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July 16, 2012

**VIA OVERNIGHT MAIL**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
P.O. Box 3265  
Harrisburg, Pennsylvania 17105-3265

**Re: Rulemaking Re Amendment to 52 Pa. Code §59.18 Meter  
Location; Docket No. L-2009-2107155**

Dear Ms. Chiavetta:

Enclosed for filing please find the Comments of Columbia Gas of Pennsylvania, Inc. in the above-referenced docket.

I have enclosed an original and 15 copies of Columbia's Comments plus one additional copy. Please file stamp the additional copy and return it to me in the enclosed self-addressed, stamped envelope.

If you have any questions, please call me at 724.416.6347 or e-mail me at kscuccia@nisource.com. I thank you for your assistance.

Very truly yours,

  
Kimberly S. Cuccia

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SECRETARY'S BUREAU

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PA PUBLIC UTILITY COMMISSION  
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BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Rulemaking Re Amendment to : Docket No. L-2009-2107155  
52 Pa. Code § 59.18 Meter Location :

**COMMENTS OF COLUMBIA GAS OF PENNSYLVANIA, INC.  
TO PROPOSED RULEMAKING ORDER**

**I. INTRODUCTION**

On July 28, 2011, the Commission issued a Proposed Rulemaking Order in the above-captioned proceeding. Therein, the Commission proposed to amend its existing regulations at 52 Pa. Code § 59.18 governing meter location based on the Commission Gas Safety Division's ("Gas Safety Division's") conclusion that the Commission's existing regulation is vague, inadequate, and out-of-date with respect to the federal standards.<sup>1</sup> On June 16, 2012, the Proposed Rulemaking Order was published in the *Pennsylvania Bulletin*. In the Proposed Rulemaking Order the Commission directed that written comments on the proposed regulations be submitted within 30 days of publication in the *Pennsylvania Bulletin*, which is by July 16, 2012.

Columbia Gas of Pennsylvania, Inc. ("Columbia" or the "Company"), by and through its attorneys, submits its comments in response to the Commission's Proposed Rulemaking Order and Annex A attached thereto. At the outset, Columbia commends to the Commission's attention and consideration the Comments submitted by the Energy Association of Pennsylvania ("EAP"), particularly EAP's discussion of issues not addressed herein. In addition to the EAP's Comments, Columbia submits its own

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<sup>1</sup> The Commission directed the Gas Safety Division to investigate "the issue of gas meter placement and relocation in the context of service disputes between gas distribution companies and their customers." Proposed Rulemaking Order at 1.

Comments in order to highlight overarching concerns Columbia has identified with the proposed regulations.

At the outset, Columbia would note that both the Gas Safety Division's investigation and the proposed regulations that are the subject of this rulemaking were initiated prior to the adoption of Act 11 of 2012, and prior to the date by which the federal standards require that natural gas utilities have in place a written Distribution Integrity Management Program Plan ("DIMP Plan").<sup>2</sup> Columbia makes mention of these developments because it submits that an essential consideration when evaluating enhancement to system safety is coordinating additional efforts, such as the relocation of meters, with the previously identified and prioritized risks in the utilities' system-specific DIMP Plans.

Columbia appreciates this opportunity to submit comments on the topic of meter location, and also on the overarching topic of enhancing natural gas distribution company safety practices in this Commonwealth. As the Commission is aware, Columbia has invested over \$281 million during the past 5 years (2007-2011) to replace cast iron and bare steel mains and services.<sup>3</sup> As a part of Columbia's accelerated infrastructure replacement efforts, the Commission correctly noted in its July 28, 2011

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<sup>2</sup> Act 11 of 2012 was signed into law on February 14, 2012. The United States Department of Transportation's Pipeline and Hazardous Material Safety Administration ("PHMSA") published the final rule establishing integrity management requirements for gas distribution pipeline systems on December 4, 2009. See 74 FR 63906. The effective date of the rule was February 12, 2010. Distribution system operators were given until August 2, 2011 to write and implement DIMP plans. See 49 C.F.R. § 192.1005.

<sup>3</sup> Pursuant to historic practice and the provisions of Section 1510 of the Public Utility Code adopted in 1984, Columbia does not own all customer service lines on its system. The exact areas in which Columbia does not own the customer service lines are delineated in Columbia's tariff. In conjunction with Columbia's implementation of its accelerated infrastructure replacement program, Columbia requested, and was granted, a limited waiver of its tariff to replace customer owned service lines in conjunction with its accelerated main replacement and upgrade program. *Petition of Columbia Gas of Pennsylvania, Inc. for Limited Waivers of Certain Tariff Rules Related to Customer Service Line Replacement*, Docket No. P-00072337 (Order entered May 19, 2008). Upon replacement by Columbia, those services remain the property and responsibility of the customer.

