

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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March 16, 2022

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

Re: Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement
v.
Columbia Gas of PA, Inc.
Docket No. M-2021-3005572

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Comments in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Darryl A. Lawrence
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Enclosures:

cc: The Honorable Charles E. Rainey (**email only:** crainey@pa.gov)
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Certificate of Service

*325591

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission, :
Bureau of Investigation and Enforcement : Docket No. M-2021-3005572
v. :
Columbia Gas of PA, Inc. :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Comments, upon parties 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 16th day of March 2022.

SERVICE BY E-MAIL ONLY

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Dated: March 16, 2022
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, :
Bureau of Investigation and Enforcement :
 : Docket No. M-2021-3005572
 v. :
 :
 :
 Columbia Gas of PA, Inc. :

COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

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Dated: March 16, 2022

I. BACKGROUND AND INTRODUCTION

On June 8, 2021, the Commission's Bureau of Investigation and Enforcement (I&E) and Columbia Gas of Pa, Inc., (Columbia or Company) (collectively, the Parties) filed a proposed Joint Petition for Approval of Settlement (Settlement or Petition) with respect to an informal investigation conducted by I&E. On February 3, 2022, the Pennsylvania Public Utility Commission (Commission) issued a Tentative Order to provide an opportunity for interested parties to file comments regarding the proposed Settlement. Pursuant to the Tentative Order, interested parties had twenty-five (25) days to submit comments after the Tentative Order was posted in the Pennsylvania Bulletin. The Tentative Order was published in the Pennsylvania Bulletin on February 19, 2022. Accordingly, comments are due by March 16, 2022.

The Tentative Order describes overpressurization events that occurred on Columbia Gas' Fayetteville and Rimersburg distribution systems. I&E started an informal investigation of Columbia Gas on February 8, 2019, based on these overpressurization events that occurred between January 9, 2018 and January 12, 2018 on Columbia Gas' Fayetteville distribution system and between May 16, 2018 and June 12, 2018 on Columbia Gas' Rimersburg system. Tentative Order at 2.

As to the Rimersburg event, I&E's investigation found that the overpressurization occurred because a Columbia technician applied new grease to a bypass valve, but a buildup of old grease on that valve did not allow it to fully close and seal. Settlement at 6. As a result of this event, the Rimersburg system was overpressurized for almost a month. Tentative Order at 3. Subsequent to the event, Columbia replaced approximately 1800 feet of the existing Rimersburg distribution system and removed one regulator station. I&E Statement in Support at 18.

As to the Fayetteville system, I&E's investigation found that the overpressurization event occurred because a Columbia Gas technician failed to properly close a bypass valve. Tentative

Order at 3. Columbia received 62 gas odor calls related to this event, and a subsequent leak survey found 193 leaks on the Fayetteville system. I&E concluded that the entire Fayetteville system should be replaced as a result of this overpressurization event. Tentative Order at 4-5.

The proposed Settlement terms are fully set out in the Petition, and for purposes of brevity will not be reproduced here. Settlement at 9-15. As explained in these Comments, the OCA has several concerns related to the proposed Settlement. Specifically, the record is unclear as to the exact extent of damage to either the Rimersburg or Fayetteville systems as a result of these overpressurization events and is also unclear as to whether Columbia has effectuated repairs and replacement of these damaged systems at its own expense, or has passed these costs on to ratepayers. As such, the OCA submits that the Commission should not approve this Settlement based on the record before it at this time. Further facts and clarifications should be sought from both I&E and Columbia prior to any final decision being reached in this matter. The OCA provides the following comments on this matter.

II. COMMENTS

The OCA appreciates the opportunity to submit comments on behalf of Pennsylvania consumers¹ as to the proposed Settlement. As the Tentative Order provides, the Commission here must determine whether the terms and conditions of the proposed Settlement are consistent with the public interest, and thus should be approved. Tentative Order at 12. Taken together, however, the Petition, I&E's Statement in Support and Columbia's Statement in Support contain some potentially conflicting information, some apparent inaccurate statements, and also fail to clearly

¹ Act 161 of the Pennsylvania General Assembly, 71 P.S. Section 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Commission.

address cost responsibility for these overpressurization events. Based on the current record, the OCA submits that the Commission should not approve the Settlement at this time.

A. The Proposed Settlement Fails To Clearly Address Cost Responsibility For These Overpressurization Events.

The record is unclear as to who bears cost responsibility for these overpressurization events. The Petition provides that the overpressurization events on both the Rimersburg and Fayetteville systems were traced back to two separate ineffective and/or incomplete repair processes performed by Columbia Gas technicians. Petition at 6-7. I&E's Statement in Support discusses the various reasons why the maximum civil penalty should not be imposed on Columbia for these events, and provides the following relevant excerpt:

As consequences of a serious nature did not ensue, alongside Columbia Gas cooperating with I&E's investigation and Columbia Gas **bearing the expense, *inter alia***, to replace more than 45,000 feet of its Fayetteville system pipeline, this factor weighs in favor of an agreed upon civil penalty of \$535,000.

