



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

October 27, 2022

Via Electronic Filing

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

Re: Petition of National Fuel Gas Distribution Corporation for Approval of a
Long-Term Infrastructure Improvement Plan
Docket No. P-2022-3034957

Bureau of Investigation and Enforcement's Comments
Nunc Pro Tunc

Dear Secretary Chiavetta:

Enclosed for electronic filing is the Bureau of Investigation and Enforcement's
Comments, *Nunc Pro Tunc*, in the above-referenced matter.

Copies have been served as indicated on the Certificate of Service. If you have
any questions, please contact the undersigned.

Sincerely,

A handwritten signature in black ink that reads 'Alphonso Arnold III'. The signature is written in a cursive, slightly slanted style.

Alphonso Arnold III
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 318487
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AA/ac
Enclosures

cc: Office of Administrative Law Judge (*email only*: crainey@pa.gov)
Paul Diskin, Bureau of Technical Utility Services (*email only*: pdiskin@pa.gov)
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Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of National Fuel Gas Distribution :
Corporation for Approval of a Long- : Docket No. P-2022- 3034957
Term Infrastructure Improvement Plan :

BUREAU OF INVESTIGATION AND ENFORCEMENT’S COMMENTS

I. INTRODUCTION

Pursuant to Act 11 of 2012 (“Act 11”) which in part, amended Chapter 13 of the Pennsylvania Public Utility Code, water and wastewater utilities, electric distribution companies, natural gas distribution companies and city natural gas distribution operations are permitted to petition the Pennsylvania Public Utility Commission (“Commission”) for implementation of a Distribution System Improvement Charge (“DSIC”).¹ As a prerequisite of DSIC recovery, a utility is required to file a Long-Term Infrastructure Improvement Plan (“LTIP”) to the Commission for its review and approval.² In order to be eligible for DSIC recovery, a utility’s LTIP must include each of the following elements: (1) identification of types and age of eligible property owned and operated by the utility for which it is seeking DSIC recovery; (2) an initial schedule for planned repair and replacement of eligible property; (3) a general description of location of eligible property; (4) a reasonable estimate of quantity of eligible property to be improved or

¹ 66 Pa.C.S.A. §§ 1350 – 1360.

² 66 Pa.C.S.A. § 1352.

repaired; (5) projected annual expenditures and means to finance the expenditures; (6) a description of the manner in which infrastructure replacement will be accelerated and how repair, improvement or replacement will ensure and maintain adequate, efficient, safe, reliable and reasonable service to customers; (7) a workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe and reliable manner; and (8) a description of a utility's outreach and coordination activities with other utilities, Department of Transportation and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIIP.³ The Commission will review the filed LTIIP and determine if the LTIIP: (1) contains measures to ensure that the projected annual expenditures are cost-effective; (2) specifies the manner in which it accelerates or maintains an accelerated rate of infrastructure repair, improvement or replacement; (3) is sufficient to ensure and maintain adequate, efficient safe, reliable and reasonable service; and (4) meets the requirements of § 121.3(a) (relating to LTIIP).⁴ If the utility's LTIIP is not adequate and sufficient to ensure and maintain adequate, efficient, safe, reliable and reasonable service, the Commission must order a new or revised LTIIP.⁵ Finally, the utility bears that burden of proof to demonstrate that its proposed LTIIP and associated expenditures are reasonable, cost effective and are designed to ensure and maintain efficient, safe, adequate, reliable

³ 52 Pa. Code § 121.3(a).

⁴ 52 Pa. Code § 121.4(e).

