

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Corning Natural Gas Corporation
Case 16-G-0369
October 2016

Prepared Testimony of:
Staff Gas Safety Panel

William D. Wade
Utility Supervisor

Brett T. Mahan
Utility Engineer 3

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Utility Engineer 2

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State of New York
Department of Public Service
Three Empire State Plaza
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1 Panel Credentials

2 Q. Members of the Panel, please state your names,
3 employer, and business addresses.

4 A. William D. Wade, Brett T. Mahan and Valerica
5 Oreifej. Our business address is Three Empire
6 State Plaza, Albany, New York 12223,
7 respectively.

8 Q. Mr. Wade, what is your position at the
9 Department?

10 A. I am employed by the New York State Department
11 of Public Service as a Utility Supervisor in the
12 Pipeline Safety Section of the Office of
13 Electric, Gas, & Water.

14 Q. Please state your educational background and
15 professional experience.

16 A. I graduated summa cum laude from Union College,
17 Schenectady, New York with a Bachelor of Science
18 degree in Civil Engineering in 1979. I also
19 received a Master of Engineering degree from
20 Union College in 1983 and a Bachelor of Arts
21 degree in Secondary Education from Trinity
22 College, Burlington, Vermont, in 1990. I joined
23 the Department of Public Service in 2003, coming
24 from the New York Department of Transportation

1 where I held a civil engineering position. My
2 professional experience includes twenty-six
3 years in engineering, seven and a half years in
4 business, and three and a half years in
5 education. My engineering experience includes
6 project, facilities, process, and quality
7 engineering positions with General Electric and
8 IBM. My business experience was with MKW
9 Enterprise Incorporated, a specialty valve
10 supply company that I co-founded in 1992 and was
11 sold in 1999. At MKW, I oversaw the day to day
12 operations and was responsible for the company's
13 finances and accounting. My educational
14 experience involved teaching mathematics and
15 engineering to students at both the high school
16 and college level.

17 Q. Please describe your duties with the Department
18 of Public Service.

19 A. My duties with the Department of Public Service
20 have been the analysis of various regulatory
21 concerns, including rate design, the forecast of
22 gas delivery volumes and revenues, depreciation
23 rates, rate base, capital budgets, operation and
24 maintenance expenses, unbundling, revenue

1 decoupling, and energy efficiency. Currently I
2 supervise two groups of engineers who audit
3 pipeline operators for compliance with
4 applicable state and federal codes to ensure
5 pipeline safety.

6 Q. Have you testified before the Commission in
7 other proceedings?

8 A. Yes. I provided testimony with respect to rate
9 design, sales and revenue forecasts,
10 depreciation rates, and rate unbundling in Cases
11 03-G-1671, 04-G-1047, 05-G-0935, 05-G-1494, 06-
12 G-1332, 07-G-0141, 08-E-0539, 08-G-1398, and 09-
13 G-0795, and 10-E-0362.

14 Q. Mr. Mahan, by whom are you employed and in what
15 capacity?

16 A. I am employed by the Department of Public
17 Service as a Utility Engineer 3 in the Pipeline
18 Safety Section of the Office of Electric, Gas, &
19 Water.

20 Q. Please summarize your education and work
21 experience.

22 A. I graduated from Clarkson University in 1998
23 with a Bachelor's degree in Civil Engineering.
24 I have been employed by the Department of Public

1 Service since March 2004. I have an extensive
2 knowledge of the Federal and State gas safety
3 pipeline codes and the operations of the major
4 gas utilities in New York State. My duties
5 include supervising the field staff in the
6 Syracuse office, reviewing proposed pipeline
7 designs, reviewing proposed updates to utility
8 operations and maintenance procedures, and
9 reviewing proposed changes to Federal and State
10 gas pipeline safety codes. In addition, I
11 perform record and field audits of local
12 distribution companies (LDCs) and interstate
13 pipelines to ensure compliance with Federal and
14 State gas pipeline regulations. I also inspect
15 construction activities at LDCs and interstate
16 pipelines to ensure compliance with Federal and
17 State regulations. I have also participated in
18 a job rotation program in the Gas Policy
19 Section, where I participated in the review of
20 utility winter gas supply planning.

21 Q. Have you previously testified before the
22 Commission?

23 A. Yes. I have testified as part of the Gas Safety
24 Panel in the following rate cases: Corning

1 Natural Gas Corporation, Cases 08-G-1137 and 11-
2 G-0280; St. Lawrence Gas Company, Inc. (St.
3 Lawrence or Company), Case 08-G-1392; New York
4 State Electric and Gas Corporation, Case 09-G-
5 0716, Niagara Mohawk Power Corporation d/b/a
6 National Grid, Case 12-G-0202, New York State
7 Electric and Gas Corporation and Rochester and
8 Gas Electric Corporation, Cases 15-G-0284 and
9 15-G-0286, and St. Lawrence Gas Company, Inc.
10 Case 15-G-0382.

11 Q. Ms. Oreifej, what is your position at the
12 Department?

13 A. I am employed by the Department of Public
14 Service as a Utility Engineer 2, in the Pipeline
15 Safety Section of the Office of Electric, Gas, &
16 Water.

17 Q. Please summarize your education and work
18 experience.

19 A. I graduated from Polytechnic Institute "Traian
20 Vuia" Timisoara, Romania in 1988 with a Master's
21 Degree in Civil Engineering. After my
22 graduation I worked as a Hydraulic Engineer with
23 The Execution and Utilization of Works in Land
24 Reclamation Agency in Timisoara, Romania. In

1 1998 I was promoted to the Agency of State
2 Domains as a Transaction Inspector for the
3 Western Region of Romania, in which capacity I
4 oversaw and authorized operations encompassing
5 transactions/transfers of holdings, properties,
6 facilities and lands under state's ownership to
7 the private sector. I joined the Department in
8 November 2001. During my employment with the
9 Department I have been responsible for reviewing
10 and analyzing various rate and regulatory issues
11 such as electric, gas and water utility
12 applications for rate increases, which include
13 the review of historic operating and maintenance
14 expenses, capital projects, depreciation
15 schedules, additions and retirements to utility
16 plant in service, reviewing sales forecast and
17 revenue reconciliations. I have also conducted
18 field inspections of water companies to assure
19 equitable rates and adequate service, reviewing
20 surcharge petitions, transfers, abandonments and
21 other various tariff filings. I joined the
22 Pipeline Safety Section in May 2014. My current
23 duties include reviewing proposed revisions to
24 gas utility operations and maintenance

1 procedures, reviewing proposed changes to
2 Federal and State gas safety pipeline codes,
3 enforcement of probable violations relating to
4 16 NYCRR Part 753, and confirming compliance
5 with safety-related Commission orders.

