
 Pennsylvania Public |
 Utility Commission |
 v. | Docket No.:
 Peoples Natural Gas | R-2026-3060855
 Company LLC |
 |
 In-Person Public Input |
Hearing

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Ross Township Board Room
 1000 Ross Municipal Drive
 Pittsburgh, PA

Wednesday, June 3, 2026
 Commencing at 1:01 p.m.

INDEX TO EXHIBITS

Docket No. R-2026-3060855
 Hearing Date: June 3, 2026

<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
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Statement of Richard Culbertson		

Pennsylvania Public Utility Commission Public Hearing June 3, 2026

Peoples Natural Gas Company LLC (Peoples Gas), Docket [R-2026-3060855](#)

Introduction: Richard C. Culbertson, 1430 Bower Hill Road, Pittsburgh, PA 15243

Phone 609-410-0108 Richard.C.Culbertson@gmail.com

I am an interested party in this proposed rate increase from several perspectives. My residence at 1430 Bower Hill Road in Pittsburgh is served by Peoples.

Ownership of several properties serviced by Peoples Gas, including one here in Ross Township.

Public service as an asset management expert. (“See something, say something.”) As evaluated and identified as an **asset management expert** in the **Government Accountability Office** Report *FEDERAL REAL PROPERTY ASSET MANAGEMENT* <https://www.gao.gov/assets/d1957.pdf>, see pages 48 and 49.

I have been heavily involved in International Asset Management Standards since 2001 and am the past Chair and current board member of to the ASTM E53 Asset Management Committee, e.g., Standard ASTM E2279 ... Guiding Principles of Property Asset Management (versions 02, 09,15,20, and 25) (Initially Co-authored (a DOE director) and Technical Leader adopted and required in DoD in their DOD Instruction 5000.64 ACCOUNTABILITY AND MANAGEMENT OF DOD EQUIPMENT AND OTHER ACCOUNTABLE PROPERTY <https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/500064p.pdf>

ASTM standards have been used by gas utilities for many years, e.g., *ASTM D2513 Standard Specification for Polyethylene (PE) Gas Pressure Pipe, Tubing, and Fittings.* (1966)

I am a board member and leader in the U.S. ISO Technical [Standards] Committee 251, Asset Management, which is responsible for the international standard ISO 55000, Asset Management, and will represent ANSI in Kyoto, Japan, in July 2026 regarding improvements to the ISO 55010 standard and intangibles.

ANSI API 1173 Pipeline Safety Management Systems. This Standard references ISO 55000 Asset Management and ISO 9000 Quality Management. ISO 55000 Asset Management references ASTM 2279 Guiding Principles of Property Asset Management.

I am a Board member of Asset Leadership Network. <https://www.assetleadershi79p.net/>.

I am also on the board of the National Property Management Association – for close to forty years.

I was Lockheed Martin’s lead subject matter expert in asset management for many years.

I am not an attorney, nor a Certified Public Accountant. Public utility management is primarily focused on asset management.

Over 50 years of asset management responsibility at General Electric and Lockheed Martin, as well as real estate investments and experience with multiple gas utilities in multiple states, all give me a unique perspective on public utility operations.

Gas utility management and governance are all about various forms of asset management.

I am providing this level of detail because last year on this day, I provided the details of being an asset management expert in a footnote, and the Administrative Law Judges Jeffrey A. Watson and Chad L. Allensworth portrayed my sworn testimony in the Columbia Gas rate case:

Richard Culbertson, a Pittsburgh resident, Columbia Gas customer, and self-described asset management expert, also provided testimony. Mr. Culbertson provided the Parties with a document purported to be his written testimony. Page 14. <https://www.puc.pa.gov/pcdocs/1897286.pdf>

It appears the intent of the Pennsylvania Public Utility Law Judges was to discount my sworn public testimony by harming my reputation before the Commission. I, or any other customer, do not deserve this treatment in sworn public testimony before the Commission.

Once I found out what the Administrative Law Judges did in their Recommended Decision, I complained to the PUC Secretary. My complaint was not recorded in the record. **Good organizations do not work this way!**

I believe the Commission owes me, as a customer, a formal retraction and an apology. Artificial Intelligence can report that my expertise is “self-described.” Purported means what is said is not believable.

Deliberate acts by PUC employees that violate the public's trust should be met with deliberate acts by the Commission.

To further substantiate my credentials as an asset management expert, I have been personally invited to three recent Pipeline and Hazardous Materials Safety

Administration (PHMSA) events in Washington, D.C., at the J.W. Marriott, another DOT headquarters, and another online meeting.

High utility rates from Peoples Gas threaten my quality of life, both quantitatively and qualitatively, reducing property asset value, income, and well-being.

