UNITED STATES OF AMERICA

NATIONAL TRANSPORTATION SAFETY BOARD

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Investigation of: *
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MERRIMACK VALLEY RESIDENTIAL GAS *
FIRES AND EXPLOSIONS * Accident No.: PLD18MR003
SEPTEMBER 13, 2018 *
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Interview of: DAVID A. MONTE

Columbia Gas of Ohio
Gahanna, Ohio

Wednesday
March 6, 2018

APPEARANCES:

MICHAEL HOEPF, Ph.D., Human Performance Investigator
National Transportation Safety Board

ANNE GARCIA, Human Performance Investigator
National Transportation Safety Board

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National Transportation Safety Board

THOMAS TOBIN, Esq.
Wilson Elser Law Firm
(On behalf of Mr. Monte)

I N D E X

I N T E R V I E W

DR. HOEPF: Okay. My name is Mike Hoepf. Today is March 6th, 2019. We are at 1600 Eastgate Parkway, Gahanna, Ohio, interviewing Dave Monte in connection with the accident that occurred at Merrimack Valley September 13th, 2018. The NTSB accident number is PLD18MR003. The purpose of this investigation is to increase safety, not to assault fault, blame or liability. NTSB cannot offer any guarantee of confidentiality or immunity from legal or civil litigation. A transcript or summary of the interview will go into the public docket. At the interview, you can have one representative of the interviewee's choice. Does everyone understand that this interview is being recorded?

MR. MONTE: Yes.

DR. HOEPF: Okay. Thank you. And if you could please state your name and spell it. And I would like everyone in the room to do the same.

MR. MONTE: David A. Monte. M-o-n-t-e.

DR. HOEPF: Okay. And I am Mike Hoepf, H-o-e-p-f, with the NTSB.

MS. GARCIA: Anne Garcia, G-a-r-c-i-a, human performance investigator with the NTSB.

DR. JENNER: I'm Stephen Jenner, S-t-e-p-h-e-n, J-e-n-n-e-r, an investigator with the NTSB.

MR. TOBIN: And my name is Tom Tobin. I'm an attorney with the Wilson Elser law firm. Tobin, T-o-b-i-n.

DR. HOEPF: Okay. And Mr. Monte, do you mind if we call you by Dave or --

MR. MONTE: Please do.

DR. HOEPF: Okay.

INTERVIEW OF DAVID A. MONTE

BY DR. HOEPF:

Q. Dave, if we could just kind of get started, can you just tell us a little bit about yourself? What's your current background and your job and your job title and that sort of thing.

A. Yeah. My current role with NiSource is I am the senior vice president of safety, environmental and training. I've been employed by the company for 29 years, and I have had experience to lead various aspects of operations, engineering, construction, safety training, environmental.

Q. Okay. And if you could just talk a little bit about who reports to you, who do you report to -- you know, your chain of command.

A. Yeah. I currently report to Chuck Shafer, and Chuck reports up through Pablo Vegas, who reports to the CEO. In my organization, I have a vice president over safety -- the safety organization, and then centralized safety support, expertise, and then certified safety professionals and consultants that are distributed throughout the organization.

I also have a vice president of training who maintains our overall training programs, curriculum, our multiple training

centers, and really covers both new employee training as well as existing employee -- you know, refresher training.

And then I have another vice president who leads our environmental group structured, you know, similar to safety -- centralized environmental safety experts with coordinators distributed throughout our organization to support environmental type activities.

Q. Okay. And so, can you talk a little bit about just what kind of safety training that you've received throughout the years?

A. Yeah. Pretty extensive of safety -- pretty extensive safety training. I've had the opportunity to not only, you know, be a part of kind of the corporate level, you know, compliance related, you know, training -- you know, first aid, CPR, you know, blood borne pathogens. But, you know, my role in operations I had the opportunity to really kind of, you know, learn and be exposed to all types of kind of our industrial based safety training, everything from damage prevention to work zone safety to all the personal protective equipment to our overall, you know, safety policies.

And the thing that, you know, is kind of interesting to me, you know, if I think about my opportunity to be exposed and learn and kind of grow as an employee, you know, there's the safety training but then there's the safety leadership. That's a really big component, and it's how do you engage employees in such a way that, you know, each and every day they're thinking about, you

know, their own personal safety. And to me, when I really led a big organization on the operations side and kind of realized, you know, all these folks are going to work every day and they're exposed to, you know, all kinds of things out there in the world, you know, from dogs to cars to the work on gas mains, and just kind of realizing, boy, I can't be with them every moment of every day to keep them safe. But what I can do is make safety really important, and I can, you know, basically lead my organization -- have my leaders lead in such a way that they just really send that message that nothing is more important than getting home safe every day.

So, that's -- I think about safety training. I think about safety learning. That has been, I think, the more important part for me in my journey, is just really personalizing that responsibility and learning how to lead it.

Q. Okay. Do you have any specialized system safety training that you've participated in?

A. System safety training?

Q. Just high level -- for example, have you gone to safety-related conferences? Have you --

A. Oh, yes.

Q. -- have you taken a class on, you know, organizational safety? Those sorts of things.

A. Yes. Yes. So, you know, again I think, you know, safety is kind of continual learning. So, I think a lot of opportunities

there. You know, primarily, you know, we engage with the American Gas Association.

Q. Okay.

A. Yeah. Their -- you know, their different conferences. They have a safety conference every year. They have best practice sharing. We are very active in their company peer review program. So, in that regard, you know, a lot of exposure to the industry in terms of not just industrial safety but also system safety and kind of best practices in pipeline safety. So, really had the opportunity over the years -- I've served on the managing committee. I've been a part of, you know, their safety conferences, engaged in that way.

Q. Okay. Thanks. So, what are your safety responsibilities?

A. You know, first and foremost it's to lead my organization, encourage safety, and make sure everyone goes home safe and healthy every day. That's our focus. You know, my organization supports the broader organization in what is our -- really, our first stakeholder commitment. And we have -- they're actually on the wall over there -- but our first stakeholder commitment is to be an industry leader in safety.

You know, and the way we describe that is we -- you know, we never say we're the best or we're done. Safety is a journey that you're always continually improving on. But we really want to be that company that takes the lead, that has that continual focus, that is a good, you know, peer partner to the industry and really

look for opportunities to really develop programs and policies and procedures and culture that supports safety in all aspects.

When we think about safety, we think about in terms of employee safety, business partner safety. We think about it in terms of community safety, public safety. So, it's really an overarching aspiration to really become that industry leader. So, my team does centralized support, provides consulting, provides expertise. You know, leads our various, you know, safety programs.

In the past, you know, couple of years we've trained the entire organization on a program called Safe By Choice. And really the foundation of Safe By Choice is performance management, and it's based off the Aubrey Daniels Institute. But we have -- all of our front-line workers participate in this training, and then all of our leadership participate in this training including, you know, all of our executives. And the core of the training is it's really all about behavior, and how do you pinpoint and target the behavior you want. How do you actually measure for the correct things? You know, ideally you don't measure loss events. You measure safe behaviors. And then how do you positively reinforce those behaviors.

And that's really the core of the training, is if you can catch people doing things right and positively reinforce that behavior they're going to do it again and again. And you know, it's a -- safety is a constant, you know, kind of battle with

human nature, because everything that is safe usually is uncomfortable, takes more time and it feels like you don't need to do it. So, you're always trying to overcome that convenience, you know, time fact, easy button, and you're trying to change what it feels like to be safe. You know, taking the time to do a 360 around your vehicle in the rain usually doesn't feel good. But if you do it enough times, and it becomes part of who you are and a habit and you positively reinforce it in your company, all the sudden it feels wrong not to do it. And in a lot of ways, that is kind of that core training, is how do we change how it feels to be safe. How do we encourage folks to share with us safety concerns.

Then, the other component of that is we talk about a just culture and how do we foster a just culture throughout the organization. And it really is the key to continuous learning. And again, that applies to safety management systems. It applies to safety with your contractors and your business partners and your employees. And when we talk about a just culture, we say every time we get an unwanted event we need to look at it from the perspective of the employee, the leader and the organization, and really understand the culpability.

You know, because it can be way too easy to say, well, the employee should have performed better. Well, maybe they should have. But did the leader coach or train the employee. Did the organization provide the tools and techniques for the employee to act safely. So, in that way, you know, a just culture really

looks at -- at the event broadly, from those three lens, and then really evaluates, you know, is this a situation where it requires more training or knowledge, where it requires more coaching. Or was it, you know, willful intent to not follow the rules. And those are very different things, and as a company you need to respond in a just way. So, I kind of said a lot there thinking about what my team does.

Q. Uh-huh.

A. A lot of safety support, a lot of tracking of data. Providing expertise in root cause analysis, industrial hygiene, environmental issues. Yeah, I kind of share with this -- made for myself a list of everything that I think helps support what we do. So, I mentioned, you know, just culture and safety training. We have a pretty active business partner training program, and overall contractor safety manual. We meet with our contractors. We include their metrics in our own -- our philosophy is if someone gets hurt doing our work, whether it's a direct contractor or a sub of that contractor, that's our work and that's our responsibility to -- you know, to keep people safe.

We deploy telematics in all our vehicles. And we chose the technology that provides in-cab feedback. Braking, turning, speeding, it provides a driver feedback and they self-correct. One of the things that I feel best about is once we deployed that a couple years ago, it significantly slowed down our fleet. And we've actually seen a reduction in at speed collisions as a

result. Which, to me, has a lot more injury potential than say, you know, a slow speed, you know, backing into a mailbox.

We also utilize the National Safety Council Barometer survey. So, we've used that for the past 3 years, and it really allows employees to give us feedback, in both written comments but also, you know, a whole series of questions that I think really allows you to measure safety culture. And we apply this at the company level, the state level, all the way down to the local operating level. And it measures employee participation, supervisor participation, management participation, safety support, safety climate and organizational climate. And year over year, we develop action plans across all of our areas and we work the survey.

And again, I think it really is a cornerstone of kind of building those key components of safety management. It's everything from do you have annual safety meetings to do employees feel comfortable reporting incidents and accidents. And we actually have integrated this in for all officers. They have specific annual goals for participation and performance on the survey. So, the organization is highly engaged. And we do it every year.

Q. Great. So, just a follow-up question on this. Is this -- you said safety climate. Is this -- generally, this is pertaining to safety culture, this Barometer survey you're talking about here?

A. Yeah. I think it's -- yes to all those things.
Q. Okay.
A. I think it's a little bit broader. And if you look at kind of the areas and the questions in there, you do see climate.
Q. Okay.
A. But you also see process.
Q. Uh-huh.
A. You see leadership action. You see management commitment. So, I think it is a lot of the fundamentals of -- above public pipeline safety. It's the things that you need to foster and grow to have a successful safety management system.
Q. Yeah. That's interesting. And so, you said that you've been doing this survey on an annual basis.
A. For the past 3 years, yes.
Q. For the past 3 years. Oh, okay. Okay. Have you -- any interesting data results that you can share?
A. Yeah. The results of the survey -- and the way the survey works, and what we really like about it is you are basically compared to 800 companies. And it's how do you answer as a percentile compared to how they answer. So, we get individual feedback on a question. But it's also did you answer this question -- how much better did you answer this question than everyone else. And if you're 100, then you answered it more strongly than everyone else in the survey. So, anything above 50 is, you know, pretty strong. So, we began, I think, as a company

overall NiSource in the low 80s. And we quickly moved that to, I think, 89 last year and 92 this year. So, we're scoring at a very high comparative level against those 800 companies that are really a mix of not only our industry but manufacturing and different industries.

