidence to be persuasive enough to support the proposing party's burden of proof.**” *Application of PPL Elec. Utilities Corp.*, Dkt. No. A-2009-2082652, 2010 WL 637063, at \*11 (Jan. 14, 2010) (emphasis added); *Pickford v. Pub. Util. Comm'n*, 4 A.3d 707, 715 (Pa. Cmwlth. 2010) (ALJ “properly disregarded” testimony from 13 lay witnesses related to concerns and

personal opinions about damage to pipes, lead leaching, toxicity to fish and home filtration expenses because “the nature of these opinions ... was scientific and required an expert.”); *Lamagna v. Pa. Elec. Co.*, Dkt. No. C-2017-2608014, 2018 WL 6124353, at \*20 (Oct. 30, 2018) (finding that lay witness testimony and exhibits regarding technical health and safety issues “carry no evidentiary weight and ... were properly objected to and excluded.”).

**C. Mr. Tubbs is a lay witness who cannot provide testimony or introduce documentary evidence regarding subjects that are solely within the province of a properly qualified expert witness.**

9. Mr. Tubbs is not an engineer. CPA did not offer him as an expert witness. Moreover, he does not have the scientific, technical or other specialized training or experience related to regarding the technical meter issues, research, data gathering, and engineering opinion on the East Campus Steam Plant Meter issues.

10. Indeed, Mr. Tubbs qualifications consist of being the Vice President, External and Customer Affairs of CPA, a Bachelor of Arts in Political Science, a Juris Doctorate from Widener University School of Law, and his prior experience consists of:

- Research analysis and right-of-way coordinator
- Staff attorney
- Assistant Counsel at PUC
- Counsel to a Commissioner at PUC
- Private PUC law practice
- Legal and regulatory counsel at NiSource

11. Thus, Mr. Tubbs does not have the required experience to meet Pennsylvania’s test on Expert Qualifications regarding the technical meter issues, research, data gathering, and engineering opinion on the East Campus Steam Plant Meter issues. He is an attorney by trade, not an engineer, and his position with CPA is not in the engineering group. He has presented no evidence of any purported specialized knowledge in engineering to allow him to provide opinions or rely upon expert reports regarding the East Campus Steam Plant meter issue.

12. These issues are clearly within the realm of an expert, particularly given Mr. Tubbs is relying upon a report from an expert and then giving his hearsay opinion on what that report means. His testimony on these subjects and the related exhibits he offers are not admissible.

13. Accordingly, PSU moves to strike the following testimony and exhibits:

- CPA St. No. 1-R, Rebuttal Testimony of Andrew Tubbs at:
  - 48:18-49:2;
  - 49:14-51:15;
  - 51:20-53:5;
  - 53:14-54:1;
  - 54:14-56:3;
  - 56:8-10;
  - 56:12-57:10;
  - 57:16-58:1;
  - 58:13-59:19;
  - 59:21-60:10;
  - Attached as Exhibit A is a copy of Mr. Tubb's Rebuttal Testimony in redline strikethrough reflecting the portions above to be stricken.
- CPA Exhibit Nos. AST 7 (Roach Report), 8(Roach Report), 9(Roach Report)
- CPA St. No. 1-RJ, Rejoinder Testimony of Andrew Tubbs at:
  - 5:8-5:23;
  - 6:7-10;
  - 7:1-9:24;

- Attached as Exhibit B is a copy of Mr. Tubb's Rejoinder Testimony in redline strikethrough reflecting the portions above to be stricken. PSU used the public version of Mr. Tubbs Rejoinder Testimony, but notes that it intends to strike all of the highly confidential information regarding calculation of the refund due to Penn State on pages 8-9.

### III. CONCLUSION

WHEREFORE, PSU respectfully requests Your Honor preclude from admission into the record the materials identified in Paragraph 13 above.

Respectfully submitted,

/s/ Whitney E. Snyder

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*Counsel for The Pennsylvania State University*

Dated: September 23, 2020

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility	)	
Commission	)	
	)	
v.	)	Docket No. R-2020-3018835
	)	
Columbia Gas of Pennsylvania, Inc.	)	
	)	
	)	

**REBUTTAL TESTIMONY OF  
ANDREW S. TUBBS  
ON BEHALF OF  
COLUMBIA GAS OF PENNSYLVANIA, INC.**

August 26, 2020

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1     **I.     INTRODUCTION**

2     **Q.     Please state your name and business address.**

3     **A.**    My name is Andrew S. Tubbs and my business address is 800 North 3<sup>rd</sup> Street, Suite  
4            204, Harrisburg, PA 17102.

5     **Q.     By whom are you employed and in what capacity?**

6     **A.**    I am employed by Columbia Gas of Pennsylvania, Inc. (“Columbia” or “the  
7            Company”) as Vice President, External and Customer Affairs.

8     **Q.     What is your educational and professional background?**

9     **A.**    I received a Bachelor’s of Arts Degree in Political Science from the University of  
10           Pittsburgh and a Juris Doctor from Widener University School of Law in  
11           Harrisburg, Pennsylvania. In 1990, I began my professional career with Allegheny  
12           Electric Cooperative, Inc., and the Pennsylvania Rural Electric Association as a  
13           Research Analyst and Right-of-way Coordinator, where I provided support for both  
14           the in-house and member cooperative counsels, and managed right-of-way  
15           procurement for transmission line projects, including easement negotiations,  
16           permit acquisition, title searches and eminent domain proceedings. In 1997, I was  
17           promoted to Staff Attorney, where I undertook legal research and writing relative  
18           to utility law, employment law, environmental compliance, and property law, and  
19           provided legal representation relative to regulatory and legal matters. Beginning in  
20           1998, I was employed by the Pennsylvania Public Utility Commission. My first

1 position was as an Assistant Counsel, where I provided counsel to the Commission  
2 in all areas of utility law before state and federal appellate courts, researching and  
3 evaluating legal positions, preparing briefs and making oral arguments. In 2001, I  
4 accepted the position of Counsel for Pennsylvania Commissioner Kim Pizzigrilli,  
5 where I provided counsel on all state and federal regulatory and legislative matters  
6 relative to the gas and electric industries. From 2006 to 2014, I was an associate in  
7 a private law firm, where I represented gas, electric and water clients before the  
8 Pennsylvania Public Utility Commission and the Federal Energy Regulatory  
9 Commission. I joined NiSource Corporate Services Company (“NCSC”) in 2014,  
10 where I served as legal counsel to Columbia and Columbia Gas of Maryland, Inc. in  
11 regulatory proceedings before the Commission and the Maryland Public Service  
12 Commission. In March 2018, I was promoted to my current position as Vice  
13 President, External and Customer Affairs.

14 **Q. Have you previously filed testimony in this matter?**

15 **A.** No. However, in addition to my rebuttal testimony, I will assume responsibility for  
16 the Direct Testimony of Michael Huwar, who is no longer with the Company. In  
17 addition, I will assume responsibility for all the discovery responses, and  
18 corresponding attachments offered by Mr. Huwar prior to his departure.

19 **Q. What is the purpose of your rebuttal testimony?**

20 **A.** I will respond to the testimony served in this proceeding by Bureau of Investigation  
21 and Enforcement (“I&E”) witness Niambele, Office of the Consumer Advocate

1 (“OCA”) witnesses Rubin and Colton, Office of the Small Business Advocate  
2 (“OSBA”) witness Knecht, Coalition for Affordable Utility Services and Energy  
3 Efficiency in Pennsylvania (“CAUSE-PA”) witness Miller, and Pennsylvania State  
4 University (“PSU”) witness Crist.

5 **Q. What issues will you be addressing in your testimony?**

6 **A.** I will be address the following issues raised by multiple parties in this proceeding:

- 7 • Columbia’s response to the impacts of COVID-19 on its customers;
- 8 • Status of Columbia’s infrastructure replacement program;
- 9 • Recovery of Universal Service costs from Commercial and Industrial  
10 customers;
- 11 • Columbia’s proposed management adder;
- 12 • PSU service issues; and
- 13 • Flex rates

14 **II. COVID 19**

15  
16 **Q. Would you like to address testimony regarding the impacts of COVID-**  
17 **19 on Columbia’s customers?**

18 **A.** Yes, I would. A number of witnesses advocate that Columbia’s requested rate  
19 increase be denied due to the economic impact of COVID-19 on the Company’s  
20 customers. While I appreciate and empathize with the concerns raised by these  
21 parties, as the pandemic presents a difficult challenge for all, a flat denial of the

1 proposed increase in rates, as explained by Columbia witness Cawley (Columbia  
2 Statement No. 16-R), is both unlawful and unconstitutional. As Mr. Cawley further  
3 explains, comparing Columbia, a regulated utility with an obligation to provide  
4 safe, adequate and reasonably continuous service, to situations facing various  
5 unregulated businesses, is fundamentally improper. Further, as explained by  
6 Columbia witness Bishop (Columbia Statement No. 17-R), proposals to deny the  
7 rate increase in its entirety fail to recognize the benefits that Columbia's ongoing  
8 capital investment program has on jobs and the general economic health of  
9 Columbia's service territory. Additionally, Columbia has been proactive in reaching  
10 out and assisting our customers during the pandemic.

11 **Q. Please explain how the Company has supported customers in response**  
12 **to the COVID 19 Pandemic?**

13 **A.** The Company has adapted its policies and procedures, as well as implemented  
14 additional initiatives, in an attempt to assist customers who have been affected by  
15 the pandemic. Specifically, I will address the following areas: Customer  
16 Education and Outreach, Termination/Billing/Flexible Payment Plans, Universal  
17 Services and Other Assistance Programs and Waiver of Fees.

18 **A. . Customer Education and Outreach:**

19 **Q. Please provide descriptions and/or examples of Columbia's outreach**  
20 **and education to its customers about their rights and responsibilities,**

1       **available assistance programs, and energy efficiency and**  
2       **conservation opportunities during the COVID-19 pandemic.**

3       **A.** Columbia is using several different resources to educate customers regarding the  
4       Company's current collection practices and available assistance programs.

5       Examples include:

- 6           • Social media posts on Facebook and Twitter;
- 7           • Targeted outbound calls for Low Income Home Energy Assistance  
8           Program ("LIHEAP") recovery CRISIS program;
- 9           • E-mails to customers that may be eligible for the LIHEAP recovery CRISIS  
10          program;
- 11          • E-mails to customers regarding current collection practices;
- 12          • Updated information on its website regarding available programs;
- 13          • Announcement on its website that the Company has suspended all  
14          terminations for non-payment;
- 15          • Bill inserts; and
- 16          • Customer Newsletters.

17       Please see Exhibit AST 1-R for samples of these materials.

18       **Q. Please provide an additional example of Columbia's proactive**  
19       **outreach measures.**

20       **A.** In response to decreased call volumes in our Customer Care Center in Smithfield,  
21       Pennsylvania, the Company decided to reverse the calls. That is, our customer

1 service representatives began to make outbound calls to customers who  
2 previously were eligible for LIHEAP assistance, but who, according to Columbia's  
3 records, did not appear to have sought LIHEAP assistance currently. The  
4 purpose of the calls was to obtain permission to apply to the LIHEAP program on  
5 their behalf. In addition, Columbia continues to send out applications to  
6 customers upon request.

7 **Q. Has Columbia's outreach to these customers been successful?**

8 **A.** Yes. To date, the Company has assisted 1,376 customers in receiving \$405,142 in  
9 LIHEAP Recovery CRISIS assistance, primarily as a result of outreach efforts  
10 made by company representatives to customers. To determine customer  
11 eligibility for assistance, the Company's Universal Services team manually  
12 reviewed 7,048 accounts that initially met eligibility criteria. As a result of this  
13 review, the Company attempted to contact the 4,544 customers identified as  
14 eligible, based on prior grant amounts and arrears. Of the 1,376 customers that  
15 received assistance, Columbia processed applications on behalf of 947 customers,  
16 at the customer's request.

17 **B. Termination/Billing/ Flexible Payment Plans:**

18 **Q. Is the Company currently terminating service to its customers?**

19 **A.** No. Columbia ceased performing customer shut-offs for all customers on March  
20 13, 2020, and consistent with the Pennsylvania Public Utility Commission's

1 (“Commission”) Order at Docket M-2020-3019244, Columbia continues to  
2 suspend customer shut-offs.

3 **Q. What are the Company’s plans regarding service terminations once**  
4 **the Commission decides to lift the moratorium on utility shut-offs?**

5 **A.** The Company has voluntarily developed a two-phased plan for collection activity  
6 that complies with the customer protection regulation in the Pennsylvania Public  
7 Utility Code. First, prior to restarting shut-offs, Columbia will send reminder  
8 letters to customers advising them that they are in arrears, and informing them of  
9 their current account balances. The letter will also inform the customers that the  
10 Company is offering flexible payment arrangements, and will refer customers to  
11 energy assistance programs. During the second phase, which will not commence  
12 until after the Commission lifts the moratorium, the Company will resume  
13 termination notices with the intent to shut off for nonpayment starting with a  
14 new 10 day termination notice. As part of this phase, the Company will prioritize  
15 collections for those customers with high balances.

