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August 30, 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  
Filing Number

Dear Judge Hoyer,

Attached is my response to Columbia's Motion to Strike Pages 34 – 42 from my Main Brief.

Respectfully,



Richard C. Culbertson  
[Richard.c.culbertson@Gmail.com](mailto:Richard.c.culbertson@Gmail.com)

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

## 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 response to Columbia Gas of Pennsylvania's Motion Columbia's Motion to Strike Pages 34 – 42 from my main brief. This Certificate of Service is 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 30<sup>th</sup> day of August 2021.

### SERVICE BY E-MAIL ONLY

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Richard C. Culbertson

eFile

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No.	R-2021-3024296
Office of Consumer Advocate	:	C-2021-3025078	
Office of Small Business Advocate	:	C-2021-3025257	
Columbia Industrial Intervenors	:	C-2021-3025600	
Pennsylvania State University	:	C-2021-3025775	
Richard C. Culbertson	:	C-2021-3026054	
Ronald Lamb	:	C-2021-3027217	
	:		

v.

Columbia Gas of Pennsylvania, Inc.

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**MOTION TO STRIKE  
OF  
COLUMBIA GAS OF PENNSYLVANIA**

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**TO DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE MARK A. HOYER:**

Richard C. Culbertson responds to Columbia's Motion to Strike Pages 34 – 42. Columbia's motions his Main Brief. No Portion of the Culbertson Main Brief should be stricken. The information provided on pages 34-42 is not "settlement negotiations with counsel for Columbia". A large portion of pages 34 and 42 are copies of NiSource internal control documents and why Culbertson believes various issues must be internally investigated and provided to the NiSource Board of Director's Audit Committee for their review and approval. There is no indication or assertions that the attorneys of Post and Schnell are representing Columbia Gas of Pennsylvania as well as the NiSource Board of Director's Audit Committee. If Post and Schnell do not also represent the Board's Audit Committee in the Columbia Gas rate

case ... this is not a negotiation. Furthermore much of the content is not subject to negotiation but are requirement of the NiSource Corporation.

NiSource Code of Business Conduct is a detailed internal control document required by Federal law to prevent and detect waste, fraud and abuse. See the 15 U.S.C. § 78m - Periodical and other reports of which is provide in Culbertson Main Brief.

For example for the taking and disposing by abandonment of other's property is counter to the Federal law, which requires NiSource and Columbia to "(2)(A) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer;" (i) transactions are executed in accordance with management's general or specific authorization;

(ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles (GAAP) or any other criteria applicable to such statements, and (II) to maintain accountability for assets; (4) No criminal liability shall be imposed for failing to comply with the requirements of paragraph (2) of this subsection except as provided in paragraph (5) of this subsection.

(5) No person shall knowingly circumvent or knowingly fail to implement a system of internal accounting controls or knowingly falsify any book, record, or account described in paragraph (2)"

So the practice of abandoning company owned and privately owned service lines and customer's service as if both were company property is counter to the requirements of (2)(A) and (i). Company policy, Gas Standard 1740.010(PA) Abandonment of Facilities, addresses company owned facilities not abandonment of private property. Management did not approve in the applicable policy, the disposition and acquisition of company and provide property per company policy.

GAAP forbids the abandonment of company property that is merely idle.

*(5) No person shall knowingly circumvent or knowingly fail to implement a system of internal accounting controls or knowingly falsify any book, record, or account described in paragraph (2)"* The abandonment practice of Columbia Gas is counter the NiSource Code of Business Conduct Professional. Based upon the NiSource Code of Business Conduct, certain acts that are prohibited in the Code must be approved and waived by the Board of Directors Audit Committee. Circumventing this internal control would be wrong.

The NiSource Audit Committee must become aware of the abandonment practice of Columbia. The Commission must also recognize and consider in this rate case actions and consequences of Columbia's abandonment practice.

Using and providing the same facts, circumstances, and opinions in different documents with different purposes is good practice. They are not single use nor contaminated for future use.

It is important to understand the nature and content of the emails to and from the Columbia Gas Attorney as attached.

