

1 became the utility supervisor in charge of Syracuse Field and  
2 Buffalo Field. And then from there, I became chief of the safety  
3 section in 2010, I believe.

4 Q. And as the chief of safety, what are your  
5 responsibilities?

6 A. Oversight and -- management and oversight of our  
7 pipeline safety program, which includes interstate and intrastate  
8 inspections of all hazardous liquid and natural gas pipelines in  
9 New York State, and then we also oversee steam jurisdiction  
10 strictly in New York City.

11 Q. On the natural gas side of your responsibilities, can  
12 you go a little bit over it and tell us what enforcement actions  
13 you do and --

14 A. What -- I'm sorry?

15 Q. Can you tell how many utilities you have that you kind  
16 of oversee and --

17 A. We have 40- -- I believe it's ~~49~~ <sup>69</sup> operators in New York,  
18 18 LDCs of which we consider -- I think it's 11 that are major  
19 LDCs, so that's 15,000 or more customers. We oversee  
20 implementation of our safety regulations, which are Part 16 -- or  
21 <sup>NYCRR</sup> ~~16 NYC~~ our Part 255, Part 753, and Part 261. 255 would be the  
22 counterpart to 192 regulations, and 261 would be beyond the meter.

23 Q. Okay. And when did the commission, I guess, started  
24 working with PHMSA and how are you responsibilities with PHMSA?

25 A. We started working with PHMSA quite a long time before I

1 regulations? Or, how is that relationship?

2 A. On the -- yes, they have delegated authority to us on  
3 the intrastate side where -- and that means that we conduct all of  
4 the record and field audits and we have enforcement authority to  
5 enforce our rules and <sup>take</sup> any enforcement actions we need. On the  
6 interstate side, we conduct the audits <sup>of interstate operators</sup> record, field,  
7 construction, accident investigation, and we make recommendations  
8 to PHMSA, and they enforce on the interstate side.

9 Q. And how often do you typically audit each utility?

10 A. On the interstate side, that is -- the plan is made in  
11 conjunction with the Eastern Region. We submit our proposed plan  
12 usually in November or December of each year. Through discussions  
13 with PHMSA, we come up with <sup>final</sup> ~~an actual~~ audit plan.

14 We like to audit -- we don't like more than 2 years to  
15 go by without auditing on the interstate side. So each unit we  
16 like to look at every 2 years. Risk factors do come into play, so  
17 we're looking at higher risk units a little bit more often. We do  
18 exceed the 2 years occasionally because PHMSA's audit <sup>priorities are</sup> ~~cycle is~~  
19 based on risk, so we have to take risk into consideration. And  
20 that risk -- risk factors are if there is any special permits, if  
21 there has been findings in the past within that unit and different  
22 <sup>factors</sup> ~~things~~ along those areas.

23 Q. Tell us more on the audits, what the audit entails. Is  
24 it like an overall audits, focused audits, or both or --

25 A. A little bit of both on the PHMSA side, on the

1 interstate side. On the intrastate side, it's a comprehensive  
2 audit. We try to do a comprehensive audit once every 5 years. In  
3 actuality, we are doing them quite a bit more often.

4 We have a -- we've broken all of our companies down into  
5 units and we look -- we have people assigned to those units. And  
6 we have a 5-year audit plan, where all of our functions are looked  
7 at a minimum of once every 5 years, and that's based on risk. Low  
8 <sup>functions are</sup> risk ~~stuff is~~ at least once every 5 years, medium risk would be  
9 usually once every 2 years, and high risk would be annually.

10 In reality, for all operations and maintenance  
11 functions, we are looking <sup>at</sup> even though it's a 5-year audit plan  
12 we're working off of, most of the audit tasks are reviewed or  
13 audited once every 3 years. But we do have that 5 years for  
14 extraordinary circumstances, where staff may get assigned to  
15 incident investigation and for other things that may come up that  
16 take us away from the standard audits.

17 Q. Just for the record, define interstate and intrastate --

18 A. All right.

19 Q. -- just for the record.

20 A. Interstate would be facilities essentially that are  
21 crossing state lines. They're more of your transmission operators  
22 bringing gas in from out of state or from Canada.

23 Q. Okay.

24 A. And the <sup>ra</sup>interstates [sic] start and end within the  
25 <sup>State</sup>boundaries of New York City, ~~the intrastate do.~~

1 Q. Can you elaborate a little bit, maybe explain your state  
2 regulation versus 192? Just walk us through that and --

3 A. Yes. For most of it our Part 255 is a counterpart to  
4 Counterpart 192 on the PHMSA side. Our numbering system is  
5 essentially the same, so like 727 would be service valves on the  
6 federal side and it would be that on the New York side, the 255  
7 side. So our numbering system is the same.

