

Richard C. Culbertson
1430 Bower Hill Road
Pittsburgh, PA 15243
(609) 410-0108

Richard.c.culbertson@Gmail.com

July 22, 2021

Honorable Mark A. Hoyer
Deputy Chief Administrative Law Judge,
Office of Administrative Law Judge
Piatt Place, Suite 220
301 Fifth Avenue
Pittsburgh, PA 15222

Re: Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc.
Docket No. R-2021-3024296

Dear Judge Hoyer and Counsel,

This is my Surrebuttal Testimony, in response to the Rebuttal Testimony of Columbia Gas Witness Mark M Kempic Columbia Statement No.1-R July 14, 2021, and by reference Witness C. J. Anstead. Statement No. 14-R (Public).

Respectfully,

A handwritten signature in black ink, appearing to read 'R. Culbertson', with a stylized flourish at the end.

Richard C. Culbertson
Richard.c.culbertson@Gmail.com

cc: PUC Secretary Rosemary Chiavetta, Certificate of Service. eFiling Confirmation Number

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :

:

v.

:

Docket No. R-2021-3024296:

:

Columbia Gas of Pennsylvania, Inc. :

SURREBUTTAL TESTIMONY OF RICHARD C. CULBERTSON

July 22, 2021

Introduction

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

2

3 **A** My name is Richard C. Culbertson. My address is 1340 Bower Hill Road Pittsburgh,
Pennsylvania 15243.

4

5 **Q What is the purpose of this Surrebuttal Testimony?**

6

7 **A** In this Surrebuttal Testimony, I respond to the Rebuttal Testimony of Columbia Gas
Witness Mark M Kempic Columbia Statement No.1-R July 14, 2021, and by
reference C. J. Anstead. Statement No. 14-R (Public). I do not respond to all of
the Company's Rebuttal addressing the issues presented in my Direct
Testimony. However, this should not be interpreted to mean that I agree with
the Company's Rebuttal on those issues or that I believe the companies
responses are persuasive.

8

9 **Q Have you previously submitted testimony in this docket?**

10 **A** Yes. I submitted Direct Testimony on June 16, 2021.

11

12 **Q What is your educational and professional background?**

13 **A** Graduated from what is now California State University Northridge, BS
Business Administration – Management, Pepperdine University MBA.

Graduate of GE's internal -2 year Financial Management Program, Certified – CFR 49
Transportation, Certified Lean Six Sigma Black Belt.

14

15 **Q Memberships in any professional associations or the like?**

16 **A** Thirty-one-year member of the National Management Association
(Current Vice
President of local chapter), a 21-year member of ASTM E53Asset
Management
(Current Chairman of the Committee), 6-year member of ISO TC
251Asset
Management (Current Membership Secretary (ASTM/ ANSI / U.S.
delegate to.
international meetings), 6-year member, board member, and Senior

Fellow of
Asset Leadership Network. (These are all volunteer positions.)

1 Q

Professional Career Work?

40-year career with GE and Lockheed Martin (Lockheed Martin is the Largest Government contractor in the world) and I was their leading subject matter expert in asset management – the management and accounting of company and Government property. Had operations management responsibility of a large diverse sector and acquired extensive business management knowledge and skills. 50 years plus involved in personal and family real estate investments, primarily single-family resident homes. Most work we do ourselves.

2
3 Q

Have you ever filed a formal complaint against a public utility?

I have been a customer of public utilities in states – California, New York, New Jersey, Maryland, Virginia, and Pennsylvania. I filed my first formal complaint against Columbia Gas of Pennsylvania on May 8, 2017, because they interfered with my business and my real property. While the property was going through foreclosure in 2015 they “abandoned” the customer’s service line, which is an appurtenance of this private property as if they owned my customer’s service line. Then they forced me to replace my customer’s service line, otherwise, they would not provide gas service.

What they did was when gas service was not used at the property for two years, because of the foreclosure for the property, they abandoned (disconnected it from the main distribution line) wrote off their service line. With this, they administratively abandoned my customer’s service line, even

though my customer's service line remained intact and was separated from Columbia's service line by a curb valve.

