

## STATE OF NEW HAMPSHIRE

## Inter-Department Communication

**DATE:** April 22, 2011  
**AT (OFFICE):** NHPUC  
**FROM:** Randy Knepper *Randy Knepper*  
 Director, Safety Division  
**SUBJECT:** Until's Non Compliance with Order 24,906 Emergency Response Standards  
**TO:** Debra Howland, Executive Director  
 Anne Ross, General Counsel  
 Lynn Fabrizio, Staff Attorney

ORIGINAL	
N.H.P.U.C. Case No.	DG 11-196
Exhibit No.	#1
Witness	Panel 1
FROM FILE	
RECEIVED	
APR 22 2011	
NH PUBLIC UTILITIES COMMISSION	

The Safety Division would like to bring to the Commission's attention Unutil's noncompliance with Commission Order No. 24,906 (October 10, 2008), Article VI, section 6.6 regarding Emergency Response Standards. Section 6.6 of the order requires the company to meet certain minimum standards for emergency response times to calls reporting gas leaks and odors. The order expected immediate compliance but allowed for a 6 month period grace period for Unutil to develop a monthly reporting system.

The emergency response requirements set forth in Order No. 24,906 establish certain performance standards with respect to meeting maximum response times of 30, 45 and 60 minutes during Normal Business Hours, After Business Hours, and Weekend/Holiday Hours. Emergency response entails arrival on the scene following a call received by the utility reporting on gas leaks or odors, and assessment of the degree of hazard posed by the reported incident. The standards establish minimum compliance benchmarks to be met and reported on monthly.

Attachment A contains 3 graphs covering the period from January 2009 to February 2011 that depict the degree of Unutil's inability to attain these minimum standards.

Attachment B contains detailed data submitted for the years 2009 and 2010, including locations, dispatch times, emergency response times, types of calls, and employee personnel involved.

On March 11, 2011, the Safety Division met with Unutil representatives to discuss its poor performance regarding emergency response times; Staff presented Attachment A and B to the company at that time. In response, Unutil representatives summarized actions taken to date and emphasized their commitment to meeting the standard in a cost effective manner.

The Safety Division has determined that Unitil's lack of compliance is unacceptable and troubling, given the fact that this critical function is a fundamental utility obligation and may have direct implications for emergency responders such as police and fire, Unitil's customers and the safety of the public in general. Emergency response standards are a cornerstone of an operator's requirement for planning, preparing, and implementing an effective emergency response. It is the final action of a chain of events that should not and cannot be compromised in order to prevent escalation of a potentially hazardous situation. The assessment of severity and subsequent action plans cannot be determined until operators have arrived on scene; it is essential that undue delays be eliminated. The public demands confidence in the ability of an operator to respond to potential emergencies promptly and without delay.

Accordingly, Staff has considered a number of available options. It has rejected two options for the reasons stated below, and proposes a number of alternative recommendations for the Commission's consideration.

#### **Possible Actions Considered but Rejected:**

- 1) Continue monitoring monthly reports and meet regularly with the Company.

Reason for Rejection: The Safety Division has determined 58 instances within a 26 month period (since the merger of December 2008) in which Unitil failed to meet the response time requirements set forth in Order No. 24,906. There has not been a single month during that period in which Unitil has consistently met performance standards. The pattern seems to be continual, even with the operational changes the Company has implemented throughout the duration. Staff has allowed considerations for merger implementation plans to be realized, dispatching operations to be redeployed, reconstructed and retrained, contract negotiations with bargaining units to be completed, and alterations of shift schedules to be made. These changes have resulted in some improvement but not enough to meet the minimum requirements.

- 2) Customize specific requirements for Unitil's service territory and customer base.

