



February 25, 2016

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**BY OVERNIGHT MAIL AND E-MAIL**

Debra A. Howland, Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

**RE: Docket No. DG 16-240**

Dear Director Howland:

By letter dated February 10, 2016, Northern Utilities, Inc. ("Northern" or the "Company") requested that the New Hampshire Public Utilities Commission (the "Commission") grant Northern a waiver of the Puc 511 procedures with regard to two Notices of Violation issued by the Commission's Staff (the "February 10 Letter").

On February 19, 2016, the Commission Staff issued an "Inter-Department Communication" recommending that the Commission deny Northern's waiver request (the "Staff Recommendation"). Although Northern does not intend to address each point raised in the Staff Recommendation at this juncture of the proceeding, there are two fundamental points apparently misunderstood by Staff that are important for the Commission to understand when considering Northern's February 10 Letter.

First, contrary to the Staff Recommendation (at p. 3), Northern is not seeking a waiver any federal minimum pipeline safety regulations, including those that relate to uprating. Northern is willing to perform the pressure testing necessary to achieve compliance with the Pipeline and Hazardous Materials Safety Administration's 2009 uprating interpretation referenced in the Company's February 10 Letter. Northern merely seeks a waiver of the Commission's procedures related to the Staff's Notices of Probable Violation ("NOPV") due to these unique circumstances, including the fact that the conduct at issue occurred decades prior to Unitil Corporation's acquisition of Northern, and multiple distribution systems may require additional pressure testing. Northern does not

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believe that multiple NOPVs, or a "multi-year" investigation as Staff suggests in its Recommendation (p. 3) are efficient uses of the Commission's or the Company's resources.

Second, the Company did not intend for its February 10 Letter to be a request for the Commission, Staff or anyone else to engage in unethical conduct as the Staff Recommendation suggests (p. 2). The Company filed the February 10 letter publicly requesting an open meeting with the Commissioners and Staff and envisioned nothing short of a public process with notice and opportunity to be heard.

Although there are other points raised in the Staff Recommendation with which the Company disagrees, Northern believes it is important for the Commission to understand the Company's position on these two fundamental issues and hope that this clarification assists the Commission in formulating a procedural process to consider the Company's February 10 Letter.

Please do not hesitate to contact me at your convenience if you have any questions concerning these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler". The signature is fluid and cursive, with the first name "Gary" and last name "Epler" clearly distinguishable.

Gary Epler

Attorney for Northern Utilities, Inc.

cc: Randall S. Knepper, Director, Safety Division  
William D. Hewitt, Esq., Roach Hewitt Ruprecht