

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-2021-30263 77
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.

**REPLY TO MAIN BRIEF OF COLUMBIA GAS BY
RICHARD C. CULBERTSON, PRO SE**

TO ADMINISTRATIVE LAW JUDGE MARK A. HOYER:

Date: September 7, 2021

I. INTRODUCTION

The Main Brief of Columbia Gas of Pennsylvania is a form of taunting an opponent.

On May 6, 2021, the Pennsylvania Public Utilities Commission Ordered:

“1. That an investigation on Commission motion be, and hereby is, instituted to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in Columbia Gas of Pennsylvania, Inc.’s proposed [rates].

4. That this investigation shall include consideration of the lawfulness, justness, and reasonableness of the Columbia Gas of Pennsylvania, Inc.’s existing rates, rules, and regulations.”

These were the promises and commitments to the people of Pennsylvania and customers of Columbia Gas of Pennsylvania.

An investigation is an investigation that same as an audit is an audit – there are standards that must be followed in auditing – the generally accepted audit standards, the same with investigations. In investigating a proposed or existing rate of a public utility, this should be more in the form of financial and performance auditing of which at the conclusion the auditor provides some sort of assurance assessment of the reliability of the utility’s internal controls under reporting. Audits and investigations are first-hand up-close evaluations of relevant reported financials, company documents, operations from which facts are derived.

That is not the approach the assigned PUC administrative law judge took in this assigned rate case. Without an investigation taking the form of expert and competent auditors evaluating proposed

and existing rates ... the public should have no confidence in the voted outcome from the Commission on Columbia's rates.

Richard C. Culbertson, as an asset management expert¹, an expert at writing international ASTM² and ISO³ Asset Management consensus standards, property owner of several (4 units) properties of which at times becomes a customer of Columbia Gas and who is interested in financial wellbeing and security of those who reside in those properties. His background also includes forty years of professional technical experience with General Electric and Lockheed Martin, both public companies that are much larger and more complex than NiSource of which Columbia Gas of Pennsylvania is a part. His professional expertise is particularly in Government Contracting, property management,⁴ accounting, governance, auditing, compliance, operations, internal controls auditing, subcontract management... The applicable requirements in the Government contract governance arena are the same or very similar to the governance of public utilities. In his senior-level management position at Lockheed Martin, he represented the company as the leading subject matter expert before the Government's highest levels of property

1 Per U.S Government Accountability Office report. <https://www.gao.gov/assets/gao-19-57.pdf>

2 Example -- Primary author of ASTM E2279 ... Guiding Principles of Property Asset Management this international standard is required to be used by U.S. Department of Defense in DODI 5000.64. This standard is also a reference in management system's standard ISO 55000 Asset Management

3 An ANSI representative at international meetings regarding Management Systems Standard ISO 55000 Asset Management. ISO 55000 is a reference in API (Recommended Practice) 1173 Pipeline Safety Management Systems of which Columbia Gas claims to have or is adopting.

4 Having acceptable property management systems as a contractor is a condition to be a government contractor. For large important contracts, the Government property management experts would perform continuous in-depth audits, being resident auditors.

asset management and accounting. Culbertson, now 74, left Lockheed Martin in 2013 but remains very active in the asset management thought leadership community. He is also an Army veteran (1969-1972). This is his first time as a complainant in a Pennsylvania Public Utility Rate Case.

Culbertson's first experience with Columbia Gas of Pennsylvania was after he purchased a home in 2016 from Fannie Mae – a prior owner had a reverse mortgage and when he passed away his estate defaulted on the loan and the property went through foreclosure and Fannie Mae became the owner. In the purchase of this real property, according to the deed I purchase the real property including appurtenances as well as the intangible rights the prior owners had. The change in ownership did not wipe away Columbia's wrongful abandonment of property they did not own.

Abandoning the property of Fannie Mae property was reckless and against Federal law, 18 USC 641 Public money, property, or records.

When requesting Columbia Gas of Pennsylvania's service center in Ohio to turn on the gas, their representative stated they could not do that because Columbia Gas had abandoned the service line at the property, and he would have to replace his customer's service line at his cost.

Most people do not know much about the abandonment of real and personal property, but Culbertson as an asset management expert does. The U.S. Government's legal requirement regarding abandonment is included in the Federal Property and Administrative Services Act of 1949 SUBCHAPTER II -- PROPERTY MANAGEMENT. Section 483. Property utilization. (h) ***Abandonment, destruction, or donation of property.***

*Authorizes the **abandonment**, destruction, or donation to public bodies of property having no commercial value, or of **which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.***

Abandonment is a disposition of property by an owner. Organizations do not abandon worthwhile property. Organizations are required to have internal controls to safeguard property.

At the time Culbertson knew Columbia was involved in an unlawful act. This was confirmed with the Pennsylvania Public Utility law. Title 66 § 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.*

So for Columbia Gas to abandon property they assumed the owner's customer's service line. Culbertson initially spoke with operations management of Columbia Gas – got no satisfaction they claimed they had the right to abandon private property based upon 49 CFR 192. Culbertson knows that was not true, at a prior job Culbertson was certified in 49 CF in the transportation of hazardous waste. 49 CFR is under the authority of the U.S. Secretary of Transportation. This Government official's jurisdiction stops when interstate transportation stops and that is at the property line.

Culbertson then made a complaint to the NiSource Ethics Department; the director refused to recognize the complaint and referred the complaint to the NiSource Legal Department.

Next, he wrote a letter to the President and Vice President, and General Manager of Columbia Gas of Pennsylvania and received no reply. About a week later he wrote to the President of NiSource. Again, no acknowledgment of wrongs.

Culbertson eventually had to replace his customer's service line but also was able to observe some of their operational practices. Some of these were contrary to laws and regulations.

Culbertson filed suit in Magistrate Court for damages. Columbia claimed the court could not hear the case because Columbia was under the exclusive jurisdiction of the Pennsylvania Public Utilities Commission. Culbertson knew at the time, seeking damages needed to be heard outside of the PUC. Culbertson lost that case. Culbertson appealed to the Common Pleas Court in Pittsburgh. The same thing happened.

May 2017 Culbertson filed a Formal Complaint against Columbia Gas of Pennsylvania with the Pennsylvania Public Utility Commission (Commission).