Informally, I complained through Columbia's ethics department and management up to Mr. Kempic, President of Columbia Gas of Pennsylvania and Mr. Hamrock, CEO and President of NiSource. I got no

response from Mr. Kempic, except through Mr. Hamrock. They would not

release my property for use. Eventually, I had to replace my customer's

service line with the same ASTM D2513 plastic pipe. They are indistinguishable. After that, Columbia replaced their service line to the

property. I understand the cost was around \$13,000. From this, I concluded my experience was a deliberate scheme to pad their rate base.

The formal complaint filed May 8, 2017, of which still has not been dispositioned by the PUC.

This is my first Formal Complaint against a public utility in a rate case.

1 Q

What is your experience with 49 CFR Transportation?

When I was part of the management team of the Shippingport Nuclear Decommissioning Project. I had diverse responsibilities, property management (company and Government), transportation, solid waste management, procurement, contracts, and site services. As part of the job, I

had to be DOT certified in the Transportation of Hazardous Material.

Here, one of the most important issues is the jurisdiction of the Department

of Transportation. 49 CFR is under the authority and responsibility of the

Federal Department of Transportation, on surface, primarily on interstate highways, rail pipelines.

The DOT provides the regulations over the public highways. DOT does not

provide regulations of the movement of goods on private property. DOT does not provide regulations beyond delivery at the destination. At Shippingport, we had a thousand-ton pressure vessel to move. We moved it on Duquesne Light property down to the Ohio River onto a barge. Once it was on the barge, ready to move, it became subject to 49 CFR and had to be properly placarded, etc.

It applies in this rate case and the operations of Columbia Gas of Pennsylvania because the delivery of Gas, per the Columbia Gas tariff, is at the Curb valve or property line. (Columbia Gas Tariff "7.1 Point of Delivery)

"The point of delivery of gas to a customer shall be at the outlet side of the curb valve, or the property or lot line if there is no curb valve, at which point title of the gas shall pass to the customer."

2

1 **Q** So for gas service of Columbia Gas to your and others' property, once delivery at the property line takes place, DOT 49 CFR Transportation 192 "Transportation of Natural Gas and Other Gas by Pipeline: Minimum Federal Safety Standards" no longer applies?

2

3 **A** That is correct. 49 CFR Transportation is not applicable. Another illustration – I own a motor home that is about 100 inches wide – it cannot be any wider than that when I travel down the highway. When I am on my property or a campground I can extend the width with a slide-out. The DOT regulation is not applicable on private property. Private property is outside the jurisdiction of Columbia except for access to their own property, which is the gas meter. When Columbia gas goes beyond the authority of

access to their meter – on private property, they are trespassing.

4

5 **Q Regarding M. Kempic’s Statement No. 1-R Page 9 of 10, he refers to Columbia**
Statement No. 14-R, the rebuttal 13 testimony of Columbia witness Anstead, and
Public input testimony by Mr. Hicks. Your reaction?

6

7 **A** It would have been more appropriate for Mr. Kempic to address Mr. Hicks’
testimony of events that occurred several years ago. Mr. Kempic has a legal
background and has been responsible for the management of CPA for several
years – whereas Mr. Anstead has only been at CPA for a few months, coming
from Ohio with a background in quality, operations, and risk management. It
does indicate Mr. Kempic is familiar with and agrees with Mr. Anstead’s
testimony and Columbia’s abandonment of private property of others.

8

9 **Q What about the comment Mr. Kempic made regarding NiSource**
being forced to adopt API 1173?

10

11 **A** Pennsylvania public utility law requires.
PA Title 66 § 2205. Duties of natural gas distribution companies.
(a) Integrity of distribution system. --

*(1) Each natural gas distribution company shall maintain the integrity of
its distribution system at least in conformity with the standards
established by the Federal Department of Transportation and such
other standards practiced by the industry in a manner sufficient to
provide safe and reliable service.*

12

11 **A** For a new regulations PA PUC regulation § 59.33. *Safety. Requires a)*
Responsibility. Each public utility shall at all times use every reasonable
effort to properly warn and protect the public from danger and shall exercise
reasonable care to reduce the hazards to which employees, customers and
others may be subjected to by reason of its equipment and facilities. ... The
*amendment or modification shall take effect **60 days** after the effective date*
of the Federal amendment or modification,

