

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

April 25, 2012 - 1:25 p.m.  
Concord, New Hampshire

AFTERNOON SESSION ONLY

**RE:DG 11-196**  
**UNITIL CORPORATION AND NORTHERN**  
**UTILITIES, INC.**  
**Show Cause Proceeding**

**PRESENT:** Chairman Amy L. Ignatius, Presiding  
Commissioner Michael D. Harrington  
Commissioner Robert R. Scott

Sandy Deno - Clerk

**APPEARANCES:**

**Reptg. Unitil and Northern Utilities, Inc.**  
Gary M. Epler, Esq.

**Reptg. United Steelworkers of America**  
**Local 12012:**  
Shawn J. Sullivan, Esq.

**Reptg. PUC Staff:**  
Lynn Fabrizio, Esq.  
Randall Knepper, Dir. Safety & Security Div.

**COURT REPORTER: SUSAN J. ROBIDAS, N.H. LCR NO. 44**

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CHRISTOPHER LEBLANC  
MELCHOR CIULLA

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AFTERNOON PROCEEDINGS

CHAIRMAN IGNATIUS: We're back for the afternoon in DG 11-196. And Ms. Fabrizio, you had completed your questioning of Mr. Knepper?

MS. FABRIZIO: Yes.

CHAIRMAN IGNATIUS: Mr. Epler, do you have questions?

MR. EPLER: Yes, I do, Chairman Ignatius. Let me also state, and I apologize if I'm restating something I said in the morning session, but just for clarification purposes, the Company is here on the basis that there's a settlement for the Commission's consideration. And we are here prepared to support what we believe is in the Company's interest, obviously, and we also believe it's in the public interest and consistent with the Commission and the Staff's interest. And so we're prepared to present witnesses that can walk through that settlement agreement and explain why we believe it's in the public interest and why we support it.

I'm not prepared, and the

1           Company's not prepared to litigate the  
2           underlying issues. That's a different issue.  
3           And so I'm not going to attempt to do that,  
4           because we believe we're offering the  
5           settlement for consideration here. And  
6           certainly, if the Commission deems that the  
7           settlement is inadequate in any respect and  
8           determines it cannot be approved or needs to  
9           be revised to be approved, we would want an  
10          opportunity to come back and then litigate  
11          those underlying issues, because, as I said,  
12          we came prepared to support the Settlement  
13          Agreement.

14                           CHAIRMAN IGNATIUS: Mr. Epler,  
15           do you mean by that, that your witnesses will  
16           not be able to address anything beyond the  
17           four corners of the Settlement Agreement?

18                           MR. EPLER: Oh, no. Absolutely  
19           not. They can explain anything that is of  
20           concern to the Commission on this. Just in  
21           terms of litigating this and what I would  
22           expect an outcome, certainly the Commission  
23           can accept or reject the Settlement Agreement.  
24           If it were to reject the Settlement Agreement,

1 we would not, based on this record today, then  
2 go on to determine the ultimate issues of  
3 fines or penalties, assuming it rejects the  
4 Settlement Agreement. If it were to reject  
5 the Settlement Agreement, we would have an  
6 opportunity to come back and then litigate  
7 those issues. But certainly, if there's any  
8 matter, any question either on the Settlement  
9 Agreement or statements that were made that  
10 the Commission has questions of the Company's  
11 witnesses, we'll be prepared to address that.

12 CHAIRMAN IGNATIUS: I think  
13 that's fine. Go ahead.

14 MR. EPLER: Thank you.

15 CROSS-EXAMINATION

16 BY MR. EPLER:

17 Q. Mr. Knepper, good afternoon.

18 A. Good afternoon.

19 Q. Could you please turn to your testimony at  
20 Page 11, and referencing the corrections that  
21 you made to the testimony this morning --  
22 first of all, at the end of Line 2 there's a  
23 reference -- there's a footnote, Footnote 5,  
24 that appears on the bottom of the page. Given

1 the change in the corrections that you made to  
2 the testimony, would you agree that that  
3 footnote should be deleted?

4 (Witness reviews document.)

5 A. Yeah, I think that's fair.

6 CMSR. HARRINGTON: Excuse me,  
7 Footnote 5?

8 BY MR. EPLER:

9 Q. Now, you provided revised testimony at Line 15  
10 of that page. And you revised the sentence  
11 that begins, "Again, Staff emphasized..." and  
12 you added the -- you changed that sentence so  
13 that the full sentence would read, "Again,  
14 Staff emphasized that the 60-plus-minute  
15 explanations were not being provided with the  
16 monthly reports"; is that correct?

17 (Witness reviews document.)

18 A. Yes, "with the monthly reports."

19 Q. Is there a requirement in the rule that the  
20 60-minute explanations be provided with the  
21 monthly reports?

22 A. The rule, the 504.07?

23 Q. Yes.

24 A. No, because the rule doesn't even reference

1 "monthly reports."

2 Q. So the Company's filing of its -- of the  
3 60-minute explanations were consistent with  
4 the requirements of the rule; is that correct?

5 A. That's correct.

6 Q. And then you added language saying that the  
7 filings were being made to Staff via the  
8 electronic filing system. And that filing by  
9 the electronic filing system, that's permitted  
10 by the rule; is that correct?

11 A. I believe so, yes.

12 Q. And then you added the clause at the end of  
13 that sentence, "But not all statements seemed  
14 to comport with the monthly data provided."  
15 Is that what you added?

16 A. That's what I added.

17 Q. Is it correct that until recently, you were  
18 not aware of the filing of the monthly  
19 reports?

20 A. Well, there was -- the monthly reports --  
21 there was one month where they -- I'm having a  
22 tough time talking -- did put an explanation  
23 with it. And the majority of them are on the  
24 quarterly reports. And so now we have to

1 compare the monthlies to the quarterlies to  
2 get the explanations that come with it. And  
3 so it seems simpler to just put it with the  
4 monthlies. So, when I compare it against  
5 whether it's quarterly or monthly, when I  
6 compare it to the data -- that would be the  
7 same data in question -- there was some that  
8 we found did not seem to reflect the data that  
9 the explanation was with.

10 Q. But is it correct that until recently, you  
11 were not aware that the quarterly reports were  
12 being filed?

13 A. They were not coming directly to the Safety  
14 Division, no. That's an internal issue here.

15 Q. Okay. So you were not aware that they were  
16 being filed; is that correct?

17 A. Not at that time, no.

18 Q. All right. So in terms of the issue of  
19 whether the statements comported with the  
20 monthly data provided, that was not an issue  
21 that was ever raised with the Company; is that  
22 correct?

23 A. I don't believe so. I think we raised it  
24 initially, that we wanted to have

1 explanations, when we met with the Company.

2 It would have been easier to get it when you  
3 have all the data, to have an explanation that  
4 goes with it.

5 Q. But in terms of raising the issue of whether  
6 or not the quarterly statement -- the data  
7 provided in the quarterly statements that were  
8 required by PUC 504.07C, whether they  
9 comported with the monthly data, that was  
10 never raised with the Company; is that  
11 correct?

12 A. I guess when we asked to get the data, no one  
13 was saying, "Well, we're providing it in the  
14 quarterly reports."

15 Q. Okay. Can you please turn to Page 18 of your  
16 testimony.

17 A. I have -- I'm there. Sorry.

18 Q. Okay. You added an insert on the sentence  
19 that begins at Line 6, so that it now reads,  
20 "Staff has no record that a formal integration  
21 plan was ever developed or subsequently shared  
22 with Staff that specifically stated dates of  
23 hires of service technicians"; is that  
24 correct?

1 A. Yes.

2 Q. Was this issue ever raised with the Company  
3 during your review of the integration plans or  
4 the transition plans?

5 A. No, I don't recall that being raised during  
6 the hearing that we had when the acquisition  
7 occurred. I was under the interpretation  
8 [sic] that the Company would include  
9 information regarding the service techs in the  
10 integration plan. At the time, we weren't  
11 sure what the integration plan was going to  
12 be. There didn't seem one. It was more of an  
13 all-inclusive list of all the various things  
14 that the Company was going through, and  
15 probably most of it was related to systems.

16 Q. Well, once the transition plans -- the  
17 transition reports were filed, did you ever  
18 raise any issue with the Company as to missing  
19 information that you expected to see?

20 A. No. Would you like me to talk about the  
21 transition reports?

22 Q. No, I just wanted -- I just asked you a  
23 question as to whether or not you raised it,  
24 raised any concerns regarding the transition

1 reports to the Company. And my understanding  
2 is that you said "No"; is that correct?

3 A. That's correct.

4 Q. Okay. Can you turn to the Settlement  
5 Agreement that's been marked as Exhibit 10.

6 A. Yeah, I have it.

7 Q. Okay. And can you please turn to Page 3 of  
8 that.

9 A. I have it.

10 Q. Okay. And just so we make sure we're on the  
11 same page on this, literally, I'm looking at  
12 the table at the top of that page. Do you  
13 have that in front of you?

14 A. The one that's labeled "Emergency Response  
15 Standards"?

16 Q. Yes. Now, if we were to compare this to the  
17 Emergency Response Standards that are  
18 currently in place -- and I think if you turn  
19 to your -- just for convenience, if you turn  
20 to your testimony at Page 33, and if you were  
21 just to ignore the first column that says  
22 "Category Label" -- otherwise, what's in that  
23 table on Page 33 are the current standards; is  
24 that correct?

1 (Witness reviews document.)

2 Q. I'm basically just looking for a reference, a  
3 convenient reference so that we can look at  
4 what the current standards are compared to the  
5 standards in the Settlement Agreement.

6 A. Yeah, I'm just double-checking.

7 Q. Sure.

8 (Witness reviews document.)

9 A. Yup, they look correct.

10 Q. Okay. So, just comparing those, if you were  
11 to start -- well, we can start at the top.  
12 Normal hours, there's an increase of five  
13 percentage points --

14 A. That's correct.

15 Q. -- for response time to 30 minutes?

16 A. Yeah. The new one, Section 2.2, says  
17 87 percent.

18 Q. And then there's a new category, "All Hours,"  
19 30 minutes at 80 percent, and that's in  
20 addition. That does not appear in the current  
21 standards?

22 A. Yeah, it does not have a correlating category  
23 or classification on Page 33 of my testimony.

24 Q. So that's a new standard; is that correct?

1 A. Yes.

2 Q. And then Weekends and Holidays -- I'm sorry.  
3 Then there are two categories that do not  
4 appear in the standards, and that's the "After  
5 Hours," 30 minutes, and "Weekends and  
6 Holidays," 30 minutes; am I correct?

7 A. Can you say that one more time, Gary?

8 Q. Yes. There are two categories that do not  
9 appear in the new proposed Emergency Response  
10 Standards: "After Hours," 30 minutes, and  
11 "Weekends and Holidays," 30 minutes; is that  
12 correct?

13 A. That's correct.

14 Q. And for all the remaining categories, the  
15 percent to achieve is higher in each row in  
16 the new standards compared to the current  
17 standards; is that correct?

18 A. That's -- yeah, they're slightly higher.

19 Q. Now, section -- referring again to Exhibit 10,  
20 Section 2.3, that's the Effective Date?

21 A. Effective Date, yeah, 2.3.

22 Q. And it provides that it will be effective upon  
23 approval of the Commission?

24 A. Correct.

1 Q. And do you know if there was an effective date  
2 in the -- as to when the response standards  
3 were to apply under DG -- under the Settlement  
4 Agreement in DG 08-048?

5 A. I'd have to go look at that language.

6 Q. Would you accept, subject to check, that it's  
7 silent on that?

8 (Ms. Fabrizio hands document to witness.)

9 (Witness reviews document.)

10 A. I don't think it specifically states it.

11 Q. And moving to Paragraph 2.4 under the proposed  
12 Settlement Agreement -- I mean, the Settlement  
13 Agreement that we're proposing the Commission  
14 approve -- there's a specific measure that  
15 gives detail as to when the time of  
16 response -- how the time of response is to be  
17 measured; is that correct?

18 A. Yeah, that's correct.

19 Q. And it indicates the total time, beginning  
20 from when the call is received by Northern and  
21 a work order is created during that call; is  
22 that correct?

23 A. That's what it says.

24 Q. And there's no comparable provision under the

1 current Emergency Response Standards, in terms  
2 of defining when a call begins?

3 (Witness reviews document.)

4 A. Well, I think they have... the "call received  
5 time" would have been what I would have used  
6 to say that. The old standards don't --  
7 aren't written to the degree that these are.  
8 At the time -- I believe at the time, Unitil  
9 didn't even have a system in place.

10 Q. So, this Section 2.4 provides more certainty  
11 with regard to when the -- how you measure the  
12 response time?

13 A. I think it eliminates any possible  
14 misinterpretation that a utility or Staff  
15 person might have.

16 Q. Now turning to Paragraph 2.5, Reporting.  
17 Under this section, the Company agrees that  
18 it's going to continue to provide the same  
19 reporting and detail and format that it  
20 currently provides, in terms of its emergency  
21 response; is that correct?

22 A. Yeah, that's correct.

23 Q. And so the Staff and the Commission, and I  
24 guess any member of the public who wanted to

1 see these reports, would be able to see how  
2 the Company is responding, in terms of the  
3 criteria that are set forward in the Emergency  
4 Response Standards that were agreed to in DG  
5 08-048; is that correct?

6 A. Yeah. I think the monthly reporting will  
7 allow us to continue the trending that we went  
8 through earlier in my discussion. So it will  
9 allow that to continue.

10 Q. Okay. In this section under 2.5.1, the  
11 Company will satisfy the requirements of PUC  
12 504.07(c) as part of its regular reporting.  
13 And that's clarified here as well; is that  
14 correct?

15 A. Yeah. Staff is concerned -- we're just  
16 looking for a single explanation. If you  
17 exceed 60 minutes -- you know, I guess under  
18 the rules you would have to do it twice. But  
19 we think that's just kind of -- it doesn't  
20 help. So when the data is coming, we think  
21 that this 2.5.1 is good enough to be able to  
22 do that.

23 Q. And this provision also provides that it will  
24 be -- it will -- the Company is committing to

1 go beyond the requirement of Section  
2 504.07(c), in that it will also include any  
3 actions taken to prevent recurrence for any  
4 individual response exceeding 60 minutes. And  
5 that requirement is not part of the current  
6 rules; is that correct?

7 A. No. That's correct. The rules apply to all  
8 the gas companies. This Settlement Agreement  
9 just applies to Unitil. The rules apply to  
10 all the gas companies in the state.

11 Q. Right. But there's no requirement in the  
12 current rules to include a report of actions  
13 taken to prevent the occurrence; is that  
14 correct?

15 A. It wouldn't be, because 2.5.2 references this  
16 Emergency Response Standard in 2.2.

17 Q. I guess my question is -- the Company is  
18 agreeing in this provision, 2.5.1, to go  
19 beyond what is required in the rules, in that  
20 it will -- it's agreeing to include actions  
21 taken to prevent reoccurrence in its  
22 reporting. Would you agree to that?

23 A. In 2.5.2? Is that what you're referring to?

24 Q. 2.5.1?

1 A. 2.5.1. "...a detailed explanation including  
2 any actions taken to prevent reoccurrence of  
3 any individual response exceeding 60  
4 minutes..." Yeah, I think that's what the  
5 Staff is looking for. It doesn't do us any  
6 good if someone says there's a lot of traffic  
7 or some other breakdown along the way. We're  
8 looking to see, you know, is there anything  
9 that we can do to try to eliminate these  
10 60-minute calls.

11 Q. And then in 2.5.2, the Company is agreeing to  
12 provide a detailed explanation of any failure  
13 to meet any particular Emergency Response  
14 Standards in any evaluation -- during any  
15 evaluation period and include a remediation  
16 plan to prevent reoccurrence; is that correct?

17 A. That's what it says.

18 Q. And section -- now turning the page, Page 4,  
19 Section 2.6 is titled "Monthly Evaluation."  
20 And that indicates that the Company's  
21 emergency response performance will be  
22 evaluated against these standards, based on a  
23 rolling 12-month period; is that correct?

24 A. Doesn't say the word "rolling," but the 12

1 preceding consecutive months, yes.

2 Q. The preceding 12 months. So that's each  
3 month, then, in terms of evaluation. We would  
4 look back on the previous 12 months of data;  
5 is that correct?

6 A. That's correct.

7 Q. Now, the penalty provision is in Section 2.7.  
8 And is it correct that, currently under the  
9 standards agreed to, there's no express  
10 penalty provision?

11 A. There is no expressed.

12 CHAIRMAN IGNATIUS: By that you  
13 mean the Settlement Agreement growing out of  
14 the prior case?

15 MR. EPLER: Yes. Thank you,  
16 Chairman. Yes, I was referring to the  
17 standards currently in place under -- as a  
18 result of the Settlement Agreement in DG  
19 08-048.

20 CHAIRMAN IGNATIUS: Thank you.

21 BY MR. EPLER:

22 Q. And just for clarity, so that we understand,  
23 this provides that the penalty is an automatic  
24 penalty of \$8,000 per month for failing to

1 meet any of the Emergency Response Standards  
2 in the preceding consecutive 12-month period.

3 So, first, by "automatic," that means  
4 that there's no requirement of any proceeding,  
5 investigation, complaint. It's merely you do  
6 the evaluation based on the reporting. If the  
7 Company fails to meet any of that criteria,  
8 the penalty's automatically assessed. Would  
9 you agree with that?

10 A. Yes. I mean, we'd check to make sure the data  
11 reported was correct and there wasn't any  
12 problems with it or that kind of thing.

13 Q. And then there are limitations on the  
14 assessment of the penalty, that basically  
15 provide that the maximum penalty in any month  
16 is \$8,000, no matter how many different  
17 categories there may have been of failure to  
18 attain; is that correct?

19 A. Yeah, I think there's eight now. So, I guess,  
20 potentially, the Company could miss all eight  
21 and be subject to a \$8,000 penalty,  
22 potentially.

23 Q. And then there's a cumulative penalty, that in  
24 any calendar year, no more than \$96,000 in

1 penalty could be assessed.

2 A. That's correct.

3 Q. So, essentially, that cumulative penalty would  
4 be met if the Company failed to respond to  
5 any -- failed to achieve any of the categories  
6 in all months during that particular calendar  
7 year.

