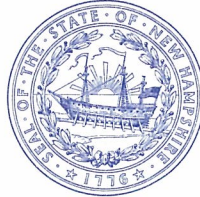


THE STATE OF NEW HAMPSHIRE



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December 6, 2013

NHPUC 6DEC13 4:06

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: DG 11-196, Northern Utilities, Inc.

Staff Recommendation to Change the Settlement Agreement's
Requirement for Quarterly Meetings

Dear Ms. Howland:

The Commission approved a Settlement Agreement in this docket between Staff and Northern Utilities, Inc. (Northern) which, among other things, amended Northern's emergency response time standards and clarified its reporting obligations. Order No. 25,390 (July 9, 2012). Paragraph 3.3 of the Settlement Agreement states that Northern and Staff will "establish a schedule of quarterly meetings to review the Company's reporting and performance under the Emergency Response Standards." Northern and Staff met to review Northern's "reporting and performance" in July 2013 and most recently on November 25, 2013.

Staff reviewed the monthly reports that Northern submitted from October 2012 through October 2013 and generated graphs that compare Northern's actual performance to the metrics established in the Settlement Agreement for seven response categories, and that illustrate trends in Northern's compliance. Staff shared those graphs with Northern.

Based on its review of the data provided, Staff believes Northern has complied with the Settlement Agreement to date. Staff is also satisfied with how Northern reports its emergency response data.

Staff notes that aside from the metrics in the Settlement Agreement, Northern has reduced the number of calls exceeding 60 minutes to only once in the past 12 months, and in general has performed better in the After Business Hours and Weekend and Holidays Categories, which were the areas of concern in this docket. Northern attributes its compliance to a combination of the following changes:

- 1) The creation of a new position, a Utility Worker Technician, which allows flexibility between the existing Service Technicians and Distribution Technicians;
- 2) Adding a Tuesday through Saturday work week for some Technicians, and adding a new 3:00 p.m. to 11:00 p.m. shift Monday through Friday, both of which changes reduce the need to use on-call technicians;
- 3) Splitting Northern's response areas into three zones (from two), now called North, Central and South, with an on-call technician assigned to each of these three zones, reducing travel times;
- 4) The requirement that newly hired Emergency Response Technicians must reside within 30 minutes of their assigned zone and that that they must relocate if necessary;
- 5) The ability to use Distribution Crews when Emergency Response Technicians are responding to calls; and
- 6) A continued focus by management on emergency response performance.

Staff now writes to recommend that the Commission approve a change to Paragraph 3.3 of the Settlement Agreement to require semi-annual meetings rather than quarterly meetings, or less frequently at the discretion of Staff. Northern's performance and the consistency of Northern's reports render quarterly meetings unnecessary.

Staff and Northern agree that semi-annual meetings, at most, will be sufficient to ensure compliance with the substantive terms of the Settlement Agreement. Northern reviewed and agrees with the contents of this letter.

Sincerely,



Michael J. Sheehan, Esq.
Staff Counsel

cc: Gary Epler, Esq.
Service List
Docket File