NiSource did not nor CPA get serious with the adoption of API 1173 until after
the Massachusetts disaster. See the November 21, 2018 Press Release of the
Governor’s Office [https://www.mass.gov/news/baker-polito-administration-
announces-utilities-will-adopt-comprehensive-pipeline-safety](https://www.mass.gov/news/baker-polito-administration-announces-utilities-will-adopt-comprehensive-pipeline-safety)

Having plans to adopt and implementing a standard that was published in
2015 and years after not implementation is not compliant with PA Title 66 §
2205 nor PA PUC regulation § 59.33. Safety.

Columbia/ NiSource has not implementing industry standards—ISO 9000, Quality Management, ISO 55000, Asset Management, and the COSO (2013) integrated internal control frame work. This has been harmful yo Columbia and put customers at risk..

1

2 Q **Regarding July 14, 2021, C. J. Anstead’s, Statement No. 14-R (Public) Page 1 and 2 of 4 (General Manager and Vice President.)**

Page 1

11 Q. Mr. Anstead, are you familiar with the testimony of Michael Hicks, Sr.,

12 given at the public input hearing on June 16?13 A. Yes. Mr. Hicks indicated that he is currently without service from Columbia because

14 the Company instructed him to replace the service line at his residence at 2 Eighth

15 Street in Uniontown, Pennsylvania, and he was unable to afford to pay a plumber the

16 estimated cost of \$6,000 to do so. Mr. Hicks was not specific as to the timing of the

17 discontinuation of this natural gas service or as to his attempt to restore service.

18 Q. Has Columbia looked into its records regarding the discontinuation of 19 service at 2 Eighth Street in Uniontown?

20 A. Yes.

Page 2 “11 Q. Did the customer service line at 2 Eighth Street in Uniontown have 12 anything to do with the inability to restore Mr. Hicks’ service in January 13 of 2011?

14 A. No. Service could have been restored in January of 2011 without any requirement to

15 replace the customer service line because Mr. Hicks’ service line had not yet been

16 abandoned under Section 59.36 of the Commission’s regulations.”

What is wrong with these questions and answers?

3

A First of all C.J. Anstead became its the new VP, Gas Operations and apparently became the new General Manager and Vice President of Columbia Gas of Pennsylvania very recently. He came from Columbia Gas from Ohio and appears to have an excellent background in Gas operations construction, safety, and risk

management. <https://www.columbiagasmd.com/our-company/about-us/our-leadership/c-j-anstead>

State laws and regulations are different in Ohio and Pennsylvania.

It does not appear he has a background in accounting, asset management nor contracts. His answers are the same Columbia's rational as in the past for abandoning private property.

I believe he should have reviewed these issues independently and taken the appropriate action based upon the NiSource Code of Business Conduct. *OUR COMMITMENT TO FAIR AND ETHICAL DEALINGS WITH OTHERS -- Comply with all applicable ... laws and regulations.*

Unwittingly, Mr. Anstead may have become part of the problem. He may want to correct that.

As lesson for me a long time ago – do not interfere with customer's property beyond what is allowed in the contract.

Secondly it is not a "customer service line". It is "customer's service line".

Law: *TITLE 66 PUBLIC UTILITIES*

§ 102. Definitions.

"Customer's service line." The pipe and appurtenances owned by the customer extending from the service connection of the gas utility to the inlet of the meter serving the customer."

"Service line." The pipe and appurtenances of the gas utility, ...

Notes: **1984 Amendments.** Act 22 added the defs. of "**customer's service line**" and "**service line,**"

Now a "customer meter" that is used in 49 CFR 193 Definitions is utility owned.

The proper use and recognition of ownership with these terms is paramount.

A "customer's service line" may not be owned by a customer. The definition is wrong when a customer is a renter. The customer's service line is owned by the property owner in Western Pennsylvania. In other states the service line is owned by the utility.

In Western Pennsylvania Columbia Gas has what is referred to as "stub service".

1

2 **A 18 CFR Part 201 - UNIFORM SYSTEM OF ACCOUNTS -- 380 Services.**

"A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises.

