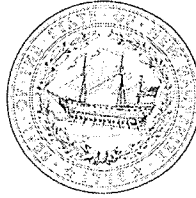


CHAIRMAN
Amy L. Ignatius

COMMISSIONERS
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Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
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Concord, N.H. 03301-2429

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Tel. (603) 271-2431

FAX No. 271-3878

Website:
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NHPUC 14MAY14PM2:00

May 14, 2014

Robert Hogan
President, Board of Directors
Spinnaker Point Condominium Association
70 Spinnaker Way
Portsmouth, NH 03801

RE: DG 13-321 Spinnaker Point Condominium Association Complaint Against Unitil

Dear Mr. Hogan:

In a letter dated October 29, 2013, the Spinnaker Point Condominium Association (Spinnaker) filed a complaint against Unitil with the New Hampshire Public Utilities Commission. Since that time, the Commission Staff has engaged in numerous discussions with Unitil and has reached an agreement with Unitil which Staff believes addresses the issues raised by Spinnaker's complaint.

Pursuant to this agreement, Unitil has established two distinct procedures to address identified code violations and safety issues with customer gas appliances, piping and other service equipment. The first procedure, called a "yellow tag procedure," will be followed when a Unitil technician identifies a gas appliance or gas piping that is in violation of a state code or a company standard and that does not present an immediate hazard to public safety. Examples would include unprotected piping passing through masonry walls deemed non-hazardous (that is, where there may be minor pitting of the piping but no visible sign of corrosion significant enough to indicate an immediate hazard); non-bonded CSST gas piping; or other non-hazardous violations of a state code or company standards. The first example, unprotected piping through masonry walls, was the situation which resulted in the immediate disconnection of service to four condominium units at Spinnaker Point in October 2013. Under the agreed-to yellow tag procedure, gas service would not be disconnected. Instead, a notice would be provided to or left for the customer explaining the condition that was identified as non-compliant with the state code or company standard and the corrective action that must be taken to address the condition. The notice will advise the customer that he or she has 30 days to have any necessary repairs made, and that Unitil will return to inspect the repairs once completed. If at the end of the 30 day period the repairs needed to correct the non-compliant condition have not been made, then Unitil will disconnect the gas service.

May 14, 2014

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The second procedure, called a "red tag procedure," will be followed when a Unitil technician identifies a situation where a hazardous condition exists. Examples of hazardous conditions would include a gas leak at a gas appliance or gas piping; unsafe gas appliances, which may include improperly vented appliances or appliances leaking carbon monoxide; customer piping that due to severe corrosion or lack of support presents a gas leak hazard; or an unsafe chimney. When such a condition exists, Unitil will immediately disconnect the gas appliance or the gas service, whichever is necessary to eliminate the hazardous condition. If the customer is present, Unitil will notify the customer of the hazardous condition and the need to disconnect the appliance or the service. Information regarding the repairs needed to correct the hazardous condition shall also be provided. If the customer is not present, a notice will be left on-site that provides this information. Service will not be reconnected until such time as the necessary repairs have been completed and an inspection has been conducted.

The applicable state codes and Unitil standards provide important safety protections for Unitil gas customers and all New Hampshire residents. The separate yellow tag and red tag procedures adopted by Unitil recognize that not all violations of state codes and company standards rise to the level of an immediate safety hazard. A copy of Unitil's revised procedures is included with this correspondence. Staff understands that Unitil either has adopted or will shortly adopt and implement these revised procedures pursuant to its agreement with Staff. Staff believes these procedures address the concerns raised by Spinnaker in its complaint.

Please review the enclosed procedures and reply by June 1, 2014 to confirm that these recent developments have resolved the concerns raised in Spinnaker's complaint.

Should you have any questions or if you would like to discuss this further, please feel free to contact me at 603-271-1164 or via email at amanda.noonan@puc.nh.gov.

