

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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In the Matter of  
Liberty Utilities (St. Lawrence Gas) Corp.

Case 24-G-0668

April 1, 2025

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Prepared Testimony of:

Staff Pipeline Safety Panel

Valerica Oreifej  
Utility Engineering Specialist 3

Kamal Elfahssi  
Utility Engineering Specialist 2

Paul Smura  
Utility Engineering Specialist 2

Julie Demers  
Utility Engineering Specialist 1

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State of New York  
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1 **Panel Credentials**

2 Q. Members of the Staff Pipeline Safety Panel, or  
3 Panel, please state your names, employer and  
4 business addresses.

5 A. Valerica Oreifej, Paul Smura, and Kamal  
6 Elfahssi. We are employed by the New York State  
7 Department of Public Service or the Department.  
8 Our business address is Three Empire State  
9 Plaza, Albany, New York 12223-1350.

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

12 A. I am employed by the Department as a Utility  
13 Engineering Specialist 3 in the Pipeline Safety  
14 Section of the Office of Energy System Planning  
15 and Performance.

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

18 A. I graduated from the Polytechnic Institute  
19 "Traian-Vuia" Timisoara, Romania, with a  
20 master's degree in Civil Engineering. After  
21 graduation, I worked as a Hydraulic Engineer  
22 with The Execution and Utilization of Works in  
23 Land Reclamation Agency, Timisoara, Romania. In  
24 1998, I earned a promotion to the Agency of

1 State Domains as an Inspector Specialist for the  
2 Western Region of Romania. In that capacity, I  
3 oversaw and authorized operations encompassing  
4 transactions, properties, and lands under state  
5 ownership to the private sector. I joined the  
6 Department in November 2001. During my  
7 employment with the Department, I have been  
8 responsible for reviewing and analyzing various  
9 rate and regulatory issues, such as electric,  
10 gas and water utility applications for rate  
11 increases, surcharge, and transfer petitions. I  
12 joined the Pipeline Safety Section in May 2014.  
13 I am familiar with Federal and State pipeline  
14 safety codes, as well as with the operations of  
15 major gas utilities in New York State. My  
16 duties include reviewing proposed Pipeline  
17 designs, conducting Operating and Maintenance  
18 Program Audits for gas utilities, reviewing  
19 proposed changes to Federal and State gas  
20 pipeline safety codes, enforcement of probable  
21 violations relating to damage prevention,  
22 reviewing utility petitions filed under Articles  
23 7 and 10 of the Public Service Law, and  
24 testifying to gas safety related issues for

1 various rate proceedings.

2 Q. Have you previously provided testimony in  
3 proceedings before the Commission?

4 A. Yes. I have provided testimony in numerous  
5 proceedings before the Commission related to  
6 electric, gas, steam, and water utilities. I  
7 have provided testimony in numerous proceedings  
8 before the Commission related to electric, gas,  
9 steam, and water utilities. I testified in  
10 Central Hudson Gas & Electric Corporation in  
11 Cases 17-G-0460, 20-G-0429, and 23-G-0419, and  
12 24-G-0462. I have also testified in rate cases  
13 concerning Liberty Utilities (St. Lawrence Gas)  
14 Corp., referred to as Liberty SLG or the  
15 Company, in Cases 18-G-0140 and 21-G-0577;  
16 Consolidated Edison Company of New York, Inc. in  
17 Case 22-S-0659; The Brooklyn Union Gas Company  
18 d/b/a National Grid NY, or KEDNY, in Case 23-G-  
19 0225; KeySpan Gas East Corporation d/b/a  
20 National Grid, or KEDLI, in Case 23-G-0226;  
21 Orange and Rockland Utilities, Inc., Cases 24-E-  
22 0060 and 24-G-0061; and Corning Natural Gas  
23 Corporation in Case 24-G-0447.

24 Q. Mr. Smura, what is your position at the

1 Department?

2 A. I am employed by the Department as a Utility  
3 Engineering Specialist 2 in the Pipeline Safety  
4 section of the Office of Energy System Planning  
5 and Performance.

6 Q. Please summarize your education and work  
7 experience.

8 A. I graduated from State University of New York  
9 College of Environmental Science and Forestry in  
10 2012 with a bachelor's degree in Environmental  
11 Resources Engineering. Following graduation, I  
12 began working for the New York State Department  
13 of Environmental Conservation in the Department  
14 of Water. I specifically worked in the Flood  
15 Control section performing various tasks, which  
16 included culvert pipe replacement design,  
17 construction inspections, patrolling of  
18 infrastructure, reviewing and participating in  
19 Federal inspections, and special permit  
20 application reviews. I joined the Department's  
21 Pipeline Safety Section in 2013. My duties at  
22 the Department include, but are not limited to,  
23 performing record and field audits of the  
24 various operators within my assigned work area,

1 operator program audits, construction  
2 specifications, resolving customer complaints,  
3 conducting incident investigations, as well as  
4 investigating pipeline infrastructure damage  
5 related to the enforcement of Title 16 of New  
6 York Codes, Rules and Regulations, or 16 NYCRR,  
7 Part 753.

8 Q. Have you previously provided testimony in  
9 proceedings before the Commission?

10 A. Yes. I have provided testimony before the  
11 Commission related to gas pipeline safety for  
12 natural gas utilities in Case 18-G-0140  
13 regarding Liberty Utilities (St. Lawrence Gas)  
14 Corp. and Case 20-G-0101 regarding Corning  
15 Natural Gas Corporation.

16 Q. Mr. Elfahssi, what is your position at the  
17 Department?

18 A. I am employed by the Department as a Utility  
19 Engineering Specialist 2 in the Pipeline Safety  
20 Section of the Office of Energy System Planning  
21 and Performance.

22 Q. Please summarize your education and work  
23 experience.

24 A. I graduated from the Sciences University of Ben

1 Tofail in Morocco in 1993 with a bachelor's  
2 degree in biology. I graduated in 2016 from the  
3 Grove School of Engineering at the City College  
4 of New York with a bachelor's degree in  
5 environmental engineering. In 2016, I started  
6 working as an Industrial Hygienist with Louis  
7 Berger in New York City, where I managed  
8 projects involving hazardous construction  
9 materials. In August 2016, I began work at the  
10 New York City Department of Design and  
11 Construction as a project manager; my duties  
12 were mainly to determine and resolve  
13 interferences between New York City's water and  
14 sewer projects and other underground or overhead  
15 utilities. In April 2017, I joined the  
16 Department as a Utility Engineer Trainee with  
17 the Pipeline Safety section, before becoming a  
18 Utility Engineering Specialist 2. I currently  
19 review proposed pipeline designs, conduct  
20 Operating and Maintenance Program Audits for gas  
21 utilities, review proposed changes to Federal  
22 and State gas pipeline safety codes, review  
23 utility petitions filed under Articles 7 and 10  
24 of the Public Service Law, and testify to gas

1 safety related issues for various rate  
2 proceedings.