So, we feel very good about those results. At the same time, it's a process of continual development. Because then you look into your survey questions and you look at your lower performing questions and that's a good area where you may need to strengthen safety process or culture or climate. And again, we look at this at the NiSource level, but I think it also becomes very important to look at it at the local level. Again, we operate, you know, across, you know, seven different states. You know, we probably have -- depending on how you want to measure, 40 or 50, you know, discrete operating areas or plants.

And you know, they're all in kind of various levels of their safety journey. And some have gotten a culture to the point where it is very, very strong and sustainable, you know. And others are improving day to day. So, I think the -- it also gives us good insight into where we need to focus more time and attention.

Q. Uh-huh.

A. And again, sometimes you're developing and changing a culture that was formed over 30 years and past management and challenging union environments. And those things don't, you know, turn on a dime. So --

Q. Uh-huh.
A. -- it's a process of continual learning.
Q. Yeah.
A. The other thing that is valuable to us is, you know, we also have an employee engagement survey. So, we look at those results and compare with our national Barometer survey. And then we also use J.D. Power. And J.D. Power has a component of safety and reliability that they survey, that also, I think, gets that additional perspective from customers on how well we communicate in and around safety and reliability.

And then we also do a public awareness survey, which focuses a lot in and around damage prevention and, you know, call if you smell gas and just, you know, general awareness of, you know, pipelines. And that's affected community, public officials, first responders, customers. So, we do know a lot of good, you know, I think collective data and various different sources to get feedback from not just employees but also customers as well on how we're performing on safety.

Q. Uh-huh. Uh-huh. This is great, your -- I really appreciate your -- you know, I know it's a lot of ground to cover. But there's a lot -- obviously there's a lot that goes into your job. So, I appreciate the, you know, open discussion. I think you touched on something that I think is really interesting, that I was going to get to later. So, at risk of jumping around, though, I think you bring up a really interesting, you know, bridge of --

so, NiSource is in control of Columbia Gas of Massachusetts, Columbia Gas of Ohio. And stop and correct me if I'm wrong in my understanding of this. How should I understand how NiSource manages safety within these organizations that it controls? How does that work?

A. Yeah. So, NiSource, you know, as a corporate function -- and, like most companies, I think we're a mix of, you know, centralized function and local operations. And you tend to centralize for expertise and support and kind of -- and leverage, so to speak. So, at the NiSource level I think collectively it's about culture. It's about programs. It's about defining goals and who we want to be. But, you know, locally safety needs to be owned by the people who were doing the work. So, as much as we talk about importance of centralized leadership and commitment at the top, at the same time we balance that with I can't go and be safe for you, as an individual. So, very much, you know, develop, coach our leaders that you need to own safety. The work, the effort, the leadership has to occur at all levels. And the same for employees -- they need to own their own safety.

And, you know, a lot of that begins right here at the training center. You know, it's such a tremendous opportunity when someone walks in the door day one to say your safety is more important than production, you know. And we have a stop work policy that we communicate every year. It's signed by our CEO, all of our presidents, all of our executives. And that policy

says anyone can stop a job at any time, and we're not going to resume work until we feel that it's safe. And, you know, that's not always easy to do. Right. Especially if you and I are working and you're the senior person and I'm not so sure. So, whenever somebody does that we try to capture it, recognize it, reward it and encourage it. And, you know, I always talk to folks and I said it's really important when you stop it and maybe you didn't need to.

Q. Uh-huh.

A. Right. Because you got to say hey, that's okay. We weren't sure, but we were okay. But you stopped it. That's exactly what I want you to do. But you know, at the top of the organization I think it's constantly reinforcing a just culture. You know, it's that stop work authority. It's interesting, we made a commitment that probably doesn't seem all that unusual today but, you know, 3 years ago, you know, we were challenging ourselves with our aspiration of industry leadership in safety.

You know, and someone said hey, you know, we kind of tell our folks driving the trucks that they shouldn't talk on the phone. But everyone in this room, all these -- all of us leaders and executives, we drive around and we talk on conference calls. And I don't know that we can be the company we want to be if we're not consistent. And our CEO said yeah -- yeah, yeah, that's right, and what do we all think about that. And all the executives and presidents said this is going to ruin my life. This will be the

end of the world. I cannot do my job and I cannot -- you know, I still get hate mail over it. But, he said, no, we're going to do this. And he said, you know, it's not worth someone getting hurt. It's not worth killing somebody.

Because the data showed that it's the cognitive distraction. Right. And it's even -- you know, you can change the radio station. You can key a mic and say yeah, I heard you and hang up. But it's -- when you're talking, you're really not thinking about driving. And that's the real risk. So, we basically took 3 months and he said well, all the executives in the room we're not going to do this anymore, we're not going to talk and drive. If you get a call, you know, pull over. And they came back and talked about it and everyone said oh, this is horrible and it's so hard to do, and this and that. He's said great, I appreciate you guys thinking about that. Now we're going to do it for the whole company. And we have to lead by example, and we basically said, hey, we did this for 3 months, we -- we're no longer going to talk and drive. Schedule your meetings better. And we really put out a whole mobile driving policy. And again, the key was to say, hey, we did this by example. And if you're driving and I call you and you work for me and you don't answer, that's okay. And we just said we know that not everyone can get on every meeting anymore, and that's probably a good thing.

But I think that's an example where that foundational value of caring more about safety and people was a great example to say

yeah, we care about that more than a little bit of work. And, you know, it's not worth risking someone's life for the sake of a half hour conference call. Again, there's always work to do there. But that's the kind of message that you just need to constantly send down through the organization, because we all want to get work done. And even as an individual, right, my company can say I'm not worried about production but I want to go and get the work done. So, you've always got to constantly reinforce that getting the work done involves being safe. Stopping the job is okay. If it's Friday and you're tired, call someone else in.

Q. Uh-huh.

A. If you work too much overtime, let us know.

Q. Uh-huh.

A. And then when people do, positively reinforce that and say thank you for telling me.

Q. Uh-huh. Well, I appreciate that. And I understand, I think what, you know, you're trying to -- what you're saying is, you know, that the leading by example and, you know, people model what they see. So, that makes sense. Let's -- just to talk a little bit about kind of some of the nuts and bolts of how this works. So, we're actually in -- this is a -- this is a Columbia Gas of Ohio building. Is that --

A. Correct.

Q. -- this --

A. Yeah.

Q. Okay. So, just -- and so where --
A. This can be utilized by our other, other states as needed.
Q. Okay. Okay. Yeah. So, let's say somebody is a new hire. Let's say a field engineer comes in. Would it be a field engineer from anywhere hired in Ohio would come to this training facility? And I know we're going to talk to somebody else about training, so you don't need to get into, you know, the nuts and bolts of the training, necessarily. But is that correct?
A. They would for certain aspects. This facility is primarily technical training.
Q. Okay.
A. So, it's primarily field employees. But, the overall -- overarching training organization does develop and support curriculum for engineers, for our call center employees, supports our overall corporate training and administering of that, in terms of all of your ethics, all of your -- kind of your core safety training. And then again, engineering has kind of a defined set of training and development they do both on the engineering as well as kind of the overall safety overlay. Engineers would cycle through here to see different components of the work, and the systems and how it works. And again, I think Mark Chepke can probably give you some --
Q. Yeah, you don't --
A. -- real good detail on that --
Q. -- yeah, you don't --

A. -- as well.
Q. I appreciate that, and I don't want you to, you know, go outside your wheelhouse. I'm sure somebody else can talk more about how -- the different training facilities that somebody would be, you know, going to. But again, I'm just trying to get and, you know, understand -- you know, looking at your business card right here and it says -- you know, it says NiSource. And so, you know, you know, help me to understand a little bit about -- you know, we're talking about safety responsibilities and I think we got a pretty good grip with that, a -- on a broad level.

But let's say you have 40 hours in a workweek. And I understand as a vice president maybe you do more than that. But, you know, what hours in a given week are you devoting to safety related issues? And how would that be something that would communicate down to Columbia Gas of Massachusetts or, you know, whatever other subsidiary organizations that you have. Just, for example, are -- do you have safety meetings? I don't imagine in your position you're actually physically clicking buttons in Excel and analyzing data. But do you have people that report to you? Does that inform your decision-making?

Can you talk a little bit about, you know, how many hours a week you're actually devoting to safety specific tasks and how that blends with your other operational demands? I know it's a broad question.
A. Sure. I think almost all of it --

Q. Okay.
A. -- in some way, shape or form -- and just -- you know, my business card says NiSource. But I work for all the utilities.
Q. Okay.
A. So, to me, that's NIPSCO. It's Columbia Gas of Ohio and Pennsylvania, Maryland, Massachusetts. It's all of them. So, that's really -- even though you're a NiSource employee, the work we do is really embedded in all of the utilities themselves. You know, my work week -- you know, currently a lot of time leading a project around. You know, low-pressure gas distribution systems and how to strengthen and kind have another additional level of protection and monitoring on all of our systems. You know, that's a discrete project. I'm one of the sponsors on safety management systems, so I'm engaging that way.

You know, my team is currently developing an observation program for executives. We're going to train all of our executives to go out in the field more to perform observations. Everyone is going to do one once a quarter. We're in the process of kind of deepening our leadership assessment on safety. So, we're working with the National Safety Council on a program to go out and do local interviews and observations, so we kind of have that third party view. So, these are all components of the safety work that we're doing this year, in 2019, to strengthen the program. We post all of our safety results on our website. So, I do actually play with the numbers and the data and look into them

a little bit.

Q. Yeah. Okay.

A. But every employee can really go in and kind of drill down and see up to date, you know, safety performance and safety statistics. We have lessons learned calls every month. So, as we have incidents occurring we perform a root cause analysis. We'll capture those lessons learned and we get everybody across all the states on a call and we'll step through the more high profile events, and what did we learn and what are the contributing factors and what are the things we need to do to prevent. And you know, any materials we produce we will share and create a -- you know, an expectation that folks communicate those.

We -- you know, we maintain a very active safety communications calendar. And again, that's on our website. So, at any point in time we can go out for that day, that week, that month and here's the set of things you may communicate on public safety. You know, if it's when, you know, damages and excavation is picking up we elevate that. In the summer, you elevate, you know, heat stress and insects and poison ivy and bee stings and things of that nature. Then it's, you know, safe driving, slip, trip and fall in the winter. And really, you know, we maintain that whole database of talking points and tailgates for the organization to use, so it can be engaging in that. You know, a lot of integration on the environmental side.

The training side -- you know, again we really see the

training centers and, you know, we have built four new ones and we're upgrading a fifth one in Indiana. It's such an opportunity, you know, as soon as someone walks in the door, you know, to kind of send our safety message. And we have new employees go through -- the first thing they do is they do, you know, new employee orientation and safety training and safe driving. And it's fun to kind of talk to them because they'll be like, wow, you guys are kind of different, you really care about safety. And had -- you know, even had the vice president of our IT organization say I never had anyone care about how I drove to work before.

Q. Uh-huh.

A. You know. So, you know, my day is a lot about, you know, how do we support these programs, how do we continue to develop strategy, how do we integrate this, you know, across the company. And then it's also paired with really engaging in events that occur, and how do we learn from those. And then, you know, a third part of my role is to also coach my team in how do we be that safety -- I hate to say safety conscience, right, but you know, just culture and shaping the right culture, just -- you just don't decide that you do it. You always kind of have to question yourself -- are we thinking about this the right way, are we focusing on the right things, are we putting too much on the employee in this situation or do we need to understand the organizational component. So, it's also kind of being that -- yeah, kind of the -- I hate to say the, you know, the emotional

leader on the cultural side. Right. It's asking ourselves are we really thinking about things in the right way.

DR. HOEPF: I really appreciate it, Dave. That's really a great overview. Just to break up the conversation, I'm going to let -- I'll let Anne and Steve ask a couple of -- and Roger ask a couple of questions. And then I'll, you know, have a couple more to, you know, sort of go to another topic area.