8 A. In a calendar year, yes. So that's not  
9 necessarily the period in between the  
10 evaluation periods.

11 Q. And would you agree that having the penalty  
12 provide -- having the risk of the penalty  
13 being assessed immediately as opposed to  
14 waiting at the end of the calendar year for  
15 the assessment, and as opposed to waiting for  
16 the result of the investigation, is something  
17 that Staff thinks is important to have to gain  
18 the immediate attention of the Company?

19 A. Since we're now doing it over a 12-month  
20 period, we don't want to wait. You know, we  
21 don't want more months to go by if they start  
22 giving a substandard type of behavior.

23 Q. Okay. And then moving down to the next  
24 paragraph, Paragraph 2.8, the Effective Date

1 of Evaluation and Penalties -- again, just to  
2 clarify, because I guess there are probably  
3 several effective dates in this agreement.  
4 So, just to walk through each one.

5 The first effective date is in Section  
6 2.3. And that -- what that means -- or would  
7 you agree that that means that once this  
8 Settlement Agreement is approved by the  
9 Commission, these are the standards that apply  
10 from that date forward?

11 A. That's correct.

12 Q. Okay.

13 A. But the evaluations don't immediately kick in.

14 Q. Right. I was just going to get to that. So  
15 that's provided in Paragraph 2.3.

16 And then if you go to Paragraph 2.8, it  
17 talks about the effective date of the  
18 evaluations and the penalties. So the first  
19 effective date in Paragraph 2.8 is 90 days  
20 after the date of approval of the Settlement  
21 Agreement by the Commission. And that's for  
22 the -- when you start the evaluation of the  
23 12-consecutive-month period --

24 A. Looking backwards.

1 Q. -- for each standard.

2 A. For seven out of the eight standards.

3 Q. Okay. And you're anticipating my question.

4 So it's seven out of the eight standards, with  
5 the exception of the All Hours standard; is  
6 that correct?

7 A. Yes. The eighth is the All Hours standard.  
8 And that one looks like it would be January,  
9 the definitive date, whether or not the  
10 effective date of this agreement and  
11 evaluation kind of coincide to the paragraph  
12 above. So, that one -- we didn't want to go  
13 any further than that.

14 Q. Okay. So that -- so, having the effective  
15 date for the evaluation of the All Hours  
16 period means, effectively, that the Company's  
17 response that has already occurred with the  
18 first quarter of this year, in 2012, will be  
19 included in that evaluation for the All Hours  
20 criteria.

21 A. Say that one more time.

22 Q. Okay. Having the effective date of the  
23 evaluation of the All Hours criteria start in  
24 January 2013 means that the first quarter of

1           2012 that's already passed will be part of  
2           that evaluation.

3           A.    Yeah.  That would be the data that we already  
4           have for January, February and March of this  
5           year, 2012, would have already occurred and be  
6           included in that.

7           Q.    Okay.  And to the extent that the Company has  
8           not met the All Hours response, 30 minutes at  
9           80 percent, in the first quarter, that would  
10          mean that for the remaining three quarters it  
11          has to achieve better than 80-percent response  
12          in order to meet, on the 12-month basis, the  
13          80 percent.

14          A.    Yeah.  You're not evaluated on a quarterly  
15          basis, so you have to wait until we have 12  
16          months of data.

17          Q.    Okay.  And then Section 2.9 clarifies the  
18          ability of the Staff to request that the  
19          Commission open an investigation to determine  
20          whether additional actions should be taken if,  
21          once the Staff has had an opportunity to  
22          review the Company's performance under the new  
23          standards, if it's not satisfied for any  
24          reason with its performance, it could, of

1 course, come to the Commission and say an  
2 investigation should be opened; there's  
3 problems with whatever they happen to be. And  
4 it also clarifies that the penalties -- that  
5 if that were to occur, that the penalties that  
6 are provided for in Section 2.8 are not the  
7 total penalties that could potentially apply  
8 if the Commission were told about an  
9 investigation.

10 A. I think the Commission has authority to impose  
11 penalties beyond that.

12 Q. Then turning to Section 3, this section  
13 provides that the Company agrees to develop  
14 and file with the Commission a work plan by  
15 which it will meet the Emergency Response  
16 Standards.

17 Has the Company and Staff had some  
18 initial discussions with regard to that work  
19 plan?

20 A. Not to a real detailed level. We have no  
21 milestones and things like that established or  
22 anything.

23 Q. But this section does provide that the plan  
24 will be subject to review and approval by

1 Staff?

2 A. Yes, that's what that says. "The plan will be  
3 subject to Staff review and approval."

4 Q. And Section 3.2, the Company agrees to  
5 designate a vice-president for responsibility  
6 for compliance with these new Emergency  
7 Response Standards and to -- and who would be  
8 reviewing all submittals regarding the  
9 Emergency Response Standards prior to filing  
10 with the Commission; is that correct?

11 A. Yes.

12 Q. Now --

13 A. Or somebody in operations.

14 Q. And from the Staff's point of view, this was  
15 an important provision that clarify senior  
16 management responsibility within the Company  
17 for these standards. Would you agree with  
18 that?

19 A. I believe that's what I've already stated  
20 earlier today.

21 Q. Then Section 3.3 provides for quarterly  
22 meetings. That's something that I guess,  
23 unfortunately, has not occurred in the past or  
24 does not occur now. But that just clarifies

1           that those will occur. Would you agree?

2       A.    Yeah, I would say in the past the meetings  
3           have been sporadic. They're not planned out.

4       Q.    So this is a benefit here in the settlement to  
5           clarify this.

6       A.    Yeah, I think anytime you establish regular  
7           communications, that will be beneficial when  
8           it comes to these things. You know, we're  
9           looking at data -- you can get information  
10          behind the data that we just won't ever see or  
11          know.

12      Q.    Okay. And then this section also provides  
13          that if -- that in a five-year period that  
14          we're going to continue to review the terms  
15          and conditions of this stipulation and  
16          determine whether changes are appropriate, and  
17          that if we can't agree on that, whether or not  
18          there should be changes, the Staff could  
19          petition the Commission to immediately  
20          reinstate the response standards that are  
21          currently in effect. So there is an outside  
22          limitation to this, to these standards, at  
23          least in terms of getting together and  
24          reviewing and determining whether they work,

1           whether they're accomplishing the goals  
2           consistent with what the Commission wants to  
3           see achieved and what the Safety Division  
4           wants to be achieved.

5       A.    Yeah, I believe this isn't meant to say that  
6           we have a perpetual agreement that will go on  
7           forever.

8       Q.    Now, if we can just briefly, just for  
9           reference -- and this is not going to get into  
10          a lot of detail -- but if you can turn to this  
11          sheet, which is reproduced in large scale in  
12          front of the Bench, which I believe is  
13          Exhibit 12?

14                           CHAIRMAN IGNATIUS:  Twelve.  The  
15          three line drafts that's 12.

16  BY MR. EPLER:

17       Q.    And then this sheet, which is exhibit -- I'm  
18           sorry?

19                           CMSR. HARRINGTON:  Thirteen, I  
20          believe.

21                           CHAIRMAN IGNATIUS:  Yes, this is  
22          13.

23                           MR. EPLER:  Exhibit 13.

24                           CHAIRMAN IGNATIUS:  And then the

1 orange blocks below...

2 BY MR. EPLER:

3 Q. Okay. So if you could refer to Exhibits 12  
4 and 13, just to be able to clarify what is and  
5 what's not on here.

6 This Exhibit 12 shows the percentages  
7 achieved by the Company on a monthly basis.  
8 It's a graphical depiction.

9 A. I think it depicts those that were achieved  
10 and those that weren't achieved.

11 Q. Okay. But it provides the performance  
12 relative to percentage.

13 A. That's correct.

14 Q. And then Exhibit 12 provides the actual number  
15 of calls.

16 A. I think it's Exhibit 13 that does that.

17 Q. I'm sorry. Exhibit 13 provides the actual  
18 number of calls broken down by each category.

19 A. Yes.

20 Q. Okay. But neither of these show by how much  
21 any call is achieved or missed, in terms of  
22 reference to the particular time standard.

23 A. It does, if you're asking -- all this does is  
24 say what bucket or what category it falls

1           into.

2           Q.    Okay.

3           A.    So it doesn't say that -- you know, I'm  
4           looking -- let's go back to that  
5           January 2004 -- or 2010. I'm sorry. It does  
6           not say of the four calls that were gotten to  
7           within 30 minutes, it doesn't say one was 12  
8           minutes and one was 29 and one was 15 or some  
9           other number. It just says four were gotten  
10          to in less than 30.

11          Q.    So the standard is basically a binary  
12          standard. You achieve it or don't achieve it.  
13          A miss by a minor amount is as good as a miss  
14          by a large amount; is that correct?

15          A.    Yeah, we're not -- we don't -- we're not  
16          looking at the response times and trying to  
17          average them out or anything like that, or  
18          looking at something like that.

19          Q.    All right. And you're not looking at any  
20          specific performance to see, well, if the  
21          Company didn't meet the 30 minutes, how much  
22          did it miss any particular standard by. Did  
23          it miss it by 30 seconds? Did it miss it by a  
24          minute? Did it miss it by 20 minutes?

1 A. Yeah, except that we know that the outer one  
2 that they'll miss is no more than 15 minutes.  
3 So you start exceeding 60.

4 Q. So you could come to a conclusion as to  
5 whether or not there was a miss by more than  
6 15 minutes --

7 A. Yeah, going to the next category. So you  
8 could have zeros for the 45-minute category  
9 and numbers into the 60-minute category.

10 Q. Now, under the current standards currently in  
11 place, if the Company was to respond today to  
12 an odor call and it arrived at that call  
13 location within -- in 45 minutes, is that an  
14 unsafe response?

15 A. I don't think I can answer that question based  
16 upon the information you've given me.

17 Q. Well, I asked you --

18 A. I would need more information is what I'm  
19 saying. I need more details upon what you're  
20 trying to say.

21 Q. On any given date --

22 A. If you got there -- for instance, if you got  
23 there within 45 minutes and the house that  
24 exploded, I would say that -- you know, and we

1 found that the contributing factor was that we  
2 couldn't get their people in time, then I  
3 would say that may be related. It may not be  
4 related.

5 Q. Well, let's take a situation where we don't  
6 have an explosion. We have a situation where  
7 there is a call and a response and an arrival  
8 of 45 minutes. No explosion. The situation  
9 checks out. Either there was a leak or there  
10 wasn't a leak. Either way, doesn't matter.  
11 Is that an unsafe response?

12 A. I don't think I can answer that question. I  
13 know you're trying to frame me into that. I  
14 don't think I can do that.

15 Q. I'm just asking you a question.

16 A. I'm trying to give you my answer.

17 Q. At any particular time, for any particular  
18 response, assuming there's no catastrophic  
19 event, can you tell, based on these Emergency  
20 Response Standards that are currently in  
21 place, whether a particular response was safe  
22 or not safe?

23 A. I don't think that's -- I don't think you  
24 measure safety in the way that you're trying

1 to ask the question.

2 Q. I'm asking just basically based on the  
3 standards that are in place, can you determine  
4 whether --

5 A. I don't think you can sit there and say if we  
6 get there within 30 minutes this would have  
7 occurred, if we got there within 35 minutes  
8 this would have occurred. I don't think you  
9 can measure safety that way.

10 Q. I'm not suggesting anything occurred. I'm  
11 just saying the question --

12 A. I don't think you'll ever know is my point.  
13 I think you're trying to define something that  
14 I can't define.

15 Q. I'm not asking you to define anything. I'm  
16 simply asking whether or not you can determine  
17 whether a response on a particular date was  
18 safe or not safe based on the standards that  
19 are currently in place.

20 A. I'd have to see if it's a contributing factor.

21 Q. A contributing factor to what?

22 A. To the events that occurred.

23 Q. And if no event occurred?

24 A. Well, if no event occurred, then it probably

1           wasn't. But I don't know that until we get  
2           there.

3                       MS. FABRIZIO: Excuse me. Can I  
4           interrupt and ask? Perhaps this will help  
5           clarify. Are there emergency response time  
6           standards developed to respond to a federal  
7           requirement of "safe response," or are they  
8           developed to adhere to a federal minimum  
9           requirement of "prompt response"?

10                      WITNESS KNEPPER: I think  
11           federal codes, you know, state the word  
12           "prompt response," and that's part of an  
13           overall safety regulation. There's many other  
14           parts of that safety regulation, but...

15                      MS. FABRIZIO: And do the  
16           emergency response time standards go to the  
17           safeness of the Company's response or to the  
18           timeliness?

19                      WITNESS KNEPPER: What we're  
20           talking about here in this docket is strictly  
21           time. The safeness could determine a bunch of  
22           other factors that are beyond this. And so  
23           when you're evaluating the overall response  
24           level, you're talking about a whole host of

1 other variables that aren't worth talking  
2 about in this docket. This docket is clearly  
3 a time docket. It's not beyond that. It's  
4 not how qualified somebody is. It's not how  
5 familiar they are. It's just strictly a time  
6 docket.

7 Q. Thank you.

8 MR. EPLER: Chairman Ignatius,  
9 if I could just take a moment, I believe I may  
10 be done.

11 CHAIRMAN IGNATIUS: That's fine.

12 (Pause in proceeding.)

13 MR. EPLER: Okay. Thank you,  
14 Mr. Knepper. Thank you, Chairman. I'm done  
15 with my cross-examination of this witness.

16 CHAIRMAN IGNATIUS: Thank you.  
17 Mr. Sullivan, questions?

18 MR. SULLIVAN: The Union has no  
19 questions for Mr. Knepper today.

20 CHAIRMAN IGNATIUS: All right.  
21 Questions from the Bench? Mr. Harrington,  
22 questions?

23 CMSR. HARRINGTON: Yeah, I have  
24 a few.

1 INTERROGATORIES BY CMSR. HARRINGTON:

2 Q. Mr. Knepper, can you briefly explain how these  
3 standards that are proposed in the Settlement  
4 Agreement are comparable or not comparable, I  
5 guess, to the ones imposed on other gas  
6 utilities that are regulated by this  
7 Commission?

8 A. These standards are different. These ones  
9 that are proposed are different. We have  
10 nothing for any other utility that talks about  
11 the All Hours category. So, some of the  
12 standards and classifications are different.

13 Looks like the percentages that are  
14 achieved are different. But the overall -- I  
15 guess there are some commonalities that are  
16 similar, where we look at 30-, 45- and  
17 60-minute buckets. We look at weekends,  
18 holidays -- weekends and holidays and after  
19 business hours and normal business hours.

20 Q. And why would we -- it would seem that we have  
21 a response standard, whether the person  
22 responding was responding to a potential gas  
23 leak in the service territory on the seacoast  
24 or service territory in Nashua or in

1 Manchester. Why would we have different  
2 standards for time of response?

3 A. I think they're unique to the gas company.  
4 For instance: This Commission regulates New  
5 Hampshire Gas, and so their territory is a  
6 single town. I would expect even stricter  
7 requirements than these be imposed on them  
8 because they don't have a far distance to  
9 travel; you know, from one end of the system  
10 to the other is 4 miles. You should be able  
11 to get to all calls within 30 minutes, under  
12 any condition. So I don't think that you can  
13 necessarily -- I think you have to kind of  
14 tailor them to the customers they serve, the  
15 miles of pipe that they have, the pressures in  
16 the systems, the amount of leaks that they  
17 have. Those kind of things.

18 Q. So, one size does not fit all is what you're  
19 saying in this case then.

20 Just so I'm clear on the Settlement  
21 Agreement, on Page 3 of 6 there's a chart.  
22 And it says "Emergency Response Standards,"  
23 and then it lists various categories: Response  
24 Time and Percent to Achieve. There's no

1 period of time listed there anywhere. At  
2 least I haven't been able to find one. Is  
3 this Percentage to Achieve, is that based on a  
4 yearly -- that's the yearly 12-month rolling  
5 average that you were talking about? I don't  
6 see that listed here.

7 A. No, it's listed in words below it.

8 Q. Okay. Words below it.

9 A. That's going to be listed in 2.6 for the  
10 evaluation. When it says "evaluated against  
11 the Emergency Response Standards," I believe  
12 it's referring to those -- that table in 2.2  
13 with the title of "Emergency Response  
14 Standards," using the preceding 12 consecutive  
15 months.

16 Q. And this is what I'm trying to get at. It  
17 says "Monthly Evaluation." I'm trying to  
18 figure out what determines success or failure.  
19 If in any one month they fail to achieve the  
20 Percent to Achieve standards in the chart on  
21 Page 3, then that's considered a failure, like  
22 all those little boxes you showed us before --

23 A. No.

24 Q. -- that would have a minus one there.

1 A. No. We're going to take the boxes, okay, the  
2 data set for 12 months, and then look at them  
3 over a 12-month period --

4 Q. And average them?

5 A. -- and it's going to take how many calls came  
6 in during that 12-month period. So you're not  
7 looking at an individual month anymore.

8 Q. So that's what I'm trying to find out. So if  
9 we go back to the chart, then what we're  
10 referring to is -- let's take the first one --  
11 Normal Hours response time, 30 minutes,  
12 87 percent to achieve. And that's over any  
13 given 12-month period evaluated on a monthly  
14 basis?

15 A. Yes, within that -- yes. The 12-month  
16 period's going to keep moving. But you're not  
17 looking at a quarterly basis, you're not  
18 looking at a monthly basis. You're looking  
19 at -- so it's defining that period of time --

20 Q. It's always over a year, but it's a  
21 different -- the dates included in the year  
22 move.

23 A. Correct.

24 Q. Okay. That helps a little bit.

1 A. So that no one date is going to have a big  
2 effect over a 12-month period.

3 Q. And that would seem to be -- was that a change  
4 from the last Settlement Agreement, where you  
5 seem to be showing individual months?

6 A. To me, that's a significant change.

7 Q. So it is a change then.

8 A. Well, that was part of the Company's and the  
9 Staff --

10 Q. Let me make this clear, then. Before, you did  
11 it month by month on that last one, and now  
12 you're using a rolling 12-month average; is  
13 that correct?

14 A. That's correct.

15 Q. Okay. That's what I was trying to get at. So  
16 that part has been changed.

17 CHAIRMAN IGNATIUS: Mr. Epler.

18 MR. EPLER: Yes. This is a  
19 point of contention. We would not agree that  
20 that's correct. We do not believe that there  
21 is -- that we agreed to a monthly evaluation  
22 standard under the current standards that are  
23 in place. At the time -- there's nothing in  
24 the agreement in DG 08-048 that indicates it's

1 a monthly evaluation standard. There's only  
2 an indication that there's a reporting that is  
3 to occur monthly. At the time that this  
4 Settlement Agreement was entered into, a  
5 similar standard that was in place was for  
6 EnergyNorth. They had similar monthly  
7 reporting standards, and it was to be  
8 evaluated on an annual basis. The Settlement  
9 Agreement here is silent on that and --

10 CMSR. HARRINGTON: When you say  
11 "the Settlement Agreement here," you're  
12 talking about the proposed one or the previous  
13 one?

