

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 17-065

NORTHERN UTILITIES, INC.

Excess Flow Valve Regulations

ORDER OF NOTICE

On April 12, 2017, Northern Utilities, Inc. (Northern) submitted a letter outlining how it intends to recover costs expended in connection with the installation of Excess Flow Valves or EFVs. EFVs are safety devices installed on natural gas distribution pipelines to reduce the risk of accidents. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

Northern's letter was filed in response to amendments made by the U.S. Department of Transportation/Pipeline and Hazardous Materials Safety Administration to its 49 Code of Federal Regulations Part 192 *et seq.* relating to Pipeline and Hazardous Materials Safety Standards. *See* 81 Fed. Reg. 70987 (October 14, 2016). The new rules took effect on April 14, 2017. EFVs are currently required for new or replaced gas service lines serving single family residences. The new rules add four new categories of service for which EFV installation will be required to include the following: (1) branched service lines to a single family residence installed concurrently with a primary service line; (2) branched service lines to a single family residence installed off of a previously installed service line; (3) multifamily installations; and (4) single commercial service customers for newly installed or replaced services. The final rule requires operators to notify customers of their right to request installation of an EFV on service lines that

are not being newly installed or replaced, leaving the question of who bears the cost up to the Commission.

In its filing, the Company proposes that when it brings its next rate case before this Commission it will propose a process to allow for recovery of the costs of installation through rates. In the meantime, the Company proposes to install EFVs under the new rule at no cost to customers, so long as the Company is permitted to schedule EFV installations within a time period that is reasonable and practicable for the Company. If a customer requests an earlier "expedited" installation date, the Company proposes to charge the customer the Company's cost of installation, which the Company estimates to be in the range of \$2,000 to \$4,000. .

The filing raises, inter alia, issues related to: whether Northern's plan to recover the installation costs of some customers through existing rates while charging other customers the full cost of installation is just and reasonable under 378:7 and non-discriminatory under RSA 378:10; whether a portion or all of the proposed charges should be included in base rates; whether parameters should be established for the Company's choice of installation dates, the manner in which installation costs would be determined and communicated to customers requesting "expedited" installation; whether there are "expedited" scenarios in which the proposed charges would not be applicable; and whether the proposal by Northern will result in the continued provision of safe and reliable gas service.

This filing also raises issues about whether it should be consolidated pursuant to Puc 203.19 with the proceedings in Docket No. DG 17-023 relating to Liberty Utilities' proposal to suspend its tariff and charge customers for the installation of EFVs.

Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on May 26, 2017 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15; and it is

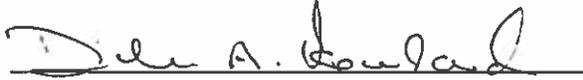
FURTHER ORDERED, that, immediately following the Prehearing Conference, Northern, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than May 5, 2017, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before May 24, 2017; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Northern and the Office of the Consumer Advocate on or before May 24, 2017, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before May 26, 2017.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of
April, 2017.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