3 Q. Have you previously provided testimony in  
4 proceedings before the Commission?

5 A. Yes. I have provided testimony before the  
6 Commission in the following cases: Cases 20-G-  
7 0101 and 24-G-0447 concerning Corning Natural  
8 Gas Corporation; Case 21-G-0577 concerning  
9 Liberty SLG.; Case 23-G-0225 concerning KEDNY;  
10 Case 23-G-0226 concerning KEDLI; Cases 23-E-0418  
11 and 23-G-0419 concerning Central Hudson Gas &  
12 Electric Corporation; Case 24-G-0061 concerning  
13 Orange and Rockland Utilities, Inc.; and Case  
14 23-G-0323 concerning Niagara Mohawk Power  
15 Corporation d/b/a National Grid.

16 Q. Ms. Demers, what is your position at the  
17 Department?

18 A. I am employed by the Department as a Utility  
19 Engineering Specialist 1 in the Pipeline Safety  
20 Section of the Office of Energy System Planning  
21 and Performance.

22 Q. Please summarize your education and work  
23 experience.

24 A. I graduated from Rensselaer Polytechnic



1 Institute in Troy, New York, with a bachelor's  
2 degree in mechanical engineering in 1996. After  
3 graduation I worked as a manufacturing quality  
4 engineer for Valeo Electrical Systems in  
5 Rochester, New York. In 2000, I earned  
6 certification as a Shainin Journeyman  
7 Statistical Engineer based on projects completed  
8 at Valeo Electrical Systems. In 2012, I began  
9 working for the New York State Department of  
10 Labor as an Unemployment Insurance Reviewing  
11 Examiner. In December of 2024 I joined the  
12 Pipeline Safety Section of the Office of Energy  
13 System Planning and Performance as a Utility  
14 Engineering Specialist 1. In my current role, I  
15 am reviewing utilities' Operating and  
16 Maintenance procedures, and working with Safety  
17 Staff on rate Case 25-G-0073, concerning  
18 Consolidated Edison Company of New York, Inc.

19 Q. Have you previously provided testimony in  
20 proceedings before the Public Service  
21 Commission?

22 A. No. This will be my first-time providing  
23 testimony related to gas pipeline safety.

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**Scope Of Testimony**

Q. What is the purpose of the Panel's testimony in this proceeding?

A. The purpose of our testimony is to address the proposals of the Company regarding; gas safety performance measures, and associated revenue adjustments in the areas of Leak Management; Emergency Response; Damage Prevention; and Compliance with Pipeline Safety Regulations. In addition, we will be discussing training with the First Responders, the Residential Methane Detector, referred to as RMD programs, and the Company's proposal to hire two full-time employees, or FTEs.

Q. In this testimony, will the Panel refer to, or otherwise rely upon, any information obtained during the discovery phase of this proceeding?

A. Yes, we will refer to, and have relied upon, several responses to Information Requests provided by the Company. These responses are contained in Exhibit (SPSP-1). We will refer to these responses by the designation assigned to them by Department of Public Service staff, referred to as Staff, for example "DPS-123."

1 Q. Is the Panel presenting any additional exhibits?

2 A. Yes. We are presenting Exhibit (SPSP-2), which  
3 shows our recommended safety metric targets and  
4 associated revenue adjustments, and Exhibit  
5 (SPSP-3), which provides the breakdown of the  
6 requirements of 16 NYCRR Parts 255 and 261, into  
7 "high risk" and "other risk" categories, as well  
8 as Compliance Measure Procedures.

9 **Gas Safety Performance Measures**

10 Q. What is the purpose of gas pipeline safety  
11 performance measures?

12 A. The purpose of the performance measures is to  
13 help ensure that Local Distribution Companies,  
14 or LDCs, maintain their focus on important  
15 safety areas and service reliability. The  
16 performance measures for each gas LDC are  
17 derived from that company's actual levels of  
18 historic performance, our knowledge of the  
19 company, and our experience with other gas LDCs  
20 across the State.

21 Q. Please identify the gas safety performance  
22 measures Liberty SLG currently has in place.

23 A. Currently, Liberty SLG has in place gas safety  
24 performance measures for emergency response,

1 damage prevention, leak management and  
2 compliance within pipeline safety regulations.

3 Q. Do these performance measures have associated  
4 positive and negative revenue adjustments?

5 A. Yes. All performance metrics have associated  
6 negative revenue adjustments, or NRAs, with  
7 associated potential basis points. Currently,  
8 only the emergency response and damage  
9 prevention measures have positive revenue  
10 adjustments, or PRAs, associated with them.

11 Q. Under the current rate plan, what are the  
12 maximum NRAs and PRAs, in basis points, for the  
13 gas safety performance metrics?

14 A. Liberty SLG currently can incur up to 138 basis  
15 points of NRAs, and up to 16 basis points of  
16 PRAs.

17 Q. What is the equivalent dollar value of one basis  
18 point?

19 A. The value of one basis point equates to \$1,908  
20 in calendar year, or CY, 2021 and 2022, \$2,583  
21 for CY 2023, \$2,579 for CY 2024 and \$2,701 for  
22 CY 2025.

23 Q. Does the Panel recommend any modifications to  
24 these performance measures and associated NRAs

1 and PRAs?

2 A. We recommend that the Commission maintain the  
3 current 138 basis points exposure for NRAs, and  
4 16 basis points exposure for PRAs annually.

5 **Emergency Response**

6 Q. Please describe the emergency response  
7 performance measure applicable to Liberty SLG  
8 and other LDCs in New York State.

9 A. This measure evaluates the Company's response  
10 time to gas leak, odor, and emergency calls  
11 generated by the public and non-Company  
12 personnel. Each gas LDC is required under 16  
13 NYCRR Section 255.825 to provide a monthly  
14 report of the total number of calls received,  
15 along with the associated response times in 15-  
16 minute intervals during normal business hours,  
17 on weekdays outside of normal business hours, on  
18 weekends, and on holidays.

19 Q. What is the purpose of the emergency response  
20 performance measure?

21 A. Leaks on inside piping, improperly operated or  
22 installed appliances, and gas migrating into a  
23 building from leaks on outside buried piping  
24 present risks to the general public. The LDCs

1 recognize this and dispatch personnel on a  
2 priority basis in response to calls reporting  
3 suspected gas leaks or odors. The LDCs are  
4 required to maintain a log of such calls and  
5 track the elapsed time between the time the call  
6 is received and the arrival time of qualified  
7 service personnel responding to the scene. The  
8 longer it takes an LDC to respond, the higher  
9 the risk and the higher the potential for a  
10 serious incident or safety threat to the public.  
11 Therefore, it is important that LDCs minimize  
12 their response times for responding to gas leaks  
13 and odor calls.

14 Q. Did the Commission establish targets for the  
15 emergency response performance metric and  
16 associated revenue adjustments for the Company's  
17 current rate plan?