16 **Q. What types of payment arrangements is Columbia offering?**

17 **A.** For residential customers, the Company is offering two options. In addition to  
18 Columbia’s normal budget plus payment plan offered to its customers based on  
19 financial information and household size, Columbia is providing customers the  
20 option of a six month payment plan that allows customers to pay their current  
21 bills, plus 1/6 of their arrears. The timing of this option during the non-heating

1 season is beneficial to customers, as it is likely that paying their current bill plus  
2 1/6 of their arrears would be lesser than the standard budget amount, which  
3 represents an average 12 month usage.

4 Commercial customers with arrears of more than \$90 and less than \$600  
5 are also being offered a 6 month payment plan. This payment plan option is  
6 intended for customers who are normally not payment troubled and financial  
7 information is not required for enrollment in this plan.

8 **Q. How do customers enroll in the alternative payment plans?**

9 **A.** Customers can enroll in these alternative payment plans via Columbia's website  
10 or by contacting our customer call center. We have shared this information via  
11 bill messaging, website notices, reminder letters, and customer representatives at  
12 the Company's Customer Care Centers, along with the Company proactively  
13 reaching out to individual customers by phone. To date, 225 residential  
14 customers and 33 commercial customers have signed up for this payment plan.

15 **C. Universal Services Programs and Other Assistance Programs:**

16 **Q. Is the Company currently removing customers from the Customer**  
17 **Assistance Program ("CAP") for non-payment or failure to verify their**  
18 **incomes?**

19 **A.** No. Columbia is not removing any customers from CAP for missed CAP  
20 payments. While CAP participants are subject to removal from CAP if they do not

1 verify their income eligibility annually, Columbia is currently forgoing removal  
2 from CAP on that basis. Currently, Columbia is not removing customers from its  
3 CAP unless they send us information verifying they are no longer eligible, they  
4 move from our service territory, or they request to be removed in writing.

5 **Q. What changes has the Company made to CAP, or to other programs,**  
6 **as a result of the pandemic?**

7 **A.** The Company has made the following changes to the CAP program as a result of  
8 the pandemic:

- 9 • As noted above, customers are not being removed from CAP.
- 10 • The additional \$600 per week from Unemployment Compensation is  
11 not/was not being counted as income in the determination of CAP  
12 eligibility since the income is short term.
- 13 • Any “stimulus” income received by customers is not being counted as  
14 income.
- 15 • Proof of income is not required at this time for CAP customers who are  
16 unable to verify income.

17 The Company has also made changes to its existing Hardship Fund guidelines in  
18 order to assist customers during the pandemic. The Hardship Fund is a fund of  
19 last resort that assists customers in maintaining or restoring their service with a  
20 maximum grant of \$500 and is available to customers who are at or below 200%  
21 of poverty and have arrears. In response to hardship caused by the pandemic,

1 the Company is waiving the requirement of a sincere payment effort and,  
2 therefore, no payment is required in order to be eligible for hardship funds.  
3 Second, all low income customers are eligible regardless of CAP status so long as  
4 they have arrears on their account.

5 **Q. Are there other assistance programs that Columbia developed as a**  
6 **result of the COVID 19 pandemic?**

7 **A.** Yes. On April 24, 2020, concomitant with this proceeding, the Company filed a  
8 petition for approval of a temporary customer grant program called the Reduced  
9 Income Grant Program (“RIGP”) for residential customers who are not eligible  
10 for Columbia’s low income customer programs. The RIGP would have provided  
11 customers with grants up to \$400 to reduce arrears and offer credit counseling.  
12 This petition was denied by the Commission on July 16, 2020.

13 **Q. OSBA Witness Knecht asserts that the Company is not asking the**  
14 **shareholders to contribute to the impacts of COVID 19. Is this**  
15 **statement accurate?**

16 **A.** No. In addition to the Company delaying the filing of this base rate proceeding by  
17 five weeks, the Company has made changes to Hardship Fund eligibility and  
18 waived late fees for past due balances. I will discuss each item individually below.

19 **Q. Was this case filed in accordance with the Notice of Anticipated Filing**  
20 **of a General Rate Increase made by the Company on February 19,**  
21 **2020?**

1   **A.**   No. On February 19, 2020, the Company filed a Notice of Anticipated Filing of a  
2       General Rate Increase as required by the Pennsylvania Public Utility  
3       Commission's ("Commission") regulation at 52 Pa. Code § 53.45 and Section  
4       69.402. The notice was filed in advance of the Company's case originally  
5       scheduled to be filed on March 20, 2020. Had the case been filed on March 20,  
6       2020, the Company was proposing rates to go into effect on December 19, 2020.

7               It was during this week of March 20, 2020 that the pandemic escalated to  
8       the point where businesses were ordered to close their doors, resulting in  
9       significant impact to the economy. The company opted to postpone the filing of  
10      the rate case, and the case was subsequently filed on April 24, 2020. New rates  
11      were scheduled to go into effect on January 23, 2021.

12   **Q.**    **What was the revenue impact as a result of delaying the filing of the**  
13       **case?**

14   **A.**    Based upon Columbia's updated revenue requirement deficiency of  
15       \$100,366,797, which is presented by witness Miller on Exhibit KKM-1R, the  
16       revenue impact of delaying the rate case filing is approximately \$16.1M.

17   **Q.**    **Please describe the Hardship Fund, including the shareholder**  
18       **contribution to funding and changes to eligibility requirements the**  
19       **Company has implemented during the pandemic.**

20   **A.**    The Hardship Funds is a fund of last resort that provides grants to customer to  
21       maintain or restore their services, and is partially funded by \$150,000 of

1 shareholder dollars. Further, the Company has relaxed Hardship Fund  
2 application eligibility requirements during this time. To be eligible to receive  
3 hardship funds, customers no longer have to make a minimum payment, active  
4 CAP customers may receive Hardships funds, and the Hardship Fund is now  
5 open to all customers who have arrears. The Hardship Fund currently has  
6 \$747,000 available for customer assistance.

7 **D. Waiver of Fees:**

8 **Q. Please summarize the fees that are being waived as a result of the**  
9 **pandemic.**

10 **A.** Policies for late fees and reconnect fees have been modified, as per below:

11 **Late Payment Fees:** Currently, the Company has voluntarily waived late  
12 payment fees. Since the beginning of the pandemic, late fees in excess of  
13 \$700,000 have been incurred and will not be billed to customers.

14 **Reconnect Fees:** Columbia's normal policy is to waive the \$24 reconnect  
15 fee for customers who are identified as having a household income of less than  
16 150% of the Federal Poverty Income Guidelines ("FPIG"). However, during the  
17 COVID-19 pandemic, Columbia has expanded that policy and is waiving the  
18 reconnect fees for customers who contact the Company to have service restored  
19 and are identified as payment troubled. Many customers during the pandemic  
20 have experienced a loss in income, thereby becoming payment troubled, yet still

1 remain above 150% of FPIG and may or may not be eligible for energy assistance.  
2 Additionally, for customers who have been previously disconnected for lack of  
3 payment, and who would normally be charged a reconnect fee prior to  
4 reconnection, the Company is using discretion in applying the reconnect fee to  
5 the customer's first bill if the customer informs us that an upfront payment would  
6 result in financial hardship due to loss in income experienced during the  
7 pandemic.

8 **III. Completion of Bare Steel Replacement Program/Municipal Relations**  
9 **Strategy/Restoration Cost Audit of the 10 Largest Projects**

10  
11 **Q. Please summarize the topics of I &E Witness Niambele's testimony you**  
12 **will be addressing.**

13 **A.** I will first address witness Niambele's concern that Columbia will not meet the  
14 stated date in its Long Term Infrastructure Improvement Plan ("LTIIP") of 2029  
15 for replacement of bare steel and cast iron on its system, then respond to his  
16 recommendation that Columbia perform an audit of the 10 projects with the largest  
17 restoration costs, as part of an effort to reduce municipal restoration costs.

18 **A. Completion of Bare Steel and Cast Iron Replacement by 2029**

19 **Q. What is witness Niambele's concern regarding the replacement of bare**  
20 **steel and cast iron pipe on the Company's system by 2029?**

1    **A.**    Witness Niambele expressed a concern that the Company’s target to replace bare  
2            steel and cast iron on its system by 2029 will not be met. He bases his conclusion  
3            on a straight line, historical average approach of how many miles of pipe the  
4            Company has to replace between now and 2029 in order to meet that target.

5    **Q.**    **Is this a reasonable basis by which to conclude the Company will not**  
6            **meet the 2029 date?**

7    **A.**    No. As Company witness Kitchell explains in detail in his rebuttal testimony  
8            (Columbia Statement 14-R), each project presents unique issues which impact the  
9            mileage that the Company replaces each year, rendering the notion of a straight line  
10           assumption invalid.

11   **Q.**    **Is this proceeding the correct place to evaluate Columbia’s 2029 target**  
12           **to replace the bare steel and cast iron on its system?**

13   **A.**    No. The appropriate proceeding in which to address this topic is within the  
14           confines of Company’s Long Term Infrastructure Improvement Program (“LTIIP”).

15           In this base rate proceeding, the focus is on the Company’s projected capital spend  
16           in the context of setting base rates for the 2021 Fully Projected Future Test Year. I  
17           would further note that the Commission staff notified the Company on June 5,  
18           2020 that the Commission will complete its mid-plan review of Columbia’s LTIIP  
19           this year at Docket No. M-2020-3019712. This review will provide the Commission  
20           and other interested parties the opportunity to assess the Company’s current plan,

1 as well as the Company's target of 2029 to complete its replacement of cast iron  
2 and bare steel on its system.

3 **Q. Please describe the Company's current LTIP timing.**

4 **A.** The Company is presently midway through its current Commission-approved  
5 LTIP, which is in effect from 2018-2022. As noted by Witness Niambele, after  
6 missing its projected replacement target in 2018, Columbia has successfully  
7 managed its program to be back on track for its targeted replacements for the  
8 current LTIP.

9 **Q. Did the issue of bare steel and cast iron pipe replacement by 2029 come**  
10 **up in the Company's Management and Operations Audit conducted by**  
11 **the Pennsylvania Public Utility Commission in 2019?**

12 **A.** Yes, it did. As addressed above, this issue is best suited for the Company's LTIP  
13 proceeding, however, at pages 43-44 of the Management and Operations Audit  
14 Report Docket No. D-2019-3011582, acknowledged by the Commission on July 16,  
15 2020, the Bureau of Audits states the following:

16 Based on the 2018 Department of Transportation annual report  
17 (which contains data as of mid-year 2018), CPA had approximately  
18 1,200 miles of unprotected bare steel and 80 miles of cast/wrought  
19 iron in its system. According to CPA, all priority pipe (bare steel and  
20 cast iron) is planned to be replaced by the end of 2029. The auditors  
21 reviewed CPA's capabilities to meet this 2029 targeted date including  
22 a review of the previously mentioned DIMP plan and *Optimain*  
23 software which utilizes established company algorithms and  
24 prioritization of pipeline replacement. The auditors found CPA's  
25 methodology and processes to be effective. The auditors also  
26 reviewed historical and planned replacement rates for priority pipe

1 for CPA; specifically, the replacement rates specified in the approved  
2 Long-Term Infrastructure Improvement Plan (LTIIIP), on file with  
3 the Commission, against actual company performance. In 2018, CPA  
4 replaced 27.4 miles less than planned due to changes in the  
5 company's policies and procedures regarding work on low pressure  
6 systems. To address this shortage, CPA replaced an additional 25.1  
7 miles in 2019 and plans on replacing an additional 2.3 miles in 2020  
8 from the previous planned replacement schedule in the current  
9 LTIIIP.

10  
11 **Q. Has the Company made major modifications in the past to its LTIIIP?**

12 **A.** Yes. On May 5, 2017, the Company simultaneously filed a petition for Commission  
13 approval of a major modification to its then-existing LTIIIP at Docket No. P-2012-  
14 2338282 as well as its second LTIIIP at Docket No. P-2017-2602917. The major  
15 modification was required as a result of an increase in main replacement from  
16 500,000 feet to 680,000, which resulted in a cost increase of more than 20% in the  
17 original LTIIIP (from \$116.9 million to \$230 million) and therefore, Columbia  
18 sought Commission approval of that modification under 52 Pa. Code § 121.5(a).  
19 Both petitions were approved and dockets closed on September 21, 2017.

20 **Q. Please summarize your response to Witness Niambele's concerns**  
21 **about the 2029 date of completion for the Company's bare steel and**  
22 **cost iron replacement being in jeopardy.**

23 **A.** Even if the date were in jeopardy as Witness Niambele asserts, a base rate  
24 proceeding is not the appropriate proceeding in which to address this issue. Rather,  
25 it should be addressed in the LTIIIP. Further, Columbia has shown that in the event

1 a major modification to the LTIP is necessary, the plan will be modified as  
2 required by regulation.