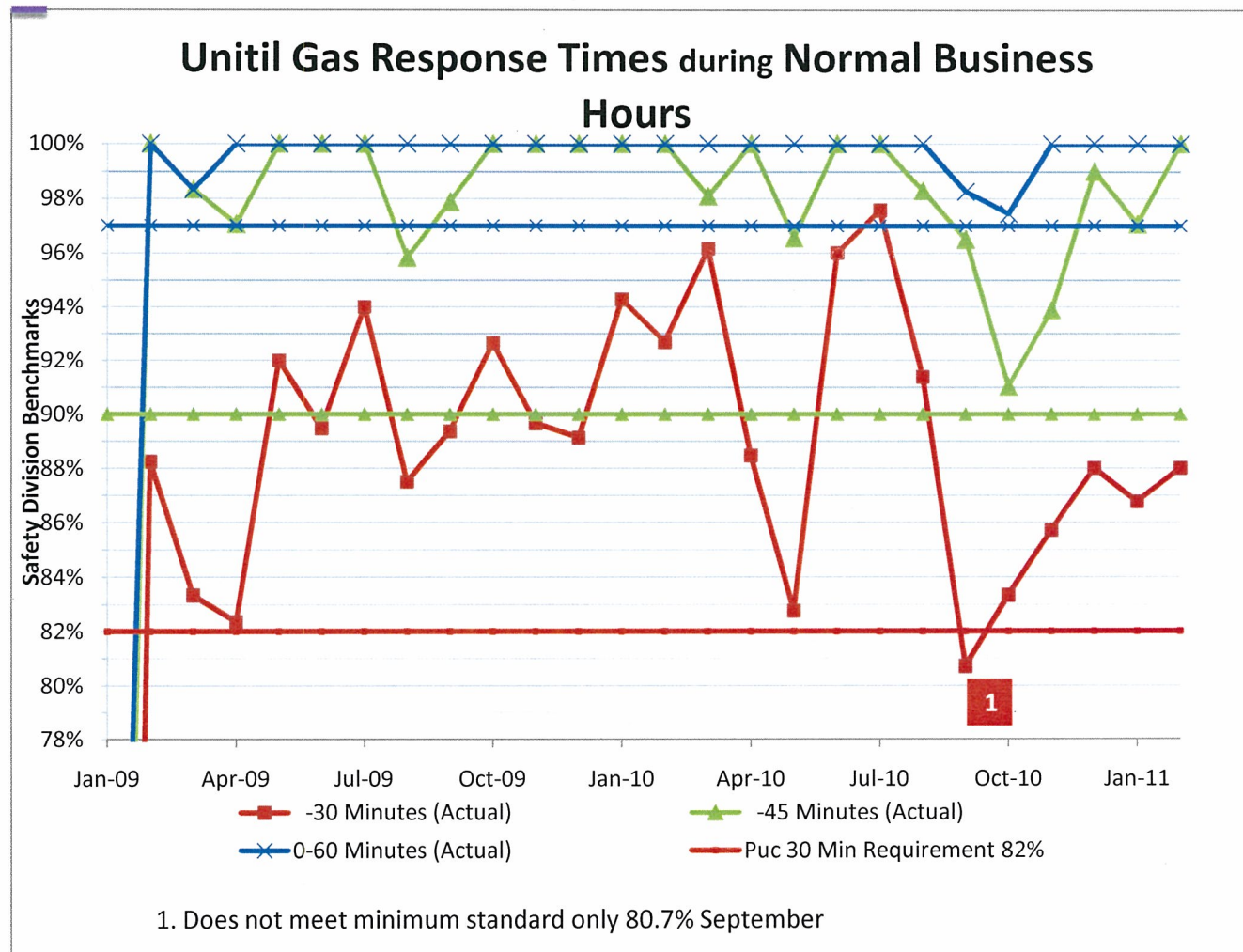
Reason for Rejection: The Safety Division believes that uniform and consistent standards the public can rely on throughout the state regardless of town location are in the best interest of emergency responders and New Hampshire businesses, citizens and visitors. The Commission adopted similar emergency response times for National Grid in Order No. 24,777. National Grid has for the most part been able to successfully achieve compliance over a longer period of time (since August 2007) and for a greater distance within its distribution systems than Unitil.