Proposed Rulemaking Order that in 2008, Columbia requested limited waivers of its tariff rules relating to customer service line replacement. Columbia appreciates the opportunity to provide input on this important issue, and commends the Commission for recognizing that natural gas utilities should have the sole determination for meter set location. Columbia commits to working with the Commission to assure that Columbia's system risks and priorities are appropriately managed.

## II. BACKGROUND

Columbia is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. Columbia is currently engaged in the business of selling and distributing natural gas to retail customers within the Commonwealth, and is therefore a "public utility" within the meaning of Section 102 of the Public Utility Code, 66 Pa.C.S. § 102, subject to the regulatory jurisdiction of the Commission. Columbia provides sales and transportation natural gas services to approximately 414,000 customers in 26 counties in western, central, and south-central Pennsylvania, subject to the Commission's regulatory jurisdiction. In September 2008, in response to the Commission's Gas Safety Bureau's request for the number of meter sets inside, Columbia provided the following information<sup>4</sup>:

<b>Year</b>	<b># of Sets Inside</b>
2002	109,534
2003	108,009
2004	108,181
2005	106,409
2006	104,044
2007	101,316

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<sup>4</sup> Columbia does not track the number of inside meter sets attached to bare steel services because as noted in fn. 3 Columbia does not own all of the services on its system.

Columbia has further reduced its number of inside meter sets since 2007 as follows:

<b>Year</b>	<b># of Sets Inside</b>
2008	96,784
2009	94,177
2010	91,798
2011	88,740

In large part, this reduction is due to meter relocations associated with Columbia's accelerated infrastructure replacement initiative that commenced in 2007. Existing meter sets that are located inside are moved outside at the time of a service line repair or replacement where feasible.<sup>5</sup> In addition, Columbia maintains that it has the right to determine the location of the meter set, and Columbia locates new meter sets outside unless it is unavoidable and the Company gives prior approval.<sup>6</sup> When deemed necessary by the Company, the customer provides suitable protection for the meter setting as covered in Columbia's tariff.

### **III. COMMENTS**

#### **A. The Requirements Posed by the Commission Include Additional Regulatory Requirements, and if Adopted, Should Not Apply Retroactively**

In the Proposed Rulemaking Order, the Commission states that the proposed regulations do not impose additional regulatory requirements upon NGDCs beyond those imposed by the current federal regulations.<sup>7</sup> The proposed regulations include a number of new requirements that are not requirements of meter sets today and, if

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<sup>5</sup> For reasons explained in Columbia's Comments, it is not always feasible to relocate commercial and industrial meters outside.

<sup>6</sup> Section 4.4 of Columbia's Rates and Rules for Furnishing Gas Service to Tariff Gas – Pa. P.U.C. No. 9 provides that the Company has the right to determine the location of its meters.

<sup>7</sup> See Proposed Rulemaking Order at 9.

approved, would render natural gas utilities immediately out of compliance. In particular, the specific proposed regulations Columbia has identified as good examples of this concern are as follows:

- Proposed Section 52.18(a)(3)—An outside, above-ground meter location shall be used when availability of space and other conditions permit. *Columbia has been adhering to this referenced standard for a number of years, however, there are inside meters on Columbia's system that may have outside space available, but were originally installed inside. It should be clarified that this regulation, if adopted, would apply to meter sets installed after the effective date of this proposed regulation.*
- Proposed Section 52.18(a)(8)—The meter location must accommodate for the installation of the service line in a straight line perpendicular to the main. *Columbia is and has been using this standard for the installation of residential meter sets for some time, and has undertaken an initiative to move meters to meet this standard as a part of its infrastructure replacement program. However, residential meters on Columbia's system of a certain vintage may not comply with this requirement. It should be clarified that this regulation, if adopted, would apply to residential meter sets installed after the effective date of this proposed regulation. In addition, Columbia notes that this standard may not always be feasible for commercial and industrial meters sets due to the cost and complexity that are routinely involved with such meter sets. This is especially true in the case of larger customers, given the nature of their operations. Therefore, Columbia requests that the Commission*

*consider adding an exemption for commercial and industrial meter sets. Columbia submits that such an exemption would not run afoul of current federal regulations.*