3 **B. Municipal Relations Strategy/Restoration Cost Audit of the 10 Largest**  
4 **Projects**

5  
6 **Q. What are witness Niambele's concerns and recommendations**  
7 **regarding paving and restoration costs?**

8 **A.** Witness Niambele is concerned that municipal restoration requirements are  
9 driving up overall replacement costs, and that as a result of increasing restoration  
10 costs, fewer miles of priority pipe are replaced. Further, Witness Niambele  
11 recommends that Columbia develop a cost reduction plan to be submitted to the  
12 Pipeline Safety Division of I&E within 60 days of the final order in this proceeding.  
13 Included as part of this plan is a reduction of restoration costs, with the  
14 recommendation that the Company review the 10 largest projects each year to see if  
15 there are any unnecessary or avoidable costs, including excessive restoration costs.  
16 As addressed by Columbia witness Kitchell in Columbia Statement 14-R, the  
17 Company does not support Witness Niambele's recommendation that it prepare  
18 and file a cost reduction plan due to the numerous proactive measures already  
19 being done to mitigate rising municipal costs. However, I will address the  
20 recommendation regarding the audit of the 10 largest projects.

21

1 **Q. Do you agree with Witness Niambele's concerns that municipal**  
2 **restoration requirements, if left unchecked, will drive up the cost of the**  
3 **Company's pipeline replacement project?**

4 **A.** Yes. As the Company's replacement program has matured, we have seen an  
5 increase in costs related to more stringent municipal requirements, not just related  
6 to restoration and paving, but for costs such as flagging and permitting as well.

7 **Q. What is Columbia's plan to address these ongoing municipal**  
8 **challenges?**

9 **A.** This issue is not new to Columbia, and has been addressed in the Company's base  
10 rate proceedings since 2012. The Company shares witness Niambele's concern that  
11 increasing costs associated with municipal restoration and permitting requirements  
12 will result in fewer miles of cast iron and bare steel pipe from being replaced each  
13 year. To address this issue, Columbia has implemented measures to proactively  
14 address municipal requirements, which are discussed in detail in Columbia witness  
15 Kitchell's direct and rebuttal testimony at Columbia Statement 14-R. It is  
16 noteworthy that, in approving Columbia's petition for approval of major  
17 modification of its first LTIIP, which I discussed above, the Commission addressed  
18 the issue of the cost impact of local government requirements. In its Opinion and  
19 Order approving Columbia's major modification, the Commission observed that:

20 Columbia provided examples of where the magnitude of restoration  
21 costs increased in certain portions of their service territory, based on  
22 projects completed both before and after the new ordinances or  
23 requirements were put in place. Based on the data provided, it

1 appears there are significant cost increases associated changes in  
2 municipal restoration requirements. The changes vary in each  
3 municipality, with some changes resulting in only relatively modest  
4 increases in restoration costs of 20% to 30%, while others increased  
5 significantly by 50% to 80%. In some instances, the restoration costs  
6 per mile more than doubled.  
7

8 Based on this information provided by Columbia, it appears that  
9 these changing restoration requirements are a significant driver of  
10 Columbia's cost increases. It is likely that a portion of Columbia's  
11 97% cost increase in 2017 over its original projections is attributable  
12 to these restoration cost increases. Columbia has demonstrated that  
13 it has put measures in place in an attempt to control these costs and  
14 restoration requirement changes when possible. However, the  
15 Company cannot prevent a local government body or official from  
16 enacting ordinances as they see fit to govern their township, borough,  
17 or city. While Columbia is attempting to do as much as it can to  
18 mitigate these costs, the Commission recognizes that such costs are,  
19 to some extent, out of the Company's control.<sup>1</sup>  
20

21 **Q. Has Columbia's proactive approach been successful?**

22 **A.** Yes, it has been. In addition to the examples listed in Columbia witness Kitchell's  
23 direct testimony, further examples were provided in the Company's responses to  
24 data requests I&E GS-002 and OSBA 1-003. These data request responses have  
25 been attached to my rebuttal testimony as AST Exhibit 2-R and AST Exhibit 3-R,  
26 respectively.

27 **Q. Why did Columbia choose to take this type of approach?**

28 **A.** As I noted above, this issue is not new to Columbia or to the Company's rate case  
29 proceedings. In 2014, as part of the Commission-approved settlement at Docket

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<sup>1</sup> Docket Nos. P-2012-2338282; P-2017-2602917, Opinion and Order entered September 21, 2017, p. 8

1 No. R-2014-2406274, Columbia agreed to undertake an audit of the 10 largest  
2 construction projects completed that year in order to identify and assess the costs  
3 incurred in excess of the Pennsylvania Department of Transportation restoration  
4 standards for paving, sidewalk repair and permitting fees. A copy of this audit has  
5 been attached to my rebuttal testimony as AST Exhibit 5-R. The audit represented a  
6 historic lookback of infrastructure replacement costs. As a result of this audit,  
7 Columbia concluded that the most effective way to manage costs related to  
8 municipal ordinances was to address those costs proactively and developed a cross  
9 functional team and process for this purpose, as described in Columbia witness  
10 Kitchell's direct testimony (Columbia Statement No. 14).

11 **Q. Was the 2012 audit useful in assisting the Company's efforts to mitigate**  
12 **increasing costs associated with municipal requirements?**

13 **A.** No. The 2012 audit did not reveal any new information; rather, it independently  
14 confirmed several key factors known to the Company to significantly impact  
15 restoration costs. Key factors known to management, and identified in the audit,  
16 are as follows:

- 17 • Lack of uniform restoration requirements across the Commonwealth makes  
18 it difficult to compare restoration efforts across projects, as each may be  
19 subject to different specifications.
- 20 • Many townships and boroughs either have had or have recently established  
21 ordinances with their own restoration specifications as the nature of the

1 Commonwealth structure permits them to do so. Such ordinances have  
2 more expansive restoration requirements, and the Company is compelled by  
3 these laws to comply with documented specifications.

- 4 • Sidewalks and curbs in long-established cities or towns where age and  
5 condition factors warrant pipe replacement are often in significant disrepair  
6 or nearly nonexistent. In these situations, if a sidewalk is disturbed, or the  
7 installation of related service lines leads to circumstances requiring the mill  
8 and overlay of the road, the Company must also install curbs and/or  
9 sidewalks to meet required specifications.

- 10 • Federal Laws, specifically the Americans with Disabilities Act (ADA), require  
11 restoration of roads and walkways to a level compliant with current ADA  
12 specifications. The disruption of one ADA ramp often necessitates the  
13 upgrade of the adjacent ramp and, in some cases, all four corners of an  
14 intersection may require upgrading to meet current federal standards.

- 15 • The Company collaborates with other entities to look for restoration cost  
16 sharing opportunities for restoration costs.

17 **Q. What was the most consistent characteristic of the projects reviewed**  
18 **during the audit?**

19 **A.** The 10 projects representing the largest capital expenditures were projects that  
20 were expensive for reasons not related to municipal requirements, but instead were  
21 expensive due to the nature of the project. That is, a number of the projects audited

1 in 2012 were on the list due to the expense associated with stream or river  
2 crossings, or involved large stretches of hard surface construction. Therefore, the  
3 2012 audit, while well intended, did not provide any new insights for the Company  
4 to implement beyond its already robust response to these costs. In addition, the  
5 2012 audit was time consuming and did not yield the desired results of an  
6 opportunity for costs savings. Further, Columbia has shown that the current,  
7 proactive approach being utilized is generating results related to cost savings.  
8 Based upon this experience, Columbia does not support another review of the  
9 Company's ten largest projects, as proposed by I&E witness Niambele.

10 **IV. Universal Services Costs Allocation to Commercial and Industrial**  
11 **Customers**

12  
13 **Q. Please summarize OCA Witness Colton's and CAUSE PA Witness**  
14 **Miller's positions that the costs for the Company's Universal Service**  
15 **Programs ("USP") should be borne by all rate classes.**

16 **A.** Both witnesses assert that programs such as the Pennsylvania universal service  
17 programs address a societal-wide problem that is not limited to the residential  
18 customer class. Further, they assert problems that are related to unaffordable  
19 home energy are not "caused" by the residential class, nor do the Company's  
20 universal service programs deliver benefits that are limited to the residential  
21 class. Based upon these contentions, Mr. Colton and Mr. Miller contend that the  
22 costs of those programs should be allocated and spread over all customer classes.

1 **Q. Does Columbia support Witness Colton's and Witness Miller's**  
2 **recommendation that USP costs should be borne by all customer**  
3 **classes and not just the residential class?**

4 **A.** No. Columbia is a strong supporter of the customer assistance programs it offers to  
5 its residential customers, as these programs provide necessary help to customers  
6 that rely on gas service to heat their homes and provide for their families.  
7 However, as held by the Commission in numerous proceedings, the costs of these  
8 programs should be funded only by the residential class.<sup>2</sup> While the Commission's  
9 amended CAP Policy Statement provides that parties to base rate proceedings may  
10 raise the issue of recovery of Universal Service costs, and that no rate class should  
11 be routinely exempt from universal service obligations<sup>3</sup>, Columbia does not  
12 support its commercial and industrial customers paying for these programs when  
13 only residential customers are eligible to participate in these programs. Further,  
14 Columbia is opposed to placing costs on its commercial and industrial customers  
15 which are not placed on the commercial and industrial customers of other utilities  
16 in the Commonwealth.

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<sup>2</sup> These proceedings include: PPL Electric Utilities Corporation at Docket No. R-00049255; Valley Energy, Inc. at Docket No. R-00049345; Equitable Gas Company at Docket No. P-00052192; PPL Gas Utilities Corporation at Docket No. R-00061398 and Metropolitan Edison Company and Pennsylvania Electric Company at Docket Nos. R-00061366 and R-00061367. The Commission's decision in the Met-Ed and Pennsylvania Electric Company to not allocate universal service costs to non-residential rate classes was affirmed by the Pennsylvania Commonwealth Court. *Popowsky v. Pennsylvania Public Utility Commission*, 960 A.2d. 189.

<sup>3</sup> 52 Pa. Code § 69.266.

1 **Q. Please explain.**

2 **A.** While both witnesses indicate in their testimony that multiple other states charge  
3 costs of universal services across all rate classes, currently in the Commonwealth of  
4 Pennsylvania, the vast majority of residential customers bear the cost of USPs. To  
5 single out Columbia's commercial and industrial customers in the context of a base  
6 rate proceeding is inappropriate, as other similar customers, including potential  
7 competitors for Columbia's industrial and commercial customers, are not being  
8 required to pay for these programs. Further, requiring only Columbia's large  
9 commercial and industrial customers to contribute to these programs, but not  
10 customers of other western Pennsylvania utilities or customers who have the ability  
11 to shift to other sources of gas supply (such as interstate pipelines or their own gas  
12 wells), could prompt the Company's customers to seek to bypass Columbia. For  
13 these reasons, Columbia believes that a general proceeding on this issue, and not a  
14 single utility's rate case, is the appropriate forum for this issue. In addition,  
15 customers who are currently under flexed or negotiated rates would need to be  
16 excluded from any allocation of these costs, or the base rate revenues projected for  
17 these discounted rate customers would need to be reduced as an offset to these  
18 costs. I further observe that Columbia's USP costs are recovered through its Rider  
19 USP. No party has challenged the continued recovery of these costs through a  
20 reconciled rider mechanism, and this should not change regardless of what  
21 customer classes are to pay these costs. I also note that, as explained by Columbia

1 witness Bell (Columbia Statement Nos. 3 and 3-R), based upon the Company's  
2 preferred average cost allocation study, the Residential class, inclusive of USP Rider  
3 revenues and costs, is currently paying below a system average return, and should  
4 not be paying less than its class costs by shifting recovery to other classes.

5 **Q. Do you have additional comments on this issue?**

6 A. Yes. It is important to recall why these programs were developed. USPs were  
7 created to reduce overall costs related to customer arrearages and customer  
8 collection costs to residential rate payers by reducing residential customer  
9 arrearages. The residential class is the class that benefits from the reduction in such  
10 arrearages and collection costs, and should therefore be the customer class that  
11 bears the cost of these programs.

12 **Q. Do the commercial and industrial customer classes cause the Company**  
13 **to incur any costs in relation to residential customer arrearages?**

14 A. No, they do not.

15 **Q. Do the commercial and industrial customer classes receive any**  
16 **reduction in costs as a result of reduced customer arrearages?**

17 A. No, they do not.

18 **Q. Do you have any comment regarding the assertions of Witness Colton**  
19 **and Witness Miller that USPs costs should be charged to commercial**  
20 **and industrial customers as a "public good" or "public purpose"?**

21 A. Yes. These concepts divorce revenue allocation and rate design from cost

1 incurrence and cost allocation principles. It looks outside the ratemaking process  
2 to arbitrarily conclude that a cost that is caused by one class should be shifted to  
3 other classes.

4 **Q. Please summarize the Company's position on Witness Colton and**  
5 **Witness Miller's conclusion that commercial and industrial customers**  
6 **should bear the costs of USPs.**

7 **A.** Absent all commercial and industrial customers in all industries across the  
8 Commonwealth sharing the cost of USPs, Witness Colton's and Witness Miller's  
9 proposal for Columbia's commercial and industrial customers to bear costs related  
10 to USP's is discriminatory in nature, is not in compliance with net neutrality  
11 requirements in the Natural Gas Choice and Competition Act (See, 66 Pa. C.S.  
12 §2203(5)). Further, USPs were not designed to impact and benefit commercial and  
13 industrial customers, and therefore, those customer classes should not bear any  
14 cost related to these programs.