The complaint was assigned to Honorable Mark A. Hoyer, Deputy Chief Administrative Law Judge of the PA Public Utility Commission. Some of the first words from Judge Hoyer – the Commission does not have jurisdiction to award damages to individuals. Then as with this rate case, Columbia's recent behavior they refused to participate in good faith in discovery.

Judge Hoyer's recommended decision was not favorable to Culbertson, primarily for procedural issues.

Culbertson's Formal Complaint that was filed in May 2017, a determination may have recently occurred. This delay is a disservice Culbertson and justice promised in the Pennsylvania

Constitution Article I § 11 “Courts to be open; All courts shall be open; and every man for an injury done him in his lands, goods, person or reputation shall have remedy by due course of law, and right and justice administered without sale, denial or delay.

Parts of the 2017 Formal Complaint are the same issues as in this rate case.

This rate case is not about Culbertson and his Formal Complaint filed against Columbia Gas of Pennsylvania in May 2017. This rate case is solely about just and reasonable rates of Columbia Gas of Pennsylvania. The connection with the abandonment of customer’s service lines is that when Columbia abandons a customer’s service line, they also abandon their own service line.⁵ Then when the property owner wants to start service, the property owner is forced by Columbia to install a new customer’s service line. Once installed, Columbia then installs a new service line—thereby increasing their capital spending.

Capital spending drives the rate base, which drives rates, which drives corporate profits.) In substance, Columbia, with little interference from the Commission, is involved in an arrangement that is illegal in a Government contracting type arrangement – the Cost Plus Percentage of Cost arrangement. *2 C.F.R. § 200.324. d) The cost plus a percentage of cost and percentage of construction cost methods of contracting **must not be used.***

⁵ U.S. Generally Accepted Accounting Principles (GAAP) ASC 360-10-35-49 “*A long-lived asset that has been temporarily idled shall not be accounted for as if abandoned.*” The service line at 1608 McFarland Road was merely idle as proved by the new owner of 1608 McFarland Road.

The reason for bringing up the abandonment of customer's service lines is that Columbia's approach and actions are a Key Performance Indicator (KPI) of Columbia's Internal controls. 6 For the reasonably knowledgeable, the issue is easily understood.

This rate case must seek to fulfill the Order and promises of the Commission:

- From the PUC's Press Release⁷⁸ *The changes proposed by Columbia Gas would produce an overall revenue increase of approximately \$98.3 million per year. Under this proposal the monthly bill... would increase from \$100.77 to \$115.37 (14.49%).*

Today's action by the Commission ... the case will now be assigned to the PUC's Office of Administrative Law Judge for an investigation and recommended decision.

- *The PUC's Order:*

6 In general, a KPI is a quantifiable measure used to evaluate the success of an organization, employee, etc. in meeting objectives for performance as defined in an internal control system such as the COSO Internal Controls – Integrated Framework that applies to Columbia or as provide in the GAO Green Book that apples the Commission. KPI's are identified by management or decision makers. They are designed by management and should have broader ramifications than just the single failure or success. A KPI could indicate weakness or deficiencies in business systems, such as accounting systems, quality systems, operations systems, asset management systems, ethics systems, investigative systems, self-correction systems, compliance systems, safety systems, etc.

7 PA PUC Press Release --**PUC to Investigate Rate Increase Request by Columbia Gas**, Published on 5/6/2021

1. *That an investigation on Commission motion be, and hereby is, instituted to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in Columbia Gas of Pennsylvania, Inc.'s proposed [rates].*

4. *That this investigation shall include consideration of the lawfulness, justness, and reasonableness of the Columbia Gas of Pennsylvania, Inc.'s existing rates, rules, and regulations.*

An investigation, as the public was told, just does not include a series of hearings and documents being passed among the participants but actual up-close investigations of Columbia's internal controls, and financial and performance audits as required by 2 CFR 200 and Generally Accepted Government Audit Standards (GASAS).

Unfortunately for customers and the public, the Administrative Law Judge, Columbia Gas of Pennsylvania, and external council are believed to have little, knowledge, training, experience, or competence in these current Federal, Commonwealth, and Corporate governance requirements. The results of not following the requirements are exhibited in Appendix B, where it shows Columbia's rate base per customer is 2.7 and 2.6 higher than neighboring sister companies in Ohio and Indiana.

Culbertson, in another interrogatory, asked Columbia to account for the disparity between the NiSource Companies in Pennsylvania, Ohio, and Indiana. Columbia refused.

An investigation by knowledgeable individuals should have started with the review of the internal control framework required by the Federal Government⁹ and the Commonwealth of Pennsylvania of the PUC's Internal Control System. ¹⁰

There is no indication that the PUC has complied with Directive 325.¹² Columbia Gas as well shows little knowledge of the requirements of the GAO Green Book, which mirrors the COSO 2013, publication Internal Control-Integrated Framework. When Culbertson asked in an interrogatory did Columbia adopt the GAO Green Book or the COSO Internal Control-Integrated Framework, Columbia objected to the question and follow-up questions. Culbertson sent a motion to Judge Hoyer and to Compel Columbia to answer. He ordered that Columbia answer this question. However, the follow-up data request to show substantiation, Judge Hoyer rejected the Motion to Compel.¹¹

An investigation that the Commission was ordering would include the review of internal and external audits of Columbia Gas. The audit standard used should have been those of the GAO

⁹ 2 CFR 200 UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS. These requirements are placed upon the Commonwealth of Pennsylvania as a recipient of Federal Awards and include governance requirement of adoptions of the GAO Green Book – Internal Controls and the GAO Yellow Book Generally Accepted Government Audit Standards.

¹⁰ The GAO Green Book was required to be used by all Pennsylvania Government agencies including the PUC with Management Directive -- Standards for Internal Controls in Commonwealth Agencies 325.¹²

¹¹ In the NiSource 10-K Report, required by Federal – Securities and Exchange Commission, for the fiscal year ended December 31, 2020 <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001111711/9f4ccf64-7861-4b15-936d-32aaaadeafa7.pdf> (Page 118) *“Our management has adopted the 2013 framework set forth in the Committee of Sponsoring Organizations [COSO] of the Treadway Commission report, Internal Control - Integrated Framework, the most commonly used and understood framework for evaluating internal control over financial reporting, as its framework for evaluating the reliability and effectiveness of internal control over financial reporting.” Note - the integrated framework includes operations and compliance along with reporting.*

Yellow Book adapted to public utilities. However, no such audits were performed thus no final reports existed.