8 Q. Same.

9 A. The recent changes going from OQ, I believe OQ forward,  
10 we have adopted the PHMSA regulations verbatim. So, that's OQ,  
11 integrity management, distribution integrity management, control  
12 room management. I think distribution integrity management, we  
13 had just a very minor change and that clarifies reporting comes  
14 through the department as opposed to -- I think, the federal  
15 regulation says the state agency. We just clarified it's the  
16 Department of Public Service.

17 The other regulations are, in <sup>Some</sup>~~most~~ cases, more stringent  
18 than the PHMSA regulations. We do have a couple of exceptions,  
19 but in most cases, it is as stringent --

20 Q. More stringent?

21 A. -- or more stringent.

22 Q. And you can have more stringent regulations?

23 A. We can have more stringent. We're not -- under our  
24 agreements with PHMSA, we're not supposed to be less stringent.  
25 We're supposed to be at least as stringent as Part 192.



1 from PHMSA, and PHMSA tells me that no, the service line is up to  
2 the outlet of the meter. So --

3 A. We brought this to their attention. <sup>Recently,</sup> Quite honestly, we  
4 believed that we were more stringent. Only recently we found out  
5 that we were less stringent or we really understood that we were  
6 less stringent. We did bring it to PHMSA's attention, <sup>when we found out</sup> and we have  
7 had preliminary discussions with them. We are going to initiate a  
8 rulemaking to address where we are less stringent, and we just  
9 wanted to talk to them a little bit about process.

10 Q. Okay. So you are planning to change --

11 A. Yes, we are going to --

12 Q. -- 255?

13 A. Correct. Yes. And we're studying exactly how that  
14 change is going to look. We don't want to incorporate verbatim  
15 PHMSA's definition because we don't want to lose that jurisdiction  
16 from the property line to the building wall. So we do want to  
17 keep that jurisdictional. It's just the inside piping we would be  
18 bringing into the equation.

19 Q. Okay. The reason I ask this is because doing this  
20 pressure testing that we did on Park Avenue, there are a couple of  
21 buildings that we noticed the leaks are small, but there the  
22 pressure wasn't holding, to put it this way --

23 A. Right.

24 Q. -- up to the meter, and that's when the issue came  
25 about. So, typically, the rulemaking process takes a long time,

1 building, in New York City in particular, but overall in the  
2 state?

3 A. Yeah.

4 Q. If you have the information.

5 A. I could get that information to you. It depends on -- I  
6 think Con Edison, the majority are inside. <sup>94% in 6% out</sup> KEDNY -- and I need to  
7 double check these numbers and I could get the exact numbers to  
8 you, but KEDNY, I believe, is about <sup>90/10</sup> ~~60/40~~ inside. So, ~~60 percent~~  
9 ~~inside and 40 percent outside.~~ And again, I'll get these numbers  
10 to --

11 Q. Right. I mean, just ballpark.

12 A. Yeah, it's -- and Upstate, it's 60-plus percent outside  
13 versus inside.

14 Q. Okay. Now, does that change depending upon the multi-  
15 story building versus a single family unit?

16 A. Yeah. The outside -- what's outside and what's inside  
17 typically would be location dependent, so -- but if companies are  
18 able to move it outside, we've been encouraging that. Our  
19 regulations require it when a service is -- when a new service is  
20 put in, we require that the meter be put outside, unless it's  
21 impossible to do, because of safety reasons.

22 So, yeah, we do; we require it to be put outside during  
23 upgrades and upgrading where possible. We encourage moving  
24 outside. For instance, National Grid put in -- National Grid  
25 Upstate has a program to move outside -- inside meter sets

1 outside.

2 Q. Now, looking at the audits now, can you tell us -- I  
3 mean, we had requested through Chris the audits for Con Edison for  
4 the last 5 years. And my question is can you tell us if any  
5 enforcement actions have been taken against Con Edison and any  
6 incidents that you've found, if you find anything, that would  
7 require enforcement action?

8 A. We have -- there was a settlement reached in the Sanford  
9 Ave incident, which would have been ~~2010~~<sup>2009</sup> area -- 2009, 2010 area.