In contracts, it is also important to understand who has negotiations and signing authority. Culbertson as a pro ce has signing authority for himself. There is no doubt that Post and Schnell's client is Columbia Gas of Pennsylvania and may have negotiation talks on their behalf. There is significant doubt; however, that Post and Schnell's client is also the NiSource Board of Directors' Audit Committee or Columbia's management has delegated authority from the Boards Audit Committee. According to the NiSource Code of Business Conduct, waivers from the Code must be approved by the NiSource Board of Director's Audit Committee. The content of the Culbertson's Formal Complaint, Testimony 1, and Surrebuttal Testimony provide issues that must be addressed by the Board's Audit Committee.

The last correspondence from Culbertson to Mr. Hassell was never answered directly.

In corporations and contracts, delegations of authority to bind the company is limited. For example, the Company president of Columbia Gas probably has delegated authority to engage the law firm of Post and Schnell in this rate case. However, he probably does not have delegated authority to dissolve or intentionally harm Columbia Gas of Pennsylvania. The President of Columbia Gas does not have the authority to waive portions of the NiSource Code of Business Conduct.

In the correspondence to Mr. Hassell, several pages of the NiSource Code of Business Conduct (Code) are pasted in the document. So what is the Code? This is a very high-level corporate policy and publicly posted notice delivered by top management of the parent company, NiSource. This policy is binding on all employees and directors of the NiSource Corporation including the presidents of NiSource and Columbia Gas of Pennsylvania. This policy was approved by the Board of Directors of NiSource.

Culbertson believes it is also binding as a public notice on those who do business with these companies to some extent. If both parties to a contract know before signing the contract that the president of the company, for example, exceeds his delegated authority, the contract is probably not enforceable, and the parent company may disavow the contract.

A legal firm, an agent, who is engaged by a president of a subsidiary company cannot also violate the parent's Code of Business Conduct.

The problem for Columbia Gas of Pennsylvania and its outside counsel in this rate case is tainted with examples of Columbia's, of what appear to be, violations of the Code. These allegations must be dealt with in accordance with the Code.

The outside counsel has no authority to negotiate away allegations in a Formal Complaint issues or allegations that violate the Code. Waivers of the Code requirements "may be made only by the Audit Committee of the NiSource Board of Directors" after proper investigations that are performed "promptly, thoroughly, competently and, to the extent consistent with law".

Portions of the correspondence letter that were provided from the Code included:

*Our core values – **fairness, honesty, integrity and trust** are the focus of the NiSource Code of Business Conduct (the “Code”). We put our values into action by demonstrating them through our behaviors, decisions and interactions. To achieve our long-term business performance goals that reflect premier performance for our customers and stakeholders, we must be relentless champions and conduct ourselves in a way that earns respect, supports our goals and inspires us all to do our best work. ...*

*Our reputation ultimately rests on the good judgment and personal integrity of each of our employees, officers, Board of Directors and those with whom we do business. We believe that our core values must – at all times – guide our decisions, actions and conduct. ...*

#### **WAIVERS**

*From time to time, the Company may waive some provisions of this Code. Any waiver of this Code for directors, Section 16 officers, and senior executives **may be made only by the Audit Committee of the NiSource Board of Directors** and must be promptly disclosed to the extent and in the manner required by SEC or New York Stock Exchange Rules.*

#### **ADOPTION AND DISCLOSURE OF THE CODE**

*This Code was reviewed and approved by the Board of Directors. The Company makes the Code available to the public via NiSource.com. (A Public notice.)*

#### **INVESTIGATIONS**

*It is the policy of the Company to ensure that allegations of ethics and compliance violations are investigated promptly, thoroughly, competently and, to the extent consistent with law and Company policies, confidentially. The policy also states that matters must be resolved consistently and fairly, and that appropriate matters are reported to senior management of the Company and the Board of Directors or its appropriate committees. (Investigations are also required by PUC regulation 52 Pa. Code § 59.13. Complaints. (a) Investigations. Each public utility shall make a full and prompt investigation of complaints made to it or through the Commission by its customers.)*

#### **So what do these portions of the Code assure and represent to the public, ratepayers, the Commission and the participants of this rate case?**

- The Board of Directors of the parent company of Columbia, NiSource expects and requires Columbia Gas management to abide by the Code of Business Conduct.
- There is a process that requires the Board of Director’s Audit Committee to be involved in certain acts or allegations that may violate the NiSource Code of Business Conduct.
- The Management of Columbia Gas nor its attorney have the authority nor apparent

authority to violate the NiSource Code of Business Conduct.

