

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

DG 14-094

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.

Notices of Violations of the Gas Pipeline Safety Laws

ORDER OF NOTICE

On April 4, 2014, Liberty Utilities (EnergyNorth Natural Gas) Corp. (Liberty) requested a hearing before the New Hampshire Public Utilities Commission (Commission). Liberty's request regards three notices of violation of the gas pipeline safety laws . The notices of violation were issued to Liberty by the Commission's Safety Division on March 21, 2014, and March 26, 2014. The notices of violation, request for hearing, and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/docketbk-2014.html>.

The first violation alleged by the Safety Division arose from August and October 2013 inspections at 172 and 219 Loudon Road in Concord. The inspections were conducted because, on separate occasions at these two addresses, construction crews working on behalf of the City of Concord damaged unmarked underground gas distribution lines. The Safety Division also concluded that the unmarked lines contained pressurized gas and were not maintained. After a review of Liberty's records, the Safety Division concluded that Liberty did not follow written company procedures that specified required maintenance. In particular, the Safety Division determined that Liberty had not conducted required annual walking leak surveys of the two unmarked pipelines. The Safety Division imposed civil penalties of \$20,000.

The second violation alleged by the Safety Division arose from a November 2013 review of Liberty's records related to failures of mechanical fittings during 2011 and 2012. The gas pipeline

safety laws require Liberty to report to the Commission and the federal government all mechanical fitting failures that result in hazardous leaks. The Safety Division found that Liberty failed to report a number of such hazardous failures at the following locations: Marie Avenue at Navaho Street, Nashua; Lake Street at Euclid Avenue, Nashua; Wood Gate Street, Nashua; Cypress Lane, Nashua; Prospect Street, Franklin; and Broadway Street, Pembroke. The Safety Division subsequently discovered that mechanical fitting failures were not included in a separate and required procedure involving investigation of failures. The Safety Division imposed civil penalties of \$8,000.

The third violation alleged by the Safety Division arose from a November 2013 inspection of a gas meter set at Beamon Street in Laconia. The Safety Division concluded that the meter set was never connected to customer piping, the service piping contained pressurized gas, and the meter bar was not properly plugged. A civil penalty of \$4,000 was imposed.

The Safety Division conducted an informal conference in February 2014. During the informal conference Liberty contended that the walking surveys referenced in the first alleged violation were not required, because any pipeline leak would have been detected during mobile surveys that Liberty conducted. Liberty also contended that the types of leaks upon which the Safety Division based the second alleged violation were not among the types of leaks that were required to be reported as mechanical fitting failures. Lastly, Liberty contended that its procedures did not require plugs in the service piping referenced in the third alleged violation. The Safety Division and Liberty did not resolve the violations at the conference. Thereafter, the Safety Division issued the notices of violation, and Liberty requested a hearing.

The filing raises, inter alia, issues related to: 1) whether Liberty violated the gas pipeline safety laws as alleged, *see* 49 U.S.C. §60101 *et seq.*, 49 C.F.R. §192, RSA 370:2 and Puc Part 511, and, with reference to these laws, 2) Liberty's knowledge and understanding of its pipeline systems,

3) the appropriateness of Liberty's policies and procedures regarding pipeline safety, 4) employee training in following established procedures, and 5) whether the civil penalties imposed meet the requirements of RSA 374:7-a and Puc 511.08(b)(2). Each party has the right to have an attorney represent the party at the party's own expense.

The Commission has determined that the burden of proving the violations and the appropriate fines to be imposed will rest upon Commission Staff. Pursuant to RSA 363:32, II, the Commission designated the Director of the Safety Division Randall Knepper, P.E., and Staff Attorney Michael Sheehan, Esq. as Staff Advocates as defined in RSA 363:30, VIII.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on May 23, 2014 at 10:00 a.m., at which time the merits of the case shall be heard; and it is

FURTHER ORDERED, that Staff and Liberty file a joint statement specifying all undisputed facts, all disputed facts, and all questions of law to be decided on or before May 14, 2014; and it is

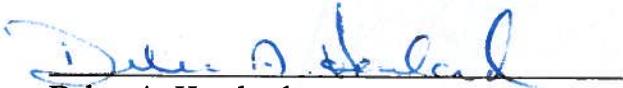
FURTHER ORDERED, that Staff and Liberty shall meet to exchange and pre-mark exhibits on or before May 19, 2014; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than May 12, 2014, in a newspaper with general circulation in those portions of the state in which gas operations are conducted, publication to be documented by affidavit filed with the Commission on or before May 21, 2014; 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 Liberty and the Office of the Consumer Advocate on or before May 21, 2014, 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 RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before May 23, 2014.

By order of the Public Utilities Commission of New Hampshire this sixth day of May, 2014.



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.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**