MR. MONTE: Sure.

BY MS. GARCIA:

Q. Thank you. Some quick questions and some follow-ups to Mike's. What is your education?

A. I have a degree in electrical engineering, and an MBA.

Q. Okay. And that's a bachelor's in electrical engineering. Where is that --

A. Yes.

Q. -- from?

A. Union College, in upstate New York. My MBA is from Franklin University in Columbus, Ohio.

Q. Thank you. What are the total number of people who report to you? Roughly.

A. Roughly 170.

Q. Okay. I'd like to understand what your understanding is of what happened leading up to the incident.

MR. TOBIN: Let me interrupt. To the extent that that understanding is not work product of an attorney that asked you to

review it. Please go ahead.

MR. MONTE: Yeah.

BY MS. GARCIA:

Q. Well, I'm -- to clarify, I'm not asking you for anything that's in a work product. I'm asking for what your understanding is. Okay.

A. Okay. My understanding is that a segment of pipe was retired. That segment of pipe as it was being retired had sensing lines connected to it, and when those sensing lines were depressurized it caused our regulator station to increase pressure. And -- yeah, that's my understanding of the incident at a very high level.

Q. And did you go to the scene?

A. I did not.

Q. Okay. How were you notified that something had happened?

A. I was -- we have several different kind of avenues to be notified. We have an emergency notification system. I was specifically called by our vice president of the customer call centers, and she described, you know, the situation and had a specific question around what guidance we could and should provide to customers. And she indicated that the guidance that was being suggested, I think, by the communities was to turn off your gas meter. And she said is that -- she said we're not sure that's the right thing. And my advice was no, it was not, tell people to vacate their homes. They shouldn't be trying to turn off the gas

meter. And that's how I was notified. And then very quickly, you know, several of us engaged, you know, my leader at the time -- his team -- and, you know, then we really mobilized and began working on the problem.

Q. Thank you. Jumping back to your understanding of what led to the incident, so that is what happened, to your understanding. But why do you think that the sensing lines weren't moved correctly prior to the gas being put back on?

A. I do not have a detailed understanding of the entire project time line. I do understand that, you know, the project began and was at one point delayed as a result of kind of a halt to the permit. And then it was resumed. So, at some point those control lines should have been, you know, relocated from the current pipe to the pipe that they were feeding. And they were not. So, I do not have the specific knowledge of the details or the time plan that supported that work.

Q. Okay. So, is the NiSource international investigation complete?

MR. TOBIN: To the extent you know, without an attorney client conversation.

MR. MONTE: I don't believe I know that answer, because my engagement and involvement once we became a party to your investigation was that you are the leads on the investigation. And really that's been my role, is to support the NTSB's investigative efforts as well as help develop projects and plans

to enhance safety on our other low pressure systems.

MS. GARCIA: Uh-huh. So, are you saying that NiSource stopped their internal investigation when NTSB became involved?

MR. MONTE: I think --

MR. TOBIN: Mr. Monte is here to offer policy and procedure testimony on behalf of the company. You can certainly answer based on your personal knowledge of what's happening in the company. But he can't speak on behalf of the company as to --

MS. GARCIA: I'm asking for --

MR. TOBIN: -- the scope of the investigation.

BY MS. GARCIA:

Q. So, I'm asking for your understanding.

A. My understanding is once we became a part of your investigation that side investigations were not appropriate.

Q. Okay.

A. That's my understanding.

Q. Okay. Thank you. So --

A. And I want to just -- so, for my personal involvement at that point, I understood that I should not be delving deeper into asking questions and talking to individuals about what occurred because I had to make sure that we were working with you all --

Q. Okay.

A. -- appropriately and properly. So, that's my understanding.

Q. Thank you. Okay. So, I appreciate all that you mentioned about the safety programs that you have in place -- you've had in

place for several years, and updates and enhancements that you've done. So, question just for your opinion, with all that you're doing in the safety area how do you think that the factors that led up to this incident occurring -- is it fair to say that it slipped through the cracks? And I'm not pointing fingers at NiSource. This is a question to understand, you know, industry-wide.

A. Yes. Yeah, it's a question I've asked myself and considered, you know, many, many times. And, you know, my, you know, opinion is we did not identify the risk. And we did not appropriately kind of understand or quantify this consequence. And in many ways I've thought about it as failure of imagination, perhaps. Because in no way, shape or form would any of the leaders that I personally know ever choose to take a risk of this magnitude. That isn't who we are. It's not how we act.

Q. Uh-huh.

A. We have -- we've invested millions in modernization programs. We've worked for years to improve our emergency response and our damage prevention.

Q. Uh-huh.

A. So, you know, I think that's the best answer that I personally come to, is we did not understand this risk. And to me, that's what's going to change us as a company for the better. We were committed to implementing a safety management system several years ago, when the recommended practice came out. I

think we're going to not only accelerate our efforts in that regard but I think we are going to implement it with a whole new level of understanding.

Q. Okay.

A. And I think we're going to implement it with a very strong focus on probabilistic risk analysis and really thinking about risk in a different way. Making sure that we appropriately understand not only the frequency but the consequence.

Q. Thank you. Yeah. So -- and I appreciate your answer on that. What is your safety goal for NiSource in terms of what you in your position, senior vice president, see as an acceptable number -- say, per year -- of incidents or injuries or fatalities? Whether they be employees, contractors, customers, public.

A. Well, we have a goal to perform in the top decile of our industry when it comes to OSHA, DART, preventable incidents. And, you know, the traditional answer is, you know, zero is the only acceptable answer. I mean, you want to do no harm. You don't want to hurt people. My goal for NiSource is to really create a culture that supports a very, very high level of performance and trust and sharing and learning. But you need to pair that with an understanding that people, process and assets -- none of that is perfect, and it's never going to be. And people do make mistakes. So, the goal is zero fatalities because you have to create the ability and the capability to fail safely. So, my goal for NiSource realistically is not to say we're never going to have a

cut finger or bee sting or a sprained ankle. My goal is that we design processes both employee safety and public safety that when things go wrong -- when a failure does occur - -

Q. Uh-huh.

A. -- we fail safe and we recover. So that all it is is a cut finger and not a lost finger. And I think it's really important to integrate that thinking into personal safety and into safety management. Because as soon as you think that nothing will ever go wrong, you know, you're going to end up becoming a great company that still has a fatality. So, you really need to look at your assets and your programs and your processes from a perspective of when everything does go wrong how do we fail safely.

And it's kind of like, you know, wearing a harness for fall protection. You're wearing it because you're going to fall eventually. And then it's going to catch you and you're going to be okay. You're not wearing it because people are perfect and they're never going to fall. You know, what I tell folks is if people were perfect and machines were perfect we wouldn't have airbags or seatbelts because there would be no accidents. But we know that's not reality. So --

Q. Thank you. Does the risk assessment folks -- do they fall under your supervision?

A. They --

Q. Or are they a different part of the company?

A. Depends on the way you define risk assessment. My folks do some of that and they have some of that expertise. But we're also developing in our SMS organization, in our engineering organization, asset managers for all of our assets and asset groups. And then we're also really strengthening our -- I'd say our risk engineers, in terms of probabilistic risk analysis and training. And we've got a partnership with Westinghouse and some of their resources that have supported the nuclear industry. So, that part of the organization, I think, has a lot of our folks who are going to be focused in and around pipeline safety and pipeline risk. And then we also have a broader risk organization that covers all aspects of risk -- cyber, financial, what have you.

Q. Okay. So, what I hear is some do work under your supervision and some don't.

A. Correct.

Q. Okay. Thank you. And just a couple of questions on the Barometer survey that you mentioned. And you mentioned that you're looking for ratings of 50 percent or better compared to the other companies that there's -- I believe you said 800 other companies that take it, and that you're given the results that way in terms of where you fall compared to --

A. Let me correct that, if I gave you that impression.

Q. Okay.

A. I was trying to explain the measurement and the perspective on the measurement. But our goal is really to move ourselves into

that top decile and to stay there. We want to be -- we want to rate and score that in the top 10 percent in that universe of 800 companies. So we've moved ourselves into -- it was 91 percent, 92 percent this year, and we want to maintain that. And given that, we're still going to work our lowest rated questions year in and year out, and work them either at the state level or even the local level, depending on the feedback.

Q. Okay. Thank you.

A. Yeah, so our --

Q. That's helpful.

A. -- stated goal is to be in the top 10 percent.

Q. Thank you. That's helpful. But that's all comparative with these 800 companies. Do you have any minimum baseline on the questions in terms of what you and your company determine to be an acceptable level or unacceptable level? Or is it all simply compared to other companies?

A. We have not set specific targets per question. But we do look at not only the comparative ranking, but we can see the percent agree, disagree or neutral for each question.

Q. Within NiSource?

A. Within NiSource, yeah. So, we've done a couple different things. You know, one every year post-survey each area will do a meeting and a debrief with the National Safety Council to understand the results, and to look at their lowest rated questions and create some action plans around those. They'll also

look at those six main categories I talked about, and try to understand changes in those or the comparative strength of those and what it may or may not mean culture-wise.

And then we've also created a couple different indexes that we track, which are subsets of questions. One is an index around risk tolerance, and one is another index around just culture. And then we're actively working with the National Safety Council to really understand, based on our past lagging indicators --

Q. Uh-huh.

A. -- which of their questions strongly correlate to sustained performance. So, we're taking those subset of questions, and I mentioned earlier we're starting to do local interviews and observations. We're integrating those in to our observations and to our interviews, so that we can really establish cultural leadership development and improvement plans at the local level.

Q. Okay.

A. So, that's the way we use that survey in detail.

Q. Thank you. And final question on the survey. Those are NiSource employees that take the survey?

A. Yes.

Q. Do you ever include --

A. That --

Q. -- your contractors?

A. Yeah. I just want to be specific.

Q. Yeah.

A. It's all our field employees. So, it's the Columbia Gas of Massachusetts, and all of NiSource and all of corporate. So, it's really every employee that works under the NiSource umbrella.
Q. Uh-huh.
A. We have begun to encourage our contractors -- and like many things, we require them to do some aspect of qualification and safety and communication. We encourage them on utilizing National Safety Council survey. We encourage them on inclusion and diversity. But there's sets of things that we have not yet mandated, versus things that we essentially give them credit for, so to speak.
Q. Uh-huh.
A. And we also use a service that tracks contractor performance. And we grade every one of our contractors on safety. And it's not just their lagging indicators and performance but it's their safety programs. There's a whole questionnaire that they use. It's called ISNetworld, is the service we use. And it's a whole database of contractor performance. And should a contractor fall below the required rating, we will take a few different actions. If they're not a current contractor, we won't include them in our bidding process and acquire their services. If they're a current contractor and we have a good history with them, we'll work with them on specific improvement plans. And then some cases they have a great safety record with us but they may have had an incident in another state or a fatality. And that will change the rating, and

we'll call them in and say how do you -- how are you going to prevent that from ever happening again, and how do we know it's not going to happen here. So, we have a pretty active management program and, I think, insight into each contractor's safety performance. Not just what we observe and what we see on the ground, but also how they are performing outside of us and the rest of the industry.

Q. So, for your contractors who -- is it fair to say that they're sort of boots on the ground in terms of doing some of the activities that need to be done? You have this resource that has already rated them in terms of their safety for the work they've done, even in other companies. Is that what I'm hearing? And you use that before you hire them as a contractor for a particular job.

A. We do. But we also -- we -- again, this is administered at the supply chain level, that particular component. So, we use it before we hire them. We also look at it quarterly. So, it's an ongoing evaluation. It's not you're in and we stop looking. So, we're always monitoring their safety performance. And then, you know, internal on the ground every safety policy, every safety communication -- they have access to, you know, all of our lessons learned. Our stop work authority document is handed to them just like they're an employee. They can stop work.

