

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

April 25, 2012 - 10:22 a.m.
Concord, New Hampshire

MORNING SESSION
ONLY

RE: DG 11-196
UNITIL CORPORATION AND NORTHERN
UTILITIES, INC.:
Show Cause Proceeding.

NHPUC MAY14'12 PM 1:50

PRESENT: Chairman Amy L. Ignatius, Presiding
Commissioner Robert R. Scott
Commissioner Michael D. Harrington

Sandy Deno, Clerk

APPEARANCES: Reptg. Unitil and Northern Utilities, Inc.:
Gary M. Epler, Esq.

Reptg. the United Steelworkers of
America Local 12012:
Shawn J. Sullivan, Esq.

Reptg. PUC Staff:
Lynn Fabrizio, Esq., Esq.
Randall Knepper, Dir./Safety & Security Div.

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

ORIGINAL

I N D E X

PAGE NO.

WITNESS: RANDALL S. KNEPPER

Direct examination by Ms. Fabrizio 8

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E X H I B I T S

| EXHIBIT NO. | D E S C R I P T I O N | PAGE NO. |
|-------------|--|-----------|
| 1 | Staff Memorandum (04-22-11) | premarked |
| 2 | Unitil/Northern Memorandum (06-20-11) | premarked |
| 3 | Joint Stipulation of Facts (10-17-11) | premarked |
| 4 | Testimony of Unitil/Northern Witness Ciulla (12-16-11) | premarked |
| 5 | Testimony of Unitil/Northern Witness Leblanc (12-16-11) | premarked |
| 6 | Testimony of Unitil/Northern Witness Sher (12-16-11) | premarked |
| 7 | Testimony of Unitil/Northern Witness Meissner (12-16-11) | premarked |
| 8 | Testimony of PUC Staff Witness Knepper (01-09-12) | premarked |
| 9 | Testimony of United Steelworkers Local 12012-06 Witness Emerton (02-03-12) | premarked |

E X H I B I T S (continued)

| EXHIBIT NO. | D E S C R I P T I O N | PAGE NO. |
|--------------------|---|-----------------|
| 10 | Settlement Agreement (04-23-12) | premarked |
| 11 | Chart depicting Emergency Response Standards results for normal hours, after hours, and weekends/holidays, from January 2009 through March 2012 (4 pages) | 26 |
| 12 | Large chart depicting 3 graphs of Unitil Gas Response Times during Normal Business Hours, After Business Hours, and Weekends & Holidays (updated 4/24/12) | 28 |
| 13 | Chart with various tables entitled "Attachment RSK 5-1 p. 1 of 1 (revision 2 - April 12, 2012)" | 35 |
| 14 | Map entitled "Overview of the Unitil New Hampshire Gas System" (01-21-10) | 49 |
| 15 | Chart entitled "Attachment RSK 5-1 p. 1 of 1 (revision 2 - April 12, 2012)", with a large area of the chart blacked out in the years 2009, 2010, and part of 2011 | 64 |

1 P R O C E E D I N G

2 CHAIRMAN IGNATIUS: We will open the
3 hearing in Docket DG 11-196. Which we have previously had
4 a prehearing conference on, so I won't go through the
5 Order of Notice. This is the Unitil Corporation/Northern
6 Utilities show cause proceeding regarding certain
7 reporting and safety mechanisms.

8 And, so, let's begin with appearances
9 please.

10 MR. EPLER: Good morning. Gary Epler,
11 Chief Regulatory Counsel, Unitil Service Corp., appearing
12 on behalf of Northern Utilities, Inc.

13 CHAIRMAN IGNATIUS: Good morning.

14 MR. SULLIVAN: Shawn Sullivan. I
15 represent the United Steelworkers, Local 12012. I'm
16 joined today by Dave Emerton, current Unit Chair.

17 CHAIRMAN IGNATIUS: Thank you. And,
18 Mr. Sullivan, feel free to stay seated. It's hard to hear
19 you away from the microphone. So, --

20 MR. SULLIVAN: It's hard for me to stay
21 seated when speaking. I'll try.

22 MS. FABRIZIO: Good morning. Lynn
23 Fabrizio, on behalf of Commission Staff. With me at the
24 table today are Dave Burnell and Bill Ruoff, from the

1 Safety Division. And, Staff will be calling Randy
2 Knepper, who is currently on the stand, as its first
3 witness. Thank you.

4 CHAIRMAN IGNATIUS: Good morning. Thank
5 you, everyone. I see we have an exhibit list of proposed
6 premarkings, and we should attend to that, and any other
7 procedural matters. What should we take up first?

8 MS. FABRIZIO: Chairman, Staff and the
9 Company, and the Union as well, agreed to the list before
10 you of the exhibits to be premarked. And, those are all
11 straight from the record, all documents that have been
12 filed with the Commission.

13 CHAIRMAN IGNATIUS: All right. And,
14 copies -- everyone has copies of all of these? All the
15 other parties have these?

16 MS. FABRIZIO: Yes.

17 CHAIRMAN IGNATIUS: All right. Then,
18 yes, I think what we have to be sure of is that some of
19 the loose sheets here we know were matching up what's
20 described, unless these are separate, for example, the
21 printouts in colorful writing, are these exhibits or
22 something that's yet to be dealt with later?

23 MS. FABRIZIO: They will be introduced
24 later, --

1 CHAIRMAN IGNATIUS: All right.

2 MS. FABRIZIO: -- during Mr. Knepper's
3 testimony.

4 CHAIRMAN IGNATIUS: We're going to make
5 additional copies of the exhibit list, just because it's
6 easy to work off of.

7 MR. EPLER: Chairman Ignatius?

8 CHAIRMAN IGNATIUS: Yes.

9 MR. EPLER: I just wanted to clarify in
10 terms of the -- what's been premarked as number "6", which
11 is the testimony of Unitil Witness Philip Sher. There was
12 an attachment to that. So, I just want to make clear that
13 that attachment would be considered part of that exhibit.
14 Actually, I think there's two attachments; one is his kind
15 of resumé, and the other is a report from New York State.
16 So, I just want to clarify that those attachments should
17 be considered part of that exhibit. And, I don't believe
18 there is an objection from Staff on that.

19 MS. FABRIZIO: No. No objection from
20 Staff. In fact, the intent was to include the testimonies
21 with attachments, as entered in the docketbook, for each
22 one of those.

23 CHAIRMAN IGNATIUS: All right. So, if
24 there were any attachments to people's testimony, that's

1 assumed to be within the exhibit itself?

2 MR. EPLER: Yes.

3 CHAIRMAN IGNATIUS: That's entitled
4 "testimony"?

5 MS. FABRIZIO: Yes.

6 CHAIRMAN IGNATIUS: All right.

7 MR. EPLER: And, additionally, on that
8 same exhibit, Mr. Sher is not here today. And, we would
9 ask that his testimony - his prefiled testimony be allowed
10 in as an exhibit. It can be authenticated or adopted by
11 one of the other Unitil witnesses who are present here,
12 whichever the Commission would prefer.

13 CHAIRMAN IGNATIUS: Is there any
14 objection to that from the parties?

15 MS. FABRIZIO: No.

16 CHAIRMAN IGNATIUS: All right. That's
17 fine. Thank you.

18 MR. EPLER: Thank you.

19 CHAIRMAN IGNATIUS: All right. Is there
20 anything else prior to Mr. Knepper's testimony?

21 (No verbal response)

22 CHAIRMAN IGNATIUS: Please proceed.

23 MS. FABRIZIO: Staff calls Randy Knepper
24 to the stand.

[WITNESS: Knepper]

(Whereupon **Randall S. Knepper** was duly
sworn by the Court Reporter.)

RANDALL S. KNEPPER, SWORN

DIRECT EXAMINATION

BY MS. FABRIZIO:

Q. Mr. Knepper, could up please state your name and
business address for the record.

A. My name is Randall S. Knepper. I work at the Public
Utilities Commission, 21 South Fruit Street, here in
Concord.

Q. And, by whom are you employed and in what capacity?

A. The Public Utilities Commission, and I'm the Director
of Safety and Security.

Q. And, what has been your involvement in this proceeding?

A. I've been involved from the get-go. We've done initial
discovery. I did the initial memo that got filed with
the Commission. We've written testimony. And, I
participated in some settlement negotiations.

Q. Thank you. You referred to the testimony that you
filed, and we've premarked that as "Exhibit 8". Was
that testimony prepared by you or under your direction?

A. Yes.

Q. And, do you have any corrections or changes you'd like
to make to your testimony, other than those due to the

[WITNESS: Knepper]

1 passage of time?

2 A. Yes.

3 Q. Would you please walk through those for the Commission.

4 A. Yes. I have ten, about ten corrections I have to make,
5 so -- on behalf of testimony. The first one is on
6 Page 12, Line 15. Nope, that's not the right page.
7 Have you got an extra? I might be looking at an
8 old one here.

9 Q. Are you looking at your January 9, 2011 [2012?]
10 testimony?

11 A. Yes. Well, I might have been looking at an electronic
12 version and have the wrong numbers. I don't see where
13 it was here. I guess it's Page 11, Line 15. Sorry,
14 that's my mistake.

15 CMSR. HARRINGTON: Page 11.

16 **BY THE WITNESS:**

17 A. And, at the end of that sentence, it says "60-minute
18 explanations were not being provided", I'd like to add
19 the phrase "with the monthly reports" at the end of
20 that sentence. And, I'd like to add a sentence at the
21 end of that phrase, "Puc 504.07 filings were being made
22 via electronic filing" --

23 CMSR. HARRINGTON: Excuse me. We're
24 trying to write this down. You have to go a little bit

[WITNESS: Knepper]

1 slower.

2 WITNESS KNEPPER: Okay.

3 CMSR. HARRINGTON: Could you start with
4 the whole sentence.

5 **CONTINUED BY THE WITNESS:**

6 A. "Puc 5.04.07 filings were being made to Staff via the
7 electronic filing system but not all statements seemed
8 to comport with the monthly data provided."