14 MR. EPLER: The previous one is  
15 silent on that. And it's the Company's  
16 position that we never agreed to a monthly  
17 evaluation standard.

18 CMSR. HARRINGTON: With the idea  
19 that we're trying to go forward here, would  
20 you agree that the proposed Settlement  
21 Agreement is a rolling 12-month average?

22 MR. EPLER: Yes, we can agree.

23 CMSR. HARRINGTON: I think  
24 that's more important that we get agreement on

1           that than what's happened in the past. Okay.

2 BY CMSR. HARRINGTON:

3       Q. All right. Some of these questions are going  
4       to jump around a little bit. There was a lot  
5       of stuff on the graphs there that you showed  
6       us about there was performance that varied  
7       from time to time. Basically, the 30-minute  
8       response time was the biggest problem on off  
9       hours, and some of the other off-hour response  
10      times, nights, weekends and so forth. Then we  
11      had a lot of discussion on -- there was a  
12      whole mess of graphs and data points and  
13      figures and so forth as to where exactly what  
14      occurred, in what months and so forth. I  
15      haven't seen -- or I haven't been able to see  
16      any analysis as to why that occurred. In  
17      other words, was there some root cause or  
18      common-cause analysis that said, okay, we've  
19      looked at the times when things weren't --  
20      didn't happen -- this would not necessarily be  
21      by Staff, but by either by Staff or the  
22      Company. And we recognize that here's some of  
23      the reasons why we were failing. And I mean,  
24      for example: I haven't heard any breakdown on

1 travel time in the summer versus travel time  
2 in, let's say April. This is a tourist area.  
3 Certainly, weekends and -- nights and  
4 weekends, traffic could be, you know, a really  
5 huge factor in making people go around. I  
6 mean, it could have a major influence on that.  
7 Wintertime, bad road conditions due to snow or  
8 ice or whatever, people tend to drive slower  
9 and so forth. It's less daylight, so people  
10 generally drive slower in the dark. Was there  
11 any analysis of that to determine if there was  
12 a seasonal effect that could be addressed some  
13 other way?

14 A. I think to get to the root causes -- probably  
15 Unutil would be able to best answer that  
16 question.

17 But if you look at -- it doesn't seem to  
18 be a seasonal thing. They're missing it all  
19 months, whether it be winter or snow [sic].  
20 We looked to see if there was ones where there  
21 were high months or low months, number of  
22 calls. We did not see that. We were trying  
23 to determine whether it was a particular, I  
24 don't know, individual. Maybe someone has a

1           problem, and that person needs to be, you  
2           know -- or is it a particular location? Is it  
3           a single -- is it one spot that they can't get  
4           to within their service territory?

5                       We weren't, I believe -- I don't want to  
6           speak out of hand for the Company. But we  
7           don't feel it's any one issue that you can --

8       Q.    But did you look at those type of things is  
9           what I'm asking.

10     A.    Yeah. We only looked at the data that was  
11           provided to us. So, some of the data provided  
12           to us is the location of the leak, the time,  
13           how long until dispatch, what the received  
14           time is, the acceptance time by the person.  
15           It was all time things. But when you get  
16           beyond the time issues, it's very difficult  
17           for Staff to have an understanding of that.

18     Q.    And part of your testimony -- I mean, maybe I  
19           was misinterpreting -- but it almost sounded  
20           like you went out and you went through all of  
21           these various charts here, and especially in  
22           Exhibit 13, and you went over the fact that,  
23           if we had imposed the new standards on at  
24           least the recent performance by the Company,

1           that, for the most part, they would have  
2           passed those new standards. They would have  
3           achieved the standards. And I'm sure you  
4           weren't implying it, but it almost came across  
5           that that was how the new standards were  
6           developed. And --

7           A. All I can say is I looked at --

8           Q. I guess was that after the standards were  
9           developed you went back and did that analysis?

10          A. Yes. This settlement was relatively recent.  
11          And we were just crunching these numbers just  
12          even more recent to see where they were. We  
13          knew that there were increases. But when you  
14          look at percentages, you have to kind of go  
15          back and look at what does that really mean in  
16          terms of calls, kind of like we did with our  
17          Exhibit 13, and try to determine how many  
18          calls over a year or how many misses would  
19          actually have changed. And that's what we  
20          did.

21          Q. So you did that once the standards were  
22          developed then. So the developing of the new  
23          standards -- and this is the part I'm having a  
24          little trouble with. I haven't been able to

1 find anything in the testimony or in the  
2 Settlement Agreement that says something was  
3 done to evaluate what was causing the  
4 problems, and so -- and then there was  
5 solutions to those and then new standards were  
6 imposed based upon something other than the  
7 Company didn't -- couldn't meet the old  
8 standards. So what's the -- what was the  
9 justification for the new standards, other  
10 than that they weren't met in the past?

11 A. Well, I don't think it was looked upon in that  
12 way, I guess. We looked at them to see --  
13 there was a lot of underlying -- as Mr. Epler  
14 would say -- "a lot of underlying issues" as  
15 to what's the best method to achieve certain  
16 things. And the Company would go, if you want  
17 to look at it this way, this could potentially  
18 be what it cost to achieve that. If you look  
19 at it this way, this could potentially be the  
20 cost to achieve that. And so while we didn't  
21 do specific numbers on that, they kind of gave  
22 us outside parameters or outside numbers on  
23 that. So I'm not so sure I can answer your  
24 question the way you asked it.

1 Q. Okay. Well, let me try it a different way  
2 maybe.

3 We had a set of standards that  
4 apparently, at least in the cases of the  
5 weekends and after hours, there was a large  
6 percentage of noncompliance with. They may or  
7 may not have -- I can't tell from what we've  
8 been given so far -- done an analysis to  
9 determine why those standards weren't complied  
10 with after hours. There's been some, I guess,  
11 you know, statements made that, Well, it took  
12 too long to get there. Maybe there was a  
13 traffic problem, maybe there wasn't. It  
14 doesn't seem to be seasonal, but we didn't  
15 really do a strict analysis of that. So the  
16 conclusion I've heard is that they didn't  
17 comply with the standards, especially on  
18 weekends and after hours. So, based on that,  
19 it was decided that the standards must have  
20 been too strict, without really finding the  
21 cause for why the standards weren't complied  
22 with, as best I can tell. So, new standards  
23 were developed. So there must be a rationale  
24 to say that the standards we had in the past,

1 something was too strict. They were -- they  
2 weren't necessary. They were -- there was  
3 something that allowed the Settlement  
4 Agreement to come out and say now we can have  
5 different standards.

6 A. Yeah, I think the underlying issues, a lot of  
7 the things that determine how response times  
8 are done are dependent upon processes that  
9 Unitil has in place. And those are processes  
10 that they have with certain resources. How  
11 many resources are doing the response? Where  
12 are those resources? How far away are they?  
13 Those are all the -- that kind of root-cause  
14 analysis that you're trying to do would  
15 probably be best answered by the Company.

16 Q. Okay. That's fair enough.

17 Let's get to some specifics of the  
18 Settlement Agreement then. On Page 3 in  
19 Section 2.5.1, as part of the monthly  
20 reporting, the Company shall -- well, let me  
21 back up before I say that.

22 In looking at some of the testimony by  
23 various people, and some of the comments  
24 especially made by yourself and Mr. Epler, it

1           seems like the past Settlement Agreement was  
2           at least somewhat ambiguous, and to the point  
3           where different groups had different  
4           interpretations of what it said. And that  
5           seemed to have caused some of the concerns and  
6           issues that we're trying to address today.  
7           Would that be correct?

8           A.    That's some people's position.

9           Q.    Okay. And so looking at Page 3, Section  
10           2.5.1, it says that as part of the monthly  
11           reporting, "The Company shall provide a  
12           detailed explanation, including any actions  
13           taken to prevent recurrence, for individual  
14           responses exceeding 60 minutes." So that  
15           would imply that, at I guess the Company's  
16           discretion, that they may or may not take  
17           actions to prevent recurrence for individual  
18           responses exceeding 60 minutes? Am I  
19           interpreting that wrong? Or is it simply for  
20           them to make a decision on whether they feel  
21           like doing that when their response time  
22           exceeds 60 minutes?

23           A.    I think when we were referring to those ones  
24           that we have on Exhibit 13, those yellow

1 instances where they exceeded the 60  
2 minutes -- you can see there's not too many of  
3 them -- what we're looking to see is this one  
4 was delayed because the dispatcher got up and  
5 took a break, so it never even got dispatched;  
6 so that puts the person who was responding way  
7 behind. And so our remediation plan would be  
8 we've addressed that with that employee. He's  
9 been talked to and understands that that's not  
10 allowable. You know, it could be his first  
11 day or second day here or whatever. So those  
12 are the kind of things, depending upon what  
13 the cause was, we're asking the Company tell  
14 us how you're going to address it, because we  
15 really don't want 60-minute response.

16 Q. I understand that. And maybe you didn't quite  
17 understand my question. I'm not saying that  
18 there won't be cases that maybe, you know, as  
19 happened earlier this week, someone hit a  
20 telephone pole on Route 1 and they closed  
21 Route 1 for three or four hours, so that could  
22 have delayed it. But my question is with  
23 regards to the wording where it says  
24 "including any actions taken to prevent

1 recurrence." Now, in the case of the  
2 telephone pole, they would evaluate and say no  
3 actions to take [sic] recurrence were required  
4 because we can't anticipate Route 1 being  
5 closed. But this would imply they may or may  
6 not have to do that. There's no -- it doesn't  
7 say, "including actions to take" -- "prevent  
8 recurrence." The word "any" is in there,  
9 which assumes -- which I'm reading to say that  
10 they may not take any actions to prevent  
11 recurrence. And so that -- is the option of  
12 whether to perform that evaluation and then to  
13 include that in the monthly report, is that  
14 the option of the Company?

15 A. Well, I think I'm required to do an  
16 explanation. And you're correct. They may  
17 not take any -- they may not have any action  
18 that they're going to take to prevent  
19 recurrence. I mean, they may say that section  
20 of town was flooded. Every road that we went  
21 to go down was impassable. It just wasn't  
22 possible. So, you know, we tried this  
23 alternative, we tried this alternative, we  
24 tried this alternative, we couldn't get there.

1           And maybe that's an explanation. But it  
2           doesn't -- that's really not an action to  
3           take.

4           Q. But it doesn't say they have to -- okay. So  
5           you're saying a detailed explanation, and only  
6           if they had specific actions as a result of  
7           that explanation. I'm just trying to make  
8           sure --

9           A. Right.

10          Q. -- we're clear on what we're saying here then.  
11          Okay.

12                    Going to the next, top of the next page,  
13                    Page 4, on the Monthly Evaluation, it says  
14                    each month the Company's response performance  
15                    shall be evaluated against Emergency Response  
16                    Standards using the preceding 12-month  
17                    consecutive months of reported emergency  
18                    response times. Now, who's doing this? Is  
19                    this being done by the Commission or is this  
20                    being done by the Company? It's not -- who's  
21                    doing "the Company's response performance  
22                    shall be evaluated"?

23          A. I guess it doesn't say who, does it. So far,  
24          the Staff, Safety Division's been doing that.

1 Q. I'm just trying to make that clear then. This  
2 is part of the monthly reporting. The Company  
3 provides this detailed explanation. And then  
4 each month, I guess, the Company's response  
5 performance, which is from that monthly  
6 report, will be evaluated by the Staff.

7 A. Right.

8 Q. Okay. That's what I was trying to --

9 A. We're looking to ensure the compliance of the  
10 standards that we've agreed upon.

11 Q. Okay. And the -- on page -- I guess I'm on  
12 Page 4 now, on Section 3, where it talks about  
13 a work plan which will meet the Emergency  
14 Response Standards; this work plan will be  
15 subject to Staff review and approval. I'm  
16 trying to determine -- and maybe this is a  
17 better question for the Company again. And  
18 tell me if it is.

19 This gets us back to we have the  
20 standards, and now we're implementing a work  
21 plan to meet the standards. But we haven't  
22 really determined why we didn't meet the last  
23 set of standards. So, is this sort of a  
24 corrective action plan from the last

1 standards, or is this an attempt to say let's  
2 forget about the past completely and let's  
3 only look forward to the future and here's a  
4 new set of standards; what do we have to do to  
5 meet those standards?

6 A. I think the next panel might be the best place  
7 to address that.

8 Q. Okay.

9 CMSR. HARRINGTON: That's all  
10 I've got.

11 CHAIRMAN IGNATIUS: Commissioner  
12 Scott.

13 INTERROGATORIES BY MR. SCOTT:

14 Q. Good afternoon.

15 A. Good afternoon.

16 Q. I'm glad your voice is better for you.

17 A. I'm drinking water like it's crazy.

18 Q. This may be somewhat a repeat question, but  
19 I'm going to take a different tact from  
20 Commissioner Harrington's question.

21 You've already discussed how perhaps  
22 these standards in the proposed Settlement  
23 Agreement compared to other utilities, gas  
24 utilities in New Hampshire. Would you be able

1 to -- and I understood that the geography,  
2 pipeline distances, a lot of factors kind  
3 of -- it's not a one-size-fits-all. But with  
4 that, and your knowledge of all the utilities  
5 that we regulate in New Hampshire for gas, how  
6 would you compare the times in this proposed  
7 Settlement Agreement with what the other  
8 standards are for the other utilities?

9 A. Well, depends on how you evaluate it. Again,  
10 if you look at the 30-minute response times,  
11 which I like to look at the most, because I  
12 find if you can meet 30 minutes, you should  
13 get to the 45s, and hopefully we don't have  
14 too many 60s, if that's what you're focused  
15 on. The new -- there's new ones that are  
16 proposed on another docket that's before you  
17 now. And so those standards on the weekends  
18 and after hours, 30 minutes, are, in my  
19 opinion, tighter because we don't have that  
20 standard here. It's not in here. This is the  
21 All Hours, which is we're now mixing in the  
22 normal hours, so we can't differentiate those  
23 two. It makes it harder to compare. But if I  
24 were just to look at the normal business hours

1           for 60 minutes, both standards, this  
2           standard's a little bit stricter. But that's  
3           really not what we're finding a lot of  
4           compliance issues.

5       Q.    In talking about the standards -- I'll hold my  
6           quotes up here -- is there -- for want of a  
7           better word, what's magic about 30 minutes and  
8           45 and 60? Where do those come from, those  
9           standards?

10       A.   I think they were born with this Commission  
11           over a historical period of time. They've had  
12           dockets going back 10 or 12 years which kind  
13           of -- you know, we just didn't take them out  
14           of thin air. So they've evolved over time.  
15           Those are the ones that are in the rules that  
16           we have for 504.07 and those kind of  
17           classifications. So I think it's -- you know,  
18           we didn't go off on a tangent and say 12.2  
19           minutes and 27.5 or anything like that. We  
20           used things that were previously developed and  
21           tried to see if they were applicable.

22       Q.    And my next couple questions, perhaps I should  
23           ask the next panel, but I'll ask you with your  
24           knowledge of the utilities. Actually defined

1 in the proposed Settlement Agreement, the  
2 response time being from when you received the  
3 call to somebody showing up on the scene, if I  
4 remember correctly, does it track -- you used  
5 the word "missed calls," which I understand  
6 you mean missed the goal or -- but are missed  
7 calls tracked, meaning I tried to call to  
8 complain and nobody picked up or the phone was  
9 busy, that type of thing?

10 A. Yeah. Every call that Unitil gets, or every  
11 notification, they track every single one.  
12 And sometimes -- and maybe Unitil can answer  
13 it better. But there are certain things that  
14 they date-stamp parts or intermediate steps  
15 along the way, and they use that recorder  
16 system to do that. So when I'm sending you  
17 something, that's being recorded. When you  
18 get it, that's being recorded. When you get  
19 there, that's being recorded. When it's being  
20 handed off to another person, that's being  
21 recorded. So we're -- we've asked for the  
22 data in between. But we're really just trying  
23 to use the limits to do the evaluation,  
24 because we think stuff in between is really

1 management's responsibility to address those  
2 things if they find that there's an issue.  
3 And so if there's an issue, it tends to be an  
4 anomaly. It doesn't seem to be a pattern.

5 The overall one that has consistently  
6 cropped up is they have some difficulty  
7 hitting the drive times, the "windshield  
8 times," as they would say, getting to these  
9 towns on off hours. During normal hours, as  
10 you can look at the graph, they're meeting all  
11 of them. Over 39 months, there's only been  
12 two occasions where they didn't. So there has  
13 to be the way they handle off hours that's  
14 different than the way they handle, you know,  
15 the normal hours, during the regular working  
16 hours.

17 Q. And you've mentioned, obviously, that it's  
18 hard to equate safety with what you're talking  
19 about as response times. So I think I  
20 understand that.

21 If somebody were to call with a gas odor,  
22 there's -- correct me if I'm wrong, and again,  
23 I can ask the panel -- there's nothing saying  
24 that either that person couldn't also call the

1 local fire department, or the dispatcher could  
2 do that same thing. Do you have a real strong  
3 odor of gas? I don't know what to do. Call  
4 the fire department so they can ventilate the  
5 house, that type of thing.

6 A. Well, lots of times they will call the fire  
7 department, and the fire department is the one  
8 that may notify Unitil. So we're looking from  
9 the time Unitil gets notified, whether it's  
10 from the original source person or the fire  
11 department. So that's what I'm saying, if  
12 there's time things that can evolve before  
13 Unitil even knows about it. So some of those  
14 calls aren't directly made to Unitil. And  
15 some of those may not have anything to do with  
16 natural gas. They may just smell the landfill  
17 down the street or an oil delivery or  
18 something. They smell an odor. And when  
19 people -- I mean their public awareness  
20 campaign is, "If you smell an odor, give us a  
21 call." That's what we want to do. We want to  
22 go out and eliminate that as a possible  
23 situation.

24 So, did that answer your question?

1 Q. Yeah, I think. If I can paraphrase, again, so  
2 you're confirming it's very hard to equate  
3 safety and time, obviously.