Q. Do they receive training on that?

A. The document itself is a one-pager, and most of them have,

kind of, stop work authorities built in. So, I wouldn't say they receive specific training on how to stop work. I think it's a communication and a validation they receive that.

Q. Okay. It is validated that they received it and understand it?

A. Yeah.

MS. GARCIA: Okay. Thank you.

MR. MONTE: Uh-huh.

MS. GARCIA: Steve?

BY DR. JENNER:

Q. Yeah. This is Steve Jenner. Just a couple questions, just looking for a little more details. You had mentioned that you're a sponsor of SMS. And that is -- the safety management systems. And that's a concept that's relatively new in the industry. What mechanisms do you use to get yourself up to speed so you're in a position to instruct others?

A. Well, we're in the process of really deploying and building safety management systems around the recommended practice 1173. So, I've been engaged in many ways from helping to develop our policy to helping to draft portions of our standard. I provided input into our overall risk model, risk matrix. We work -- I work and kind of interface with senior leadership, with our board quite frequently. So, I engage a lot in kind of developing those updates and really the understanding and explanation of what it is and how we're going to deploy it, what it means and how it's going

to change us. So, was participating in the effort to partner with Westinghouse, kind of coordinated and led a whole kind of risk workshop around PRA for them.

And as we've started to deploy it, and we really began a couple years back, you know, it's that mix of understanding, you know, the 10 elements and how we currently perform against those. And our initial gap analysis when we first did it in Virginia -- I think it was about a 58 percent agreement. Okay. And then we identified those gaps, and we've been working to close those in terms of procedures and improvement. But, I think it's also an understanding of the culture that's needed to make it work. Since the other piece is how do we foster that just culture and really how do we simplify it for field employees.

And the key is we're trying to get it down to really simply if you see something you need to tell us, and it's okay. And you know, we really want to encourage open reporting and knowledge and understanding of risks, and then we'll follow up. And we'll circle back to you and we'll explain it. Not every risk is going to be significant. But some will be. And it's really how do you get that constant positive reinforcement occurring on this open reporting and risk identification. And then the outflow of actions to mitigate it. And we're actually investing in a tool called DevonWay, which has been used by the industry to implement SMS that we think is really going to help facilitate a lot of that information flow and those follow-up actions.

Q. Yeah. I was --
A. I'm sorry if I didn't get to your question.
Q. Right. It's sort of an involved area. There are many components to safety management systems. So, I'm just curious how you get educated on it in the first place, so that you're later in a position to help run the program. Does the industry provide you with training.
A. Yeah.
Q. Things like that.
A. So, we were one of 12 companies that were the initial participants in the AGA's SMS -- I don't want to say pilot program, but essentially it's a working group of companies that are committed to adopting SMS. And they meet regularly, and we share information and really talk about our progress and kind of lessons learned. And again, we began a couple of years ago with commitments in Virginia and Indiana to implement SMS, knowing that we fully intended to implement one for all of NiSource.

We've also brought in outside experts. And we're forming a -- and it's actually in the information you have -- we're forming a quality review board of folks from airline, nuclear, electric industry -- individuals who have experience in implementing a safety management system. We're also fortunate that some of our board members have backgrounds and experience in these as well. We've had Captain Cox come in and talk to us and talk to the Board, and talk about the airline experience in safety management

systems. And I've also read the standard, which takes a little commitment. That's another way of trying to educate myself.

Q. And a lot of coffee.

A. Yeah.

Q. Okay. Thank you. Another area you touched on was on lessons learned and getting to the root cause, I guess, of incidents that occur. If you could just walk us through that process. It sounded like it was a monthly meeting.

A. Yes.

Q. If you could walk us through the process of what you do and what your goals are and what the product is after these lessons learned exercises, how it's communicated.

A. Sure. So, for any type of loss event -- and really this speaks a lot to employee safety. It's also applicable to, you know, a pipeline safety event -- you know, we have a notification system and a requirement for as soon as possible -- as soon as safely possible notification of your leader and a short description of the event. And then that goes out over our loss event system, via email. And every leader in that chain, and often quite beyond, receives that initial notification of a loss.

Following that, within several days -- and it really depends on the complexity of the event and availability of the employee, if they were injured or had to go home -- they'll conduct a local investigation. And again, depending on the level of the incident, you may do an apparent cause for something that is, you know,

relatively simple. You know, a sprained shoulder, you know, backed into a mailbox. You know, to -- and say apparent cause. It will still be causal, what were the contributing factors, you know, what are all the -- you know, what's the history of the employee and performance and situation and the work.

But for more detailed situations, we'll also do a full-blown root cause analysis. And we've actually trained a subset of employees -- I believe it was -- I may not get this name right. Think Reliability -- it was one of the four or five main root cause models. So, we actually trained employees. We have internal experts that can pull together, perform that, and pull together a team, form it up. And then all of this really gets factored into what are we going to bring to the table in our lessons learned review call. And we actually have different vice presidents from various parts of operations lead those calls, and they kind of rotate through. And it will go through a description of the event and, you know, a discussion of the employee or the individual or the current status and how is everyone doing. And then a discussion and dialogue around what can be done to prevent. And a lot of that work is done up front, but sometimes there's insights that occur on those calls that we then factor into those materials and then share across the organization.

Q. So, once it's shared across the organization is there, like, some type of recommendations or -- about what changes can be made to help prevent it?

A. Yes. And I think it really depends on the level of -- level and type of action. So, you know, some of it is going to be risk identification awareness, behavioral coaching. But sometimes it -- these recommendations could result in operational notice that then follows a procedural change, there's improvement that can be made there. And that's how they would be integrated at that point.

Q. Okay. Would an example of this process be for -- if an contractor is doing excavation work and there's an injury there, would that undergo the same level of lessons learned and root cause?

A. Similar but different inasmuch as the contractor is required to perform the reporting and the analysis and the evaluation. And then we get all that information. And again, we are -- we could be the judge of the quality of that, and then we could require further action from them.

Q. Okay. And how long does that process take? I understand it's once a month, but -- so, you start off with certain meetings and some type of report may be developed. What's the time line before that gets completed?

A. Again, it does vary based on the availability of information and being able to talk to the employee. But often, it's a matter of days.

Q. Uh-huh.

A. And often, if an event occurs that leader is on that site

that day. But again, not to be misleading - you know, if it's the late shift and, you know, the employee, you know, tweaks something and they say oh, that's okay --

Q. Sure.

A. -- and then a week later they have a problem and say hey, I told you that this hurt a little bit but now it turned into something and I didn't think it was anything, and so --

Q. Sure.

A. -- it can be several weeks.

Q. Are you satisfied with how the process is? Or have you suggested change in how you approach evaluations of these incidents and how it's communicated?

A. Yes. But you can always do better. And since I've been in this role, I think what my team and I have been working on -- and I do think it's just a normal evolution of safety performance, and we've been on this journey for, I think -- a really focused journey of 10 years, to -- and we've moved ourselves from third and fourth quartile performers into first quartile and even top decile in some states. But you kind of begin with a mentality of you're going to stop everything.

And again, as we started to mature as an organization the past several years, you know, we've started to have, I think, better insight into we can spend, you know, a half hour talking about this bee sting -- which was a loss event and OSHA recordable, or we can spend a half hour talking about the person

with the medical condition who drove through our work zone at 50 miles an hour and did nothing but, you know, hit a truck. Right. That was a near miss, but really we should apportion more time to that event because it had the potential for much more harm.

So, I think that's a way we've been evolving and improving. And then I think the other opportunity we have to improve that particular process is going to come a little bit with safety management systems and the tools we're going to deploy -- DevonWay, observation way. We communicate out our lessons learned. This will allow us to get to the next level of formality in which we had an issue with a particular job on the plant side, and I know that of the three of you you two work plant and I know that you need to have this information and confirm that you've read it and signed off on it within a week. Versus, you know, I Tom to hear about it but he doesn't really work in that area. So, I think we can get to that next level of formality and performance with some better systems and tools, to really track the timelines, the cycle of those communications.

DR. JENNER: Okay. My other questions have been asked. So, thank you very much. I'll go to Roger.

DR. HOEPF: Roger? You still on, or did we --

MR. EVANS: Yeah, this is --

DR. HOEPF: -- lose you in teleland?

MR. EVANS: Yeah, this Roger. Yeah. This is Roger Evans. The first question I have has to do with your involvement with

1173. I was wondering when -- actually, a month and a year, that your actual, you know, kind of like not review but action type work related to 1173 started.

DR. JENNER: Can you hear him okay? Is that a little bit quiet?

DR. HOEPF: Roger, I don't know if there's anything you can do to turn up or shout into your phone. But it's a little bit quiet here. I don't -- I'll let Dave -- if you were able to hear that, and I'll let you respond or --

MR. MONTE: Yeah. Roger, as I understood your question it was when did we begin working on RP 1173.

BY MR. EVANS:

Q. Yes. Actually, I was looking for your own personal involvement, when you started working on 1173 as far as it being something that, you know, your company was going to follow. It came out in 2015, endorsed by the NTSB, written by API. You know, we had some cold shoulders, I guess, when we first got it out there. But people started warming up to it. Just wondering when in your corporation your own involvement -- that you actually started working on implementing 1173.

A. Yes. So, I'll try to parallel that with kind of the organizational exposure in mind. And we as an organization operate in Virginia -- Columbia Gas of Virginia had a long-standing relationship with the pipeline safety chief there, Massoud Tahamtani. And he was one of the authors, architects, you

know, worked on developing that recommended practice. So, even as it was being developed, Massoud being the strong advocate he is for safety was really talking to us about the value of safety management systems. So, I think our engagement in some ways began, you know, even before the practice was published.

And I had the opportunity -- and forgive me, I do not recall the actual date but it was before SMS was published -- to speak at Virginia pipeline safety team's annual safety conference. And at that conference, we actually talked about safety management systems and it was really the cornerstone of the discussion that Massoud wanted to lead in and around that, you know, it needs to be more than just the rules. It needs to be the safety culture. So, that's probably my first, I guess, personal recollection of engagement and understanding of what that recommended practice was going to be

And I had the opportunity, you know, subsequent to that to again read the drafts, kind of understand, you know, the elements that were in 1173. And I think it was very clear to NiSource and to us that we were going to be early adopters. Not only because of the interest of our regulators but I think we understood the value of SMS and, you know, frankly understood what it did for other industries.

And as much as we have improved damage prevention and emergency response and pipeline safety and personal safety, if you really track at the industry level our events, they're pretty

consistent. And despite the industry advances in safety, those events haven't changed. And I think that was kind of a similar pattern in other industries. So, I think we understood the value in SMS and what it could bring, and that it would help us really move to that next level.

So, again, my involvement, I think, began pretty early on, was aware of SMS as it moved forward in terms of draft, becoming a recommended practice. We began talking to our board about it very soon after it was published. Talked to them about, you know, the timeline, you know, the events that really led up to it in terms of Enbridge and San Bruno and really the industry's recommendation to move forward with this. And then we just really progressed from there. I think we've remained an advocate and very engaged, and we're going to continue to do so. We think it's very important for us. We think it's very important for the industry overall.

Q. I guess, though, my main question is were you actively involved with implementation of 1173 in the year 2018.

A. I was, to various degrees. Yes.

Q. Okay. Okay.

A. I, I --

Q. Go ahead.

A. Oh, just briefly, Roger, I was a supporting sponsor. Again, I routinely engage and report to the board on our progress in terms of deploying 1173. You know, my team is also challenged

with how do we integrate it eventually into all aspects of safety -- environmental, our electric center business, electric assets, public safety, you know, needs to really be integrated across all of that. So, SMS -- while it's written for pipeline, for us to deploy it successfully we need to leverage it for all of our safety.