15 **V. Management Adder**

16 **Q. What is the purpose of Columbia's proposed adjustment of 20 basis**  
17 **points to the return on equity for management performance?**

18 **A.** Columbia's counsel has advised me, and from my time serving as legal counsel to  
19 Columbia and other Pennsylvania utilities, I am aware that, under Pennsylvania  
20 law, the Commission shall consider the efficiency, effectiveness and adequacy of

1 service of each utility when determining just and reasonable rates. Title 66,  
2 Section 523 further provides that the Commission “shall give effect to this section  
3 by making such adjustments to specific components of the utility’s claimed cost  
4 of service as it may determine to be proper and appropriate.” In my adopted  
5 direct testimony, as well as in the testimony of other Columbia witnesses, we  
6 have offered examples of the “efficiency, effectiveness and adequacy of service” to  
7 provide the Commission evidence upon which to make such adjustments to  
8 specific components of the utility’s claimed cost of service as it may determine to  
9 be proper and appropriate.

10 **Q. Please summarize the positions of the parties that are challenging the**  
11 **appropriateness of the 20 basis point management performance**  
12 **premium.**

13 **A.** OCA Witness O’Donnell maintains that there is no evidence in the record to show  
14 that the Company’s management has demonstrated exemplary performance in the  
15 categories of leak reduction, damage reduction, emergency response time, and  
16 consumer report evaluations since the Company’s current base rates were  
17 implemented in December 2018. Witness O’Donnell also states current economic  
18 conditions related to COVID 19 do not warrant an increase in return related to  
19 performance. OCA Witness Colton believes that the Company’s collection costs are  
20 too high, and that the Company has a high level of arrearages and disconnection  
21 rates, while having low reconnection rates.

1 I&E Witness Keller states that, while the Company touts its Management  
2 Audit scores against other LDCs, room for improvement still exists and points to  
3 several findings in the Company's most recent Management and Performance  
4 Audit at Docket No. D-2019-3011582. He specifically points to the finding of high  
5 customer service representative turnover, stating that customer service is an area in  
6 which the Company is in complete and direct control, and that awarding  
7 management effectiveness points to the Company management will cost the  
8 customer for service that can and should be improved.

9 **Q. Do you agree with Witness O'Donnell that Columbia has not shown**  
10 **exemplary performance in the categories of leak reduction, damage**  
11 **reduction, emergency response time and consumer report evaluations**  
12 **since the Company's new base rate were implemented in December**  
13 **2018?**

14 **A.** No, I do not. The data provided in Columbia Statement No. 1, pages 19-21 clearly  
15 states otherwise. The number of damages per locates have gone down, and the  
16 average response time to emergencies continues to decrease. Although there was an  
17 increase in the number of grade two leaks found from 2018-2019, there was a  
18 corresponding increase in the number of leaks cleared.

19 **Q. Do you agree with Witness Colton's testimony that Columbia's**  
20 **performance on collections is less than exemplary?**

21 **A.** No. Witness Colton concludes that the Company's amount of arrearages and

1 number of customers in arrears compared to other Pennsylvania utilities is “not the  
2 worst, but not exemplary”. However, Witness Colton’s own testimony citing the  
3 PUC’s collection report data provided annually, supports just the opposite  
4 conclusion, as I will address below.

5 **Q. What is the basis upon which Witness Colton makes this conclusion?**

6 **A.** Witness Colton’s conclusion is fundamentally flawed in that it is based on data that  
7 has not been adjusted to position the utilities at a comparable starting point to  
8 make such a determination.

9 **Q. How does not adjusting the data to a comparable starting point impact**  
10 **the validity of Witness Colton’s conclusion regarding the Company’s**  
11 **performance on collections?**

12 **A.** Pennsylvania utilities vary greatly in relation to factors that impact collection  
13 information. For example, the number of customers across utilities in Pennsylvania  
14 range from 146,000 on the low end to 1.5 million customers on the high end, while  
15 revenues range from \$165 million to \$2.5 Billion. Comparing data that has not  
16 been adjusted to reflect an appropriate comparison of utilities results in  
17 conclusions that are not accurate. Had Witness Colton utilized comparative data  
18 available to him, that data would have shown that the Company performs well  
19 relative to its peers.

20 **Q. Did Witness Colton have access to information that provided**  
21 **collections data adjusted to represent the size of individual utilities for**

1           **comparative purposes?**

2    **A.**    Yes, he did. As Mr. Colton notes, the data contained in the table on page 79 of his  
3           direct testimony is an excerpt of information taken from the Commission's annual  
4           reports on Chapter 14 implementation. I have attached Exhibit AST-5R to my  
5           rebuttal testimony, which contains 2019 Collections Data in its entirety, meaning it  
6           includes both adjusted and unadjusted collections information. Further, within  
7           Exhibit AST-5R, I have provided information showing how the Company ranks  
8           relative to its peers when utilizing the proper information for comparison. Given  
9           that Witness Colton had access to all the information when preparing his analysis  
10          of the Company's collections performance, it appears that he selectively chose to  
11          present the information that did not reflect the true nature of how collections  
12          should be evaluated.

13   **Q.**    **Please explain the differences between the comparisons of**  
14          **Pennsylvania utilities provided by Witness Colton and adjusted**  
15          **comparisons provided in Exhibit AST-5R.**

16   **A.**    Had Witness Colton utilized adjusted data that was readily accessible to him in  
17          preparing his analysis, the following would have been noted:

- 18           • Columbia has the lowest percentage of customers in debt. See Exhibit AST-  
19           5R, page 2, Column N.
- 20           • The Company has the highest percentage of debt on payment agreements  
21           than any other Pennsylvania utility as indicated in Exhibit AST-5R, page 2,

1 Column I. This clearly demonstrates the Company is actively and effectively  
2 working with customers that are behind and making payment  
3 arrangements, a practice fully supported and encouraged by the  
4 Commission.

- 5 • Exhibit AST-5R, page 3, Column D demonstrates the Company has the  
6 lowest termination per customer rate of any utility, as opposed to Witness  
7 Colton's assertion that the Company's termination counts are the third  
8 highest of all utilities.

9 **Q. Are there any other relevant metrics that demonstrate the Company's**  
10 **collections performance?**

11 **A.** Yes. Per Exhibit AST -5R, page 1, the Company's gross residential write off ratio  
12 was the lowest of all gas utilities and the third lowest of all Pennsylvania. In  
13 addition, the Company's recovery rate was the highest of all gas utilities and second  
14 highest overall of all Pennsylvania utilities, as shown Exhibit AST-5R, page 1,  
15 Column J.

16 **Q. What is your response to Witness Keller's position regarding employee**  
17 **turnover?**

18 **A.** Turnover at the Smithfield Customer Contact Center (CCC) is an issue that the  
19 Company is consistently striving to improve. The Company has taken the following  
20 actions to address the turnover issue at the CCC:

- 21 • Partnered with a third party consultant with expertise in employee retention

1 and engagement to reinforce positive employee engagement and reduce  
2 attrition;

- 3 • Employee Roundtable Meetings and Safety Committee meetings are held  
4 monthly;
- 5 • Formation of an Inclusion & Diversity Committee;
- 6 • Regular Employee Engagement Surveys are conducted, followed up with  
7 action planning sessions and focus group meetings, and;
- 8 • Continuous improvement of processes and technology that our agents use to  
9 help service our customers.

10 Although COVID has brought some unique and unexpected challenges in 2020,  
11 employee retention continues to be a primary focus at the CCC.

12 **Q. Would you like to address other findings in the recently released**  
13 **Management and Operations Audit Report?**

14 **A.** Yes. While Witness Keller seeks to focus on a few findings in the recently  
15 completed audit, he elected to not address the positive outcomes in the report.  
16 Indeed, the audit released by the Commission identified that “none of the  
17 functional areas examined during the audit require major or significant  
18 improvement.” Of the eleven broad categories thoroughly investigated by the  
19 Commission’s audit staff, four categories resulted in no findings or  
20 recommendations, while three categories had one finding and an associated  
21 recommendation.

1           Specifically, Witness Keller fails to recognize that the Commission made no  
2 findings relative to the Company's Gas Operations, which evaluates the day-to-day  
3 operations of Columbia, and how the Company manages to provide safe and  
4 reliable service to its customers. While Witness Keller may not view the lack of any  
5 findings worth noting, Columbia views the lack of any recommendations on the key  
6 aspect of our operations as significant. First and foremost, Columbia is a natural  
7 gas distribution company, and the fact no findings were made after an extensive  
8 Commission audit of operations is a source of great pride for Columbia and our  
9 employees.

10   **VI. The Pennsylvania State University**

11  
12   **Q. What issues will you be addressing from the testimony of PSU Witness**  
13   **Crist?**

14   **A.** I will be addressing the following issues:

- 15           • Flow Order Issues
- 16           • Metering Issues with the East Campus Steam Plant ("ECSP")

17   **Columbia's Use of Flow Orders**

18  
19   **Q. Have you reviewed Witness Crist's testimony and recommendations**  
20   **with respect to flow orders?**

21   **A.** Yes. Mr. Crist has recommendations to rewrite the tariff rules regarding flow  
22 orders, proposes a lower amount of penalty charges and proposes to apply penalties

1 for non-compliance with its flow orders to be within the customer class that  
2 incurred the penalty.

3 **Q. Do you agree with his recommendations?**

4 **A.** No, the tariff rules regarding flow orders are approved by the Commission and are  
5 appropriate as written. As I will discuss below, his recommendations should be  
6 rejected.

7 **Q. Can you explain why the Company needs to issue flow orders?**

8 **A.** Yes. The Company balances its distribution system with assets paid for by its firm  
9 customers. First and foremost, the Company's obligation is to provide safe, reliable  
10 service to its firm customers based on a least cost strategy. The interstate supply,  
11 storage and daily delivery assets that the Company holds are designed to serve its  
12 firm customers under design conditions. The Company also has acquired certain  
13 limited amounts of storage and daily capacity assets to provide specified levels of  
14 balancing service under its Elective Balancing Service ("EBS"), as voluntarily  
15 elected and paid for by General Delivery Service ("GDS") customers. On any given  
16 day when the Company's assets that are acquired for and paid by firm customers  
17 are not fully utilized to provide service to those customers they are available and  
18 utilized by the Company to provide incremental daily balancing services beyond  
19 those provided under EBS to its GDS customers, within the daily limitations of the  
20 available capacity. However, there are many reasons the Company cannot  
21 accommodate unlimited daily imbalances for GDS customers. In cold weather,

1 pipelines for which we have contractual rights may be restricted or limited. There  
2 are also seasonal limitations under which the Company must operate, especially  
3 with respect to its storage contracts. The Company also may experience interstate  
4 pipeline restrictions under warm weather conditions with respect to its contractual  
5 limits around daily storage injection capabilities and/or city gate nomination  
6 limitations. These restrictions may impact the Company on a company-wide basis  
7 or at a market area level basis.<sup>4</sup> In order to balance the system and meet its  
8 obligation to first serve its firm customers, it may be necessary for the Company to  
9 issue flow orders with respect to its banking and balancing services.

10 **Q. Do you agree with Witness Crist's assertion that the Company's**  
11 **Operational Order procedures and policies unreasonably discriminate**  
12 **against natural gas customers who shop for supply from competitive**  
13 **marketers?**

14 **A.** No. The Company uses Operational Flow Orders (OFOs) and Operational Matching  
15 Orders (OMOs), as allowed under its Commission-approved Tariffs, as one part of a  
16 balanced approach to manage the natural gas supply on its system, every day of the  
17 year. Use of flow orders ensures a proper balance between supply and demand that  
18 must be balanced daily within the FERC-approved tariff limitations of its interstate

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<sup>4</sup> A Market Area, as used here, is a geographic area defined by an interstate pipeline and approved by the FERC that among other purposes is used for nominating gas supplies for delivery from that pipeline to a meter operator within the defined Market Area.

1 pipeline contracts and to minimize the likelihood that its firm sales customers  
2 would incur penalty costs related to the activity of the Company's transport  
3 customers/marketers. When the Company's customers opt to have another party  
4 provide their gas supplies, those customers also choose to release the Company of  
5 the responsibility to contract for firm interstate pipeline capacity in order to get  
6 their gas supply to Columbia's system.

7 The Company's tariff allows significant flexibility to marketers to deliver  
8 supply onto its system during non-peak periods or when upstream pipeline  
9 restrictions are not in place. However, if left unchecked, particularly in periods of  
10 high demand resulting from cold weather, the following scenarios are possible.  
11 First, imbalances between transportation customers' supplies and requirements  
12 could place the Company in the position of incurring penalty costs as the system  
13 operator. Second, in order to avoid penalties relating to transportation customer  
14 imbalances, higher commodity costs would be borne at the expense of the  
15 Company's firm sales customers. I would point out that, excluding EBS, the  
16 banking and balancing services for GDS customers are only made available through  
17 the assets temporarily unused, procured for and paid by its firm customers. These  
18 assets are contracted by the Company to provide firm service to the Company's firm  
19 sales and Choice customers on Design Day Conditions. Using the assets to service  
20 the sales and Choice customers who pay for them hardly discriminates against  
21 those transportation customers who do not pay for them. I note that during

1 periods when the Company has issued a flow order, the over and under delivery  
2 percentages set forth in Rider EBS establish a level of firm service that is available  
3 to GDS customers to bank and balance their deliveries and requirements. EBS  
4 customers who elect Full Balancing Service have firm daily access to their banks,  
5 over their deliveries, of at least 5% of their Maximum Daily Quantity (“MDQ”)  
6 where orders restrict under deliveries, and are given a firm right to deliver up to  
7 102.5% of their maximum prescribed quantity on days where orders restrict over  
8 deliveries. This provides flexibility on a daily basis to help customers avoid  
9 penalties.

