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February 22, 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 provides brief comments of Northern Utilities, Inc. ("Northern" or the "Company") to the Staff's final proposed Chapter 500 rules that were circulated via e-mail late yesterday afternoon. Staff has set a deadline for noon, today, for comments on the final proposal and has noted that the Commission will be meeting today at 3:30 to adopt a final proposed rule.

With regard to the revised language concerning Operator Qualification (OQ) proposed in Section 506.02(t), the Company is committed to working with the Northeast Gas Association ("NGA"), subject matter experts from other regional operators, and State regulators to revise the NGA operator qualification plan to include specific abnormal operating conditions for each covered task. However, given the significant revisions to the plan that would be required, and the reality that other regional operators have not yet considered or agreed to this approach, Northern is concerned that a hard deadline of July 1, 2015 may not be feasible. The Company remains opposed to any rule change that would have the effect of pulling Northern out of the NGA regional plan, whether now or two years from now. As fully described in Mr. Meissner's January 11, 2013 letter, we believe such a requirement would detrimentally affect Northern's ability to access mutual aid resources in the event of an emergency and, therefore, would negatively impact public safety. It is our deeply held conviction that the negative consequences of such a requirement would significantly exceed any perceived benefit. Moreover, the resulting service restoration delays and reduction in public safety are important public policy issues that should be weighed by the Commission as it considers adoption of a final proposal.

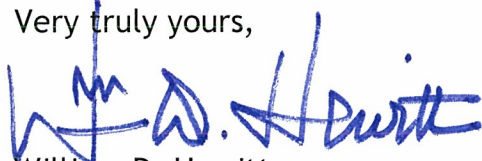


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With regard to the revised language related to non-destructive testing of welds—506.01(f), (g) and (h)—the Company simply expresses a concern that the proposed language is ambiguous in terms of its applicability to service lines connected to mains operating at pressures greater than 60 pounds per square inch. As described during the February 15, 2013 public hearing, each such service line may entail multiple fillet welds which are not conducive to radiographic testing. However, if such welds are included in the requirement that a non-destructive field test is required on at least one weld for projects that include 5 to 9 welds, and if this requirement is intended to require radiographic testing of one such weld, then the result will be radiographic testing of most new service lines connected to mains operating at pressures greater than 60 pounds. These testing costs would be borne by customers seeking new natural gas service, not the Company. Because these additional costs would represent a significant percentage of the overall cost of providing service, they will likely result in some consumers deciding not to take natural gas service and may impede conversions to natural gas from fuel oil or other alternatives.

We hope these additional comments are helpful to the Commission as it considers a final proposal for submission to the Office of Legislative Services.

Very truly yours,



William D. Hewitt

WDH/rrp
Enc.