- The Code is an integral part of the larger NiSource Ethics Program and is intended to comply with §8B2.1. of Effective Compliance and Ethics Program the United States Sentencing Commission's CHAPTER EIGHT - SENTENCING OF ORGANIZATIONS. The Codes intent is to avoid accusations that employees “condoned) an offense (“*An individual "condoned" an offense if the individual knew of the offense and did not take reasonable steps to prevent or terminate the offense.*”) or employees were “willfully ignorant” of an offense (“*An individual was “willfully ignorant of the offense" if the individual did not investigate the possible occurrence of unlawful conduct despite knowledge of circumstances that would lead a reasonable person to investigate whether unlawful conduct had occurred.*”)
- Good faith negotiations cannot occur with one who does not have delegated authority to negotiate.
- Agreements or arrangements with one that does not have the authority to bind the organization are at least invalid and may be disavowed.
- Waivers to violate the law require the approval of the Board of Directors Audit Committee.
- The requirement that rates and charges must be just, reasonable and lawful must also include compliance with Code.

Columbia has the burden of proof of its rates being just and reasonable that includes did the management of Columbia Gas of Pennsylvania and its counsel follow the requirements of proper investigations and seeking and receiving the approval of the NiSource Board of Directors Audit Committee?

In that portions of the Culbertson's Formal Complaint, Direct Testimony 1, and

Surrebuttal Testimony includes acts that are believed to be illegal— not observing, obeying, and complying with laws, regulations, tariff...

- *Title 66 § 501 (c) Columbia Gas - officers, directors, agents, and employees must observe, obey, and comply with laws regulations, or orders.*
- *Tariff 1.5 Statement of Agents -- No agent or employee of the Company has authority to make any promise, agreement or representation inconsistent with the provisions of this Tariff.*
- *Tariff 3.3 Acceptance - Acceptance of service by the customer shall constitute an agreement to accept service under these Rules and Regulations, as amended from time to time, the Orders or Rules of the Pennsylvania Public Utility Commission, and Laws of the Commonwealth of Pennsylvania, and the Laws of the United States of America. (This is a bi-lateral contract. Columbia is subject to the same legal standards.)*

The role of Post and Schnell in the last correspondence was not for negotiation purposes because it was assumed Post and Schnell never had, nor the President of Columbia Gas Pennsylvania had negotiation nor rejection authority for settlement of issues that violated the Code.

Post and Schnell was considered to be the proper contact for settlement under the authority of Columbia Gas Management. Post and Schnell was not considered to be the proper direct contact as to the Board of Director's Audit Committee. Post and Schnell was expected to be a conduit to Columbia's management who was obligated to elevate the issues to the Board's Audit Committee. Post and Schnell does not represent themselves as the attorneys for NiSource.

As part of the investigations required by the Commission's Order, liability for damages must be identified. Does liability just fall on individuals within Columbia Gas, or does it also fall on the Audit Committee of the Board of Directors of NiSource?

This was Culbertson's unanswered question to Post and Schnell "Did my settlement offer go through the Board's Audit Committee? It should have."

The NiSource Code of Business Conduct requires that it must be.

Concealing material content of the Culbertson Main Brief will not serve justice.

Unfortunately the Commission, Columbia Gas, customers, and property owners still have to deal with the issues Culbertson has included in his Formal Complaint and other documents including Columbia's wrongly abandoning another's property.

Mr. Hicks, who provided sworn testimony in the Public Input Hearing, and others in his same situation that are trying to stay warm in winter with kerosene heaters and the like, are being placed at risk, and deserve justice based upon the law and the NiSource Code.

It is in the public interest that the content of the Culbertson Main Brief is kept intact and must be considered as one of the "strands" of public interest as expressed in the Supreme Court 320 U.S. 591 (1944) 64 S.Ct. 281, 88 L.Ed. 333, FEDERAL POWER COMMISSION et al. v. HOPE NATURAL GAS CO. Paragraph 54.

Eventually, there should be no doubt as to who is accountable for abandoning another's property, management of Columbia or management of Columbia and members of the Board of Directors?

The Administrative Law Judge should make a recommended determination as to the legality of Columbia's practice of abandoning another's private property as well as liability for damages.