6 Q. Have you previously testified before the
7 Commission?

8 A. Yes. I have testified before the Commission in
9 numerous proceedings related to electric, gas,
10 steam, and water utilities. The most recent
11 cases in which I testified are: United Water New
12 Rochelle, Inc. and United Water Westchester,
13 Inc., Cases 13-W-0539, 13-W-0564 and 14-W-0006,
14 Consolidated Edison Company of New York, Inc.,
15 (Con Edison or the Company) Cases 13-E-0030,
16 13-G-0031, and 13-S-0032, New York State
17 Electric and Gas Corporation and Rochester and
18 Gas Electric Corporation, Cases 15-G-0284 and
19 15-G-0286, St. Lawrence Gas Company, Inc.
20 Case 15-G-0382, and Con Edison, Case 16-G-0061.

21

22

Scope of Testimony

23 Q. Panel, what is the purpose of your testimony?

24 A. The purpose of our testimony is to address

1 Corning Natural Gas Corporation's (Corning)
2 safety performance measures in the areas of
3 infrastructure enhancement, leak management,
4 damage prevention, emergency response, and
5 violations of the pipeline safety regulations,
6 the Company's proposed additional gas operations
7 positions, Fire Department First Responders
8 training program and Corning's compliance with
9 Commission Order in Case 11-G-0280 relating to
10 its annual reporting requirements on leakage
11 survey performed on its 1950s vintage pipe,
12 residential methane detection program and
13 positive revenue adjustments.

14 Q. Is the Panel presenting any Exhibits?

15 A. Yes. We are presenting two Exhibits.

16 Q. Would you please describe the Exhibits?

17 A. Exhibit __ (GSP-1) includes the Company's
18 responses to Staff interrogatory requests (IRs).
19 Exhibit __ (GSP-2) details the requirements of
20 16 NYCRR Parts 255 and 261 that identifies risks
21 into high and other risk categories.

22 Q. What is the purpose of gas safety performance
23 measures?

24 A. The performance measures help to ensure that

1 Local Distribution Companies (LDCs) maintain
2 their focus on important safety areas and to
3 ensure service reliability. The performance
4 measures for each LDC are derived from the
5 Company's actual historic performance levels,
6 our knowledge of the Company, and our experience
7 with other LDCs across the state.

8 Q. What gas safety performance measures does
9 Corning currently have in place?

10 A. Currently, Corning has infrastructure
11 enhancement, damage prevention, emergency
12 response, leak management, and violation
13 performance measures.

14 Q. Is the data used for these measures reported by
15 the Department to the Commission?

16 A. The Infrastructure Enhancement or Leak Prone
17 Pipe Replacement metric is tracked by Staff but
18 not formally reported to the Commission.
19 However, the other four metrics are presented by
20 the Pipeline Safety Section of the Office of
21 Electric, Gas and Water in the Gas Safety
22 Performance Measures Report annually to the
23 Commission.

24 Q. Please describe the Department's Gas Safety

1 Performance Measures Report.

2 A. The Gas Safety Performance Measures Report
3 summarizes data and analyzes performance in four
4 areas of gas safety: Damage Prevention,
5 Emergency Response Times, Leak Management, and
6 Violations. It also contains data from subsets
7 of those areas, resulting in a more thorough
8 analysis, and is used as a tool to track,
9 monitor, and identify LDCs' performances in
10 areas widely considered high-risk. When an
11 LDC's performance varies notably from the
12 statewide performance in a particular
13 performance area, that LDC is recommended to
14 institute incremental changes to improve
15 performance. The most recent report can be
16 obtained on the Commission website under Case
17 16-G-0254 - In the Matter of Staff's Analysis of
18 Local Distribution Company Performance related
19 to the Gas Safety Measures.

20

21 **Infrastructure Enhancement**

22 **A. Leak Prone Pipe**

23 Q. What is meant by infrastructure enhancement?

24 A. By infrastructure enhancement, in this testimony

1 we mean the Company's efforts to remove leak
2 prone pipe (LPP).

3 Q. What is LPP?

4 A. Generally, LPP is pipe constructed of steel that
5 is unprotected, cast iron, wrought iron, or some
6 vintages of plastic that can become brittle in
7 time. According to the response to IR DPS-236,
8 Corning's population of leak prone pipe consists
9 of bare unprotected, bare protected and coated
10 unprotected steel pipe.

11 Q. What is meant by the term unprotected?

12 A. For the purpose of this measure, unprotected
13 means that the pipe lacks adequate cathodic
14 protection, which renders it susceptible to
15 corrosion. Corrosion is an electrochemical
16 process requiring the presence of four
17 conditions or elements: an anode, a cathode, a
18 metallic connection between the anode and the
19 cathode, and an electrolyte. The anode is where
20 the oxidation reaction occurs, while the cathode
21 is where the reduction reaction occurs. In a
22 reduction reaction, electrons are gained by an
23 atom or molecule, and there is an increase in
24 negative charge. In the process of corrosion,

1 the metal loses its bonding electron causing a
2 metal particle to fall off the pipe surface.
3 Cathodic protection is a method by which steel
4 pipelines are protected from corrosion by making
5 the surface a cathode. Unprotected pipe often
6 has no surface coating or inadequate coating,
7 rendering efforts to cathodically protect the
8 pipe ineffective and uneconomical. Such
9 unprotected pipe is also commonly referred to as
10 bare steel pipe.

11 Q. How does the LPP removal program add to the
12 safety of the gas system?

13 A. Leaks on underground piping can create safety
14 risks to the public and can potentially lead to
15 gas-related incidents. Leak prone pipes
16 generally leak at a higher rate than coated and
17 cathodically protected steel or plastic pipes.
18 The removal of LPP reduces these safety risks.

19 Q. Explain the importance of removing unprotected
20 or bare steel pipe.

21 A. Data collected by the Department of
22 Transportation, Office of Pipeline Safety, shows
23 that corrosion is one of the leading causes of
24 leakage and that bare steel pipe is most

1 susceptible to corrosion. This information is
2 publicly available on the Department of
3 Transportation, Pipeline and Hazardous Materials
4 and Safety Administration's (PHMSA) website at
5 <https://primis.phmsa.dot.gov/comm/FactSheets/FS>
6 [Corrosion.htm](https://primis.phmsa.dot.gov/comm/FactSheets/FS). Unprotected or bare steel pipe
7 are more prone to leakage because they are more
8 susceptible to corrosion. Removal of these
9 pipes reduces risks associated with leakage.