9 BY MS. FABRIZIO:

10 Q. And, Mr. Knepper, could I just ask you to clarify. You
11 read out "Puc 5.04". Did you mean "Puc 504.07"?

12 A. 504.07.

13 Q. Thank you.

14 A. The next correction I have is on Page 16 to Table
15 RSK-4, under the "Weekends and Holiday" column for
16 2010, that one should be a zero.

17 CMSR. HARRINGTON: Are you talking about
18 the top one for January?

19 A. In November of 2010, under the "Weekend/Holiday"
20 column, for 2010, there is a yellow "1", we would like
21 to make that a "0". Which would then change the red
22 "4" underneath to a "3", and the total is 3, 0, 3, and
23 that adds up to "6", instead of "7".

24 MR. EPLER: Can I just get a

[WITNESS: Knepper]

1 clarification? Are you changing the one for January or
2 November?

3 WITNESS KNEPPER: I'm looking at the one
4 for November of 2010. And, also on that table, in
5 September of 2011, that one that's in yellow should go to
6 "0".

7 CMSR. HARRINGTON: The "Normal Business
8 Hours"?

9 WITNESS KNEPPER: Yes.

10 **BY THE WITNESS:**

11 A. So, the total for that column is "0", and the overall
12 total is "4", from "5" to "4". And, I'd like to turn
13 to Page 18, Line 7, where the last word says "Staff",
14 that shouldn't be a period there, it should continue,
15 the sentence should continue that says "that
16 specifically stated dates of hires of service
17 technicians."

18 CHAIRMAN IGNATIUS: I'm sorry. You lost
19 me on that one. Give that again please.

20 WITNESS KNEPPER: So, I would like the
21 total sentence between 6 and 7 to read: "Staff has no
22 record that a formal integration plan was ever developed
23 or subsequently shared with Staff that specifically stated
24 dates of hires of service technicians."

[WITNESS: Knepper]

1 **BY THE WITNESS:**

2 A. And, I would like to add one sentence after that: "The
3 transition reports electronically filed mentioned that
4 on March 2009 transition service termination occurred
5 but did not clearly indicate the status of any new
6 hires."

7 CMSR. SCOTT: One more time please.

8 CMSR. HARRINGTON: Yes. Slow.

9 WITNESS KNEPPER: I'm sorry. The
10 sentence should read: "The transition reports
11 electronically filed mentioned that a March 2009
12 transition service termination --

13 CMSR. HARRINGTON: Excuse me. You've
14 got to slow down quite a bit, because we're trying to
15 write this down.

16 WITNESS KNEPPER: Okay.

17 CMSR. HARRINGTON: I just can't keep up
18 with you.

19 WITNESS KNEPPER: I'll try to go slower.

20 CMSR. HARRINGTON: Yes. Start writing
21 it yourself, maybe that will help.

22 WITNESS KNEPPER: That's a good idea.

23 I'm going to start again: "The transition reports
24 electronically filed mentioned that a March 2009

[WITNESS: Knepper]

1 transition service termination occurred but did not
2 clearly indicate the status of any new hires." Those are
3 the two tough ones, the rest are simple.

4 **BY THE WITNESS:**

5 A. I do have another one on Page 18. Line 14, strike out
6 the word "one", and add in its place "two", t-w-o, and
7 make the word "position" plural, so it's "positions".
8 I'd like to add at Page 19, Line 11, the numbers "39
9 and 27" should say "39 and 26". And, on Page 19, Line
10 15, the "37 occasions" should say "44". Page 21, after
11 the word "lead", on --

12 MS. FABRIZIO: Line 10.

13 **CONTINUED BY THE WITNESS:**

14 A. -- Line 10, add the word "to", t-o, so it reads "lead
15 to a further". Page 30, Line 2 -- oh-oh.

16 BY MS. FABRIZIO:

17 Q. Page 29.

18 A. I think it's Page 29, Line 2. Delete the sentence
19 "Although the Company testified", that whole sentence,
20 and it goes through Line 2 through 4.

21 CMSR. HARRINGTON: Ending with
22 "emergency response"?

23 WITNESS KNEPPER: Yes.

24 **BY THE WITNESS:**

[WITNESS: Knepper]

1 A. And, on Page 29, Lines 8 and 9, I'd like to delete the
2 phrase "nor does the Company appear to have considered
3 altering current work shift assignments", and just end
4 it at the end of the parentheses.

5 WITNESS KNEPPER: And, then, I have a
6 lot of numerical changes to RSK 5-1. Do the Commissioners
7 have that? Did the attachments come with the testimony?

8 CHAIRMAN IGNATIUS: Is Attachment 5 a
9 one-sheet --

10 WITNESS KNEPPER: Yes.

11 CHAIRMAN IGNATIUS: -- one-page color
12 sheet? It doesn't say "5-1". It just says "Attachment
13 RSK 5 Page 1 of 1"?

14 MS. FABRIZIO: Yes.

15 WITNESS KNEPPER: That's the one.

16 CHAIRMAN IGNATIUS: Under Tab Number 5.

17 CMSR. HARRINGTON: Is that under Tab 5?

18 MR. EPLER: I'm sorry. I didn't catch
19 that one, that last correction. Could you repeat what
20 that was?

21 WITNESS KNEPPER: The line -- the Page
22 29 one?

23 MR. EPLER: No. No. The --

24 WITNESS KNEPPER: Attachment RS -- Lynn,

[WITNESS: Knepper]

1 can I see what it says?

2 CHAIRMAN IGNATIUS: We haven't done the
3 numbers yet.

4 MR. EPLER: Oh. Okay.

5 CHAIRMAN IGNATIUS: We were just getting
6 the document out.

7 MR. EPLER: Okay.

8 WITNESS KNEPPER: Yes. Attachment RSK
9 5, Page 1 of 1. And, I have quite a few number changes.

10 **BY THE WITNESS:**

11 A. So, starting with, and these are in no particular
12 order, November 2011, if you go to the
13 "Weekend/Holidays", in the far right corner, there's a
14 "Y" there. That should be a "-8".

15 CMSR. SCOTT: Which one?

16 WITNESS KNEPPER: Right above the "Sub
17 total" line. If you go to November of 2011, which is the
18 far -- far right-hand column that's not grayed out.

19 (Court reporter interruption.)

20 WITNESS KNEPPER: Not grayed out, the
21 color gray.

22 CHAIRMAN IGNATIUS: So, this is
23 "November 30 minutes"?

24 WITNESS KNEPPER: "30 minutes", the "Y"

[WITNESS: Knepper]

1 should get erased, and "-8" should go in its place.

2 CMSR. HARRINGTON: So, this is the one
3 under the column titled "DIFF"?

4 WITNESS KNEPPER: Yes.

5 CMSR. HARRINGTON: That should be what,
6 instead of a "Y"?

7 WITNESS KNEPPER: "-8". Negative eight.

8 MR. EPLER: I'm sorry. I apologize.
9 But could you repeat that? We're just a little lost.

10 MR. MEISSNER: The location of the
11 reference?

12 WITNESS KNEPPER: November 2011, under
13 the "30-minute" category, which for 2011 is on the far
14 right-hand side of the paper. It's before all the blanks
15 of "December", the last "Y" furthest most, under the
16 column that says "DIF", should say "-8", or negative 8.

17 CHAIRMAN IGNATIUS: Mr. Knepper, are
18 there going to be a lot of changes to this exhibit?

19 WITNESS KNEPPER: There is. And,
20 actually, we're going to introduce another exhibit that
21 updates all of this. So, that might be --

22 CHAIRMAN IGNATIUS: Yes. Then, do we --

23 WITNESS KNEPPER: -- the proper way to
24 do it?

[WITNESS: Knepper]

1 CHAIRMAN IGNATIUS: Yes. I just, if
2 it's going to take a lot of time, and if it's not going to
3 end up being the one we're going to work off of anyway --

4 WITNESS KNEPPER: I don't think it will
5 be the one you work of. I just wanted to, at the time
6 when I filed this, there was --

7 CHAIRMAN IGNATIUS: Can we agree then
8 just to mark on this "to be revised", something like that?
9 And, then, when we get just as a reminder, then when we
10 get the new exhibit that corrects it or supplements it,
11 we'll know to turn to that one.

12 WITNESS KNEPPER: There were some
13 spreadsheet errors, and we caught them after we had filed.

14 CHAIRMAN IGNATIUS: Thank you.

15 WITNESS KNEPPER: That's it.

16 BY MS. FABRIZIO:

17 Q. So, that completes any changes to your testimony, as
18 filed in January of this year?

19 CHAIRMAN IGNATIUS: Before you go on,
20 can I ask one other question? I have in my file a note
21 saying to replace some of the exhibits, 4-1, 4-2, and 4-3.
22 And, it doesn't have a date on it. It's from the
23 Commission Staff. So, I don't know if everyone's got that
24 same situation, and has swapped out the correct ones. I

[WITNESS: Knepper]

1 assume there were just some drafted pages.

2 WITNESS KNEPPER: I think they were
3 formatting, when they converted them to pdf type things.

4 CHAIRMAN IGNATIUS: All right.

5 WITNESS KNEPPER: So, that they showed
6 on the proper page versus --

7 CHAIRMAN IGNATIUS: All right.

8 WITNESS KNEPPER: I don't think there
9 was any data or anything else that changed.

10 CHAIRMAN IGNATIUS: All right. If we
11 end up in those exhibits and some confusion on where to
12 find things, it may be because people are using different
13 versions of that, but let's hope not.

14 MR. EPLER: Chairman Ignatius, on two of
15 these changes we just went through, specifically, the
16 first one and the third one, there was additional
17 testimony provided. And, I haven't had a chance really to
18 look at what's being said and to consider it. And, you
19 know, I don't have any reason now to object to it or think
20 that it's incorrect. And, we are here to review a
21 Stipulation, so I don't want to try to do that here. But
22 I would just like to reserve an ability to do that, if
23 necessary. It's just, it's beyond what we've seen before.
24 And, you know, again, I have no basis to assume it's not

[WITNESS: Knepper]

1 correct, but --

2 CHAIRMAN IGNATIUS: Well, I wondered
3 that myself, and whether this was going to raise an issue
4 of opportunity for discovery on any of the statements
5 made, and had hoped that they were statements changed in
6 response to information received from the Company, and
7 that's why they were being changed, but maybe that's not
8 the case.

