

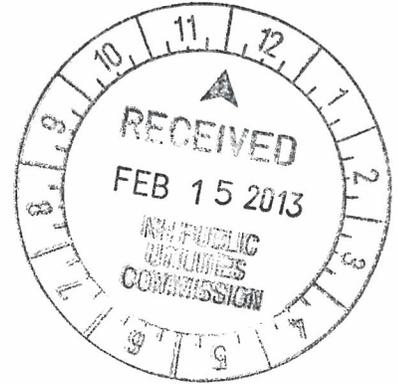
February 14, 2013

**VIA E-MAIL AND OVERNIGHT MAIL**

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

Re: Docket No.: DRM 11-077

Dear Director Howland:



This letter is in response to the February 11, 2013 notice that a public hearing will be held for this rulemaking docket on February 15 at 9:00. The notice states that:

Based on a review of written comments submitted following the hearing, the Commission has found that parties have made a number of claims that certain revisions to the rules will lead to significant additional costs to operators. However, the support for such claims submitted to date is not clear or specific enough for the Commission to be able to conduct a proper cost/benefit analysis.

On October 26, 2012, Northern Utilities, Inc. (“Northern” or the “Company”) filed written comments with the Commission in accordance with the September 27, 2012 Order of Notice. Northern included with its October 26 written comments a compilation of detailed cost estimates for the various cost issues that it identified. We have attached the cost estimates to this letter for the Commission’s convenience.<sup>1</sup>

The February 11 notice does not specifically identify whether the cost estimates provided by Northern are insufficient and, if so, what specific additional information is needed.<sup>2</sup> The Company used its best efforts, based on information known to it, to

<sup>1</sup> The cost estimates are substantively identical to the version filed on October 26, with the exception of a minor correction to the cost estimate for Section 506.01(l)(i) and clarification of the units used for all of the cost estimates.

<sup>2</sup> Moreover, as the Company stated in its December 14, 2012 letter filed in this rulemaking docket, it believes that most of the cost-related issues that it had raised in its October 26 written comments

provide meaningful cost estimates to the Commission with its October 26 written comments. Moreover, during the series of technical sessions conducted by Staff on this rulemaking, there were no suggestions that the cost estimates provided by the Company lacked necessary detail. The Company would be pleased to provide additional information that would be helpful to the Commission, but without a more specific identification of what additional information is needed, the Company is unable to respond.

Moreover, while the Commission's February 11 notice focuses primarily on cost issues, Northern emphasizes that its chief concern emerging from the technical sessions is Staff's proposal in Sections 506.02(t)(5) and 506.01(d)(1) that New Hampshire depart from the Northeast region on operator qualification ("OQ") procedures. As Northern explained in Thomas Meissner's January 11, 2013 letter filed in this docket, the Company believes that such a departure would detrimentally affect its ability to rely on regional mutual aid resources when responding to a system emergency. Superstorm Sandy provided very strong evidence that a coordinated, regional approach to OQ allows operators to respond effectively to emergency situations through the availability of mutual aid resources from other operators who share a common OQ plan. If the Commission were to take New Hampshire out of step with the region, then Northern will be significantly hampered in its ability to rely on mutual aid, and customers will be unnecessarily delayed in having their service restored after an emergency.

Northern is deeply committed to ensuring the public safety of New Hampshire's citizens and it is extremely proud of its safety record. And, while a cost-benefit analysis should always be performed when the Commission considers imposing new regulations, public safety must always be given top priority. As discussed in Mr. Meissner's January 11 letter, the Company has significant concerns that adopting new and unique OQ obligations will seriously hamper the Company's ability to respond to system emergencies. These concerns are driven overwhelmingly by public safety concerns, and not by less important considerations of cost.

We look forward to discussing these matters with the Commission during the February 15 public hearing. If there is specific information that would be helpful to

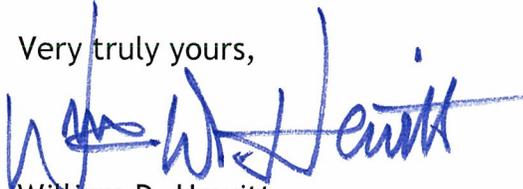
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were resolved during the technical sessions with Commission Staff. The only two proposed rule revisions on which the Company believed that agreement was not reached with Staff are the two provisions dealing with operator qualifications, Sections 506.02(t)(5) (operator qualification plans) and 506.01(d)(1) (destructive testing period for welder qualifications). Late yesterday afternoon the Company received a revised version of the proposed rule from Staff that purports to reflect the discussions during the technical sessions. The Company will review that proposal prior to tomorrow's public hearing.

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the Commission's understanding of the Company's position on any issues, we would be pleased to provide it upon request.

Very truly yours,



William D. Hewitt

WDH/rrp  
Enc.