NiSource completed an exercise regarding abandonment. It too was not up to the requirements of the audit standards.

In 1968 the electorate modified the Pennsylvania Constitution

*§ 10. Audit. The financial affairs of any entity funded or financially aided by the Commonwealth, and all departments, boards, **commissions**, agencies, instrumentalities, authorities, and institutions of the Commonwealth, **shall be subject to audits made in accordance with generally accepted auditing standards.***

Financial aid comes from the Commonwealth includes tangibles and intangibles such as a monopolistic service territory with a Certificate of Public Convenience, hearing rate cases ... and so the Utility may claim to investors “*VALUE PROPOSITION AND STRATEGIC APPROACH --- Annual Total Shareholder Return of 10%-12%* ~\$40B of 100% Regulated Utility Infrastructure Investment Opportunities.*”¹²

An investigation as promised to the public and ratepayers has not been instituted as ordered. A Recommended Decision by the Administrative Law Judge is contingent upon a full, competent, and reliable investigations as required in Orders 1 and 4.

¹² <https://investors.nisource.com/company-information/default.aspx>

The conduct of Columbia Gas of Pennsylvania and the PUC's administrative law judge has been disturbing. Judicial procedure at the Federal, Commonwealth, PA PUC and professional lawyer standards from the American Bar Association require discovery among the parties a case.

Culbertson initiated discovery with interrogatories on multiple issues relative to the orders to the PUC in a rate case of which Columbia had the Burden of Proof in accordance with PA Public Utility law Title 66 § 315. Burden of proof. This law is wide in scope—accounting, cost, operations, efficiency safety, and compliance -- the same issues an investigator or auditor would want to look at in a rate case.

The normal process used in this rate case – Culbertson would submit interrogatories to Columbia – Columbia would object – Culbertson would submit a motion to compel – the administrative law judge would side with Columbia and deny the motion. The Discovery of evidence was precluded.

Now comes Columbia's brief and it declares, for example, "MR. CULBERTSON'S BALD ALLEGATIONS REGARDING COLUMBIA'S AUDITS, INTERNAL CONTROLS, RATES, RATE BASE, AND SAFETY ARE NOT SUPPORTED BY SUBSTANTIAL EVIDENCE." **That is taunting an opponent in this rate case! The rubbing of salt in the wounds of injustice.**

A. Statement Of The Case

This rate case is about Columbia Gas of Pennsylvania requesting and receiving unjust and unreasonable rates, thus unlawful rates. Unjust and unreasonable rates are forbidden by Federal¹³ and Pennsylvania¹⁴ law and are unlawful.

Appendix B is a NiSource representation to investors. When the data provided by the parent is normalized statistically by size to the rate bases per customer of a NiSource utility, it shows Columbia Gas rate base per customer extremely higher, over twice of neighboring sister companies in Indiana, Ohio, and Kentucky.

2 CFR 200 Regarding reasonable cost includes situations that must be considered in determining cost – “(c) *Market prices for comparable goods or services for the geographic area.*”

Culbertson in an interrogatory asked Columbia to explain the disparity – Columbia objected. Culbertson motioned the Judge to Compel Columbia to provide the data request – Motion denied. Culbertson’s attempts to investigate were turned back for procedural reasons. Even though the Commission’s Order was to investigate the proposed and existing rates. That investigation is not identifiable as a deliverable to the Commission’s order. The public and customers have no basis or assurance from the PUC Administrative Law Judge that Columbia’s rates are just and reasonable. A vote by others to settle this rate case is not proof of just and reasonable costs and rates.

13 15 U.S.C. COMMERCE AND TRADE § 717c(a) - Rates and charges JUST AND REASONABLE RATES AND CHARGES

“All rates and charges made, demanded, received by any natural-gas company for or in connection with the transportation or sale of natural gas subject to the jurisdiction of the Commission, and all rules and regulations [by federal and state regulators] affecting or pertaining to such rates or charges, shall be just and reasonable, and any such rate or charge that is not just and reasonable is declared to be unlawful.”

14 PA Title 66 § 1308. Voluntary changes in rates. (c) Determination. If, after such hearing, the commission finds any such rate to be unjust or unreasonable, or in anywise in violation of law, the commission shall determine the just and reasonable rate to be charged...

B. Legal Standards And Burden Of Proof.

From Judge Katrina L. Dunderdale Administrative Law Judge, August 13, 2020, THIRD INTERIM ORDER “**All costs** which a public utility uses to compute its base rate, including improvements to infrastructure and to safety, are relevant in a base rate proceeding. In addition, safety specifically is always a relevant issue in a base rate proceeding.”¹⁵

In a rate case, the burden of proof is provided in In Pennsylvania Law Title 66 § 315. *Burden of proof.*

(a) ***Reasonableness of rates.***—In any proceeding..., involving any proposed or existing rate of any public utility, or ... proposed increase in rates, **the burden of proof to show that the rate involved is just and reasonable shall be upon the public utility.**

(b) ***Compliance*** ... **the burden of proof shall be upon the public utility,**

(c) ***Adequacy of services and facilities.***—..., **are adequate, efficient, safe, and reasonable shall be upon the public utility.**

(d) ***Justification of accounting entries.***—The **burden of proof to justify every accounting entry ... shall be upon the public utility ...**

¹⁵ This Third Interim Order was given at the Prior Columbia Gas Rate Case (R-2020-3018835) where Culbertson provided sworn testimony and Columbia Gas through their attorney tried to prevent his testimony. The Judge’s Order included: IT IS ORDERED: 1. That, pursuant to 52 Pa.Code § 5.103, § 5.412(f) and § 5.402, the Objections of Columbia Gas of Pennsylvania, Inc. to the Written Statement and Exhibits of Richard C. Culbertson are denied. 2. That the Written Statement and Exhibits of Richard C. Culbertson, having been previously admitted into the hearing record, will remain within the hearing record in this proceeding,

Columbia in its Legal Standards And Burden Of Proof in its brief tries to turn the tables so that Culbertson has the burden of proof on cost, reasonable rates, adequacy, of service and facilities, and justification of accounting. Regardless – the plain language of the laws still stands. Columbia still has the burden of proof in Title 66 § 315.