9 Ms. Fabrizio, any response to that?

10 MS. FABRIZIO: I think Mr. Knepper's
11 intent was to change his statements in testimony to
12 reflect information that we did get from the Company,
13 that, in fact, the reports that he said were not being
14 filed by the Company were being filed, and he just
15 clarified through what format, through the e-filing system
16 here at the Commission, they were being filed.

17 CHAIRMAN IGNATIUS: They read that way,
18 it seems like, in most cases, to be sort of moderating
19 statements giving a little bit more detail. But, Mr.
20 Epler, I think it's a fair point. Maybe we can, at a
21 break, take a look. And, if there's anything further that
22 you feel is necessary to address when your witnesses are
23 on the stand, you should feel free to do so.

24 But, again, as you point out, the

[WITNESS: Knepper]

1 purpose of today is to address the merits of the
2 Settlement that's proposed. So, let's see how much
3 progress we can make on that.

4 MR. EPLER: Yes. And, I think that this
5 issue, and I'm not trying to prejudge this, but this issue
6 may come up at various points. And, I think it will
7 become evident that this has been somewhat of a
8 contentious issue between the Company and Staff, or there
9 have been a number of contentious issues in the
10 proceeding.

11 But, as I said, we're here on a
12 Settlement Agreement. And, so, we'd prefer to focus on
13 that, and not try to either contradict or litigate each
14 issue as things come up. But just, if, however, it did
15 come to a situation where the Settlement Agreement were
16 not accepted, for whatever reasons, then we would just
17 want to be able to come back and re-raise some issues. We
18 don't anticipate that happening. And, we appreciate all
19 the hard work and effort that everybody has given into
20 this process. So, I'll try to keep my seat on most
21 points.

22 CHAIRMAN IGNATIUS: That's all right.
23 Take look at the changes. See if anything you feel needs
24 further response. These are marked for identification

[WITNESS: Knepper]

1 only, and we'll have an opportunity at the end of hearing
2 to address admissibility.

3 So, Ms. Fabrizio, what next?

4 MS. FABRIZIO: I'll resume my questions
5 of Mr. Knepper.

6 BY MS. FABRIZIO:

7 Q. Mr. Knepper, in your April 22nd, 2011 memorandum that
8 has been premarked for identification as "Exhibit 1",
9 and then again in your January 2012 prefiled testimony,
10 you raise a number of concerns regarding Northern's
11 emergency response time performance. Could you briefly
12 outline those concerns and explain where we are today.

13 A. Sure. Staff, the Safety Division Staff, after creating
14 some trending graphs of the emergency response
15 performance, realized that Unitil was not consistently
16 meeting two of the nine Emergency Response Standards as
17 Staff had contemplated in the Settlement Agreement of
18 DG 08-048. Staff was aware that a third standard was
19 not consistent from month-to-month and was also
20 concerned with that. Staff was made aware of
21 operational changes, such as shift changes that were
22 being employed by Unitil. But was very uncomfortable
23 with the fact that two of the standards, after 27
24 months, were clearly not being attained. Staff felt

[WITNESS: Knepper]

1 obligated to inform the Commission of this observation,
2 and offered some possible actions for the Commission to
3 consider. The Commission ordered a show cause hearing,
4 and which has led us to this proceeding.

5 Q. Thank you. And, could you please explain for the
6 Commission what exactly are "Emergency Response
7 Standards"?

8 A. Yes. The "Emergency Response Standards" are a way of
9 clearly defining of what we think is a prompt response,
10 and defining it in terms of what the expectations are,
11 in terms of minutes, of what we think is a prompt
12 response to either leaks or odor calls or notifications
13 that come from the public.

14 Q. And, does the response include addressing a leak after
15 such a call?

16 A. It only -- it only talks about the time frame. We're
17 talking about time as the measurement, of when a call
18 comes in to when a first responder arrives at the
19 location of where the odor was or leak.

20 Q. Thank you. And, would you characterize these standards
21 as "service quality standards"?

22 A. No. I believe it's -- the Safety Division
23 characterizes them more as "safety standards", and not
24 "service quality standards".

[WITNESS: Knepper]

1 Q. And, why do these emergency response time standards
2 matter?

3 A. Well, I think, obviously, it's very important to us,
4 because of the potential harm that could occur, if you
5 have a delayed response, and may lead to become a
6 contributing factor to a potential hazard. So, when
7 someone calls, there's already an elevated concern of
8 they either smell something or they hear something, and
9 we want to make sure that the Company treats those all,
10 and I believe Unitil does, treats them all with prompt
11 fashion and try to respond to that, until they can rule
12 out that it's not an elevated concern. So, for the
13 most part, these turn out to be non-issues. But we
14 treat them all, until they can rule it out 100 percent,
15 as emergency responses.

16 Q. And, you mentioned that the data shows that the Company
17 has not been able to consistently attain certain of the
18 time period standards. Why should we be concerned
19 about that?

20 A. Well, because, number one is, you know, we want to make
21 sure that, when we have standards, that people are
22 meeting them and that the standards mean something. I
23 think that's the number one. Just because we've agreed
24 upon these standards, we believe that they should be

[WITNESS: Knepper]

1 adhered to.

2 The second thing is, though, I think
3 emergency response, to me, as an overall category, is
4 utmost important to gas companies and the public, they
5 want to be assured that people are getting there as
6 quick as possible and as fast as possible, for the
7 public safety of the public, the employees, could be
8 the safety of our own staff, first responders, from
9 municipalities or whoever.

10 Q. Thank you. And, have you reviewed the Company's
11 testimony and memorandum filed in this proceeding?

12 A. Yes.

13 Q. And, do you agree with the Company's statements that
14 "its performance has been consistently improving", as
15 the Company has noted in the testimony and in its
16 memorandum?

17 A. Well, as I stated in my testimony, and as Mr. Epler has
18 talked about, "improving" is a relative term. You
19 know, it depends on what you're comparing it to. Are
20 you comparing it to a former company? Are you
21 comparing it to last month? Are you comparing it to
22 last year? In the end, we're looking to see if they
23 have met the mark of what the standard is.

24 Q. Thank you. And, could you identify for the record

[WITNESS: Knepper]

1 these two documents?

2 (Atty. Fabrizio distributing documents.)

3 **BY THE WITNESS:**

4 A. This first chart, which is four pages on eight and a
5 half by eleven, are tabular results for the years 2009,
6 2010, 2011, and I believe we're up to the first quarter
7 of 2012, January through March 2012, of the table that
8 we use to track these Emergency Response Standards.
9 The results are all in red, and the standards are in
10 yellow, the yellow colored for normal hours, the green
11 colored rows for after hours, and the orange colored
12 rows for weekends and holidays. Those stay the same,
13 and then the standards are met, or are listed in red
14 for each of those. We're now up to 39 months of data.

15 **BY MS. FABRIZIO:**

16 Q. And, is it fair to say that this represents an update
17 of attachments that were made to your April 22nd, 2011
18 memorandum?

19 A. Yes, this is current as of this month, because we
20 wouldn't get April's until May. So, we're up-to-date.

21 MS. FABRIZIO: Chairman, I would like to
22 request that this document be marked for identification as
23 "Exhibit 11".

24 CHAIRMAN IGNATIUS: Any objection?

[WITNESS: Knepper]

1 MR. EPLER: No objection.

2 CHAIRMAN IGNATIUS: Then, it will be
3 marked for identification as "Exhibit 11".

4 (The document, as described, was
5 herewith marked as **Exhibit 11** for
6 identification.)

7 CHAIRMAN IGNATIUS: And, Mr. Knepper, I
8 assume this was compiled by you?

9 WITNESS KNEPPER: Yes. The Safety
10 Division compiles that every month, based on data
11 submitted by Unitil.

12 CHAIRMAN IGNATIUS: Thank you.

13 CMSR. HARRINGTON: Just a question. Is
14 this replacing anything in other parts of the testimony or
15 is this just a new document completely?

16 WITNESS KNEPPER: It updates. I think,
17 when I had originally filed the memo, we only had 27
18 months. Then, when I did testimony in January, I think we
19 were up to November of 2011. So, we've added another four
20 months on top of that.

21 CMSR. HARRINGTON: So, some of the data
22 is the same as on those other charts, it just gives you a
23 longer time period?

24 WITNESS KNEPPER: That's correct.

[WITNESS: Knepper]

1 CMSR. HARRINGTON: Thank you.

2 BY MS. FABRIZIO:

3 Q. And, could you identify the second document that I
4 handed you.

5 A. Yes. The second document looks like this [indicating].
6 It is three graphs. We have a large one over there,
7 behind Mr. Patnaude. And, takes this tabular data that
8 we just saw, and it puts it in a graphical format for
9 the main categories of "Normal Business Hours", "After
10 Business Hours", and "Weekends and Holidays".

11 Q. And, did you and your Staff prepare these graphs?

12 A. Yes. We, in the beginning, we weren't graphing these
13 back in 2009. But we've started to, through the course
14 of this, I don't remember the exact date of when we
15 started to graph, but we felt that you could start to
16 see a pattern or a trend if you did it graphically,
17 versus trying to piece together tabular data, and
18 thought it was representative of -- better picture of
19 Emergency Response Standards.

20 Q. And, does this also represent an update with additional
21 data to attachments to your original April 2011 memo?

22 A. That's correct. This would update it. And, I would
23 also note that any of the labels that you see with a
24 block on it, those data points, which are definitely

[WITNESS: Knepper]

1 different nomenclature or different labeling.

