STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 15, 2016 **AT (OFFICE):** NHPUC

FROM: Randy Knepper, Safety Director /s/ Rankel S. Knepper

SUBJECT: Docket No. DG 16-223, Liberty Utilities (Energy North Natural Gas)

d/b/a Liberty Utilities ("Liberty") Petition for License to Cross Public Waters namely the Soucook River (2 Locations) along the east side of

Route 106 in Loudon, New Hampshire

TO: Debra Howland, Executive Director

Steve Frink, Assistant Director, Gas and Water Division

David Wiesner, Staff Attorney

The Safety Division review of the above petition consisted of the following elements:

Petition contents and history

• Review of land ownership on each side of the river crossing.

• Review of CFR Part 192 requirements, as described in Puc 500 rules

 Review of public need and public impact, including applicability of other State regulations

Conclusions and Recommendations

1. Petition contents and history.

On February 9, 2016, Liberty Utilities ("Liberty"), filed a petition, pursuant to RSA 371:17 and RSA 371:20, to construct and maintain a single natural gas pipeline under and across the Soucook River at two locations in Loudon to reinforce a capacity constraint associated with a 50-year old 6-inch nominal diameter coated steel gas main. The original 6-inch nominal diameter gas main was part of a 22 mile project that supplied natural gas from the nearest gate station in Concord to a 60 psig distribution system originating in Tilton. Liberty refers to the proposed pipeline installation as the "Tilton Hi-line Reliability Project" which is a multi-year long term capital project and this is the second phase. A new 12-inch coated steel gas main is proposed approximately 5.5 miles in length to operate at a maximum allowable operating pressure of 300 psig.

Currently Liberty serves approximately 4,500 customers through the Tilton facility and approximately 130 customers directly from the Hi-line in the towns of Loudon, Canterbury, and Northfield. Liquefied natural gas (LNG) and liquefied propane gas (LPG) plants are operated in Tilton that were designed to supplement the gas distribution system during peak demands and for pressure support. Liberty

indicates the project is necessary because the LNG and LPG plants have been required to operate more frequently over the last several years, mainly to support low distribution system gas pressure on cold days. Liberty indicated the project will reduce the need for distribution system pressure support and will allow for greater customer growth in the Lakes Region.

Liberty installed about 7 miles of the Hi-line project with a 12-inch nominal diameter coated steel pipe segment extending from Broken Bridge Road in Concord to the intersection of Josiah Bartlett Road and Route 106 in Loudon during 2003 and 2004. During this next phase of the project, Liberty plans to build the next 5.5 mile pipeline segment extending from Josiah Bartlett Road along the east side of Route 106 for approximately 5 miles, then westerly on Shaker Road for another 3,200 feet, ending at the existing Old Shaker Road regulator station in Loudon. Liberty will be responsible for the construction, which will be performed by qualified contractors. Liberty will own and be responsible for operating and maintaining the pipeline after construction.

The planned pipeline installation requires two separate Soucook River crossings that are the subject of this docket. At each crossing location the pipeline is proposed to be installed approximately 30 feet under the river bottom using directional boring techniques. The proposed crossing locations are shown on the attached Map 1 and Map 2. The proposed crossing shown on Map 1 is part of a directional bore that extends approximately 1,402 feet along the eastside of Route 106 in the vicinity of the Wales Bridge Road intersection. The actual crossing of the Soucook River at this location is approximately 54 feet. The proposed crossing shown on Map 2 is part of another directional bore that extends approximately 1,270 feet along the east side of NH Route 106 north of the NH Route 129 intersection. The actual crossing of the Soucook River at this location is approximately 135 feet.

The petition indicates that the proposed river crossings are located within the New Hampshire Department of Transportation (NHDOT) right of way. Liberty obtained Shoreland Permits from the New Hampshire Department of Environmental Services (NHDES) and indicated that an NHDES wetlands permit is not necessary because this project will not disturb wetlands.

In response to a May 27, 2016 Staff data request, on June 8, 2016 Liberty provided the following information to supplement the petition:

- 1) Liberty indicated that the proposed pipe material to be installed under the two river crossings as part of the directional bores consist of 4,000 linear feet (lf) of 12-inch dia. API5L X52 Grade B steel with 0.375 inch wall thickness and 40 mil "powercrete" coating.
- 2) A set of final plans for the river crossing segments of the pipeline project.
- 3) The signed NHDES Shoreland Permits.

4) Confirmation that Liberty has obtained all necessary easements for the project from NHDOT, including an executed Use and Occupancy Agreement for the installation of facilities.

2. Land ownership

Liberty provided sufficient documentation to demonstrate that all easements are in place to allow for the gas pipeline to be built under the bed of the Soucook River as well as along the northern and southern shore of the Soucook River. The parcels on the shores of the Soucook River at the proposed crossing are within the NHDOT right-of-way and standard land use and occupancy agreements are in place.