4 A. Oh, I think you're missing the point of  
5 safety. There's all kinds of other  
6 ramifications to determine if it's a safe  
7 situation. What actions are you taking? How  
8 qualified is the individual? What other  
9 things are being done? Are you venting  
10 properly? Are you not venting properly? Are  
11 you using the equipment? There's a whole  
12 bunch of other things besides just the  
13 response. The response time is just one  
14 component. But it is one that you can  
15 quantify versus the other ones, which are  
16 going to be very more -- a lot more difficult  
17 to establish.

18 So what we've tried to do is to -- well,  
19 one thing that is concrete -- let's make that  
20 so that's not -- you know, what's "prompt"?  
21 We got there in a prompt -- well, what does  
22 that mean? What's "late"? So we've tried to  
23 define that for the companies. And I think  
24 there's a whole lot of benefits for that.

1           That fire department can now depend on these  
2           people.  If they don't know if they're going  
3           to respond in two hours or four hours, they  
4           have a different response than if they know  
5           that they're expected to be here in a very  
6           quick time.

7                           CMSR. SCOTT:  Thank you.  That's  
8           all.

9                           CHAIRMAN IGNATIUS:  Thank you.  
10          I have no questions.

11                          Ms. Fabrizio, any redirect?

12                          MS. FABRIZIO:  I just have one,  
13          maybe a multi-part question in follow-up.

14                          REDIRECT EXAMINATION

15          BY MS. FABRIZIO:

16          Q.    Mr. Knepper, Commissioner Harrington asked  
17                about time periods for evaluation, and you've  
18                established that the monthly data will not be  
19                assessed as to the Company's compliance.  But  
20                will you continue to collect monthly data from  
21                the Company?

22          A.    Yes.

23          Q.    And Section 2.5 of the Agreement states that  
24                the performance will be reported on a monthly

1 and shall include the same format and detail  
2 as provided by the Company in its report since  
3 January 2010.

4 Will the monthly reporting coming from  
5 the Company continue to include 30-minute  
6 performance on After Hours and Weekends and  
7 Holidays?

8 A. Yeah, we still want to look at it this way,  
9 even though we may not evaluate it that way,  
10 to help get to some of the things that Mr.  
11 Harrington said, you know, the root causes.  
12 You have to be able to take data and look at  
13 it multiple ways and then look at a whole  
14 bunch of others things to determine if there's  
15 room for areas of improvement.

16 Q. So, even though the standards on the table on  
17 Page 3 of the Agreement eliminate the After  
18 Hours and Weekends and Holidays standards for  
19 30 minutes, that detail -- is it your  
20 understanding that that detail will continue  
21 to be provided?

22 A. Yes, I think that's what this is...

23 (Witness reviews document.)

24 A. I'm looking for the paragraph that says it.

1 Q. Sorry.

2 A. 2.5, yes, that's what that does.

3 MS. FABRIZIO: Thank you. I  
4 have no more questions.

5 CHAIRMAN IGNATIUS: Yes, Mr.  
6 Epler.

7 MR. EPLER: I have some recross.

8 CHAIRMAN IGNATIUS: Is it -- as  
9 you know, it isn't something we routinely do.  
10 Is it something that couldn't have been  
11 anticipated and --

12 MR. EPLER: It goes to a  
13 response that -- a new issue was raised in a  
14 question by Commission Scott.

15 CHAIRMAN IGNATIUS: I'll allow  
16 it if it's limited.

17 MR. EPLER: I can address it  
18 through my witness, if you prefer.

19 CHAIRMAN IGNATIUS: Let's do  
20 that. I just hate going around again.

21 MR. EPLER: Sure. Fine.

22 CHAIRMAN IGNATIUS: Then you're  
23 excused, Mr. Knepper. Why don't we take a  
24 break, and let's go off the record and discuss

1 scheduling.

2 (Brief recess taken at 2:51 p.m. and  
3 hearing resumed at 3:08 p.m.)

4 CHAIRMAN IGNATIUS: So, Mr.  
5 Epler, are you ready to present your  
6 witnesses?

7 I'm glad to see you've gotten  
8 settled.

9 MR. EPLER: Yes, Chairman  
10 Ignatius, we're ready to proceed. Can the  
11 witnesses be sworn, please?

12 (WHEREUPON, THOMAS P. MEISSNER, JR.  
13 CHRISTOPHER LEBLANC and MELCHOR CIULLA  
14 were duly sworn and cautioned by the  
15 Court Reporter.)

16 THOMAS P. MEISSNER, JR., SWORN

17 CHRISTOPHER LEBLANC, SWORN

18 MELCHOR CIULLA, SWORN

19 DIRECT EXAMINATION

20 BY MR. EPLER:

21 Q. Mr. Meissner, starting with you, could you  
22 please identify yourself and identify your  
23 position with the Company.

24 A. (By Mr. Meissner) My name is Thomas P.

1 Meissner, Jr. I'm a senior vice-president and  
2 chief operating officer of Unitil Corporation,  
3 and I'm a senior vice-president of Northern  
4 Utilities.

5 A. (By Mr. Leblanc) Christopher J. Leblanc, I'm  
6 director of operations at Unitil Service Corp.

7 A. (By Mr. Ciulla) Melchor Ciulla, Jr., I'm  
8 manager of gas distribution operations in  
9 Portsmouth.

10 Q. Starting with you, Mr. Meissner, did you  
11 prepare testimony in this -- or prefiled  
12 direct testimony for submittal in this  
13 proceeding?

14 A. (By Mr. Meissner) I did, yes.

15 Q. And your prefiled testimony has been marked as  
16 Exhibit No. 7. Can you turn to that, please?

17 A. (By Mr. Meissner) Yes.

18 Q. Do you have any changes or corrections to that  
19 testimony?

20 A. (By Mr. Meissner) I do not.

21 Q. And if you were asked the same questions today  
22 as appear in the prefiled direct, would your  
23 answers be the same?

24 A. (By Mr. Meissner) Yes, it would.

1 Q. And Mr. Leblanc, could you please refer to  
2 your prefiled direct testimony which has been  
3 marked as Exhibit No. 5.

4 A. (Mr. Leblanc) Yes.

5 Q. And do you have any changes or corrections to  
6 that testimony?

7 A. (Mr. Leblanc) Yes, I do.

8 Q. Okay. Could you start from the beginning.

9 A. (Mr. Leblanc) On Page 22 of 26, Line 7, where  
10 the statement says, "From 2009 through Q1  
11 2011," that should be "2009 through Q3 2011."

12 Q. Okay.

13 A. (Mr. Leblanc) And then the table below, Table  
14 CJL-2, the last column where it says "2011  
15 year-to-date," to be more clear, that should  
16 say, "2011 Q1 through Q3."

17 Q. Anything else?

18 A. (Mr. Leblanc) No.

19 Q. Okay. And with those changes, if you were to  
20 be asked the same questions as appear in your  
21 direct testimony, would your answers be the  
22 same?

23 A. (Mr. Leblanc) Yes, they would.

24 Q. And Mr. Ciulla, could you refer to your

1 testimony that's been marked as Exhibit No. 4.

2 A. (Mr. Ciulla) Yes.

3 Q. And do you have any changes or corrections to  
4 that?

5 A. (Mr. Ciulla) No, I do not.

6 Q. And if you were asked the same questions that  
7 appear in that prefiled direct testimony,  
8 would your answers be the same?

9 A. (Mr. Ciulla) Yes, they would.

10 Q. There's an additional piece of testimony  
11 that's been marked as Exhibit No. 6, and  
12 that's the prefiled direct testimony of Philip  
13 Sher -- last name is S-H-E-R -- a consultant  
14 that was hired by the Company.

15 Does the panel adopt this testimony as  
16 the testimony of the witness?

17 A. (By Mr. Meissner) Yes.

18 A. (Mr. Leblanc) Yes.

19 A. (Mr. Ciulla) Yes.

20 Q. Thank you.

21 MR. EPLER: Chairman Ignatius,  
22 if there's no objections, I'm going to proceed  
23 with the direct examination.

24 CHAIRMAN IGNATIUS: That's fine.

1 We'll mark all of those for identification,  
2 consistent with the numbering that was  
3 distributed earlier this morning.

4 (EXHIBIT 4 marked for identification.)

5 (Exhibit 5 marked for identification.)

6 (Exhibit 6 marked for identification.)

7 (Exhibit 7 marked for identification.)

8 BY MR. EPLER:

9 Q. I believe each member of the panel was present  
10 before the break in the testimony when there  
11 were a couple of questions from the  
12 Commission, that I believe the thrust was what  
13 were the problems in attaining the emergency  
14 response times under the old standards; what  
15 problems did the Company face. And I'd like  
16 to see if we can get to a full and concise  
17 explanation of that for the Commission. And  
18 to do that, I'd like to start kind of at the  
19 beginning, just to get some context and give  
20 some context to what the Company faced.

21 First of all, as far as the members of  
22 the panel are aware, was there ever any  
23 investigation or a finding that Northern  
24 Utilities was -- prior to this proceeding,

1           that Northern Utilities was deficient in its  
2           response to emergency calls, as far as you're  
3           aware?

4           A.    (By Mr. Meissner) Not to my knowledge.

5           Q.    And as far as you know, that's the time period  
6           both prior to Unitil ownership and subsequent  
7           to Unitil ownership.

8           A.    (By Mr. Meissner) Not to my knowledge.

9           Q.    The Emergency Response Standards that are  
10          currently in place, those were agreed upon in  
11          the context of a settlement agreement; is that  
12          correct?

13          A.    (By Mr. Meissner) That's correct.

14          Q.    As far as you understand, in terms of the  
15          record in DG 08-048, is it correct that there  
16          was only one data request on the issue of  
17          Emergency Response Standards in that entire  
18          proceeding?

19          A.    (By Mr. Meissner) There was one data request  
20          that provided emergency response data from the  
21          prior owner. That's correct.

22          Q.    That was a data request from Staff to Northern  
23          Utilities, which at the time was under the  
24          ownership of the prior owner --

1 A. (By Mr. Meissner) That's correct.

2 Q. And that data response provided response  
3 statistics for 2007?

4 A. (By Mr. Meissner) I believe so, yes. I  
5 believe it may not have been calendar year  
6 data. It may have been a period of 2007 to a  
7 period of 2008.

8 Q. Okay. And was there any prefiled testimony  
9 from the Staff on the issue of Emergency  
10 Response Standards provided in that docket?

11 A. (By Mr. Meissner) There was prefiled testimony  
12 from Staff that dealt with concerns over  
13 emergency response to a southern area of  
14 Northern's territory, but I don't believe  
15 there was anything related specifically to the  
16 Emergency Response Standards.

17 Q. So in other words, there was no -- in their  
18 prefiled testimony, there was no proposal to  
19 institute a specific -- the specific Emergency  
20 Response Standards that eventually came out of  
21 the Settlement Agreement.

22 A. (By Mr. Meissner) There was not.

23 Q. And there was no indication in that prefiled  
24 testimony that there was any problem with the

1 Company's response to emergency calls.

2 A. (By Mr. Meissner) I don't recall any.

3 Q. Sorry.

4 A. (By Mr. Meissner) I don't recall any testimony  
5 expressing concerns other than the concern  
6 with the successor company providing emergency  
7 response to this southern area of Atkinson,  
8 Plaistow and Salem.

9 Q. And so, is it accurate that the issue of  
10 these -- of the particular Emergency Response  
11 Standards was raised for the first time in  
12 this settlement?

13 A. (By Mr. Meissner) Yes.

14 Q. And did this issue come up towards the very  
15 end of the settlement?

16 A. (By Mr. Meissner) It did, yes.

17 Q. Now, as far as you understand, the Commission  
18 has never held an investigation or made a  
19 determination as to what are appropriate  
20 emergency response times generically?

21 A. (By Mr. Meissner) Not that I'm aware, no.

22 Q. There's just the reporting requirement that  
23 exists in PUC 504.07, which provides reporting  
24 for the number of reports when the Company

1           responded within 30 minutes, 45 minutes, 60  
2           minutes, 75 minutes and greater than 75  
3           minutes.

4           A.    (By Mr. Meissner) That's correct.

5           Q.    And as far as you're aware, in Docket DG  
6           08-048, was there any determination by the  
7           Commission that the specific Emergency  
8           Response Standards that were provided for were  
9           necessary in order to achieve certain  
10          standards of safety?

11          A.    (By Mr. Meissner) I don't recall any specific  
12          finding other than in relation to the southern  
13          area I talked about, which was Salem, Atkinson  
14          and Plaistow.

15          Q.    When the Emergency Response Standards were  
16          presented to the Company, what was the  
17          Company's understanding at that time of what  
18          it would take to achieve compliance with the  
19          standards as presented?

20          A.    (By Mr. Meissner) I guess I would characterize  
21          it as generally better management.  At the  
22          time, there was no expectation that there was  
23          going to be major changes to the operations or  
24          staffing at Northern.  I think it was the

1 belief among the parties that the standards  
2 would be met through increased management  
3 focus.

4 Q. And at the time, since Unitil was the  
5 acquiring company, Unitil had no particular  
6 experience with Northern Utilities and did not  
7 have the detailed understanding of what  
8 Northern's history was in terms of meeting any  
9 particular response time.

10 A. (By Mr. Meissner) That's correct.

11 Q. Now, shortly after Unitil acquired Northern  
12 Utilities, did it gain information that led it  
13 to understand that Northern, in fact, was not  
14 attaining the standards that had been agreed  
15 to and was actually missing several categories  
16 of standards fairly significantly?

17 A. (By Mr. Meissner) Yes. We received  
18 information from the predecessor company, from  
19 whom we were receiving transition services,  
20 expressing concerns that they would not be  
21 able to achieve the emergency response times  
22 in the Settlement Agreement.

23 Q. And that was the first time that Unitil  
24 became -- that Unitil management became aware

1 of that?

2 A. Yes, we generally became aware of it a month  
3 or so after filing the settlement.

4 Q. And you indicated that Unitil had been  
5 receiving transition service from the prior  
6 owner. Did Unitil take steps to change that,  
7 with respect to emergency response?

8 A. Yes. A decision was made early on to try to  
9 get off of transition services as quickly as  
10 possible and take over responsibility for  
11 emergency response using our own people and  
12 operations as fast as we could.

13 Q. Now, again referring back to questions that  
14 were asked by the Commission, could you  
15 explain -- and this is for any witness on the  
16 panel -- can you explain how Northern  
17 Utilities currently responds to emergency  
18 protocols, kind of what happens -- let's first  
19 take normal hours. If you could define what  
20 "normal hours" are and explain how the Company  
21 responds to emergency calls.

22 A. (By Mr. Meissner) Sure. I'll probably start  
23 with the explanation, because I'll probably  
24 provide the simplest explanation, and then

1 I'll defer to either Mr. Leblanc or Mr. Ciulla  
2 for more detail.

3 But in terms of our ability or inability  
4 to meet certain standards during regular  
5 hours, I think it's important to understand  
6 how we provide emergency response service  
7 during different time periods.

8 So, during regular hours, as you would  
9 imagine, we have a work force of employees who  
10 are dispersed throughout our territory. In  
11 assigning those employees, local management  
12 makes sure that we have employees dispersed at  
13 different locations within our territory at  
14 all times, so that if we get an emergency call  
15 during those hours, there's always a responder  
16 somewhere close to where the call most likely  
17 came in; and in that way, we're able to meet a  
18 30-minute response objective a high percentage  
19 of the time.

20 Q. And if I can interject here. The reason  
21 they're dispersed is because they are involved  
22 in particular normal activities, operations  
23 and maintenance activities through the service  
24 territory?

1       A.     (By Mr. Meissner) That's correct.  These are  
2             service technicians who are primary  
3             responders.  They have job responsibilities,  
4             everyday jobs they're doing.  But in assigning  
5             that work to them, local management assures  
6             that they're located strategically throughout  
7             the territory to be able to respond quickly if  
8             we get an emergency call.

9             Outside of regular hours -- and this has  
10            been the case both historically and during  
11            certain time periods now -- there are no  
12            employees working.  So, at 2 a.m., for  
13            example, there are no employees working.  And  
14            during those hours we rely on on-call  
15            procedures.  So we have employees on call.  If  
16            we have an emergency call come in, that's  
17            immediately dispatched to somebody that's on  
18            call.  And that's where, in terms of the  
19            root-cause analysis of the difficulties of  
20            achieving a 30-minute standard, there is time  
21            lost when you're relying on on-call  
22            procedures.  That person may be asleep in bed.  
23            They may have to get up, get dressed.  They  
24            have to get to their vehicle.  And they may

1 not be located in as close proximity to the  
2 call itself when it comes in.

3 So, from our standpoint, the real crux of  
4 the 30-minute response objectives is the  
5 difference between having employees working  
6 and dispersed out within the territory versus  
7 relying on on-call employees to provide that  
8 response. And over the last three years, what  
9 we basically determined is we cannot meet a  
10 30-minute response objective 80 percent of the  
11 time with on-call employees. We've tried.  
12 We've made as many adjustments as we can. We  
13 simply cannot get there that high a percentage  
14 of the time with on-call employees.

15 Q. Okay. If I could interject here. And why is  
16 it that the Company does not -- or it relies  
17 on the on-call employee either after hours or  
18 on weekends and holidays? Is it something  
19 related to the Company's size and number of  
20 personnel it can support? What's the decision  
21 as to why in normal hours you have staffing  
22 and other than normal hours you have this  
23 on-call procedure? Can you explain?

24 A. (By Mr. Meissner) Well, ultimately, we're

1 limited by the number of employees. And in  
2 terms of the actions that have been taken to  
3 meet the standards, we really made attempts to  
4 expand the coverage hours of our working  
5 employees. We now have employees working  
6 during the week until 11 at night, which was  
7 not the case when we acquired Northern. And  
8 we have employees working on Saturday. So  
9 we've attempted to meet the standards by  
10 expanding shift coverage, but we're still  
11 limited by the number of employees. So, in  
12 order to expand shift coverage to all hours of  
13 the day and night, it would require a  
14 significant expansion of the number of  
15 employees.

16 Q. Now, is it simply a matter of keeping the  
17 on-call arrangement and adding employees?  
18 Would that enable you to attain the 30-minute  
19 response time on the nights and weekends?

20 A. (By Mr. Meissner) No, that would not allow us  
21 to attain it, simply because we have to have  
22 an on-call employee for each area that we can  
23 immediately issue the call to, to have any  
24 possibility of making the call. So it's not a

1 situation where we can go through a list of  
2 employees in an effort to make the call.

