

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

DG 15-121

NORTHERN UTILITIES, INC.

Request for Hearing on Notices of Violations

ORDER OF NOTICE

On April 3, 2015, Northern Utilities, Inc. (Northern) requested a hearing before the New Hampshire Public Utilities Commission (Commission) pursuant to Puc 511.09 to contest two notices of violation (NOV) of the gas pipeline safety laws issued by the Commission's Safety Division. The NOVs, 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>.

The Safety Division issued two NOVs on March 26, 2015. The first NOV concluded that Northern exceeded the maximum allowable operating pressure when its underground pressure regulating equipment at Rutland Street in Dover failed after being flooded during a rainstorm in August 2014. This failure caused the pipeline pressure to rise to more than twice the allowable pressure for several hours. The NOV concluded that the regulating equipment was not adequately designed to prevent accidental over-pressurization under normal operating conditions, which includes a heavy rainstorm. The Safety Division imposed civil penalties of \$17,500 and required Northern to amend relevant sections of its operating and maintenance plans.

The second NOV arose from a June 2014 inspection of Northern's New Hampshire Avenue district regulating station in the Pease area of Portsmouth. The NOV concluded that, while performing routine testing, Northern allowed the system pressure to rise above the

maximum allowable operating pressure in violation of the gas pipeline safety laws. The Safety Division imposed civil penalties of \$12,500 and required Unutil to amend applicable sections of its operating and maintenance plan to explicitly preclude operating above the maximum allowable operating pressure.

Northern disputes the NOVs and has requested that the Commission adopt the following components of an adjudicatory proceeding: prefiled testimony, discovery, evidentiary hearings, and briefing. In addition, Northern has requested that the NOVs be consolidated for the purposes of the adjudicatory proceeding and that proceedings be stayed until April 30, 2015. The Safety Division objects to Northern's request for prefiled testimony, discovery, and stay of the proceedings.

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 as staff advocates the Director of the Safety Division Randall Knepper, P.E., and Staff Attorney Michael Sheehan, Esq. The Commission denied Northern's request for stay as moot due to the passage of time.

The request for hearing raises, *inter alia*, issues related to whether Northern violated the gas pipeline safety laws, *see* 49 U.S.C. §60101 *et seq.*, 49 C.F.R. §192, RSA 370:2 and Puc Part 500; Northern's knowledge and understanding of its pipeline systems; the appropriateness of Northern's policies and procedures regarding pipeline safety; employee training in following established procedures; whether the civil penalties imposed meet the requirements of RSA 374:7-a and Puc 511.08(b)(2); and the need for prefiled testimony, discovery, and briefing. 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 South Fruit Street, Suite 10, Concord, New Hampshire, on July 23, 2015, at 10:00 a.m., at which each party shall be prepared to provide a preliminary statement of its position with regard to the NOV's and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15, to argue any pending motions, to identify any specific facts detailed in the NOV's that are disputed, to argue the need for prefiled testimony, and to argue the need for discovery and briefing; and it is

FURTHER ORDERED, that, immediately following the prehearing conference, Northern, the Staff of the Commission, and any interveners hold a technical session to develop a joint statement of disputed and undisputed facts and questions of law, to be filed with the Commission no later than August 12, 2015, and to agree upon the procedure for exchanging and pre-marking exhibits; and it is

FURTHER ORDERED that a hearing on the merits be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on August 19, 2015, at 10:00 a.m.; and it is

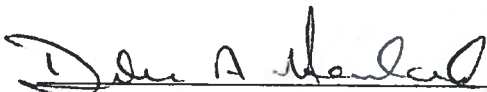
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than June 18, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before July 21, 2015; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, 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 July 21, 2015, 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. Rules 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 July 23, 2015.

By order of the Public Utilities Commission of New Hampshire this fifth day of June, 2015.



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.

Executive.Director@puc.nh.gov
david.burnell@puc.nh.gov
epler@unitil.com
joseph.vercellotti@puc.nh.gov
leblanc@unitil.com
meissner@unitil.com
michael.sheehan@puc.nh.gov
ocalitigation@oca.nh.gov
randy.knepper@puc.nh.gov
robert.wyatt@puc.nh.gov
whewitt@roachhewitt.com

Docket #: 15-121-1 Printed: June 05, 2015

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.