

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

May 26, 2017 - 1:34 p.m.
Concord, New Hampshire

13 JUN 17 PM 1:50

RE: DG 17-065
NORTHERN UTILITIES, INC.:
Excess Flow Valve Regulations.
(Prehearing conference)

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Robert R. Scott
Sandy Deno, Clerk

APPEARANCES: Reptg. Northern Utilities, Inc.
d/b/a Unitil:
Patrick Taylor, Esq.
Reptg. Residential Ratepayers:
Brian Buckley, Esq.
Pradip Chattopadhyay, Asst. Cons. Adv.
Office of Consumer Advocate
Reptg. PUC Staff:
John Clifford, Esq.
Randall Knepper, Dir./Safety Division
Al-Azad Iqbal, Gas & Water Division

Court Reporter: Steven E. Patnaude, LCR No. 52

CERTIFIED
ORIGINAL TRANSCRIPT

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P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: Good afternoon,
3 everyone. We're here in Docket DG 17-065,
4 Northern Utilities' filing regarding excess
5 flow valve regulations and how they're going to
6 deal with new federal regulations on that
7 topic.

8 Before we do anything else, let's
9 take appearances.

10 MR. TAYLOR: Good afternoon. Patrick
11 Taylor, on behalf of Northern Utilities, Inc.,
12 doing business as Unitil.

13 MR. BUCKLEY: Good afternoon,
14 Chairman Honigberg, Commissioner Scott. My
15 name is Brian Buckley. I'm with the Office of
16 the Consumer Advocate. And beside me today is
17 Pradip Chattopadhyay, Assistant Consumer
18 Advocate. We are here representing the
19 interests of residential ratepayers.

20 MR. CLIFFORD: Good afternoon,
21 Commission. John Clifford, on behalf of
22 Commission Staff. With me at counsel's table
23 is Randy Knepper, Director of the Commission's
24 Safety Division, and Al-Azad Iqbal, a Utility

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1 Analyst in the Gas & Water Division.

2 CHAIRMAN HONIGBERG: So, we're here
3 for a prehearing conference, which will be
4 followed by a technical session.

5 Are there any preliminary matters we
6 need to deal with before we hear from the
7 parties with their preliminary positions?

8 *[No verbal response.]*

9 CHAIRMAN HONIGBERG: I didn't think
10 so. Mr. Taylor.

11 MR. TAYLOR: We are here because
12 PHMSA amended Federal Regulation 49 C.F.R.
13 Section 192.383 to require installation of an
14 excess flow valve, or EFV, on any new or
15 replaced service line for certain types of
16 services before the service is activated.

17 The rule -- and, just for some
18 context, an EFV is designed to minimize the
19 flow of gas in the event of a service line
20 break. The rule also provides that a customer
21 with an existing service line can request the
22 installation of an EFV from the gas operator.
23 And gas operators, including Northern, were
24 required to provide notice to their customers

1 of this right by April 14th. And we provided a
2 copy of that notice to the Commission on April
3 11th, and those notices have gone out. We've
4 also posted a notice on the Company's website,
5 and that's going to be there for the
6 foreseeable future.

7 The rule leaves the treatment of EFV
8 costs, for people who request them, to the
9 state regulators. And, although individual
10 customers may be charged the cost of installing
11 a new EFV, and we estimate that to be about
12 \$2,000 to \$4,000 per customer, Northern already
13 installs these on new services that go in, and
14 that cost is not charged to customers. It's
15 included in the Company's cost of service.
16 And, so, the Company, rather than charge
17 individual customers, intends to include a
18 process for cost recovery of new requested
19 services in its upcoming rate case, which will
20 be filed with the Commission shortly.

21 So, that's really an overview of our
22 filing.

23 CHAIRMAN HONIGBERG: Do you have a
24 sense of how many customers are in the universe

1 of being possibly affected by this?

2 MR. TAYLOR: As I'm sitting here
3 today, I don't.

4 CMSR. SCOTT: I was curious, you
5 mentioned the "customer notice". Have you been
6 getting any feedback from customers or people
7 expressing concern or asking what the notice is
8 about, *etcetera*?

9 MR. TAYLOR: In the State of New
10 Hampshire, I'm not sure. And I'll confess, I'm
11 actually sitting in for one of my colleagues
12 today who is traveling. And, so, I haven't --
13 I don't have that information with me today.
14 But it's certainly information that we will
15 provide to the Staff during the process as it's
16 requested.

17 CMSR. SCOTT: And sounds like I may
18 get the same answer, but my other question was,
19 as a result of the notice, have you installed,
20 you know, between now and then, have you
21 installed EFVs because people have requested
22 it?

