

October 25, 2012

NH Public Utility Commission  
PUC 500 – Rules of Gas Service

My name is Joseph U. Rose and I serve as President / CEO of the Propane Gas Association of New England which represents 38 retail New Hampshire propane marketers who distribute propane from 102 locations throughout the state.

My comments reference two changes made to section 512 of the proposed rules.

First in 512.02 (b) (2) the existing reference to the relationship of multiple codes (NFPA 58 and part 192) impacting the propane industry is being deleted. This relationship is a key to compliance by the propane industry when conflicts exist between part 192 and NFPA 58. Currently Part 192.11 of the CFR and the PUC 500 rules both state that when conflicts arise between part 192 and NFPA 58, that NFPA 58 the Liquefied Petroleum Gas Code prevails. This has been a part of the federal and state code since they were first adopted and we are puzzled by the removal from the proposed PUC 500. The propane industry finds that incorporation of this federal standard provides clarity when conflicts arise and request that it not be stricken. As requested by the commissioners during my oral testimony I have carefully reviewed 512.02 (b) which simply clarifies from 192.7 which edition of NFPA 58 is to be used. This does not resolve the issue of deleting subsection (b) (2) under which the new rule fails to address which code prevails when conflicts arise. As an example there is a conflict between NFPA 58 and 192.625 regarding the method of odor verification which is why we are also objecting to the new 512.09 (g) which would take precedent over NFPA 58, contrary to part 192.11 of the CFR which states that NFPA 58 prevails.

Part 512.09 (g) is a new requirement in the New Hampshire rules that would require the purchase and use of expensive test instruments to detect the presence of odor in propane. NFPA requires a sniff test for the presence of odorant when propane is loaded into a cargo tank for shipment and documentation of that test. The propane industry receives such documentation when propane is delivered to the bulk storage facility and performs the test when loading into the bobtail consumer delivery vehicle. This ongoing practice has been a reliable and accurate test verified by gas chromatograph testing on many occasions when called into question. Not only would this proposed rule conflict with NFPA 58 but section 512.02 (c) of the proposed rule indicates to follow the prescribed manual which in B9 on p.144 of 149 pages provides a form to document odor, by sniff test.

Mr. Knepper's assertion at the public hearing that a quantity of improperly odorized propane was delivered to NH and then distributed to consumers is incorrect. The industry discovered this problem in August of 2010 and worked with the fire marshals in the affected states to assure that this propane was identified, odorized, and not distributed to consumers. In New Hampshire we worked closely with Marshal Degnan and Chief Inspector Cyr using stain tubes to verify the presence of odorant in the proper level at many facilities. One thing we verified during that process is that if a human can smell the odorant in propane it is contained in the gas at levels that meet or exceed the federal standards. The propane industry has always taken safety as our first priority and each business has its future at stake every day to ensure safe operations for their customers. Please understand that our objection is purely over an added burden with no proof of an increase in the level of safety for our customers.

Adding the burden of purchasing an expensive test instrument which must be maintained, training employees to use it, and keeping the records following the quarterly test will not increase the level of public safety only add a financial burden that will ultimately be passed on to consumers. Subsequent to the public hearing we have done some research on the "odorometer" device manufactured by Bacharach that is specified in the section. This device is only able to test natural gas because propane has a specific gravity which exceeds the limits of the machine. There is a device called an "odorator" manufactured by Heath Consultants Inc. but that device includes instructions that it is not to be used in a moist environment or below 32 degrees exterior temperature. This would seemingly limit the effectiveness of the machine in the winter months. In addition we were told that the machine requires a "several" week turnaround on the recalibration process which would likely involve companies having to purchase two machines.

We suggest that if the commission feels compelled to require some test other than the sniff test which has been 100% reliable forever, that a stain tube test be acceptable as an equivalent and so stated in the rule. This device is only 10% of the cost of the "odorator", is not weather dependent and ASTM standards are available to equate the odorant in parts per million in the gas to the NFPA standard of 1/5 the LEL. No calculations would be required. The stain tube can easily be photographed as well as proof of testing if needed.

To summarize, the propane industry feels that these two changes fail to increase public safety and potentially add confusion and barriers to compliance by operators. In addition the existing proposal adds a significant financial burden to a propane operator of approximately \$6000.00 of upfront cost in addition to the cost of training, recalibration, and performing the inspections. This burden will be passed on to the consumers, and again with no demonstrated increase in the level of public safety. These two changes should be removed from the proposed regulations.

Thank you for your time and consideration.

A handwritten signature in blue ink, appearing to read "J. Rose", is enclosed in a light green rectangular box.

Joseph U. Rose  
President / CEO