18 A. Yes. Pursuant to the Commission's Order  
19 Adopting the Terms of Joint Proposal in Case 21-  
20 G-0577, or the 2023 Rate Order, Liberty SLG must  
21 respond to 75 percent, 90 percent and 95 percent  
22 of all gas leak and odor calls within 30, 45,  
23 and 60 minutes, respectively. Failure to meet  
24 75, 90, or 95 percent thresholds within 30, 45,

1 or 60 minutes, respectively, results in NRAs of  
2 nine, six, and three basis points, respectively.  
3 Should Liberty SLG respond to greater than 90  
4 percent, or between 85 percent to 90 percent, of  
5 all gas leak and odor calls within 30 minutes,  
6 Liberty SLG would be allowed to earn a PRA of  
7 six or three basis points, respectively.

8 Q. How do these targets compare with the standards  
9 applicable to other LDCs in the State?

10 A. Liberty SLG's standards for the emergency  
11 response measure are consistent across the other  
12 LDSs in New York State.

13 Q. How has Liberty SLG performed in its emergency  
14 response efforts in the past six years?

15 A. According to Liberty SLG's response to DPS-171,  
16 included in the Exhibit\_\_(SPSP-1), for each of  
17 the previous six calendar years, 2019 through  
18 2024, the Company met or exceeded the  
19 established minimum performance levels.

20 Q. Has Liberty SLG proposed any changes to its  
21 current emergency response targets and  
22 associated revenue adjustments?

23 A. Liberty SLG did not propose any changes to its  
24 current emergency response targets or the

1 associated revenue adjustments.

2 Q. Does the Panel recommend making any changes to  
3 the current targets and or associated revenue  
4 adjustments?

5 A. No. The current targets and associated revenue  
6 adjustments for each CY 2023 through 2025 were  
7 established by the Commission Rate Order  
8 Adopting Terms of Joint Proposal and  
9 Establishing Gas Rate Plan, or the 2023 Rate  
10 Order, issued on June 22, 2023. Because of the  
11 remote nature of Liberty SLG's service territory  
12 and because no major operational changes  
13 occurred in Liberty SLG's system from the  
14 issuance of the Commission 2023 Rate Order to  
15 the current filing, we consider that the current  
16 emergency response targets and associated  
17 revenue adjustments are set at appropriate  
18 levels. In addition, the current emergency  
19 response targets and associated revenue  
20 adjustments are in line with those of other  
21 utilities in the State. Therefore, we recommend  
22 that the current targets and associated revenue  
23 adjustment remain unchanged.

24 Q. Do you propose an expiration date for the



1 emergency response targets and associated  
2 revenue adjustments?

3 A. No. The targets and associated revenue  
4 adjustments should remain in effect until  
5 changed by the Commission.

6 **Damage Prevention**

7 Q. Panel, explain the term damage prevention.

8 A. Damage prevention refers to the Company's  
9 ability to minimize and prevent excavation  
10 damage to its natural gas system. Any damage to  
11 a pipeline can result in the uncontrolled  
12 release of natural gas that could potentially  
13 lead to an incident.

14 Q. Describe the performance measure related to the  
15 prevention of excavation damaged.

16 A. To encourage an LDC to continuously strive to  
17 improve its performance, targets for damage  
18 prevention within an LDC's control have been  
19 established in rate case proceedings to measure  
20 the utility's progress in minimizing damages to  
21 its underground pipeline facilities. These  
22 targets included metrics for damages caused by  
23 mismarks, excavator error, by the utility and  
24 its contractors, as well as total damages. The

1 total damage category includes damages caused by  
2 mismarks, the utility and its contractors,  
3 excavator error, as well as damages that occur  
4 when an excavator failed to notify the one-call  
5 notification system of its intent to perform  
6 excavation work, or no-call damages.

7 Q. What is a one-call ticket?

8 A. The Commission's pipeline safety regulations  
9 contained in 16 NYCRR Part 753, Protection of  
10 Underground Facilities, require excavators to  
11 make a toll-free call to a one-call notification  
12 system and provide notice of their intent to  
13 perform excavation work. There are two one-call  
14 notification systems in New York State: UDig NY,  
15 and New York 811 or NY 811. The one-call  
16 notification system that covers Liberty SLG's  
17 service territory is UDig NY. UDig NY collects  
18 pertinent information from the excavator and  
19 transmits it to the member utilities that may be  
20 affected by the excavation work. Those  
21 utilities then mark the location of their  
22 affected facilities so that the excavator can  
23 take the required precautions to avoid damaging  
24 them. Each incoming call to UDig NY will

1 generate outgoing notices to the member  
2 utilities, including gas, electric, telephone,  
3 cable, water, and sewer companies. We refer to  
4 a notice received by the utility as a one-call  
5 ticket.

6 Q. The Panel indicated that the total damage  
7 category includes damages caused by mismarks.  
8 What is a mismark?

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

21 Q. What are damages by company and company  
22 contractors?

23 A. These are damages caused by company personnel or  
24 by contractors that are directly working for the

1 Company.

2 Q. Are there any other categories of damages?

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

22 Q. Explain how prevention of damages from  
23 excavation benefits and protects public safety.

24 A. Reduction of damages from excavation improves

1 public safety by the fact that it minimizes  
2 uncontrolled gas releases that can cause  
3 explosions, fires, injuries, and fatalities.  
4 These damages to gas facilities often cause  
5 interruptions of services to customers, building  
6 evacuations, and road closures. In addition,  
7 eliminating damages from excavation results in a  
8 reduction of methane emissions.

9 Q. What was the statewide performance level for  
10 damages due to mismarks, damages due to company  
11 and company contractors, and total damages per  
12 1,000 one-call tickets in 2023?

13 A. In 2023, the average LDC statewide performance  
14 level was 0.39 for damages due to mismarks, 0.06  
15 for damages due to company and company  
16 contractors, and 1.73 for total damages per  
17 1,000 one-call tickets. The 2023 average  
18 statewide performance level is documented in the  
19 most recent Gas annual Safety Performance  
20 Measures Report, filed in Case 24-G-0145.

21 Q. How has Liberty SLG performed in comparison to  
22 the 2023 LDC statewide performance?

23 A. In the areas of damages due to mismarks and  
24 damages due to company and company contractors,

1 Liberty SLG's performance in 2023 was better  
2 than the average utility statewide level. For  
3 overall damages, Liberty SLG's normalized  
4 performance in damages per 1,000 local requests  
5 in 2023 was worse than the statewide average.

6 Q. How has the Company performed in 2024 compared  
7 to the current targets?

8 A. According to the Company's response to DPS-445,  
9 included in the Exhibit\_\_ (SPSP-1), in 2024 the  
10 damage rate was 0.90, which is well below the  
11 current target of 1.95 damages per 1,000 one-  
12 call tickets.

13 Q. Panel explain why not compare Corning's actual  
14 performance with the statewide performance for  
15 2024?

16 A. The analysis and the report of LDC's statewide  
17 performance for 2024 will be presented to the  
18 Commission at its June 12, 2025, session, well  
19 after this testimony will be filed.