*PA Title § 3309. Liability for damages occasioned by unlawful acts.*

*(a) General rule. --If any person or corporation shall do or cause to be done any act, matter, or thing prohibited or declared to be unlawful by this part, or shall refuse, neglect, or omit to do any act, matter, or thing enjoined or required to be done by this part, such person or corporation shall be liable to the person or corporation injured thereby in the full amount of damages sustained in consequence thereof. The liability of public utilities, contract carriers by motor vehicles, and brokers for negligence, as heretofore established by statute or by common law, shall not be held or construed to be altered or repealed by any of the provisions of this part.*

Striking material information from the Culbertson Main Brief would not serve the cause of due process or justice in arriving at just, reasonable and lawful rates for customers.

Respectfully Submitted.

A handwritten signature in blue ink, appearing to read "R.C.", is written over a thin blue horizontal line.

Richard C Culbertson, Pro se  
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Pittsburgh, PA 15243  
[Richard.c.culbertson@gmail.com](mailto:Richard.c.culbertson@gmail.com)  
609-410-0108

---

## Attachment

**From:** richard.c.culbertson@gmail.com <richard.c.culbertson@gmail.com>  
**Sent:** Monday, August 16, 2021 12:15 PM  
**To:** 'Hassell, Michael' <mhassell@postschell.com>; 'Berkstresser, Lindsay' <LBerkstresser@PostSchell.com>  
**Subject:** RE: Settlement

Mr. Hassell,

On important issues I try to use the concept of measure twice and cut once. A couple days ago I ran across my initial letter to Mark Kempic and Mike Davidson of August 9, 2016. The issues then are some of the same issues now. I never got a direct response from them. My next letter went to Joe Hamrock and he replied in part:

September 9, 2016 Joe Hamrock wrote in letter:

"Mr. Culbertson:

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As a regulated utility , Columbia Gas is bound to comply with the provisions of its Tariff, which provides that Columbia Gas will install the Company-owned portion of the service line up to the property line or curb valve at not cost to you. The Tariff further requires you to install the customer-owned portioned of the service line. A customer's service line must meet all current installation and safety standards. I appreciate the need you have for as service at 1608 McFarland Road and, as Mr. Kempic\* has stressed to me, Columbia Gas stands ready to provide that service, consistent with our commitment to safety and consistent with the applicable Tariff, laws, and regulations."

**Joe Hamrock**

**President and CEO NiSource (Parent Company of CG/PA)**

\* President of Columbia Gas of Pennsylvania

**Note: underlines were added for clarity and importance.**

**Then as in now some of the same deceptive lines are used** "The Tariff further requires you to install the customer-owned portioned of the service line." There is no such item as a "customer-owned portioned of the service line" In Pennsylvania law Title 66 under definitions there is a "service line" of which is owned fully by Columbia and there is a "customer's service line" that is not owned by Columbia. A service line and a customer's service line are not commingled, they are distinct and identifiable.

My concern is, in the settlement decision – who were your clients -- Mr. Kempic or Mr. Hamrock? You do not have to answer that.

I believe Mr. Kempic and Mr. Hamrock are in conflict of interest – do they protect the corporation or themselves? Their decision not to settle may be an act to protect themselves rather than to protect the reputation of the NiSource Corporation.

Below are portions of the NISOURCE CODE OF BUSINESS CONDUCT. For the most part this is a good document and requires high standards for business conduct. The Code applies to all – including the presidents of companies. Waivers of the Code must be made by the Board of Director's Audit Committee and be disclosed.

Did my settlement offer go through the Board's Audit Committee? It should have.

Eventually there should be no doubt as to who is accountable for abandoning another's property.. Management or members of the Board of Directors?

I believe PA Title 18 § 3922. Theft by deception. Applies.

PA Title 18 § 3922. Theft by deception. PA Title 18 § 3922. Theft by deception.

*Offense defined. --A person is guilty of theft if he intentionally obtains or withholds property of another by deception. A person deceives if he intentionally:  
creates or reinforces a false impression, including false impressions as to law, value, intention or other state of mind; but  
deception as to a person's intention to perform a promise shall not be inferred from the fact alone that he did not  
subsequently perform the promise; prevents another from acquiring information which would affect his judgment of a  
transaction; or fails to correct a false impression which the deceiver previously created or reinforced, or which the deceiver  
knows to be influencing another to whom he stands in a fiduciary or confidential relationship.*

I have a vested interest that NiSource, the Board and management do the right thing ... I became an investor of NiSource a few years ago and hold NiSource stock – not a lot, but more than the cost of a customer's service line.