And then, you know, post the event in Merrimack Valley, with a lot of individuals engaged in the restoration, you know, I took on several additional responsibilities, you know, and one was to, you know, begin helping the organization think about an accelerated path towards the implementation of SMS. And again, we were committed and we were working on a path to really move through state by state, and post-event we took a step back and said, you know, we really need to accelerate and really run all of this work in parallel. And again, the thing that we immediately began to work on as part of SMS was a focus on probabilistic risk analysis and a complete asset review. So, that's kind of what we began to set up the final months of '18 for the work we're doing now.

Q. Okay. I want to just go back to something you stated. You said that there was a gap analysis done in Virginia and I guess -- I'm going to take that -- I'm going to describe what I think that is, and you can tell me if I'm wrong or not. So, you must have compared the systems and procedures and policies in place that you have at Virginia. You looked at that and compared it to the 10

points within the 1173 and came up with a number that says we are 58 percent compliant with how 1173 is written. Is that a fair assessment?

A. It is. And to provide a little more detail, we used a third party to work through that gap analysis of the 10 elements. And then within those 10 elements -- and again, I -- forgive me, I'm not going to get this number exactly right -- but I think there was over 1,000, you know, discrete areas that were evaluated. And internal to the company, there was discussions and interviews conducted with really all applicable functions, from compliance to operations to internal audit to training, against all of those elements. And really, that's how those gaps were identified and produced.

Q. Okay. So, you did a gap analysis there. 58 percent compliant. How about -- did you do such an analysis at other locations, other operating companies, and particularly did you do one at Merrimack?

A. My -- the -- to the best of my knowledge, because we were at the time planning for a sequential deployment through our states, we completed one in Virginia and Indiana, and I think we performed a generic gap analysis kind of at the gas segment level. But I do not believe we have -- at that time, we had not completed a gap analysis for every discrete state. And part of the work we were doing, because we have several centralized functions, we knew we were closing gaps because we had a standardized process for

training for, you know, work planning or for auditing.

So, we knew the work that we were doing in Virginia was going to leverage across all the states, but not necessarily was complete. So, we always had planned to do a full gap analysis on all the other states. I do not believe we did a discrete one for Massachusetts, to the best of my understanding, yet.

Q. Is a gap analysis scheduled for Merrimack?

A. I believe we are planning to do -- perform one for Columbia Gas of Massachusetts. I do not have knowledge of that schedule specifically. I would defer that --

Q. Okay.

A. -- defer that question to Jim Roberts, who you will be interviewing later.

Q. Okay. Thank you. As far as the teen elements within the 1173 standards, of representative practice, are there specific areas that you had decided to roll out first? There's management chains, there's operational controls, there's safe work practices, you know, all these types of elements within the standard. Had you homed in on a specific -- you know, we're going to get, perhaps, safe work practices across all of our entities. Then we're going to do this next. Is that how you're going to be doing it, or are you going to be doing 1173 as a whole at each location? Or do you know?

A. Yeah. I would -- I'll comment to my knowledge, but I'd prefer that Jim give you a more complete and detailed answer. My

understanding is we were, you know, really intending to work all the 10 elements and close all the gaps, understanding that, obviously, we performed better in certain areas than others. But the one area that I think is obvious to me that we are accelerating for a variety of reasons -- probably the primary one being the work we're doing with you all -- is management of change, with regard to our procedures. So, I think the natural outcome of our response to the urgent recommendations, that one will be accelerated. But I would ask that Jim speak to the detailed schedule behind all 10 elements and the individual states.

Q. Okay. Well, you picked a good one. That's a great starting point for any organization, I think. So, one of the things I want to just discuss briefly with you is, you know, I'm looking at a sketch that I have prepared for my -- I'm writing a report based on this case, and one of the things -- I'm looking at this sketch as I'm listening to you speak, and I respect your knowledge. I respect what I heard thus far with your safety program.

But, you know, sensing lines and incidents related to sensing lines are not foreign to the industry. These have happened before. In fact, you folks have had situations where you have placed technicians with radios when work was going on that could impact, you know, this type of situation. And that to me would be a safe work practice. Although not -- we haven't found out conditions support that, you know, that was some sort of maybe a

nondocumented safe work practice.

And when I listen to your discussion about safety, I look at it from a standpoint -- and this is my own opinion, I look at it from a standpoint of slips, drips and falls, distracted driving, speed -- you know, people speeding, people just doing unsafe acts. I don't hear the phrase in there that says I'm looking at this from a risk assessment point of view and the process. I look at this sketch, and I say yeah, if I close that valve it's very easy to me -- for me to see I'm going to have -- I'm going to create a problem by closing that valve. And that's very easy for someone who is familiar with this business to see, that, you know, a review of this prior to putting this out on the street, that was done in a -- you know, in a very detailed fashion -- you know, we don't have the facts yet.

And, you know, I heard you talk a lot about safety culture. I heard you talk a lot about safety. But I didn't hear anything at all with regard to, you know, list analysis process, you know, looking at the risk of sensing lines and other -- in other companies. Because there have been several accidents like this. It's kind of like, okay, you have a great safety program but what are -- what in your program should have been there to prevent this from happening. The review process -- if there was a review, you know, of -- it's just -- it's not very thorough as far as what we've found thus far. We haven't found all the documents but, I mean, what in your program and in your safety culture -- you know,

what was the prevention that you felt as though you had in place to ever prevent something like this from happening?

A. When I think about that, at a very, I guess, tactical engineering level, I think, you know, the actions, you know, we've taken, you know, subsequent kind of speak to that. And one is enhancing system knowledge in and around assets. I think the other, you know, key component of that is, you know, the enhancements made to, you know, the engineering and construction -- constructability reviews. And then I also believe, you know, the management of change process and overview that we're going to go through in and around configuration control and identification of key risks are all important factors.

That's not to say that I don't believe we managed risks or understood, you know, the nature of our business as we were, you know, changing configurations of systems. But I think the industry overall perhaps got used to managing its work. And again, I think, you know, applying a discipline of management of change and understanding when configuration changes need to be elevated and perhaps, you know, additional controls and processes built around them are all things that are going to help us improve upon our processes and avoid this tragic event.

You also spoke to risk management. And I tried to touch upon this earlier, and that I think we're going to approach risk management implementation of SMS, I think, with, you know, our eyes kind of opened up in a different way. We have a lot of risk

programs established in the industry -- DIMP, TIMP, you know, active damage prevention programs. And those programs do a lot of good things. But in many ways, they are focused, and we were encouraged to develop them such that they were data driven by the events that occurred. You know, DIMP is, I think, very responsive to leaks and damages, and really elevates, you know, the threats and, you know, the actions to prevent are built around those.

Where the deployment of DIMP, I think, can be improved upon by us in the industry is that low frequency event that could be high consequence. And I think that's the component -- maturity component that we are going to build into our SMS processes, is not just looking at what has occurred but developing more sophisticated models and more predictive models around what could occur and what the potential consequence could be. I hope that answered your question.

Q. Yeah, that's fine. I have one last question. And I don't mean to, I guess, be harsh. I just want to know the answer to this. The constructability review process is probably one of the most important pieces of any organization that deals with hazardous commodities. I mean, you have to know what you're doing when you do your constructability analysis because that review process is kind of like your gap closer. And you have to have that gap closed before that goes to construction. My question is this. In all of your 29 years at NiSource, did your safety department ever review and comment on the constructability

process?
A. I'm pausing because I'm trying to think of an example. Because the safety department engages in every, you know, type of loss event. They're going to engage in a review of those policies and procedures. And I know that we have improved upon and developed that constructability review process and our detailed tie-in plans over time. And a lot of that improvement occurred in the early 2000s, as we were really advancing our modernization programs and increasing the work that we were doing in the field. But I --
Q. Okay.
A. -- I cannot --
Q. That's --
A. -- I cannot speak to a specific example to answer that question at this time.
Q. Okay. Just one last question about constructability. At other locations, are there situations where safety -- someone from safety is required to be at a constructability review? And maybe not at Columbia Gas of Massachusetts, but at other locations. Is that something that is a requirement, that you have a safety presence when the review is completed. And signed off by a safety person.
A. Well, and this may touch on your previous question. Safety does review procedural changes. And they're part of the subject matter expert group that would basically look at procedure changes

that come through. And I think it also -- my safety team -- my safety consultants focused -- are focused primarily on employee safety and industrial safety. So they would not --

Q. Right.

A. -- be required to sign off on constructability reviews. I believe there would be other -- you know, other resources involved perhaps on the pipeline safety side in various aspects of review. But I would not say they are required to sign off on all constructability reviews for all projects. For certain --

Q. Okay.

A. -- projects at a certain level --

Q. Thank you very --

A. I'm sorry.

DR. HOEPF: Are you done?

MR. MONTE: I was going to say --

MR. EVANS: No, that's okay. Just one -- I'm fine with your answer. That's great. That's all my questions. Thank you.

MR. MONTE: Okay.

DR. HOEPF: If you have more to say and want to finish the answer, you may.

MR. MONTE: I was just going to say --

MR. EVANS: Yes.

MR. MONTE: -- at certain projects and at different levels, safety, environmental are kind of elevated and are brought in, again, based on complexity. So, I did not want to represent that

they are excluded or not a part of that conversation.

MR. EVANS: Okay. Thank you. That's all I had.

DR. HOEPF: Thanks, Roger.

DR. HOEPF: This has been -- this is an incredibly robust rich conversation. I appreciate it. I need a 5 minute break. So, I'm sorry, I'm going to have to -- Roger, we'll be back in 5 minutes. I'm just going to leave the line open. Okay.

MR. EVANS: Okay.

(Off the record.)

(On the record.)

DR. HOEPF: Okay. And we are back on the record. Okay. Okay.

BY DR. HOEPF:

Q. So, Dave, we talked about the SMS implementation and I think I heard you say that -- and please correct me if I'm wrong here, but my understanding of that was that you had actually started SMS implementation at NiSource in 2018, and then there was a discussion to sort of accelerate the path of that SMS. Is that an accurate characterization?

A. Yes, although I -- again, I would defer this to Jim. I believe we actually began the work before 2018.

Q. Okay. Okay. I got you. And so I understand -- we'll get into -- we'll talk to Jim, you know, about sort of -- more of the specifics. I understand, you know, you're kind of more of the organizational leadership level, probably more macro level, these

sorts of things. So, we'll try to stick to, you know, just what's in your purview and what you're comfortable with. Just -- so, just in general, how far is the implementation? I mean, if we went from zero to -- and obviously, you know, you never reach 100 percent with safety. It's always an ongoing improvement kind of thing. But, you know, how far along are you to getting to just to, say, kind of a reasonable baseline level?

A. For SMS implementation?

Q. Yes.

A. You know, for me that's hard --

Q. Okay.

A. -- to give you a number. I think we've done a significant amount of work. I think we're going to do a significant more amount of work. But when I think about SMS and the implementation, I think about it in several ways. And one is just kind of the pure compliance gap analysis and completion against the 10 elements themselves. And I think that's one level of saying you've implemented an SMS. I think there's a whole other level in and around all the processes that need to be built and matured.

And you know, we're in the, you know, the process now of establishing a risk register, our tools. You know, we're creating a state-based risk table that's going to flow into a NiSource level risk table. And I believe the majority of our processes and, I think, supporting software and tools will be in place this

year. And then I think, you know, there's the whole culture aspect, which you really need to create the right environment to drive your SMS to maturity.

So, I'm not trying to not answer your question. It's just very hard for me to kind of give a percentage on kind of those three different levels. I believe that by year-end we will have the processes and the machinery of SMS in place.