23 MR. TAYLOR: I'm not aware of that,
24 but I can't say for certain.

1 CHAIRMAN HONIGBERG: Mr. Buckley.

2 MR. BUCKLEY: Okay. So, the OCA,
3 while generally supportive of the installation
4 of safety devices, does have some concerns with
5 the proposed cost allocation mechanism, which
6 socializes the costs -- the entirety of the
7 cost of installation, which can be between two
8 and four thousand dollars, as noted by the
9 Company.

10 But we look forward to working with
11 the parties involved to try and resolve those
12 concerns in an amicable manner.

13 CHAIRMAN HONIGBERG: Mr. Clifford.

14 MR. CLIFFORD: Thank you. Commission
15 Staff takes no position at this time on the
16 method of cost recovery, and we seek to explore
17 that further through discovery.

18 We do, however, note that Liberty
19 Utilities has a docketed proceeding pending in
20 DG 17-023 with respect to how it plans on
21 seeking recovery of the costs associated with
22 the installation of EFVs. And Liberty had
23 proposed that the customer share in some
24 portion of the expense and would prefer to put

1 the charge in its tariff. And that matter was
2 actually set for a final hearing today, but was
3 continued when the -- and the parties filed an
4 agreed upon Motion to Suspend to determine
5 whether these two dockets should be
6 consolidated.

7 So, at this time, we're going to
8 request permission to make an oral motion under
9 Puc 203.07(c), and, in support, their move to
10 consolidate the docket DG 17-023 and DG 17-065.
11 And the reasons for that are that there are
12 issues common to both dockets, and it's going
13 to be more efficient to develop the record, as
14 whether -- and to come to, potentially, a
15 single method of recovery for efficiency sake
16 on both of both utilities and the Commission
17 Staff.

18 So, under Puc 203.19(a), when more
19 than one application or petition seeks the same
20 or similar relief, the Commission shall
21 consolidate those cases to be heard on a common
22 record, if it determines to do so will promote
23 the orderly and efficient conduct of the
24 proceeding. And we think that that makes sense

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1 in this case.

2 And, in making this motion for
3 consolidation, I've already garnered the
4 support of both Liberty and Northern in that
5 regard, and I don't believe they're going to
6 oppose that in public here today. And, so, we
7 think we should, with that order, explore
8 whether one method of recovery should apply to
9 both of the affected utilities.

10 And we would request that the
11 Commission order the Executive Director to note
12 the consolidation in the docket of record, and
13 perhaps make this one the lead docket, now that
14 this is the latter-filed docket.

15 CHAIRMAN HONIGBERG: Mr. Buckley, do
16 you have a position on this?

17 MR. BUCKLEY: The OCA is supportive
18 of the consolidation.

19 CHAIRMAN HONIGBERG: By happy
20 coincidence, there happens to be a Liberty
21 representative in the court room as we speak.
22 Mr. Sheehan, is that -- is Mr. Clifford's
23 representation consistent with your position?

24 MR. SHEEHAN: That's correct. He

1 first raised it at our tech session, and we are
2 supportive as well to have one rule for --
3 maybe not a rule, but one resolution of this
4 from both companies. We're supportive.

5 CHAIRMAN HONIGBERG: And, Mr. Taylor,
6 that's --

7 MR. TAYLOR: We have no objection to
8 the motion.

9 CHAIRMAN HONIGBERG: All right. So,
10 I guess what I'd say is, you're scheduled to
11 have a technical session now to discuss
12 scheduling, I think you should do that. And I
13 think, as part of your report of the technical
14 session, you should include a reminder of the
15 oral motion and the parties' positions. And,
16 then, assuming everyone agrees, and when we go
17 back up stairs we don't think of a reason why
18 this is a horrible idea, the secretarial letter
19 that gets issued will deal with the
20 consolidation and the schedule at the same
21 time.

22 Does that make sense?

23 MR. CLIFFORD: Yes, it does.

24 CHAIRMAN HONIGBERG: All right. It's

1 always good when I see nodding heads, and then
2 someone says "yes", it makes me feel good to
3 get positive feedback like that.

4 All right. Is there anything else we
5 need to do before we leave you to your
6 technical session?

7 MR. BUCKLEY: No.

8 MR. CLIFFORD: No. Not at this time.

9 CHAIRMAN HONIGBERG: All right.

10 MR. CLIFFORD: Thank you.

11 CHAIRMAN HONIGBERG: Then, we'll
12 adjourn the prehearing conference, and wait for
13 the report from you on the technical session.

14 ***(Whereupon the prehearing***
15 ***conference was adjourned at 1:42***
16 ***p.m., and a technical session***
17 ***was held thereafter.)***