⁵ 52 Pa. Code § 121.4(f).

and reasonable service to consumers.⁶

On September 2, 2022, National Fuel Gas Distribution Corporation (“NFG”), a national gas distribution company, as defined by the Public Utility Code,⁷ filed a Petition for Approval of its LTIIIP. NFG’s Petition seeks approval for its proposed LTIIIP for the five-year term of January 1, 2023 through December 31, 2027. Pursuant to Commission regulations, LTIIIP filings are subject to a 30-day comment period, and if comments raise issues of material fact, the LTIIIP will be referred to the Office of Administrative Law Judge (“OALJ”) for hearings and a decision.⁸ The Bureau of Investigation and Enforcement (“I&E”) files these Comments pursuant to 52 Pa. Code § 121.4(c), and requests that its Comments be deemed timely filed.⁹ While I&E submits the following comments, I&E does not raise any issues of material fact and hereby supports NFG’s LTIIIP filing. I&E files these comments only to preserve its right to further investigate. Accordingly, I&E is not requesting that the LTIIIP be referred to the OALJ.

II. COMMENTS

A. SCHEDULE FOR REPAIR AND REPLACEMENT

According to its LTIIIP, NFG will accelerate the replacement of LPP (leak-prone pipe) beginning in 2023.¹⁰ Starting in 2023, NFG will replace 48 miles of LPP, which is

⁶ 52 Pa. Code § 121.4(d).

⁷ 66 Pa.C.S.A. § 102.

⁸ 52 Pa. Code § 121.4(c).

⁹ I&E submits that its Comments should be deemed timely, as its Comments support the LTIIIP filing and do not raise issues of material fact. As such, no party would be prejudiced by treating the Comments as having been timely filed.

¹⁰ NFG defines LPP as pipelines that are more susceptible to leakage based on the material (including bare steel, wrought iron, and historic plastics with known issues). NFG utilized its risk model and System Modernization Program to identify these pipes as being high risk and needing of replacement.

a 6.7 mile increase from the prior five-year average. The proposed replacements of LPP will continue to increase to 57 miles in 2027. Over the proposed period for this LTIIP (FY 2023-2027), NFG will replace an average of 52.8 miles of pipe per year. Compared to the historic five-year average (FY 2017- 2021) of 41.3 miles of pipe per year, this equates to a 38% acceleration in the replacement of LPP. Petition ¶26. Under the accelerated schedule, NFG anticipates that the replacement of all bare steel and wrought iron pipe will be completed by 2039 as opposed to 2046 under its current replacement schedule. Petition ¶16. I&E supports this accelerated replacement of high-risk mains and therefore supports this LTIIP filing by NFG.

B. DSIC PROCEEDING

NFG claims that a DSIC will allow it to remove aging portions of its system and enhance the safety of its system by ensuring replacement of facilities with new, longer lasting and safer materials. Petition ¶9. I&E opines that NFG should be entitled to recover eligible costs through a DSIC for distribution assets. I&E reserves the right to fully investigate and evaluate the programming and cost ramifications of the LTIIP in NFG's upcoming Petition for Approval of DSIC or other such filing.

III. CONCLUSION

Wherefore, for the reasons stated therein, the Bureau of Investigation and Enforcement opines that National Fuel Gas Distribution's Long-Term Infrastructure Improvement Plan is consistent with applicable requirements and should be allowed to be placed into effect. Nonetheless, I&E reserves the right to fully investigate and evaluate the programming and cost ramifications of the Long-Term Infrastructure Improvement

Plan in National Fuel Gas Distribution's upcoming Petition for Approval of Distribution System Improvement Charge. Such investigation and evaluation is necessary to ensure that National Fuel Gas Distribution will only recover reasonable and prudent costs that it incurs to repair, improve, or replace eligible property in order to ensure and maintain adequate, efficient, safe, reliable, and reasonable service.

Respectfully submitted,

Handwritten signature of Alphonso Arnold III in black ink.

Alphonso Arnold III
Prosecutor
PA Attorney ID No. 318487

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Dated: October 27, 2022

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of National Fuel Gas Distribution :
Corporation for Approval of a Long-Term : Docket No. P-2022-3034957
Infrastructure Improvement Plan :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **Comments of the Bureau of Investigation and Enforcement** dated October 27, 2022, upon the parties listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).


Service by Electronic Mail Only

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