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May 15, 2014

By Hand Delivery and Electronic Mail

David K. Wiesner Staff Attorney New Hampshire Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301-2429

Re: DG 11-040: Gas Safety Performance Metric Failure Notification

Dear Mr. Wiesner:

I am writing on behalf of National Grid USA ("National Grid") and Liberty Utilities (EnergyNorth Natural Gas) Corp. ("Liberty") (collectively, the "Companies") in response to your letter dated May 2, 2014 relating to the Gas Safety Performance Metrics set forth in Attachment O to the Settlement Agreement approved in Order No. 25,370. In your letter, you state that the Commission Staff has concluded "that Liberty ENNG failed to achieve the Excavation Damages Metric during calendar year 2013 because there were 15 or more excavation damage reports for this calendar year" and ask that Liberty and National Grid provide a written explanation for the reason for the failure to achieve the Gas Safety Performance Metric for calendar year 2013.

Liberty is aware of 15 Notices of Probable Violation ("NOPV") issued to it that relate to excavation damages incidents that occurred during calendar year 2013. Liberty filed an E-26 form with the Commission for each of those NOPVs, detailing the circumstances resulting in the excavation damage. Based on Liberty's review of those E-26s, the damages were due to the following:

Period	Performance Metric	Number of NOPVs	Operator Markings Were Incorrect Due To Locator Error	Operator Markings Were Incorrect Due To Incorrect Records	Operator Markings Were Incorrect Due To No Records	Operator Markings Were Incorrect Due To Other
January 1, 2013 to December 31, 2013	15 or more	15	6	4	5	0

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In all 15 NOPVs, Liberty received the notification of the proposed excavation and responded with the appropriate field visit with the intent to mark out the gas facilities, but Liberty later determined that the markings were incorrect due to one of the following:

- Locator Error: These include active services that were mismarked due to damaged tracer wire on plastic pipe and services that were not marked because the locator could not gain access to an inside meter to verify the service entry point.
- Incorrect Records: These include mains and services where the measurements shown were not accurate. The two incidents that involved incorrectly mapped mains related to mains that were installed and plotted on the relevant maps in 1911 and 1929. The two incidents that involved incorrectly mapped services related to services that were installed and for which service cards were completed in 1922 and 1998.
- No Records: These include no record of a service that was previously retired at the foundation wall or at the property line and the locator only marked the newer active service. Three of the services involved in this category were all partially retired before 1987. The other two services involved in this category were installed before 1950 but no service record was available for the locator.

If you have any further questions, please do not hesitate to contact me.

Very truly yours,

Strah B. Knowlton

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cc: Susan Chamberlin, Consumer Advocate Service list