Liberty has also represented that the proposed pipeline crossing will not interfere with public rights to use and enjoy the Soucook River. Liberty indicated the pipeline will be constructed approximately 30 feet below the bed of the river and will be built so that pipeline integrity checks can be accomplished.

3. Review of safety requirements as described in Puc 500.

N.H. Code Admin. Rules Puc 506.01, Pipeline Safety Standards, provides that:

- (a) All utilities shall comply with those pipeline safety regulations established by the United States Department of Transportation which are set forth in 49 C.F.R. Parts 191, 192, 193, 198 and 199, including future amendments thereto.
- (b) Where Puc 500 or Puc 800 establishes more stringent requirements than those pipeline safety regulations adopted pursuant to (a) above, the more stringent requirement set forth in Puc 500 or Puc 800 shall apply.

Liberty's petition does not explicitly state that the administrative rules of Puc 500 will be met, but does provide engineering details that show overall compliance with CFR Part 192, which is referenced in Puc 506.01.

The Safety Division review of the petition and attachments submitted to date found the proposed crossings to be in conformance with the applicable requirements of Puc 500 and CFR Part 192.

4. Public Need and Public Impact

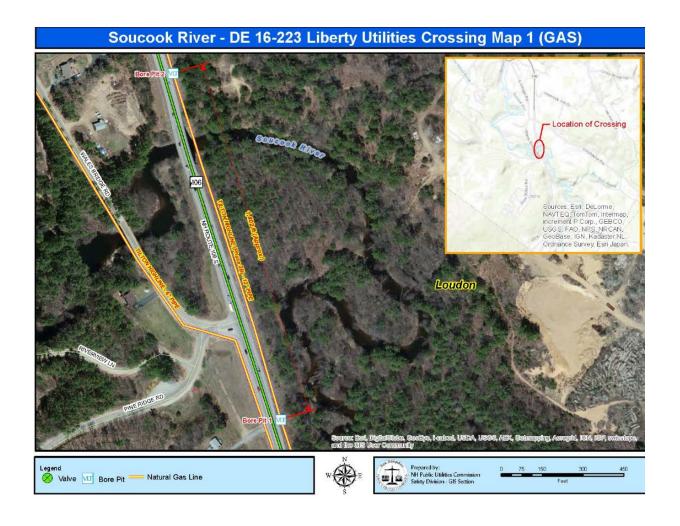
The Safety Division believes any impact to the public from these river crossings will be *de minimis*, as a result of the directional bore and the prescribed depth below the river bottom. Liberty has stated that additional capacity is needed to supply Lakes Region gas demand. The Safety Division notes that reinforcement with an additional pipeline is a traditional method for adding capacity and it has been approximately 12 years since a major extension has been installed.

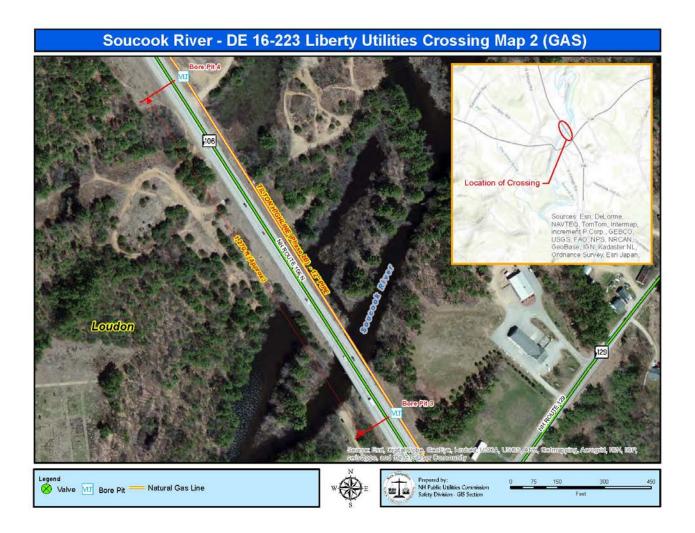
5. Conclusions and Recommendations.

The Safety Division recommends approval of Liberty's petition under RSA 371:17 and RSA 371:20 with the following conditions:

- a. Staff recommends that the approval be limited to the Liberty natural gas pipeline under consideration in this docket.
- b. Liberty should construct, operate, and maintain the piping consistent with both Puc 506.02 and 49 CFR Part 192 requirements.
- c. Liberty should be directed to operate and maintain the crossings in conformance with the latest 49 CFR Part 192 amendments. Any and all future alterations to the crossings that may impact the public shall conform to the most current CFR Part 192 amendments in effect at the time of submittal of the alteration.
- d. Liberty should use above ground pipeline markers for identification of the pipeline with appropriate warning and company contact information along the 5.5 mile project, including on each bank of the Soucook River crossings.

If these conditions are met, the Safety Division is of the opinion that the proposed natural gas pipeline crossings will meet all current safety standards, and safe ongoing operation is an inherent component of the RSA 371:20 public rights standard.





SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

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

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Docket #: 16-223-1 Printed: June 15, 2016

FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

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21 S. FRUIT ST, SUITE 10
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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

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BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

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