We all should want to seek justice for all in this matter.

Please provide this email to your decision making client for their reconsiderations. If the client did not go through the Audit Committee ... they should have. We should not condone a management decision that violates the NiSource Code of Business Conduct.

Below are portions of the Code the I believe apply.

Sincerely,

Richard C. Culbertson  
609-410-0108

## RELENTLESS CHAMPIONS

Our core values – fairness, honesty, integrity and trust are the focus of the NiSource Code of Business Conduct (the "Code"). We put our values into action by demonstrating them through our behaviors, decisions and interactions. To achieve our long-term business performance goals that reflect premier performance for our customers and stakeholders, we must be relentless champions and conduct ourselves in a way that earns respect, supports our goals and inspires us all to do our best work. We must:

- **SERVE OUR CUSTOMERS AND OUR COMMUNITIES.** Understand the needs and expectations of our customers and stakeholders so we can do our best to meet or exceed them. Care about our customers. Give back to our communities.
- **BE RESPECTFUL AND INCLUSIVE.** Value everyone's unique contributions, views and fundamental desire to do good work. Build highly skilled and diverse teams. Support each other. Recognize and reward great work. Celebrate our success.
- **WORK TOGETHER.** Get better results by working in partnership with people inside and outside the company. Collaborate.
- **DELIVER ON OUR COMMITMENTS.** Keep the promises we make to our stakeholders, co-workers, families and ourselves. Provide safe, reliable and dependable service. Execute on our plans. Build customer value.
- **BE TRANSPARENT.** Communicate in a truthful, straightforward and timely way. Create relationships built on trust and authenticity.

- **DO THE RIGHT THING.** Work and operate safely, always. Be ethical and honest in everything we do. Protect our environment. Care about our customers. Give back to our communities. Invest in our nation's energy infrastructure and fuel long-term economic growth.

We believe that good, ethical business conduct is the foundation of a workplace where we can enjoy an atmosphere of fairness, honesty, integrity and trust, and where talented people have an equal opportunity to contribute to our strength and growth.

Our reputation ultimately rests on the good judgment and personal integrity of each of our employees, officers, Board of Directors and those with whom we do business. We believe that our core values must – at all times – guide our decisions, actions and conduct.



## USING SOLID JUDGMENT

NEED TO REPORT A POTENTIAL VIOLATION? CALL THE ETHICS HOTLINE AT 1-800-457-2814 OR EMAIL [ETHICS@NISOURCE.COM](mailto:ETHICS@NISOURCE.COM)

### YOU CAN REPORT VIOLATIONS WITHOUT FEAR OF RETALIATION

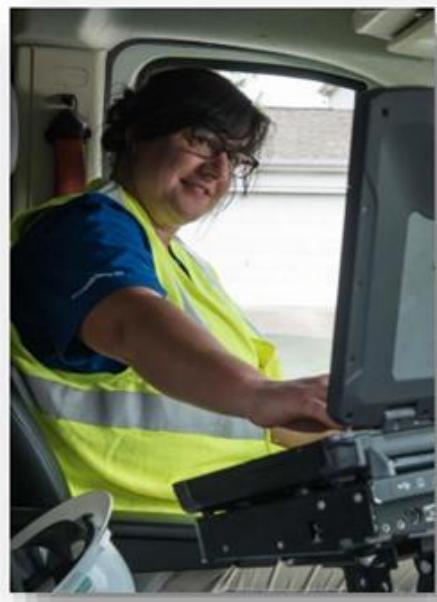
The Company will not tolerate conduct, whether direct or indirect, that involves threats, harassment, retaliation or any type of discrimination or adverse action (e.g., demotion, suspension or discharge) against an employee because they make an honest and sincere complaint without malice known as a "good faith" complaint about suspected Company or employee violations of law or violations of the Code or our policies.