Sincerely,



Amanda O. Noonan
Director, Consumer Affairs

Enclosure

cc: Service List (electronically)
Docket File

Unitil Pipeline Safety Procedures – Rev 4.0 April 15, 2014

3-E Identifying Unsafe Conditions on Customer Appliances and Piping

1.0 Scope

2.0 Hazardous Conditions and Corrective Actions Requiring a Red Tag

3.0 Conditions and Corrective Actions Warranting a Yellow Tag

1.0 SCOPE

(a) This procedure outlines the process to be used to identify and respond to hazardous conditions involving customer appliances and piping that warrant shutting off the service or appliance and issuing a *“Red Tag.”*

This procedure also outlines the process to be used to identify and respond to non-hazardous conditions involving customer appliances and piping that violate State Codes and/or Local Codes that do not warrant immediate disconnection and allow the appliance and/or piping to remain in service for a (30) day *“Yellow Tag”* period during which the customer must have corrective repairs made. If the Yellow Tag condition has not been corrected by the (30) day follow up inspection and/or the Technician cannot gain access to perform the inspection, then the appliance or service will be Red Tagged and shut off in accordance with Company Red Tagging procedures.

The procedure also includes notifications to the customer and local gas inspector, administrative actions to document Red Tags and Yellow Tags, and the scheduling of follow up inspections for Yellow Tags.

2.0 Hazardous Conditions Requiring a Red Tag and Corrective Actions

2.1 Red Tag Procedure: Shut Off and Lock Service When Problem Cannot Be Isolated

(a) This procedure applies when a hazardous condition exists and the problem cannot be isolated to a specific appliance or section of piping. Hazardous conditions include but are not limited to the following:

- (1) Gas leakage at any gas appliance or piping which cannot be stopped by permanent means. For more information about leak detection and classification, see Procedure 2-N, Leak Management, Section 3.0;
- (2) Unsafe Appliances (e.g., leaking gas, leaking water, improper or leaking flue pipe, improper installation, leaking carbon monoxide, defective heat exchanger, plugged flue passages);

(3) Unsafe Customer Piping (e.g., severe corrosion or unsupported piping which, in the opinion of the technician, presents a hazard);

(4) Unsafe Chimney; or

(5) Other unsafe conditions, similar in severity to those listed above, which present a hazard. Technicians shall contact their Supervisor with any questions or if unsure about the appropriate action to take.

(b) If a hazard exists:

(1) At all times, Company personnel shall consider and comply with Section 2.3, Customer Health and Safety Concerns.

(2) The Technician shall complete a Red Tag using the instructions on the tag.

(3) The Technician shall notify the owner (or the customer if the owner is not available) of the hazard, explain the actions taken by the Technician, explain what corrective actions must be taken by the owner/customer to restore safe operation, and advise the owner/customer to contact a qualified repair person. If the owner and the customer are not available, the condition shall be brought to the attention of the individual who gave access to the premises or the customer copy of the tag shall be left in a readily noticeable location.

(4) The Technician shall request that the person to whom the explanation of the condition was given sign the Red Tag, acknowledging receipt of the tag. If the person refuses to sign, the Technician shall make a note on both the tag and the work order stating that the person refused to sign. Use the name if possible, such as "Mr. Smith refused to sign." A copy of the tag shall be given to this person whether the person signed it or not.

(5) The Technician shall attach the original Red Tag to the meter.

(6) The Technician shall input the information from the completed Red Tag into the Gas Mobile Data System. The Technician must indicate in MDS that the gas service was shut-off and Red Tagged in order to facilitate proper PUC notification.

(7) The Technician shall contact his or her Supervisor and communicate that a complete service shut-off is required, and the Technician shall shut off and lock the service after contacting his or her supervisor. The service shall remain off and locked until the Red Tag can be removed in compliance with Section 2.4.

(8) The office copy of the Red Tag will be turned in with the Technician's work at the end of the day.

(9) The Administrative Clerk will prepare a letter to the customer using the information on the Red Tag copy, sign the letter, mail it to the customer, mail a copy of the letter to the local gas

inspector and file a copy of the letter and the Red Tag copy. Any additional information related to the Red Tag will also be kept in the file.

(10) The Administrative Clerk will make the proper PUC notification for the shut off. In N.H. this notification will occur within (48) hours as prescribed by NH PUC 1203.11(c).