#### **Possible Actions for the Commission to Consider**

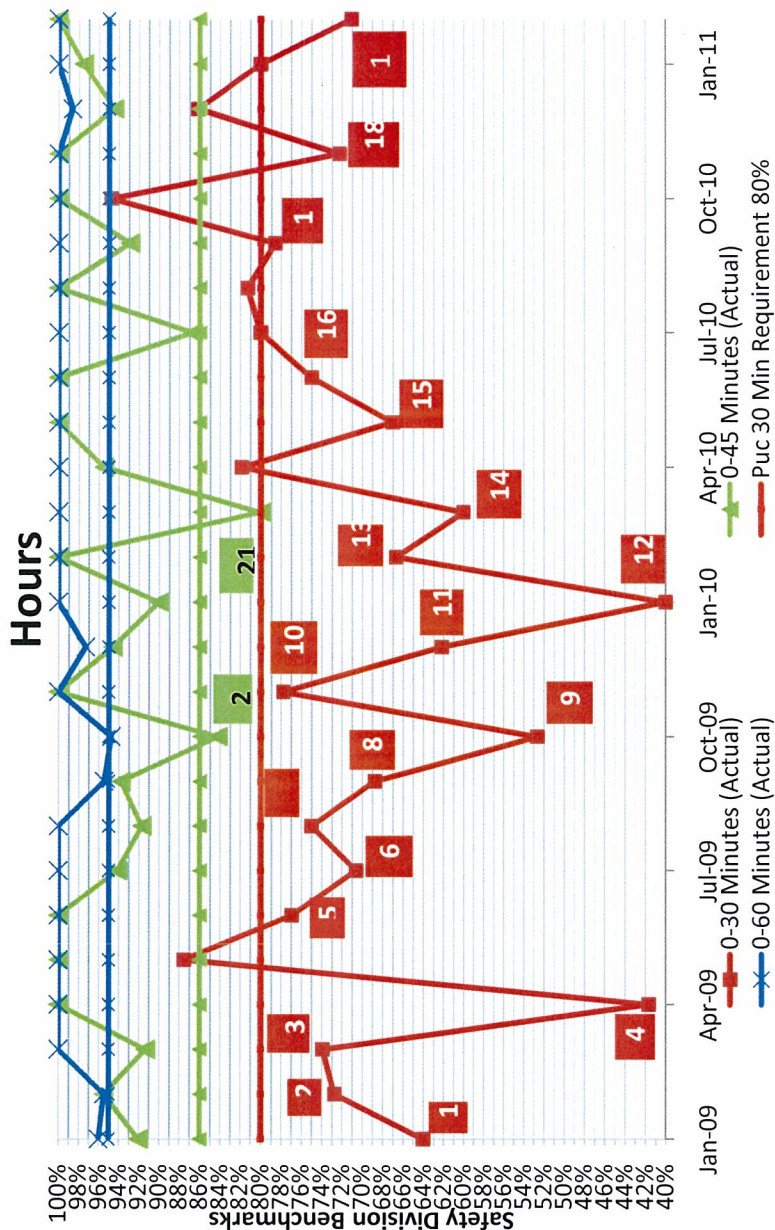
- 1) Impose a civil penalty on Unitil for non compliance of the standards set forth in Order No. 24,906 pursuant to RSA 365:41 and RSA 374:7-a.

- 2) Schedule an immediate show cause hearing pursuant to RSA 365:5 to determine why civil penalties should not be imposed for non compliance with Commission Order No. 24,906.
- 3) Determine that compliance with emergency response thresholds as well as with all Commission orders must be part of any written executive compensation incentive compensation plans.
- 4) Direct the Company to submit a written explanation each month describing each instance in which emergency response time standards were not met, including a detailed description of the events and the actions taken by the company to address and remedy the area of concern. The written explanation shall be signed by a vice president or higher and filed with the Commission.

## Attachment A



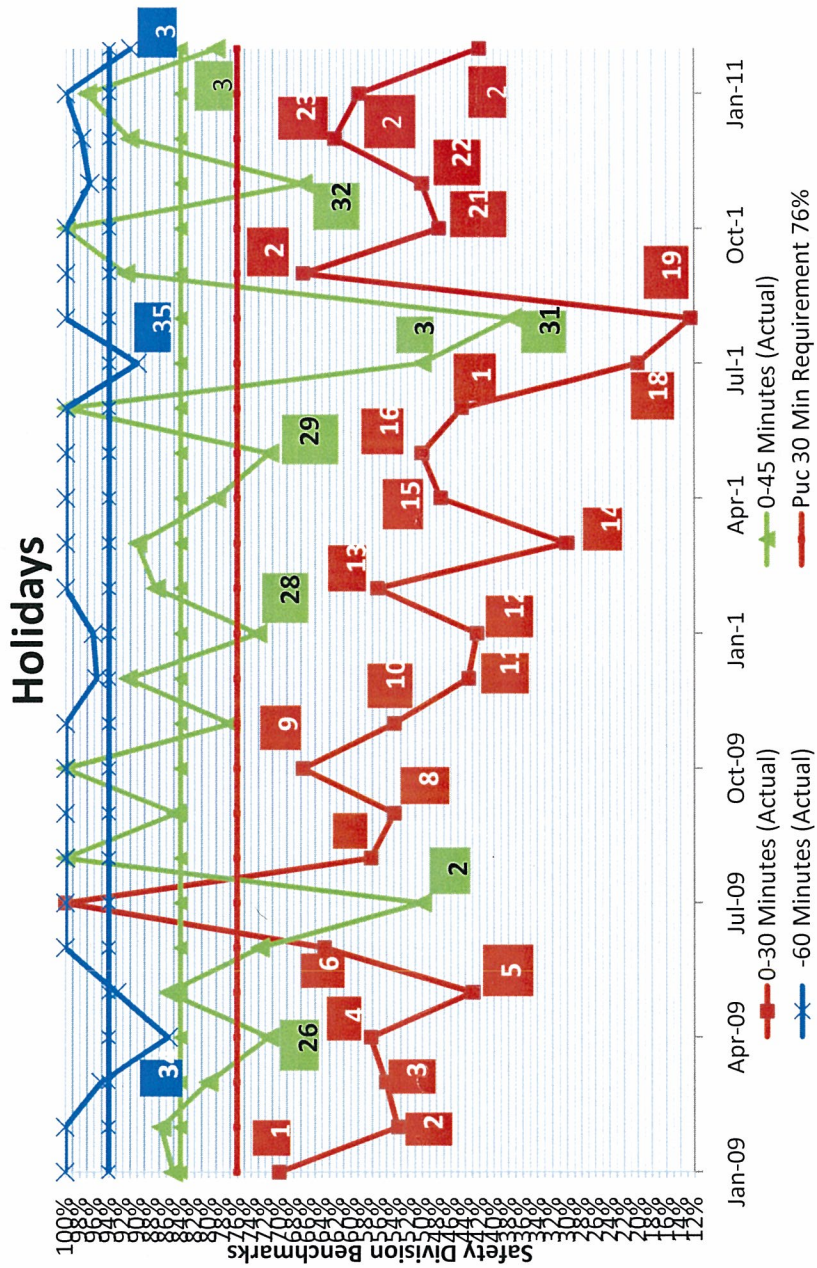
# Unitil Gas Response Times during After Business Hours