B. A complete service begins with the connection on the main and extends to but does not include the connection with the customer's meter. A stub service extends from the main to the property line, or the curb stop.

C. Services which have been used but have become inactive shall be retired from utility plant in service immediately if there is no prospect for reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused in the interim."

Note: There is a flaw in C. "no prospect for reuse" financial retirement of the asset *by the end of the second year*. PA PUC Section 59.36(2) fixed the flaw. Again, this is a flaw in using an arbitrary time frame. This requires financial recognition for accounting purposes based upon the financial definition of "asset" in FASB Financial Concept 6 paragraph "25. Assets are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events."

"Retirement" does not mean "abandonment." In GAAP now, such assets would be reviewed for impairment testing and would not be written down arbitrarily.

Nevertheless, a customer's service line as defined in Pennsylvania Title 66 is not to be part of "plant in service" by the utility – and is the responsibly of its owner.

1

- 2 **A** *"any requirement to replace the customer service line because Mr. Hicks' service line had not yet been abandoned under Section 59.36 of the Commission's regulations"*
"§ 59.36. Abandonment of inactive service lines." 59.36 is not about customer's service lines it is about service lines --- utility property. The Commission does not have the authority over private property. Abandonment is a disposition of property by the owner. Columbia has no authority whatsoever to abandon property of which it does not own.

Furthermore § 59.36. *"(2) Service lines which have been inactive for 3 months and for which there is a reasonable prospect of future use shall be shut off ... A review of the status of inactive lines shall be made annually, at periods not exceeding 15 months. Lines which no longer qualify for retention [no prospect of future use] shall be abandoned under paragraph (1).*

With this PUC regulation, Columbia could not legally abandon a customer's service line nor its service line without proper review. Certainly, they should not abandon a service line when someone was living at the premises, as was the case of Mr. Hicks.

3

- 4 **A** It is important to understand the terms abandon and abandonment and the context in which they are used.

Real property cannot be abandoned. Certainly not by a public utility service provider. It is always owned by someone who has responsibility for its use and condition. Personal property can be in some cases be abandoned, by its owner.

WEX Legal Dictionary “*Abandoned Property --Personal property left by an owner who intentionally relinquishes all rights to its control. Real property may not be abandoned.*” https://www.law.cornell.edu/wex/abandoned_property

Key terms: owner, personal property and real property. A customer’s service line is the real property of the owner. A service line is the personal property of Columbia Gas.

1

- 2 **A** **Title 49: Transportation**
PART 192—TRANSPORTATION OF NATURAL AND OTHER GAS BY PIPELINE: MINIMUM
FEDERAL SAFETY STANDARDS
Subpart A—General

§192.3 Definitions.

As used in this part:

Abandoned means permanently removed from service.

<https://www.law.cornell.edu/cfr/text/49/192.3>

This means the term “abandoned” is confined to Part 192 of Code of Federal Regulations Title 49 Transportation that is under the responsibility of the Federal Secretary of Transportation. Abandon vehicles, for example, are covered under 49 CFR Part 591. The customer’s service line – residential private real property is not under the jurisdiction of the Secretary of Transportation, nor directly by the Pennsylvania Public Utility Commission.

The customer’s service line is covered by the Pennsylvania Construction Code and the municipality's adoption of specified construction standards – such as the International Gas Fuel Standard. Details of laws and regulation important CPA is required to know them.

3

- 4 **A** Columbia does not have good control of its procedures. To illustrate:
STANDARDS FOR CUSTOMER SERVICE LINES, METERS, AND SERVICE REGULATORS
(Plumber’s Guide) (Approved by anonymous and Revised: 06/01/2021 PROPRIETARY)

1.6 DEFINITIONS

Abandoned – A service line is classified as abandoned when it has been physically separated from the main and plugged or sealed.

4.3 ABANDONED, TEMPORARILY DISCONNECTED, OR PARTIALLY REPLACED*

The following are additional requirements for abandoned, temporarily disconnected, or partially replaced customer owned service lines and meter setting installations.

(a) Abandoned service lines shall not be reinstated – regardless of material.

<https://www.columbiagaspa.com/docs/librariesprovider14/contractors-and-plumbers/plumber-qualifications/plumber's-guide.pdf?sfvrsn=9>

Here, Columbia deceptively applies what is required for utility property and applies the Federal Transportation Regulations to requirements of private property.