Pennsylvania law Title 66 § 701 – Complaints sets forth the requirements and format of complaints.

“Section 701 – Complaints The commission, or any person, corporation, or municipal corporation having an interest in the subject matter, or any public utility concerned, may complain in writing, setting forth any act or thing done or omitted to be done by any public utility in violation, or claimed violation, of any law which the commission has jurisdiction to administer, or of any regulation or order of the commission.”

The Commission regulation PA CHAPTER 59. GAS SERVICE [Public Utilities Commission]
§ 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.

Culbertson’s Formal Complaint in this rate case is a complaint subject to PUC regulation § 59.13. Complaints.

“A full investigation refers to the careful search or examination with an intention to discover facts. This may include questioning of witnesses, forensic examination, and investigation of financial records.”¹⁶

Columbia not only has the burden of proof but also the burden to promptly initiate investigations. Culbertson’s Formal Complaint and Direct Testimony I (Starting on page 20) are in that format. There is no substantial evidence that Columbia ever performed a full and prompt investigation of Culbertson’s complaints. This was the opportunity for Columbia to carefully consider Culbertson’s complaints —

¹⁶ <https://definitions.uslegal.com/f/full-investigation/>

and the elements of Act or thing done or omitted to be done by Columbia: and the Violation, or claimed violation, of any law, which the commission has jurisdiction to administer, or of any regulation or order of the commission.

This was part of the due process of rate cases that is required by law. Culbertson was entitled to those full and prompt internal investigations and the due process required in a filed Formal Complaint. There is no substantial evidence that Columbia performed those investigations and no substantial evidence that the Administrative Law Judge performed the “*duty to enforce*” as provide by Pennsylvania law.¹⁷

Much time has been wasted and justice deferred or denied by Columbia and the Commission not performing and following the due process as required by law.

SUMMARY OF ARGUMENT — This rate case is all about increasing rates to customers when existing rates are already unjust and unreasonable. See Appendix B of the Parent NiSource’s representations investors. This rate case is all about what Culbertson filed in his Formal Complaint, Direct Testimony I (Starting on page 20), and Surrebuttal Testimony. Columbia and the Commission’s Administrative Law Court must deal with the elements of the contents of those documents. The proceeding of this rate case thus far has not fulfilled the requirements and the purpose of this rate case.

This order by the Commission must be followed, but the path of this proceeding does not lead to the Commission's requirements and protections of ratepayers.

Columbia wrongly asserts in their Brief that “*Much of the basis of Mr. Culbertson's Complaint is his claim that Columbia inappropriately exercises dominion and control over customer-owned service lines. In this respect,*

¹⁷ PA Title 66 § 501. General powers. (a) Enforcement of provisions of part --In addition to any powers expressly enumerated in this part, the commission shall have full power and authority, and it shall be its duty to enforce, execute and carry out, by its regulations, orders, or otherwise.

Mr. Culbertson is attempting to resurrect his argument from a pending formal complaint proceeding wherein he alleged that Columbia illegally disconnected an inactive service line in 2013 (Wrong year they improperly abandoned the customer's service line and the service line in September 2015. Columbia used this wrong year twice in their Main Brief) at a property that he now owns and subsequently required by Mr. Culbertson."

Columbia takes the tactic in their SUMMARY OF ARGUMENT, to create a false narrative then argue against the false narrative. Obviously not dealing in good faith.

The truth -- Culbertson's Complaint F-2017-2605797 of May 8, 2017, included many segments, well over twenty, and is publicly available on the Commission's website.

The occurrence of Columbia's wrongful abandonment of a customer's service line has not been fully litigated as Columbia claims. Yes, Judge Hoyer heard the Case in February 2019 that was filed in May of 2017 and made a recommended decision there may have been a recent decision, but a case cannot be fully litigated until it is fully litigated.

Columbia's Summary of Complaint in their Mane Brief is not credible.

III. ARGUMENT

A. Per Columbia *"R. CULBERTSON IS BARRED FROM RELITIGATING ISSUES PERTAINING TO THE DISCONNECTION OF AN INACTIVE SERVICELINE AT HIS PROPERTY THAT WERE PREVIOUSLY LITIGATED IN A SEPARATE COMPLAINT PROCEEDING AND ARE CURRENTLY PENDING BEFORE THE COMMISSION"*

Culbertson's Complaint does not relitigate his complaint of 2017. Again the issue is the unreasonable cost of Columbia Gas that is going into its rate base. Culbertson's Direct Testimony 1 starting on Page 40: Columbia brings up the issue of abandonment in their document PUC Docket R-2021-3024296 Exhibit 13 Volume 4 of 10 PUC document 1698218 regarding an internal audit of abandonment and Culbertson responds to the quality of the audit and what was missed that should have been recognized as unallowable cost. See Appendix C, which is from his Direct Testimony Number 1. Here it identifies unallowable cost and liabilities associated with Columbia's abandonment of Customer's service lines. The actual amount can only be arrived at with up-close audits and investigations.

Columbia's argument is flawed –The issue was not the "disconnection of an inactive service line."

The issue was Columbia's wrongful abandonment of service lines that were not in compliance with PUC Regulation 52 Pa. Code § 59. - Abandonment of inactive service lines.

Just importantly Columbia deceives property owners that Columbia has the authority to abandon the private property. The bent for deception continues in Columbia's Brief. The phrase "disconnection of the inactive service line" is used thirteen times in Columbia's Main Brief. An argument that this is a case about "disconnection of a service line" is false. There are major differences between the abandonment of a customer's service line, abandonment of a service line, and a disconnection of a service line. What Columbia Gas purported all along was they had the authority to abandon private property – the customer's service line, located on private property after the delivery of natural gas.

The deliberate multiple use of the phrase “disconnection of the inactive service line” is deceptive to the uninformed of the technicalities of natural gas service. Disconnection of a service line (utility property) is not a disposition of property whereas abandonment is. Abandonment is a disposition of property by an owner. Disposition of another’s property by sale or abandonment without consent is theft.

B. Per Columbia “COLUMBIA ADHERED TO THE PUBLIC UTILITY CODE, THE COMMISSION'S REGULATIONS, AND ITS COMMISSION-APPROVED TARIFF WITH RESPECT TO MR. HICK'S INACTIVE CUSTOMER SERVICE LINE”

Again this is a false argument and is deceptive. The Public Utility Code and does not address the abandonment of Mr. Hicks’ private property, his customer’s service line.