The Company will promptly investigate and address complaints of alleged violations and will work to limit the investigation to those persons involved in, or who have information about, the alleged violation. When the results of an investigation indicate that a violation of this Code or one of our policies has occurred, the Company will take appropriate remedial action, up to and including termination, against any employee who is found to have engaged in, or authorized, prohibited retaliation.

TO LEARN MORE SEE OUR [NON-RETALIATION POLICY](#).

### WAIVERS

From time to time, the Company may waive some provisions of this Code. Any waiver of this Code for directors, Section 16 officers, and senior executives may be made only by the Audit Committee of the NiSource Board of Directors and must be promptly disclosed to the extent and in the manner required by SEC or New York Stock Exchange Rules. A waiver of this Code for officers, employees and agents who are not directors or Section 16 officers or senior executives of the company may only be made by the executive vice president and chief legal officer.



AS AN EMPLOYEE, YOU ARE AFFORDED PROTECTION FROM RETALIATION WHEN MAKING A GOOD FAITH COMPLAINT OR WHEN ASKED TO PARTICIPATE IN AN INVESTIGATION

## USING SOLID JUDGMENT

NEED TO REPORT A POTENTIAL VIOLATION? CALL THE ETHICS HOTLINE AT 1-800-457-2814 OR EMAIL [ETHICS@NISOURCE.COM](mailto:ETHICS@NISOURCE.COM)

### RESOURCES

This Code is an integral part of our larger NiSource Ethics Program. However, it is important to remember that not all areas of our business are addressed in this Code. The NiSource Ethics Program developed several resources to help us achieve our goals and maintain our core values that include:

- Our Company policies
- Our standards, practices, procedures, programs and rules that are applicable to all or some employees, to employees of particular business units or specialists within the Company, including, for example, our FERC Standards of Conduct
- Director and employee training related to all components of the NiSource Ethics Program
- The Ethics site on MySource
- Ethics articles on MySource
- The NiSource website, available to all employees and the general public

### NO CONTRACT OF EMPLOYMENT

This Code is intended to provide us with the appropriate standards of behavior that we are expected to follow while conducting our business. This Code is not intended to, and does not, create a contract of employment. The policies associated with any part of this Code or that form a part of our larger NiSource Ethics Program may be modified at any time. Unless covered by a collective bargaining agreement or written contract signed by an officer of the Company, our employment is "at will," which means either you or the Company may terminate your employment relationship at any time without cause or notice.

### INVESTIGATIONS

It is the policy of the Company to ensure that allegations of ethics and compliance violations are investigated promptly, thoroughly, competently and, to the extent consistent with law and Company

policies, confidentially. The policy also states that matters must be resolved consistently and fairly, and that appropriate matters are reported to senior management of the Company and the Board of Directors or its appropriate committees.

Reports that concern a possible violation of the law or the Code, or any complaints or concerns about accounting, auditing, disclosure or other financial or reporting practices will be referred to the executive vice president and chief legal officer.

**[TO LEARN MORE, SEE OUR NISOURCE INVESTIGATION PROCEDURE FOR CODE OF BUSINESS CONDUCT VIOLATIONS.](#)**

### DISCIPLINARY ACTION

All employees are responsible for knowing and complying with the Code and all applicable laws, regulations and policies of the Company. Employees who, in the course of their employment, violate the law, the Code or other policies of the Company, will be subject to disciplinary action up to and including termination of employment. All employees are required to complete educational assignments regarding the Company's Code.

### ADOPTION AND DISCLOSURE OF THE CODE

This Code was reviewed and approved by the Board of Directors. The Company makes the Code available to the public via [NiSource.com](#).

**From:** Hassell, Michael <[mhassell@postschell.com](mailto:mhassell@postschell.com)>

**Sent:** Thursday, August 12, 2021 2:08 PM

**To:** [richard.c.culbertson@gmail.com](mailto:richard.c.culbertson@gmail.com); Berkstresser, Lindsay <[L.Berkstresser@PostSchell.com](mailto:L.Berkstresser@PostSchell.com)>

**Subject:** RE: Settlement

Mr. Culbertson,

Thank you for providing your proposals for settlement of your issues.

I have discussed your proposals with my client. Columbia has directed me to inform you that the Company does not accept your proposed terms for settlement. We will proceed to briefing your identified issues.