10 Q. What are other benefits associated with removing
11 LPP?

12 A. The removal of LPP should drive down the number
13 of active leaks, lead to a decline in leakage
14 rates on the distribution system, and reduce
15 overtime and operating and maintenance costs
16 associated with responding to leak calls and
17 monitoring leaks.

18 Q. Please describe the LPP removal safety
19 performance measure.

20 A. This component serves to ensure that Corning
21 continues to proactively remove this type of
22 pipe from operation. It encourages the Company
23 to proactively remove LPP beyond the level of
24 pipe it would otherwise replace to meet the

1 requirements of the Commission's pipeline safety
2 regulations found in 16 NYCRR Part 255. The LPP
3 removal safety metric also encourages the
4 Company to remove pipe resulting from customer
5 complaints or as a result of municipal or state
6 construction projects that interfere with
7 existing infrastructure.

8 Q. How does Corning currently prioritize the
9 removal of LPP?

10 A. According to the response to IR DPS-227, the
11 Company ranks segments of steel pipe based on
12 leak history, material, population density,
13 facility cover, operational issues, prior
14 enhancements and municipal requirements. Each
15 year the engineering department reviews the
16 reports, related corrosion data and excavation
17 reports and then determines what segments will
18 be replaced. In most cases, the segments are
19 grouped by neighborhood, streets or sub-
20 developments.

21 Q. Do all gas utilities in New York State use the
22 same model?

23 A. No. Each utility has unique characteristics and
24 geography that must be considered with varying

1 effect on risk which prevents a uniform approach
2 across the state.

3 Q. Does the Panel have any recommendation regarding
4 Corning's prioritization model for its LPP
5 replacement?

6 A. Yes. We recommend that Corning include in its
7 risk ranking model the entire pool of leak prone
8 services to be replaced.

9 Q. What are Corning's current minimum rate case
10 targets for LPP?

11 A. Corning's current minimum LPP targets are 8.6
12 miles in calendar year (CY) 2015, 8.6 miles in
13 CY 2016 and 33 miles for the period 2015-2017.
14 Beginning 2018 and thereafter the LPP targets
15 that were approved by the Commission and agreed
16 upon by the Company and other parties in
17 Extension Case 11-G-0280 will increase to 10.6
18 miles per calendar year.

19 Q. For the period 2013 through 2015, how many miles
20 of LPP on average has Corning removed?

21 A. According to the response to IR DPS-215, Corning
22 has replaced 11 miles of pipe on average for the
23 previous three years, with 11.20 miles, 10.60
24 miles, and 11.40 miles of leak prone pipe

1 replaced in CYs 2013, 2014, and 2015,
2 respectively.

3 Q. Does the Company propose any changes to the
4 current metric and the associated negative
5 revenue adjustments (NRAs)?

6 A. The Company did not propose any changes to the
7 current metric and the associated NRAs.

8 Q. Does the Panel have any recommendation with
9 regard to the current LPP target?

10 A. We recommend that the Company continue with the
11 approved targets of 10.6 miles per each calendar
12 year of 2018, 2019, and 2020, respectively.

13 Q. At the proposed removal rate, how long will it
14 take the Company to replace all of its leak
15 prone mains?

16 A. According to the response to IR DPS-215, there
17 are approximately 113 miles of remaining leak
18 prone main within Corning's system to be
19 replaced. At this removal rate, Corning should
20 be able to replace all of its leak prone mains
21 in approximately ten years. We also recommend
22 that if Corning is not able to replace all LPP
23 as forecasted over a 10-year period, the Company
24 should file a petition prior to December 31,

1 2025 explaining how many miles it replaced each
2 year, the cost associated with these
3 replacements, and the number of remaining miles
4 to be replaced.

5 Q. Is there a NRA associated with the LPP target?

6 A. Yes. The Company would incur a NRA of six pre-
7 tax basis points, if it fails to meet this
8 target.

9

10 **B. Leak Prone Services**

11 Q. What are Corning's current minimum rate case
12 targets for leak prone services (LPS)?

13 A. Corning's current minimum rate case targets for
14 LPS are 325 in CY 2015, 325 in CY 2016, and 1125
15 LPS replacements for the period 2015 through
16 2017, and 375 LPS replacements in CY 2018 and
17 beyond.

18 Q. Is there a NRA associated with the LPS target?

19 A. Yes. The Company would incur a NRA of two pre-
20 tax basis points if it fails to meet this
21 target.

22 Q. Did the Company propose any changes to the LPS
23 target and the associated NRA?

24 A. The Company did not propose any changes to the

1 current metric and the associated NRA.

2 Q. What is the Company's current performance?

3 A. According to the PHMSA annual report, the
4 Company replaced 631 services in 2015.

5 Q. How many remaining LPS are currently in the
6 Corning system?

7 A. According to the response to IR DPS-215, there
8 are 3029 remaining LPS within the Corning
9 system, 1710 of which are bare unprotected, 27
10 coated unprotected, and 1292 unknown or other
11 services.

12 Q. Does the Panel have any recommendation with
13 regard to the leak prone services?

14 A. Yes. We recommend the removal of the LPS
15 replacement metric with the expectation that an
16 approximate reduction of 30% (or 900) of
17 remaining services associated with leak prone
18 main replacement to be reported in PHMSA CY 2018
19 report. Also, the Company estimates that it
20 would replace approximately 300 of its LPS per
21 year. These replacements should occur
22 concurrent with the main replacement efforts.

23 Q. What does the Panel recommend with regard to the
24 associated NRA for failure to meet the LPP

1 target?

2 A. We recommend adding the NRA of two pre-tax basis
3 points of LPS to the current NRA of six pre-tax
4 basis points of total LPP target. The total NRA
5 for LPP and LPS combined in any one year is
6 eight pre-tax basis points owed to customers.

7 Q. Will the targets and the NRA expire after the
8 Rate Year?

9 A. No. The LPP targets and associated NRA should
10 remain in effect until changed by the
11 Commission.

12

13

Damage Prevention

14 Q. What does the Panel mean by Damage Prevention?

15 A. All LDCs, including Corning, respond to and
16 perform repairs caused by excavation damages to
17 their underground facilities. Any damage to a
18 pipeline can result in the uncontrollable
19 release of natural gas and could potentially
20 lead to an incident. Damage prevention refers
21 to the Company's ability to prevent damages to
22 their systems.