The Public Utility Code Title 66 § 102. Definitions. ***"Customer's service line."*** *The pipe and appurtenances owned by the customer* [NOT OWNED BY THE UTILITY] *extending from the service connection of the gas utility to the inlet of the meter serving the customer."*

The Public Utility Code applies to Public Utilities – not private citizens, non-operators, or private property. The Commission’s regulations do not apply to customer’s service lines.

The Commission’s regulation § 59.36. *Abandonment of inactive service lines* is limited to service lines – and does not apply to customer’s service lines.

In 1984 the Public Utility Code also included the term ***"Service line."*** *The pipe and appurtenances of the gas utility ...*

The Commission in § 59.36. Abandonment of inactive service lines knew the difference as presented in Pennsylvania law between a service line and a customer’s service line.

Pennsylvania law Title § 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.”

When Columbia Gas abandoned Mr. Hicks’ customer’s service line, they assume ownership of his customer’s service line.

With Mr. Hicks – there is another big problem, he testified that a Columbia Gas technician came into his home and red-tagged his furnace. Columbia’s technicians are not code officials – and they are not trained to be code officials and cannot represent themselves as those authorized to red tag private property -- per 49 CFR Part 192, *Subpart N - Qualification of Pipeline Personnel § 192.801 Scope. (a) This subpart prescribes the minimum requirements for operator qualification of individuals performing **covered tasks** on a pipeline facility.*

*(b) For the purpose of this subpart, a covered task is an activity, identified by the operator, that: (1) Is **performed on a pipeline facility**; (2) Is an operations or maintenance task; (3) Is performed as a requirement of this part; and (4) Affects the operation or integrity of the pipeline.*

Technicians red-tagging private property is not a “covered task” per 49 CFR 192.801

The Tariff does not permit the abandonment of a customer’s service line.

Columbia put Mr. Hicks at risk – because of Columbia’s deception and claiming they had the authority to abandon his private property. Now, Mr. Hicks testified he is trying to stay warm in winter with alternative heating including unsafe kerosene heaters.

Columbia has not complied with PUC **regulations § 59.33. Safety.** *Each public utility shall at all times use every reasonable effort to properly warn and protect the public ... by reason of its equipment and facilities.*

When reviewing Columbia's documents they deliberately avoid using the term "customer's service lines". For example, in their Brief they used "Customer service line" four times then they used "customer-owned portion" of service line or the like, seven times.

There is no such property, in Pennsylvania law, of a "customer-owned portion" of a service line. Thereby, they confuse themselves and others of ownership and authority.

C. Per The Columbia Gas Brief *"MR. CULBERTSON'S BALD ALLEGATIONS REGARDING COLUMBIA'S AUDITS, INTERNAL CONTROLS, RATES, RATE BASE, AND SAFETY ARE NOT SUPPORTED BY SUBSTANTIAL EVIDENCE"*

1. Per Columbia -- *Mr. Culbertson's allegations are insufficient to support a finding of fact by the Commission because they are not based on substantial and legally credible evidence.*

As discussed in section B. Legal Standards And Burden Of Proof Section of this Reply Brief.

Columbia has the burden of proof under all the areas identified in Pennsylvania Law Title 66 § 315.

Burden of proof -- including cost, compliance, adequacy of efficient and safe facilities, and justification of accounting entries. Columbia's own investigation as required by PUC regulations ("§ 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") would have shown what was presented in the Formal Complaint and Direct Testimony Number 1 was accurate.

Columbia has the burden of proof under all the areas identified in Pennsylvania Law Title 66 § 315. Burden of proof.

As described and shown in the record Columbia did not adequately participate in discovery as he was entitled to judicial procedure. The due process of which he was entitle was denied.

2. Per Columbia --***Mr. Culbertson has not provided substantial evidence to support his claims regarding audits.***

Culbertson does not have the burden of proof to provide substantial evidence in a rate case. Also, as described and shown in the record Columbia did adequately participate in discovery as he was entitled to judicial procedure. The due process of which he was entitle was denied.

The quality of audits is presented with Columbia's/ NiSource audit is illustrated with Columbia's document provided in PUC Docket R-2021-3024296 Exhibit 13 Volume 4 of 10 PUC document 1698218 regarding an internal audit of abandonment. The quality and reliability of this audit speak for themselves.

Again it is Columbia that has the burden of proof as provided in B. Legal Standards And Burden Of Proof of this Reply Brief. It is Columbia's responsibility to investigate complaints.

The legal requirements and the representations of Columbia still apply. Columbia failed to provide proof that its rates were just and reasonable.

The law regarding audit applies –they apply to the Commission, and they apply to Columbia Gas. The lack of audit causes customers to pay unjust and unreasonable costs.

The Pennsylvania Constitution requires ARTICLE VIII TAXATION AND FINANCE § 10. Audit. The financial affairs of any entity funded or financially aided by the Commonwealth, and all departments,

boards, **commissions**, agencies, instrumentalities, authorities, and institutions of the Commonwealth, **shall be subject to audits made in accordance with generally accepted auditing standards.**

Columbia Gas is financially added by the Commonwealth in a number or area –rate cases, a monopolistic service territory, supervision, technical guidance...

Generally accepted audit standard – require annual audits –financial and performance per the GAO Yellow Book and 2 CFR 200 regarding grants.

Unfortunately, the Commission and Columbia have ignored the law since 1968. The Commission and Columbia are responsible to comply with the requirement of 2 CFR 200, Management Directive 325.3 regarding audits and Title 66 § 516. Audits of certain utilities.

Columbia has the burden of proof that these audits have been performed competently and in a timely manner

3. Per Columbia --***Mr. Culbertson has not provided substantial evidence to support his claims regarding internal controls***

Culbertson does not have the burden of proof to provide substantial evidence regarding internal controls. Again it is Columbia that has the burden of proof as provided in B. Legal Standards And Burden Of Proof of this Reply Brief. It is Columbia's responsibility to investigate complaints that include the lack of internal controls.

The legal requirements and the representations of Columbia still apply. Columbia failed to provide proof that its rates were just and reasonable.