Q. Uh-huh.

A. I would say we would have a lot of our gaps improved upon, if not closed, and then I think, you know, we're going to continue to really work that culture to the level where it becomes high performing. And again, I think we have a really advantageous jumping off point with our current safety culture. Because, you know, I talk to folks and I'm like it's not different. There's not a different SMS or a pipeline safety culture or a personal safety culture. It's safety culture. It's just, you know, how do we apply it.

Q. Okay. Okay. And, yeah, so we'll kind of talk through some of these different issues here. So, this is going to sound kind of like a stupid question, but does Columbia Gas of Massachusetts have a separate SMS?

A. No. I believe we're going to have an SMS approach that establishes NiSource level processes. I think they will have discrete resources.

Q. Okay.

A. We're going to have a director of safety compliance and SMS established in each state. We talked about the fact that each state will have its own risk register and its own table, so to speak, that really develops and supports and promotes the identification of those risks. I think they will also, then, roll up at the NiSource level so you can have an enterprise view as well as a state view. But those tools -- those processes, the overall standard is going to be applied to all seven states. So, inasmuch as that, I think it's a NiSource level -- but, then also, yes, Massachusetts will have their discrete set of risks and talent and resources to support under the umbrella of one approach.

Q. Okay. Okay. I got you. I got you. So, there is -- there are -- is some -- so, for example, Columbia Gas of Massachusetts, even though they're going to be under the wider umbrella of NiSource's safety management system, they're at a local level going to be managing safety sort of independently? I mean, help me to understand how does that work? You know, so what guidance -- what -- you know, how is information about safety communicated from NiSource to -- and I'll just stick with Columbia Gas of Massachusetts, since that's sort of the relevant subsidiary organization here. You know -- and feel free to also comment prior to incident September, after incident September. You know, what is NiSource communicating about this, you know, new SMS to Columbia Gas of Massachusetts? What information are you sharing?

What information are they feeding back up? Is there other changes to those communications? Is that too broad?

A. Well, we have a project management office and a team really focused on the build. So, I think there's a lot of communications that are going to be established and developed that are being shared around how to build what an SMS is and have people understand what it is, how it works, and what they need to do. When you think about -- to me, when I think about the communications that have to occur, yes, there's top down but there also has to be bottom up. NiSource can't see the risks in the field specific to assets, you know, that were installed over the past 50 years. Employees can see that. So, I think you have to have that very appropriate mix of dialogue occurring at the front line moving up through leadership to the state table, as well as NiSource looking at things from an enterprise risk and asking the right questions and providing the right resources. And then again, you know, leadership messages and communications need to be reinforced, you know, consistently across the organization to really get that flow of information from the field -- from the front line up through.

Q. Uh-huh. Uh-huh. Yeah. I appreciate it. And I understand it's a broad question. So, you're doing a great job of, you know, trying to answer my generic questions here. So, yeah, I mean, really -- so, what we're really kind of trying to get a grasp on is, you know, how is NiSource providing safety oversight for

Columbia Gas of Massachusetts. How -- you know, what specifically are -- does -- is NiSource -- you know, from headquarters, you know, obviously you can't be sitting your desk reviewing every work packet that's done personally. But, you know, what are you seeking as the core safety oversight responsibilities and how do you go about executing that?

A. Again, I think that's a mix of -- when we talk about NiSource, you know, we're going to have individual state scorecards. And we have quarterly business reviews. So, I think there's a lot of opportunity for the broader NiSource organization and team to review and measure and look at our performance metrics both personal contractor and public safety. And again, those metrics are visible to our board of directors, and they flow up to our environmental, safety and sustainability committee. But at the same time, those metrics need to be managed by the local state team, by the president, by the vice president of operations, by the director of safety compliance and SMS at the state level as well. So, I'm not sure I'm answering your question.

Q. No, no. You --

A. There's a lot of visibility to performance --

Q. Yeah. Uh-huh.

A. -- but I think it's important that the accountability is also local with the folks who have the best information and the ability and the resources to manage.

Q. Right. Right. Yeah, so, maybe it will help, too, to just

talk about just some sort of examples of things that you might do for oversight. So, for example, does somebody from NiSource do some sort of auditing for Columbia Gas of Massachusetts? Maybe not you personally but, you know, one of your subordinates to you say, okay, it's time for the monthly review of, you know, Columbia Gas of Massachusetts and we're going to go in there and audit their safety practices or something like that. Do you have some sort of formalized auditing procedure?

A. We do. And I think that occurs in several different venues and several different resources. So, we have an internal audit group that will, you know, routinely audit, you know, key processes really at the corporate and the local level. You know, we perform, you know, facility audits against OSHA and environmental and compliance. We -- you know, the safety organization and the environment organization to some degree will perform some level of observations and audits. We also have field observations that can be performed, again, by different levels in the organization, from line leadership and front line leadership to the safety organization to the environmental coordinator.

We also have a team that does QA/QC. So, we actually have folks whose job is to go out and kind of observe our folks performing in the field. And what they try to do is collect kind of operational themes and areas where we need to strengthen procedures or we need to strengthen our training. Mark Chepke can provide a lot more detail into this. Part of our training program

and training philosophy is we kind of start here in the training center, and if you get a chance to kind of see how it works we teach somebody a task but then we also have the facilities to put that task into context, like in the form of a gas town, so you can kind of not only see how to install a service line but here's what it looks like when you do it out in the real world.

And then we have OJT coaches. And they also provide a form of kind of oversight and audit. And those OJT coaches will then take you, who have been trained to do a task, and say, all right, this can look 30 different ways, depending on if you're in a rural environment or a suburb or in the city or on a hill or in rock. And they will observe you doing this qualified task in a variety of different situations, and in that way we're trying to kind of accelerate that type of mastery. But that's another form of kind of observation, as is our OQ testing and our OQ hands-on testing and overall training. So, you know, when I think about audits I really see several different levels and a lot of different entry points to get that performance data out of the field.

Q. Uh-huh.

A. And again, as we strengthen and formalize our SMS processes I think all that data starts to feed in.

Q. Uh-huh. Uh-huh. Okay. Yeah. And so -- and, you know, that was going to be the other example I was going to talk about, is data. So, do you -- how do you feel about -- you know, talk about some of the data that you use in your position. So, let's say,

you know, you're looking at Columbia Gas of Massachusetts. What kind -- what safety performance data might you get? And also, does that tend to be NiSource collected data or is that generally mostly data that's reported from Columbia Gas of Massachusetts that's, you know, fed back up that's sort of analyzed at the NiSource headquarters level?

Again, if that's too broad just -- then I can clarify. But if you could just talk generally about, you know, what are the primary, you know, important metrics that you're looking at. How are those data -- you know, how are you getting that data and what are you doing with it?

A. Yeah. I think it all really originates, you know, out in the field. But, it would be looking at observation data and trends. It would be looking at audit results. Obviously, it's looking at your lagging indicators of your actual loss events and injuries, your near misses. You can look at also facility audits of -- and it's kind of an interesting thing. But attention to detail in a building or a facility often tells you something about safety culture, and kind of the level of performance. You know, we also have an individual that kind of replicates a pipeline safety audit that our state regulators would perform. And he kind of cycles throughout our different operating areas. So, I think all that information kind of feeds into, you know, performance level -- as well as a lot of the -- you know, the surveys and the cultural information --

Q. Uh-huh.
A. -- that we get. And then also, you know, a lot of good information comes in on the comments on the surveys.
Q. Uh-huh.
A. And, you know, we pretty much read all of those. So --
Q. Got you. Got you. So, you've got the surveys. You've got a lot of observational data coming from the field, lagging indicators, you know, injury reports, that sort of thing. Do you -- how are you feeling about leading indicators? For example, do you have a close call policy -- or, a close call reporting system?
A. Yeah. So, we do have that. It really follows the same type of reporting system. You know, we typically call it near misses.
Q. Near misses. Okay.
A. We have, you know, established a reporting line. And, you know, we had existing reporting opportunities around ethics hotlines and things of that nature. We established a specific reporting tool as we piloted SMS in Virginia.
Q. Uh-huh.
A. We routinely encourage employees to, you know, again stop work, and we kind of pair that with, you know, report issues or concerns. So, that's in place. I -- again, I think that's an interesting item to measure as a leading indicator. And again, I think as you promote it and you build it, you know, in terms of culture you really see your numbers increase.
Q. Uh-huh. Uh-huh. So, have you gotten to the point where

you're looking at usage data of that -- of those close call reporting systems? Have you gotten to the point where you could -- you would know if there's been an increasing usage of those systems or a decreasing usage of those systems? Do you have any assessment of the health of those close call reporting systems?
A. We have seen the frequency of our near miss reporting increase over time. And with that, we also try to, you know, educate as to quality.
Q. Uh-huh.
A. You know, and the value of the near miss, and really try to highlight the ones that come at us. So, I do think it's an area that we have more opportunity to grow and develop, but we are starting to measure that.
Q. Okay. Okay. Then, last question about data. You've got -- you know, I think you said you -- most of the, sort of, the hard data you're getting is coming from the field, which -- so, I would sort of interpret that to mean that that's data that is the -- Columbia Gas of Massachusetts would be collecting that data and then reporting that to NiSource. Is that an accurate assessment?
A. Yeah. Through our various systems.
Q. Okay.
A. I guess the exception to that would be when we audit with NiSource level resources.
Q. Uh-huh.
A. You know, again, we don't really -- we don't distinguish that

company line so much.
Q. Okay. Okay.
A. Because we -- you know, if you're a centralized function you work for all of our companies. So, you know, the paycheck may say NiSource instead of Columbia Gas of, but we're still working for them.
Q. Right.
A. We're still part of that company.
Q. Right. Well, and that's -- yeah, and that's exactly kind of what I'm trying to get into is, you know -- so, when you sort of look at the engineering workflow, you know, process, you know, I understand obviously you're at a very high level and -- you know, so you're -- you are a vice president. So, we've got -- you know, underneath you are going to have a director of engineering, a manager of engineering, a leader of field engineering, a field engineer. You know, is there like a line that -- if I had to draw a line, or would that be just totally inappropriate to draw a line of NiSource to Columbia Gas of Massachusetts? So, your business card says NiSource. If I was talking to a leader field engineer, would they be NiSource or would they -- would their business card say Columbia Gas of Massachusetts? Or would that just be totally meaningless to differentiate those two?
A. A little bit more of the latter. I think it depends on the job function. If you're, you know, a core field engineer and your time is dedicated primarily to that state, you're going to be an

employee of that state.
Q. Uh-huh.
A. And a lot of this -- a lot of the -- where the paycheck comes from is almost based in kind of the regulatory rules and regulatory recovery.
Q. Uh-huh.
A. So, I literally do work for all the states.
Q. Uh-huh.
A. So, that's why I'm a NiSource employee and that's how my time is tracked and it's, you know, proportionally put to the states based on the work I do. When I, you know, led our Ohio organization I was an Ohio employee, as our VP of operations. But I also led Kentucky.
Q. Okay. Okay.
A. So, I -- in terms of a line, I don't perceive that someone in the field would say, okay, this stops and now all the sudden you're a different thing in my engineering organization, you're the engineering organization.
Q. Uh-huh.
A. Now, there are individuals who focus on policy and procedure, or they do kind of specialty design. And again, they're working for all the states. So, they're NiSource.
Q. Uh-huh.
A. But, again, I'm not sure if I'm answering your question.
Q. No, no. You're doing --

A. But I don't believe there's a --
Q. -- a great, you're doing a great job. That's really -- no, that's exactly what I was kind of trying to get. It seems like it would be a little bit arbitrary to say, you know, okay, well, now you're Columbia Gas of Massachusetts so now your data is from a different pool. It seems like it's all kind of -- you know, it's -- that doesn't really make sense to differentiate that line. So, you've answered my question there. So, kind of along those lines -- and I understand you're sort of removed from the engineering process, probably. Or, I should -- let me correct it. I mean, to what extent are you involved in the engineering work design process? Are you personally involved in the design of a -- or, maintenance of a system? I mean, are you personally involved in -- let's say you're going to do a piece of work, and it's going to cost $5 million. Do they need to consult you?
A. In my current role?
Q. Yes.
A. No.
Q. Okay.
A. In the past, when engineering had reported to me at a certain level of large project, I would engage as a vice president --
Q. Uh-huh.
A. -- in review of that project. It would really be at a -- depending on the level --
Q. Okay.