3 There just isn't time.

4 Q. So in other words, if you -- it's the nature  
5 of the on-call arrangement itself that a call  
6 comes in and you go to the specific employees  
7 who are assigned on call, and then those  
8 employees, as you indicated, you know, have  
9 to -- they're assigned on call. Let me step  
10 back. It's going to be too long a question.

11 Is it correct that there are specific  
12 on-call assignments after hours and on  
13 weekends?

14 A. (By Mr. Meissner) Yes.

15 Q. And what does that mean? Is that broken up by  
16 territory, by number of employees? Can you  
17 explain that?

18 A. (By Mr. Meissner) Do you want to explain the  
19 on-call?

20 A. (Mr. Ciulla) Yes. How the on-call works is  
21 it's broken up into a north and a south  
22 territory. And the on-call is a one and four  
23 rotation. And that means that a service tech  
24 would be on call one week, and then the next

1 time he would be on call would be three weeks  
2 later he would be on call again. So it's a  
3 one and four rotation. So we have a tech  
4 covering the south area and a tech covering  
5 the north area on call.

6 Q. And has the Company considered going to break  
7 down the service territory further from just  
8 the north/south to possibly a three-zone?

9 A. (Mr. Ciulla) Yes, we did. One of the things  
10 contractually we're obligated to have is the  
11 employees on one and four rotation. With 11  
12 service techs, we cannot get to a one and four  
13 rotation to be an on-call effectively. We can  
14 only get to a one and three rotation. So we  
15 would have nine techs on call instead of eight  
16 techs on call.

17 Q. But ultimately, has the Company determined  
18 that, even with breaking the service territory  
19 into additional areas, going from, say  
20 north/south to a three-zone, the on-call  
21 arrangement itself limits the ability of the  
22 Company to have some certainty that it can  
23 respond to an emergency response within 30  
24 minutes?

1 A. (Mr. Ciulla) Looking at the data and looking  
2 at the calls being on the on-call segment, we  
3 cannot make the 30-minute response time with  
4 the on-call process.

5 Q. And why is that?

6 A. (Mr. Ciulla) that is because where the calls  
7 come in and where the techs live that are on  
8 call, if a tech is living up in the Rochester  
9 area and a call comes in the Portsmouth area  
10 or the Newington area, by the time he gets up  
11 and starts to travel, it's -- you've lost that  
12 time. You will not make the 30-minute  
13 response time.

14 Q. Now, has the -- and in your opinion -- I  
15 assume, Mr. Ciulla, that you are somewhat  
16 intimately involved in this -- has the Company  
17 paid attention to this issue since the  
18 acquisition?

19 A. (Mr. Ciulla) Yes. One of the things that I  
20 was really concerned about when I became the  
21 manager up in Portsmouth was that I couldn't  
22 understand how they were making a criteria for  
23 a 30-minute response when they had no shift.

24 What we did was we first looked at the

1 after-hours segment to see what we could do  
2 with that and try to make an assessment to see  
3 if it's just a little bit of adjustment, we  
4 might be able to make that and be able to move  
5 forward.

6 So what we did is we initiated a 1-to-9  
7 shift, a north and a south category. And  
8 after reviewing some of the data, we looked at  
9 that for a while and then determined that we  
10 still needed a third tech on 1 to 9, because  
11 we were missing a certain percentage of calls  
12 in an area, and that was due to windshield  
13 time.

14 One of the things that we do is I look at  
15 the data on a weekly basis. And when I look  
16 at that data, I look to see the 31- to  
17 45-minute category in each, Normal Hours,  
18 After Hours and Weekends and Holidays. And  
19 then I have a report that tells me who  
20 responded to that emergency and where they  
21 were before that emergency. So, one of the  
22 things that I tried to do -- and I do look at  
23 the effectiveness of the tech, to make sure  
24 he's being productive and there's not an

1 employee issue with hiding, or depending where  
2 he is, where his job was before, it should  
3 only have taken him 10 minutes to get to a  
4 location when it's taken him 45 minutes to get  
5 to a location. So, with that information,  
6 what we've done is we've evaluated the shifts,  
7 and then we went to three 1 to 9. And we  
8 determined that the calls that were being  
9 missed, we went to a 3 to 11. And we  
10 determined that after 9:00 we were missing a  
11 group of calls. That depleted --

12 Q. When you say "3 to 11," you mean 3 p.m. to  
13 11 p.m.

14 A. (By Mr, Ciulla) 3 p.m. to 11 p.m., yes.

15 And we were still looking at the weekends  
16 and holidays, but the data set was so small,  
17 and the calls were so sporadic.

18 Sixty-something percent of the calls are on  
19 Saturday. So, after we ran the 3-to-11 shift  
20 for a period of time and reviewed the data, we  
21 determined that we needed a  
22 Tuesday-to-Saturday shift to try to pick up  
23 that 60 percent of the calls that were in that  
24 area. That depleted the amount of resources

1 we could allocate to shifts because it was  
2 starting to impact the normal hours in  
3 response time, because during the day we need  
4 four to five techs to be able to respond to  
5 emergencies.

6 Q. Now, you reference the number of calls. Is  
7 one of the issues that the Company is facing  
8 in terms of meeting the response times, the  
9 number of calls that it receives on weekends  
10 or after hours?

11 A. (Mr. Ciulla) Yes. One of the things that I  
12 look at is I look it on a weekly basis. Last  
13 week, we had one call. It was 36 minutes. I  
14 was at 0 percent for weekends and holidays,  
15 and I was at 100 percent for 45 minutes. And  
16 in trying to evaluate where the calls are  
17 coming in and the time frame, and to try to  
18 capture that, the weekend and holiday, to meet  
19 that 30 minutes, the data indicates that you  
20 need round-the-clock coverage and have techs  
21 to be able to respond to those calls, because  
22 they're so sporadic.

23 Q. And given that they're so sporadic, are you  
24 suggesting that, effectively, because of the

1 number of calls that are coming in, the  
2 percentage of compliance that effectively that  
3 the Company is being presented with is higher  
4 than the percentage that's indicated in the  
5 Emergency Response Standards?

6 A. (Mr. Ciulla) I believe so. I think it is. I  
7 think we're responding very quickly, and I  
8 think we're responding in a safe manner.

9 Q. Can you explain exactly what occurs when a  
10 call is received by the Company that's an odor  
11 complaint? What are the steps that the  
12 Company takes?

13 A. (Mr. Leblanc) The call -- the customer  
14 complaint calls in for an odor complaint. For  
15 the time period of 5:00 a.m. to 11 p.m., that  
16 goes into our call center. A call center rep  
17 picks the call up, and they have a script that  
18 they follow with the customer to ascertain the  
19 severity of the situation. So they ask the  
20 customer questions: Do you smell gas? What's  
21 the location of the gas? And based on the  
22 customer's response, they initiate emergency  
23 procedures right there. They may suggest an  
24 evacuation. They may suggest other safety

1           measures for that customer to take. During  
2           that call -- at the completion, the customer  
3           call center rep initiates a work order in our  
4           customer information system. That work order  
5           gets electronically sent over to our MDS  
6           system, our mobile dispatch system, down in  
7           our gas control center, who assigns that work  
8           order to either an on-call technician or a  
9           technician that's in the field if it's during  
10          normal business hours. So the -- and they  
11          also initiate a page. So they send the work  
12          order, and they page the technician. And the  
13          technician has to provide dispatch with a  
14          positive response that, (A), they received the  
15          call; and (B), that they are responding to the  
16          call. Now, in our MDS system, all of the --

17          Q.    What's the MDS system?

18          A.    Mobile dispatching system. It's our work  
19          order system for the field. Every step of the  
20          emergency response gets time-stamped. So,  
21          when the work order gets sent to MDS, we  
22          time-stamp that. When the dispatcher in gas  
23          control dispatches that ticket to a service  
24          technician, that gets time-stamped. When the

1 field technician accepts that work order --  
2 so, he's responded that he received the page,  
3 he received the work order, and he is  
4 responding to the emergency -- that gets  
5 time-stamped. It also time-stamps when he's  
6 en route. So if he's on another job, he has  
7 to pick that job up or break that job down.  
8 We track the amount of time it takes him to  
9 accept a work order to when he's en route.  
10 And then when he arrives at the job, we  
11 time-stamp when he arrives at the job. And  
12 then the final time stamp is the resolution or  
13 the completion of that work order. So the  
14 process starts with the call center, flows  
15 through our gas control center to the  
16 dispatcher. And every step of that process  
17 gets time-stamped in our MDS system.

18 Q. But as you indicated, in terms of from the  
19 Company's perspective, the emergency response  
20 starts with the interaction between the call  
21 center, the person who's receiving the call,  
22 and the customer, or perhaps the first  
23 responder who's calling in the call.

24 A. (Mr. Leblanc) Absolutely. The first step in

1 protecting public safety with emergency  
2 response is our practices at the call center,  
3 is the information we give to the customer, is  
4 the clarifying questions, is the safety  
5 instructions we give to the customer. A lot  
6 of -- depending on the call coming in, we  
7 could actually evacuate a premise prior to a  
8 work order already being dispatched through  
9 the clarification questions and the script  
10 that our call center reps do follow. And they  
11 all are trained in handling emergency response  
12 calls.

13 Q. Now, in terms of the responder himself or  
14 herself who is responding to the call, can you  
15 briefly review the improvements that the  
16 Company has made to the responder and to the  
17 responder's capability to respond to a call?

18 A. (Mr. Leblanc) Yeah, could you repeat the  
19 question again?

20 Q. Yes. Could you briefly summarize improvements  
21 that the Company has made to the responder's  
22 ability to respond to a call, particularly  
23 once they arrive at the scene, in terms of  
24 equipment, training and so on?

1       A.     (Mr. Leblanc) When we look at emergency  
2             response, we look at a prompt and effective  
3             response. So we look at a tech's ability to  
4             respond to a call. But just as important as  
5             responding to calls is the effectiveness of  
6             that response; it is what does that tech do  
7             when he gets there to protect public safety.  
8             And what we've looked at -- and we believe we  
9             made some significant improvements with the  
10            effectiveness of the emergency response, and  
11            that starts with our significant changes to  
12            our response procedures: How we respond to  
13            leaks, how we classify gas leaks, how we  
14            repair gas leaks; also, some of the equipment  
15            that we provide and some of the technology  
16            that we provide to our technicians that didn't  
17            exist prior to the acquisition.

18                    For example: Our GIS system, our gas  
19                    mapping system, every one of our first  
20                    responders and techs have in their service  
21                    vans, their response vehicles, a laptop  
22                    computer. In that has all of our mapping  
23                    systems for emergency response. So it has  
24                    pipe size, pipe material, pressures. So they

1           have with them a complete repository of all  
2           our gas mains in the streets. Prior to that  
3           acquisition, the techs did not have any  
4           mapping systems with them. They didn't know  
5           what type -- if there was gas in the street or  
6           what type of gas there was, from a pressure  
7           class. And it's very important when you go to  
8           classify leaks, especially for materials. It  
9           helps you assess the situation and an  
10          emergency response quicker. An example for  
11          that would be a winter leak response. If a  
12          tech is responding in the wintertime and he  
13          responds to a street and looks up on the map  
14          that we have a cast iron gas main there, well,  
15          that should initiate some additional safety  
16          measures that he can take and assess the  
17          situation quicker. So one aspect with that is  
18          the mapping system.

19                 The other technology improvement that we  
20          have is our compliance management system, our  
21          CMS system. So it's a complete repository for  
22          all of our assets. And it's also our leak  
23          management system, and it's also all of our  
24          maintenance and inspection programs. So,

1 every record that we keep back at the  
2 distribution/operating center on service  
3 lines, materials, inspections, gas leaks, our  
4 technicians have that in the van with them and  
5 have immediate access to that. So, if a first  
6 responder responds to a leak, he can actually  
7 look at the history of that street, whether  
8 there was any leaks there in the past. He can  
9 see if there's any active leaks there that are  
10 on the books. He can see what maintenance has  
11 occurred on that street recently. These are  
12 all improvements. So these are all additions  
13 to first response that didn't exist prior to  
14 the acquisition.

15 Another significant enhancement we made  
16 as well, too, we just completed a roll-out of  
17 laser methane detectors for all of our first  
18 responders. So, basically, it's a mobile  
19 mounted piece of leak survey equipment that  
20 allows a first responder to mobilely, in his  
21 van, survey large leak areas very quickly.  
22 It's very sensitive. It can detect gas  
23 readings down to three parts per million. So  
24 it allows a first responder to do a quick and

1 fast assessment over large areas when we have  
2 odor complaints in there. And again, that  
3 equipment wasn't issued to the first  
4 responders prior to the acquisition. That's  
5 another improvement we had.

6 So, those are a few examples of some of  
7 the improvements we made that we think  
8 significantly improve the effectiveness of our  
9 response to emergencies.

10 Q. Okay. Turning to the Settlement Agreement  
11 itself and the Proposed Revised Emergency  
12 Response Standards that are on Page 3, a  
13 question has been raised, and it's been raised  
14 in different forms, but basically as to  
15 whether or not these performance standards are  
16 equivalent to or equal to the performance  
17 standards currently in place, whether or not  
18 they're a dilution of those performance  
19 standards, or whether or not these were  
20 devised solely to enable a set of performance  
21 standards that the Company could meet versus a  
22 set of standards that the Company can't meet.

23 Could you address that issue. First of  
24 all, does the Company -- in terms of

1 comparison, does the Company believe that  
2 these are a strict set of standards?

3 A. (By Mr. Meissner) Yes, I believe these  
4 standards are as strict or stricter as the  
5 ones they're replacing. By way of explanation  
6 and to talk about how they were tailored to  
7 achieve certain objectives, if you look at  
8 this table of Emergency Response Standards,  
9 the only change -- the only one that's  
10 different than the former standards was where  
11 we substituted an All Hours standard, where  
12 there used to be a Weekends and Holidays and  
13 an After Hours standard. With the exception  
14 of that All Hours standard, all the other  
15 benchmarks are more stringent than the old  
16 standards. All of them. The Normal Hours, 30  
17 minutes, 45 minutes and the 60 minutes, all  
18 those standards are more stringent.

19 In terms of the 30-minute All Hours  
20 standard, one thing I didn't hear brought up,  
21 that I think is important, is where did the  
22 80 percent come from? I think that's an  
23 important thing to talk about.

24 We essentially tried to calculate the

1 percentage that we thought was equivalent to  
2 the old 30-minute response standards looking  
3 across All Hours. And the way we did that is  
4 we took our response data in each of the last  
5 three years -- so we took our 2009 data, our  
6 2010 data and our 2011 data -- we took the  
7 responses in each time period and multiplied  
8 it by the old standards. So if we had, for  
9 example, 200 responses on weekends and  
10 holidays, we multiplied that by 76 percent,  
11 the old standard, and came up with a number of  
12 responses that we would have to achieve to  
13 meet the standard. Likewise, we took the  
14 number of calls in the After Hours period  
15 multiplied by the 80-percent benchmark and  
16 came up with that number of responses. So we  
17 did that for each of the time periods and  
18 calculated the number of responses that we  
19 would have to achieve to attain the number of  
20 30-minute responses under the old standard;  
21 and then from that, we determined that across  
22 All Hours that equates to the 80 percent. So  
23 the 80-percent benchmark across All Hours will  
24 require us to respond as often as the old

1 standards on a 30-minute response objective  
2 across All Hours. The difference is we now  
3 have some latitude about which hours those  
4 responses are occurring. And the goal was to  
5 have the ability to retain on-call employees  
6 during those time periods when we're not  
7 receiving very many calls and respond a higher  
8 percentage of the time during the time periods  
9 when we get most of our calls.

10 So, I believe Mr. Knepper this morning  
11 went through the number of calls we get on an  
12 annual basis, and it was somewhere a little  
13 bit over a thousand calls per year. And the  
14 breakdown on those is somewhere around  
15 60 percent or a little higher during regular  
16 hours, 20 percent or so during the After Hours  
17 period, and 20 minutes or less during the  
18 Weekends or Holidays. So we're going to be  
19 essentially expanding shift coverage during  
20 the time periods when we receive most calls  
21 and trying to respond a higher percentage of  
22 the time, and we'll be relying on on-call  
23 procedures during the periods of time when we  
24 don't experience as many calls.

1 Q. Now, does the -- do these new standards mean  
2 that on either the After Hours or the Weekends  
3 and Holidays, that the Company will simply  
4 relax and aim to achieve the 45-minute  
5 response time?

6 A. (By Mr. Meissner) It does not mean that. No.  
7 In fact, one of the reasons for tightening all  
8 the standards was to provide some assurance  
9 that we could not do that. The standards, as  
10 they're designed in this settlement, are still  
11 very stringent, and they're still going to be  
12 very difficult to meet. And essentially,  
13 we're going to have to make every single  
14 30-minute response we can across all time  
15 periods just to meet that 80-percent response  
16 standard. So that 80-percent response  
17 standard, from our perception, is very  
18 stringent, and it will be very difficult to  
19 meet.

20 Q. So, even though there's not a specific  
21 30-minute response standard broken down into  
22 the subcategories of Weekends and Holidays and  
23 After Hours, it's still the intent and the  
24 planning of the Company to try to meet those

1 calls in those time frames within 30 minutes.

2 A. (By Mr. Meissner) Yes. We cannot relax our  
3 response during any of those time periods or  
4 we will not meet the 80-percent standard.

5 Q. And since the Company is -- since the  
6 Settlement Agreement provides that the Company  
7 is going to continue the reporting that breaks  
8 down the responses by 30 minutes into the  
9 three categories of Normal Hours, After Hours  
10 and Weekends and Holidays, the response -- the  
11 actual response will be quite evident, in  
12 terms of whether or not we are either  
13 relaxing, maintaining status quo or performing  
14 better in those categories.

15 A. (By Mr. Meissner) That's correct. We're going  
16 to continue to provide the information that we  
17 do now in every time period. So, our response  
18 performance in all time periods will be  
19 evident.

20 Q. And relative to the time period since the  
21 Company has -- since Unitil acquired Northern  
22 Utilities, do you believe that the Company's  
23 response has improved?

24 A. (By Mr. Meissner) Yes. I believe we looked at

1           our response times, and they've improved in  
2           every single standard, regardless of how you  
3           look at it.