Respectfully,

**Michael W. Hassell**

**Principal**

**Post & Schell, P.C.**

17 North Second Street

12th Floor

Harrisburg, PA 17101

717-612-6029 (Phone)

717-215-1655 (Cell)

717-720-5386 (Fax)

[mhassell@postschell.com](mailto:mhassell@postschell.com)

[www.postschell.com](http://www.postschell.com)

[Download My Contact Information](#)

**From:** [richard.c.culbertson@gmail.com](mailto:richard.c.culbertson@gmail.com) <[richard.c.culbertson@gmail.com](mailto:richard.c.culbertson@gmail.com)>

**Sent:** Wednesday, August 11, 2021 12:48 PM

**To:** Hassell, Michael <[mhassell@postschell.com](mailto:mhassell@postschell.com)>; Berkstresser, Lindsay <[L.Berkstresser@PostSchell.com](mailto:L.Berkstresser@PostSchell.com)>

**Subject:** RE: Settlement

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Mr. Hassell,

Thank you for providing me the status of settlement and the opportunity to provide my opinion and recommendations on settlement.

### Internal Controls and Reliable Audits

Where I see this going is that the PUC and Columbia must transition to a better framework to arrive at just and reasonable rates consistent with current laws and regulations. That is the use of the COSO and GAO Green Book in establishing objectives and internal controls that include generally accepted audit standards.

The COSO and GAO Green Book internal control framework is illustrated below and is integrated and is to be used throughout an organization.

This framework is not new, the COSO document was published in May 2013 and the GAO Green Book September 2014. In the NiSource 10-K top management asserts NiSource has adopted the COSO framework, and in one of my interrogatories Mr. Kempic validates that Columbia Gas of Pennsylvania has as well.

Internal Control—Integrated Framework

### Relationship of Objectives and Components

A direct relationship exists between objectives, which are what an entity strives to achieve, components, which represent what is required to achieve the objectives, and the organizational structure of the entity (the operating units, legal entities, and other). The relationship can be depicted in the form of a cube.

- The three categories of objectives—operations, reporting, and compliance—are represented by the columns.
- The five components are represented by the rows.
- An entity's organizational structure is represented by the third dimension.



The problem for us is that the Commission and to some extent Columbia has not been operating consistently with the necessary and established internal control framework, counter to Federal and Commonwealth requirements.

I view internal controls of an organization similar to vital signs and standards and practices in the medical community. In medical arena blood test, scans and x-rays are ways to look inside of the body to validate wellness or identify ailments, disease, illness or injury. Monitoring activities, internal audits and external audits are used to do the same thing in organizations.

Without the necessary monitoring activities and audits, decision makers on rates are left with suppositions and hope of effective internal controls. In the medical arena we would call operations or treatment without up close investigations, blood test, scans ... malpractice. So it is with establishing just and reasonable rates without testing the effectiveness and reliability of internal controls. This malpractice reflects poorly on anyone involved in the rate making process, recognizing the required internal controls are not in place.

In the audit arena this is referred to as the requirement of Due Professional Care in the Performance of Work –as expressed

in General Accepted Audit Standard AU Section 230. <https://pcaobus.org/oversight/standards/archived-standards/pre-reorganized-auditing-standards-interpretations/details/AU230>.

It is in Columbia's best interest (and the public interest) to have independent audits of their operations prior to rate cases ... these should be the foundations in establishing the burden of proof.

For Columbia Gas, I believe it is important to recognize the PUC audits are not performed to Generally Accepted Audit Standards. Per the GAO Yellow Book these are not audits. Audits must be in conformance to General Accepted Government Audit Standards.

So financially, in this rate case, anything settled is not reliable and should not be identified to the public as just and reasonable, regardless of what the PUC decides. Here public opinion and interest count.

I believe Columbia's rates must be based upon evidence that Columbia's costs have been charged consistently with the requirements of internal controls.

That needs to happen as soon as possible.

**In the settlement agreement Columbia must:**

- Seek reasonable assurance of financials and performance – consistent with laws, regulations and standards using external competent audit firms, but Deloitte. Their audits are not sufficient nor reliable for rate making purposes. The PUC should approve this plan and schedule, but they should be performed with or without PUC approval for the protection of this traded corporation.
- Columbia shall not put forth another rate increase request until financial and performance audits have been performed based upon generally accepted audit standards and are available to decision makers. An independent auditor's reasonable assurance document must be issued.