2 MS. FABRIZIO: Chairman, I would like to
3 request that this document be marked for identification as
4 "Exhibit 12".

5 CHAIRMAN IGNATIUS: Any objection?

6 MR. EPLER: Chairman Ignatius, again, in
7 terms of reflecting what has been reported by the Company,
8 we don't have an objection to either of these, Exhibit 11
9 or this Exhibit 12. As to the issue of whether or not the
10 Company's performance was to be evaluated on a monthly
11 basis or an annual basis, we would not concede that point,
12 in terms of its past performance. So, and -- but, in
13 terms of what this reflects, in terms of reporting what
14 occurred, we don't have an objection. We think it's
15 accurate. So, the conclusions to be drawn, we might have
16 an objection.

17 CHAIRMAN IGNATIUS: That's fair. All
18 right. Let's mark this as "Exhibit 12" for
19 identification.

20 (The document, as described, was
21 herewith marked as **Exhibit 12** for
22 identification.)

23 **BY THE WITNESS:**

24 A. So, if I may, it's a very busy graph. I thought I

[WITNESS: Knepper]

1 would just take a little time to kind of go over it.
2 As I said before, it's composed of three separate
3 graphs. They're broken up by classifications, by the
4 titles "Normal Business Hours", "After Business Hours",
5 and "Weekends and Holidays". So, if we look at the top
6 graph, to start with the "normal business hours",
7 you'll note on there there's three separate colors,
8 red, green, and blue. Hope no one is color-blind. If
9 they are, then I'll refer to them as the "lines with
10 the X's" or the "lines with the triangles" or the
11 "lines with the square or rectangles". Do we have a
12 color-blind --

13 CHAIRMAN IGNATIUS: We a little
14 borderline issue here.

15 WITNESS KNEPPER: Okay.

16 CHAIRMAN IGNATIUS: Our prior chairman
17 was definitely color-blind and would have had trouble with
18 this. But we're doing okay.

19 WITNESS KNEPPER: If it's confusing,
20 just stop me. I tend to do a lot of things in colors,
21 because they pop out to me as to what's there.

22 **BY THE WITNESS:**

23 A. If you look at the X axis on these, the timeline starts
24 from "January of 2009", and it concludes into last

[WITNESS: Knepper]

1 month of "March 2012", for a total of 39 data points
2 going horizontally from left to right. The Y axis
3 represents the percentages achieved for a given month.
4 So, in each table, there are three lines, horizontal
5 lines. And, they're exactly horizontal. They don't go
6 up or down. And, those represent the benchmarks for
7 each category. So, you'll see there's a red line at
8 the "82 percent" mark. That's for the 30 minutes, if
9 you look at the legend underneath, it says "0 to 30
10 minutes", and at 82 percent. There's a benchmark for
11 the 45 minutes, that's at "90 percent". That's a green
12 one, that's a horizontal line. And, the benchmark is
13 "97 percent" in the blue one, and you'll see that's for
14 the 60-minute response times. So, these lines
15 represent to us the level of -- a way of determining
16 what they did for that particular month of how the
17 emergency response times fell into these categories of
18 30 minutes, 45 minutes, and 60 minutes.

19 So, if you look at that, the data above
20 the line represent those where they have successfully
21 achieved things. And, if you have a data point below
22 the line, that means, for that given month, they did
23 not. So, if I were to characterize the "Normal
24 Business Hour" graph, you can see, aside from

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1 January 2009, which is kind of an anomaly point, going
2 from February 2009 forward, the graphs look pretty
3 good. All the blue lines -- all the blue marks are
4 above the line. All the greens are above the green
5 line. All the data points for the red are above the
6 red, except for two occasions, and that would be it
7 looks like September of 2010, and let's see if I have
8 that right, yes, and that has a label on it that says
9 "86". It might be a little hard to read. And, the
10 other one is September 2011, red label of "87". So, we
11 look at this as this is a good performance being done
12 under normal business hours. Unitil is achieving what
13 we were expecting on a month-to-month basis, month
14 in/month out.

15 We then take that similar concepts and
16 we apply it to the second graph underneath, and we're
17 just looking at the same kind of data during the "After
18 Business Hours". And, we see that the blue lines look
19 pretty good. They're all above the 60 minutes for
20 after hours. It looks like they're achieving those
21 pretty regularly, almost nearly 100 percent. And, same
22 thing with the green lines, the 45 minutes during after
23 hours. There's a few, two, I think two spots below it.
24 We look at that and we say that that's not a trend, a

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1 pattern. But, then, when we look at the red, and we
2 see all these labels, the majority of those lines, the
3 vast majority of those 39 data points are below, below
4 the line. And, so, no matter how you looked at the
5 trend, there's way more points below the line than
6 above the line. And, so, whether you looked at it on a
7 monthly basis, a quarterly basis, semiannual basis, or
8 even an annual basis, we found that that was one of the
9 standards that was not being met.

10 You take that same characterization and
11 you apply it to "Weekends and Holidays". And, you can
12 see the same thing for the 30 minutes. The benchmark
13 there is "76 percent", slightly different than it was
14 for the "After Business Hours". And, on all of those,
15 there are no red lines above -- there are no data
16 points above the line. So, no matter how you looked at
17 it, we felt that they weren't meeting the standard for
18 30 minutes. And, the blue, we had --

19 (Court reporter interruption.)

20 **CONTINUED BY THE WITNESS:**

21 A. The blue lines, that represent the 60, there's four of
22 those points where it dipped down, but it looked like
23 it was not a pattern, probably a sporadic type of
24 thing. If it dipped down, it went right back up. And,

[WITNESS: Knepper]

1 then, the green lines, which represent the "45-minute"
2 category, you can see there's quite a few that are
3 labeled below, but there's probably an equal amount
4 above the line. And, so, depending upon how you looked
5 at that, you know, the above-the-lines could offset
6 those below the line. And, they're probably near,
7 either barely above the 84 percent, or probably just
8 slightly below the 84 percent. So, they're hovering
9 there. Didn't really seem to be a pattern
10 month-to-month on that green one. So, that was one of
11 the ones that I referred to as "depending upon how you
12 looked at it". But, definitely, the red, the two 30
13 minutes on the "Weekends and Holidays" and the "After
14 Business Hours" were the ones that I referred to in the
15 memo that I filed with the Staff.

16 So, that's kind of a complicated graph,
17 but we think it gives a picture. Unitil doesn't
18 necessarily agree with the picture, which is okay.
19 And, as Mr. Epler said, there's lots of ways of looking
20 at things, so their perspective is a little different.

21 BY MS. FABRIZIO:

22 Q. What is the value to Staff in looking at the data in
23 this fashion?

24 A. Well, I think it gives you the ability to trend things,

[WITNESS: Knepper]

1 whereas it's much more difficult if you're just looking
2 at lots and lots and lots of data points.

3 Q. Thank you. And, is there anything that is not
4 captured, in your mind, by this type of graphical
5 illustration?

6 A. Yes. So, what this does is this only talks about
7 percentages. So, it only talks about the percentages
8 of calls per month that did not meet -- that either
9 achieved or didn't achieve what the standard was, on a
10 monthly basis. And, so, you don't get a feeling for
11 how many calls were missed or how many, if there was a
12 lot of calls that month or just a few calls that month.
13 And, so, to kind of overcome that, we developed another
14 spreadsheet. Do you want to introduce that one?

15 (Atty. Fabrizio distributing documents.)

16 BY MS. FABRIZIO:

17 Q. Could you identify this document for the record.

18 A. This is one that says "Attachment RSK 5-1 (revision 2 -
19 April 12th, 2012)". And, I'm really referring -- I'd
20 like to start out with the top half of this, because,
21 between this and this, we kind of feel that it gives us
22 a lot of data. And, we tried to compile it onto these
23 two sheets as to how we kind of review some of the
24 performance that -- and measurements that the Company

[WITNESS: Knepper]

1 has been making.

2 CHAIRMAN IGNATIUS: Before you testify
3 to this, let's see if there's any objection to it being
4 marked for identification?

5 MR. EPLER: The Company would have the
6 same issue with this. I mean, it appears to be reported
7 correctly. We saw this the first -- ten minutes before
8 the hearing started. So, I assume that the data is
9 accurate and reflects what the Company has reported, and
10 no basis to assume otherwise.

11 CHAIRMAN IGNATIUS: All right. We'll
12 mark this then for identification as "Exhibit 13".

13 (The document, as described, was
14 herewith marked as **Exhibit 13** for
15 identification.)

16 **BY THE WITNESS:**

17 A. This is similar to the table that we were holding up
18 prior before, and I started to go through the
19 revisions. All of those revisions have been made onto
20 this. And, so, not only the revisions have been made,
21 but we've carried it forth into the most current data,
22 as of March 2012. So, there's 39 months of data.

23 BY MS. FABRIZIO:

24 Q. So, this represents an update of Attachment 5 to your

[WITNESS: Knepper]

1 testimony, --

2 A. And, there was --

3 Q. -- with additional data added through march?

4 A. Yes. It's a combination of -- it's a combination of
5 corrections and an update.

6 Q. And, what is the source of the data in the chart?

7 A. The source of the data is Unitil's spreadsheets that
8 are filed monthly with the Safety Division. And, if I
9 could, I'd like to kind of go through this one.

10 Okay. So, I'm kind of going to talk my
11 way through it. I was hoping to do something on the
12 screen, to kind of use a mouse to be able to show
13 things where. But why don't you turn off the lights.
14 It looks like it's not going to show up very well. So,
15 I was trying to do a little technology here. It may
16 backfire on me. We might have to go back to the paper
17 and marking it up and talking through it.

18 So, I kind of wanted to explain this
19 chart, if I may. There's four years there that are
20 marked, looking down in the columns vertically, there's
21 "2009", "2010", "2011", "2012". And, then, those are
22 subdivided into "Normal Business Hours", "After
23 Business Hours", and "Weekend and Holidays". And,
24 then, those are further divided into each one into what

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1 we call the "goal", the "actual" number of calls, and
2 the "difference" between those. And, so -- and, then,
3 on the far left, we have all the months within a year,
4 between January and December. So, it's a very
5 complicated graph or chart that keeps building, we just
6 keep adding to it as data comes in.