4       Q.    Now, in terms of the responses that the  
5           Company is missing in the 30-minute time  
6           frame, what's happening there?  Are you -- is  
7           the Company missing that 30-minute time  
8           response by a lot, by a significant number of  
9           minutes, or is it very close?

10      A.    (By Mr. Meissner) Well, what we've been  
11           finding is that we're missing by essentially  
12           mere minutes most of the time.  The responder  
13           is trying to get there in 30 minutes.  We  
14           recently looked at the 2012 first quarter  
15           data, and on weekends and holidays, I think  
16           the longest response we had was 38 minutes, if  
17           I'm recalling it correctly.  There were a  
18           number of responses where they were there in  
19           31 minutes, a number where they were there in  
20           32 minutes.  So, one way to look at our  
21           attainment of that performance standard is a  
22           percentage.  If we responded to -- to  
23           exaggerate a little bit just to illustrate a  
24           point, if we responded to 10 calls and we get

1           there on 5 calls in 30 minutes and the other 5  
2           calls we get there in 31 minutes, our  
3           percentage is 50 percent. So, 50 percent may  
4           have the appearance of being poor performance  
5           under the response objectives, but in fact,  
6           our longest response was 31 minutes. And what  
7           we're finding is we're just missing the  
8           response time objectives during those periods  
9           where we're relying on on-call procedures, and  
10          we're attributing that to the increased travel  
11          time and the time lost getting somebody, you  
12          know, on the scene from their home.

13        Q.    Now, just going back to an issue that you  
14              previously may have addressed, in term -- if  
15              the response standards were not changed, and  
16              the current standards that are in effect today  
17              were to remain in effect, could the Company --  
18              is the Company confident that it could meet  
19              those response standards with an on-call  
20              arrangement?

21        A.    (By Mr. Meissner) We've concluded that we  
22              cannot meet the percentages in the 30-minute  
23              response benchmark with on-call procedures.

24        Q.    And so, if the response standards were to

1 remain in place, has the Company determined  
2 that it would have to go to a full-time  
3 staffing model?

4 A. (By Mr. Meissner) That's correct. We would  
5 have to have a minimum of four to five service  
6 technicians in the field dispersed throughout  
7 the territory at all times, 24 hours a day, 7  
8 days a week, to meet those percentages.

9 Q. And has the Company come up with an estimate  
10 of the cost of doing that?

11 A. (By Mr. Meissner) We have. We had estimated  
12 in our testimony that that would require 9 to  
13 11 service technicians, at a cost of between  
14 \$1.1 and 1.5 million.

15 Q. And in terms of the impact on safety of the  
16 system, does the Company believe that  
17 investing that much money in this  
18 time-response issue is beneficial?

19 A. (By Mr. Meissner) No. In fact, I think we  
20 believe that having more stringent measures  
21 during those hours when we're receiving most  
22 responses will better achieve the objective of  
23 safety, and relying on on-call employees  
24 during those hours when we receive fewer

1 calls, and still getting there in the time  
2 frame we are, does not reduce safety.

3 Q. Referring to the map that's been marked as --  
4 I believe, Exhibit 14?

5 CHAIRMAN IGNATIUS: That's  
6 right.

7 BY MR. EPLER:

8 Q. -- it appears to me as a layperson that there  
9 are some particular physical characteristics  
10 of the Company's service territory, in terms  
11 of it being very long and narrow. Does that  
12 present any challenges to the Company in terms  
13 of emergency response?

14 A. (By Mr. Ciulla) Yes, it does. One of the  
15 things that we found that we need to do is we  
16 have to put a service tech in the Salem,  
17 Atkinson, Plaistow area all the time. And  
18 part of the problem with that is we don't have  
19 a lot of work in that area, and that tech  
20 that's in that area is basically there for the  
21 response time.

22 Q. And in terms of access in terms of roads?

23 A. (By Mr. Ciulla) Travel time. In terms of  
24 travel time, because of the distance between

1 the center section where we look at North  
2 Hampton and you look at Seabrook and Exeter,  
3 and then you go to the north, where you go to  
4 Greenland, Portsmouth, up to Rochester, one of  
5 the problems is the system to get from  
6 Plaistow up to the Hampton area, it takes more  
7 than a half-hour just driving. There's no  
8 easy way to get there. If you get on 95 or  
9 you travel Route 1, there's lights. There's  
10 no easy way to get there. So the Company has  
11 made a decision to have somebody down in that  
12 area during when we have people on property,  
13 and then the other techs are dispersed  
14 throughout the system.

15 The on-call, what we're finding is, even  
16 the second shift, we're finding the calls that  
17 are missed, we're finding that in the center  
18 section, the bulk of the calls are Exeter,  
19 Hampton, Seabrook and Portsmouth. And when  
20 you look at that area and the calls that are  
21 missed and you do the evaluation, we actually  
22 need another tech on second shift to be able  
23 to grab those calls that we're missing on the  
24 second shift. In the north section, the bulk

1 of the calls are in Rochester, Somersworth,  
2 Derry [sic] and so forth.

3 So that's kind of where we are, and  
4 that's the problem that we're having because  
5 of the way the system is spread out.

6 Q. If you could turn to the Settlement Agreement,  
7 Page 3, Paragraph 2.5.1. There was a  
8 question, I believe from Commissioner  
9 Harrington, looking at the clause in that  
10 paragraph that says, "Including any actions  
11 taken to prevent recurrence." My  
12 understanding of Commissioner Harrington's  
13 question was whether or not this left it up to  
14 the Company's discretion as to whether or not  
15 they would report on any actions to prevent  
16 recurrence.

17 Is it the Company's intent here that it  
18 would address any areas within its control, in  
19 terms of providing an indication of actions  
20 taken to prevent recurrence?

21 A. (By Mr. Meissner) Yes, that is our intent. In  
22 fact, the context of that provision, just to  
23 be clear, I believe we were providing  
24 explanations for responses exceeding 60

1 minutes. But in some cases, we were  
2 implementing actions to take to prevent  
3 reoccurrence, but we weren't communicating  
4 that as part of our explanation. And I  
5 believe Staff had requested that if we're  
6 taking action to prevent reoccurrence, we  
7 include that in our explanation when we send  
8 it to them.

9 Q. So, in other words, if there was a response  
10 time that exceeded 60 minutes because of a car  
11 accident, so there was a particular unusual  
12 traffic situation, the Company couldn't  
13 necessarily have a remediation plan to address  
14 that. But if there was a situation where, as  
15 Mr. Knepper discussed, a customer service rep  
16 was just not paying attention to the call,  
17 appropriate attention, that would be something  
18 that clearly we would have a remediation plan  
19 for; is that correct?

20 A. (By Mr. Meissner) That's correct. Every call  
21 is reviewed. And if there were actions that  
22 could have been taken to prevent a time of  
23 response in excess of 60 minutes, actions will  
24 be taken, and we will now be including those

1 actions as part of our explanation.

2 Q. In terms of the ability of the Company to meet  
3 the new proposed standards, if you recall, I  
4 had asked a couple questions to Mr. Knepper  
5 regarding the effective date of the evaluation  
6 for the All Hours and that that will include  
7 the first quarter of 2012 that's already  
8 passed. Do you recall that?

9 A. Yes.

10 Q. And has the Company met in that first quarter  
11 all of these performance measures?

12 A. (By Mr. Meissner) We have not, no.

13 Q. And so will that present a challenge to the  
14 Company, in terms of meeting it on a 12-month  
15 basis, given that the first quarter has  
16 already passed?

17 A. (By Mr. Meissner) It will, yes.

18 MR. EPLER: Can I take a moment  
19 please?

20 CHAIRMAN IGNATIUS: Yes, please.

21 MR. EPLER: And can I approach  
22 the Bench?

23 CHAIRMAN IGNATIUS: Sure.

24 (Pause in proceedings.)

1 CHAIRMAN IGNATIUS: Anything  
2 further?

3 MR. EPLER: Yes, just one last  
4 question.

5 BY MR. EPLER:

6 Q. Mr. Meissner or Mr. Leblanc, anything  
7 additional you wish to say?

8 A. (By Mr. Meissner) Well, a couple things I'd  
9 like to add. I think there was two things  
10 that were important to us as a Company in  
11 terms of this proceeding. One is we were very  
12 concerned about any perception that may exist  
13 about the Company's safety performance or the  
14 Company's compliance with the Commission order  
15 regarding our emergency response performance.  
16 So, from our perspective, I think safety is  
17 something that's ingrained in the Company  
18 culture and the Company ethos. I think we've  
19 been implementing enhancements to safety  
20 programs ever since we acquired Northern in  
21 December of 2008, and we're going to continue  
22 to implement new programs and continue to try  
23 to improve under each one of these standards.  
24 But safety is something of great pride to the

1 Company and of great pride to the employees,  
2 and it's reflected in all management of the  
3 Company, at every level of the organization.  
4 So I think it's very important to us to  
5 certainly not leave any perception that there  
6 should be a concern with safety at Unitil,  
7 because there's not.

8 Additionally, I think it was important,  
9 in terms of the settlement, you know, that we  
10 didn't want to leave any perception that we're  
11 relaxing the standards, because we don't feel  
12 we are relaxing the standards. I think what  
13 we're doing is tailoring the standards a  
14 little bit to Northern's unique operations and  
15 characteristics, including its work force, its  
16 shift coverage and its on-call procedures.  
17 But it was our objective to have a set of  
18 standards that was still very stringent, was  
19 not a relaxing of the standards, and would  
20 still be very difficult for the Company to  
21 achieve, so that there wouldn't be any  
22 perception that we're going to relax our  
23 Emergency Response Standards in any way,  
24 because that's clearly not going to be the

1 case.

2 So I'm certainly hopeful, going forward,  
3 that you're going to see improvement in  
4 emergency response at Northern. And from that  
5 perspective, we don't separate the  
6 effectiveness from the promptness of the  
7 response. We think those two things go hand  
8 in hand. We focused a lot of our reference on  
9 the effectiveness of our response, which is  
10 what Chris talked about. The federal  
11 regulation requires a prompt and effective  
12 response for every call received of a leak  
13 detected in or near a building. And from our  
14 standpoint, that response begins immediately  
15 with the phone call from the customer.

16 MR. EPLER: I said I only have  
17 one question, but I just realized I may have  
18 two more.

19 CHAIRMAN IGNATIUS: All right.

20 BY MR. EPLER:

21 Q. Has the Company been recognized recently for  
22 its emergency response by any organization?

23 A. (By Mr. Meissner) Yes. Actually, about a year  
24 and a half ago we won an award, an industry

1           award for implementation of a program within  
2           our emergency response procedures. And as a  
3           result of that, we actually won the Excellence  
4           in Safety and Health Award from the Northeast  
5           gas Association, which was its first ever, the  
6           first time that award had actually ever been  
7           awarded by NGA.

8       Q.    I'm sorry. I know I had a second question,  
9           and I can't think of what it was. So...

10                   CHAIRMAN IGNATIUS: If it comes  
11           back to you, we'll try to get it in.

12                   MR. EPLER: Appreciate that.

13                   CHAIRMAN IGNATIUS: Mr.  
14           Sullivan, do you have questions?

15                   MR. SULLIVAN: Yes.

16                   CROSS-EXAMINATION

17       BY MR. SULLIVAN:

18       Q.    The Settlement Agreement talks about a work  
19           plan that will be developed in three weeks.  
20           Can someone tell me what the primary elements  
21           of that work plan are going to be?

22       A.    (By Mr. Meissner) We are going to be  
23           evaluating our shift coverage and procedures.  
24           And part of the reason we have not put this

1           specificity into the agreement here is because  
2           we do recognize that, as part of that, we'll  
3           be discussing that with the Union, and there  
4           may be elements of that which will require  
5           negotiation with the Union. So that's the  
6           reason it's not in greater detail here.

7       Q.    Other than a potential change in shifts, is  
8           there a potential for a change in staffing?

9       A.    (By Mr. Meissner) There is a potential, yes.

10      Q.    And as far as any change to the on-call  
11           status, is there a potential for that, or is  
12           that something that won't be considered?

13      A.    (By Mr. Meissner) Is that -- are you asking if  
14           we may change the on-call employee  
15           assignments?

16      Q.    Is that a potential?

17      A.    (By Mr. Meissner) I don't believe we've  
18           reached any conclusions about the positions  
19           we're going to take on any of the internal  
20           procedures at Northern. I think our objective  
21           would be to evaluate any arrangements that  
22           would have the effect of improving emergency  
23           response and would only be pursuing  
24           enhancements that would have that effect.

1 Q. I heard you say earlier that if you were  
2 helped -- what I got from it was if you were  
3 held to a 30-minute response time across the  
4 board, you would need some 9-to-11 service  
5 techs. Did I say that right?

6 A. (By Mr. Meissner) We currently have service  
7 techs working until 9:00. We currently have  
8 three; correct?

9 A. (By Mr. Ciulla) Three to 11, yes.

10 Q. In terms of meeting the response that was in  
11 place before this revision we're talking  
12 about, did you talk about your need to  
13 increase staffing by a certain amount to meet  
14 the standards that are currently in place?

15 A. (By Mr. Meissner) In the After Hours period?

16 Q. Right.

17 A. (By Mr. Meissner) I think there has been  
18 discussion about breaking that down into four  
19 areas.

20 Q. And I heard you say 9 to 11 service techs at  
21 one point. I'm just wondering, was it 9 to 11  
22 more service techs, or you feel you could do  
23 what you need to do with the 9 to 11 that are  
24 there now?

1 A. (By Mr. Meissner) At this point, I don't think  
2 we've made that determination. Our objective  
3 is really going to now be to tailor our  
4 operations to these two specific response  
5 objectives and percentages and come up with a  
6 plan that we think can do that.

7 Q. And going forward, who will have primary  
8 responsibility for implementing the changes to  
9 meet the standards that we're talking about  
10 today?

11 A. (By Mr. Meissner) Well, Mr. Ciulla is the line  
12 manager responsible for Portsmouth operations,  
13 so he will have the most direct  
14 responsibility. But, of course, Mr. Leblanc  
15 is responsible for gas operations. And I'll  
16 be involved as well.

17 MR. SULLIVAN: Thank you very  
18 much.

19 CHAIRMAN IGNATIUS: Thank you.  
20 Ms. Fabrizio, questions?

21 MS. FABRIZIO: Yes. Thank you.

22 CROSS-EXAMINATION

23 BY MS. FABRIZIO:

24 Q. Mr. Meissner, do you have a copy of the

1 Stipulation of Facts in front of you? We've  
2 premarked that as Exhibit 3.

3 A. (By Mr. Meissner) Yes, I have that in front of  
4 me.

5 Q. And could you turn to the second page of that  
6 agreement. And just in the interest of time,  
7 I'll paraphrase the statements.

8 Point 6 of the stip states that the data  
9 shows that the Company failed to meet  
10 standards in 58 of the 234 benchmarks during  
11 the 26-month period from January 2009 to  
12 February 2011.

13 In Paragraph 7, the Company filed a  
14 response acknowledging that it has been unable  
15 to meet Emergency Response Standards in each  
16 of the nine benchmarks, and the Company does  
17 not dispute data provided in Attachments A and  
18 B of Staff's Memorandum that we saw today as  
19 Exhibits 11 and 12, I believe.

20 Do you agree with those statements?

21 A. (By Mr. Meissner) Yes and no. We don't  
22 dispute the data that's underlying these  
23 provisions of the stipulation or that was in  
24 Staff's Memorandum. What we did disagree with

1 was the evaluation period for that data, in  
2 terms of it being a monthly evaluation versus  
3 an annual evaluation. However, we do agree  
4 that we have been unable to meet two of the  
5 nine benchmarks under the Emergency Response  
6 Standards when measured annually.

7 Q. Thank you. And earlier today we looked at the  
8 Company's Memorandum we've referenced in that  
9 paragraph, dated June 20th, 2011. Page 5 of  
10 that memorandum, Mr. Knepper had us look at  
11 that chart. And would you agree that the  
12 Company's current performance in the 30-minute  
13 Weekend and Holidays slot ranges from  
14 45 percent to 54 percent in the past 2-1/4  
15 years, I guess?

16 A. (By Mr. Meissner) Subject to check, that  
17 sounds approximately correct, yes.

18 Q. Okay. This is the Company's memorandum.

19 A. (By Mr. Meissner) I just don't have it in  
20 front of me.

21 Q. Oh, I'm sorry. Here, I'll...

22 (Ms. Fabrizio hands document to witness.)

23 A. (By Mr. Meissner) Thank you. Yes, I agree.

24 Q. Thank you. Now, under the new proposed

1 standards, do you believe that the Company's  
2 response times will improve?

3 A. (By Mr. Meissner) Yes, they will have to  
4 improve to meet the new standards.

5 Q. And does that include response times in all  
6 time periods, including Weekends and Holidays  
7 and After Hours?

8 A. (By Mr. Meissner) We do anticipate some  
9 improvement in all time periods, yes.

10 Q. And along the same lines, do you believe that  
11 the new All Hours standard for 30 minutes will  
12 increase the number of weekend and holiday  
13 calls being met within 30 minutes?

14 A. (By Mr. Meissner) We have not finalized the  
15 staffing plan that we were just discussing in  
16 3.1. But with the things we've been  
17 discussing, then, yes, our expectation is that  
18 we will have some improvement in that time  
19 period.

20 Q. And is it fair to say that the Company, by  
21 signing this agreement, is committing to  
22 improving those times?

23 A. (By Mr. Meissner) Yes.

24 Q. Okay. Thank you. And would you agree with

1 Mr. Knepper's conclusion made earlier today,  
2 when you examined Exhibit 13, which is the --  
3 I call it the chart -- would you agree with  
4 his conclusion, that the Company's performance  
5 today exceeds the standards set in the new  
6 proposed set of standards in the Settlement  
7 Agreement?

8 A. (By Mr. Meissner) I'm not sure I totally  
9 understood which chart. From our perspective,  
10 our performance to date would exceed the  
11 benchmarks in all response performance  
12 measures, with the exception of the All Hours.  
13 Our performance is not meeting the All Hours  
14 benchmark at the current time.

15 Q. Okay. Thank you.

16 You referred earlier to not having  
17 information about Northern's emergency  
18 response capabilities at the time of  
19 acquisition. Now, this was Unitil's  
20 acquisition of Northern; is that correct?

21 A. That's correct.

22 Q. And did the Company do any due diligence with  
23 respect to knowing those capabilities  
24 regarding emergency response times before it

1 signed the settlement?