10 Q. Only one action in the last how many years?

11 A. I'm trying to think of the exact statistics. I don't  
12 have that information at my fingertips. But I know from an  
13 auditing standpoint, the typical operations and maintenance  
14 audits, those violations we recently -- March of 2013, legislation  
15 was enacted that allows enforcement actions to be more of an  
16 administrative process, so we would be moving into the arena very  
17 quickly.

18 Also, in, I believe it was, January of 2013, Con Edison  
19 -- I'm sorry -- 2014, Con Edison's rate plan, we have negative  
20 rate adjustments for violations and occurrences of violations, and  
21 that was in their most recent rate case and I believe those went  
22 into effect January of 2014. KEDNY's went in effect, same  
23 principal -- went into effect, I believe, in 2013.

24 Q. S, can you walk us through in case you -- if your audit  
25 team finds a deficiency with Con Edison or any other operator, .

1           As far as enforcement, so, immediately, all of those  
2 violations are subject to our rate case -- negative rate  
3 adjustments. So that's by occurrence and it's a basis point -- or  
4 partial basis point adjustment to the rate case for each  
5 occurrence of the violation. So that automatically gets into most  
6 of the companies. Not all of our New York companies have that,  
7 but anybody who has been in for a rate case since, I believe,  
8 2011, '12 timeframe would have those adjustments. ~~And~~ <sup>In</sup> -- rate  
9 cases or a merger agreement. We do have one company that's  
10 operating under a merger agreement that has the negative rate  
11 adjustments for violations.

12           If it's part of -- if it is a violation that we found  
13 during an incident, we'd bring that ~~through~~ <sup>to</sup> the commission.  
14 Usually, a show cause order would be issued, basically saying show  
15 the commission why a penalty should not be assessed, and then we  
16 go through a process with that. They have to respond within a  
17 certain amount of time. And usually we would try to have a  
18 settlement agreement in place rather than go to court. A  
19 settlement agreement allows us to --

20           MS. CICERANI: Can I talk?

21           MR. SPEICHER: Yeah.

22           MS. CICERANI: Okay. Just -- once the order to show  
23 cause is out there, as he said, they have an opportunity to  
24 comment. Up until March 2013, the only vehicle we had if we  
25 wanted to take this beyond that point would be to file a penalty



1 MR. CHHATRE: I guess my question then --

2 MS. CICERANI: Repeat your question again.

3 MR. CHHATRE: -- for the rate case, when the utilities  
4 goes and, I guess, asks the rate adjustment, is it the same  
5 commission that dictates --

6 MS. CICERANI: Yes, it is the same commission.

7 MR. CHHATRE: And if you recall, how often that you have  
8 gone to the commission for any operator, and particularly with Con  
9 Edison, and the commissioner agreed with you for the fine, that  
10 they will occur?

11 MS. CICERANI: In terms of a show cause order? Is that  
12 what you're asking?

13 MR. CHHATRE: Yeah. When you go to the commission and  
14 say, look, here is a situation we feel the operator should be  
15 fined, and then the commission agrees with you, and then the next  
16 step, I understand, is go to the court? Or you can levy the fine  
17 based on the commission's agreement?

18 MR. STOLICKY: Since -- sorry. This is Chris Stolicy.  
19 Since 2008, I believe there have been three gas-related  
20 enforcements actions on Con Edison. There was the Sunnyside  
21 incident, the Floral Park incident, and the Sanford Ave incident.

22 MR. CHHATRE: Okay. And you had gone to the commission  
23 and the commission agreed with you and -- you still had to go to  
24 court or they can just --

25 MR. SPEICHER: They were on --

1 MR. STOLICKY: Negotiated.

2 MR. SPEICHER: -- or they're negotiated settlement, so  
3 we didn't have to go to court on those.

4 MS. CICERANI: Yeah, for the reason that I had mentioned  
5 earlier.

6 MR. CHHATRE: And if I understand correctly, now you  
7 don't have to go to the commission for violations, you can levy  
8 the fine directly, or you still have to go to the commission?

9 MS. CICERANI: No, you would still -- under 25A, you  
10 would still have to go to the commission, but the difference is  
11 the commission could, upon making their findings, levy that fine  
12 directly against the utility. Under the old penalty provisions in  
13 25, we would have to take that court, and if a penalty was  
14 assessed, it would go to the general fund; it would not go back to  
15 the utility rate payers.