20 Q. Describe the Company's historical performance as  
21 it relates to damage prevention.

22 A. The damage prevention metric is measured as a  
23 ratio of damages per 1,000 one-call tickets.  
24 Over the past five years, 2019 through 2023,

- 1 Liberty SLG averaged 0.07 for damages due to  
2 mismarks, 0.15 for damages due to company and  
3 company contractors and 2.20 for total damages.  
4 In 2023, Liberty SLG performed as follows: 0.21  
5 for damages due to mismarks; 0.41 for damages  
6 due to company and company contractors; and 3.71  
7 for total damages per 1,000 one-call tickets.  
8 The Company's historical performance is also  
9 documented in the Gas Safety Performance  
10 Measures Report that Staff filed in Case 24-G-  
11 0145.
- 12 Q. The Company's responses to DPS-187 and DPS-191,  
13 included in the Exhibit\_\_(SPSP-1) show a  
14 significant increase in the number of Company's  
15 excavator damages in 2023 as compared to 2021  
16 and 2022. In CY 2021 and CY 2022 the Company  
17 had nine excavator damages. In 2023 the Company  
18 had 15 excavator damages.
- 19 Q. Has the Company identified and explained the  
20 root cause of this increase in 2023?
- 21 A. According to Company's response to DPS-349,  
22 included in the Exhibit\_\_(SPSP-1), the primary  
23 root cause of the increase in excavator damages  
24 from 2022 to 2023 was due to the significant

1 increase in the amount of large municipal  
2 projects in Liberty SLG's service territory.  
3 Liberty SLG indicates that it experienced double  
4 the volume of large municipal projects in 2023.

5 Q. Has the Company indicated whether it has a plan  
6 to address and correct this increase?

7 A. Liberty SLG indicated that its damage prevention  
8 team has dedicated significant effort to  
9 creating better relationships with multiple  
10 excavation contractors. The Company stated that  
11 it plans to continue this effort and increase  
12 in-person training for contractors,  
13 municipalities, towns, and cities. Liberty SLG  
14 has been focusing on 2018 UDIG NY Law 9985 that  
15 requires all excavators working for New York  
16 State, towns, or cities to have completed the  
17 certified excavator course to be qualified to  
18 work in those areas per New York State law.  
19 These efforts have drastically decreased the  
20 excavator damages to only three in 2024.

21 Q. Describe the Gas Safety Performance Measures  
22 Report.

23 A. The Gas Safety Performance Report is an annual  
24 report presented to the Commission by Pipeline



1 Safety Staff. The report summarizes data an  
2 analyzes performance in the areas of damage  
3 prevention, emergency response, leak management,  
4 and compliance with the Pipeline Safety  
5 Regulations. It also contains data from subsets  
6 of those areas to allow for a more thorough  
7 analysis. The Commission uses the report as a  
8 tool to track and identify LDC performance in  
9 areas widely identified as high-risk.

10 Q. What are Liberty SLG's current safety-related  
11 targets associated with damage prevention  
12 metric?

13 A. Liberty SLG's current targets, and associated  
14 PRAs and NRAs, for the overall damage metric  
15 established in the 2023 Rate Order are as  
16 follows: should Liberty SLG fail to meet the  
17 targets of 2.60, 2.50 and 2.40 in 2023, 2024 and  
18 2025, respectively, Liberty SLG would incur an  
19 NRA of 27 basis points; should Liberty SLG fail  
20 to meet the targets of 2.25, 2.15 and 2.05 in  
21 2023, 2024, and 2025, respectively, Liberty SLG  
22 would incur an NRA of 10 basis points; should  
23 Liberty SLG fail to meet the targets of 2.15,  
24 2.05 and 1.95 in 2023, 2024, and 2025,

1           respectively, Liberty SLG would incur an NRA of  
2           five basis points. If Liberty SLG maintains its  
3           total damage rate below 1.75 and 1.70, the  
4           Company would earn five basis points PRA and ten  
5           basis points PRA, respectively, in each calendar  
6           year 2023 through 2025.

7    Q.    Has Liberty SLG incurred any NRAs for failing to  
8           meet its total damages targets in 2021 through  
9           2023?

10   A.    According to the Company's response to DPS-346,  
11           included in the Exhibit\_\_ (SPSP-1), over the past  
12           three years, the Company incurred an NRA of 27  
13           basis points in 2023 for failing to meet the  
14           current damage rate target of 2.15.

15   Q.    What was the equivalent dollar value of one  
16           basis point in 2023?

17   A.    The value of one basis point in 2023 was \$2,583.  
18           An NRA of 27 basis points, would result in a  
19           total dollar amount of \$69,741, pre-tax, owed to  
20           the customers.

21   Q.    Does this Panel have a recommendation on how  
22           these NRA funds should be used?

23   A.    We recommend that the \$69,741 be applied towards  
24           the RMD program. Thus, we recommend the

1 Commission maintains funding of the RMD program  
2 using NRA funds as it directed in the 2023 Rate  
3 Order.

4 Q. Did the Company propose any changes related to  
5 its current damage prevention measure?

6 A. No. Liberty SLG did not propose any changes to  
7 the current damage prevention targets and  
8 associated revenue adjustments.

9 Q. Are damages due to mismarks, and Company and  
10 Company contractors within the Company's  
11 Control?

12 A. Yes. The Company could improve or eliminate its  
13 damages due to mismarks by continually adopting  
14 best practices to locate its own facilities and  
15 update its facility records. Additionally, the  
16 Company could have better control over the  
17 contractors it retains to perform work for it by  
18 ensuring its employees have the training,  
19 qualifications, and experience to work carefully  
20 near Company facilities.

21 Q. Are total damages within the Company's control?

22 A. Not entirely. Specifically, damages caused by  
23 excavators' failure to notify the one-call  
24 notification center, sometimes referred to as

1 "no-calls," and unsafe excavation practices are  
2 not totally within the control of the Company.  
3 However, the Company can minimize damages  
4 resulting from such conduct by influencing  
5 excavator activity through robust outreach and  
6 education efforts, by continuing to bill  
7 excavators for repair costs when the excavator  
8 damages the company's facilities and is at  
9 fault, increasing inspection activities of  
10 excavation occurring near gas facilities, and by  
11 referring problem contractors to Pipeline Safety  
12 Staff for enforcement purposes. Sixteen NYCRR  
13 255.614 requires that, where the operator has  
14 reason to believe damage could be done by  
15 excavation activities, the pipeline must be  
16 inspected as frequently as necessary during and  
17 after the activities to verify the integrity of  
18 the pipeline. In addition to continuing to bill  
19 excavators for repair costs when the excavator  
20 damages the company's facilities, and increasing  
21 inspection activities, we recommend that Liberty  
22 SLG considers developing and following best  
23 practices of trade associations or other  
24 organizations focused on protecting underground

1 facilities, such as the Common Ground Alliance.

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

4 A. Yes. Damages due to no-calls are instances  
5 where the excavator fails to provide notice of  
6 intent to excavate to the one-call notification  
7 system, and thus, no one-call ticket is  
8 generated. Such instances are part of the total  
9 damages measure. This measure provides an  
10 indication of excavators' general level of  
11 awareness of the one-call notification system,  
12 and the effectiveness of the Company's  
13 educational efforts regarding that system.