1

2 Q What is wrong with this question and answer?

17 “Q. Was the service line to 2 Eighth Street in Uniontown eventually
18 abandoned?

19 A. Yes. In November of 2014, Columbia abandoned the inactive service line at
20 that

21 address in compliance with Section 59.36(2). Abandoning an inactive service line
22 involves physically cutting the connection between the service line and
23 Columbia’s (page 3 of 4) main line, and purging the service 1 line of gas.”

3

4 A From this testimony, there is no indication that the abandonment of the service line
occurred after a proper review as required by the PUC regulation 59.36(2).

Note the switch between the customer’s service line and service line. Abandonment of a service line should be rare. Only when there is “no reasonable prospect for reuse”. When there is an occupied home there is the prospect for reuse.

For the customer’s service line to be abandoned, Columbia must have assumed ownership of the customer’s service line. Counter to Pennsylvania Utility law.

§ 1510. Ownership and maintenance of natural and artificial gas service lines.

A public utility shall not be authorized or required to acquire or assume ownership of any customer's service line.

<https://www.legis.state.pa.us/cfdocs/legis/LI/consCheck.cfm?txtType=HTM&ttl=66>

5

- 6 **A** Notice what Columbia did to Mr. Hicks. They abandoned his property outside of the requirements of the PUC regulation **Section 59.36(2)** right before winter while he was living in his home in November 2014. If Columbia had followed the PUC regulations and not abandoned the service line, all Mr. Hicks had to do was call for service from Columbia in November 2014 and he would not have had to suffer all of this time.

The service line and the customer's service lines are two distinct items of property – different purposes, different owners under different standards. The service line can be maintained or replaced independently from the customer's service line. The same with the customer's service line, granted at times CPA and their customer must coordinate.

1

- 2 **Q** So, as an asset management expert, one who writes standards and one who was responsible for internal controls at large highly regulated companies in Pennsylvania -- what is your opinion regarding the risks of Columbia's practice of abandoning other's property?

3

- 4 **A** I believe organizations are required to have internal control that includes compliance with laws and regulations. I believe individuals and companies are required to obey applicable laws and regulations such as:

<https://www.legis.state.pa.us/WU01/LI/LI/CT/PDF/18/18.PDF>

3921. Theft by unlawful taking or disposition. lawfully transfers, or exercises unlawful control over, immovable property of another or any interest therein with intent to benefit himself or another not entitled thereto.

§ 3922. Theft by deception.

(a) Offense defined. --A person is guilty of theft if he intentionally obtains or withholds property of another by deception. ...

PENNSYLVANIA UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION LAW 73 P.S.

§§201-1 - 201-9.2 https://www.attorneygeneral.gov/wp-content/uploads/2018/02/Unfair_Trade_Practices_Consumer_Protection_Law.pdf

Such as: (xv) *Knowingly misrepresenting that services, replacements or repairs are needed if they are not needed;*

The recent Pennsylvania Supreme Court decision --GARY L. GREGG AND MARY E. v. AMERIPRISE FINANCIAL, INC., could apply to companies who deal with the public under the under Pennsylvania's Unfair Trade Practices and Consumer Protection Law <https://cases.justia.com/pennsylvania/supreme-court/2021-29-wap-2019.pdf?ts=1613570747>

5

6 **Q** Page 3 of 4. 2 **Q.** *After that, did Mr. Hicks contact Columbia about restoring his service?*

3 A. *Yes. In December of 2015, thirteen months after the service line had been 4 abandoned, Mr. Hicks contacted Columbia to request the restoration of his service.*

5 *Since the service line had been physically abandoned, Columbia would have advised*

6 *him that he would be required to replace the customer-owned portion of the service*

7 *line.*

What is wrong with this statement?

1

2 **A** Here again, we are seeing twisted logic, misrepresentation, and cruelty. It is getting cold again in December 2015. [T]hirteen months after the (utility-owned) service line had been abandoned not in accordance with Pennsylvania PUC regulation as the abandonment was not properly reviewed (no prospect of reuse). Columbia did not put in place the proper control for abandonment.