- *Proposed Section 52.18(a)(9) prohibits the installation of meters or regulators in certain locations. Presumably this requirement would apply to new installations, but Columbia submits that clarification is needed. Columbia also notes that meters could be installed at a certain location in compliance with the proposed regulations, and subsequent actions taken by the customer could render the location in conflict with this requirement, e.g., a window, entrance/exit, or structure, such as a porch, could be built over the meter. These are acts beyond the utility's control, and of which Columbia would not necessarily be aware. In addition, meters on Columbia's system of a certain vintage may not comply with this requirement.*
- *Proposed Section 52.18(b)(5)—Vaults containing gas piping may not be connected by means of a drain connection to any other underground structure. Vaults could be inspected by Columbia at the time of the installation, and subsequently the customer could connect a drain to another structure. These are actions beyond the utility's control, and the utility would have no way of identifying this type of arrangement. Columbia is not aware of any vaults on its system that have a drain connection to any other underground structure, but it should be clarified that this requirement would apply to vaults installed after the effective date of this proposed regulation. Columbia's practice at this time is not*

*to install vaults because of the high cost associated with such structures when in most cases acceptable above-ground alternatives are available. Columbia will, however, install a vault if in the Company's judgment there is an operational need to do so.*

- *Proposed Section 52.18(c)(1) provides a list of the only times an inside meter location may be considered. Columbia has been adhering to the referenced practices for a number of years for residential meter sets. However, there are inside meters on Columbia's system (residential, commercial and industrial) that do not meet one of these exceptions for an inside meter installation. It should be clarified that this requirement would apply to meter sets installed after the effective date of this proposed regulation. In addition, similar to Columbia's comments to proposed Section 52.18(a)(8) above, Columbia notes that this standard may not always be feasible for commercial and industrial meters sets due to the cost and complexity that are routinely involved with such meter sets. Again, this is especially true in the case of larger customers, given the nature of their operations. Therefore, Columbia requests that the Commission consider adding an exemption for commercial and industrial meter sets. Columbia submits that such an exemption would not run afoul of current federal regulations.*
- *Proposed Section 52.18(c)(3)—All installed inside meters shall be attached to an operable outside shut off valve. Columbia's practice has been that if a meter is to be located inside a building where elevated pressure exists, then a regulator and meter valve will be placed outside of the building.*



*There are inside meters on Columbia's system that do not comply with the new requirement proposed by this regulation. It should be clarified that this requirement would apply to meter sets installed after the effective date of this proposed regulation.*

- *Proposed Section 52.18(c)(6)—Meters and service regulators may not be located in engine, boiler, heater, or electrical equipment rooms, living quarters, closets, restrooms, bathrooms, or similar confined locations. Columbia would note that 49 CFR § 192.353, the federal standard governing location of customer meters and regulators, states that meters installed in a building must be in a ventilated place and not less than three feet from any source of ignition or any source of heat which might damage the meter. Columbia submits that the Commission's regulations go beyond the federal requirement, by enumerating the specific prohibited locations. This regulation would render a number of Columbia's current inside meters of a certain vintage out of compliance, when such locations are currently acceptable under the federal standards. In addition, this poses a concern for some of Columbia's larger customers who may have an equipment room that houses gas meters and other electric equipment which are in compliance with the federal regulations because the meters are in well ventilated places and more than three feet from an ignition source. Columbia submits that if the Commission decides to move forward with this regulation, it should clarify that this requirement would apply to meter sets installed after the effective date of this proposed regulation.*

- Proposed Section 52.18(c)(7-8). *Meters on Columbia's system of a certain vintage may not comply with these proposed requirements, and it should be clarified that these requirements would apply to meter sets installed after the effective date of this proposed regulation. Also, as a part of its infrastructure replacement initiative, Columbia is confirming that all appropriate shut off valves as enumerated in 49 CFR § 192.365 are installed.*

**B. The Commission Should Address Regulators Connected to Steel Service Lines in Gas Utilities' Infrastructure Replacement Plans and DIMP Plans Rather than in Regulations**

As noted previously, Columbia does not own all customer service lines on its system. Columbia generally owns customer service lines (the line from the curb box to the meter) for customers that it serves in eastern (York) and central (State College) Pennsylvania. Pursuant to historic practice and the provisions of 66 Pa. C.S. § 1510 adopted in 1984, Columbia does not own customer service lines on its system in western (Pittsburgh and vicinity) Pennsylvania. It is important to note that customers who own their service lines are responsible for the installation, maintenance, and replacement of their service lines. As a result, Columbia does not know the material of those customer-owned service lines without a physical examination of the pipe. In order to conduct such a physical examination, Columbia would have to dig test holes on every one of its customer-owned service lines, and to meet the date certain of the proposed regulations, Columbia would have to do so by 2020. This effort would divert company resources away from Columbia's other capital intensive projects and risks as prioritized in the Company's DIMP Plan. In its DIMP Plan, the Company has accounted for inside meters connected to bare steel service lines, but this issue carries less risk than other higher