7 And, so, if I might, I'd like to kind of
8 go through one as an example. If we look at the "2010"
9 year, and we looked at "January", the month of
10 "January", you will see that there's a subtotal that
11 says "71" calls came in to Unitil for that. It's then
12 broken down into "35" calls came into the Northern --
13 or, normal business hours, and that's kind of the bold
14 line that's in that blue "subtotal" line; "10" calls
15 came in during after hours; and "26" calls came in
16 during weekends and holidays. So, that "35", "10", and
17 "26" add up to a total of "71" calls that came in. So,
18 we look at it, and we look -- we track the actual calls
19 that were responded to in the particular buckets or
20 categories of the 30 minutes, 45, and 60.

21 So, if we were to look at the "Normal
22 Business Hours", in that first column, under the
23 "2010", in "January", the month of January, "35" calls
24 were made, "33" were responded to by Unitil within 30

[WITNESS: Knepper]

1 minutes. And, that's what the "33" is above it. And,
2 then, there was another "2" calls that got responded to
3 within 45 minutes. And, no calls were responded to
4 within 60, and nothing was after 60. So, the "33" and
5 the "2" add up to the "35".

6 To the left, the immediate left, and now
7 I'm looking at this green column that says those
8 numbers, is there's a white column, and it says the
9 "goal". All we do is we apply the percentages towards
10 -- towards each of the categories that's required in
11 the standards. And, so, you'll see the first one, if
12 you look in "January", the "30-minute" category, and
13 I'm kind of looking from bottom up, we kind of do this
14 from bottom up. The "30 minutes", you'll see that it
15 says the goal was "29". So, Unitil achieved 33 of
16 those during normal business hours, surpassing the 29
17 of what the standard is. And, so, we put a "Y",
18 meaning they achieved it. They achieved it by more
19 than four. We just put a "Y", that means they achieved
20 it. So, any time you see a "Y", that means they
21 achieved the standard.

22 And, then, the standard says that 32 of
23 those 35 had to be within 45 minutes, and they achieved
24 all that, because they got to all 35 within 45. And,

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1 then, the standard says 34 of those had to be done
2 within 60 minutes, and again they achieved it. There's
3 a "Y" there next to it, because 35 is greater than 34.
4 So, we kind of keep that pattern and replicate it.

5 CHAIRMAN IGNATIUS: Can I -- Can I stop
6 you for a moment?

7 WITNESS KNEPPER: Yes.

8 CHAIRMAN IGNATIUS: I got lost on your
9 last "35 is greater than 34", with the zero.

10 WITNESS KNEPPER: Yes.

11 CHAIRMAN IGNATIUS: I know you just
12 explained this, but I didn't get it.

13 WITNESS KNEPPER: Okay.

14 CHAIRMAN IGNATIUS: I understand "29" is
15 the goal, and 33 is meeting the goal, so that's a "yes".

16 WITNESS KNEPPER: Right. So, --

17 CHAIRMAN IGNATIUS: "32" is the goal. I
18 assume it's 33 plus 2 --

19 WITNESS KNEPPER: Correct.

20 CHAIRMAN IGNATIUS: -- is how you get to
21 a "yes"?

22 WITNESS KNEPPER: Yes.

23 CHAIRMAN IGNATIUS: And, "34" is the
24 goal, because you've already got 35 in the other two

[WITNESS: Knepper]

1 categories?

2 WITNESS KNEPPER: Right, 35 plus zero is
3 greater than 34.

4 CHAIRMAN IGNATIUS: You must admit it at
5 60 minutes -- you must have hit it at 60 minutes if you
6 actually achieved it at 45 minutes?

7 WITNESS KNEPPER: That's correct.

8 CHAIRMAN IGNATIUS: Okay.

9 **BY THE WITNESS:**

10 A. And, so, all those, when you were to plot those, would
11 all be above the lines on the data points. When you go
12 to the "after hours", you go one column over, we apply
13 the same thing. There was "10" calls that came in the
14 month of January of 2010. And, the goal would have
15 been to get to 80 percent, or 8 of those calls within
16 30 minutes, but Unitil was only able to achieve "4"
17 within 30 minutes. And, so, you'll see the
18 "difference" column, there's a red number, "-4", and
19 it's kind of in bold. That means that they were 4
20 short of hitting what the goal would have been. When
21 you go to the "45-minute" category for that "after
22 hours", the goal would have been 90 percent, or 9
23 calls. And, they got to the "4" for the 30, and they
24 got to the next 5 within 45 minutes, so the total was 4

[WITNESS: Knepper]

1 plus 5 is "9", they met the standard. Same thing with
2 the 10, would have been the goal for 60 minutes, they
3 met the standard for that. And, so, for that month, in
4 the "after hours", you see a red "negative 4" there in
5 the "difference", that becomes a data point that shows
6 up in red, and we give it a label. If you were to look
7 at that previous Exhibit 12, that exhibit is going to
8 be in the "after business hours", and it's going to
9 show up as label "69" for "January of 2010". Meaning
10 that they got to 40 percent of the calls in January of
11 2010, and you see there's a "69" label there next to
12 the "January 2010" data point.

13 CMSR. SCOTT: What does the "69"
14 signify?

15 WITNESS KNEPPER: It's just a label. So
16 that we use it as -- we're just numbering these different
17 points that were below the line. The labels represent
18 points below the line or how many occurrences where the
19 standard wasn't met. They're just unique occurrences.

20 **BY THE WITNESS:**

21 A. So, when you look at this graphically, you know, it
22 says "40 percent". But what it's not telling you is
23 how many calls came in. And, in this month, there was
24 only ten calls in the "after business hours".

[WITNESS: Knepper]

1 You take the same thing and we do the
2 same kind of nomenclature for the "Weekend and Business
3 Hours" -- "Weekend and Holiday Hours", excuse me, "26"
4 calls came in the month of January of 2010 for that
5 month; "11" were responded to within 30, where the goal
6 would have been "20", so they had a "negative 9".
7 Which means they would have taken -- they would have
8 had to meet nine more calls to have met the mark. And,
9 the same thing on the "45-minute" category, they would
10 have had to achieve 22 out of those 26 within 45
11 minutes, and the "11" plus the "8" is 19, so they're
12 still short three. And, when, you get to the
13 "60-minute" category, they would have had to achieve
14 "24" out of the "26", and they do achieve that, and so
15 that's why there's a "Y" again. So, of those nine
16 measuring points for the month of January, you can see
17 that there was three that they didn't, you know, get Ys
18 or get above the line.

19 And, then, we also highlight anything
20 over 60 minutes, kind of in yellow, you'll see there's
21 a "1", they had one call that was greater than 60
22 minutes. And, fairly infrequent, Unitil, it does not
23 happen very often, you don't see too many yellow lines
24 throughout this whole matrix. But those are the ones

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1 that require a response in writing, "why did you, you
2 know, what happened? What took you to get it above 60?
3 We kind of look at those as unusual events, rare,
4 unusual events. And, so, those are the ones that our
5 Puc rules 504.07 reference giving those explanations on
6 a quarterly basis.

7 So, if you can follow this, if you took
8 that same thing all the way down through 2010 and did
9 it in February, you did it in March, you did it in
10 April, May, June, and you worked your way down,
11 everywhere where you see a red mark, it's going to
12 correspond to one of the data labels on these graphs in
13 Exhibit 12. And, so, we have a total of 87, if you
14 were to count these red boxes, they would add up to 87
15 boxes.

16 So, this is kind of how I thought it was
17 important, because what it really gets down to is, you
18 can see that there's "71" calls that come in during the
19 month of January, "26" occurred during the weekend time
20 frame, "10" occurred during after business hours, and
21 "35" occurred during normal business hours. And, so,
22 you can get a feeling for how many calls are coming in
23 per month and how -- and how precise we actually get
24 down to and how we're trying to really pare the data

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1 down to see where the issue is. Is it in weekends? Is
2 it a particular person? Is it a particular location?
3 We have all kinds of -- we have -- Unitil does a good
4 job of providing us the background data behind this.
5 But this is just a summation of those, in terms of
6 numbers.

7 BY MS. FABRIZIO:

8 Q. Thank you.

9 A. If I can continue down, just one more second, Lynn.
10 So, if you went down to the "Weekend and Holidays"
11 category, and you went all the way to the bottom and
12 you see a red number under the word "year", "207" calls
13 were made for that year in the "Weekend and Holiday"
14 category, "200" calls were made during the "After
15 Business Hour" period, and "618" calls were made for
16 the entire year. And, so, if you wanted to look at the
17 bold numbers above, you would know, in each of those
18 categories, what the calls were for the month. And
19 obviously, that "618", that "200", and that "207"
20 combined for the total number of calls that occurred
21 for the year of "1,025". So, that's the line
22 underneath it.

23 And, so, we can kind of look at it and
24 say, in 2009, they had about "1,010" calls, if you look

[WITNESS: Knepper]

1 at those red numbers, in total, no matter what category
2 you're looking at. And, in 2010, they had "1,025". In
3 2011, I'm squinting now, because this is kind of small,
4 "1,353". And, so, in the first quarter of 2012, they
5 have had only "223" calls.

6 But it gives us an idea that Unitil is
7 getting approximately, you could say, you know, they're
8 getting, on average, probably a thousand calls a year.
9 They're not getting 10,000 calls, they're not getting
10 50 calls. You get an idea that they're getting around
11 a thousand calls a year. You also can notice that, if
12 you look in the winter periods, the Januaries,
13 Februaries, and Marches, and the October, Novembers,
14 and Decembers, looks like, year in/year out, they'll
15 tend to get more calls in the winter than they do in
16 the summer. That's a trend that you can kind of pick
17 up from this. But you're not necessarily getting the
18 same amount of calls every month every year. That's
19 clearly not happening here. So, I'm hoping that that
20 explanation kind of takes this kind of complex graph
21 and makes it some sense.