16 MR. CHHATRE: So under 25, for gas operators only, you  
17 still have to go to the commission?

18 MR. STOLICKY: Yes.

19 MS. CICERANI: Yes.

20 BY MR. CHHATRE:

21 Q. You still cannot directly levy --

22 A. Correct.

23 Q. -- the fine?

24 A. Correct.

25 MS. CICERANI: That's correct.

1 Q. Okay. Do you have -- does your commission have  
2 different standards or enforcement parameters you use for  
3 different regulator within the state or you have the same rules  
4 for all of them?

5 MS. CICERANI: What do you mean by that?

6 BY MR. EMEABA:

7 Q. Do you have a different standard or enforcement method  
8 for each of your different operators within the state?

9 A. We try to -- and I -- we try to enforce exactly the same  
10 for all operators. I know when we're doing our audits, our  
11 expectations for a downstate aren't exact <sup>are exactly</sup> as they would be for an  
12 upstate company. So, if it's a violation downstate, it's a  
13 violation upstate, or it's a violation in this company and that  
14 company. So we -- from a gas safety standpoint, our expectations  
15 are the same upstate and downstate.

16 Q. Okay. As part of your field inspections of the  
17 operators -- yesterday, I know we talked on the OQ qualifications.

18 A. Um-hum.

19 Q. When your inspectors go to the site, what do you expect  
20 them to do in that area of OQ concerning if the personnel on site,  
21 they are actually qualified to do what they are doing and they are  
22 currently qualified to do it as the regulation specifies.

23 A. All right. Normally, what we would do is, you know, if  
24 we showed up on a site and saw somebody doing, you know, a  
25 specific task, we would ask to see their qualification card. And

1 PHMSA would look at that as a violation versus how the department  
2 would look at that versus number of occurrences?

3 A. Yeah. PHMSA would say if you missed one -- if you had  
4 one violation of a type 1 leak classification or surveillance or  
5 what have you, that's one violation of that code section. And,  
6 let's say, you have 10 leaks that were found in violation. When  
7 it all comes together, it's still one violation with 10 pieces of  
8 evidence, they call it.

9 We say it's -- for our reporting with PHMSA, we have to  
10 report consistently with their definition, so it's one violation,  
11 10 pieces of evidence. We say it's -- although it's one violation,  
12 it's 10 separate and distinct instances of that violation. So,  
13 for the rate cases, we count it as 10 as opposed to 1. That's  
14 what you're getting --

15 Q. And the staff would consider that a high risk?

16 A. Any type -- yeah. Any type 1 leak is considered a high  
17 risk, so that's a -- it's meets the operational end of our  
18 negative rate adjustment.

19 Q. And as far as how staff approaches the audits across the  
20 states, whether it's upstate, downstate, or any operator, can you  
21 explain the staff's approach, meaning the 5-year audit plan and  
22 how it goes about performing its audits to ensure things are  
23 consistent?

24 A. Yeah. So in any given years, we have a 5-year audit  
25 plan and it's all of our operations and maintenance functions .



1 broken down by risk and it's broken down by record and field. So  
 2 you have five columns. High risk is looked at every year; medium  
 3 risk, usually every other year; and low risk, every third year.  
 4 We call it a 5-year audit plan, but if you take a snapshot window,  
 5 within any given 3-year, we're usually looking at all of those  
 6 tasks; however, we do give ourselves those extra 2 years just in  
 7 case, for an instance, like a Harlem investigation where we have  
 8 staff reassigned to the investigation. It allows us to make sure  
 9 that we complete everything within that 5 years.

10 Now, all of our companies, all of our LDCs, all of our  
 11 inspection units within those LDCs, are getting the exact same  
 12 audit every year so we're looking at the same audit functions  
 13 every year throughout the state. So we wanted to make sure that  
 14 we are consistent. Again, one of you asked about are we  
 15 consistent throughout the state, and that's one of the ways we  
 16 made sure we are, that we're doing the audit -- any LDC is getting  
 17 the exact same audit.

18 Q. And how can staff demonstrate that consistency?

19 A. We have stat sheets, what we call stat sheets, and  
 20 that's just ~~this statistical~~ <sup>statistics on</sup> how many records ~~or~~ <sup>there were and</sup> how many we  
 21 looked at for each company. We keep those. We have those going  
 22 back pretty far. I know we definitely have the last 5 years, but  
 23 we've got them going back pretty far.

24 We went to the all companies one way, I believe, in the  
 25 2009, '10 area. So since then, all companies and all HQs have had

1 That's the most important thing, to make sure that the company's  
2 procedures are being followed. And we're also looking to make  
3 sure that our regulations are being followed. So, there's really  
4 two things going on: are they following our regulations and are  
5 they following their procedures? If they're following their  
6 procedures, they would be following the regulations because the  
7 procedures comply with our regulations. So -- but we are checking  
8 both while we're there.