2.2 Red Tag Procedure: Isolate and Shut Off at the Appliance

(a) This procedure applies when a hazardous condition exists and the problem can be isolated and the gas shut off to a specific appliance or section of piping (i.e. does not require a shut off of the entire gas service). Hazardous conditions include but are not limited to the following:

(1) Gas leakage at any gas appliance or piping which cannot be stopped by permanent means. For more information about leak detection and classification, see Procedure 2-N, Leak Management, Section 3.0;

(2) Unsafe Appliances (e.g., leaking gas, leaking water, improper or leaking flue pipe, improper installation, leaking carbon monoxide, defective heat exchanger, plugged flue passages);

(3) Unsafe Customer Piping (e.g., severe corrosion or unsupported piping which, in the opinion of the technician, presents a hazard);

(4) Unsafe Chimney;

(5) Other unsafe conditions, similar in severity to those listed above, which present a hazard. Technicians shall contact their Supervisor with any questions or if they are unsure about the appropriate action to take.

(b) If a hazardous condition exists:

(1) At all times, Company personnel shall consider and comply with Section 2.3, Customer Health and Safety Concerns.

(2) The Technician shall complete a Red Tag using the instructions on the tag.

(3) The Technician shall notify the owner (or the customer if the owner is not available) of the hazard, explain the actions taken by the Technician, explain what corrective actions must be taken by the owner/customer to restore safe operation, and advise the owner/customer to contact a qualified repair person. If the owner and the customer are not available, the condition shall be brought to the attention of the individual who gave access to the premises or the customer copy of the tag shall be left in a readily noticeable location.

(4) The Technician shall request that the person to whom the explanation of the condition was given sign the Red Tag, acknowledging receipt of the tag. If that person refuses to sign, make a note on both the tag and the work order stating that the person refused to sign. Use the name

if possible, such as "Mr. Smith refused to sign." A copy of the Red Tag shall be given to this person whether the person signed it or not.

(5) The Technician shall attach the Red Tag to the appliance or piping referenced in the Red Tag and shall also apply a cable tie or wrapping tape to the shut off or control valve of the appliance or piping to further deter the customer from reactivating the appliance or piping prior to repair and correction of the hazard. The appliance or piping shall remain shut off until the Red Tag can be removed in compliance with Section 2.4.

(6) The Technician shall input the information from the completed Red Tag into the Gas Mobile Data System.

(7) The office copy of the Red Tag will be turned in with the Technician's work at the end of the day.

(8) The Administrative Clerk will prepare a letter to the customer using the information on the Red Tag copy, sign the letter, mail it to the customer, mail a copy of the letter to the local gas inspector and file a copy of the letter and the Red Tag copy. Any additional information related to the Red Tag will also be kept in the file.

2.3 Customer Health & Safety Concerns

(a) A Technician must contact a Service Supervisor or the on-call Supervisor if the technician believes that the loss of heat and/or other safety concerns due to *Red Tagging* could impair the health or safety of the building occupants. The Service or On-Call Supervisor shall ensure that the health and safety concerns of the building occupants are properly addressed up to and including notifying local safety officials of the condition. In NH and MA the Technician may determine if it is possible to perform the service repair, for a fee, to eliminate the hazard. If repairs are possible, the technician will communicate this option to the customer.

2.4 Procedures for Removing a Red Tag

(a) If the Red Tag required that the service be shut off and locked, the customer will be required to contact Unitil to reactivate the gas flow. Prior to reinstating service the Technician will do the following:

(1) Determine whether the proper corrections have been made and the corrections have been inspected and approved by the local gas inspector.

(2) If the corrections have been properly made the Technician will remove the Red Tag and make the appropriate notes on the MDS Work Order. The turn on shall be completed as prescribed by appropriate Company turn on procedures. See Company Procedure 3- C, Meter Work by Category, Section 3.0 -4.0.

(3) If corrections have not been made or were made improperly, the Technician will contact his or her Supervisor, shut off and lock the gas service and issue a new Red Tag using the Red Tag Procedure as described in Sections 2.1 and 2.2.

(b) If the Red Tag was applied to only an isolated appliance or section of piping, then the customer is required to contact a licensed individual to make repairs and relight the appliance. This work falls under the jurisdiction of the local gas inspector and therefore Unitil is not required to perform an inspection prior to the appliance or piping being put back into service.