23 Q. Please describe the performance measures related
24 to the prevention of excavation damage.

1 A. In order to encourage the Company to
2 continuously strive to improve their
3 performance, targets for damage prevention that
4 are within the Company's control have been
5 established in rate case proceedings to measure
6 and accelerate the Company's progress in
7 minimizing damages to their underground pipeline
8 facilities. Damages within the Company's
9 control include those caused by Company
10 mismarks, damages caused by the Company and
11 Company contractors, and total damages per 1,000
12 one-call tickets.

13 Q. What is a one-call ticket?

14 A. The Commission's pipeline safety regulations
15 contained in 16 NYCRR Part 753 - Protection of
16 Underground Facilities, require excavators to
17 make a toll-free call to a one-call notification
18 system and provide notice of their intent to
19 perform excavation work. The Dig Safely New
20 York one-call notification systems cover
21 Corning's service territory. The one-call
22 notification systems collect pertinent
23 information from the excavator and transmit it
24 to the member utilities, including LDCs that may

1 be affected by the excavation work. These
2 utilities then mark the location of their
3 affected facilities so the excavator can take
4 precautions to avoid damaging them. Each
5 incoming call to the One Call Centers will
6 generate outgoing notices to the member
7 utilities such as the gas, electric, telephone,
8 cable, water, and sewer companies. A notice
9 received by the utility is referred to as a one-
10 call ticket.

11 Q. What is a mismark?

12 A. A mismark occurs when an LDC fails to accurately
13 mark the location of its underground facilities
14 in response to the one-call ticket. Consistent
15 with the requirements of 16 NYCRR Part 753 and
16 for the purpose of this performance measure, a
17 mismark is considered any instance where the
18 markings are off by more than two feet. It also
19 includes any instances where the utility fails
20 to mark its facilities in response to a properly
21 served one-call ticket.

22 Q. What damages are considered damages by the
23 Company and Company contractors?

24 A. These are damages caused by Company personnel or

1 by contractors that are directly working for the
2 Company.

3 Q. Are there any other categories of damages?

4 A. Yes. Third-party excavator error damages are
5 historically the largest component of total
6 damages, partially because of the effort needed
7 to educate third-party contractors in safe and
8 best excavation practices. Most excavators are
9 well aware of the existence of the one-call
10 system and the requirement to notify it of
11 planned excavation work. Many excavators are
12 not as well versed in the additional
13 requirements such as tolerance zones and
14 verifying locations of underground facilities
15 with hand-dug test holes, maintaining the marks
16 throughout the full work period, maintaining
17 clearances when using powered equipment, et
18 cetera. There is no target specifically for
19 third-party excavator damages. However, third-
20 party excavator damage is a major component of
21 the total damage category; therefore, the
22 Company should seek to minimize these damages.

23 Q. How does prevention of excavation damage benefit
24 public safety?

1 A. Damages often cause interruptions of service to
2 customers, building evacuations, and road
3 closures. Explosions and fires are less
4 frequent, but have occurred. Fatalities and
5 injuries due to excavation damages are also a
6 possibility. Therefore, reducing these types of
7 damages improves public safety.

8 Q. What is the Company's historical performance as
9 it relates to damage prevention?

10 A. Based on the Company's reported figures for the
11 period 2011 through 2015, the Company averaged,
12 per 1,000 one-call tickets, 0.22 damages due to
13 mismarks, 0.13 damages due to Company and
14 Company contractors, and 2.70 total damages.
15 In 2015, Corning performed at the following
16 levels: 0.00 for damages due to mismarks; 0.19
17 for damages due to Company and Company
18 contractors; and 0.77 for total damages per
19 1,000 one-call tickets. The Company's
20 historical performance is documented in the most
21 recent Gas Safety Performance Measures Report,
22 filed on June 21, 2016 in Case 16-G-0254.

23 Q. What was the statewide performance level for
24 damages due to mismarks, damages due to the

1 Company and Company contractors, and total
2 damages per 1,000 one-call tickets in 2015?

3 A. In 2015, the statewide performance level was,
4 per 1,000 one-call tickets, 0.42 damages due to
5 mismarks, 0.09 damages due to Company and
6 Company contractors, and 1.87 total damages.

7 Q. How has the Company performed in comparison to
8 the statewide performance?

9 A. The five year average, 2011 through 2015, shows
10 that in the areas of damages due to mismarks,
11 Corning outperforms the statewide level;
12 however, Corning underperformed in comparison to
13 2015 statewide levels for the Company and
14 Company contractors and Corning overall damages
15 metrics.

16 Q. Has Corning proposed to update or change its
17 damage prevention targets and the associated
18 NRAs?

19 A. Corning did not propose any changes to the
20 damage prevention targets and the associated
21 NRAs.

22 Q. What does the Panel recommend with regard to
23 the damage prevention targets?

24 A. We recommend that Corning be required to

1 maintain 0.26 for damages due to mismarks, 0.20
2 for damages due to Company and Company
3 contractors, and 1.87 for the total damages. In
4 recognition of the Company's current performance
5 as it relates to the total damage area, we
6 recommend that a three year approach be
7 implemented to allow the Company to
8 progressively work towards this level. The
9 targeted levels we recommend for the total
10 damage area are as follows: 2.3 in 2018, 2.1 in
11 2019, and 1.87 in 2020, respectively. The
12 Company's reporting of its performance on these
13 measures should be in compliance with that of
14 the aforementioned December 2015 Gas Safety
15 guidance.

16 Q. Please explain how the Panel derived these
17 targets.

18 A. Corning's three year average, 2013 through 2015,
19 of total damages is 2.3. As indicated earlier,
20 although there is no target specifically for
21 third-party excavator damages, the third-party
22 excavator damage is a major component of the
23 total damage category. The 2013, 2014, and 2015
24 data shows that the total number of damages due

1 to excavator errors has decreased by
2 approximately 75% compared to the total number
3 of damages due to excavator errors in 2011; thus
4 reducing the total damages level to 1.89 and
5 0.77 in 2014 and 2015, respectively. Therefore,
6 we believe setting the target at the 2015
7 statewide average of 1.87 would encourage the
8 company to continue minimizing all damages,
9 including the third-party excavator and mismatch
10 damages.