9 Q. All right, I'm going to paraphrase and you tell me  
10 whether you agree or not. But that's a second sanity check to  
11 make sure they're doing the job properly --

12 A. Yeah.

13 Q. -- regardless of what the OQ card says?

14 A. Yeah. And OQ, the card itself allows us to look to see  
15 that the person doing the work is qualified by the company and  
16 that allows us to kind of have that sanity check on site without  
17 having to leave site to ~~find~~<sup>find</sup> ~~out~~<sup>if</sup> are they in the database as  
18 being qualified. So, that's on-site verification. And, again,  
19 that's taken backwards to make sure that the database lines up  
20 with what that card is telling us; so are the company records  
21 actually saying that the individuals are qualified? And that's an  
22 important thing of going to the PE. The company records were  
23 showing that the individuals were qualified. The company records  
24 would have shown that.

25 MR. EMEABA: Would have?

1 follow public awareness --

2 A. The -- yeah, their own entity.

3 Q. -- the federal regulations?

4 A. Yes.


5 Q. They're parallel?

6 A. They're parallel, yes. And as a result of a separate  
7 incident that happened Upstate New York, in Horseheads, there was  
8 also -- let me back up. During 2013 or by the end of 2013, we had  
9 a commitment <sup>to</sup> ~~that~~ PHMSA that all of the public awareness programs  
10 in the state would be reviewed. We did. So, they were all  
11 reviewed prior to the end of calendar year 2013. There was an  
12 incident in 2011 in Upstate New York that, through our  
13 investigation, we found of a couple of things. One was there were  
14 quite a few reports of -- during the investigation, a lot of  
15 people reported that <sup>they</sup> ~~that~~ smelled gas prior to the incident <sup>in</sup> ~~and~~ the  
16 days and weeks leading up to the incident and did not call the  
17 odor complaints. And we also found evidence of latent third-party  
18 damage made by what we believe was a municipality putting in water  
19 and/or sewer lines, and damage that was caused most likely in the  
20 mid '60s or mid to late '60s led to an incident that there was a  
21 fatality of a 15-month old baby.

22 We -- or the commission required risk assessments to be  
23 done, but they also required the LDCs to collaborate and come up  
24 with best practices for public awareness for -- specific to what  
25 is everybody doing to drive home the message that if you smell it,

1 call it. So, one of the goals was to get people to call because  
2 almost every incident we investigate, there's reports of somebody  
3 who smelled gas prior to the incident, but did not call. So, that  
4 was one aspect of it. And the other aspect of it was to look at  
5 public awareness in relation to dealing with municipalities or  
6 getting the message to municipalities that -- call before you dig  
7 message. So, you know --

8 Q. Okay. Right.

 9 A. -- specifically to if you -- what are your  
10 responsibilities once you make contact with an underground  
11 facility.

12 Q. Sure. Okay. And in this case, we know -- we've talked  
13 a little bit in previous interviews about the fact that 911 was  
14 not notified, calls went directly to Con Edison, and I just --  
15 what's the PSC's position on public awareness and calls? Should  
16 calls made to emergency responders at all or does PSC prefer that  
17 the operator be the first-line notification?

18 A. As far as notification, I think it's something that  
19 we're studying as a result of the Harlem incident and I don't know  
20 -- I can't say that we have a specific stance on it. However, we  
21 believe that the LDCs are the most equipped and trained to respond  
22 to a gas incident. They are the experts in the field, so they  
23 need -- their involvement is essential. So, whether it's calling  
24 the company directly or dialing 911, it's our belief that the LDC  
25 absolutely has to be involved in the process as early as possible.



1 PSC has issued some letters to Con Edison with respect to the OQ,  
2 the qualifications of the person performing the plastic fusing in  
3 the field and I'm just -- can you bring me up to speed? What's  
4 been done by Con Ed to address the concerns of PSC and have  
5 zipping closed out or --

6 A. It definitely has not been closed out yet. Going back  
7 initially, we found this out on -- in May. I had sent a letter  
8 Con Edison asking for particulars with respect to --