Yes, there was a NiSource Gas Standard GS 1740.010 Abandonment of Facilities, Reference 49 CFR Part 192.727

1. GENERAL

This standard shall apply to the abandonment or deactivation of pipeline facilities.

An inactive pipeline not being maintained by the Company shall be abandoned.

[https://psc.ky.gov/pscecf/2016-](https://psc.ky.gov/pscecf/2016-00162/cmacdonald%40nisource.com/07222016111805/CKY_R_AGDR1_NUM12_Part2_072216.pdf)

[00162/cmacdonald%40nisource.com/07222016111805/CKY_R_AGDR1_NUM12_Part2_072216.pdf](https://psc.ky.gov/pscecf/2016-00162/cmacdonald%40nisource.com/07222016111805/CKY_R_AGDR1_NUM12_Part2_072216.pdf)

This gas standard applies to the abandonment of pipeline facilities –

(49 CFR § 192.3) *Pipeline*

Pipeline means all parts of those physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies. A customer's service line is not a utility owned pipeline facility.

NiSource
Distribution Operations

Gas Standard

Effective Date: 07/01/2014	Abandonment of Facilities	Standard Number: GS 1740.010(PA)
Supersedes: 01/01/2013		Page 1 of 7

Companies Affected:

<input type="checkbox"/> NIPSCO	<input type="checkbox"/> CGV	<input type="checkbox"/> CMD
	<input type="checkbox"/> CKY	<input type="checkbox"/> COH
	<input type="checkbox"/> CMA	<input checked="" type="checkbox"/> CPA

REFERENCE 49 CFR Part 192.727; PA Chapter 59.36

1. GENERAL

This standard shall apply to the abandonment or deactivation of pipeline facilities.

An inactive pipeline not being maintained by the Company shall be abandoned.

(From NiSource Columbia Gas Culbertson2-064 Attachment B Page 1of 7 Culbertson Formal Complaint May 2017)

Again neither reference apply to customer's service lines.

It gets worse -- § 192.727 Abandonment or deactivation of facilities.

(c) Except for service lines, each inactive pipeline that is not being maintained under this part must be disconnected from all sources and supplies of gas;

(d) Whenever service to a customer is discontinued, one of the following must be complied with:

(1) The valve that is closed to prevent the flow of gas to the customer must be provided with a locking device or other means designed to prevent the opening of the valve by persons other than those authorized by the operator.

(2) A mechanical device or fitting that will prevent the flow of gas must be installed in the service line or in the meter assembly.

(3) The customer's piping must be physically disconnected from the gas supply and the open pipe ends sealed. (taking the meter)

There is no requirement for abandonment of service lines.

So what did Columbia/ NiSource do – they used an aggressive abandonment of approach on abandonment of service lines as a means to unjustly and unreasonably expand their rate base. By how much – to be determined.

1

2 A 5“*Since the service line had been physically abandoned, Columbia would have advised him that he would be required to replace the customer-owned portion of the service line.” [Speculation but condoning the Columbia’s action.]*

There is no such item as a customer-owned portion of the service line. By definition in Pennsylvania Utility law, there is a service line – company property owned property, in the FERC Chart of Accounts, this is charged to account 380 services.

Also in the law, customer’s service line is defined – not utility-owned. This is mixing the ideas that some service lines go from the main to the meter, and stub service extends from the main to the property line. A service line is not a stub service plus a customer’s service line. This is deceptive for the unknowing, Columbia should know.

What is wrong with this statement is just because Columbia abandoned their property not in accordance with Federal Regulation 49 CFR 192.727, PA 59.36 and their internal policy GS 1420.010(PA), they had no right to abandon nor tell Mr. Hicks they had abandoned his property ... Columbia should have restored Mr. Hicks service by any means necessary.

Trying to force him to replace his customer’s service line was wrong. In that, Mr. Hicks he did not replace his customer’s service line – that has put him at unreasonable risk and in misery.

1

2 **Q Do you know Mr. Hicks, ever spoken or corresponded with Mr. Hicks outside of the**
 PUC Public Input Hearing?

3 **A No**

4

5 **Q When did you learn there was something wrong with Columbia's abandonment**
 process?