14 Q. How does the Commission assist utilities in  
15 meeting damage prevention requirements?

16 A. The Commission has an enforcement program, which  
17 provides for the imposition of penalties for  
18 violations of 16 NYCRR Part 753, which we will  
19 refer to as Part 753. In 2007 this program was  
20 expanded to encourage gas LDCs to voluntarily  
21 report all instances of damage due to no-calls.  
22 Damages due to failure to provide notice of  
23 intent, no-calls, are the most straight-forward  
24 violation of Part 753 to enforce. LDC

1 participation takes little effort, results in  
2 greater enforcement, and eventually lowers the  
3 rate of damage to underground pipeline  
4 facilities. This joint effort has led to a  
5 significant decline in damages over the years in  
6 the State due to no-calls. Also, when promptly  
7 notified and resources are available, Staff can  
8 assist LDCs by working with problem excavators.

9 Q. Does the Panel recommend any changes to the  
10 current damage prevention targets and associated  
11 revenue adjustments?

12 A. No. We do not propose any changes to the  
13 current damage prevention targets and associated  
14 revenue adjustments.

15 Q. Explain the rationale behind the recommendation  
16 to maintain the current targets and associated  
17 revenue adjustments for the damage prevention  
18 metric.

19 A. The current targets and associated revenue  
20 adjustments were established in the 2023 Rate  
21 Order, for the three-year period 2023 through  
22 2025. Since no major operational changes took  
23 place in Liberty SLG's system between the  
24 issuance of the 2023 Rate Order on June 22,



1 defined in 16 NYCRR §255.811, 16 NYCRR §255.813,  
2 16 NYCRR §255.815, and 16 NYCRR §255.817.

3 Q. Does failure to meet the leak backlog target  
4 trigger NRAs?

5 A. Yes. Failure to meet the total leak backlog  
6 target would result in an NRA of 18 basis  
7 points.

8 Q. Does Liberty SLG have PRAs under the current  
9 rate plan related to the leak management metric?

10 A. No. Under the current rate plan, the Company  
11 does not receive a PRA for exceeding its  
12 established target for the leak management  
13 metric.

14 Q. In the most recent years, how has Liberty SLG  
15 performed regarding the leak management target?

16 A. According to Liberty SLG's response to DPS-163,  
17 included in Exhibit\_\_ (SPSP-1), for the period of  
18 2019 through 2023, Liberty SLG had a backlog of  
19 zero leaks in 2019, one leak in 2020, one leak  
20 in 2021, and zero leaks in 2022 and 2023.

21 Q. Has Liberty SLG proposed changes to the current  
22 targets and associated NRAs?

23 A. No. Liberty SLG proposed no changes to its  
24 current leak backlog target of four leaks or



1 less at year-end for 2026, 2027 and 2028.

2 Q. What does the Panel recommend with respect to  
3 the current leak backlog target, and associated  
4 NRA?

5 A. We recommend maintaining the current leak  
6 backlog target and associated NRAs of 18 basis  
7 points, as shown in Exhibit\_\_ (SPSP-2).

8 Q. Explain why the Panel recommends maintaining the  
9 current leak backlog target and associated NRA?

10 A. As we explained earlier in Damage Prevention  
11 section, the Commission established the current  
12 targets and associated NRA in its 2023 Rate  
13 Order, for the three-year period 2023 through  
14 2025. Since no major operational changes took  
15 place in Liberty SLG's system between the time  
16 of the issuance of the 2023 Rate Order on June  
17 22, 2023, and the date of the current rate  
18 filing, we recommend that the current targets  
19 and associated revenue adjustments remain  
20 unchanged.

21 Q. How long does the Panel recommend that the leak  
22 backlog target and the associated NRA continue?

23 A. The Panel recommends that the total leak backlog  
24 target and associated NRA should remain in

1 effect until otherwise directed by the  
2 Commission.

3 **Compliance with Pipeline Safety Regulations**

4 Q. Which of the Commission's gas pipeline safety  
5 regulations are LDCs subject to?

6 A. All LDCs in the State must comply with the  
7 Commission's pipeline safety rules and  
8 regulations contained in 16 NYCRR Parts §255 and  
9 §261.

10 Q. How do you identify violations of these  
11 regulations?

12 A. Pipeline Safety Staff conducts annual record and  
13 field audits of Liberty SLG. Staff also  
14 investigates incidents involving the Company's  
15 natural gas facilities and investigates  
16 complaints from the public related to issues  
17 such as gas odors. Typically, when Staff  
18 discovers an instance of non-compliance with the  
19 Commission's pipeline safety regulations, a  
20 compliance meeting is held with the Company to  
21 detail the code section(s) related to the  
22 instance(s) of non-compliance.

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

24 A. The compliance meeting serves as a notification

1 to the Company detailing the preliminary results  
2 of Staff's audit. The compliance meeting also  
3 services as an opportunity for the Company to  
4 provide information that clarifies or remedies  
5 any deficiencies found. Such information might  
6 include responses to Staff inquiries or  
7 additional records that were not available at  
8 the time of the audit.

9 Q. Is there a deadline for the Company to provide  
10 this information?

11 A. The Company is required to provide this  
12 information within ten business days of the  
13 compliance meeting. After the ten-business day  
14 period, Staff reviews the information available,  
15 and subsequently issues a formal letter  
16 detailing the specifics of the violation(s) of  
17 the underlying regulation(s), which we will  
18 refer to as the Audit Letter.

19 Q. How are violations categorized?

20 A. Violations are categorized as either "high risk"  
21 or "other risk" and are based on the likelihood  
22 and consequence of risk to public safety. High  
23 risk refers to code requirements, that if not  
24 followed, lead to a greater possibility of an

1           adverse impact on public safety relating to loss  
2           of life or property. We provide a breakdown of  
3           code sections by risk category in  
4           Exhibit\_\_ (SPSP-3).

5   Q.   Does Liberty SLG currently have non-compliance  
6           measure targets and associated NRAs?

7   A.   Yes, it does.

8   Q.   What are Liberty SLG's current non-compliance or  
9           violation measure targets and associated NRAs  
10          for record audits?

11  A.   Liberty SLG's current non-compliance targets for  
12          calendar year 2021 through 2025, and associated  
13          NRAs for record audits are as follows: the  
14          first four high risk violations are not subject  
15          to an NRA; from the fifth to the eight high-risk  
16          violations, the Company incurs a one-half of one  
17          basis point NRA for each violation; and for each  
18          high-risk violation in excess of eight, the  
19          Company would incur one basis point NRA. For  
20          the first eight other risk violations, the  
21          Company would not be subject to any NRAs, and  
22          for each other risk violation greater than  
23          eight, the Company incurs an NRA of one-quarter  
24          of one basis point.