A. -- and the scope.
Q. Okay. So, would -- I guess what -- I don't want to ask you about something that's not really in your current job responsibilities. So, would it be a fair characterization to say that at your current role you're pretty far removed from approving the different engineering projects?
A. Yeah. My current role I do not approve engineering projects.
Q. Okay. Okay. Well, I won't go down that --
A. Or job orders.
Q. -- won't go down that path. So, I think one of the things that you said that was sort of interesting is you talk about, you know, this new SMS and the -- you know, one of the things you were kind of trying to -- that maybe kind of ties into this is Anne had asked you about what do you see as the gaps, maybe, that allowed that incident that happened in September to occur. And I thought it was interesting to said -- you said, and correct me if I'm wrong, we didn't identify the risk or maybe didn't appreciate the risk. And I'm just wondering if you could talk about at a high level how you're seeing, you know, maybe some improvements to your risk management process where, you know, maybe some improvements that you've made in terms of maybe some things in the past that you didn't do with risk assessments that, you know, you are trying to do now. Or am I totally misreading that characterization there?
A. I --

MR. TOBIN: Do you understand the question?
MR. MONTE: If I --
DR. HOEPF: If you don't understand the question --
MR. MONTE: -- I believe I do --
DR. HOEPF: -- I can rephrase.
MR. TOBIN: Go ahead and answer.
BY DR. HOEPF:
Q. Yeah, don't -- let me put you in an uncomfortable place, if you're not clear.
A. Yeah, I'll -- well, I'll answer it the way I understand it. If I'm off base --
Q. Okay.
A. -- let me know. So, I think the change to the risk methodology -- and again, I touched on this a little bit earlier, is, you know, measure of risk is frequency times consequence.
Q. Uh-huh.
A. And I think how we had really deployed that and been encouraged to deploy that was in and around events that had occurred. So, for us high frequency events, unfortunately, are corrosion related leaks, fitting related leaks, and damage related leaks, typically third party excavation. So, a lot of our risk related programs, rightly so, is around preventing those things from occurring. I think the maturity in our risk modeling and what comes next is not just looking at what has occurred but perhaps the probability that it could. And just because it's low

frequency doesn't mean that the related consequence may not elevate it to a point where we need to take different action. So, I think that is how our risk modeling will evolve.

Q. Uh-huh.

A. And I believe SMS and those processes, paired with the work we're doing that I mentioned earlier on asset reviews and probabilistic risk assessment I think will advance that thinking.

Q. Uh-huh. Uh-huh. Yeah. Yeah. And I kind of -- and it kind of ties into, you know, what we're talking about risk management. And not to get too much into the weeds, but, you know, you had talked about a risk register. And I'm just wondering if you could sort of talk about -- is the risk register -- is a risk register something that NiSource has always had, or is that a new development that's coming along with your SMS that you're currently developing?

A. I believe we've had risk registers for some time in the form of our DIMP and TIMP programs and then also with our modernization programs we have a tool that really evaluates pipe segment by pipe segment of older cast iron and bare steel pipe, evaluates them to help us compile and select and build projects as part of our modernization program.

Q. Uh-huh.

A. And so, I believe we've had risk registers for multiple years. I think the risk registers that we develop for SMS will include those risks, but I think they will be broader and more

robust.
Q. Uh-huh.
A. And you know, an example of that is DIMP doesn't cover, nor is it required to cover, CNG facilities. So, I think in that way the risk register will really be more comprehensive and that it will be inclusive of all assets and all risks.
Q. Uh-huh.
A. And then, you know, over time I believe the right thing to do is to expand that even beyond just pipeline assets.
Q. Uh-huh. Yeah. I think that makes a lot of sense to me. You know, I was reviewing some of the transcripts on -- you know, from the on-scene portion of the investigation. And one of the things I kind of wanted just to clarify a little bit, is it -- it seemed like there was some conversation past each other in terms of just some of the discussions about risk assessments. You know, people mentioned the DIMP and there was a discussion of Optimain. And my understanding of that, correct me if I'm wrong, is that is an effective program for managing the risk associated with integrity management, that sort of thing. But maybe these -- there's some room to go into also the area of managing other types of risk.

And so, for example, I'm wondering, you know -- and maybe -- and if you're not -- if you can't comment then don't. But would you be -- are you aware of, as far as a risk of an overpressurization event on a massive scale, is that something that currently exists on a risk register? Was it something that

had existed pre-incident on a risk register that, you know, you had plans to mitigate that risk in place? You know, like, where -- you know, where is that risk appreciated currently and in the past?

A. Yes. To the best of my knowledge, overpressurization on a large scale of a low pressure system to the best of my knowledge was not specifically on a risk register.

Q. Okay.

A. I think there is probably components of overpressurization that would typically have been captured --

Q. Uh-huh.

A. -- you know, in terms of, you know, equipment failure, valve leak-through, things of that nature. But, I do not have detailed knowledge of each specific risk register.

Q. Okay. Okay. I'm going to -- one more question, then I'm going to pass it off. How does NiSource promote a positive safety culture across your subsidiary organizations, such as Columbia Gas of Massachusetts? And you've probably already kind of commented on this.

A. Yeah. Yeah. And I'll try to think about ways perhaps where I haven't commented, or examples where I haven't shared.

Q. Uh-huh.

A. So, I do think it begins with kind of fostering, you know, that just culture. I also think it's about really making, you know, safety -- not just having something that says we want to be

an industry leader, but demonstrating that. And you know, our CEO, you know, for many earnings report outs would comment on our safety performance. When we have meetings, we lead with a safety moment or a meet safe moment. I think it's all the discussions and the examples that make safety important.

So when we have performance reviews or QBRs or we integrate, you know, safety goals into officer incentives and long-term incentives and things of that nature -- we have an executive safety council. I think all of those visible actions are supportive of the fact that safety is important. And again, I think if you can find a new employee here today that's been with us a couple weeks, you know, ask him that question -- is, you know, how does this company -- how does this feel different than other places you've worked. Usually the first thing out of their mouth is safety, you guys really focus on it more so than my previous company. Because the minute they walk in the door, we try to send that message loud and clear. So, I think there's -- I think I would do an injustice to be able to think of all the ways we try to promote safety throughout the organization.

DR. HOEPF: Okay. Thanks, Dave. Anne?

MS. GARCIA: Thank you.

BY MS. GARCIA:

Q. I basically just have a few clarifying questions, meaning you've covered the material before but I don't know that I really understood what you were saying.

A. Okay.
Q. Okay. So, the first one. Does engineering fall underneath you or not? Because you were just talking about that engineering doesn't fall --
A. Yeah. It currently does not. I've had the opportunity to do a lot of different things in my career, so I can speak to a lot of aspects of -- I've ran operations, I ran engineering construction.
Q. Right.
A. It was assigned to me for a period of time in 2018.
Q. Okay. My question came because your business card says --
A. Yes.
Q. -- engineering.
A. Yes.
Q. Okay. So, that -- we can cross the engineering part out.
A. You can. It's hard for me to keep my business card up with my title at times.
Q. Understood.
A. Yes.
Q. Okay. Thank you.
A. Yeah.
Q. You also mentioned that NiSource originally rolled out the 1173 SMS to your state organizations in a linear way versus parallel, and that you're now doing it in a parallel fashion for the states. Why was it originally rolled out linearly?
A. I think -- and again, I want to also appreciate Jim Roberts's

commentary on this, and Jim will have some good insights. I think there's a couple factors. You know, one, Virginia, as I mentioned before, as a state commission was very interested in us adopting it and rolling it out first.

Q. As a pilot.

A. As a pilot. So, it was kind of the natural starting point for us. I also believe we have a healthy appreciation that this isn't something you do in a month. You know, it takes time to build this, to do it right, to really create the right culture and one of the advantages we typically have is having, you know, multiple companies we can pilot and learn and then improve as we go and as we implement and roll out. And I think that was, you know, our original thinking, is that we need to build this and then we need to foster the culture and then we can learn and go to the next state and build upon it. And then, you know, obviously, you know, the event changed the need for that.

Q. Okay. Thank you. You've talked a lot about SMS, very eloquently. And I know you've been working on it for many years. I'd like to know what is your -- Dave Monte, what is your definition of a just culture?

A. My definition of a just culture is that when things go wrong we very fairly assess why and understand culpability. And then we apportion accountability where it should be. A just culture isn't the get out of jail free card where no one is ever at fault. But it's also putting accountability where it should lie. And if

folks understand how you approach when things go wrong -- even though there's times when, you know, it may be my fault and I may get in trouble -- but if folks understand it and they can depend on it they're going to trust you. And if they trust you they're going to tell you what's going on. And if I could only get one thing out of safety and SMS, that would be it. Because if you don't tell us what's going on we're never going to know and we can't improve. We can't get better as a company, and we can't learn.

Q. Thank you. And then one final question, which is kind of multiparts. You talked about measurement of risk is frequency times consequence. And that's for quantifying risk, and it's -- that's a fairly basic and widely used definition. So, what -- and I know you touched on this before. I just want to make sure I'm clear. What are your goals in terms of risk being frequency times consequence for fatalities? What's your goal quantified number?

A. Oh, it's zero.

Q. Okay. That's what I thought you had said.

A. Yeah.

Q. But for injuries it's not zero.

A. For fatalities it's zero. For -- we also have another measurement we track called SIF, serious injury or fatality.

Q. Uh-huh.

A. That's also zero.

Q. Okay.

A. And I describe that as any time someone gets injured to the point where they're not going to be the same again. We have a top decile goal for DART, days away restricted transferred.
Q. Uh-huh.
A. We have a top decile goal for OSHA recordable rate and for preventable vehicle collisions per mile. And we use AGA as the benchmark for that. And AGA -- American Gas Association -- basically collects data on all of gas companies and then also combo companies. So, we benchmark our gas only companies against the gas and we benchmark NIPSCO, our company in Indiana that's a combination, against gas and electric for the utility side. And then we basically wait and recombine that for a NiSource level metric. And then, when -- predominantly our office-based functions, their goals are zero. And they should be. They have essentially so much less risk exposure than everywhere else.

And then on the topic of SIF, we'll just share -- you know, this is a SIF prevention guide and we have kind of well-established, you know, lifesaving rules. And essentially, we don't really say it this way, but, you know, these are the things that can kill you. Right. And that's why they're called lifesaving rules.

And we basically say any time we violate one, we're going to respond as if the event occurred. And that's our goal and that's really our aspiration, because any time we don't follow this rule -- and again, applying a just culture, it can be an individual's

choice, it could be knowledge or training, it could be we haven't done the right things as an organization to provide the tools and the processes. But every time we don't follow this, we have the potential for someone to get severely injured or killed. So, we try to elevate, you know, these key actions as lifesaving rules, as do many other companies.

MS. GARCIA: Okay. Thank you.

MR. MONTE: Uh-huh. I don't need to put that over the phone.

DR. HOEPF: Oh.

MR. MONTE: Sorry, Roger. I covered you up with my document. I apologize.

MS. GARCIA: Steve?

DR. JENNER: I don't have any questions. Thank you.

DR. HOEPF: Roger, I don't know if you heard any of that. But any questions?

MR. EVANS: No questions for me. Thank you.

DR. HOEPF: Okay. I think we are just about at the end. I just have a couple of clarifying questions and concluding questions. And I think I pretty much -- I think we've pretty much covered the waterfront.