AJuly 7, 2016, the first fifteen seconds with Columbia's Customer Service in Ohio –
 they told me Columbia has abandoned my service line or customer service line and I
 would have to replace it at my cost and until I did, service could/would not be
 started.

 In my long career in asset management, it is a basic issue that needs to be
 understood and addressed legally, financially, and physically. In dealing with
 customer property (U.S. Government Property) rule 1 only the Government can
 abandon Government property. Abandonment is covered in FAR 45.603 – there are
 multiple considerations between the Government and their contractors. Contractors
 cannot abandon Government property. For the Government, one over one approval
 is required. At Columbia Gas, there does not appear to be any documents of an
 individual abandonment decision. In the case of my property, after two years a
 NiSource system generated two work orders, one to pull the meter and one to cut
 the service line. That is probably what happened to Mr. Hicks. A service technician
 on a work order was to take out the meter and another service technician to cut the
 service line. The customer's service line remains intact and undisturbed. Service
 technicians are non-exempt employees with limited decision making – *PUC*
 Regulation 59.36 "A review of the status of inactive lines shall be made annually"
 After the work order is cut is not the time to do a review of "reasonable prospect of
 future use". Again in Mr. Hicks' case and my case there appears to be a lack of
 internal controls with the abandonment process – there are problems with
 operations, reporting, compliance and safeguarding assets.

6

7 **Q What is the significance of Mr. Hicks' public testimony in this Columbia Gas rate**
 case?

8 **A**His testimony lays bare material weaknesses of Columbia's and the Commission's
 internal control systems. Safeguards that were supposed to be in place either were
 not present or did not work.

 The largest problem, here we have the highest officials at Columbia Gas and
 corporate legal department defending the current process – for years. They either

knew or should have known the practice was wrong – taking other's property, causing improper abandonment of company and other's property, improper disposition of assets causing improper acquisition of assets charged to plant in service.

The NiSource nor the CPA policy provides permission to abandon customer's service lines. They did not comply with 49 CFR 192.727. PUC regulations 59.36 nor their own internal policy GS 1740.010(PA) pertaining to utility-owned pipeline facilities.

Mr Hicks' experience resembles my experience with Columbia Gas at 1608 McFarland Road in Dormont.

One can be an exception two is a trend.

The NiSource internal audit of abandonment did not address the abandonment of customer's service lines—even though there has been an outstanding complaint since 2016 on the issue.

The PUC management audit of CPA in 2020 did not cover this issue and the ramifications of improper abandonment.

The legal department took the role of advocating the current process ... their legal training should have taken over with efforts to stop the process.

The Corporate ethics system failed with a lack of reporting from those who knew, lack of leadership, investigations, and lack of corrections.

The PUC under Title 66 § 501. General powers. ...they wrote a regulation but failed in "its duty to enforce" by orders or otherwise.

With so many internal and external systems failing to protect customers with Columbia's abandonment, this reflects poorly on everything else ... nothing can be trusted. There is no assurance of effective internal controls ... without that it would be reckless to provide Columbia a rate increase until proper audits, corrections and improvement are made, and the proper assurance of effective internal controls are in place.

- 1 **Q** **Page 3 of 4 8Q. Could Columbia have replaced the customer-owned portion of the 9 service line?**
- 10 **A. No. Under Columbia's tariff, customers in Fayette County own, and are responsible**
- 11 **for maintaining, the portion of the service line that is beyond Columbia's point of**
- 12 **delivery at their premises. The point of delivery is designated as the curb valve**

or, if

*13 there is no curb valve, the property line. Columbia's tariff also provides that the
14 customer is responsible for installing, at the customer's expense, the service line
to*

*15 the point of connection to Columbia's main. The Commission has granted limited
16 waivers to these tariff provisions where service line replacement must be done
in*

*17 conjunction with a main replacement project. Since the need to replace the
service*

*18 line at 2 Eighth Street in Uniontown was not related to a main replacement
project,*

19 those waivers do not apply to Mr. Hicks' situation.

What is wrong with this Question and Answer?