These proposed rate increases, close to 14%, will negatively impact the quality of life for these renters and our community and appear unjust and unreasonable.

My understanding of the condition of the PAPUC and its large public gas and electric utilities is generally **consistent with Governor Shapiro’s understanding.**

<https://s3.documentcloud.org/documents/28086151/2026429-jds-utility-ceos-letter-v2.pdf>

GOVERNOR JOSH SHAPIRO Office of the Governor | Harrisburg, PA | www.pa.gov April 29, 2026

Dear Utility Leaders:

As you are no doubt aware, many of your customers across the Commonwealth are experiencing markedly higher utility costs. Rising utility bills have themselves become drivers of inflation. ... Last year alone, 13 Pennsylvania utilities requested \$975 million in higher rates after those very same utilities had earned a total of \$1.4 billion in profits in 2024.

We have reached a tipping point, and this is a moment to put your customers first and change the behaviors causing rate increases. As I’ve expressed publicly and privately, **I believe the 20th century utility model is broken**—we can no longer simply prioritize corporate profitability to drive infrastructure development. Rather, we must be laser focused on delivering on the actual needs of our communities. As I stated clearly in my Budget Address in February, **Pennsylvania consumers should not be asked to pay a single dollar more than is needed to support a safe and reliable utility system.**

And all too often the outcome of this administrative process is shrouded in “black box” settlements, that do not provide the public with transparency about costs they will have to pay.

Public utility rate-making requires due process – black box settlements are not part of that process.

Due process means **the process that is owed or promised to me in accordance with the law.**

Many in this room swore an oath that **I will support, obey and defend the Constitution of the United States and the Constitution of this Commonwealth...**

One of the objectives of these hearings is to arrive at just and reasonable rates for

customers, and Peoples Gas. I want to be treated justly and fairly, and I want the same for Peoples Gas.

I am providing facts and applicable law as I know them.

PUC Order to investigate: <https://www.puc.pa.gov/pdocs/1923354.pdf>

In part:

*Investigation and analysis of this proposed tariff filing and the supporting **data indicate that the proposed changes in rates, rules, and regulations may be unlawful, unjust, unreasonable, and contrary to the public interest.** It also appears that consideration should be given to the reasonableness of Peoples's **existing rates, rules, and regulations;** THEREFORE,*

IT IS 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 the proposed Original Tariff Gas – Pa PUC No. 49 and Original Tariff Gas – Pa PUC No. S-5.**

Now, who is conducting this investigation, and who is qualified to determine whether the costs included in the rate base are allowable? What accounting and audit standards are to be used?

Some help from Pennsylvania voters in **1968**. *ARTICLE VIII TAXATION AND FINANCES 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.***

*Any Commonwealth officer whose approval is necessary for any transaction relative to the financial affairs of the Commonwealth **shall not be charged with the function of auditing that transaction after its occurrence.***

(Apr. 23, 1968, P.L.App.7, Prop. No.4) The second paragraph means the auditor or officials cannot audit or judge their own prior work. In auditing, this is referred to as a "self-review threat," which raises concerns about independence and objectivity. Self-review threats can erode public trust in the fairness and impartiality of the Commission and administrative law judges.

PA Title 66 § 308.2. Other bureaus, offices and positions ... to perform the following functions:

(6) **Insure adequate maintenance, safety and reliability of utility networks.**

(8) **Conduct financial, management, operational and special audits.**

(11) **Take appropriate enforcement actions, including rate proceedings, service proceedings and application proceedings, necessary to insure compliance with this title, commission regulations and orders.**

4. That this **investigation shall include consideration of the lawfulness, justness, and reasonableness of the Peoples Natural Gas Company LLC's existing rates, rules, and regulations.**

5. That the case be assigned to the Office of Administrative Law Judge **for the prompt scheduling of such hearings** as may be necessary culminating in the issuance of a Recommended Decision.

How can this proceeding arrive at a just and reasonable rate without those audits or investigations?

What is the timeline between Order 1. and 4., and 5? Who are the empowered investigators who have free access to People's operations? It is not the Administrative Law Judge. It is not the complainants or their consultants. It is not public. Requirements 1. and 4. are dead ends.

Who is writing the conclusions for Orders 1. and 4.?

Financial attestation audits provided decision-makers with some reasonable assurance.

The Commission has not completed the required audits in the manner described since 1968.

Fair and reasonable rates cannot be established without independent, competent audits.

The Commission is simply not prepared to arrive at just and reasonable rates for Peoples' customers.