All boxes represent not having met minimum standard.



# Unitil Gas Response Times during Weekends & Holidays



All boxes represent not meeting minimum



## Attachment B

# Unitil Gas Emergency Response Times 2009 - February, 2011

## 2009

<b><u>Normal Hours</u></b>
0-30 Minutes (Actual)
0-45 Minutes (Actual)
0-60 Minutes (Actual)
Puc 30 Min Requirement 82%
Puc 45 Min Requirement 90%
Puc 60 Min Requirement 97%
<b><u>After Hours</u></b>
0-30 Minutes (Actual)
0-45 Minutes (Actual)
0-60 Minutes (Actual)
Puc 30 Min Requirement 80%
Puc 45 Min Requirement 86%
Puc 60 Min Requirement 95%
<b><u>Weekends / Holidays</u></b>
0-30 Minutes (Actual)
0-45 Minutes (Actual)
0-60 Minutes (Actual)
Puc 30 Min Requirement 76%
Puc 45 Min Requirement 84%
Puc 60 Min Requirement 94%

[illegible]



9. 11

11

10
0%
0%
0%
10
1%
4%
1%
10
2%
1%
3%

10
0%
0%
0%
10
1%
4%
1%
10
2%
1%
3%



## Attachment B

### Unitil Gas Emergency Response Times 2009 - February, 2011

2011	
<b><u>Normal Hours</u></b>	
0-30 Minutes (Actual)	
0-45 Minutes (Actual)	
0-60 Minutes (Actual)	
Puc 30 Min Requirement 82%	
Puc 45 Min Requirement 90%	
Puc 60 Min Requirement 97%	
<b><u>After Hours</u></b>	
0-30 Minutes (Actual)	
0-45 Minutes (Actual)	
0-60 Minutes (Actual)	
Puc 30 Min Requirement 80%	
Puc 45 Min Requirement 86%	
Puc 60 Min Requirement 95%	
<b><u>Weekends / Holidays</u></b>	
0-30 Minutes (Actual)	
0-45 Minutes (Actual)	
0-60 Minutes (Actual)	
Puc 30 Min Requirement 76%	
Puc 45 Min Requirement 84%	
Puc 60 Min Requirement 94%	

<u>Results</u>	<u>Results</u>
Jan-11	Feb-11
86.76%	88.00%
97.06%	100.00%
100.00%	100.00%
82.0%	82.0%
90.0%	90.0%
97.0%	97.0%
Jan-11	Feb-11
80.00%	71.05%
97.50%	100.00%
100.00%	100.00%
80.0%	80.0%
86.0%	86.0%
95.0%	95.0%
Jan-11	Feb-11
58.82%	42.00%
97.06%	79.00%
100.00%	91.00%
76.0%	76.0%
84.0%	84.0%
94.0%	94.0%

Jun 09 official report start date of order

Dec 08 through May 09 used Bay State Gas to respond under temporary agreement