

OFFICIAL EXHIBITS

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EXHIBIT NO. 2
DATE 6-25-19 REPORTER AT

Exhibit No. 2
Northern Indiana Public Service Company LLC
Cause No. 44970-S1
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VERIFIED DIRECT TESTIMONY OF STEVEN W. SYLVESTER

1 **Q1. Please state your name, business address and title.**

2 A1. My name is Steven W. Sylvester. My business address is 801 E. 86th Avenue,
3 Merrillville, Indiana 46410. I am currently the Vice President and General
4 Manager of Northern Indiana Public Service Company LLC ("NIPSCO").

5 **Q2. Please describe your employment background and relevant training.**

6 A2. Prior to joining NIPSCO in January of 2019 as Vice President and General
7 Manager, I served as Vice President of Safety for NiSource, and in that role
8 was responsible for coordination of safety and safety education across the
9 NiSource footprint. My tenure in that position was interrupted in
10 September of 2018 when I was asked to coordinate local operations in
11 Lawrence, Massachusetts in response to the events of September 13, 2018.
12 In that role, I had overall responsibility for all the relight resources for the
13 restoration efforts as well as team of about 60 doing boiler, hot water and
14 forced air heating unit replacement work. Prior to 2018, I served as Vice
15 President and General Manager Field Operations for Columbia Gas of Ohio
16 where I was responsible for all field operations activities and for the safe,

1 reliable and efficient operation and maintenance of distribution pipelines
2 and other facilities providing natural gas service to approximately 1.4
3 million residential, commercial, and industrial customers. In 2013 I
4 accepted the position of Vice President of Distribution Operations for the
5 NiSource Gas Distribution companies where I was responsible for leading
6 the central dispatching business application and support, planning and
7 business improvement functions supporting, natural gas utilities in Ohio,
8 Kentucky, Pennsylvania, Maryland, Virginia and Massachusetts. Prior to
9 that, I was Vice President and General Manager of Field Operations for
10 Columbia Gas of Ohio and Columbia Gas of Kentucky. I have worked for
11 the NiSource and Columbia family of companies in a range of operations
12 and leadership roles since 1986.

13 **Q3. What are your responsibilities as Vice President and General Manager?**

14 A3. As Vice President and General Manager, I am responsible for the day to day
15 operation of NIPSCO's physical gas transmission, distribution, and storage
16 systems including operations, maintenance and damage prevention. In
17 that capacity, I manage a workforce of nearly 600 employees providing safe
18 and reliable delivery of natural gas service to approximately 835,000

1 industrial, commercial and residential customers. This includes NIPSCO's
2 gas construction segment with a labor force of 125 that is responsible for
3 distribution line extensions, main replacements and relocations, along with
4 a variety of betterment projects.

5 **Q4. Have you previously testified before the Indiana Utility Regulatory**
6 **Commission?**

7 A4. No.

8 **Q5. Are you sponsoring any attachments to your testimony in this Cause?**

9 A5. <Placeholder>

10 **Q6. What is the purpose of your testimony?**

11 A6. The purpose of my testimony is to explain the work involved in
12 remediating a typical master meter system to incorporate it into the
13 distribution system of a regulated local distribution system ("LDC") such
14 as NIPSCO. I also describe the technical and operational capabilities of
15 NIPSCO that are relevant to the remediation of master meter operations.

1 Remediation of Master Meter Systems

2 Q7. What experience have you had in the remediation of master meter
3 systems during the course of your career?

4 A7. I am familiar with all aspects of the remediation of master meter systems
5 from my field experience on behalf of Columbia Gas of Ohio, and I have
6 been personally involved in several master meter remediation projects
7 during my operational experience.

8 Q8. What risks can exist with master meter systems?

9 A8. There are many safety risks that can be associated with master meter
10 systems because of the way those systems have been installed, operated,
11 and maintained. While these systems are subject to the same pipeline safety
12 requirements as those installed for a regulated LDC, many were installed
13 prior to the advent of contemporary pipeline construction standards. In
14 addition, master meter systems are typically owned, operated, and
15 maintained by operators for whom gas systems are not their primary or
16 even secondary expertise. While they may have the best of intentions, they
17 do not have the required expertise, experience, or resources to make it

1 work. Master meter systems tend to experience more leaks than typical
2 utility systems, and as a result require more rather than less attention.

