

Congress of the United States
Washington, DC 20510

March 14, 2019

Mr. Joe Hamrock
President and Chief Executive Officer
NiSource
801 E. 86th Avenue
Merrillville, IN 46410

Mr. Steve Bryant
President
Columbia Gas of Massachusetts
P.O. Box 2025
Springfield, MA 01102

Dear Mr. Hamrock and Mr. Bryant:

We are writing to request additional information regarding the claims process you established for Merrimack Valley residents affected by the September 13, 2018 natural gas explosions. It has been six months since the explosions caused thousands of families to evacuate their homes for days or weeks, damaged or destroyed dozens of homes, left many businesses with considerable financial losses, and tragically took a young man's life. But there are new reports that the financial compensation Columbia Gas is providing for affected businesses "doesn't come close to covering their losses," and that some "haven't been paid at all, despite filing their claims months ago."¹ It is vitally important that you fulfill Columbia Gas' promise to "provide all the resources [you] possibly can to be able to correct the damage"² and commit to fully reimburse and pay customers for losses related to the incident in an expeditious a manner as possible.

The Columbia Gas website provides information about the claims process, including a guarantee to compensate affected residents for all losses related to "bodily injury, damage to property, disruption of businesses, inconvenience and disruption of everyday activities caused by loss of use of gas service due to this event, [and] reasonable efforts to limit or mitigate the loss."³ However, it lacks detailed information about the claims intake, evaluation, payment and appeals processes.

¹ Boston.com, "Merrimack Valley shop owners frustrated with natural gas disaster response," Philip Marcelo, March 7, 2019, <https://www.boston.com/news/local-news/2019/03/06/merrimack-valley-shop-owners-frustrated-with-natural-gas-disaster-response>.

² CNN, "'It looked like Armageddon': Massachusetts governor declares state of emergency after deadly blasts," September 15, 2018, https://lite.cnn.com/en/article/h_023565609d6f31fd91c3017f522d63e3.

³ Columbia Gas, "Get Claims Details," <https://www.columbiagas.com/massachusetts/claims>.

Affected residents can file claims for a wide variety of expenses including costs related to evacuation, groceries, and child care. Business owners can seek compensation for loss of revenue, damage to equipment, wages for employees and other losses caused by the event. And based on recent data provided at a staff briefing, as of March 7, 2019, you have received 24,878 claims – 24,049 of which you report as closed—and you have paid out \$94.8 million. Of this \$94.8 million, \$57.6 million was paid to residents, \$28.9 million was paid to your businesses, and \$8.3 million was paid to landlords.⁴

Members of our staff wrote privately to you on our behalf seeking this information in January 2019. While we appreciate the summarized claims-related information you have made available to our staff and to the public, we are disappointed that you failed to provide complete answers, and left numerous important questions unanswered. These questions are even more urgent given the new reports of your failure to provide full and prompt remuneration to affected residents.⁵

In order to better understand how your company has been implementing the claims process and to ensure that you have been administering this process in a consistent, fair, and timely manner, we ask that you provide answers to the following questions no later than March 29, 2019.

- 1) As of today, how many total claims has Columbia Gas received since September 13, 2018?
 - a) How many of these claims were residential?
 - b) How many were from businesses?

- 2) As of today, what is the total number of settled claims that have been approved for payment or reimbursement? Please provide a breakdown for residential claims and claims from businesses for each of the following:
 - a) What is the total number of claims that have been paid out?
 - b) How many claims has Columbia Gas paid at the full requested amount?
 - c) What is the average value of the claims Columbia Gas has received?
 - d) What is the average final full offer that has been accepted by claimants?
 - e) How many claims have been paid out at less than 25% of the requested amount?
 - f) How many claims have been paid out at less than 50% of the requested amount?
 - g) How many claims have been paid out at less than 75% of the requested amount?

- 3) What is the total number of settled claims that were denied for payment or reimbursement? Please provide a breakdown for residential claims and claims from businesses for each of the following:
 - a) What was the total value of the denied claims?
 - b) Please provide a summary of the reasons why these claims were denied.

⁴ Columbia Gas Daily Briefing for March 7, 2019.

⁵ Kiera Blessing, "Residents raise ongoing frustrations with Columbia Gas," The Eagle-Tribune (Mar. 10, 2019), https://www.eagletribune.com/news/merrimack_valley/residents-raise-ongoing-frustrations-with-columbia-gas/article_e0f0f720-4750-57e0-80f9-556d77582be2.html

- 4) Columbia Gas identifies over 800 claims as being “active claims” in its March 4, 2019 daily briefing.
 - a) How does Columbia Gas define “active” and “inactive” claims?
 - b) What is the total number of open, unsettled claims?
 - c) How much would Columbia Gas have to pay out, if it paid the balance of “active claims” in full?