10 **Q. Witness Crist asserts that the Company’s flow orders are more**  
11 **frequent than the other distribution utilities that serve PSU. He also**  
12 **refers to Columbia’s excessive use of flow orders throughout his**  
13 **testimony. Can you address these statements?**

14 **A.** Yes. I don’t know how many flow orders were issued by the other distribution  
15 companies that serve Penn State and how it compares to the Company. However, a  
16 review of the other distribution companies banking and balancing programs show,  
17 unlike the much more relaxed delivery obligations under the Company’s tariff, that  
18 supply delivery requirements are predicated on daily limitations. These limitations  
19 are as follows:

- 20 • UGI: +/- 2.5% percent daily balancing (Section 22.2(b)of UGI tariff),

- 1           • PECO: +/- 10% of a customer's Total Contract Quantity (Section 1.5 of PECO  
2           tariff),
- 3           • NFG: + 2%, in over delivery situations (NFG tariff at First Revised Page No.  
4           114),
- 5           • Peoples: limited volume based on the usage of pools with a daily target  
6           issued two days before delivery (Peoples PA PUC NO. S-3 tariff at Pages 22,  
7           Section 4. Load Forecasting).

8           In comparison, the Company's program allows its GDS customers to deliver ANY  
9           volume of gas on a day when it has not issued an OFO/OMO, while the other  
10          utilities daily delivery obligations limit the transportation delivery of supply every  
11          day, essentially equivalent to a daily flow order when compared on an apples-to-  
12          apples basis with the Company. The Company limits the GDS delivery of supply  
13          ONLY on days when, due to operational conditions, OFO/OMOs are required.

14   **Q.    Can you provide a summary of how many flow orders the Company has**  
15   **issued during recent years and the reason for the orders?**

16   **A.    The Company has issued the following flow orders:**

- 17           • 2014 – 189
- 18           • 2015 – 33
- 19           • 2016 - 54
- 20           • 2017 - 79
- 21           • 2018 - 88

- 1           • 2019 - 52
- 2           • 2020 - 34 (to date)

3           In most instances, the reason for the Company's issuance of a flow order was  
4           the existence of a pipeline restriction applicable to the Company issued by  
5           Columbia Gas Transmission, LLC or other pipeline.

6   **Q. Do you agree with Witness Crist's contention that the Company's**  
7   **issuance of flow orders is excessive?**

8   **A.** No, I do not agree. The assertion that the Company excessively issues orders is  
9           based on Mr. Crist's erroneous analysis of the frequency of orders issued by the  
10          Company relative to its peers. This assertion fails to recognize the fact that the  
11          Company's peer LDCs have daily limitations and associated penalties for  
12          noncompliance on the imbalances of its transportation customers/marketers  
13          through their tariffs that are equivalent to the Company issuing orders every day of  
14          the year. As a result of controlling and penalizing imbalances through their tariffs  
15          every day of the year, the Company's peers only need to issue orders to further  
16          restrict imbalances to infrequent occurrences such as system maintenance or force  
17          majeure situations. By comparison, under Columbia's tariff, the Company is not  
18          allowed to limit GDS customers' daily imbalances or to charge penalties for  
19          noncompliance unless orders are issued. The Company's approach provides  
20          greater flexibility and service to GDS customers, but necessitates issuing orders to  
21          protect service to its other customers and to avoid penalties from its upstream

1 pipelines. However, the number of days in which orders are issued is primarily  
2 driven by orders issued by the Company's upstream pipeline suppliers. When  
3 viewed from a comprehensive perspective, the Company's issuance of orders is  
4 much less frequent than peer LDCs that have imbalance limitations in place every  
5 day of the year.

6 **Q. Please comment on Witness Crist's assertion that Columbia's penalty**  
7 **for non-compliance is unreasonable.**

8 **A.** The language included in the Company's Tariff at Section 3.8.5.1 has been approved  
9 by the Commission. This provision was recently revised as a result of the  
10 settlement in the Company's 2018 rate case at Docket R-2018, 2647577, to which  
11 PSU was as party. A copy of the relevant settlement term is provided as AST  
12 Exhibit 6-R X. The penalty amount is designed to be severe enough to encourage  
13 compliance with Company directives, while also not being overly punitive. Mr. Crist  
14 suggests a 20% penalty, which may be too lenient to discourage GDS customers  
15 from noncompliance with Company directives in the case of a restriction. GDS  
16 customers or their marketer could make the financial decision to pay the penalty in  
17 lieu of purchasing the higher-priced natural gas, which, in turn would necessitate  
18 the Company making the gas purchase or facing pipeline penalty due to GDS under  
19 delivery of required volumes. Mr. Crist suggests a 20% premium over what it costs  
20 the Company to remedy an imbalance situation, which is not feasible. As the  
21 amount to be billed would not be determined until after the fact, a customer cannot

1 know the penalty for violation when it is making purchasing decisions. The  
2 Company makes daily purchasing decisions in order to meet its obligation to supply  
3 its customers with least-cost reliable natural gas; in the case of an imbalance  
4 situation, the volumes of gas and the amounts paid would not be known until a  
5 later date, if at all and subject to objection by GDS customers as to the reason for  
6 and level of daily purchase made by the Company. Assessing a premium to non-  
7 compliant customers after the fact, would not be a reasonable or prudent gas  
8 purchasing method and would not result in service to firm customers in a least cost  
9 manner.

10 **Q. Witness Crist suggests the penalty dollars collected by the Company be**  
11 **applied to reduce costs within the same customer class. Do you agree**  
12 **with this proposal?**

13 **A.** No. The assets used to provide the balancing service to GDS customers, excluding  
14 the EBS, are paid for by its firm customers. As required by tariff, the Company  
15 avoids calling orders through the use of assets temporarily unused, but paid for by  
16 the firm sales customers. Similarly, through the use of the temporarily used assets  
17 paid for by the firm customers, a majority of the orders provide GDS customers  
18 more rights for imbalances than they otherwise would have under EBS alone. The  
19 penalties incurred for violation of the Company's flow orders should be applied  
20 back to its firm customers as they pay for the assets that provide the benefit of the  
21 additional rights and flexibility beyond EBS that the GDS customers enjoy.

1     **Q.   Witness Crist asserts that the Company’s Elective Balancing Service**  
2     **does not offer a solution to its penalty structure. Does Columbia offer**  
3     **other options to its GDS customers?**

4     **A.**   Yes. In addition to EBS, GDS customers can elect standby service which is a firm  
5     service that can serve a portion of GDS demand should it elect to do so. Mr. Crist’s  
6     complaint that EBS does not “solve” PSU’s problems demonstrates a fundamental  
7     flaw in thinking. Columbia has acquired assets and developed tariff mechanisms  
8     that enable GDS customers to mitigate or avoid penalties. However, Mr. Crist  
9     wants a free ride. GDS customers, like PSU, have not paid for sufficient assets to  
10    have unlimited ability to deliver what they want, whenever they want. They do not  
11    pay for, and therefore do not have a priority right to use, firm supply, storage and  
12    capacity assets paid by firm service customers.

13    **Q.   Witness Crist states “Columbia should not be permitted to issue flow**  
14    **orders unless they are under restrictions of flow orders issued by a**  
15    **pipeline company for the same delivery zone”. Do you have any**  
16    **comments regarding this recommendation?**

17    **A.**   Yes. The Company does take into consideration how it imposes flow orders across  
18    its territory. In fact, the Company has imposed flow orders on a Pipeline  
19    Scheduling Point (PSP) and/or an Operating Area level when appropriate. The  
20    level of the restriction and how it applies to balancing the system will vary  
21    depending on the pipeline restriction it is under. However, to simply restrict the

1 Company on its ability to assess flow orders at a “delivery” zone without  
2 consideration of the type of restriction it is under and how it relates to balancing  
3 the system needs is not appropriate. The Company has assets that serve all of its  
4 territories and can have multiple pipelines serving its delivery locations. Mr. Crist’s  
5 recommendation would not be feasible under all of the potential pipeline  
6 restrictions the Company is under, nor does Mr. Crist’s recommendation recognize  
7 the seasonal restrictions that are applicable under the storage services contracted  
8 for by the Company. For example, interstate pipeline tariffs restrict the volume of  
9 gas that may be injected or withdrawn from storage. If Columbia would potentially  
10 violate those restrictions, due to imbalances between daily deliveries and  
11 requirements of GDS customers, it would issue a flow order to limit such  
12 imbalances. However, such an order by Columbia would not be the result of a  
13 pipeline flow order under Mr. Crist’s proposal.

14 **Q. Do you have a response to Mr. Crist’s comment that Columbia’s**  
15 **Electronic Bulletin Board (EBB) must be upgraded?**

16 **A.** Columbia’s current EBB functions on the Internet Explorer (IE) browser, which is  
17 one of many browser applications available. IE, just like Chrome, Safari and Edge,  
18 is a free software that can be downloaded on most computer systems. Although  
19 there are many different browsers available, Columbia and its customers should  
20 not be forced to incur cost to upgrade to another browser technology if the current  
21 technology is obtainable at no cost. An advancement in technology for the

1 regulated industry evolves over time. In addition, the EBB generates an email  
2 notification to users who have established notification preferences to receive these  
3 notifications. Columbia personnel also sends a courtesy email to PSU with the alert  
4 and/or OFO/OMO orders that are issued.

5 **Q. Do you have a response for Witness Crist's assertion that to be on a**  
6 **level playing field with the Company, customers need access to real**  
7 **time meter data and that meter communications systems would be set**  
8 **up to allow customer a continuous feed of data, or the ability to query**  
9 **data from the meter during times when customers are making**  
10 **determinations concerning their nominations?**

11 **A.** Yes, I do. Initially, I note that Witness Crist's assertion that the Company has  
12 access to real time meter data is incorrect. Meter data is made available to the  
13 Company and to a daily metered customer with telemetry by 1:00 PM Eastern Time  
14 for the gas day ending at 10:00 AM.

15 Further, Witness Crist's testimony merely amounts to PSU seeking to re-  
16 litigate a matter that was just resolved by the Commission. As PSU should be  
17 aware, as a signatory to the Company's 2018 rate case at Docket No. R-2018-  
18 2647577, the Commission approved a settlement to eliminate the requirement that  
19 Company implement a fixed network for its large commercial and industrial (C&I)  
20 customers. While PSU wants access to real time data, the costs associated with  
21 this technology were significant to be spread across the limited number of large

1 C&I customers. Instead, the Commission approved a settlement that required  
2 Columbia to convene a collaborative to address the manner in which customer  
3 usage information is transmitted to customers. At the conclusion of the  
4 collaborative, Columbia on August 21, 2019, made a tariff filing at R-2019-  
5 3012293, which provides for certain classes of commercial customers to receive  
6 new metering technology to address the manner in which usage information is  
7 provided to customers. The tariff filing was approved by the Commission on  
8 October 24, 2019. Witness Crist's proposal here simply ignores the work of the  
9 parties from the Company's 2018 rate case, and the Commission's 2019 approval  
10 of the tariff agreed to by the parties.

11 **Q. Mr. Crist asserts that Columbia has “an advantage in the nomination**  
12 **process and can put customers that are doing their own nominations at**  
13 **a financial disadvantage”. Please respond.**

14 **A.** The Company utilizes the same North American Energy Standards Board  
15 (NAESB)<sup>5</sup> nomination cycles as those used on upstream pipelines that all suppliers  
16 delivering gas supplies to the Company's system utilize. The Company makes all  
17 NAESB cycles available to suppliers for entering nominations into its Electronic  
18 Bulletin Board (EBB). It appears that Mr. Crist is requesting additional nomination  
19 cycles on upstream pipelines that are the responsibility of those upstream pipelines

---

<sup>5</sup> The FERC has adopted the nomination cycles established by NAESB as the minimum standards all

1 to manage and that are beyond the Company's control. This would need to be  
2 enabled via NAESB or by individual upstream pipelines.

3 The Company confirms the following NAESB cycles and permits nomination  
4 changes for all three intraday cycles.

5 Timely Cycle – 2pm EST

- 6 • Intraday 1 Cycle – 11 am EST
- 7 • Evening Cycle – 7 pm EST
- 8 • Intraday 2 Cycle – 3:30 pm EST
- 9 • Intraday 3 Cycle – 8 pm EST

10 Additionally, if the upstream pipeline allows nomination changes to any  
11 supplier after ID3, the Company will update the EBB to match those nominations  
12 provided the supplier sends an email notifying the Company if submitted after 8  
13 pm EST.