- 1 Q. What are Liberty SLG's current non-compliance or  
2 violation measure targets and associated NRAs  
3 for field audits.
- 4 A. Liberty SLG's current non-compliance targets for  
5 calendar year 2023 through 2025, and associated  
6 NRA for field audits and investigations are as  
7 follows: for each of the first eight high-risk  
8 violations the company incurs one-half of a  
9 basis point NRA, and for each high-risk  
10 violation in excess of eight, the Company incurs  
11 one basis point NRA, and for all other risk  
12 violations, the Company incurs one-quarter of  
13 one basis point NRA for each violation.
- 14 Q. Has Liberty SLG proposed any changes to its  
15 current violation metric for record audits?
- 16 A. No. Liberty SLG has not proposed any changes to  
17 the current violation metric for record audits.
- 18 Q. Has Liberty SLG proposed any changes to its  
19 current violation metric for field audits?
- 20 A. No. Liberty SLG has not proposed any changes to  
21 the violation metric for field audits. The  
22 Company proposed maintaining the current field  
23 audits targets and associated NRAs.
- 24 Q. Is there a cap on the number of potential NRAs

1 the Company can incur for both high and other  
2 risk record and field audit violations?

3 A. Yes. Liberty SLG currently has a cap of 75  
4 basis points NRA for all violations combined.

5 Q. Has Liberty SLG proposed any changes to the  
6 current maximum annual NRA exposure of 75 basis  
7 points?

8 A. No. Liberty SLG has not proposed any changes.  
9 Liberty SLG proposes keeping their maximum  
10 annual NRA exposure to 75 basis points.

11 Q. Has Liberty SLG incurred any NRA basis points  
12 for non-compliance with pipeline safety  
13 regulations during the period 2021 through 2023?

14 A. Yes. In 2021, Liberty SLG incurred a regulatory  
15 liability 0.5 basis points for non-compliance  
16 with pipeline safety regulations, and in 2022  
17 Liberty SLG incurred a regulatory liability  
18 17.50 basis points for non-compliance with  
19 pipeline safety regulations.

20 Q. What is the equivalent dollar amount for the  
21 total of 18 basis points NRA?

22 A. The total liability for the 18 basis points NRA,  
23 incurred in 2021 and 2022 results in \$35,460,  
24 pre-tax, owed to customers.

1 Q. How does the Panel recommend using these NRA  
2 funds?

3 A. We recommend that the total NRA of \$69,741  
4 incurred due to failure to meet its damage  
5 prevention metric targets, as discussed above,  
6 and the total NRA of \$35,460 incurred due to  
7 non-compliance with Commission regulations, for  
8 a total of \$105,201, pre-tax owed to customers,  
9 be applied towards the RMD program.

10 Q. Does this Panel agree with Liberty SLG's  
11 proposed violation targets?

12 A. Yes. We agree that the current targets and  
13 associated NRAs be maintained, 2026 through  
14 2028.

15 Q. Panel explain the rationale for your  
16 recommendation to maintain the current targets  
17 and associated revenue adjustments.

18 A. First, Liberty SLG's current violation targets  
19 are the most stringent targets among all  
20 utilities in the State. Second, applying more  
21 stringent targets would increase the discrepancy  
22 between Liberty SLG and other LDCs, and that  
23 would be unfair to the Company. Third, as  
24 explained earlier, the current targets and

1 associated NRAs were established in the 2023  
2 Rate Order, for the three-year period CY 2023  
3 through CY 2025. Since no major operational  
4 changes took place in Liberty SLG system between  
5 the time of the issuance of the 2023 Rate Order  
6 (June 22, 2023), and the date of the current  
7 rate filing, we recommend that the current  
8 targets and associated revenue adjustments  
9 remain unchanged.

10 Q. How does the Panel calculate or determine the  
11 number of violations in cases where there are  
12 multiple occurrences violating the same section  
13 of the code?

14 A. In cases where there are multiple occurrences  
15 for the same section of code, each occurrence is  
16 counted as a violation. The term occurrence  
17 means the number of instances that a specific  
18 violation takes place. In other words, multiple  
19 occurrences of a single violation type will  
20 still each be considered a violation.  
21 Historically, the audit letters noted the  
22 violation of a specific requirement and  
23 identified the total number of occasions, or  
24 occurrences, that requirement was violated.



1 Q. Therefore, will all occurrences count towards  
2 the NRA as violations?

3 A. Yes. All occurrences are counted towards the  
4 NRA as violations.

5 Q. How does the Panel account for violations for  
6 which the Company cannot either provide a  
7 record, or the record provided is inaccurate?

8 A. Pipeline Safety Staff considers instances in  
9 which Pipeline Safety Staff request records from  
10 the Company, and these records are either not  
11 provided, found to be inaccurate, or do not meet  
12 the requirement(s) of the regulation(s) to be  
13 violations of the applicable regulation(s).

14 Q. Does the Panel recommend a cap on the associated  
15 NRAs for record audit violations of a given code  
16 section?

17 A. Yes. For each audit year, we recommend capping  
18 the total record audit violations count at 10  
19 for each of the code sections identified in  
20 Exhibit\_\_ (SPSP-3).

21 Q. Does this mean that Pipeline Safety Staff would  
22 not pursue enforcement if there were more than  
23 10 violations, or occurrences, of a given code  
24 section?

1 A. No. Pipeline Safety Staff considers more than  
2 10 record audit violations of a single code  
3 section to be gross non-compliance with  
4 regulatory requirements, which may necessitate  
5 additional action. If the Company incurs more  
6 than 10 record audit violations of a single code  
7 section, we recommend that the Commission  
8 require Liberty SLG to file a remediation plan  
9 explaining how it will address and resolve the  
10 compliance issues. This plan should be required  
11 to be filed with the Secretary to the Commission  
12 in this proceeding within 90 days of the  
13 Pipeline Safety Staff's Audit Letter. This plan  
14 should include: (1) a root cause analysis of  
15 Liberty SLG's compliance deficiency, and (2) a  
16 proposed mitigation plan to address future  
17 performance. Liberty SLG and Staff would meet  
18 to develop a mutually agreeable mitigation plan,  
19 which would include provisions for tracking and  
20 regular reporting on Liberty SLG's efforts to  
21 address the compliance deficiency.

22 Q. Is the improvement plan that the Panel  
23 recommends the Company is directed to file  
24 within 90 days of Pipeline Safety Staff's Audit

1 Letter different from the Company's response to  
2 Pipeline Safety Staff's Audit Letter?

- 3 A. Yes. Our recommended 90-day improvement plan,  
4 if adopted, would only address violations beyond  
5 the 10-violation cap, and would be required only  
6 if more than 10 violations are found. Pursuant  
7 to the 2023 Rate Order, the Company's response  
8 to Pipeline Safety Staff's Audit Letter is the  
9 Company's response and acknowledgement of the  
10 Staff Audit Letter, which the Company provides  
11 within 30 days of issuance of the Staff letter.  
12 The Company's response details what actions have  
13 and/or will be taken by Liberty SLG to remediate  
14 noted violations and concerns and to ensure  
15 future compliance. As discussed previously, our  
16 recommended 90-day improvement plan would  
17 contain a much more detailed analysis of the  
18 root cause and proposed mitigation measures, as  
19 opposed to the Company's 30-day response letter.
- 20 Q. Why does the Panel recommend that the Company  
21 file and execute an implementation plan for more  
22 than 10 record audit violations of a single  
23 code?
- 24 A. The performance measure provides a financial

1 incentive for compliance with the pipeline  
2 safety regulations, but only to the extent of  
3 the first 10 record audit violations of a  
4 specific requirement. In the event the  
5 financial incentive is insufficient to induce  
6 compliance, then additional measures are  
7 necessary to change the Company's performance.  
8 It is critical for the Commission to be able to  
9 proactively address all violations of its  
10 pipeline safety regulations given the potential  
11 for serious harm. The implementation plan would  
12 provide a specific mechanism to further this  
13 goal and may avoid the need for formal penalty  
14 actions against the Company for each non-  
15 compliance. The Commission, however, always has  
16 the authority to pursue a penalty action to  
17 promote regulatory compliance notwithstanding  
18 any financial disincentive or reporting  
19 requirement that also may be in place.