- 5) How many claims have you received from customers for evacuation-related expenses since September 13, 2018?
 - a) How many are still active claims?
 - b) How many claims have been paid out in this category?
 - c) What is the amount that has been paid for claims in this category?

- 6) How many claims have you received for household- and appliance-related expenses?
 - a) How many are still active claims?
 - b) How many claims have been paid out in this category?
 - c) What is the amount that has been paid for claims in this category?

- 7) How many claims have you received for structures that were deemed uninhabitable or seriously damaged, making them unsafe for habitation?
 - a) How many are still active claims?
 - b) How many claims have been paid out in this category?
 - c) What is the amount that has been paid in for these claims?

- 8) How many claims have you received from business customers?
 - a) How many are still active claims?
 - b) How many claims have been paid out in this category?
 - c) What is the amount that has been paid for claims in this category?
 - d) In the days following the explosion, Columbia Gas guaranteed to “provide an immediate advance to assist with ongoing business expenses with minimal paperwork” for businesses in need.⁶
 - i) How many businesses requested an “immediate advance”?
 - ii) How much total money was requested for “immediate advance”?
 - iii) How many “immediate advance” applications were paid at the full requested amount?
 - iv) How much total money was approved for “immediate advance” payment?
 - e) Does Columbia Gas require some business claimants to provide documentation dating back three years in order to receive payment, as reports indicate?⁷
 - i) If yes, does Columbia Gas have a system in place to resolve claims submitted by business-owners who cannot provide three years of documentation?

- 9) How many claims have you received from landlords?

⁶ Columbia Gas, “Outline of claims handling for customers impacted by natural gas event,” <https://www.columbiagas.com/docs/librariesprovider3/greater-lawrence/claims-handling-for-customers-impacted-by-natural-gas-event.pdf?sfvrsn=10>.


⁷ Testimony from Ms. Tina Messina during a November 26, 2018 Senate Committee on Commerce, Science, & Transportation hearing on “Pipeline Safety in the Merrimack Valley: Incident Prevention and Response.”

- a) How many are still active claims?
 - b) How many claims have been paid out in this category?
 - c) What is the amount has been paid for claims in this category?
- 10) Does Columbia Gas have a process in place to provide copies of reports and/or assessments, carried out by its adjusters, for business or residential claims, to the claimants? Is so, please describe this process.
- 11) How many claims have been withdrawn since the claims process began?
- 12) How fast are claims being addressed and resolved?
- a) What is the average resolution time, median resolution time, 25th percentile time, and 75th percentile claim, for each claim category listed above?
- 13) For how long will you keep the claims process open?
- 14) When do you expect to complete processing all the submitted claims?
- 15) Does Columbia Gas plan on closing any claims centers or reducing its claims operations team? If so, what is the schedule for doing so?
- 16) Can you describe your process or the process of the relevant insurance agency for hiring and training adjusters? What are the minimum criteria required to perform that job?
- 17) Does Columbia Gas or the relevant insurance agency have a standardized claims processing manual or training program for its adjusters? If so, please provide copies of the processing and/or training manual.
- 18) Columbia Gas has previously made translators available and provided communication in other languages. Are you providing claims assistance in the appropriate language for each family or business?
- 19) What steps have you taken to inform residents that they can reopen a closed claim
- a) As of today, how many claims have been reopened?
 - b) How many reopened claims have been approved for additional payments or reimbursements?
- 20) What processes are in place for claimants to file appeals if they are unsatisfied with the claims payment estimates determined by the adjusters?
- a) Can individuals or businesses request an appeal to a third party?
 - b) If yes, how many individuals or businesses have filed appeals to a third party?
 - c) How many of those appeals are ongoing and how many have concluded?
 - d) What percentage of the concluded appeals resulted in a reversal of the original decision?
 - e) What is the average amount of time it took for an appeal to conclude after filing? How many of these individuals had to wait more than two weeks? More than one month?
 - f) Can you guarantee that the adjusters reviewing the appeals are different from the adjuster that initially denied the claim?

- g) How many appeals have been reviewed by an independent third party? How many by Columbia Gas management staff? How many by claims adjuster management staff?

We look forward to your prompt response. While we request complete answers to all of the above questions, please do not release any information in a public manner that could be used to identify private or personal claimant information. Should you have any questions, please contact Ashley Coulombe in Senator Warren's office at 617-565-3170.

Sincerely,



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator



Seth Moulton
Member of Congress



Lori Trahan
Member of Congress