2 A. We did, yes.

3 Q. And you testified earlier that you weren't  
4 aware of the Company's inability to meet the  
5 standards until a month after the settlement  
6 was signed.

7 A. (By Mr. Meissner) Well, to my knowledge, the  
8 standards were not in place for the  
9 predecessor company. They were entered into  
10 our settlement agreement during the  
11 acquisition. Northern was not held to these  
12 same standards.

13 Q. I think your earlier testimony, that the  
14 settlement wasn't approved until the  
15 Commission issued an order in October, but you  
16 learned in September, I believe --

17 A. (By Mr. Meissner) If I said that, I misspoke.  
18 I meant within a month of entering the  
19 settlement and going to hearing, not from the  
20 date of the Commission order.

21 Q. Okay. You signed the settlement in, must have  
22 been August?

23 A. (By Mr. Meissner) August, yes.

24 Q. But you did not learn from Northern that there

1 might be difficulties in meeting the standards  
2 until September?

3 A. (By Mr. Meissner) That's correct, because of  
4 the timing of when we first saw the standards  
5 until the settlement was filed.

6 Q. Okay. You testified earlier that it would be  
7 difficult to meet the All Hours standard  
8 because the first quarter of this year will be  
9 included, the first time that standard is  
10 measured. Why do you come to that conclusion?

11 A. (By Mr. Meissner) Well, two things. It will  
12 be difficult to meet the All Hours standard,  
13 period. It's a very difficult standard that  
14 we have not met yet. And the only distinction  
15 I think we're trying to make with the first  
16 quarter is we already have essentially one  
17 quarter of the year already in the rearview  
18 mirror that we can no longer have any  
19 influence on. So we're essentially going to  
20 have to overcome the first quarter's  
21 performance, which I believe our response  
22 percentage was 78 percent. So it was less  
23 than the 80 percent in the first quarter. So  
24 we will now have to achieve performance above

1           80 percent for the remaining three quarters in  
2           order to achieve the 80 percent at the end of  
3           the 12-month period.

4       Q.    If we were to extrapolate that first quarter's  
5           data across the year, do you have any idea how  
6           many calls you would have to exceed the  
7           benchmark, I think, in order to meet the  
8           80 percent?

9       A.    (By Mr. Meissner) It's not that many. In  
10           fact, I think we looked at it, and I think we  
11           missed our benchmark by four calls in the  
12           first quarter.

13                   And these are typically the margins we're  
14           talking about in all these percentages. We're  
15           typically talking about a matter of a few  
16           calls either way to meet these percentages.

17       Q.    Were the standards that are presented in  
18           today's Settlement Agreement the result of a  
19           rule-making?

20       A.    (By Mr. Meissner) Not to my knowledge.

21       Q.    And did the Company prepare any studies or  
22           analyses of specific objectives to get to the  
23           standards proposed today?

24       A.    We did not. We only reviewed standards from

1 other jurisdictions.

2 Q. No cost-benefit analyses or comparative  
3 analyses?

4 A. (By Mr. Meissner) Not to develop the specific  
5 percentages. We did do the cost analyses to  
6 evaluate the staffing impacts to attain the  
7 current standards as they exist today.

8 Q. Given the emphasis in your testimony that you  
9 placed on such studies and procedures as  
10 having not supported the existing standards,  
11 how can the Commission be assured of the  
12 Company's commitment to meet these new  
13 standards without those underlying studies?

14 A. (By Mr. Meissner) Well, in terms of our  
15 commitment, I don't think that there's ever  
16 been a lack of commitment to meet the  
17 standards since our acquisition of Northern.  
18 We've been trying to meet the standards for  
19 three years now, and in fact have  
20 significantly expanded our staffing coverage  
21 in an effort to do that. So we are committed  
22 to meeting the standards. I don't think  
23 there's a question about that. From our  
24 standpoint, it was understanding the way the

1 standards are being evaluated so that we can  
2 tailor changes to our operations to meet them  
3 and have some comfort that with those changes  
4 we'll have the ability the meet the standards.

5 Q. And the lack of underlying cost benefit and  
6 comparative analysis won't lessen the  
7 worthiness of these standards.

8 A. (By Mr. Meissner) It will not, no.

9 Q. Thank you.

10 Mr. Leblanc, you testified earlier at  
11 some length about the effectiveness of the  
12 Company's safety programs. Does this docket  
13 involve a review of the effectiveness of those  
14 programs?

15 A. (Mr. Leblanc) No, it does not.

16 Q. Thank you. Can you tell me how long --

17 MR. EPLER: Wait. I'm going to  
18 object to that question. That calls for a  
19 legal conclusion, and the witness is not  
20 qualified as a legal expert. As to the scope  
21 of this docket, the Company would take a  
22 different view than Staff as to what the scope  
23 is.

24 MS. FABRIZIO: Well, he answered

1           fairly readily.

2 BY MS. FABRIZIO:

3       Q.    Do you feel qualified to make that response?

4       A.    (Mr. Leblanc) No, I am not an attorney.

5       Q.    Are you familiar with Mr. Knepper?

6       A.    (Mr. Leblanc) Yes.

7       Q.    And is he an attorney?

8       A.    (Mr. Leblanc) No.

9       Q.    Did you read his testimony?

10      A.    (Mr. Leblanc) Yes, I did.

11      Q.    Did you read that he said that this proceeding  
12            is not about Staff's review of the  
13            effectiveness of the Company's emergency  
14            response programs?

15      A.    (Mr. Leblanc) I believe his testimony  
16            reflected that it didn't do an evaluation on  
17            the effectiveness.

18      Q.    Would you agree that the focus of this  
19            proceeding has been on the promptness of  
20            emergency response times?

21      A.    (Mr. Leblanc) I believe the primary focus was  
22            on the promptness of response times, yes.

23      Q.    Thank you. Can you tell me how long it would  
24            take for an 1800-square-foot home to fill with

1 gas to 7 percent, which is the explosive limit  
2 when there's a gas leak in the vicinity of a  
3 house?

4 A. (By Mr. Leblanc) No, I cannot. That would all  
5 depend on a lot of -- pressure, pipe size,  
6 proximity, soil conditions. So, no, I could  
7 not do that.

8 Q. Could you guesstimate what --

9 A. (By Mr. Leblanc) Absolutely not. It would  
10 all, again, depend on the size of the break,  
11 the pressure -- the operating pressure of the  
12 gas main, the proximity of the break or the  
13 leak to the house, the soil conditions,  
14 whether it has wall-to-wall paving, venting  
15 capabilities, structures in there. I  
16 couldn't.

17 Q. Thank you. And if the leak were right  
18 directly in front of the house, would it --

19 CHAIRMAN IGNATIUS: Could you  
20 make an offer of proof of what the relevance  
21 of that question is?

22 MS. FABRIZIO: We're trying to  
23 emphasize that a 30-minute standard is  
24 something to be strived for, because my

1 understanding is that it takes minutes for a  
2 house of that size --

3 CHAIRMAN IGNATIUS: Is there  
4 anything the Company's said that suggests to  
5 you that they're not committed to just trying  
6 to reach a 30-minute standard?

7 MS. FABRIZIO: Well, I can move  
8 to the next witness on that point. Thank you.

9 I would like to present Mr.  
10 Ciulla with a data response that he prepared  
11 in response to Staff. I'd like to ask that  
12 this be marked for identification as  
13 Exhibit 16.

14 (Exhibit 16 marked for identification.)

15 BY MS. FABRIZIO:

16 Q. Mr. Ciulla, did you prepare this data  
17 response?

18 A. (By Mr. Ciulla) Yes.

19 Q. And could you turn to page -- well, it would  
20 be Page 1 of 2 of Attachment 1. So, Staff  
21 1-9, Attachment 1.

22 A. Yes.

23 Q. Could you read the third bullet under the  
24 Qualifications, please.

1 A. "Responds to service calls when on standby as  
2 soon as possible, not to exceed 45 minutes  
3 from receiving call."

4 Q. Thank you. Could you turn to Attachment 2,  
5 Page 1 of 1, and read the third bullet under  
6 Qualifications.

7 A. (By Mr. Ciulla) "Responds to service calls  
8 when on standby as soon as possible, not to  
9 exceed 45 minutes from receiving call."

10 Q. Thank you. And given that this is the  
11 standard that is presented in the job  
12 postings, how do you reconcile that with the  
13 Company's stated commitment to improving  
14 30-minute response times?

15 A. (Mr. Leblanc) I might be in an even better  
16 position to answer that question than Mel.

17 Q. Sure.

18 A. (Mr. Leblanc) The effective date on Page 2,  
19 the position description is dated 11/21/08.  
20 that was prior to the acquisition. This is an  
21 existing Northern job description that was  
22 prior to the acquisition that was put into the  
23 template for posting. Job descriptions are  
24 subject to collective bargaining. So the

1 posting that went up immediately after the  
2 acquisition for the technicians that we agreed  
3 to -- that we agreed to hire was based on an  
4 existing job description that was prior to the  
5 acquisition. And again, any changes to job  
6 descriptions are subject to collective  
7 bargaining.

8 Q. And there have been no negotiations since that  
9 time?

10 A. (Mr. Leblanc) We have had a contract  
11 negotiation, and we did not negotiate  
12 individual job description. However, in the  
13 contract, we did negotiate performance reviews  
14 of emergency response times. So there is a  
15 provision in the collective bargaining  
16 agreement where we actually look at the  
17 response time of each of our emergency  
18 response techs. We do a root-cause analysis  
19 if they fail to meet Emergency Response  
20 Standards. And if it's determined whether  
21 it's a performance issue, that they're not  
22 responding in a timely fashion because of a  
23 performance issue -- they didn't respond or  
24 that didn't leave their house quickly -- we

1 have contract provisions to address that.

2 Q. Thank you. And one other --

3 A. (By Mr. Meissner) I'd just offer one  
4 clarification, too, just because it hasn't  
5 come up today. But the closing date on our  
6 acquisition of Northern at the time was  
7 December 1st of 2008. So, this job  
8 description was actually dated just before the  
9 closing. And after the closing, as part of  
10 the settlement, we had agreed to post those  
11 positions within one week of the closing. So  
12 we immediately used this job description to  
13 post it immediately following the closing.

14 Q. Thank you. And this is, after all, simply a  
15 job posting.

16 Is the 30-minute response time standard  
17 or goal expressed anywhere in Company manuals,  
18 policies, written materials?

19 A. (By Mr. Ciulla) When we talk about response,  
20 "emergency response," and when I talk to  
21 service techs about emergency response, one of  
22 the things that we drive home is that's our  
23 top priority. That's our top priority. We  
24 want them to get there as quickly as they can.

1           If they're on the job, you drop your tools.  
2           You leave your tools. We'll have somebody go  
3           by and pick them up. Our first objective is  
4           to get there safely and effectively. And as  
5           you're heading to the job, determine what you  
6           need to do, depending on the call that you  
7           get. And it's our assessment -- and that's  
8           the message that we're sending to all our  
9           first responders. We don't want our first  
10          responders to get into a button-pushing first  
11          response. We want our first responders to be  
12          able to respond to a situation, be able to  
13          assess that situation as they're traveling to  
14          that response, and to be able to make the  
15          correct ascertainment [sic] when they get there  
16          to be able to make the correct decisions. And  
17          a lot of times we miss some of the categories  
18          by a minute or two minutes. I'm still driving  
19          that message home. You get there as quick as  
20          you can, get there as safely as you can, and  
21          you assess the situation. So when you get  
22          there, you have all these things going through  
23          your mind: What you need to do, how you're  
24          going to get the people -- if you got to go to

1 the house, if you have to get outside -- all  
2 these things are going through your mind, not  
3 pressing the button. And that's the thing  
4 that I stress to these first responder service  
5 techs. And that's the most important message  
6 that we need to send to them.

7 Q. Are the service techs aware of the standards  
8 that the Commission --

9 A. (By Mr. Ciulla) Yes, they are. And I've  
10 talked to them about this, because we've had  
11 discussions on, Okay, Well, what if I'm on a  
12 job? I got my tools out. And more than one I  
13 have said, and my supervisors have said, You  
14 leave your tools there if it's going to take  
15 you too long to pick them up. You drop what  
16 you're doing and you tell the customer  
17 somebody will be back; whether it be you or  
18 somebody else, someone will be back.

19 A. (By Mr. Leblanc) One addition. The other  
20 thing we emphasize with our techs, too, is,  
21 unlike police and fire, who can respond in a  
22 fashion by running red lights or speeding, all  
23 of our service techs, when they respond to  
24 emergencies, have to obey traffic laws. They

1 cannot speed. They cannot run red lights.  
2 They cannot run stop signs. We instruct them  
3 that you are to respond in a safe and  
4 effective manner. But you are to obey all  
5 existing traffic laws, because we're bound to  
6 those. So, again, it's a quick as you can,  
7 but you're not to speed, you're not to run red  
8 lights, you're not to run stop signs. You're  
9 there to respond in an effective manner and in  
10 a safe manner.

11 Q. Thank you. And on that note, I think Mr.  
12 Ciulla testified earlier that the on-call  
13 system is difficult because of where service  
14 techs live. How many service techs do you  
15 have who are first responders?

16 A. (By Mr. Ciulla) There's 11 in the department.  
17 Currently, there's 10 service techs on  
18 property.

19 Q. And do all of them live within Unitil's  
20 service territory?

21 A. No, they do not.

22 Q. How many do not?

23 A. (By Mr. Ciulla) Five, six. Five. Five do  
24 not.

1 Q. And the residences of those five or six are  
2 reflected in Attachment 10 to Mr. Knepper's  
3 testimony that Staff pulled together, based on  
4 information --

5 A. (By Mr. Ciulla) I don't have that --

6 (Ms. Fabrizio hands document to witness.)

7 A. (By Mr. Ciulla) These are where?

8 Q. Does that generally reflect your  
9 understanding of --

10 A. (By Mr. Ciulla) Generally. But I don't  
11 understand what this one is --

12 (Court Reporter interjects.)

13 MR. EPLER: Is this on the  
14 record?

15 MS. FABRIZIO: This is  
16 Attachment 10 to Randy Knepper's testimony.

17 MR. EPLER: I know. But the  
18 colloquy you were just having with the  
19 witness, is that on the record?

20 MS. FABRIZIO: I'm sorry. Did  
21 you hear?

22 COURT REPORTER: Only part of  
23 it.

24 BY MS. FABRIZIO:

1 Q. Does this document that is Attachment 10 to  
2 Mr. Knepper's testimony generally reflect your  
3 understanding of where service techs are  
4 located?

5 A. (By Mr. Meissner) We believe we looked at  
6 that, and there was three errors in that, just  
7 to clarify. I believe two locations of  
8 service techs in Dover did not reflect where  
9 they actually live, and one of the ones down  
10 in the southern area does not correspond to a  
11 company employee.

12 Q. But generally speaking, you said five or six  
13 service techs live outside the service  
14 territory and --

15 MR. EPLER: I'm going to object  
16 at this point. I'm not sure where this  
17 questioning is going. We have a Settlement  
18 Agreement that's signed by the Staff that says  
19 that the settling parties agree to cooperate  
20 and advocate that the Settlement Agreement be  
21 approved by the Commission in its entirety  
22 without modification. We entered into this  
23 Settlement Agreement in good faith. We  
24 believe, as I indicated earlier, that this is

1 in the best interest of the public. It's  
2 consistent with our understanding of what the  
3 Commission is seeking to achieve and what the  
4 Safety Division has indicated in the past it's  
5 seeking to achieve.

6 I think that we're getting into  
7 extraneous matters that go to some of the  
8 underlying issues in the case that -- if we  
9 were to litigate the case.

10 We have a Settlement Agreement  
11 here. I think the focus should be on that  
12 and, again, the commitment of the Staff to  
13 advocate that the agreement be approved by the  
14 Commission. And I don't see how this inquiry  
15 at this point is moving us in that direction.

16 CHAIRMAN IGNATIUS: Ms.  
17 Fabrizio.

18 MS. FABRIZIO: Yes. Thank you.  
19 Staff believes it has an obligation to the  
20 Commission to flush out all the issues that  
21 are not necessarily to be put on hold for  
22 litigation, but the issues that Staff took  
23 into consideration with signing on to this  
24 agreement. I believe these questions dovetail

1 exactly with questions that Commissioner  
2 Harrington was asking earlier with respect to  
3 digging down to root cause of the Company's  
4 inability to meet the existing standards for  
5 certain time periods.

6 CHAIRMAN IGNATIUS: I'm going to  
7 sustain the objection. Move on, please.

8 MS. FABRIZIO: Okay. That was  
9 my last question.

10 CHAIRMAN IGNATIUS: Okay.  
11 Questions from the Bench?

12 CMSR. HARRINGTON: Yeah. Just  
13 try and make this quick here.

14 INTERROGATORIES BY CMSR. HARRINGTON:

15 Q. Just a real quick question. I had asked this  
16 before of Staff. In your analysis of the data  
17 on your response times, was there any  
18 meaningful difference between July and August  
19 as compared to other months, given the  
20 increased traffic during that time, or in the  
21 wintertime due to snow and road conditions  
22 with snow or ice?

23 A. (By Mr. Ciulla) Looking at the data and how  
24 the data was coming in, no. It's where the

1 calls and the sporadic calls on weekends and  
2 holidays that --

3 Q. And then looking at the map -- and which you  
4 don't even have to pull it out, everyone knows  
5 the service territory. And it's fairly big  
6 from north to south, based on driving times.  
7 So we're looking at trying to make a goal of  
8 having somebody got called on off hours, which  
9 would be what we're referring to as weekends  
10 or nights now -- and let me see if I've got  
11 this correct. Somebody calls the gas company.  
12 They take a report. I smell gas at 1234 Smith  
13 Street in whatever town. Okay. They gave  
14 them some advice as to immediate actions: How  
15 strong is the smell? You should get out of  
16 the house, whatever. So that takes whatever  
17 amount of time, 30 seconds or something. Hang  
18 up the phone. Then they contact the person  
19 who's on call, who I assume has a cell phone  
20 or pager?

21 A. (By Mr. Ciulla) Pager, cell phone.

22 Q. Pager. Or both. Okay. So if they call on  
23 the cell phone, the person picks up the cell  
24 phone. Maybe they're in the shower, taking a

1 shower or something like that. I assume  
2 there's no prohibition against something like  
3 that.