The gall of Columbia including this element. Culbertson in an initial interrogatory requested what internal control framework was being used by Columbia, the GAO Green Book, or the COSO

Internal Control-Integrated Framework. Columbia objected – Culbertson motioned Judge Hoyer to Compel – Judge Hoyer required Columbia to answer – Columbia stated the COSO framework. The Judge sustained Columbia’s objection to providing substantiation of the adoption of the COSO internal control framework.

To determine if Columbia Gas of Pennsylvania has adequate internal controls, consider as it was pointed out in Culbertson’s Direct Testimony 1, Starting on page 47. the “Columbia Gas of Pennsylvania (A NiSource Company) Standards for Customer Service Lines, Meters, and Service Regulators. This is referred to as the (Plumber’s Guide). This document is not an official Gas Standard, nor policy and has not been approved by an identified Company official, Columbia imposes it on the private property owner and private plumbing contractors who work on private property. Here Columbia misrepresents itself as an *“Authority Having Jurisdiction – Fire Chief, Local Code Official, Representative of the Gas Company, or others who are responsible for approving equipment, materials, installation, or procedures.* The document also claims Columbia has the right to approve by definition *“Approved – 1) Acceptable to the authority having jurisdiction.”*

Columbia requires property owners to use a plumber who has paid in money and time to get a bogus “Operator Qualification Card (Form C-3363 (11/04) – qualification.” From Columbia Gas. See pages 50 and 51.

Columbia’s technicians are not trained for work beyond delivery and are not subject to *49 CFR 192 Subpart N Qualification of Pipeline Personnel*. The customer’s service line is not a pipeline as defined in 49 CFR § 192.3 Definitions. (*Pipeline means all parts of those physical facilities through which gas moves in transportation*)

The Plumbers Guide is proof of Columbia's material weakness of internal controls under compliance with laws and regulations. Deceptively defrauding private property owners and their private plumbers is illegal. An adequate internal controls system would have stopped this actively before it started. This form is used every day by private plumbers and Columbia Gas. The Plumbers Guide is a Key Performance Indicator (KPI) of the failure of several internal business systems of Columbia Gas of Pennsylvania.

4. Per Columbia -- *Mr. Culbertson's claim that Columbia's rates are not just and reasonable based on the size of the Company's rate base is not supported by substantial evidence.*

Culbertson never made such a claim! See Appendix B from the representations of NiSource to investors. The statistical data provided by NiSource of its companies have normalized The issue there, is the size of the rate base per customer (Size of the utility's rate base divided by the number of customers). It shows Columbia Gas of Pennsylvania has much greater spending proportionately than other NiSource utilities.

Anyone who has a minimal understanding of statistics and with probabilities with large populations would recognize there is something different happening with Columbia of Pennsylvania. It is also significant that the rate base per customer is Columbia Gas of Maryland is close to that of Pennsylvania. Both are being managed out of the same office in Pennsylvania.

An astute supervisor, auditor, or investigator would want to find out why these two utilities are different.

Culbertson does not have the burden of proof to provide substantial evidence regarding the efficiency of operations and economies of scale. Again it is Columbia that has the burden of proof that shows the disparity between NiSource Companies is reasonable.

It is also the responsibility of the Commission to investigate per the Commission's order.

5. Per Columbia -- *Mr. Culbertson's allegations regarding safety are not supported by substantial evidence.*

See how Mr. Hicks' safety is regarded then and now. Per the previous section of this Reply Brief: Culbertson's Direct Testimony Number 1. Page 52 provides some examples such as using the wrong test pressure on company-owned plastic service lines 49 CFR § 192.513 requires pressure testing at a maximum of 50 p.s.i. – Columbia's Plumbers guide requires 90 on service lines. This is a safety issue from the Federal Safety Standards. On customer's service lines the maximum is 3 P.S.I. Using the wrong standard is dangerous. The standard of 50 p.s.i. has been in existence since the inception of 49 CFR 193 – about 50 years. Section N of Culbertson's Direct Testimony (page 60) provides additional safety concerns the Columbia has not addressed.

II. CONCLUSION

Thus far this rate case is on the road to failure – there has not been an attempt to investigate per the Orders of May 6, 2021, of the Commission.

"1. That an investigation on Commission motion be, and hereby is, instituted to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in Columbia Gas of Pennsylvania, Inc.'s proposed [rates].

4. That this investigation shall include consideration of the lawfulness, justness, and reasonableness of the Columbia Gas of Pennsylvania, Inc.'s existing rates, rules, and regulations."

Whatever comes from the votes of the Commission, rates are expected to increase, will not be based upon investigations.

The Commission has a standard of which it requires investigations to be conducted-- § 59.13.

Complaints. (a) Investigations. ... shall make a full and prompt investigation of complaints ... by its customers.

Based upon the representations to NiSource investors as provide in Appendix B and Culbertson's experience in this rate, Culbertson has concluded the public and ratepayers should highly question the integrity of Pennsylvania Public Utility rate cases.

Culbertson also believes the settlement of others that are party to this rate case would be reckless and not servicing their clients well without those full and prompt investigations and audits.

"A full investigation refers to the careful search or examination with an intention to discover facts. This may include questioning of witnesses, forensic examination and investigation of financial records." <https://definitions.uslegal.com/f/full-investigation/>

The proposed Findings of Fact, Conclusions of Law, Relief Sought, and Ordering Paragraphs cannot be provided by Culbertson until full investigations are initiated and completed in earnest with independent, experienced and competent investigators.

Culbertson's due process rights guaranteed by Constitutions require due process from the Commission and its administrative law judges.

That due process is still expected to be delivered.

Respectfully submitted by Richard C. Culbertson.