22 Q. Thank you. And, based on the data that you've depicted
23 in the graph and the chart, what, in your view and
24 based on your knowledge, are the key reasons for the

[WITNESS: Knepper]

1 Company's inability to meet the existing 30-minute
2 standards during after hours and on weekends and
3 holidays?

4 A. Well, it goes back to, we looked at the data trend, and
5 I think the Company agrees, but I'll let them, that the
6 weekends for them and the after business hours are the
7 challenge. They seem to be doing normal business hours
8 pretty well in hand. Those, the challenging ones are
9 getting to the "30-minute" categories for both weekends
10 and after hours. And, so, the question is is "why?" is
11 what you asked me, is that right, Lynn?

12 Q. Yes.

13 A. Well, we found through discovery and we found through
14 talking with them is that Unitil relies on an on-call
15 arrangement for their staffs, which is dependent upon
16 only a group of or a certain pool of resources within
17 the Company. That group of resources has on-call
18 rotations, which then limits, I think, Unitil's ability
19 to get to certain things, because they have to follow
20 certain protocols. And, then, within that pool, a lot
21 of the responders, we find a lot of them are responding
22 on weekends from their homes. And, then, sometimes,
23 when their homes aren't in the service territory,
24 they're going to have a tough time, through distances,

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1 getting to where the calls are. And, so, we found that
2 there's a large portion of that pool that don't
3 necessarily live within the service territory of
4 Unitil. And, so, I think, different than the normal
5 business hours, where they may be, during the daytime,
6 located and working within the service territory, doing
7 other functions, on an on-call basis, we find that
8 that's not necessarily happening. So, we think that's
9 one of the reasons. It's not just one factor. I think
10 there's a bunch of factors. So, you know, it can get
11 into driving time, if the amount of mileage you have to
12 get to is significant. And, if it's more -- and, if
13 you have less of a pool available than you have during
14 the normal business hours.

15 (Atty. Fabrizio distributing documents.)

16 BY MS. FABRIZIO:

17 Q. On that note, could you identify this document please.

18 A. This is a map provided by Unitil, gave it to the Safety
19 Division. It's a little outdated, January 2010, of
20 their service territory. I put a larger version on it
21 over against the wall, but it looks like you probably
22 can't read that either. So, if you look at the towns,
23 you can see where their clusters are. They have a
24 cluster of gas pipes in Rochester. They have a cluster

[WITNESS: Knepper]

1 in Dover and in the Portsmouth area, Exeter, Hampton,
2 Plaistow. And, there's a small cluster in red down
3 here of Salem. There's a bunch of other information on
4 this map that talks about regulator stations and things
5 like that. But this is just to outline the service
6 territory in which they have, as well as where their
7 pipes are located in the service territories. What it
8 doesn't necessarily show is, you know, the road systems
9 that connect things. It doesn't show the major
10 arteries, it doesn't show the highway systems or
11 turnpike systems and those kind of things.

12 MS. FABRIZIO: Chairman, Staff would
13 like to request that the map entitled "Overview of the
14 Unitil New Hampshire Gas System" be marked for
15 identification as "Exhibit 14".

16 CHAIRMAN IGNATIUS: Any objection?

17 MR. EPLER: No objection.

18 CHAIRMAN IGNATIUS: Let me ask a
19 question. Is this in the category of "critical
20 infrastructure"? Is this something that's already
21 publicly available and not a concern?

22 MR. EPLER: This is -- thank you for
23 asking, Chairman Ignatius. This is publicly available.
24 Thank you.

[WITNESS: Knepper]

1 CHAIRMAN IGNATIUS: We'll mark this for
2 identification as "Exhibit 14".

3 (The document, as described, was
4 herewith marked as **Exhibit 14** for
5 identification.)

6 BY MS. FABRIZIO:

7 Q. Mr. Knepper, in the Settlement Agreement that has been
8 filed with the Commission for presentation today, the
9 "30-minute" standards for the time periods "after
10 hours" and "weekends and holidays" have been
11 eliminated. Does that mean that Staff will not be
12 monitoring the Company's ability to meet the "30
13 minutes" during those time periods?

14 A. No. I believe we'll still monitor it through the
15 monthly reporting that's listed in the Settlement
16 Agreement, Section 2.5, it says that they will still
17 provide it on a monthly basis. So, the data that we're
18 used to getting, to be able to make those graphs and to
19 make these charts and tables, Unitil will still be
20 providing that.

21 Q. Thank you. And, why, in your opinion, aren't the "45"
22 and "60-minute" standards sufficient to ensure prompt
23 emergency response?

24 A. Can you say that one more time?

[WITNESS: Knepper]

1 Q. Uh-huh. Why, in your view, are the "45-minute" and
2 "60-minute" response time standards adequate to ensure
3 prompt emergency response?

4 A. So, why do we focus on "30 minutes", versus "45" and
5 "60"? Well, we kind of believe, and I think Unitil
6 does believe as well, and the data shows it, is that,
7 you know, 60 minutes, they should be able to get to all
8 calls, if not almost all calls within 60 minutes. And,
9 you can see there's very few yellows that were in that
10 exhibit that we had mentioned earlier. And, so, the
11 whole idea on emergency response is to get there as
12 soon as possible. And, if you -- a 30-minute response
13 time is certainly going to be better than a 45-minute
14 response time, and which is going to be better than a
15 60-minute response time. Because, when you get down to
16 emergency response, you know, minutes count. And,
17 actually, I guess, in certain situations, seconds
18 count.

19 The emergency response is just a small
20 portion of a bigger time period. There's time that gas
21 could be accumulating and gathering for -- you don't
22 know what that time period is, it could be minutes
23 before that emergency response, it could be hours.
24 And, then, the 30-minute is a small portion of a large

[WITNESS: Knepper]

1 segment. We're trying to focus and keep that as tight
2 as we can, because then there's actions that Unutil has
3 to take sometimes afterwards to -- they might have to
4 vent things, they might have to evacuate things, they
5 might have to shut pipes down, they may have to trace
6 things and assess things. And, so, the whole overall
7 thing to change an emergency or to eliminate it tends
8 to be a lot larger. So, we want those emergency
9 response times to be defined and prompt.

10 Q. Thank you. And, in your view, are the proposed new
11 standards that are presented in table form on Page 3 of
12 the Settlement Agreement, are they stricter or less
13 strict than the existing standards?

14 A. Okay. So, we're going to look to -- this is actually
15 the Emergency Response Standards that are listed in the
16 table in 2.2. That's a "yes" and "no" question.
17 There's some of them that -- I guess it's a mixed
18 answer. Some of the standards are greater than what we
19 have now, meaning the percent to achieve is, I guess, a
20 higher threshold to meet. But I also say that, if you
21 look at the 30-minute weekend and after hour category
22 has been eliminated. So, depending upon how you look
23 at it, it might be -- it might be construed
24 differently.

[WITNESS: Knepper]

1 Q. Thank you. And, in your view, can the Company meet the
2 new standards?

3 A. Yes, I think they can. I believe that they can.

4 Q. And, on what do you base your conclusion?

5 A. I think, if you compare this against some of the
6 standards, which I think that they filed in their
7 original memo back in --

8 Q. June of 2011?

9 A. -- June of 2011, thank you. I believe, if you took
10 this and you compared it against what was in that Page
11 5 of 9 of that June 2011, the actual responses, it
12 looks like they're achieving in actual response, now,
13 of course, this didn't have 39 months of data at the
14 time. I believe they had 24, 27 months of data.
15 You'll see that, in actuality, some of those are higher
16 than some of the ones that are listed here. It's a
17 little bit different, because they definitely have --
18 the new 2.2 section in the new Settlement Agreement
19 does not have the category of "30 minutes" in "after
20 hours" and "weekends", that has kind of been replaced
21 with an overall of all hours or all calls on 80 percent
22 achieved within 30 minutes. So, it's not a
23 one-for-one, you do a replacement for all nine, we
24 reduced it down to eight, but you can compare some of

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[WITNESS: Knepper]

1 the other ones to address that.

2 Q. And, what, in that same June memorandum, is the data
3 showing for percentages in Weekends/Holiday hours at 30
4 minutes?

5 A. Let's see. For -- it looks like, for Weekends and
6 Holiday Hours, it looks like they were achieving, for
7 30 minutes, they're achieving roughly between
8 54 percent and 45 percent. They had the first quarter
9 listed at 2011, so it's kind of -- I'm kind of ignoring
10 those, because you don't have a full year. But it
11 looks like it's fluctuating, it's around 50 percent.
12 And, then -- is that what you asked me, the Weekend and
13 Holidays, 30 minutes?

14 Q. Yes. Yes. Based on the Company's actual performance
15 to date, which, again, is based on the data provided by
16 the Company to Staff, are the penalty provisions that
17 are included in the Agreement at Section 2.8 likely to
18 be triggered, again, based on data to date?

19 A. Okay. Well, to kind of address that, if you go back to
20 Exhibit 13, which is this long spreadsheet, 11 by 17,
21 and we talked and it's got those green rows or columns
22 at the top. I tried to address that with the tables
23 underneath, based on the actual calls that have
24 occurred for three years, the year 2009, 2010, 2011.

[WITNESS: Knepper]

1 So, if you look at those, that I guess they're in
2 orange, pinks, and, I don't know, what's that? Light
3 blues. I've broken down the numbers that were in red
4 for those years. And, I'll take a look at one just to
5 explain it.

6 If you look at the year 2000 -- let's go
7 with 2011. If you look at above in that, where --
8 right above where it says "year", up above in that
9 green column for "weekends", it says that there was
10 "252" calls that came in on that weekend -- on the
11 weekends for all 12 months in 2011. This, if you go to
12 the "weekend" category here for 2011, on the first --
13 this is where it would have been nice if I could have
14 gotten the computer to work, we're looking at over here
15 [indicating], so everyone can see that, the far right,
16 where it says "2011", and the header says "weekends".
17 Of those 252 calls that came in, "129" were actually
18 achieved within 30 minutes. And, that's just a
19 summation of the calls listed up above in the green
20 column. Another "91" came in within 45 minutes. And,
21 so, that "129" and "91" equals number "220", so that's
22 kind of we made that in light blue. And, another "28"
23 came in within between 45 and 60 minutes. And, so, the
24 220, plus the 28, gives you that peak number for the

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1 weekends of "248". And, you say, "well, there's 248
2 calls responded within 60 minutes. What happened -- I
3 thought we started with 252. What happen to 4? Those
4 four are the yellow ones that are listed in that column
5 up above. There was three that occurred in
6 February 2011, and there was another one that occurred
7 in July 2011 in the "weekend" category. So, that
8 "248", with those "4", add up to the total of "252".