**Abandonment of another's real property.**

On August 5, 2021 the PUC issues a press release --- **PUC Seeks Public Comment on Proposed Changes in Regulations for Customer-Owned Pipeline System Service Lines** <https://www.puc.pa.gov/press-release/2021/puc-seeks-public-comment-on-proposed-changes-in-regulations-for-customer-owned-pipeline-system-service-lines>

The TENTATIVE IMPLEMENTATION ORDER includes things that Columbia is doing now, and the PUC is trying to put some of that in PUC regulations. The title speaks loudly of something that does not exist.

What they did not propose is to put place the authority to abandon another's real property.

Abandoning another's real property is wrong. You know that, and I know that even as a non-attorney but as a member and expert of standards setting organizations (ASTM Committee E53 Asset Management and ISO TC 251 Asset Management).

I believe abandoning another's property this is wrong and could be to the extent of probable cause of criminality. In 2016, I was harmed financially and interrupted by the Columbia / NiSource contention of authority to abandon my customer's service line. If Columbia elects to destroy their service line that does not give them the right to destroy my customer's service line. Columbia is under the authority PA PUC in the transportation of Natural Gas. I do not transport natural gas and

the PUC has no authority to supersede current building codes that apply to residential property.

Mr. Hicks in public in public testimony, testified to his harm.

This situation could expose NiSource with their Deferred Prosecution Agreement with the Justice Department. So far, Columbia's management justification is non-persuasive. That is where the U.S. Sentencing Commission publication 2018 CHAPTER 8 CHAPTER EIGHT - SENTENCING OF ORGANIZATIONS applies to and should be used to minimize harm to the organization. <https://www.ussc.gov/guidelines/2018-guidelines-manual/2018-chapter-8> “*This chapter is designed so that the sanctions imposed upon organizations and their agents, taken together, will provide just punishment, adequate deterrence, and incentives for organizations to maintain internal mechanisms for preventing, detecting, and reporting criminal conduct.*”

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“*Background: This section sets forth the requirements for an effective compliance and ethics program. This section responds to section 805(a)(5) of the Sarbanes-Oxley Act of 2002, Public Law 107–204, which directed the Commission to review and amend, as appropriate, the guidelines and related policy statements to ensure that the guidelines that apply to organizations in this chapter "are sufficient to deter and punish organizational criminal misconduct."*”

**In the settlement agreement Columbia must:**

Provide Mr. Hicks and me restitution for the improper taking control of and abandonment of our customer's service lines.

Investigate past actions to determine if and to the extent others were also harmed and make them whole as well.

My intent all along has not been to destroy or unduly harm this company but to force them to be what they have advertised themselves to be ... “a World's Most Ethical Company”.

Please let me know if you have any questions. What I am asking is fair and is in the best interest of Columbia Gas, the PUC and other interested parties.

Sincerely,

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

**From:** Hassell, Michael <[mhassell@postschell.com](mailto:mhassell@postschell.com)>  
**Sent:** Tuesday, August 10, 2021 9:57 AM  
**To:** [richard.c.culbertson@gmail.com](mailto:richard.c.culbertson@gmail.com); Berkstresser, Lindsay <[LBerkstresser@PostSchell.com](mailto:LBerkstresser@PostSchell.com)>  
**Subject:** RE: Settlement

Mr. Culbertson,

At this time, parties continue to negotiate. There is an understanding in principle among certain parties regarding allowed revenues and various changes related to low-income programs, as well as other matters that were presented in litigation. The terms are confidential for settlement purposes only, and cannot be released publicly at this time. Drafting of an actual settlement agreement has not yet begun. If there are any terms for settlement that you would desire be included in any final agreement, please advise us of those terms and the Company and other parties will consider them. As the ALJ indicated, you will be provided with an opportunity to comment on the settlement after it has been filed.

**Michael W. Hassell**

**Principal**  
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**Sent:** Friday, August 6, 2021 1:54 PM

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**Subject:** Settlement

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Mr. Hassell and Ms. Berkstresser,

I so far have not been involved or have knowledge of a pending settlement. Can you provide me what is the status and current draft.

We can discuss next week sometime.

Thank you,

Richard C Culbertson