3 **Q9. What expertise is required for the remediation of master meter systems?**

4 A9. To remediate master meter systems it is generally necessary to replace all
5 or part of the underground piping behind the master meter with modern
6 facilities installed in accordance with federal and state pipeline safety
7 standards. The master meter is removed and individual meters are
8 installed to provide gas service to all units within a development using the
9 same material and construction techniques employed for the construction
10 of other distribution facilities. Crews performing the work must therefore
11 be familiar and experienced with the installation of underground pipelines,
12 meters, regulators, excess flow protection, emergency valves and any other
13 facilities required to provide gas service.

14 **Q10. Does NIPSCO have the required expertise to perform that work?**

15 A10. Yes, with one exception. NIPSCO crews do not have the expertise necessary
16 to address master meter distribution systems as they exist above ground,
17 such as inside piping in a multi-story apartment building. With that
18 exception, NIPSCO is in a position to take the steps to convert an

1 underground master meter system to a modern, functional addition to its
2 distribution system.

3 **Q11. Please provide an overview of NIPSCO's gas operations and**
4 **maintenance organization.**

5 A11. NIPSCO's gas operations is organized into thirteen Local Operating Areas
6 ("LOAs"). Crews assigned to each LOA are responsible for conducting day
7 to day maintenance activities within a specific geographic area. Within
8 each LOA, crews are designated as either Construction & Maintenance
9 (known as "Street" crews) or as Construction (known as "52G" crews).
10 Street crews are responsible for performing repair and maintenance
11 assignments on NIPSCO's gas transmission and distribution assets while
12 52G crews are responsible for the construction of distribution line
13 extensions, facility replacement or relocation, and system improvement
14 projects. It is the 52G crews that will be tasked with master meter system
15 remediation, and it is those crews that have performed the work on the
16 master meter remediation projects previously performed by NIPSCO.

17 **Q12. Please provide an overview of NIPSCO's damage prevention**
18 **organization.**

1 A12. NIPSCO's damage prevention organization is responsible for helping to
2 manage and mitigate the risk of damage through a variety of activities
3 including underground facility locating, excavator engagement and
4 outreach and damage investigation. Increasingly, the damage prevention
5 function also entails the capture and evaluation of data related to
6 excavation activities and damage events. NIPSCO has a dedicated staff of
7 13 employees charged with working with NIPSCO's locate contractors and
8 with the excavator community to reduce the risk of damage to NIPSCO's
9 underground gas facilities. NIPSCO's damage prevention organization
10 also audits its underground locating contractors to detect any locator
11 training deficiencies by performing field audits of random locates.
12 Members of this organization also work with NIPSCO's communications
13 group to help with public awareness efforts. The damage prevention
14 organization holds meetings with employees and excavators to raise
15 awareness of damage prevention and promote public safety. They gather,
16 organize and retain data to look for trends that could help improve the
17 program. This staff is supported by NiSource resources that assist in
18 coordinating damage prevention activities across the NiSource footprint.

1 **Q13. Will NIPSCO's damage prevention resources be engaged as part of the**
2 **remediation of master meter systems?**


3 A13. Yes. Anytime underground facilities are to be installed, appropriate steps
4 need to be taken in advance of the work to ensure that it is performed safely
5 and in accordance with the law. In addition to the performance of timely
6 locates, it is anticipated that NIPSCO damage prevention personnel will
7 also assist with the projects because master meter systems are often located
8 in areas with numerous underground facilities, and the master meter gas
9 systems themselves may not have been constructed with appropriate tracer
10 wires or other equipment to permit accurate locating.

11 **Q14. Does this conclude your prefiled direct testimony?**

12 A14. Yes.

VERIFICATION

I, Steven W. Sylvester, Vice President and General Manager for Northern Indiana Public Service Company LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.



Steven W. Sylvester

Dated: April 22, 2019