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

APPENDIX A

Starting Page 40 of Culbertson Direct Testimony 1

<p>A specific example of poor internal auditing: Starting with Audit Report 13 page 157 of 352 or 126 of 319 Columbia's Volume 4 of 10¹⁸ Abandonment of Service Line Facilities.</p> <p>Unreasonable costs are charged to capital accounts because of weak internal controls.</p> <p>From the Executive Summary, <i>the review focused on the processes and controls in place to perform the following: ... Execution of a service line abandonment in accordance with NiSource Gas Standards.</i></p> <p>Here the auditor gave a pass on the internal controls of NiSource Gas Standard 1740.010 Abandonment of Facilities. They also overlooked GS 1740.010(PA), which applies only to Pennsylvania. The PA Gas Standard Includes PA PUC regulation Chapter 59.36. Here, NiSource/ CPA just appended the Pennsylvania requirements on the back of the NiSource Gas Standard. The PA PUC regulation conflicts with the NiSource Gas Standard.</p> <p>The Pennsylvania regulation takes a performance standard approach vs. a design approach of the NiSource internal policy;</p> <p><i>"A review of the status of service lines that have had gas service discontinued shall be made annually, at periods not exceeding 15 months [To determined there is no prospect for reuse]. Lines which no longer qualify for retention shall be scheduled for abandonment as soon as practicable, but not later than 6 months after it has been determined there is <u>no prospect for reuse</u>. (No prospect is--no chance)</i></p> <p>The NiSource Gas Standard uses "cannot be determined" instead of "no prospect"</p>	<p>§ 1301. Rates to be just and reasonable. a. Regulation. --Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable, and in conformity with regulations...</p> <p>52 Pa. Code § 59. - Abandonment of inactive service lines.</p> <p>(This regulation only applies to company owned service lines – Not customer's service lines.) In the PA Public Utility Code Title 66 section 102 that was published in 1984, service lines and customer's service line are defined. (These terms are not to be used interchangeably.)</p> <p>The Commission used the term "service line" correctly. Frequently Columbia does not.</p>	<p>The GAO provides qualifications of an auditor. It is not good enough to go through the motions of an audit or bypass those qualifications. The purpose of audits is to prevent and detect waste, fraud, and abuse as well as to improve operations. Audits should provide reliable and material information for decision-making purposes.</p> <p>The NiSource Gas Standards are not recognized standards – they are just internal policies. The term standard is used to be deceptive to those who do not understand standards.</p> <p>Internal policies never supersede laws, regulations, contract tariff and consensus standards.</p> <p>It is important for the reader to understand the difference between a performance standard and a design standard. From the World Trade Agreement 2.8 <i>Wherever appropriate, Members <u>shall specify technical regulations based on product requirements in terms of <u>performance</u> rather than design or descriptive</u></i></p>
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¹⁸ PUC Docket R-2021-3024296 Exhibit 13 Volume 4 of 10 PUC document 1698218

<p>per reregulation.</p> <p>From experience, Columbia neither follows the NiSource Gas Standard, the PA version of the NiSource Gas standard nor the Pennsylvania PUC regulation.</p> <p>Annual reviews do not occur.</p> <p>Work orders for abandonment occur automatically from the NiSource computer system after 24 months. It issues a work order for an employee to remove the meter and another worker order is issued to destroy the service line – thereby deenergizing the customer’s service line as well. When property owner requests service they force the property owner to replace their customer’s service line because Columbia took abandonment authority from the property owner by deception.</p> <p>The auditors overlooked in Pennsylvania; CPA has a “<i>stub</i>” service line, as defined in Account 380 Services. So when CPA does the wrongful abandonment, they abandon the stub service along with the customer’s service line. The customer’s service line is not subject to the PUC regulation nor the PA PUC regulations.</p> <p>Columbia claims they have the authority to abandon both – they do not, and this is fraud. This is something of which the PUC is supposed to be protecting the public from in the PA Energy Consumer Bill of Rights.</p> <p>Appendix C of the audit report – New Service Line Install Subsequent to Abandonment. Here that audit show CPA had 563 abandoned service lines that had to be replaced <u>within a year</u> after their wrongful abandonment. The associated cost is unreasonable and – unallowable, about \$5.6 Million (563 X \$10,000).</p> <p>The theft by deception of customer’s lines (563 X \$2,000) is \$1.1 and in Pennsylvania that is a felony.</p>	<p>CHAPTER 39 THEFT AND RELATED</p>	<p><i>characteristics.</i></p> <p>Also see Presidential Executive Order 13563 -- Improving Regulation and Regulatory Review</p> <p>Columbia in handling their own property has legal and fiduciary responsibility to safeguard their own assets and certainly legal and fiduciary responsibility to not to assume ownership and destroy another’s property by illegal abandonment.</p> <p><u>“Cannot be determined” is different from “no prospect”. As a result many service lines and customer’s service lines are abandoned illegally resulting in substantial harm to property owners and rate payers.</u></p> <p>Good audits would not have missed this.</p> <p>Audits that are designed to protect the company would.</p> <p>So what are we dealing with ... deliberate – willful ignorance or condoning wrongdoing?</p> <p>In laws, trade agreements, and executive orders performance standards are preferred over design standards. For good reason Columbia unreasonably abandons service lines to the extent that service lines must be replaced</p>
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	<p>OFFENSES applies.¹⁹ § 3922. <i>Theft by deception.</i></p> <p>(a) <i>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:</i></p> <p>(1) <u><i>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;</i></u></p> <p>(2) <i>prevents another from acquiring information which would affect his judgment of a transaction; or</i></p> <p>(3) <i>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></p>	<p>within a year. The useful live of a service line is typically over fifty years. The auditors using a minimal one-year threshold hides the extent of the unreasonable improper abandonment 5495 service lines (excludes Indiana) X \$10,000 = \$55 Million. This material information of the Audit Committee, the PUC and others -- as it over charges ratepayers.</p> <p>When internal wrongdoing is discovered by a company, the Sentencing Guidelines treat companies differently based upon how the company addresses and corrects the issues rather than hides the issues.</p> <p>The auditors should have been more sensitive in that NiSource is still under a Deferred Prosecution Agreement from poor/ illegal performance of Columbia Gas of Massachusetts September 13, 2018.</p> <p>The extent of lack of control of service line abandonment is a material weakness and should have been identified as such.</p> <p>This was qualitatively material information for NiSource management, CPA Management, Board of Directors external auditors and the PUC.</p> <p>Instead of informing management and the Board that they <u>maybe</u> involved in felony thefts and mischarging cost --- the message was the NiSource was not abandoning service lines on a timely basis.</p>
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Appendix B