20 Q. If Liberty SLG fails to comply with its  
21 implementation plan, how should the underlying  
22 violations be treated?

23 A. If the Company fails to comply with its proposed  
24 implementation plan, we recommend that

1 violations of a given code section more than 10,  
2 which had been excluded from the NRAs, count  
3 toward the NRAs under the compliance measure.

4 Q. Does the Panel recommend a cap on the NRAs for  
5 field audit and investigation violations of a  
6 particular code section?

7 A. No. Field audit and investigation violations  
8 are typically discovered when Pipeline Safety  
9 Staff witnesses the Company performing an action  
10 or task. Notwithstanding Pipeline Safety  
11 Staff's presence, violations of the minimum  
12 pipeline safety regulations or the Company's  
13 procedures still occur. Pipeline Safety Staff  
14 expects that the Company's performance is at its  
15 best while being observed. Therefore, any  
16 violation discovered during any field audit or  
17 investigation could indicate a lack of  
18 competency in performing the action or task or  
19 lack of an appropriate safety culture within the  
20 Company.

21 Q. Would the violation performance targets and  
22 associated NRAs expire?

23 A. No. The violation targets and associated NRAs  
24 should remain in effect until changed by the

1 Commission.

2 **Training with First Responders**

3 Q. What requirements were in place for Liberty SLG  
4 regarding conducting safety drills with fire  
5 departments and first responders?

6 A. As part of the 2023 Rate Order, Liberty SLG was  
7 required to conduct one drill per year with fire  
8 department first responders, rotating among the  
9 three counties in the Company's service area,  
10 with the sessions open to any  
11 employee/volunteer, and with records of  
12 participation maintained on the Company's  
13 website.

14 Q. Did Liberty SLG conduct drills with fire  
15 departments and first responders in their  
16 service area?

17 A. On pages 16 and 17 of the Company's Capital,  
18 Operations, Gas Supply, and Safety Panel  
19 testimony, the Company indicates that it  
20 completed drills in each county through 2024 and  
21 the information for each drill was posted on the  
22 Company website. The Company also indicated  
23 that in 2023, Liberty SLG participated in a  
24 large-scale Emergency Action Plan Mock Exercise,

1 Dam Failure and large-scale flooding with the  
2 Massena Fire and Police Departments, the New  
3 York State Police, and other local agencies. In  
4 2024, the Company completed an Emergency Action  
5 Plan Mock Exercise and Domestic Incident with  
6 Large Gas Leak exercise with the Ogdensburg Fire  
7 and Police Departments, the United States  
8 Cybersecurity and Infrastructure Security  
9 Agency, the New York State Police, St. Lawrence  
10 County Emergency Services, and the Federal  
11 Bureau of Investigation.

12 Q. How often does Liberty SLG conduct or  
13 participate in training with local first  
14 responders and fire departments?

15 A. On page 16 of Liberty SLG's direct testimony of  
16 the Capital, Operations, Gas Supply, and Safety  
17 Panel, the Company indicated that Liberty SLG  
18 offers gas safety emergency response training to  
19 local first responders annually. The Company  
20 provides training to different local fire  
21 departments in its service territory each year  
22 on a rotating basis.

23 Q. Did Liberty SLG conduct any emergency response  
24 training with local first responders and fire

1 departments in 2022, 2023 and 2024?

2 A. On page 16 of Liberty SLG's direct testimony of  
3 Capital, Operations, Gas Supply, and Safety  
4 Panel, is the Company indicated that in 2022  
5 Liberty SLG provided gas Properties/Emergency  
6 Response training to 10 fire departments and  
7 first responders; in 2023 Liberty SLG provided  
8 training to Ogdensburg Fire Department four  
9 times and provided training once to three other  
10 fire departments; and in 2024 Liberty SLG  
11 provided training to four fire departments.

12 Q. Does Liberty SLG propose any changes to its  
13 current training with first responders program?

14 A. Yes. On pages 17-18 of Liberty SLG's direct  
15 testimony of Capital, Operations, Gas Supply,  
16 and Safety Panel, Liberty SLG proposes the  
17 elimination of the emergency drills conducted  
18 with local first responders. Instead, Liberty  
19 SLG proposes meeting face-to-face with these  
20 departments to allow the Company to get to know  
21 the first responders they may encounter and to  
22 encourage participation in the Northeast Gas  
23 Association Training. Liberty SLG proposes  
24 Company personnel only to participate in annual



1 drills.

2 Q. Elaborate on what training the Company proposes  
3 to provide in lieu of drills?

4 A. In the Company's direct testimony of Capital,  
5 Operations, Gas Supply, and Safety Panel,  
6 Liberty SLG proposed to conduct internal drills  
7 annually with its operations personnel, with  
8 focus on the Incident Command Systems protocol,  
9 and in-person training with first responders, to  
10 provide general information on the  
11 characteristics of natural gas, as well as  
12 procedures during gas-related emergencies, in  
13 lieu of conducting the existing annual emergency  
14 drills with local responders. The Company also  
15 indicated that planning and execution of drills  
16 is extremely time-consuming. First responders  
17 train to respond to emergency incidents as part  
18 of their regular training for their positions  
19 and they are familiar with the Incident Command  
20 Structure needed for responses.

21 Q. Does the Panel agree with Liberty SLG's  
22 proposal?

23 A. No, we do not agree with the Company's proposal.  
24 We recommend that the Company continue to

1           conduct internal drills annually, with one drill  
2           per year in each of the three counties, on a  
3           rotating basis, as well as face-to-face  
4           classroom training.

5                           **Residential Methane Detector Program**

6    Q.    Does the Company currently have a residential  
7           methane detector, or RMD, program?

8    A.    Yes.    The 2023 Rate Order required Liberty SLG  
9           to implement a Residential Methane Detector  
10           Pilot Program designed to lead to more timely  
11           discovery and repair of any potentially leaking  
12           pipes or equipment.    The 2023 Rate Order allowed  
13           the Company to use the \$37,950 from NRA funds  
14           towards purchasing and providing its customers  
15           RMD units.

16   Q.    Do other LDCs in the State have RMD programs?

17   A.    Yes.    Most of the LDCs in the State have RMD  
18           programs.

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

21   A.    Over the past few decades, the natural gas  
22           industry has used research and testing to  
23           develop and improve RMDs.    Similar to carbon  
24           monoxide detectors and smoke alarms, RMDs sense

1 the presence of methane in the air and alert  
2 anyone nearby of its presence, typically well  
3 before flammable and/or explosive thresholds are  
4 met. Installing RMD units allows for another  
5 layer of protection so that the public can react  
6 quickly to a potentially dangerous situation.  
7 In addition, it provides protection for people  
8 who have a diminished sense of smell and cannot  
9 readily detect the odorant added to natural gas,  
10 such as elderly people and people with nasal  
11 allergies.