14 Furthermore, I again emphasize that the Company does not implement  
15 restrictions on most days during the year, and therefore Mr. Crist's claim that there  
16 is some type of nominating advantage is without merit.

17 **Q. In summary, what are your recommendations in response to Witness**  
18 **Crist's recommendations on page 22 of his testimony regarding his**  
19 **proposal to rewrite tariff rules for non-compliance and application of**

---

interstate pipelines must adhere to.

1 **penalties to the class that incurred the penalty?**

2 **A.** For the reasons cited above in my testimony, I recommend that no tariff changes  
3 are necessary regarding the rules pertaining to the Company's flow orders, that its  
4 penalty charges remain unchanged in the tariff and that there are no changes as to  
5 how the penalties are applied.

6 **East Campus Steam Plant ("ECSP") Metering Issues**

7  
8 **Q. PSU Witness Crist alleges that there are metering inaccuracies on**  
9 **Columbia's meter at the ECSP. At a high level, can you describe these**  
10 **alleged metering inaccuracies Mr. Crist is referring to?**

11 **A.** PSU's ECSP has two Columbia owned meters. One meter serves the steam  
12 production boiler and one meter serves a Combined Heat and Power (CHP)  
13 combustion turbine (CT) that supplies steam and electricity to the PSU campus.  
14 PSU has questioned the accuracy of the Columbia meter serving the CT unit when  
15 comparing the consumption to a sub meter PSU has on the CT unit.

16 **Q. Witness Crist states that Columbia has failed to take action to correct**  
17 **this metering issue. Do you agree with his characterization?**

18 **A.** Absolutely not. Witness Crist simply ignores the significant time and effort that  
19 both Columbia and PSU, including Mr. Crist himself, have invested in seeking to  
20 resolve this matter.

21 **Q. Please describe what Columbia has done to investigate and address the**

1 **alleged metering differences.**

2 **A.** Beginning in 2012, Columbia has responded to PSU questions on metering  
3 accuracy at ESCP by reviewing the annual meter tests on the meter serving the CT,  
4 performing additional site specific visits to determine if any measurement issues  
5 could be determined, and has removed the turbine meter module to have it tested.  
6 See below for testing dates in our records. Please note this is not inclusive of  
7 multiple other ad hoc site visits made to the meter site in response to any PSU  
8 requests.

9

04/11/2012	Columbia removed and tested turbine meter module
09/09/2013	Columbia completed on site meter testing and inspection
12/04/2014	Columbia completed on site meter testing and inspection
11/19/2015	Columbia completed on site meter testing and inspection
12/07/2016	Columbia completed on site meter testing and inspection
12/27/2017	Columbia completed on site meter testing and inspection
12/14/2018	Columbia completed on site meter testing and inspection
11/07/2019	Columbia completed on site meter testing and inspection

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18 **Q.** ~~During the site visits listed above, as well as during ad hoc site visits~~  
19 ~~made to the meter site in response to any PSU requests, were any~~  
20 ~~measurement issues noted?~~

21 **A.** ~~No meter measurement issues were found and the meter module test passed for~~

~~accuracy. Over the years when PSU questioned the meter accuracy, Columbia explained to PSU that no faulty meter issues were found.~~

**Q. Are there other steps that Columbia took to resolve the measurement discrepancies alleged by PSU?**

**A.** Yes; In February 2018, PSU questioned Columbia's meter accuracy for 1) the ECSP's CT meter, 2) the ECSP's boiler meter and 3) the West Campus Steam Plant's ("WCSP") boiler meter. In response to PSU's inquiry, a third party was engaged at the sole expense of Columbia in an attempt to bring resolution to these ongoing discussions. Roach and Associates, LLC ("Roach"), an independent third party gas industry consultant, was engaged to research, gather data, and report on the accuracy of the Columbia meters. Roach made site visits to review and gather information on all three Columbia meters whose accuracy was questioned by PSU and conducted field tests for the ECSP CT meter to determine meter accuracy.

~~**Q. What were the results of Roach's findings?**~~

~~**A.** Roach concluded that Columbia's meters were built and maintained to American Gas Association's ("AGA") standards for accurate gas measurement and each meter is within industry accepted accuracy for custody transfer of gas from the Company to PSU. The only exception noted by Roach was during time periods when the PSU ECSP booster compressor was running. I have attached a copy of the Roach report to my testimony, which has been marked as AST Exhibit 7 R CONFIDENTIAL.~~

~~**Q. What is the impact on measurement when the compressor is running?**~~

1 ~~A. During times when the booster compressor was operating, pressure pulsations and~~  
2 ~~vibrations were produced by PSU's booster compressor. These pulsations and~~  
3 ~~vibrations are impacting the measurement accuracy of Columbia's meter. In~~  
4 ~~addition, the vibrations caused by the PSU booster compressor also create the~~  
5 ~~potential to damage the physical piping and equipment associated with the~~  
6 ~~Columbia meter. Roach recommended that PSU stop running the booster~~  
7 ~~compressor as it was a safety concern in addition to affecting the measurement~~  
8 ~~accuracy.~~

9 ~~Q. Did Roach offer any remedial options to correct the gas pressure~~  
10 ~~pulsations caused by PSU booster compressor?~~

11 ~~A. Yes. Within his report, which was provided to PSU by Columbia, Roach provided~~  
12 ~~several remedial measures that included the following:~~

13 ~~a. Have compressor manufacturer alter the booster skid to comply with the~~  
14 ~~recommendations of the American Petroleum Institute ("API") and the~~  
15 ~~Gas Machinery Research Council ("GMRC").~~

16 ~~b. Build an acoustic filter between the booster and the meters to silence the~~  
17 ~~pulsation.~~

18 ~~c. Modify the Solar turbine to accept lower fuel pressure~~

19 ~~d. Columbia to provide gas pressures greater than 340 psig all the time to~~  
20 ~~eliminate the need to run the PSU ECSP booster compressor~~

1 ~~e. Move the Columbia and PSU meters to sites beyond the reach of the~~  
2 ~~pulsations~~

3 ~~Roach noted that their remedial measures may not have practical applicability~~  
4 ~~due to pressure, fuel demand, location, economics, or logistics.~~

5 **Q. Did Columbia review the remedial options Roach offered that**  
6 **pertained to actions Columbia could take?**

7 **A.** ~~Yes. The option to move the Columbia meter beyond the reach of the pulsations~~  
8 ~~was not considered practical as the location where the pulsations stopped was~~  
9 ~~unknown. Extensive engineering would need to be performed to try to identify such~~  
10 ~~locations. Columbia is not aware of any engineering that PSU performed to identify~~  
11 ~~that location. The option for Columbia to provide pressure above 340 psig all the~~  
12 ~~time is not an option based on many factors including, but not limited to,~~  
13 ~~Columbia's ability to maintain adequate pressures in its distribution system to~~  
14 ~~supply the Company's existing and potentially new customers in the State College~~  
15 ~~market.~~

16 **Q. Did Columbia take any additional steps to address the safety concerns**  
17 **of the meter vibrations after Roach reported his findings?**

18 **A.** Yes. Columbia again hired Roach to perform a second on-site field test on  
19 November 13, 2018 to determine the level of vibrations that were causing an  
20 equipment safety concern for the Columbia meter serving PSU's ECSP CT. ~~This~~  
21 ~~field test determined that the vibrations caused by the booster compressor became~~

1 ~~acceptable for reasonable life of the system and equipment when the compressor~~  
2 ~~speed ran above 1,250 rpm. Roach, in its report, further recommended, to address~~  
3 ~~safety concerns, that the compressor be operated at speeds between 1,400 to 1,500~~  
4 ~~rpm to provide minimal vibration. During this on site field test, Columbia~~  
5 ~~instructed PSU that they are now required to run the booster compressor between~~  
6 ~~1,400 and 1,500 rpm, to which PSU agreed. I have attached a copy of the Roach~~  
7 ~~report to my testimony, which has been marked as AST Exhibit 8 R~~  
8 ~~CONFIDENTIAL.~~

9 ~~It was also observed that the pressure pulsations at all compressor speeds~~  
10 ~~and all gas pressures affected the accuracy of both the Columbia and PSU meters.~~  
11 ~~During the test period, the PSU meter totals actually exceeded the Columbia meter~~  
12 ~~totals by 2.3%.~~

13 ~~**Q. What were Roach's recommendations as the result of the November 13,**~~  
14 ~~**2018 field test?**~~

15 ~~**A.** Roach recommended the following:~~

- 16 ~~a. PSU should not run the booster compressor less than 1,250 rpm and~~  
17 ~~preferably at 1,400 to 1,500 rpm~~
- 18 ~~b. PSU should investigate compressor modifications with the manufacturer~~  
19 ~~to reduce pressure pulsations~~
- 20 ~~c. To reduce Columbia's meter inaccuracy caused by PSU's booster~~  
21 ~~operations, PSU could investigate and install booster inlet piping acoustic~~

~~dampner, virtual orifice, actual orifice, sonic nozzle or any other booster inlet mitigation device to eliminate flow pulses reverberating back from the booster compressor.~~

~~d. Reinvestigate measurement accuracy effects by the PSU booster after these changes are made.~~

**Q. Prior to Mr. Crist's testimony submitted on July 28, 2020, has PSU provided Columbia any information regarding investigations conducted or steps they implemented to eliminate the booster compressor pulsations.**

**A.** No. Columbia has no knowledge of PSU's review and action taken based on the recommendations Roach provided, which included having the compressor manufacturer modify the booster skid to comply with recommendation of API and GMRC.

~~**Q. Do you agree with Mr. Crist that Columbia should refund Penn State \$954,000?**~~

~~**A.** No. Columbia's consultant found the Columbia's meters were built and maintained to American Gas Association's ("AGA") standards for accurate gas measurement and each meter meets with industry accepted accuracy for custody transfer. Roach did determine that both the Columbia and PSU meters were inaccurate during times when PSU operated the booster compressor. Columbia is not responsible for the inaccurate measurement since the PSU booster compressor operation is the~~

1 ~~source of the inaccurate meter readings.~~ Columbia has requested that Witness  
2 Crist provide detail on how PSU calculated its requested refund of \$354,000, but  
3 PSU has yet to provide this information. Once received, I reserve the right to  
4 update my testimony. However, I am advised by counsel that under Pennsylvania  
5 law, to the extent a refund is ordered by the Commission, that such refunds are  
6 limited to four years, and not five years as requested by PSU in this case.

7 **Q. Do you agree with Mr. Crist that Penn State's meter should be the basis**  
8 **for which billing is calculated in order to avoid this problem in the**  
9 **future?**

10 **A.** No. It is not Columbia's practice to use meters operated, owned and maintained by  
11 customers as the basis of our billing, as we have no control over meter reading,  
12 testing, and maintenance of such meters. Further, allowing PSU to use its meter as  
13 the basis for billing would be discriminatory to other customers with similar meter  
14 configurations. ~~Per Roach, accurate billing can only be achieved by removing the~~  
15 ~~pulsations caused by PSU's booster compressor, and PSU has taken no action, to~~  
16 ~~Columbia's knowledge, to address and or eliminate said pulsations.~~

17 ~~In addition, Roach's findings concluded that both the Columbia and PSU~~  
18 ~~meters were rendered to be inaccurate and both meters recorded higher and lower~~  
19 ~~volumes than the calculations predicted when PSU operates the booster~~  
20 ~~compressor, with Columbia's meter showing a higher magnitude of error than~~  
21 ~~PSU's meter. Witness Crist's assertion that the PSU meter is accurate during times~~

1 ~~when the booster compressor is in operation is not supported by any evidence, and~~  
2 ~~is a direct contradiction of Roach's conclusion. After contacting several meter~~  
3 ~~manufacturers, Roach's conclusion was that no gas meter manufacturer would~~  
4 ~~guarantee they could produce custody transfer type measurement with the~~  
5 ~~pulsations that were present when PSU's booster compressor was in operation.~~  
6 ~~Roach indicated the pulsations must be eliminated to have accurate measurement.~~  
7 ~~Penn State should not take advantage of inaccurate meter readings cause by its~~  
8 ~~own improper design and installation, as an excuse to use its own inaccurate meter~~  
9 ~~readings.~~

10 **Q. ~~What solution does Columbia recommend?~~**

11 **A.** ~~Columbia recommends that PSU stop all use of the booster compressor until PSU~~  
12 ~~implements corrective action to eliminate all gas pulsations. This is required under~~  
13 ~~Columbia's tariff rule 15.3: "Customer shall exercise reasonable care in the~~  
14 ~~installation, maintenance and operation of its equipment so as to avoid any~~  
15 ~~inaccuracy in the determination of the quantity of gas delivered." Although~~  
16 ~~Columbia has been able to maintain pressure above 340 psig since November 13,~~  
17 ~~2018 other than approximately 6 hours on November 13, 2019, Columbia cannot~~  
18 ~~guarantee this in the future. From Roach's findings, it is irrefutable that both the~~  
19 ~~Columbia and PSU meters' inaccuracy is caused by PSU's booster compressor.~~  
20 ~~Roach also concluded that the Columbia and PSU meters cannot be corrected to~~  
21 ~~read accurately with the pulsations present and the meters cannot be exchanged for~~

~~1 other styles of meters to record accurately with pulsations present. Thus, the onus  
2 in this case is on PSU to correct the problem they are creating when they operate  
3 their booster compressor not the natural gas utility.~~

4 **Q. Did Columbia try to calculate the magnitude of the Columbia meter  
5 inaccuracy based on Roach's finding?**

6 **A.** Yes; Columbia again hired Roach to compare Columbia meter's measurement with  
7 a theoretical calculated fuel burn for a time period of January 2015 through  
8 December 2018. ~~Roach developed a calculated fuel burn for the CT using  
9 information by the turbine manufacture, Solar Turbines, along with PSU provided  
10 electrical generation data and ambient temperatures.~~ PSU was not able to provide  
11 booster compressor run times from June 2017 through December 2018.