BY DR. HOEPF:

Q. So again, I've really -- you wouldn't think it by the length of this interview, but I've tried not to ask you about things that are not in your, you know, purview. But just kind of from the macro level, to help us understand kind of as we move forward

with, you know, the different engineering people and training people and things like that, is there a separate, like, system safety department? Or is that more something that would be integrated with the engineering department and, you know, the -- say, there was maybe a construction department and there would be a regulation department. You know, is there like a system -- is there a separate system safety department or is safety sort of integrated into those roles within those disciplines?

A. I don't know if it's a separate department per se. When I think about system safety or pipeline safety, primarily kind of falls into what would be the engineering group.

Q. Okay.

A. You know, and in that group you have folks who are compliance-based resources.

Q. Uh-huh.

A. So, they're responsible for, you know, maintaining and supporting compliance with the DOT and, you know, other state regulations and tariffs. You also have individuals that are working on and really developing to support safety management overall. And then there's other groups that are kind of program owners. So, we have, you know, a center of excellence that works on damage prevention. We have individual directors -- one director manages and owns and develops our TIMP related programs. Another owns our DIMP related programs. And then my team really has, you know, environmental, OSHA, you know, related safety and

compliance. So, it depends on kind of what you define as engineering. You know, core engineering is kind of the design component. But the central function tends to roll up --

Q. Uh-huh. Uh-huh.

A. -- under that engineering lead.

Q. Okay. Okay.

A. Although like me, they have -- there's several words in the title. So --

Q. Yeah.

A. -- you know, it may be engineering and technical services --

Q. Right.

A. -- and things of that nature. But yes.

Q. Yeah, I -- yeah, I understand that too. That, you know, somebody might be in this group but they've got expertise on something so they get pulled in to work on something, and it -- you know, and -- so, as far as, you know, the SMS, you know, I'm obviously am imagining that, you know, we're going to -- you know, you mentioned Jim Roberts a couple times, who we're going to talk to. Obviously, it sounds like he's probably a pretty core person, who is -- you know, maybe he's the one actually writing -- you know, writing the program out, you know, creating the written document and we'll ask him about that. You know, who are the kind of key players, though, in the development of the SMS? And sort of like what is your role? I mean, are you actually writing any of this out or are you more, you know, just -- I know you said

that -- I think you used the word supporting --
A. Yeah.
Q. -- supporting player, or something like that. I know you're communicating with the board. Can you just elaborate a little bit more on that?
A. Yeah. So, latter, you know, quarter in 2018 I was a lot more hands-on and engaged in that. And, you know, the role, you know, that I'm moved into, you know, at the beginning of '19 -- a lot of my focus is in and around our low pressure gas system project, to really, you know, enhance safety and install overpressure protection and monitoring in and around low pressure gas systems.
Q. Okay. Okay.
A. So, I kind of put the majority of my focus there. We created -- you know, really following Merrimack Valley restoration, when we were able to bring a lot of our resources back to the core organization, created a project management office and it's somewhat detailed in that document we shared, to really focus on SMS. So, Tim Tokish is leading that effort and has created a fairly large project team around SMS.
Q. Okay.
A. That is doing the asset review, the build, the gap analysis. So, what we have now is a lot of those different resources that I mentioned that are kind of core standing organizational components are engaged and dedicated to this build.
Q. Uh-huh.

A. And it hasn't been fully designed yet, but I would definitely expect that post the build we will have probably realigned into an SMS-based organization to really support, function, govern and kind of work these processes year in and year out. And then eventually, our goal is to really integrate that into, you know, longer term work planning processes. Because out of our asset reviews and our risks, some things we're going to fix immediately.

Q. Uh-huh.

A. Other things are going to have to be programatized and require different investments and strategies. So --

Q. Uh-huh.

A. -- that's how I see that playing out over time.

Q. Uh-huh. Okay. That's really helpful. And so -- and just to kind of go up and down the chain -- so, to go up the chain of command, I'm not sure if you said or if I just got this off your organizational chart, there's a Michael Finissi.

A. Yeah. Mike is no longer with the company.

Q. Okay.

A. So, Mike, I think it was last month, moved on. So, currently I'm reporting through Chuck Shafer, who reports to Pablo Vegas. And Pablo is really our president over all of our gas companies.

Q. Okay.

A. And then Pablo reports to the CEO.

Q. Okay. Okay. I got you. So, as far as those individuals, you know, can you give us an idea if we were to interview them

what they would tell us about their perspective of this SMS. You know, so they're sort of above you. So, they're even more probably abstract. But, are they supportive of the SMS implementation? Are they giving you what you need to roll this out?

A. Yeah. Very engaged, very supportive. Tim Tokish, who I mentioned who is leading the project, is reporting to Pablo.

Q. Uh-huh.

A. And again, you know, Tim has a -- and maybe Jim has better specifics on this, but Tim is meeting with our CEO and Pablo and they have even an executive review of the status of the project of SMS.

Q. Uh-huh.

A. So, it is not in any way am I getting enough support from above. The folks from above are wholly committed and engaged in the project and the status and the timing and supporting it every way they can. It's part of our core strategy.

Q. Okay. So, from your point of view you have total support from the top and all --

A. Absolutely. Yeah.

Q. -- the resources you need. Okay. And you feel like you're able to transfer those resources down the line. So, for -- so, who is -- so, Jim Roberts is below you. Does he feel like he's -- do you feel like you're able to provide him with everything he needs to implement the SMS?

A. Yeah. Jim doesn't work for me at this time.
Q. Okay.
A. Because again, coming back from restoration, we kind of realigned around the SMS project.
Q. Okay. Okay.
A. So, I would defer that question to Jim. But my observation is we are getting the resources we need. And there's a very high expectation from our CEO and from the board --
Q. Okay.
A. -- to get this accomplished this year because it's that important.
Q. Okay. I'm just trying to draw the line. So, how would I draw the line to get to Jim from you, then? I mean, it -- do you guys ever talk at all? I mean --
A. Yeah. Yeah. Yeah, Jim was working for me really the part -- latter half of '18. Known him for years. He's in a parallel organization now, so --
Q. Okay.
A. -- there's no -- he's not directly connected to me. We connect up top.
Q. All right.
A. And again, he's been reassigned over to the project.
Q. I'm sorry. I -- is that a parallel organization?
A. Just not in my reporting line.
Q. No. Still NiSource, different department.

A. Yes.
Q. Okay.
A. Yeah.
Q. Okay. All right. I got you. I got you. Okay.
A. Yeah, we -- it's a unique time. We've kind of moved a lot of people to where we needed them to do work, again immediately following the event. So, we're not overly obsessed with the lines. We're all working together to get the projects completed and to get things done. So, I apologize. I know it's probably confusing.
Q. Oh, no. No, no. You're -- you've been extremely helpful. I appreciate that. This is just some concluding question.
A. Uh-huh.
Q. You've already commented on this. So, only to the extent that you feel like something you haven't already commented on. The NTSB has made several recommendations after the incident. From your perspective, has NiSource been successful in implementing these changes?
A. Yes. We have -- we're working diligently on that. When I think through the recommendations, you know, we've already secured a third party resource to perform kind of signing and sealing from a fresh engineer perspective. We have that third party conducting kind of risk reviews of all of our procedures in that overall -- overarching management of change review.
In terms of records, you know, immediately following, you

know, the event we began a survey of all of our low pressure regulating stations to really understand configuration and filling in the informational gaps. Specific to control lines, we have, you know, marked, mapped, located all but just a handful that were delayed because they were in Lawrence, that handful being about 11. And we're literally working on those this week. Just took a lot of time to get the approvals and the clearance from local government. Again, all of those records are mapped and available at each station. They've also been uploaded to our GIS system. So, we've done a lot of work, I think, in records enhancement on low pressure systems.

And we're also going through and really doing a critical records review on all of our assets. And then, you know, in terms of the last recommendation, in and around monitoring, we put in place via operational notices, you know, incremental requirements for monitoring at these stations that weren't in place before, based on the type of work and proximity to the station. And that, paired with kind of that enhanced knowledge of the control lines, you know, we're very comfortable that the new monitoring we put in place is sufficient. Beyond that, and specific to that recommendation, is our overall program to go out and install automatic shutoff valves on all of our low pressure systems. And that's going to be done at the regulatory station in the majority of cases, but it will also be done at customers' homes for very small systems. And then we're going to install electronic

monitoring on all these systems as well. So, that's going to be an industrial computer monitoring the pressure accessible via our gas control centers.

So, what we like about that solution -- and I apologize, I think Roger has heard this twice, is our gas control can see everything but the automatic shutoff -- the slam shut device we're installing it actuates on either a high or low signal. The pressure goes too high, it just slams shut and it's off. The pressure goes too low or the control line gets cut, same thing. It doesn't involve any human intervention, no decision making. It's strictly based on the pressure sensed in the line.

Q. Uh-huh.

A. So, in that way we think it's not just monitoring when the work is occurring. It's 24/7 monitoring all the time.

Q. Great. Great. Thank you.

A. So, I think we're making very good progress. Hope to be in a position to complete the majority of those urgent recommendations. The last one I mentioned does involve work at 2,008 discrete stations across our seven states and all of NiSource. In a typical year, we'll work on maybe 45 of them. So, there's a big difference between 2,008 and 45. And that work really needs to be done not in the coldest weather months, because that's when the systems are operating and we want to assure reliability. So, weather, complexity of the work and really risk management is what's going to dictate that schedule. So, that's just an example

where we've said, hey, this involves pressure control on every low pressure system we have. Anything changes from the work schedule, that's a stop work moment, replan, reschedule. We're not applying time pressure to this work. So, we want to protect as many of our systems as we can. But risk management, safety, you know, pressure control is going to dictate the ultimate schedule there.

Q. Uh-huh. Uh-huh. Okay. Great. Thank you. I know we still have the list of people to interview. Is there anybody that we haven't interviewed and is not already on our list that you think that we should talk to, that would be -- have information just regarding the incident, regarding safety -- the implementation of the safety management system?

A. I think based on what we've discussed, the topics we've covered, I think you really have the right people.

Q. Okay.

A. I think you'll get great insight from them.

Q. Excellent. Excellent. Okay. Do you have any suggestions to prevent an incident of this nature from ever occurring again?

A. Yeah. I think they're really embedded in our overall low pressure gas system safety enhancement plan. So, you know, I do think they're -- that's very much in line with the urgent recommendations, you know, that you all have offered us. I do think knowledge enhancement paired with, you know, a robust management of change review paired with asset improvement, because I -- what I liked about the overall plan is it does a lot, I

believe, to improve process and to minimize human error. But the addition of the monitoring and the slam shuts also accounts for the fact that people are never perfect. And that is really the failsafe. So, even if you have an incident occur or -- if it's not human error, if it's just, you know, failure of a piece of equipment, you have that shutoff and you have that monitoring. So, you have a failsafe in place.

DR. HOEPF: Okay. Great. Well, any other clarifying questions or anything like that? Roger, good?

MR. EVANS: I'm good. Thank you.

DR. HOEPF: Okay. Thank you so much, Dave. We appreciate it. And we are off the record.

(Whereupon, the interview was concluded.)

CERTIFICATE

This is to certify that the attached proceeding before the

NATIONAL TRANSPORTATION SAFETY BOARD

IN THE MATTER OF:	MERRIMACK VALLEY RESIDENTIAL GAS FIRES AND EXPLOSIONS SEPTEMBER 13, 2018 Interview of David A. Monte
ACCIDENT NUMBER:	PLD18MR003
PLACE:	Gahanna, Ohio
DATE:	March 6, 2019

was held according to the record, and that this is the original, complete, true and accurate transcript which has been transcribed to the best of my skill and ability.

Jane W. Gilliam
Transcriber