1

2 **A** Columbia abandoned Mr. Hicks' private property without his knowledge and
consent. I believe this was a form of defrauding Mr. Hicks out of his service line. Any
cost associated with abandonment and Mr. Hicks property and the replacement of
Columbia's service is not reasonable and thus unallowable cost. If Columbia robs Mr.
Hicks of his property and Mr. Hicks wants his property back that cost is not a proper,
prudent and reasonable business expense under FERC nor 2 CFR 200. Being counter
to the tariff is irrelevant.

3

4 **Q** *Page 3 of 4 and 4 of 4 20 Q. Could Columbia just have restored service through the
existing service*

21 line that had been abandoned?

*A. No. Whether a service line is company-owned or customer-owned, 1 once a
service*

*2 line has been physically abandoned by severing the connection to Columbia's
main,*

3 Columbia will not re-introduced service through the abandoned service line.

5

6 **A** Like the previous question. Abandonment of a customer's service line was outside
of legal – regulatory bounds. So restoring the customer's service line is also outside
of normal prudent operations. This is like if the company had a scheme for when

employees were in the customer's homes to look at the meter, they were instructed to take valuables. They get caught – and customers want their valuables back and Columbia contends they cannot provide restitution because the tariff will not allow it.

It does not make any difference what was taken or dispositioned – it could have been my white truck. And just because Columbia abandons their white truck that does not mean Columbia can abandon my white truck as well. Mr. Hicks' property was his property and if you break it or took it you fix it or bring it back. How Columbia does the accounting for proper restitution is none of his concern.

Those who Columbia harmed with improper abandonment need to be made whole.

This and other unreasonable costs need to be identified and the rate base adjusted accordingly.

7

8 **Q Does that conclude your testimony?**

9

10 **A** Yes.

A handwritten signature in blue ink, appearing to read 'Richard C. Culbertson', with a stylized, flowing script.

Richard C. Culbertson

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
:
v. : Docket No. R-2021-3024296
:
Columbia Gas of Pennsylvania, Inc. :

I hereby certify that I have this day served a true copy of My SURREBUTTAL TESTIMONY response to the Rebuttal Testimony of Columbia Gas Witness Mark M Kempic Columbia Statement No.1-R July 14, 2021, and by reference C. J. Anstead. Statement No. 14-R (Public) as provided to a party of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below: Dated this 22nd day of July 2021.

SERVICE BY E-MAIL
ONLY

Erika L. McLain, Esquire
Bureau of Investigation & Enforcement
Advocate Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
1923 Harrisburg, PA 17120

Steven C. Gray, Esquire
Office of Small Business
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17109-

Michael W. Hassell, Esquire
Lindsay A. Berkstresser, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601

Amy E. Hirakis, Esquire
NiSource Corporate Services Co.
800 North Third Street
Suite 204
Harrisburg, PA 17102

Theodore J. Gallagher, Esquire
Columbia Gas of Pennsylvania, Inc.
121 Champion Way
Suite 100
Canonsburg, PA 15317

John W. Sweet, Esquire
Ria M. Pereira, Esquire
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Joseph L. Vullo, Esquire
PA Weatherization Providers Task Force, Inc.
LLP1460 Wyoming Avenue
Forty Fort, PA 18704

Charis Mincavage, Esquire
Kenneth R. Stark, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Richard C. Culbertson

1430 Bower Hill Road

Pittsburgh, PA 15243

Harrison W. Breitman
Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Laura J. Antinucci
Assistant Consumer Advocate
PA Attorney I.D. # 327217
E-Mail: LAntinucci@paoca.org

Darryl A. Lawrence
Senior Assistant Consumer Advocate
AdvocatePA Attorney I.D. # 93682
E-Mail: DLawrence@paoca.org

Todd S. Stewart, Esquire
Hawke McKeon & Sniscak
100 North Tenth Street
Harrisburg, PA 17101

Thomas J. Sniscak, Esquire
Whitney E. Snyder, Esquire
Bryce R. Beard, Esquire
Hawke McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101

Barrett C. Sheridan
Assistant Consumer Advocate
PA Attorney I.D. # 61138
E-Mail: BSheridan@paoca.org

Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CAappleby@paoca.org

Counsel for:
Office of Consumer
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-
1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: July 14, 2021

By Richard C. Culbertson



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