12 ~~Roach indicated the calculated fuel burn is an estimated calculation and the  
13 daily calculations have many factors associated with it including consistent timing  
14 of the temperature readings among other things. In addition, the theoretical  
15 calculation was based on the Solar CT operating at its optimal performance  
16 capability whereas the age and condition of PSU's turbine may stray from this  
17 optimum. Although Roach's comparison was done on a daily basis, Roach  
18 indicated that the data needed to be looked at by month or by season due to the  
19 potential misalignments in the data that might impart false accuracy when viewed  
20 in a short term (eg. such as looking at the data on a daily basis). I have attached a  
21 copy of the Roach report to my testimony, which has been marked as AST Exhibit~~

~~1 R CONFIDENTIAL~~

~~2 Roach's results indicated that over the four years Columbia's meter  
3 registered a total of 14,083 Mcf over the theoretical calculated fuel burn. Roach  
4 had to perform additional estimations due to PSU being unable to provide actual  
5 hourly booster run times for the period of June 2017 through December 2018.  
6 Although this calculation provides a high level magnitude of the measurement  
7 inaccuracy, the calculated fuel burn cannot be considered the true actual  
8 consumption experienced by PSU's CT unit that is over 10 years old. Fuel  
9 consumption by PSU CT more than likely does not follow usage patterns based on  
10 theoretical calculated fuel burns of an optimal running CT.~~

11 **Q. Did Columbia provide PSU Roach's report and findings for the fuel  
12 calculation?**

13 **A.** Yes, Columbia provided the full report to PSU.

14 **Q. What is the status of the issue today?**

15 **A.** Columbia has provided the referenced Roach reports to PSU, along with the raw  
16 data from the third party consultant. ~~Again, the third party consultant has  
17 concluded that PSU's booster compressor supplying the PSU CT is producing  
18 vibrations and pulsations on the Columbia and PSU gas piping systems that disrupt  
19 the flow of natural gas and the accuracy of both Columbia and PSU's gas meters.  
20 While PSU has agreed to operate the booster compressor between 1,400 and 1,500  
21 rpm when in operation in order to minimize and/or eliminate gas vibrations that~~

1 ~~can cause a safety concern.~~ Prior to receipt of the response to Columbia Set 1-004,  
2 Columbia had no knowledge of PSU's actions to eliminate the gas pressure  
3 pulsations. PSU indicates in its response to Columbia's Set 1-004 Interrogatory that  
4 they 1) followed Utility Technologies International's ("UTI") recommendation to  
5 tune the compressor's control loop to hold a more constant pressure to minimize  
6 or avoid pulsating flow; 2) had a telephone call with Kerr Engineered Sales  
7 Company to discuss pulse filters; 3) called Areil Compressor (existing  
8 compressor manufacturer) to review their booster compressor performance and  
9 to identify a replacement compressor; and 4) had an email exchange with Solar  
10 Turbines Inc. to review inlet pressure alarms and trip set points. I have attached a  
11 copy of the PSU's response to Columbia Set 1-4, which has been marked as AST  
12 Exhibit 10-R.

13 ~~Q. Do these actions by PSU correct the pulsation issue caused by their~~  
14 ~~CT?~~

15 ~~A. No. PSU acknowledges in their response that implementing UTI's~~  
16 ~~recommendation of running the compressor at 1,500 rpm addresses only the~~  
17 ~~vibration issue, but does not eliminate the gas pulsations causing meter~~  
18 ~~inaccuracy. Columbia's consultant verified this fact during the onsite field test on~~  
19 ~~November 13, 2018. Similarly, the other three actions taken by PSU do not~~  
20 ~~eliminate the pressure pulsations because no identifiable actions have been taken~~  
21 ~~by PSU to correct the problem with their CT following these discussions.~~

1 ~~Therefore, PSU has not implemented a solution to completely eliminate the~~  
2 ~~pressure pulsations that their booster compressor is producing.~~

3 **Q. Please explain.**

4 **A.** ~~If PSU was committed to resolving the issue with the gas pulsations created from~~  
5 ~~operating their CT, PSU would have had more than phone calls and email~~  
6 ~~exchanges with their compressor and turbine manufacturers. Over the 21 months~~  
7 ~~since seeing the results of our consultant's findings, PSU has not had any on site~~  
8 ~~visits with their equipment manufacturers to conduct a thorough review of their~~  
9 ~~CT operations and the gas pulsations.. Gas compression for combustion turbines~~  
10 ~~is not new to the industry as Solar Turbines and compressor manufacturers~~  
11 ~~design these systems every day safely and free from gas pressure pulsations.~~  
12 ~~Instead, PSU has decided to file what amounts to a customer complaint in the~~  
13 ~~context of a base rate case, in order to seek compensation for a problem of their~~  
14 ~~own making. Rather than raise this issue here, PSU should invest in seeking to~~  
15 ~~fix what is wrong with their combustion turbine.~~

16 **Q. Please summarize you conclusions.**

17 **A.** ~~Mr. Crist's accusation that Columbia failed to take action to correct what PSU~~  
18 ~~believes is false readings to determine billing for PSU CT gas consumption is~~  
19 ~~untruthful.~~ To date, Columbia has spent over \$40,000 to have Roach provide  
20 analysis, on-site field testing, and reporting, with all reports provided to PSU in an  
21 effort to be transparent. ~~Columbia has worked in good faith with PSU to verify the~~

~~accuracy of the three Columbia meters in question, as evidenced by the multiple consultant reports provided to PSU.~~

~~The consultant determined that both the Columbia and PSU meters were inaccurate during times when PSU ran their booster compressor. The responsibility to eliminate the pressure pulsations caused by PSU's booster compressor lies solely with PSU, and to date, Columbia is not aware of anything PSU has done to address this issue. Therefore, Columbia should not be required to provide any refund to PSU for errors cause by PSU's improperly installed, and potentially hazardous, equipment, nor has PSU provided Columbia any supporting calculations prior to this case of how the \$354,000 was calculated.~~

**Flex Rates**

**Q. Please summarize the issues you will be addressing regarding flex rates.**

**A.** I will address OSBA witness Knecht's assertion that Columbia does not provide adequate justification for customers paying less than the full tariff rate and I&E Witness Cline's request for Columbia to provide a competitive alternative analysis for customers whose alternative fuel source has not been verified for a period of 10 years or more when Columbia files its next base rate case. I will also address Columbia Industrial Intervenor (CII) Witness Frank Plank's position regarding Columbia's unwillingness to offer Knouse Foods a flexible rate contract.

1 **Q. OSBA Witness Knecht states that the Company has not presented**  
2 **sufficient justification for granting discounted rates to flex customers.**  
3 **Does he have the information needed now?**

4 **A.** I am advised by legal counsel that Witness Knecht requested, and was granted,  
5 access to highly confidential information on July 10, 2020, the date in which the  
6 Company received his signed confidentiality agreement. Customer information is  
7 highly confidential, and would not have been provided to any witness through the  
8 discovery process absent a request for access to highly confidential information.

9 **Q. Was the request for information regarding customers not paying the**  
10 **full tariff rate made throughout the initial discovery period?**

11 **A.** Yes. At least three requests were made for this information. The first request was in  
12 Confidential I and E RS—06, sent to parties, including Witness Knecht, on June 15,  
13 2020. Confidential OCA 1-34, was sent to parties, including witness Knecht on  
14 June 25, 2020 and OSBA 1-29 was sent to parties, including Witness Knecht, on  
15 July 9, 2020. Columbia concedes that while not all data requests may have been  
16 submitted timely and in accordance with the procedural schedule, there was a  
17 period of 19 days between the time the last discovery request with Flex customer  
18 information was sent to parties and the time direct testimony was due from parties  
19 on Tuesday, July 28, 2020.

20 **Q. Do you agree with Witness Cline's recommendation for Columbia to**  
21 **provide a competitive alternative analysis for customers whose**

1           **alternative fuel source has not been verified for a period of 10 years or**  
2           **more when Columbia files its next base rate case?**

3   **A.**   No. Columbia agreed to provide updated competitive alternative analyses for the  
4           six flex-rate customers that had not had their alternative supply verified since  
5           2008 and one customer that had not had their alternative supply verified since  
6           2010 as part of settlement from Docket R-2018-2647577, and Columbia has  
7           complied with this commitment. However, Columbia does not believe this  
8           analysis is necessary going forward. The analyses performed as part of the  
9           settlement from Docket R-2018-2647577 were on agreements up for  
10          renegotiation, and a competitive alternative evaluation was to be done as part of  
11          Columbia's normal renegotiation process.

12   **Q.   Do flex agreements typically extend beyond 10 years?**

13   **A.**   No. It is the Company's preference to enter into agreements that are less than 10  
14          years. While there are a limited number of customers whose agreements are  
15          longer, those agreements are based on the unique circumstances of the customer,  
16          with the economic analysis for the bypass performed based on the market  
17          conditions at the time the contract is entered into. Witness Cline correctly  
18          identifies in his testimony that facts and circumstances may change, however,  
19          absent specific contractual agreements to update the contract, the rate will  
20          remain the same throughout the duration of the contract as facts and  
21          circumstances dictate at the time the agreement was entered into. For example, if

1 I obtained a fixed 30 year mortgage at the time when the market supported a 3%  
2 interest rate, the lender would not be permitted to raise that rate in the future,  
3 even if circumstances warranted a different rate. Any analysis performed would  
4 not impact Columbia's ability to change the terms of the contract, and therefore,  
5 such an analysis is not necessary.

6 **Q. What are the tariff requirements Knouse Foods would have to meet in**  
7 **order to be eligible for a flexible rate contract?**

8 **A.** Supplement 221 of Tariff Gas – Pa PUC No. 9 requires a customer to submit a  
9 sworn affidavit that a lower rate is required to meet competition from an  
10 alternate fuel. In the sworn affidavit submitted by the customer, the following  
11 must be documented:

12 (a) The customer has alternate fuel capability in place and operable or  
13 would otherwise construct facilities to obtain gas service from an alternate  
14 source;

15 (b) The quantity of natural gas transported by the Company which  
16 would be displaced by operation of the alternate fuel capability;

17 (c) The burner tip cost in therm equivalent of the customer's alternate  
18 fuel; and,

19 (d) If the customer has an agreement with a producer for purchase of gas,  
20 the customer must verify that it has exercised all contractual rights  
21 available to the customer, including price redetermination, marketability

1 or market reopener provisions, to reduce the city gate price of natural gas  
2 delivered to the Company for redelivery to the customer, and that the  
3 customer has the right to cease purchases under the agreement. Upon  
4 request by the Company customer agrees to submit a true copy of the  
5 currently effective agreement or agreements between customer and  
6 producer(s) for purchase of natural gas quantities delivered to the  
7 Company's city gate for redelivery to the customer. If the customer does  
8 not have an outstanding contract with a producer, the customer must  
9 verify that the customer is unable to purchase gas at a price, including cost  
10 of delivery by Columbia that is equal to the cost of alternative fuel.

11 In addition to the above, Columbia also requires the customer provide the  
12 "all-in" burner tip price in its sworn affidavit for Columbia to evaluate whether a  
13 flexed rate should be offered to the customer. Columbia shall undertake its own  
14 review of the facts surrounding the customer's competitive alternatives to assess  
15 the reasonableness of the asserted price. If Columbia has questions concerning  
16 the reasonableness of the asserted price, Columbia reserves the right to verify the  
17 accuracy of statements included in this affidavit. These provision was part of the  
18 settlement at Docket R-2010-2215623. A copy of this settlement has been  
19 attached at AST Exhibit 11-R.

20 **Q. Has Knouse Foods been able to provide a sworn affidavit with all of**  
21 **the requirements per the tariff?**

1   **A.**    No, they have not. Per Witness Plank's testimony, it appears the alternate source  
2           of fuel supporting the flexible rate agreement has increased in price and is no  
3           longer a competitive alternative to natural gas.

4   **Q.**    **Does this complete your Prepared Rebuttal Testimony?**

5   **A.**    Yes, it does.

COLUMBIA STATEMENT NO. 1-RJ

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility	)	
Commission	)	
	)	
v.	)	Docket No. R-2020-3018835
	)	
Columbia Gas of Pennsylvania, Inc.	)	
	)	
	)	

REJOINDER TESTIMONY OF  
ANDREW S. TUBBS  
ON BEHALF OF  
COLUMBIA GAS OF PENNSYLVANIA, INC.