11 Q. Are damages due to mismarks and Company and
12 Company contractors within the control of the
13 Company?

14 A. Yes.

15 Q. Are total damages within the control of the
16 Company?

17 A. Not entirely. Specifically, damages caused by
18 excavator failure to notify the one-call
19 notification center, sometimes referred to as
20 no-calls, and/or unsafe excavation practices are
21 not totally within the control of the Company.
22 However, the Company can minimize these damages
23 by influencing excavator activity through
24 outreach and education efforts, by continuing to

1 bill excavators for repair costs when the
2 excavator is at fault, and by referring problem
3 contractors to Department Staff for enforcement
4 purposes. In addition, current regulations
5 require that where the operator has reason to
6 believe damage could be done by the excavation
7 activities, the pipeline must be inspected as
8 frequently as necessary during and after the
9 activities to verify the integrity of the
10 pipeline.

11 Q. Are damages due to no-calls a component of the
12 overall damage measures?

13 A. Yes. Damages due to no-calls are simply
14 instances where the excavator fails to provide
15 notice of intent to excavate to the one-call
16 notification system, and thus, no one-call
17 ticket is generated. Such instances are part of
18 the total damages measure and provide an
19 indication of the general level of awareness
20 excavators have about the one-call notification
21 system.

22 Q. How does Staff assist utilities in meeting
23 damage prevention requirements?

24 A. Department Staff has been conducting an

1 enforcement program involving the collection of
2 penalties for violations of the Commission's
3 damage prevention regulations for approximately
4 18 years. In 2007, this program was expanded by
5 having gas LDCs report all instances of damage
6 due to no-calls. Damages due to no-calls are
7 the most straight forward violations of 16 NYCRR
8 Part 753 to enforce. LDCs participation takes
9 little effort and the result is more effective
10 enforcement and eventual lower damage rates to
11 underground pipeline facilities. This joint
12 effort has led to an overall decline in damages
13 in the State due to no-calls over the years, as
14 explained in the most recent Gas Safety
15 Performance Measures Report.

16 Q. Do the recommended targets for total damages per
17 1,000 one-call tickets include damages due to
18 mismarks and due to Company and Company
19 contractors?

20 A. Yes.

21 Q. Why does the Panel recommend including these
22 categories in total damages, even though they
23 have separate measures?

24 A. If it appears that damages due to mismarks and

1 Company and Company contractors will not be met
2 in a given year, the Company will still have an
3 incentive to maintain such damages as low as
4 possible because of this combined total damages
5 metric.

6 Q. Does the Panel recommend any changes to the
7 associated NRA for failure to achieve these
8 targets?

9 A. Yes. We recommend that the total NRA of 18 pre-
10 tax basis points be maintained should the
11 Company fail to achieve the recommended damage
12 prevention targets. The breakdown should be as
13 follows: four pre-tax basis points for total
14 damages, seven pre-tax basis points for damages
15 due to mismarks, and seven pre-tax basis points
16 for damages due to Company and Company
17 contractors.

18 Q. Should the NRA expire?

19 A. No. The damage prevention targets and the
20 associated NRA should remain in effect until
21 changed by the Commission.

22

23

24

1 Emergency Response

2 Q. Please describe the emergency response
3 performance measure applicable to Corning and
4 other LDCs in the state.

5 A. This measure evaluates the Company's response
6 time to gas leak, odor and emergency calls
7 generated by the public and non-Company
8 personnel. Each gas LDC is required by the gas
9 safety regulations to provide a monthly report
10 of the total number of calls received, along
11 with the associated response times in fifteen
12 minute intervals during normal business hours,
13 weekdays outside of normal business hours,
14 weekends, and holidays. Statewide standards for
15 the emergency response performance measures have
16 been jointly established by Staff and LDCs
17 within individual rate cases as follows: respond
18 to 75% of all gas leak and odor calls within 30
19 minutes; respond to 90% of all gas leak and odor
20 calls within 45 minutes; and respond to 95% of
21 all gas leak and odor calls within 60 minutes.

22 Q. What is the significance of the emergency
23 response performance measure?

24 A. Leaks on inside piping, improperly operated or

1 installed appliances, and gas migration into a
2 building from leaks on outside buried piping
3 present risks to the general public. The LDCs
4 recognize this and dispatch personnel in
5 response to calls reporting suspected gas leaks
6 or odors on a priority basis. The LDCs are
7 required to maintain a log of such calls and
8 track the elapsed time between dispatching and
9 arrival time of qualified service personnel
10 responding to the scene. As the LDC's response
11 time lengthens, there is an increased potential
12 of a serious incident or safety threat to the
13 general public. Therefore, it is important that
14 LDCs minimize their response times for
15 responding to gas leaks or odors calls.

16 Q. What are the standards currently applicable to
17 Corning?

18 A. Corning must respond to 75%, 90%, and 95% of all
19 gas leak and odor calls within 30, 45, and 60
20 minutes, respectively.

21 Q. How does this compare with the standards
22 applicable to other LDCs in the state?

23 A. Corning's standards for the emergency response
24 time metric are the same as other LDCs in New

1 York State.

2 Q. What is the Company's historical performance
3 associated with emergency response efforts?

4 A. The Company has met all the emergency response
5 targets.

6 Q. Has the Company proposed any changes to its
7 current emergency response time targets?

8 A. The Company did not propose any changes to its
9 current targets.

10 Q. Does the Panel recommend making any changes to
11 the current targets?

12 A. No. However, the Company's reporting of its
13 performance on these measures should be in
14 compliance with the most recent Gas Safety
15 guidance, letter dated December 11, 2015, issued
16 by the Deputy Director of the Office of
17 Electric, Gas, and Water.

18 Q. Is there a NRA associated with these targets?

19 A. Yes. Failure to meet the 30, 45, and 60 minute
20 targets results in a NRA owed to the customers
21 of six, four, and two pre-tax basis points,
22 respectively.

23 Q. Does the Company propose modifying the basis
24 points associated with the NRA?

1 A. No.

2 Q. Does the Panel recommend any changes to the
3 current basis points associated with the NRA?

4 A. No. For consistency with other utilities in the
5 state we recommend that the existing NRA
6 continue at the current level. Additionally,
7 since the Company has met all the emergency
8 response targets we believe the current targets
9 and associated negative adjustments as currently
10 structured to be effective.