4 A. (By Mr. Ciulla) There's a protocol. First  
5 thing they do is page. And they don't wait  
6 for them to call back. Then they call the  
7 cell phone. And if they don't get them on the  
8 cell phone, then they call their home. So,  
9 while the page is going through, they're --

10 Q. And what are the requirements -- when you say  
11 someone's "on call," does that mean they're  
12 sitting in their vehicle waiting for that  
13 phone call, so they can just turn they key?  
14 What are they allowed to do during that and  
15 still be classified as "on call"?

16 A. (By Mr. Ciulla) If they're home and they have  
17 to go to the store for bread, they're in their  
18 vehicle. If they have to go to the store to  
19 get gas, they're in their vehicle. That's the  
20 responsibility of being on call.

21 Q. When you say "their vehicle," is that the --

22 A. (By Mr. Ciulla) Company vehicle, yes.

23 Q. So if they go anywhere, they should be in the  
24 Company vehicle --

1 A. (By Mr. Ciulla) Correct.

2 Q. -- and stay within so many miles of their  
3 house or something like that?

4 A. (By Mr. Ciulla) Their on-call territory.

5 Q. And that's a defined territory?

6 A. (By Mr. Ciulla) Yes.

7 Q. Okay. And I assume they have to obviously be  
8 fit for duty and all that stuff.

9 A. (By Mr. Ciulla) Correct.

10 Q. It just strikes me that, in a normal  
11 circumstance, you could easily lose 5 to 10  
12 minutes just getting that person into their  
13 vehicle for nothing out of the usual. But by  
14 the time the person at the dispatch center  
15 gets the call that gets relayed to this person  
16 and they get out of bed, get their clothes on  
17 and whatever, and then get their keys and make  
18 sure they have everything they need, get out  
19 to their car, that could easily take close to  
20 10 minutes.

21 A. (By Mr. Ciulla) Yes.

22 Q. So, given only 20 minutes to drive anyplace,  
23 it seems like that 30 minutes is extremely  
24 aggressive.

1 A. (By Mr. Ciulla) It is.

2 Q. But you feel as though it's a goal that's  
3 possibly do-able, or only do-able if you  
4 average it in with the times for the work  
5 hours where you have people actually  
6 dispatched in the field?

7 A. (By Mr. Ciulla) Yeah, when you look at the All  
8 Hours, being able to have the on-call and what  
9 we need for the on-call. If you wanted to  
10 make that 30 minutes, you'd have to abandon  
11 on-call on weekends and holidays to be able to  
12 make those calls. To be able to average the  
13 low volume of calls into All Hours gives us a  
14 better opportunity to make a percentage of the  
15 calls through that call area.

16 Q. Would it seem correct, then, to some extent  
17 then, a number people stated a couple of times  
18 that you really don't see any way -- and as we  
19 just discussed, I would probably tend to agree  
20 with you -- to make the 30-minute requirement  
21 using on-call staff for off hours and  
22 weekends. So is there a value to sort of  
23 merging that with the working-hours numbers to  
24 sort of disguise or hide the fact what you're

1           doing in the off hours, wouldn't it be better  
2           to measure that independently and get a  
3           real-time --

4       A.    (By Mr. Ciulla) We actually are.  When I get a  
5           weekly report, I look at the Normal Hours,  
6           After Hours and Weekends and Holidays for  
7           those categories.  Those categories aren't  
8           going away.  I'm looking at a report that  
9           tells me where the tech was before he  
10          responded to that call, so I can look at  
11          distance.

12       Q.    Okay.  And --

13                               MR. EPLER:  Commissioner, I'd  
14           also just point out, because we will be  
15           continuing the current reporting format, the  
16           Staff and Commission, and, again, any member  
17           of the public, will be able to see the  
18           breakdown on weekends and holidays and after  
19           hours, 30 minutes.  So that will -- the  
20           reporting will prevent us from disguising that  
21           information.  Yes, in terms of responding, it  
22           will be averaged in so you have the All Hours  
23           over the 12-month period.  But in terms of  
24           actually seeing it, you will actually see what

1           our response times are, the same as you  
2           currently do see that. So if you feel that  
3           there is a problem with that, you can  
4           certainly call us in to address that. We are  
5           not attempting to obfuscate that in any way.

6       Q.    I guess my point is, looking at Exhibit 14 and  
7           the map, regardless of where you put a person  
8           on call, if you could pick your spot to have  
9           that person say this is where you're going to  
10          reside for that night, if you called them at  
11          3:00 in the morning, I think they'd be  
12          hard-pressed for a certain majority of the  
13          service area within 30 minutes, just given the  
14          fact you got to get out and do the things we  
15          discussed and then get in the car and drive  
16          there, which could be 25 minutes away by car.  
17          So... all right.

18                 Getting back to the Settlement Agreement  
19                 itself, on Section 2.5.1 and 2.5.2, I'm trying  
20                 to make sure -- well, let me preface by one  
21                 other statement.

22                 In the testimony by Philip Sher, which I  
23                 guess you're adopting, which is a consultant,  
24                 which is Exhibit 6, there's a few places in

1           there on Page 8 that talks about the previous  
2           settlement agreement saying, no, while it  
3           targets, it does not define time periods, does  
4           not define annual... and then on Page 9, it  
5           says, "By requiring monthly filings, does it  
6           imply the targets are monthly? Not at all.  
7           The time frame is undefined."

8                        So there's been, at least on the part of  
9           the Company, I'm assuming, some confusion or  
10          some fact that the previous Settlement  
11          Agreement wasn't as precise as it could have  
12          been. Would you say that's correct?

13        A.        (By Mr. Meissner) Yes, that's correct. And I  
14          think the area where there was the most  
15          disagreement or the most confusion was over  
16          the time period over which results would be  
17          evaluated.

18        Q.        I really don't want to go into that. I just  
19          want to make sure -- my goal here is that the  
20          new Settlement Agreement is more precise and  
21          less ambiguous.

22                        So, looking at 2.5.1 and 2.5.2 -- well,  
23          all of 2.5, I guess -- it's starts out by  
24          saying you'll report under the present using

1 the same format as you do now. Then 2.5.1  
2 goes in and talks about for any individual  
3 response exceeding 60 minutes, the Company  
4 shall provide detailed explanation, including  
5 any actions taken to prevent recurrence.

6 And then in 2.5.2 it says, "Northern  
7 shall provide" -- which I assume this is  
8 synonymous with the Company -- "a detailed  
9 explanation of any failure to meet any  
10 Emergency Response Standard, including a  
11 remediation plan to prevent recurrence, with  
12 supporting documentation and a proposal for  
13 implementation."

14 What is your definition of "a detailed  
15 explanation of any failure to meet any  
16 emergency response standard"?

17 A. (By Mr. Meissner) What our understanding of  
18 this provision is, is essentially a situation  
19 where we would be subject to penalties. So if  
20 the evaluation of our performance relative to  
21 the standards falls beneath one of these  
22 benchmarks, then we failed to meet that  
23 standard. And there would be an expectation  
24 that we would have a remediation plan

1 developed to get us back above the minimum  
2 benchmark; understanding, also, that if we  
3 don't do that, we'll be subject to repetitive  
4 penalties in each subsequent month until we do  
5 get back above the benchmark.

6 Q. Okay. Just so I understand this myself,  
7 you'll do monthly reports, as you do now. And  
8 if in any month that you're reporting on  
9 there's an individual response that exceeds 60  
10 minutes, you'll include actions taken to  
11 prevent recurrence. And then in that same  
12 monthly report, if on your 12-month look-back  
13 you find that one of the Emergency Response  
14 Standards has not been achieved over that  
15 12-month period, then you'll provide a  
16 remediation plan to prevent recurrence with  
17 supporting documentation.

18 A. (By Mr. Meissner) That's correct.

19 Q. I just want to make sure I understood what you  
20 were saying.

21 And then one other thing with regard to  
22 the 60 minutes and the emergency -- even the  
23 failure to meet Emergency Response Standards.  
24 Is there -- would the Company be doing

1 anything to take these somewhat individual  
2 cases and look at them collectively and see if  
3 there's some reason -- let's say you have five  
4 or six 60-minute excedures [sic] in the course  
5 of a year. Will you be looking at any of  
6 those and saying, Okay, we know this one  
7 happened because, you know, Fred was sleeping  
8 and it took him a while to wake him up, and  
9 this one happened because somebody else was in  
10 the grocery store or something, or whatever  
11 reason. Will there be any attempt to look at  
12 those collectively from a common cause as to  
13 why they occurred -- meaning, maybe there's  
14 some management directive or whatever that's  
15 not clearly being implemented or lack of  
16 support by management or something on that  
17 idea?

18 A. (Mr. Leblanc) We actually do that now. We do  
19 it for any failed 60-minute response. We do a  
20 root-cause analysis on what caused that, and  
21 we look for trends. Is it a performance issue  
22 with the dispatch center? Is it a performance  
23 issue with a particular dispatcher? So that's  
24 currently going on right now.

1 Q. Okay. And are you -- then I guess my final  
2 question would be: Are you comfortable with  
3 that Settlement Agreement, that it is  
4 specifically enough so that you'll be able to  
5 comply with it without getting into what it  
6 means here and so forth?

7 A. (By Mr. Meissner) Yes, we feel the definition  
8 provided in this settlement is clear to us,  
9 that we understand what we're trying to  
10 achieve. Now, achieving it will still be  
11 challenging. But we understand what we're  
12 trying to achieve.

13 CMSR. HARRINGTON: All right.  
14 Thank you. That's all I have.

15 CHAIRMAN IGNATIUS: Commission.

16 CMSR. SCOTT: No question.

17 CHAIRMAN IGNATIUS: One  
18 question.

19 INTERROGATORIES BY CHAIRMAN IGNATIUS:

20 Q. Mr. Meissner, has the vice-president  
21 responsible for implementation been designated  
22 yet that's called for in the agreement?

23 A. (By Mr. Meissner) We haven't talked about  
24 that, but I'm presuming that that's me.

1 CHAIRMAN IGNATIUS: Any

2 redirect, Mr. Epler?

3 MR. EPLER: No, thank you.

4 CHAIRMAN IGNATIUS: All right.

5 Then you're excused. Thank you  
6 very much.

7 Mr. Sullivan, do you intend to  
8 put Mr. Emerton on the stand?

9 MR. SULLIVAN: I do not.

10 CHAIRMAN IGNATIUS: Are you  
11 asking that his prefiled testimony be  
12 introduced as an exhibit?

13 MR. SULLIVAN: Yes, I am.

14 CHAIRMAN IGNATIUS: And is there  
15 any objection from the parties to having that  
16 made an exhibit without the opportunity to  
17 cross-examine Mr. Emerton?

18 MR. EPLER: No, we will not  
19 object to that.

20 MS. FABRIZIO: Staff has no  
21 objection.

22 CHAIRMAN IGNATIUS: All right.  
23 Why don't we -- in the interest of time, we  
24 will not have you go through the

1           qualifications. We'll mark it as Exhibit 9,  
2           as had previously been reserved.

3                     (Exhibit 9 marked for identification.)

4                     CHAIRMAN IGNATIUS: There was  
5           one other detail we wondered about in the  
6           materials. We have a document that's been  
7           held as confidential, but we're not entirely  
8           sure why it should be considered confidential.  
9           And we don't have a motion for confidentiality  
10          that I'm aware of. It's a document that I  
11          think was developed by Mr. Sher, Emergency  
12          Response Plans, and was attached in response  
13          to a data request is my guess.

14                    MR. EPLER: May I approach the  
15          Bench and just take a look?

16                    (Pause in proceedings)

17                    MR. EPLER: We'll waive any  
18          objection. I'll get back to my microphone.  
19          The Company will waive any objection. That  
20          document does not need to be confidential.

21                    CHAIRMAN IGNATIUS: All right.  
22          Thank you. Well, it hasn't even been an  
23          exhibit. It's just in the materials, in the  
24          discovery materials; correct?

1 MR. EPLER: Yes, that's part of  
2 the discovery. So I don't think it's part of  
3 the record, in any event. But...

4 CHAIRMAN IGNATIUS: All right.  
5 Thank you.

6 Any other procedural matters,  
7 other than talking about whether we want to  
8 have oral closings, written closings? Our  
9 preference would be to do it this afternoon  
10 orally, if that's acceptable to people.

11 And prior to that, as you get  
12 your thoughts together, any objection to  
13 striking the identification and making all the  
14 documents full exhibits?

15 MR. EPLER: No objection.

16 MS. FABRIZIO: No objection.

17 CHAIRMAN IGNATIUS: All right.  
18 Seeing there's no objection, we will do that.

19 And so, Mr. Sullivan, let's  
20 begin with you. Any closing statements?

21 CLOSING STATEMENTS

22 MR. SULLIVAN: Yes. The Union  
23 thanks everyone for allowing us to participate  
24 in this. At this time, we take no position on

1 the Settlement Agreement proposal, and we  
2 leave that to the discretion of the Commission  
3 as to how they handle it. Thank you very  
4 much.

5 CHAIRMAN IGNATIUS: All right.  
6 Thank you. Staff? Closing?

7 MS. FABRIZIO: Yes. Thank you.  
8 At issue in this proceeding are safety  
9 standards that pertain to the utility's  
10 ability to get a first responder on the scene  
11 for a gas leak or odor in a prompt manner.  
12 The Safety Division has been collecting  
13 response time data from Northern since the  
14 Company's acquisition by Unitil in  
15 December 2008. The Company provided that data  
16 monthly, based on response time standards  
17 agreed to in the Settlement Agreement at the  
18 time of acquisition.

19 Thirty-nine months of data  
20 compiled by Staff show that Northern has been  
21 unable to consistently get a first responder  
22 to the scene within 30 minutes during after  
23 hours and weekends and holidays.

24 The Settlement Agreement before

1 the Commission today is intended to permit the  
2 Company time to make management changes that  
3 we hope will improve its response times  
4 overall, including response times during after  
5 hours, weekends and holidays. Although the  
6 30-minute standard for those time periods have  
7 been eliminated, the agreement was made with  
8 the mutual understanding that a degradation in  
9 response times would not occur.

10 Staff will continue to assess  
11 the monthly data reported by the Company as a  
12 tool to monitor trends and response  
13 performance. As noted, the Agreement permits  
14 Staff and the Company to revisit the proposed  
15 new standards no later than five years from  
16 their approval. If Staff notes declines in  
17 performance in any time period, it will raise  
18 its concern at the quarterly meetings as a  
19 condition of Paragraph 3.3 of the agreement.

20 If the concern persists, Staff  
21 has the option of revisiting the agreement at  
22 any time. Based on the Company's commitments  
23 that you've heard here today to improve  
24 response performance and to avoid degradation

1 of response times, Staff believes that the  
2 Settlement Agreement can help to ensure that  
3 the public will not be harmed by the proposed  
4 new standards and evaluation mechanisms  
5 included in this Settlement Agreement.

6 CHAIRMAN IGNATIUS: Thank you.  
7 Mr. Epler.

8 MR. EPLER: Yes. Thank you. I  
9 think, based on the hearing today, that the  
10 Commission can gain some sense that this has  
11 been somewhat of a contentious issue.

12 First of all, I would like to  
13 recognize the efforts of all parties involved  
14 for their attention to this issue. People did  
15 not walk away. There was certainly times  
16 there was frustration, but we stuck to it and  
17 had some difficult discussions and  
18 conversations. But I think we've come up with  
19 a Settlement Agreement that is in the public  
20 interest. It's something the Company is  
21 committed to, committed to achieving, and is  
22 consistent with the goals and aims of the  
23 Commission in terms of protecting public  
24 safety and ensuring that there's appropriate

1 management of the gas company and its  
2 operations.

3 We are absolutely committed to  
4 ensuring safety. I think you heard that from  
5 our chief operating officer today. We stand  
6 by that commitment. And it is, as was  
7 indicated, part of the corporate culture of  
8 the Company.

9 Perhaps it was our mistake to  
10 have signed on to an initial set of standards  
11 that we were not more specifically aware of  
12 the implications of, in terms of the impact it  
13 would have on the company and the operations  
14 and whether or not the company would be able  
15 to attain it. It certainly was not our intent  
16 to either mislead or to misunderstand those  
17 standards, and our intent all along has been  
18 to ensure that we have a safe operation. We  
19 hope to continue that. We believe that there  
20 are many off-ramps in this Settlement  
21 Agreement that allow constant review and  
22 evaluation. There's the monthly reporting  
23 that we're continuing. So you have that  
24 detail. There is a commitment to meet

1           quarterly with the Staff, so that we don't  
2           have situations that unfortunately we had in  
3           the past period where we weren't meeting on a  
4           regular basis. And I am committed personally  
5           to attend those meetings and to ensure that we  
6           are meeting all our obligations under the  
7           Settlement Agreement.

8                         There is also the ongoing review  
9           that at any time if we're not meeting the  
10          standards, Staff can certainly bring that to  
11          your attention. And then there's the  
12          five-year provision that there is an  
13          opportunity to look back and see what the  
14          performance has been and whether or not the  
15          standards needs to be changed. So there are  
16          many, many opportunities to look and to see  
17          what is the Company doing; are we meeting your  
18          expectations, the public's expectations.  
19          These standards, as we've testified to, are  
20          stringent standards. We do not believe that  
21          they're a degradation compared to what's in  
22          place. They will continue to be a challenge  
23          for the Company to meet. But the Company is  
24          accepting that challenge.

1                   We have tried to be as specific  
2                   as we can, given the experience under the  
3                   previous standards, to have specific  
4                   provisions in place. We understand what the  
5                   commitments are and understand what the  
6                   reporting will be and will fulfill all those  
7                   commitments.

8                   We strongly believe, as I said  
9                   at the beginning, that this Settlement  
10                  Agreement is in the public interest, and we  
11                  ask that you consider it and consider  
12                  approving it. Thank you.

13                  CHAIRMAN IGNATIUS: Thank you.  
14                  All right then. Thank you everyone for your  
15                  efforts here and your willingness to stay to  
16                  finish this up today. We will take this under  
17                  advisement and issue an order as promptly as  
18                  we're able.

19                  (Whereupon, the AFTERNOON SESSION of the  
20                  hearing was adjourned at 4:55 p.m.)

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C E R T I F I C A T E

I, Susan J. Robidas, a Licensed Shorthand Court Reporter and Notary Public of the State of New Hampshire, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes of these proceedings taken at the place and on the date hereinbefore set forth.

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action; and further, that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in this action.

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Susan J. Robidas, LCR/RPR  
Licensed Shorthand Court Reporter  
Registered Professional Reporter  
N.H. LCR No. 44 (RSA 310-A:173)