September 21, 2020

**PUBLIC VERSION**

1 **Q. Please state your name and business address.**

2 **A.** My name is Andrew S. Tubbs and my business address is 800 North 3<sup>rd</sup> Street, Suite  
3 204, Harrisburg, PA 17102.

4 **Q. By whom are you employed and in what capacity?**

5 **A.** I am employed by Columbia Gas of Pennsylvania, Inc. (“Columbia” or “the  
6 Company”) as Vice President, External and Customer Affairs.

7 **Q. Have you previously filed testimony in this matter?**

8 **A.** Yes. I have adopted Columbia Statement No. 1, the Direct Testimony of Michael  
9 Huwar, as he is no longer with the Company. I have also provided Rebuttal and  
10 Surrebuttal Testimony.

11 **Q. What is the purpose of your Rejoinder testimony?**

12 **A.** I will respond to the rebuttal testimony of OSBA witness Knecht, wherein he suggests  
13 that Columbia has not demonstrated that its flex rate discounts are economically  
14 justified. I will also respond to multiple assertions made in the testimony of  
15 Pennsylvania State University (PSU) Witness Crist.

16 **Witness Knecht:**

17 **Q. What, specifically, is Mr. Knecht’s position with regard to the Company’s**  
18 **flex rate discounts?**

19 \*\*\*\*\***BEGIN HIGHLY CONFIDENTIAL**\*\*\*\*\*

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\*\*\*\*\*END HIGHLY CONFIDENTIAL\*\*\*\*\*

**Q. Has the Commission concluded its investigation regarding gas-on-gas competition?**

**A.** It has not. The Commission’s most recent order, identified by Mr. Knecht, was issued by the Commission on June 13, 2019, at Docket Nos. P-2011-2277868 and I-2012-2320323. In that Order, the Commission deferred to a collaborative working group a number of unresolved issues. Importantly, two of those issues are: 1) the appropriate methodology to calculate the lowest applicable gas-on-gas flex tariff rates available to customers who participate in gas-on-gas competition; and 2) the uniform tariff provisions to be utilized by jurisdictional natural gas distribution companies in

1 implementing gas-on-gas flex rates. Until those issues are resolved by the  
2 Commission, Mr. Knecht is wrong in concluding that, in fact, Columbia's gas on gas  
3 flex rates are in violation of the Commission's policy.

4 \*\*\*\*\*BEGIN HIGHLY CONFIDENTIAL\*\*\*\*\*

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**Witness Crist:**

**Q. Please state what issues you will address from PSU witness Crist’s surrebuttal testimony.**

**A.** In my rejoinder testimony, I will address several claims made by Mr. Crist regarding Columbia’s meter accuracy and the Roach report.

**Q. On page 5-6 of his surrebuttal testimony, Mr. Crist states that if Columbia would have consistently delivered gas at 340 psig or greater, PSU would not have been overbilled. Did Columbia have an obligation to delivery gas pressure to PSU at a pressure at or greater than 340 psig?**

**A.** No; In managing the gas supply portfolio for the State College market, Columbia primarily used Columbia Gas Transmission, Inc. (“TCO”) to provide the gas for the market up thru June 11, 2018, at which time Columbia changed its gas system by eliminating the gas feed from TCO to serve the State College market. Although Columbia did allow PSU to delivery its gas via the Dominion Transmission, Inc. pipeline, Columbia used the TCO pipeline to provide gas to the State College market for its customers up to June 11, 2018. Columbia had no obligation to deliver gas to PSU at pressures higher that 340 psig. If PSU’s operations required those pressures, it was PSU’s responsibility to install equipment on its side of the Columbia delivery

1 meter to maintain those pressures, in a manner that was safe and would not interfere  
2 with Columbia's meter operations.

3 **Q. On page 6 of his surrebuttal testimony, Mr. Crist states that Columbia's**  
4 **engineering and design team either lacked the expertise concerning the**  
5 **effect of compressor operation on natural gas turbine meters, or**  
6 **neglected to inform Penn State of any potential issue. Do you agree with**  
7 **Mr. Crist's assertion?**

8 **A. ~~No. Columbia's engineering team designed the gas measuring station for the~~**  
9 **~~combustion turbine and booster compressor based on the gas requirement's PSU~~**  
10 **~~provided Columbia. PSU, the Solar Turbine vendor and the compressor vendor did~~**  
11 **~~not inform Columbia at any time during the design planning phase or installation~~**  
12 **~~phase of the combustion turbine project that the equipment being installed would~~**  
13 **~~produce gas pulsations back to the Columbia measurement station. If Columbia~~**  
14 **~~informed of any such information at the time of the equipment design phase,~~**  
15 **~~Columbia would have instructed PSU and its vendors that any such pulsations would~~**  
16 **~~need to be addressed by them and not by Columbia. Gas pulsations caused by~~**  
17 **~~customer equipment that could travel back toward the gas utility meter is not~~**  
18 **~~common and would be considered an unacceptable design practice by PSU's vendors.~~**  
19 **~~In Mr. Roach's report, he concluded that the pulsations caused by the PSU booster~~**  
20 **~~compressor exceeded recommendations by the American Petroleum Institute~~**  
21 **~~("API") and the Gas Machinery Research Council ("GMRC"). It is simple wrong for~~**  
22 **~~Mr. Crist to suggest that Columbia's engineering team failed to design a measuring~~**  
23 **~~station that would accommodate gas pulsation from PSU equipment.~~**

1 **Q. On pages 4-5 of his surrebuttal testimony, Mr. Crist states that the**  
2 **existence of privileged communications “creates a cloud of doubt” about**  
3 **Roach’s report. Did Columbia make any edits to the report received from**  
4 **Roach on October 15, 2018 before it was sent to PSU on October 31, 2018?**

5 **A.** No. Moreover, I am advised by counsel that the existence of attorney-client  
6 privileged communications cannot be used to create a negative inference.

7 ~~Q. Did Roach advise Columbia that the vibration issue was of such concern that an~~  
8 ~~immediate notification to PSU was necessary?~~

9 ~~A. No, and Columbia personnel who reviewed the draft report did not reach that~~  
10 ~~conclusion either.~~

11 **Q. Did PSU provide compressor run times from January 2015 through**  
12 **December 2018, as Mr. Crist says in testimony?**

13 **A.** No. PSU provided the Company compressor run times from January 2015 thru May  
14 2017, but not from June 2017 to December 2018. The Company confirmed with  
15 Roach that PSU did not provide booster compressor run times from June 2017  
16 through December 2018. Compressor run times from July 2017 through December  
17 2018 had to be estimated by Roach based on assumptions from the data extracted  
18 from the Columbia and PSU gas meter divergence information because PSU did not  
19 provide the days the compressor either ran or did not. The Company is unable to  
20 confirm that Mr. Crist provided and Columbia and Roach with compressor run times  
21 in two different email transmissions .

22 **Q. In his testimony, Witness Crist states that Columbia’s consultant agrees**  
23 **with PSU that Columbia’s meter is not accurate when the compressor is**  
24 **running. Please comment.**

4 A. ~~Roach's report specifically states that CPA's turbine meter has acceptable accuracy~~  
5 ~~EXCEPT when the PSU booster compressor is running; however, it appears that PSU~~  
6 ~~does not recognize this and is seeking a refund even for the periods of time that the~~  
7 ~~compressor did not run. In addition, Mr. Crist fails to recognize (1) that Roach~~  
8 ~~indicates in his report that both the Columbia turbine meter and the PSU coriolis~~  
9 ~~meter experience inaccuracies when PSU runs the booster compressor and (2) that~~  
10 ~~the Roach report concluded that no meter vendors would guarantee meter accuracy~~  
11 ~~with the level of gas pulsations PSU's booster compressor was producing. Roach~~  
12 ~~contacted turbine, ultrasonic, orifice, and even a coriolis meter vendor (PSU's meter~~  
13 ~~type).~~

14 **Q. ~~After the November 13, 2018 testing, did the issue of gas pulsation and~~**  
15 **~~vibrations get clarified?~~**

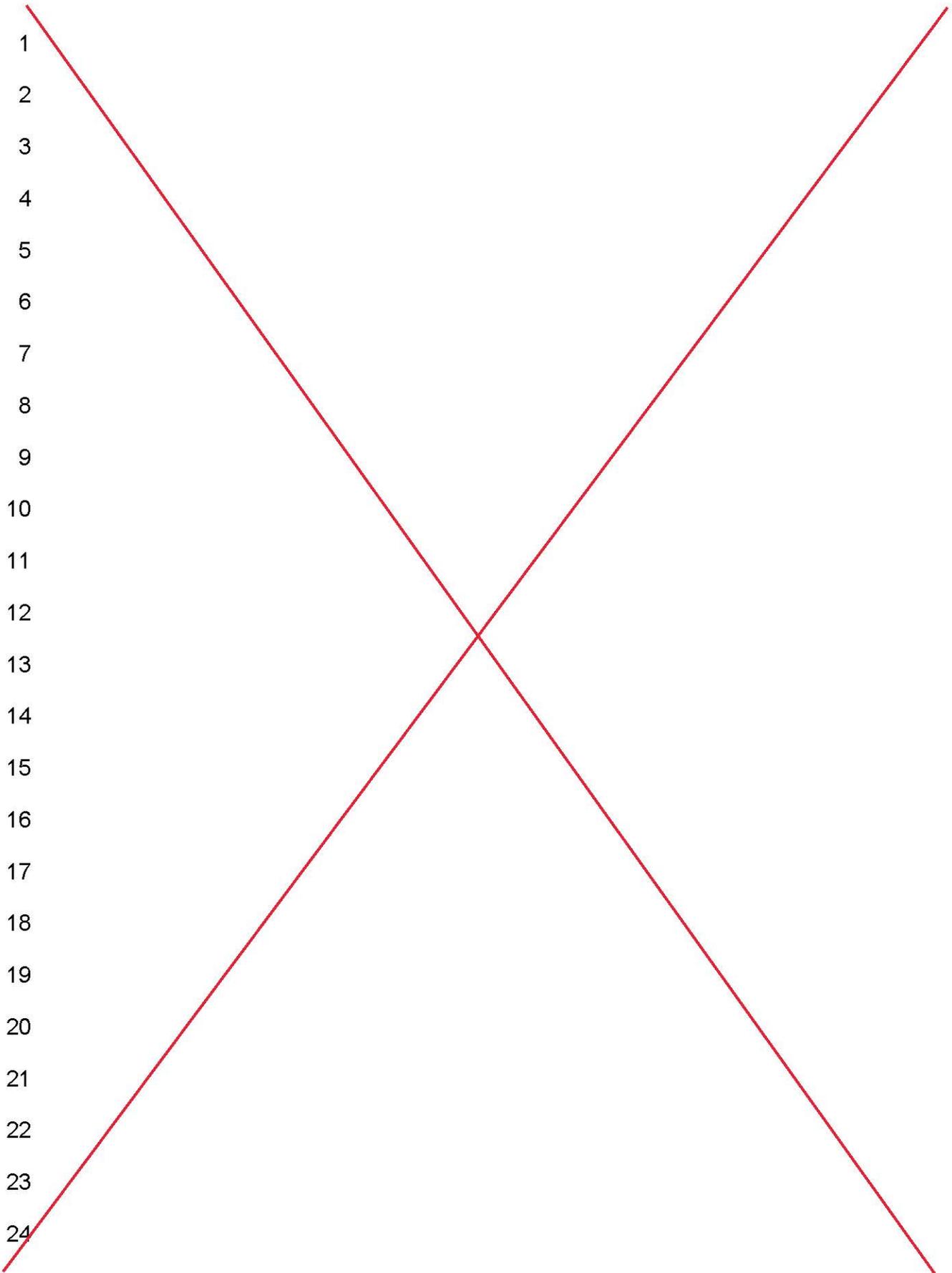
16 A. ~~Yes. The testing on November 13, 2018 identified gas pulsations and vibrations.~~  
17 ~~Columbia's consultant was able to identify that the safety issue was caused by the~~  
18 ~~vibrations that the PSU booster compressor was transmitting to the Columbia~~  
19 ~~measuring stations. A solution to the safety concern was reached during the field test~~  
20 ~~on November 13<sup>th</sup> by having PSU run the compressor at a speed of 1,500 rpm.~~  
21 ~~However, no solution was reached regarding the elimination of the gas pulsations~~  
22 ~~that were being transmitted by the operation of the PSU booster compressor. The~~  
23 ~~pulsations continue to cause meter inaccuracy, as explained by Mr. Roach. Such~~  
24 ~~elimination of the gas pulsations would need further investigation and action taken~~  
25 ~~by PSU.~~

26 **Q. ~~Does the Company believe that any refund is owed to PSU for the~~**  
27 **~~difference in meter reads, as PSU claims?~~**

4 A. ~~Columbia continues to disagree that any refund is owed to PSU where any meter~~  
2 ~~discrepancies are caused by PSU's flawed equipment design.~~

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1 \*\*\*\*\*END HIGHLY CONFIDENTIAL\*\*\*\*\*

2 Q. Does this conclude your testimony?

3 A. Yes.

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