11 Q. How long should this measure and the associated
12 NRA remain in place?

13 A. The emergency response metric and associated NRA
14 should remain in effect until changed by the
15 Commission.

16

17

Leak Management

18 Q. What does the Panel mean by the term leak
19 management?

20 A. Leak management refers to the Company's ability
21 to monitor and repair existing leaks on its
22 natural gas system.

23 Q. Does Corning currently have safety related
24 targets for leak management?

1 A. Yes. Corning currently has both total and
2 repairable leak backlog targets.

3 Q. What is the difference between the total and
4 repairable leak management targets?

5 A. Total leak management targets include Type 1,
6 Type 2A, Type 2, and Type 3 leaks as defined by
7 16 NYCRR 255.811, 16 NYCRR 255.813, 16 NYCRR
8 255.815, and 16 NYCRR 255.817, respectively.
9 Repairable leak management targets exclude Type
10 3 leaks because they are considered non-
11 hazardous and are reasonably expected to remain
12 that way.

13 Q. What are the Company's current leak management
14 targets?

15 A. The Company's current repairable leak backlog
16 targets are five leaks at year-end 2015, five
17 leaks at year-end 2016, and five leaks at year-
18 end 2017. Corning's current targets for backlog
19 of total leaks are: 175 at year-end 2015, 125 at
20 year-end 2016, and 75 at year-end 2017.

21 Q. Is there an associated NRA for failure to meet
22 these leak management targets?

23 A. Yes. Failure to meet the repairable leak
24 backlog target would result in a NRA of eight

1 pre-tax basis points owed to customers. Failure
2 to meet the total leak backlog target would
3 result in a NRA of four pre-tax basis points
4 owed to customers. The maximum NRA for these
5 two metrics combined in any one year is 12 pre-
6 tax basis points owed to customers.

7 Q. Has Corning proposed to update or change its
8 leak management targets and the associated NRAs?

9 A. No. The Company did not propose any changes to
10 the current targets or the associated NRAs.

11 Q. What does the Panel recommend with respect to
12 leak backlog targets?

13 A. We recommend maintaining the approved repairable
14 (Type 1, Type 2A, and Type 2) leak backlog
15 target of 5 leaks at year-end, and the total
16 leak (Type 1, Type 2A, Type 2 and Type 3)
17 backlog targets of 75 for Rate Year-end 2017.
18 We recommend the following total leak backlog
19 targets: 65 for year-end 2018, 55 for year-end
20 2019, and 50 for year-end 2020, respectively.

21 Q. Why is this leak management target reasonable?

22 A. The Company's leak backlog should be reduced by
23 the replacement of LPP on its system. According
24 to the response to IR DPS-309, Corning has

1 performed an average of 2.2 leak repairs per
2 mile of leak-prone main from 2011 to 2015.
3 Using this figure, Corning's LPP replacement
4 program in 2018 alone should lead to a reduction
5 of about 30 leaks in backlog.

6 Q. What are other benefits of a reduction in the
7 leak backlog?

8 A. Periodic monitoring is required for all leaks on
9 natural gas systems. This monitoring ensures
10 that these leaks have not become a further
11 threat to public safety. Monitoring such leaks
12 requires a physical visit to the location with
13 required work to be performed by a qualified
14 person. Reduction in the leak backlog could
15 lead to a reduction in the amount of this work,
16 and to the reduction of losses of natural gas
17 which would result in less costs being borne by
18 the ratepayers.

19 Q. What does the Panel recommend with regard to the
20 associated NRA for failure to meet the leak
21 backlog target?

22 A. We recommend maintaining the eight basis point
23 NRA for repairable leak backlog and four pre-tax
24 basis point NRA for total backlog leak target,

1 for a total of twelve pre-tax basis points
2 should Corning fail to meet its target at the
3 end of a given calendar year.

4 Q. How long should the leak management target and
5 associated NRA remain in effect?

6 A. The leak management target measure and the
7 associated potential NRA should remain in effect
8 until changed by the Commission.

9

10 **Violations of Safety Regulations**

11 Q. Does the Panel have any concerns with Corning's
12 compliance with the Commission's pipeline safety
13 regulations?

14 A. Yes. We are concerned with violations of the
15 Commission's pipeline safety rules and
16 regulations contained in 16 NYCRR Parts 255,
17 259, and 261.

18 Q. Do violations have an impact on public safety?

19 A. Yes. We have two categories which are based on
20 the likelihood of risk to public safety
21 resulting from a violation of the regulations.
22 The two categories of violations are high and
23 other risk. High risk refers to code
24 requirements that, if not followed, lead to a

1 greater likelihood of an adverse impact on
2 public safety with regard to loss of life or
3 property and damage to the environment. The
4 breakdown of code sections for high risk and
5 other risk are provided in Exhibit __ (GSP-2).

6 Q. How are these violations discovered?

7 A. Department Staff conducts record and field
8 audits of Corning on an annual basis. Staff
9 also investigates incidents involving the
10 Company's natural gas facilities. Typically,
11 when Staff discovers a violation of the
12 Commission's pipeline safety regulations, a
13 compliance meeting is held with the Company
14 detailing the code sections related to the
15 violation.

16 Q. What is the purpose of the compliance meeting?

17 A. The compliance meeting is an opportunity for the
18 Company to provide information to clarify any
19 deficiencies found. Information clarifying
20 these deficiencies might include providing
21 further explanation to inquiries, providing
22 records that were not available at the time of
23 the audit, etc.

24 Q. How long does the Company have to provide this

1 information?

2 A. The Company is required to provide this
3 information within five business days of the
4 compliance meeting. After the five business day
5 period, Staff reviews the information and
6 subsequently issues a formalized letter
7 detailing the specifics of the violations as it
8 relates to the regulations.

9 Q. What are Corning's current violations measure
10 targets and the associated NRA?

11 A. Corning's current violation targets for CY 2016
12 and associated NRA are as follows: for each of
13 the first 20 high risk violations Corning would
14 owe one-half of a pre-tax basis point to
15 customers. For each high risk violation in
16 excess of 20, one pre-tax basis point would be
17 owed to customers. Similarly, for each of the
18 first 20 other risk violations Corning would owe
19 one-ninth of a pre-tax basis point to customers.
20 For each other risk violation in excess of 20,
21 owe one-third of a basis point would be owed to
22 customers. For CY 2017 and beyond, the increase
23 to a higher basis point starts above 15
24 violations. The total basis points at risk is

1 capped at 100 basis points annually.