12 Q. Has the Company proposed any changes to its  
13 current RMD program?

14 A. Yes. The Company intends to discontinue the  
15 program. According to the Company's response to  
16 DPS-393, included in Exhibit\_\_(SPSP-1), Liberty  
17 SLG indicates that it does not have any current  
18 plans to continue deploying methane detectors at  
19 no cost to its customers. The pilot program  
20 ended when funding was exhausted, and the  
21 Company has not requested new funding. The  
22 Company instead indicates that it continues to  
23 support the purchase of methane detectors by  
24 coordinating a manufacturer discount on methane

1 detectors on its customers' behalf. Customers  
2 can access the manufacturer discount information  
3 directly through the Company website at  
4 [https://www.stlawrencegas.com/manufacturers-](https://www.stlawrencegas.com/manufacturers-rebates-home)  
5 [rebates-home](https://www.stlawrencegas.com/manufacturers-rebates-home).

6 Q. Does the Panel have any recommendation regarding  
7 the current RMD program?

8 A. Yes. We recommend that the RMD program continue  
9 and that the NRA funds of \$105,201 incurred from  
10 the Company's failure to meet its targets for  
11 the damage prevention metric in 2023, and for  
12 its failure to meet the violation metric targets  
13 in both 2021 and 2022, be applied towards the  
14 current RMD program.

15 Q. Why is it important that utilities develop RMD  
16 programs?

17 A. In the past few decades, the natural gas  
18 industry has used research and testing to  
19 develop and improve RMDs. Similar to carbon  
20 monoxide detectors and smoke alarms, RMDs sense  
21 the presence of methane in the air and alert  
22 anyone nearby of its presence, typically well  
23 before flammable/explosive thresholds are met.  
24 Widespread adoption of the RMD allows for

1 another layer of protection so that the public  
2 can react quickly to a potentially dangerous  
3 situation. In addition, it provides protection  
4 for people who have a diminished sense of smell  
5 and cannot readily detect the odorant added to  
6 natural gas, such as elderly people and people  
7 with nasal allergies.

8 Q. Explain why the Panel recommends the  
9 continuation of the RMD program.

10 A. The RMD program facilitates more timely  
11 discovery and repair of any potentially leaking  
12 pipes. Accordingly, the RMD program improves  
13 gas safety and minimizes the release of gas  
14 emissions.

15 **Proposed Full-Time Employees**

16 Q. Has Liberty SLG proposed to hire any additional  
17 full-time equivalent employees, or FTEs?

18 A. Yes. On pages 9 and 10 of Liberty SLG's direct  
19 testimony of Capital, Operations, Gas Supply and  
20 Safety Panel, the Company requested two  
21 additional FTE positions. The Company stated  
22 the first position it is requesting would be  
23 after its proposed Rate Year. The Company  
24 indicated that this position is necessary to

1           adopt American Petroleum Institute, Recommended  
2           Practices, referred to as API RP 1173, Pipeline  
3           Safety Management Systems, or PSMS Program, to  
4           comply with applicable federal/state codes and  
5           to support of overall pipeline safety. In its  
6           response to DPS-352, included in the  
7           Exhibit\_\_ (SPSP-1), the Company indicated that  
8           100 percent of this employee's time would be  
9           dedicated to supporting the Company alone, as  
10          opposed to supporting the parent and/or  
11          affiliate companies. Pages 9 and 10 of the  
12          Company's Capital, Operations, Gas Supply, and  
13          Safety Panel testimony, the Company indicates  
14          that the employee would have an estimated salary  
15          of \$94,000 and non-labor/benefit expenses of  
16          \$15,000. The second proposed FTE position would  
17          work in Quality Control and Assurance activities  
18          and will be starting in mid-2026. According to  
19          the Company's Capital, Operations, Gas Supply,  
20          and Safety Panel testimony at pages 9 and 10,  
21          the Company anticipates the costs of this  
22          position would be approximately \$30,000 in 2026  
23          and \$60,000 in 2027.

24    Q.    What job duties would be assigned to the PSMS

1 employee?

2 A. The Company's response to DPS-352, included in  
3 the Exhibit\_\_ (SPSP-1), stated the PSMS employee  
4 would manage the Company's specific risk  
5 register and monitoring effectiveness of  
6 mitigations and controls, monitor effectiveness  
7 of operational controls, participate in  
8 management reviews and continuous improvement  
9 efforts, and monitor compliance with pipeline  
10 safety related documentation and record keeping  
11 requirements to comply with API RP 1173.

12 Q. Does the Panel agree with Liberty SLG's proposal  
13 to hire the PSMS employee?

14 A. Yes, we agree with Company's proposal. The PSMS  
15 is a tool that LDCs use to increase and improve  
16 quality management, operations, and safety, as  
17 well as coordination and cooperation among  
18 departments. The Company plans to use this tool  
19 to adopt the recommended practices of API RP  
20 1173. Most of the LDCs in the State have the  
21 PSMS program.

22 Q. What job duties would be assigned to the Quality  
23 Control and Assurance employee?

24 A. According to Liberty SLG's response to DPS-352,

1 included in the Exhibit\_\_ (SPSP-1), the Quality  
2 Manager would be responsible for the  
3 implementation and administration of Pipeline  
4 Safety programs, policies and procedures to  
5 ensure compliance. This individual would be  
6 responsible for upgrading and maintaining  
7 pipeline safety programs and documentation to  
8 meet and exceed regulatory requirements and  
9 provide policy change recommendations to  
10 management.

11 Q. Does the Panel agree with Liberty SLG's proposal  
12 to hire a Quality Control and Quality Assurance  
13 employee?

14 A. No. We do not agree with Company's proposal.  
15 In the Capital, Operations, Gas Supply, and  
16 Safety Panel testimony at page 10, the Company  
17 indicates that it is developing a formal  
18 approach to Quality Management that will require  
19 the addition of a full-time employee to support  
20 Quality Control and Quality Assurance  
21 activities, by mid-2026. However, in response  
22 to DPS-352, included in the Exhibit\_\_ (SPSP-1),  
23 the Company indicated that this employee's role  
24 would be a shared role with 50 percent of the



1           time assigned to support Liberty SLG only. The  
2           other 50 percent would be allocated to  
3           activities outside of the Liberty SLG service  
4           area. We do not agree that Liberty SLG's  
5           ratepayers should be paying for employees  
6           working for Liberty SLG only 50 percent of their  
7           time. In addition, we find that it is premature  
8           for the Company to hire this FTE since the  
9           Quality Management System is still work in  
10          progress and would be more appropriate that this  
11          FTE be hired at a later date.

12    Q.    Does this conclude the Panel's testimony at this  
13          time?

14    A.    Yes, it does.

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