9 So, these are just a breakdown of what
10 actually occurred in a year time period. And, I used
11 the calendar year 2011. I did the same thing to the
12 left of 2010, and I did the same thing in 2009. I went
13 through the other categories as well with "after hours"
14 and with "normal" -- and then the "normal hours". And,
15 so, if we look at the actuals that occurred, we want to
16 take that and compare it against the new standards.

17 So, if you look at the next line down,
18 the second column, group of columns, with this, in
19 white here, it says "Proposed DG 11-196", which is this
20 docket, these are the standards written in a tabular
21 format. So, if we were to compare the "129" against
22 the new standard for weekends for the 30 minutes,
23 you'll see the word "none", and the answer is "because
24 there is no standard for that." So, you can't compare

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1 that anymore. If you were to compare the "220" that
2 they achieved on weekends, performance requirements for
3 45 minutes, they would have needed to get 217. And,
4 so, the actual numbers of what they're doing now is
5 higher than the 217 that are required by the new
6 standard. You look at it in terms of weekends and
7 60 percent, the "248" that was actually achieved are
8 higher than the "242". I do the same kind of thing for
9 the "after hours". There is no more after hours 30
10 minutes. So, the "234" that are in black up above,
11 compared to the -- there is no comparison under the 30
12 minutes. The "300", in the "45-minute" category for
13 "after hours" of 2011 is higher than the "274", so they
14 would achieve it. And, so, if you kind of go through
15 that same repetition, all the black numbers above are
16 higher than the red numbers. And, so, the answer is,
17 when I ran through this to see -- to answer that kind
18 of question, the answer is "the standards would be
19 achieved", I believe. Now, I kind of just looked at
20 2011, the calendar year. So, just looked at a single
21 12-month period. The new ones say a "rolling 12-month
22 period". So, and I also looked at it in 2010 and in
23 2009. Now, you'll see that there is one number, you'll
24 see, in 2011, that says "1,088". And, then, you'll

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1 see, up in black, that kind of goes across all
2 categories, "normal", "after hours" and "weekends".
3 And, then, you'll see the same number below in the next
4 category, it says it's "1,082", it's in red. And, it
5 covers those same categories, "normal", "after hours",
6 and "weekends". That is the new category that we have,
7 80 percent of all calls must be done within 30 minutes.
8 And, so, that "1,088" in black is higher than the
9 "1,082" in red. So, the answer is, it looks like, in
10 all eight categories, from my observation, they look
11 like the actual numbers are greater than the ones that
12 are in these thresholds. And, that second one is
13 called -- and that's what we did. So, ignore the third
14 table so far, just look at the first two and compare
15 those.

16 Q. Thanks. And, if, hypothetically speaking, we were to
17 take current performance levels and use those as new
18 standards, how would that change the outcome?

19 A. That's what I did with this third one, going across
20 here at the bottom, was, "well, let's look at what the
21 standards were measured on a yearly basis in DG
22 08-048." And, I put those in this white tabular thing
23 to the side here, what those were, if you can't
24 remember what those were. And, I ran those numbers,

[WITNESS: Knepper]

1 and they come out in blue. And, you'll see, for all
2 those, that -- well, the "217" under the new proposed
3 for 45 minutes in "weekends" is greater than what we
4 had in our original rules of "212". So, in that sense,
5 it's stricter in that category, because, obviously, if
6 you look at the percent, it's slightly higher. If you
7 look at the "after hours" 45 minutes, "274" is greater
8 than "267", so that would be stricter. The "302" would
9 be greater than the "295", that would be stricter. So,
10 all those red numbers are greater than the blues,
11 except for the categories where it said "none", because
12 I can't compare those against the current standards,
13 because they have been eliminated. And, so -- and, I
14 can't compare it against all hours, because that's been
15 eliminated as well. So, it's kind of a mixed bag. It
16 kind of goes back to, there's some that's going to be
17 -- you can see that they're slightly increased, you
18 know, "217" is requiring of five more calls than "212".
19 And, you know, they achieved the "220" during that
20 period. And. We kind of ran through it that way. So,
21 does that make sense?

22 Q. Yes.

23 A. Hoping that makes sense and is clear to the Commission.

24 Q. Have you done your own calculations of what percentage

[WITNESS: Knepper]

1 the current performance reaches?

2 A. I did. And, I don't know if this is going to work,
3 because I was hoping this was going to be on the
4 screen. I don't think it's working. Let's take a
5 look.

6 CMSR. HARRINGTON: Would it be helpful
7 if we just turned the lights down a little?

8 WITNESS KNEPPER: Yes.

9 **BY THE WITNESS:**

10 A. So, here is where the first actual calls is right here,
11 I don't know if you can see, looks like you can see, or
12 maybe I can use it here, see if the laser works. Yes,
13 that works. So, this is the actual calls that you're
14 seeing right here [indicating].

15 CMSR. SCOTT: Excuse me. Is that also
16 Exhibit 13 also?

17 WITNESS KNEPPER: Yes, we're still
18 looking at Exhibit 13. And, this is kind of odd, because
19 it's supposed to be, as I'm moving up here, that's not
20 moving at all. Supposed to be replicating my screen.

21 MR. EPLER: Maybe you've got to extend
22 your -- you've got to pull down your --

23 WITNESS KNEPPER: How you like that?
24 Technology. I'll try it one more time. And, if it

[WITNESS: Knepper]

1 doesn't work, we will go back to the old-fashioned way.
2 Doesn't work too well. So, why don't we put the lights
3 back on. Sorry about that.

4 **BY THE WITNESS:**

5 A. I kind of tried to do an interactive assessment. And,
6 if you look at the -- I want to look at the second
7 grouping here. And, you look at this "Proposed DG
8 11-196" column here. I think Lynn's question said,
9 "are these numbers, where it says, are they, you know,
10 sufficient?" If you were -- what you could do is, and
11 we could provide this later, if it's needed, you can
12 just change the percentages, in this column over here
13 [indicating], and all these will just recalculate.

14 And, so, if you were to go through that
15 exercise, you could see that the "87 percent" that's
16 listed in the "normal hours" for "30 minutes", could go
17 up to "89 percent", for "2011" and "2010", and they
18 would still be below the black numbers that are listed
19 in the "actual" columns.

20 BY MS. FABRIZIO:

21 Q. And, the "89 percent" is based on your calculation of
22 actual performance?

23 A. Yes. The actual performance is the actual performance.
24 So, we're just using what actually happened. And, if

[WITNESS: Knepper]

1 you looked at the "45-minute" category, if you looked
2 at the "93 percent" under "normal hours", you can
3 change those numbers, you could pop in "94" and see
4 what happens, "95", "96". So, we did that exercise.
5 And, when it comes out, it comes out to "97 percent"
6 would be the number that the red numbers pretty much
7 are right underneath the black numbers in that
8 category. And, then, the "45-minute after hours",
9 where it says "88 percent", you can do the same thing.
10 You could raise that to "89", you could raise that to
11 "90", you could raise it to "91". And, I think we came
12 up with "92 percent". And, I was hoping to be able to
13 do this on the screen, to see what, you know, you kind
14 of run through to see what the numbers and differences
15 are. Those three categories look like they could be
16 altered based on the actual calls, looking at 2009,
17 2010, and 2011 snapshots, just those calendar years.
18 So, you know, of the 39 snapshots I could take, I just
19 looked at three.

20 Q. Thank you.

21 (Atty. Fabrizio distributing documents.)

22 BY MS. FABRIZIO:

23 Q. Could you identify this document please.

24 CHAIRMAN IGNATIUS: And, Ms. Fabrizio,

[WITNESS: Knepper]

1 let me, for the sake of the court reporter, check in with
2 you on how much longer you expect to have in direct?

3 MS. FABRIZIO: I think we have another
4 15 to 20 minutes.

5 CHAIRMAN IGNATIUS: We're not going to
6 go that long, I think.

7 (Brief off-the-record discussion between
8 the court reporter and Chairman
9 Ignatius.)

10 CHAIRMAN IGNATIUS: Well, let's continue
11 on a bit more. Then, we will take a lunch break maybe at
12 about 12:15.

13 WITNESS KNEPPER: I'll try to be brief.

14 MS. FABRIZIO: Okay.

15 BY MS. FABRIZIO:

16 Q. Could you just briefly describe the documents in front
17 of you.

18 A. I'm now holding up something that looks like this,
19 that's got a --

20 Q. Is it essentially the chart that was provided in
21 Exhibit 13, with a blacked out section?

22 A. Yes.

23 Q. And, using this document, could you provide a quick
24 example of how the Company's performance under the new

[WITNESS: Knepper]

1 standards would be measured, if the Agreement were
2 effective today. Just to walk the Commissioners
3 through how the new mechanism would work.

4 A. Yes. So, what you need to do is to reference the
5 Settlement Agreement in Section 2.8. And, that talks
6 about how the -- you're going to do -- what the
7 effective date of the evaluation is. And, it says it
8 "shall be 90 days [from] approval of the Settlement
9 Agreement". So, what I did was, I looked at the most
10 recent 12-month period, if this Commission could
11 backtrack 90 days to, let's say, December 31st or
12 January 1st, we would look at these three months of
13 data, and these nine months of data from 2010. So, we
14 go, you know, all the way back to April of 2010 -- I'm
15 sorry, 2011, wrong year, and through March of 2012.
16 So, all I did was black out the stuff that wasn't
17 applicable. And, when you run the numbers through
18 these, versus a calendar year, and you look at the
19 bottom of this exhibit, is this -- what exhibit number
20 is this?