2 Q. Has Corning proposed any changes to its current
3 violation metric targets?

4 A. No. The Company did not propose any changes to
5 the current violations target and associated
6 NRA.

7 Q. For the past five years, 2011 through 2015, on
8 average how many violations of the Commission's
9 pipeline safety regulations has Corning been
10 cited for by Gas Safety Section Staff?

11 A. From 2011 through 2015, Staff has identified an
12 average of 23 high risk violations and 26 other
13 risk violations.

14 Q. Has Corning incurred any NRA based on its
15 performance in 2015?

16 A. Based on violations identified in Staff's audit
17 reports, Corning's performance during CY 2015
18 resulted in a four pre-tax basis point NRA
19 exposure for the high risk category, which
20 equates to \$16,000 owed to customers. The
21 Company did not incur any NRA for the other risk
22 category for CY 2015. We recommend that the
23 \$16,000 owed to customers be used toward
24 purchasing residential methane detectors in a

1 pilot program to be developed by the Company, as
2 discussed in more detail later in our testimony.

3 Q. Are there any other LDCs in the state subjected
4 to a violation performance measure?

5 A. Yes, The Brooklyn Union Gas Company d/b/a
6 National Grid's, KEDNY's, Consolidated Edison of
7 New York, Inc., Niagara Mohawk Power Corporation
8 d/b/a National Grid, Central Hudson Gas and
9 Electric Corporation, National Fuel Gas
10 Distribution Corporation, Orange and Rockland
11 Utilities, Inc., New York State Electric & Gas
12 Corporation, Rochester Gas & Electric
13 Corporation, and St. Lawrence Gas Company, Inc.
14 all are subject to a violation performance
15 measure.

16 Q. What is the difference between a violation and
17 an occurrence?

18 A. Historically, audit letters outline findings
19 which note a violation of a specific
20 requirement, and then associated it with the
21 total number of occurrences found. In these
22 letters, the term violation means the code
23 section violated and the term occurrences mean
24 the number of times the code section has been

1 violated. The term violation is commonly
2 referred to in discussions and is widely
3 understood within the pipeline industry to be
4 each occurrence. Thus, for the purpose of this
5 measure, there is no difference between a
6 violation and an occurrence. These words are
7 and can be used interchangeably. Staff
8 considers both terms as an instance of non-
9 compliance with the Commission's pipeline safety
10 regulations.

11 Q. What is this Panel recommending regarding the
12 violation performance measure?

13 A. We recommend continuing at the 2017 violation
14 target levels and associated NRAs as follows:
15 for each of the first 15 high risk violations
16 Corning would owe one-half of a pre-tax basis
17 point to customers. For each high risk
18 violation in excess of 15, one pre-tax basis
19 point would be owed to customers. Similarly,
20 for each of the first 15 other risk violations
21 Corning would owe one-ninth of a pre-tax basis
22 point to the customers. For each other risk
23 violation in excess of 15, one-third of a basis
24 point would be owed to customers. Staff's goal

1 is to encourage the Company to reduce and
2 eliminate the number of violations to zero. The
3 NRA for each code section violated in a calendar
4 year will be capped at ten occurrences.

5 Q. Capping the total violation count at ten for
6 each of the code sections identified means that,
7 if there are more than ten violations of any
8 given code section, enforcement will not be
9 pursued?

10 A. No. The Company should file with the Commission
11 a plan for remediation for any code section that
12 has more than ten violations to ensure that
13 compliance issues are addressed and resolved.
14 This plan should include dates by which all
15 cited violations will be brought into
16 compliance. This should be filed annually
17 within 90 days of receiving Staff's audit
18 letter.

19 Q. Why is the violations performance measure
20 needed?

21 A. First, the performance measure provides a
22 financial incentive to maintain compliance with
23 the Commission's pipeline safety regulations.
24 Second, it is critical for the Commission to be

1 able to enforce all violations of the pipeline
2 safety regulations where potential exists for
3 serious public harm. This NRA should be
4 automatically enforced to prevent delay of
5 financial impact to the Company. Note our
6 proposal does not impact Commission authority to
7 pursue a penalty action.

8 A violation metric would provide a continued
9 incentive for Corning to maintain focus on
10 improving its compliance with the pipeline
11 safety regulations and its internal controls.

12 Q. Please provide an example of how this violation
13 measure would work.

14 A. As an example, the field audit letter details a
15 total of five occurrences of high risk and ten
16 occurrences of other risk violations. The
17 record audit letter for that same period details
18 a total of 25 occurrences of high risk and 30
19 occurrences of other risk violations. The 30
20 high risk violations would result in a NRA of
21 22.5 pre-tax basis points (15 violations at half
22 a basis point and 15 violations at one basis
23 point) owed to the customers. The 40 other risk
24 violations would result in an additional NRA of

1 ten pre-tax basis points (15 violations at 1/9
2 basis point and 25 violation at 1/3 basis point)
3 owed to customers. The resultant of total
4 exposure would be 32.5 pre-tax basis points.

5 Q. Would the violation performance measure targets
6 and associated NRAs expire?

7 A. No. The violation measure target and associated
8 NRA should remain in effect until changed by the
9 Commission.

10

11 **Fire Department Training Program**

12 Q. How often does Corning perform emergency
13 response drills or provide hands-on training to
14 fire department first responders?

15 A. According to the response to IR DPS-266, Corning
16 does not have the necessary resources to perform
17 actual drills (emergency response/fire response)
18 with its local fire companies. The Company
19 indicated that, as an alternative, it offers
20 annual training to groups of fire departments
21 that accept the Company's offer. The training
22 sessions in natural gas safety, emergency
23 response and gas facility knowledge are 2-3
24 hours in length and are offered annually in the

1 local Fire Department Station training
2 facilities.

3 Q. Does the Panel have any recommendations with
4 regard to the fire department training program?

5 A. Yes. According to 16 NYCRR Part §255.615(c)
6 covering "Emergency Plans", natural gas
7 utilities are required to offer training
8 annually to volunteer fire departments. Since
9 fire departments play such an important role in
10 natural gas emergency response, it is important
11 that Corning improve its current training
12 program by providing training that would cover
13 scenarios where both the Company and the fire
14 departments jointly interact. We recommend that
15 the Company conduct drills, provide hands-on
16 activities and facilitate workshops with a
17 review of the processes and procedures that
18 would be used during an incident.