priority issues such as third-party damages and the replacement of bare steel and cast iron mains. As discussed by Columbia in the Pipeline Replacement Plan Docket, and in its 2008, 2010, and 2011 Rate Case Testimony, Columbia has been operating an accelerated bare steel and cast iron replacement plan for the past five years.<sup>8</sup> Based on Columbia's 2011 run rate, Columbia's accelerated program would replace all of Columbia's first generation cast iron and bare steel by 2029, or approximately eighteen years. In conjunction with Columbia's accelerated replacement program, Columbia replaces bare steel customer service lines, moves the regulators for inside meter sets outside for all meter sets, and also moves the meters themselves outside when possible. In addition, the Company is installing excess flow valves on all upgraded service lines that are within the design parameters for excess flow valves. Columbia proposes that the Commission remove proposed Section 52.18(c)(4), and that instead utilities address this issue in their DIMP Plans and/or their infrastructure replacement plans.

**C. The Alternatives To Relocating Inside Meter Sets Connected to Steel Service Lines Should be Enumerated in the Text of the Proposed Regulations**

Page 7 of the Proposed Rulemaking Order discusses two alternatives to relocating and replacing inside meter sets that are connected to steel service lines. One alternative is to retrofit existing service lines with excess flow valves, and the other is to relocate the inside regulator to the outside. These two alternatives should be enumerated in the text of the regulations, and the regulations should require utilities to take these actions going forward when specific situations are identified through main replacement or other routine service line or main work.

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<sup>8</sup> See Natural Gas Pipeline Replacement and Performance Plans, Docket No. M-2011-2271982. See also Company testimony of Danny G. Cote, General Manager of Columbia Gas of Pennsylvania, Inc. Docket Nos. R-2008-2011621 (2008 Base Rate Case), R-2009-2149262 (2010 Base Rate Case), R-2010-2215623 (2011 Base Rate Case).

#### **D. Costs Associated with Moving a Meter for Safety Reasons**

Proposed Section 52.18(a)(10) alters Columbia's cost recovery practices as stated in its tariff, and makes the utility responsible for the costs associated with moving a meter or regulator for safety reasons. Columbia's tariff currently requires customers to keep the Company's property safe and also to pay for protection equipment, when necessary.<sup>9</sup> Columbia submits that the utility should only be liable for the costs associated with moving an existing meter as part of its replacement initiative or because the utility in its discretion deems it prudent to pay for the costs associated with moving a meter. Columbia proposes that the utility should continue to have the discretion it has today in customer-created situations, otherwise the base of the Company's customers will end up subsidizing, through increased rates, those customers who have created or allowed an unsafe situation to occur on their own property.

#### **E. Language Should Be Added to Proposed Section 52.18(b)**

Section 52.18(b) appears to list options, one of which should satisfy the outside location of meter and regulator locations. Columbia submits that the words "one of" should be added to the text of proposed Section 52.18(b), so that the proposed regulation, if adopted, reads "Outside meters or service regulators shall be installed in **one of** the following locations."

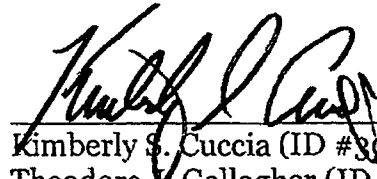
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<sup>9</sup> See Section 11.2 of Columbia's Rates and Rules for Furnishing Gas Service to Tariff Gas – Pa. P.U.C. No. 9, Customer's Responsibility, which states that "The customer shall be responsible for safe keeping of the Company's property while located on the customer's premises. In the event of injury or destruction of any such property from the act of negligence of the customer or his agent, the customer shall pay the costs of repairs and replacement." See also Section 11.3 Protection by Customer, which states that "The customer shall protect the equipment of the Company on his premises, and shall not permit any person, except a Company employee having proper Company identification, to break any seals upon, or do any work on, any meter, service pipe or other equipment of the Company located on the customer's premises." Section 11.3 of Columbia's Rates and Rules for Furnishing Gas Service to Tariff Gas – Pa. P.U.C. No. 9.

#### IV. CONCLUSION

For the reasons discussed above, Columbia Gas of Pennsylvania, Inc. respectfully requests that the Commission consider the Comments submitted herein when it issues a Final Order on the proposed regulations governing the location of natural gas meters in the Commonwealth. And, as discussed above, Columbia endorses and commends to the Commission's attention the Comments submitted in this matter by the Energy Association of Pennsylvania.

Respectfully submitted,



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