21 MS. FABRIZIO: I'd like to mark this for
22 identification as "Exhibit 15" please.

23 CHAIRMAN IGNATIUS: Any objection to
24 that?

[WITNESS: Knepper]

1 MR. EPLER: Again, we just saw this
2 immediately prior to the hearings -- immediately prior to
3 the hearing. So, I assume all the numbers are accurate,
4 but we haven't had a chance to review it in detail. So,
5 no objection at this time.

6 CHAIRMAN IGNATIUS: All right.

7 MS. FABRIZIO: Staff would note that
8 this is for illustrative purposes, to show how the new
9 evaluation mechanism under the Agreement would work.

10 CHAIRMAN IGNATIUS: All right. We'll
11 mark this for identification as "15".

12 (The document, as described, was
13 herewith marked as **Exhibit 15** for
14 identification.)

15 **BY THE WITNESS:**

16 A. So, if you go to where the big red arrow is, you could
17 add up the numbers of how many calls came in that year.
18 There are not -- 12 months rolling here, and you have
19 "714" came in under "normal hours", "280" under the
20 "after hours", and "213", I'm sorry, does that say "3"
21 at the end? "260", under the "after hours", and "213"
22 came in during weekends, for a grand total of "1,187".
23 We use the same formulas and charts that we had for
24 actual hours that we did before, and just break those

[WITNESS: Knepper]

1 down of "1,187". And, because there's only one in
2 yellow, you will see that we add up to a total of
3 "1,186" -- oh, there's two yellows. So, that works
4 out. And, when we run through the numbers, all the
5 numbers in red are less than the numbers in black,
6 except for one category, and that would be the "all
7 hours", which I kind of did horizontally here, in which
8 you got the number "939" in black is actually less than
9 the number "950".

10 And, so, under 2.8, though, if you were
11 looking at the words of it, it states that "The
12 effective date of the Evaluation...for the "all hours"
13 [category]...shall be January of 2013." So, in this
14 case, there would be no mechanism -- no triggers or
15 penalties would be triggered, because we don't start
16 measuring the "all hours" category until at least nine
17 months from hence.

18 BY MS. FABRIZIO:

19 Q. So, you're looking backward 12 months and measuring on
20 an annual basis?

21 A. Yes. It will be a rolling 12 months, so it's not going
22 to just be a calendar 12 months. So, that will be a
23 rolling. So, every month that goes by, one of these
24 would get added and one of these would get subtracted.

[WITNESS: Knepper]

1 Q. Thank you. Mr. Knepper, is there a penalty provision
2 for past performance included in the Agreement?

3 A. No. Not -- I did not see one.

4 Q. Thank you. And, will Staff have to wait five years to
5 review the Agreement, if it has concerns about the
6 Company's emergency response times under the new
7 standards?

8 A. No, I don't believe that's true. I think, I've got to
9 find it in here, there's a provision in here. Just
10 looking for the number. There is a provision, and I
11 just don't have --

12 Q. Is it Section 3.3?

13 A. Yes.

14 (Court reporter interruption.)

15 BY MS. FABRIZIO:

16 Q. I'm sorry. Section 3.3, on Page 4 of the Settlement
17 Agreement?

18 A. Correct. 3.3 says you do not have to wait five years
19 to go back and review this. But it says "no later than
20 five years."

21 Q. So, there's nothing in that provision that precludes
22 you from revisiting the Agreement, if a concern were to
23 arise?

24 A. That's correct.

[WITNESS: Knepper]

1 Q. And, in the event you develop some concerns based on
2 the data provided by the Company, would you raise that
3 with them in the quarterly meetings that are set out
4 under this Agreement?

5 A. That's correct.

6 Q. Could you tell us why Staff signed onto this Agreement?

7 A. We had mixed emotions. We, as I think probably Unitil
8 will say later, but, and they have kind of mentioned
9 before, this is -- we have been talking with Unitil
10 about this for quite a while, and making sure we both
11 understand how -- the data and how they operate and
12 things like that. So, I think this Settlement
13 Agreement, it settles a large dispute about the
14 evaluation periods, and allows Unitil -- I think it
15 allows Unitil to abandon the full-time -- the proposed
16 full-time staffing model that I think they had talked
17 about in their testimony of having to hire nine to
18 eleven techs. Because, if you were to measure monthly,
19 you get a certain amount of people that they need. If
20 you were to measure quarterly, another certain amount.
21 And, if you were to do things on an annual basis, I
22 think it takes that. I think both sides agreed that
23 was an inefficient solution in meeting the existing
24 performance measures. And, so, by measuring data over

[WITNESS: Knepper]

1 a longer period of time, it was something that both
2 sides had vastly, you know, we had a lot of different
3 opinions about that. And, I think Unitil firmly
4 believed that certain months the number of odor calls
5 was as low, I think, if you looked through the data
6 that I had in Exhibit 13 again, you'll see there were
7 some months as low as eight calls during a weekend
8 period, I think August 2010, and there were some others
9 in July 2011 there were only nine. And, they kind of
10 felt that it was not specifically statistically
11 significant.

12 So, one of the things about this
13 Settlement, it put that argument aside. You know,
14 Staff doesn't necessarily agree with Unitil's
15 assertion. But they felt very strongly, and I didn't
16 think it was worth arguing about statistical sample
17 sizes. That's really not what the Safety Division is
18 trying to do.

19 I think the agreement clarifies how the
20 evaluation performance measures will occur. And, it
21 will eliminate any possible misinterpretations of how
22 the evaluation will be measured. So, I think it's
23 pretty clear to both parties how that is done. It does
24 institute the concept of automatic penalties for

[WITNESS: Knepper]

1 failing to achieve the metric.

2 As I said previously, it gives a slight
3 increase in the performance requirements for all three
4 categories of "normal business hours". It does give a
5 slight increase of the threshold that they have to
6 achieve for two categories, the "60-minute" and "45" in
7 the "after business hours", and another slight increase
8 in the two categories of "weekends" and "60". So, for
9 seven categories, there is a slight increase in the
10 benchmarks to achieve. And, it does add a new category
11 for "all hours" that 80 percent of all calls must be
12 responded to in 30 minutes.

13 The Settlement Agreement does talk about
14 "Unitil will shortly file work plans", that is
15 hopefully designed to meet the Emergency Response
16 Standards, and can have the potential for having even
17 more calls responded to in 30 minutes. And, we also
18 are going to get quarterly reviews, as you had
19 mentioned, and a vice president or higher will be a
20 signatory to all submittals. And, that will allow
21 Staff to make sure that the senior level management is
22 totally engaged in this.

23 And, so, those are the reasons that we
24 kind of felt were positive on the Settlement Agreement.

[WITNESS: Knepper]

1 Q. Thank you. And, you mentioned earlier "mixed feelings"
2 about the Agreement as a whole. Are there areas where
3 you think the Agreement could be approved?

4 A. Well, you know, this was a Settlement Agreement, so I
5 don't -- I'm not going to pretend, I'm not necessarily
6 going to say "it's perfect." I don't think it
7 necessarily really addresses penalties for past
8 performance of not attaining the 30-minute standards.

9 MR. EPLER: I'm going to object to this.
10 I mean, this is really getting beyond the hearing on the
11 Settlement Agreement. There is provisions that the Staff
12 has signed on to, general provisions. And, if you give me
13 a minute, to have a hearing on the Settlement Agreement,
14 where the Staff starts providing testimony as to how this
15 Settlement Agreement can be improved or how they would go
16 about improving it, I think is really beyond the scope of
17 a hearing on a settlement agreement, and it possibly
18 borders on bad faith.

19 I mean, we've heard a lot of testimony
20 so far today that the Company takes significant issue
21 with. And, again, you know, we feel that a lot of hard
22 work went into this. But I think it would be
23 unprecedented to start giving testimony on a Settlement
24 that's before the Commission, for your consideration, to

[WITNESS: Knepper]

1 start having testimony about how the Settlement itself
2 could be improved. And, I think it's contrary to the
3 intent of the Settlement.

4 CHAIRMAN IGNATIUS: Ms. Fabrizio, a
5 response?

6 MS. FABRIZIO: Can I rephrase my
7 question, if you'd like?

8 CHAIRMAN IGNATIUS: Please do.

9 BY MS. FABRIZIO:

10 Q. Mr. Knepper, as we discussed earlier, do you believe
11 that the provisions regarding quarterly meetings,
12 continued monthly reporting of data, and the ability to
13 revisit the Agreement, if concerns arise based on that
14 monthly data, do those provide enough protection for
15 you to go forward with the Agreement?

16 A. Enough? I believe they provide some, and I think it's
17 an improvement from where we were.

18 Q. But do you agree that those provisions do provide you
19 an opportunity to work further with the Company, in the
20 event the new standards turn out to be problematic?

21 A. Absolutely. I think both parties are going to keep an
22 eye on this, focused on this. It's a very big -- a
23 very big topic of discussion that we've both put a lot
24 of times towards. I don't think that's going to

[WITNESS: Knepper]

1 subside. So, I think the quarterly meetings enhances
2 that communication and allows for that.

3 Q. And, Mr. Knepper, do you believe that the Settlement
4 Agreement is in the public interest?

5 A. Well, as I stated before, I think, you know, how you
6 view the certain aspects of it, you know, you can argue
7 that the percentage requirements for the seven
8 categories is more difficult than what we had before.
9 I think adding clarity is a step forward and continues
10 the debate about emergency response times. I think, if
11 we continue this debate, I don't think that's in the
12 overall public interest.

13 MS. FABRIZIO: Thank you. I have no
14 further questions.

15 CHAIRMAN IGNATIUS: Thank you. We
16 should take a break right now and resume with
17 cross-examination. It's now 10 after 12. Let's try to be
18 back at 1:20 please. Thank you. We stand adjourned until
19 then.

20 (Whereupon the lunch recess was taken at
21 12:10 p.m. and the hearing to resume
22 ***under separate cover*** so designated as
23 ***"Afternoon Session Only"***.)
24