19 Q. Does the Panel have any other recommendations?

20 A. Yes. We also recommend that Corning develop a
21 plan to improve its fire department first
22 responders training program, with a cost
23 estimate and a proposal for cost recovery, in
24 its rebuttal testimony. We also recommend that

1 Corning work with neighboring utilities that
2 have a robust first responders training program
3 for sharing their training facilities, including
4 the on-line training. The goal of this on-line
5 training would be to increase adoption of
6 natural gas safety procedures, educate other
7 safety professionals, and increase public
8 safety.

9

10 **Additional Gas Operations Positions**

11 Q. Has Corning proposed any additional positions in
12 the Rate Year?

13 A. Yes. Corning proposes to hire four additional
14 employees in the Operations Department as
15 follows: System Engineer, Training Technician,
16 Quality Assurance/Quality Control/GPS Technician
17 and General Laborer.

18 Q. Does this Panel agree with the Company's
19 proposal to hire four new employees?

20 A. Yes. We support the Company's proposal to hire
21 new employees in these positions for various
22 reasons. As the Company's witness Cook
23 indicates in his pre-filed testimony on pages
24 15-17, the increase in workload due to safety

1 mandated work related to recording and tracking
2 all plastic fusions, and additional leak surveys
3 and corrosion inspections due to the recent
4 change in service line definition. In addition,
5 the increase in the LPP replacement program
6 warrant additional personnel.

7

8 **Residential Methane Detection Program**

9 Q. Does the Company currently have a residential
10 methane detection program?

11 A. Currently, the Company doesn't have a
12 residential methane detection program.

13 A. Are there any other utilities that have
14 residential methane detector programs?

15 Q. Yes, The Brooklyn Union Gas Company d/b/a
16 National Grid's, KEDNY's and Consolidated Edison
17 of New York, Inc. have residential methane
18 detector programs.

19 Q. Why is it important that utilities develop
20 methane detector programs?

21 A. In the last two decades gas companies and
22 research and development organizations have been
23 performing various testing to develop and
24 improve residential methane detectors. Similar

1 to smoke alarms and carbon monoxide detectors,
2 residential methane detectors sense the presence
3 of methane in the air and alerts nearby persons
4 of its presence. Widespread adoption of
5 residential methane detectors offers another
6 layer of protection to enable the public to
7 react quickly in an unsafe situation.

8 Q. Are residential methane detectors commercially
9 available?

10 A. Residential methane detectors are commercially
11 available; however, as indicated earlier,
12 research and testing of the technology is
13 continuing to ensure the detectors overall
14 effectiveness.

15 Q. What does this Panel recommend in regards to
16 residential methane detectors?

17 A. We recommend that Corning develop a
18 plan/proposal related to the deployment of
19 residential methane detectors within its service
20 territory, detailing how many residential
21 methane detectors will be installed,
22 installation date and length of time, and a cost
23 estimate with a proposal for cost recovery in
24 its rebuttal testimony. As indicated earlier,

1 the NRA of \$16,000 owed to customers from the
2 violation metric should be used to offset the
3 cost associated with this residential methane
4 detector program.

5

6 **Reporting Requirements on Leakage Surveys Performed**
7 **on 1950s Vintage Pipes**

8 Q. Please describe Corning's annual reporting
9 requirement on leakage surveys performed on its
10 1950s vintage pipe.

11 A. Commission Order in Case 11-G-0280 required
12 Corning to continue performing annual leakage
13 surveys on its 1950s vintage pipe with
14 manufacturing defects, until such pipe is
15 removed from the system or the Commission
16 determines that such frequency of survey is no
17 longer required. The Order also required
18 Corning to complete its annual leakage survey no
19 later than November 15 of each calendar year,
20 and beginning December 2012, to file a report
21 with a complete analysis to the Commission no
22 later than December 1 of each calendar year.

23 Q. How many miles of 1950s vintage pipes does
24 Corning have currently in its distribution

1 system?

2 A. According to the Company's 2015 annual report,
3 Corning currently has 71.2 miles of 1950s
4 vintage pipe installed.

5 Q. Of the total 71.2 miles, how many miles have
6 been found to have manufacturing defects?

7 A. Based on the response to IR DPS-314, there are
8 22.2 miles of pipe of various sizes at low and
9 medium pressure that have manufacturing defects.

10 Q. Does this Panel have any recommendations related
11 to the replacement of its 1950s vintage pipe?

12 A. Yes. We recommend that the Company make an
13 effort to include the 1950s vintage pipe in its
14 LPP replacement model as a priority.

15 Q. Has Corning complied with the Commission order
16 regarding its annual reporting requirements of
17 leakage surveys on the 1950s vintage pipes?

18 A. No. Corning has failed to file the 2012, 2013,
19 and 2015 annual reports, by December 1 of each
20 calendar year as required by the Commission
21 order.

22 Q. Can Corning incur any penalty for non-compliance
23 with the Commission order?

24 A. Yes. The Commission has the authority to pursue

1 a penalty action for non-compliance with its
2 Orders. In addition, under Public Service Law
3 §26 the Commission has the authority to commence
4 an action or special proceeding to bring
5 utilities in compliance with its Order.

6

7

Positive Revenue Adjustments

8 Q. Is the Panel recommending any positive revenue
9 adjustments (PRAs) in this proceeding?

10 A. Yes, we are recommending a PRA related to the
11 damage prevention metric.

12 Q. Please describe the recommended PRA related to
13 damage prevention.

14 A. The Company will be able to achieve a PRA of
15 four basis points for reducing the total damage
16 rate below 1.50 per 1,000 one-call tickets in
17 any calendar year. This target is below the
18 2015 statewide average of 1.87 damages per 1,000
19 one-call tickets.

20 Q. Why is there a need for a PRA for damage
21 prevention?

22 A. As explained earlier, the excavator error and
23 no-call damages are not entirely within the
24 Company's control. The Company can minimize

1 these damages in several ways such as
2 influencing excavator behavior through education
3 and outreach efforts to excavators, continuing
4 to bill excavators for repair costs when the
5 excavator is at fault, inspecting pipelines as
6 frequently as necessary during and after
7 excavation activities to verify the integrity of
8 the pipeline when the operator has reason to
9 believe damage could be done by the excavation
10 activities, and referring problem excavators to
11 Department Staff for enforcement purposes.
12 However, there may be excavators resistant to
13 the Company's current outreach and education
14 efforts. We believe that the Company should
15 seek new ways to reach these problem excavators
16 and a positive revenue adjustment would provide
17 an incentive for the Company to do so.

18 Q. Does that conclude your testimony at this time?

19 A. Yes.

20

21

22

23

24