

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET PG-160924

DECLARATION OF
SEBASTIAN COPPOLA IN
OPPOSITION TO STAFF AND PUGET
SOUND ENERGY MOTIONS TO
STRIKE TESTIMONY

1 I, SEBASTIAN COPPOLA, hereby declare under penalty of perjury under the laws of
the State of Washington that the following are true and correct:

2 I am over the age of 18 years and a resident of Rochester, Michigan. I am President of an
independent energy business consulting firm called Corporate Analytics, Inc. I have personal
knowledge of the matters set forth in this Declaration and, as to matters that call for an opinion,
state such opinion on information and belief based on my experience in the industry.

3 In preparing my testimony filed on April 24, 2017, in Docket PG-160924, I performed a
review and analysis of Puget Sound Energy's (PSE) actions and the failure to properly abandon a
service line in the vicinity of 8411 Greenwood Avenue North. The review also assessed the
Company's failure to follow its own written procedures and the various state and federal rules
and regulations with which PSE is required to comply. Based on the Company's response to
multiple discovery requests, many of which have been included as exhibits to my testimony, it
was a simple matter of determining if the Company followed its own written procedures and
complied with the various rules and regulations in order to ensure the safe operation of its
system.

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This review process requires working knowledge of utility industry practices and procedures. It does not require a technical degree, such as a degree in Engineering, to determine that PSE failed to follow the specific procedure of purging a gas line when the evidence shows that it was not done. It also does not require a high technical degree or technical expertise to determine that the Company failed to disconnect and remove the aboveground gas line that supposedly was abandoned, when the Company's own procedure requires that this be done. The Company has admitted in response to discovery that it failed to follow its own procedures. It simply requires common sense and industry knowledge to determine that the Company failed to comply with various WAC rules and federal safety standards as detailed in the Complaint and in my testimony.

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Nevertheless, my professional experience has provided me with clear knowledge of natural gas utility operations, well beyond the scope of financial expertise. During my 37-year career working for two gas utilities and then as an expert witness in more than 100 utility cases involving not only financial issues but also operating issues regarding the safety risks and replacement of old pipelines and service lines, I have developed a deep and broad knowledge of how gas utilities should operate. In addition to my financial background, over my 26-year career at two gas utilities, I worked closely with operating areas of those utilities that installed pipelines, service lines, and gas meters. Moreover, during my tenure at SEMCO Energy, I was responsible for gas storage and pipeline operations. I have a very thorough knowledge of the procedures and processes involved in not only installing these facilities but also the safe removal of old pipe, service lines, and the cut-and-cap procedures. I have witnessed the process of the installing and removing pipe and service lines during site visits.

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As an expert witness, I have filed testimony and have assessed cast iron, ductile iron, bare steel, and at-risk pipe replacement programs in several cases before regulatory commissions in Illinois and Michigan.¹ The industry knowledge required to make those assessments is significantly higher than was necessary in this case. With regard to this case, my gas utility industry knowledge and experience is more than sufficient to be able to determine unequivocally that PSE failed to follow its own service line abandonment procedures and certain state and federal safety rules based the information that the Company disclosed to Staff and Public Counsel in discovery responses. For an outside expert, it is not necessary to know every aspect of a utility's operation in order to be able to make an assessment of whether or not that utility complied with its own procedures and other rules and regulations. It is simply a matter of factual determination based on the evidence and documents presented.

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The evidence in this case is undisputable. The Company did not to comply with its own procedures in performing the cut-and-cap of the service line, in failing to perform a proper on-site inspection, in failing to remove the abandoned aboveground service line, and subsequently failing to perform periodic safety inspections under state and federal rules and regulations.

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Executed this 3rd day of May, 2017, at Rochester, Michigan.


SEBASTIAN COPPOLA

¹ See Exhibit No. SC-2.