Informal Investigations by the Commission – we are seeing an informal investigation into an incident that occurred in December 2022. The PUC opened an investigation in 2025 and resolved it in the last month of December 2025 and January 2026. (Pronto Plumbing/UGI Utilities)

The public should be concerned with the PUC's timeliness and quality of work!

How many financial experts are among the Commissioners? From their resumes, zero.

How many are aware of the Federal **Chief Financial Officers Act of 1990**?

Who is this person? -- Eric Ueland

(A) The **Chief Financial Officers (CFO) Act of 1990** is landmark federal legislation that overhauled the financial management of the U.S. government. It established Chief Financial Officers across major federal agencies, created the Office of Federal Financial Management (OFFM), and explicitly designated the Deputy Director for Management (DDM) within the Office of Management and Budget (OMB) as the **chief government official responsible for financial management** <https://www.congress.gov/bill/101st-congress/house-bill/5687> <https://www.congress.gov/bill/101st-congress/house-bill/5687/text>

The work product of OMB includes:

2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1> PA and the PUC receive Federal Awards (grants).

The Federal Acquisition Regulations, The Cost Accounting Standards, The Cost Principles, OMB Circulars.

Some may claim the Pennsylvania Public Utility Commission and its commissioners are independent. They are independent only to the extent they obey their oath of office, applicable laws, regulations, and standards, and their orders.

The proposed changes in rates, rules, and regulations are calculated to produce \$163.2 million (13.8%) in additional annual revenues, ...

The magnitude of Peoples proposed increase is about the same as Pennsylvania's Low-Income Home Energy Assistance Program (LIHEAP) Federal funded **projected budget of \$173.25 million.** https://www.pa.gov/content/dam/copapwp-pagov/en/dhs/documents/services/assistance/documents/heating-assistance_liheap/2026-liheap-state-plan.pdf

Facts and circumstances that must be considered in this rate case include the following:

No audits, no apparent understanding and recognition of the Chief Financial Officers Act of 1990. Where are accountants, audits of compliance with Cost Principles and Cost Accounting Standards, use of the GAO Yellow Book (audits), and the GAO Standards for Internal Control – GAO Green Book?

The due process of Pennsylvania law “66 Pa.C.S. § 1319 (1967) “[T]he commission shall allow the public utility to recover all prudent and reasonable costs ... **only in accordance with appropriate accounting principles.**”

Only is a big word, especially beginning in 1967!

Peoples STATEMENT OF REASONS https://www.peoples-gas.com/sites/default/files/2026-04/png-2026-rate-case-statement-of-reasons-final_1.pdf

Peoples makes this tariff filing principally to allow it to earn a fair return on investments used and useful to continue to provide safe and reliable service to the public and to support its infrastructure modernization programs designed to enhance safety and reliability.

1. Fair return on investments used to serve the public

(This type of arrangement is commonly referred to as - Cost plus percentage of cost, which is not to be used per 2 CFR 200.324(c) as profit comes from spending rather than desired performance.)

2. Support for the Company’s accelerated infrastructure replacement program

(Accelerated costs are not necessary, reasonable, or prudent, and not in the best interest of customers. These costs must be identified as unallowable costs and subtracted from the rate base. Reasonable means “as would satisfy prudent officials in the conduct of their own affairs.” - Securities and Exchange Act of 1934)

The PUC’s rate cases process, which establishes rates through black-box settlements, including this rate case, does not conform to this long-standing fundamental Pennsylvania law.

Establishing rates by those without expertise in the appropriate accounting principles cannot result in just and reasonable settlements. This is not a place for unprofessional accounting or auditing work. **Where are the independent, competent, and professional assurances that this proposed rate increase is to recover only just and reasonable costs, that are free of waste, fraud, abuse, mismanagement, and unsafe conditions?**

From my experience and observation, it does not appear that customers are given due process in establishing Peoples utility rates. Different elements of an internal control

framework are missing, ignored, or unreliable.

Finally, Peoples and the Commission do not appear to have adopted the API 1173 Pipeline Safety standard. Not adhering to standards puts customers at risk.

If the Commission had paid more attention to utilities being able to turn off gas in emergencies, the people who died in Bristol, Pennsylvania, on December 23, 2025, may have been alive today.

In conclusion, I recommend that the PUC pause this rate case until it establishes an effective, efficient, proper, and due process in accordance with the Pennsylvania Public Utility Code. This includes independent and reliable audits conducted by competent third-party auditors to ensure that Peoples has effective internal controls over its operations, including effective and efficient operations, reliable reporting (financial and non-financial), and compliance with applicable laws, regulations, standards, and orders. In addition, assurances that the rate base is free of waste, fraud, abuse, and mismanagement, and unsafe conditions.

This concludes my testimony.



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