Facts provided from NiSource, Parent of Columbia Gas

<https://investors.nisource.com/company-information/default.aspx>

COMPANY FACTS	
Columbia Gas of Kentucky <ul style="list-style-type: none"> ✓ Second Largest Gas-Only local distribution company (LDC) in KY (~137K Customers) ✓ ~ 2,600 Miles of Pipe ✓ ~ 350 Miles of Bare Steel & Cast Iron ✓ ~ \$327M Rate Base 	Columbia Gas of Maryland <ul style="list-style-type: none"> ✓ Complementary to PA Operations (~34K Customers in MD) ✓ ~ 660 Miles of Pipe ✓ ~ 50 Miles of Bare Steel & Cast Iron ✓ ~ \$149M Rate Base
Columbia Gas of Ohio <ul style="list-style-type: none"> ✓ Largest LDC in Ohio (~1.5M customers) ✓ ~ 20,200 Miles of Pipe ✓ ~ 2,000 Miles of Bare Steel & Cast Iron ✓ ~ \$3.2B Rate Base 	Columbia Gas of Pennsylvania <ul style="list-style-type: none"> ✓ Third Largest LDC in PA (~436K Customers) ✓ ~ 7,700 Miles of Pipe ✓ ~ 1,200 Miles of Bare Steel & Cast Iron ✓ ~ \$1.9B Rate Base
	Columbia Gas of Virginia <ul style="list-style-type: none"> ✓ Third Largest LDC in VA (~274K Customers) ✓ ~ 5,300 Miles of Pipe ✓ ~ 140 Miles of Bare Steel ✓ ~ \$850M Rate Base
 Indiana Electric (NIPSCO) <ul style="list-style-type: none"> ✓ Third Largest Electric Utility in Indiana (~475K Customers) ✓ 2,850 Miles Environmentally Compliant Generation ✓ ~10,000 Distribution Line Miles ✓ ~3,000 Transmission Line Miles ✓ ~ \$4.7B Rate Base 	Indiana Gas (NIPSCO) <ul style="list-style-type: none"> ✓ Largest LDC in Indiana (~840K Customers) ✓ ~ 17,500 Miles of Pipe ✓ ~ 23 Miles of Bare Steel & Wrought Iron ✓ ~ \$1.7B Rate Base

The NiSource Facts – when normalized in a table it provides a rate base per customer. (2 CFR § 200.404 - Reasonable costs. (The numbers are probably real from the records of the NiSource and Columbia.)

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
*... **consideration must be given to:** (c) Market prices for comparable goods or **services for the geographic area.***

The rate base per customer is not reasonable for the services in the geographic area. The facts from NiSource, the parent company of Columbia Gas of Pennsylvania show the **product of past practices.**

Columbia Gas of Pennsylvania should not be rewarded for not having effective internal controls that result in waste, fraud, and abuse. This chart alone is justification not to grant this rate increase for Columbia Gas of Pennsylvania. This chart alone should prompt the Commission to order an external independent performance, forensic and financial audit of Columbia Gas of Pennsylvania, which I am requesting.

It is in the public interest to find out why the rate base and rates are so much higher in Pennsylvania than in NIPSCO (Indiana), Ohio, and Kentucky and this is what I am requesting from the Commission.

This chart alone provides sufficient substantial evidence that Columbia Gas of Pennsylvania's rate or charges are not just and reasonable and must be declared unlawful as required under 15 U.S.C. COMMERCE AND TRADE § 717c - Rates and charges and PA Title 66 § 1301. Rates to be just and reasonable.

This one table of substantial evidence to not raise rates, outweighs Columbia's 10 volume submission of why the rate should be increased.

	~ No. of Customers (In 000)	Miles of Pipe	Calculated Miles of pipe per customer	Miles of Bare Steel and Cast Iron	Rate Base (\$ 000,000)	Calculated Rate Base Per Customer \$	
NIPSCO	840	17500	.020	23*	1700	*2024	
COH	1500	20200	.013	2000	3200	2133	
CKY	137	2600	.019	2600	327	2387	
CVA	274	5300	.019	140**	850	3102	
CMD	34	660	.018	50	149	4382	
SUB TOL	2785				6226	2236	Ave
CPA	433	7700	.018	1200	2400	** 5545	
	3548				8626		

** CPA data was updated from information included in the Administrative Law Judge's Recommended Decision on December 4, 2020, Rate Case - R-2020-3018835. (Rate base \$2,401,427,019 and ~433,000 customers -- ~ \$5,545 per customer. This can be construed to be a hidden liability for each customer and their share of the rate base. The cost of money is substantial for each ratepayer. This high rate base per customer makes Columbia non-competitive in the energy marketplace.)

The rate base per customer is 2.7 times more in Pennsylvania than Indiana and 2.6 for Ohio. This is prima facie evidence that the **rate base is unreasonable thus rates are unreasonable.** The law of the land is that rates and charges must be just and reasonable otherwise they are unlawful.

\$5,545 is the proportional share of hidden debt each customer has for gas piping. Doing the math --If CPA had been operating as efficiently as NIPSCO (Indiana), CPA's rate base could be **~\$1,524,593,000 less.**

APPENDIX C.

A specific example of poor internal auditing: Starting with Audit Report 13 page 157 of 352 or 126 of 319 Columbia's Volume 4 of 1018 Abandonment of Service Line Facilities.

Unreasonable costs are charged to capital accounts because of weak internal controls.

From the Executive Summary, *the review focused on the processes and controls in place to perform the following: ... Execution of a service line abandonment **in accordance with NiSource Gas Standards.***

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The Pennsylvania regulation takes a performance standard approach vs. a design approach of the NiSource internal policy;

*"A review of the status of service lines that have had gas service discontinued **shall be made annually**, at periods not exceeding 15 months [To determined there is no prospect for reuse]. Lines which no longer qualify for retention shall be scheduled for abandonment as soon as practicable, but not later than 6 months after it has been determined there is no prospect for reuse. (No prospect is-- no chance)*

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The theft by deception of customer's lines (563 X \$2,000) is \$1.1 and in Pennsylvania, that is a felony.

Via Electronic Mail Only
The Honorable Mark A. Hoyer
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
Piatt Place
301 5th Avenue, Suite 220
Pittsburgh, PA 15222

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

Dear Judge Hoyer:

Enclosed please find a copy of my signed Reply Brief.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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

Richard C Culbertson
1430 Bower Hill Road
Pittsburgh, PA 15243
September 7, 2021

eFile

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 Reply Brief 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 7th day of September 2021.

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Dated: September 7, 2021

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