I&E Statement in Support at 21-22, **emphasis added**. Based on I&E's findings as to the root cause of both of these events, that Columbia Gas created the problem, Columbia should bear the costs involved in repair and replacement of the systems as needed. Based on the excerpt quoted here, it appears that I&E's understanding is that Columbia is bearing the costs, at least as to the repairs required for the Fayetteville system. The settlement is not clear whether Columbia has sought recovery of these expenses through its base rates.

No information is contained in the record as to cost responsibility for the Rimersburg system repairs. Further, even though I&E's statement about Fayetteville cost responsibility seems clear, the OCA notes that the specific terms of the Settlement are silent on this issue. The OCA submits that additional information is needed in this area before the Commission can adequately assess whether the Settlement as proposed is truly in the public interest. The Commission should

solicit further information from both I&E and Columbia as to the intended cost responsibility for these events, as the current record is unclear on this important aspect of the proposed Settlement.

B. The Record In This Matter Shows That Property Damage Occurred.

At numerous places in the record there are statements that “no property damage occurred”. *See e.g.*, Petition at 11, I&E Statement in Support at 7. These statements are not consistent with the record, as the Rimersburg system was apparently damaged and the Fayetteville system apparently suffered substantial damage. I&E Statement in Support at 18; Tentative Order at 4-5. These averments are important issues to be considered as to the ultimate resolution of this matter. In its Statement in Support, I&E provided that “there has not been any reported property damage due to the leaks”, as support for its conclusion that the civil penalty of \$535,000 is reasonable and should be approved. I&E Statement in Support at 21.

Here, I&E appears to be referring to “customer” property damage. The OCA agrees that whether any Columbia customers experienced damage to their appliances or equipment is an important factor to be considered.² To be clear, the OCA is not recommending a specific adjustment to the civil penalty at this time. That said, however, the Commission should gauge the reasonableness of the civil penalty in conjunction with the resolution of whether or not Columbia is bearing the expense of the repairs and replacements to the Rimersburg and Fayetteville systems, as discussed above.

² It is unclear from the record whether any of Columbia’s customers in the affected areas knew about or were informed as to the overpressurization events at the time or shortly thereafter when these events occurred. The OCA understands that data requests were exchanged between I&E and Columbia, and perhaps further information as to public knowledge is contained therein. These data requests, however, are not available on the Commission’s website for this matter and accordingly neither the OCA nor any other interested party currently has access to this information. The OCA is concerned that since this matter only became public upon publication in the Pennsylvania Bulletin on February 19, 2022, roughly four years after the events in question occurred, any Columbia customer who may have actually incurred damage from these events may not have had the necessary information at that time to report such damage to either Columbia or the Commission.

C. The Record Is Unclear As To The Extent Of Repairs That Were Needed And Actually Performed.

The Petition provides the following as to the Fayetteville system, “I&E found that this exceedance of MAOP [Maximum Acceptable Operating Pressure] from an engineering view compromised the integrity of the system and warranted total replacement of the system.” Petition at 8. The Petition goes on to provide that the Fayetteville system contains approximately 25 miles of pipeline. Petition at 8, fn. 5. In its Statement in Support, however, I&E provides that Columbia replaced “more than 45,000 feet” of the Fayetteville system. I&E Statement in Support at 21. The OCA is concerned about the obvious conflicting record information on this issue. I&E found total replacement of the 25-mile Fayetteville system to be warranted, yet it appears that only about nine miles (45,000 feet) of the system was actually replaced by Columbia. The Commission should seek further information and clarification on this issue before reaching a final determination in this matter.

D. Conclusion

For the reasons discussed in these Comments, the OCA submits that the Commission should not approve the proposed Settlement based on the record before the Commission at this time. The record is unclear and incomplete in several important areas. Specifically, there is insufficient information as to cost responsibility for these events, the extent of damage to either the Rimersburg or Fayetteville systems, and what repairs were actually performed to these systems. The OCA submits that these are all important factual issues that must be resolved before the Commission can reasonably determine whether the proposed Settlement is in the public interest and therefore should be approved.

III. CONCLUSION

The Office of Consumer Advocate appreciates the opportunity to provide these Comments. The OCA respectfully requests that the Commission not approve the proposed Settlement at this time due to the lack of a clear and accurate record as to the overpressurization events that occurred on the Rimersburg and Fayetteville systems.

Respectfully submitted,

/s/ Darryl Lawrence

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