9 Q. May 29th, I think --

10 A. May --

11 Q. -- or the 28th?

12 A. Well, I think I had a letter sent to -- I'm not sure the  
13 exact <sup>date</sup> I could get back to you on that. But, I had a sent a  
14 letter to Con Edison asking specifics on 1642 and I believe,  
15 through -- shortly after that, on May 29th, we found out that it  
16 was a little bit more widespread than we had originally known  
17 about and the commission issued an order for Con Edison -- for  
18 both Con Edison and all other LDCs dealing with plastic fusion and  
19 required essentially a study of the plastic fusion qualification  
20 and certification that people who are performing plastic fusion  
21 are qualified to do so, and if they are not, there was a  
22 requirement for an immediate stand-down -- and this was for all  
23 companies -- and take steps to re-qualify. Also, the companies  
24 needed to perform basically a risk assessment, found out the areas  
25 and the extent of what may have been fused by people who were not

1 qualified to fuse, or not properly qualified to fuse, and also  
2 some ~~anti~~-risk mitigation plan. So, the first was defining what  
3 the risk and the risk assessment, and then the second process was  
4 present a plan to mitigate the risk. And the interim, the  
5 commission ordered continuous leakage surveys until we are --  
6 until we determine what to do, how widespread it is and what we  
7 need to do, what corrective actions need to be taken.

8 Q. So, where is Con Edison in that? Have they altered  
9 their procedures or identified those persons not qualified?

10 A. They went through the process and did -- they had an  
11 immediate stand-down. I believe, on the 29th of May, over that  
12 following weekend, they performed qualifications and have been  
13 doing so since. So, they have, in fact, re-qualified everybody  
14 and everybody that's currently fusing is properly qualified. And  
15 they started enhanced leakage surveys and their -- they did submit  
16 the extent of what has been done or what was fused outside of  
17 qualifications.

18 Q. Okay. Have then submitted then a procedure that going  
19 forward prevents this from occurring again? I mean, they --  
20 ultimately, it's on them to make sure they've got qualified  
21 individuals out there.

22 A. The procedure -- yes, there was a procedure submitted.  
23 Correct.

24 MR. SINGH: I believe, yeah, there's some --

25 MR. SPEICHER: Yeah.

1 MR. STOLICKY: I know you changed it.

2 MR. SPEICHER: Yeah, there was a change in the procedure  
3 that has been submitted, and this is available -- all of this is  
4 what Con Edison has done and what other companies are doing  
5 available on our public website.

6 MR. SINGH: It's Case 140-

7 MR. SPEICHER: ~~1400~~ -- 14-G-

8 MS. CICERANI: 212.

9 MR. SINGH: -- 0212.

10 MR. SPEICHER: -- 0212.

11 MR. NICHOLSON: Say that again. I'm sorry. Fourteen?

12 MS. CICERANI: Case --

13 MR. SPEICHER: 14-G-0212, and that would have any --

14 BY MR. NICHOLSON:

15 Q. Excellent.

16 A. -- incoming or outgoing communications with all of the  
17 companies.

18 MR. NICHOLSON: Perfect. Thanks. That's all I've got.

19 MR. CHHATRE: Any follow-up questions?

20 BY MR. STOLICKY:

21 Q. I just have one more just so the entire process is on  
22 the record. We talked about the minimum 5-year audit plans. In  
23 what cases will staff go beyond that 5-year audit plan?

24 A. Well, staff is able to go beyond that anytime feel the  
25 need is necessary. If we have found problems in a previous audit,

1           A.    I'm not sure I completely understand your question, but  
2 I know -- you know, I could speak for, you know, a company like  
3 National Fuel, which operates in the western part of the state.  
4 They believe that it's all jurisdictional, so they're treating *gas*  
5 all jurisdictional. And, typically, that's what we see in  
6 operating areas outside of the downstate area. So, we see,  
7 typically, we see the companies maintaining that jurisdiction to  
8 the outlet and meter on inside sets even though the technical  
9 definition of service line says something different.

10           MR. CHHATRE: And last question. Why are the rules  
11 different for a combined utility, like gas and electric, one  
12 regulation, and gas on the regulation? What is the logic?

13           MS. CICERANI: I'm not sure that there was any  
14 particular logic. I think it had more to do with lobby, a  
15 stronger lobby. It was a last-minute change to it and it's only  
16 combination, gas and electric, that is under 25A. We still have  
17 penalty action on 25 for all --

18           A.    Gas is gas. It doesn't matter --

19           MR. SPEICHER: Just to clarify that, the rules or  
20 regulations apply --

21           MR. NICHOLSON: Yeah.

22           MR. SPEICHER: -- to all the companies --

23           MS. CICERANI: Right.

24           MR. NICHOLSON: Yeah, I wanted to clarify that too.

25           MS. CICERANI: Right.