3.0 Conditions and Actions Warranting a Yellow Tag

(a) This procedure applies when an appliance or gas piping is found to be in violation of State Code or Local Codes and is not an immediate hazard to public safety. This procedure requires the Technician to issue a "Yellow Tag" and allows the appliance or gas piping, with the approval of a Supervisor, to be left in service. Types of conditions that are not an immediate hazard to public safety include, but are not limited to, the following:

- (1) Unprotected Piping through Masonry that is non-hazardous;
- (2) Un-Bonded CSST Gas Piping; or
- (3) Other non-Hazardous violations of State Code or Company Standards (e.g., no appliance shut-off, unsafe access to appliance, non-approved gas piping materials, improper venting of hydronic relief valves).

(b) When the Technician identifies any of the conditions in Section 3.0(a):

- (1) The Technician shall contact the Service or On-Call Supervisor;
- (2) Under the direction of the Supervisor, the Technician will conduct an inspection of the appliance and/or piping to confirm that a hazardous condition is not readily apparent;
- (3) With the Supervisor's approval, the Technician shall leave the appliance or piping in service.
- (4) The technician shall complete a yellow tag using the instructions on the tag.
- (5) The Technician shall notify the owner (or the customer if the owner is not available) of the condition, explain what corrective actions must be taken by the owner/customer to correct the condition, and explain that the owner/customer has (30) days to have the repairs made by a qualified repair person. Explain to the owner/customer that a Unitil Technician will return in (30) days for a follow-up inspection and that the service or appliance will be shut off and Red Tagged at that time if the condition(s) have not been corrected and/or the Technician cannot gain access to inspect the repairs. If the owner and customer are not available for this explanation, the condition shall be brought to the attention of the individual who gave access to the premises or the customer copy of the tag shall be left in a readily noticeable location.

(6) The Technician shall request that the person to whom the explanation of the condition was given, sign the Yellow Tag, acknowledging receipt of the tag. If that person refuses to sign, make a note on both the tag and the work order stating that the person refused to sign. Use the name if possible, such as "Mr. Smith refused to sign." A copy of the Yellow Tag shall be given to this person whether the person signed it or not.

(7) The Technician shall attach the original Yellow Tag to the appliance or piping referenced in the Yellow Tag. The Yellow Tag may be removed only pursuant to Section 3.0(c).

(8) The Technician shall input the information from the completed Yellow Tag into the Gas Mobile Data System.

(9) The office copy of the Yellow Tag will be turned in with the Service Technician's work at the end of the day.

(10) The Administrative Clerk will prepare a letter to the customer using the information on the Yellow Tag copy, sign the letter, mail it to the customer and mail a copy of the letter to the local gas inspector and file a copy of the letter and the Yellow Tag copy. Any additional information related to the Yellow Tag will also be kept in the file.

(11) The Administrative Clerk will create a MDS work order for a follow up inspection to be scheduled after (30) days from the date the Yellow Tag was issued.

(c) During the follow up inspection:

(1) If the Technician determines that the condition(s) have not been corrected and inspected by the local gas inspector, the Service or appliance will be turned off and Red Tagged in accordance with Company procedures.

(2) If the Technician cannot gain access to inspect the repairs, he or she will contact the supervisor, who will in turn contact the local gas inspector for confirmation that repairs have been made and inspected. If the local gas inspector has no record of an inspected repair, then the service or appliance will be turned off and Red Tagged in accordance with Company procedures.

(3) If the Technician determines that the repairs have been made and the condition(s) have been corrected, then the Technician will remove the Yellow Tag and complete the inspection work order in MDS with appropriate field notes.



Customer Name
1234 Street Name
Anytown, USA 01234

Date of Notice:

Account No.:

Re: Shut Off Notice Gas Service

Date of Disconnect:

Dear Customer,

Unitil's goal is to deliver natural gas to all customers as safely and efficiently as possible. On [INSERT DATE] a Unitil technician identified and tagged a safety issue with [INSERT EQUIPMENT OR PROBLEM] at [INSERT ADDRESS]. The identified safety issue must be addressed within thirty (30) days or your gas service or appliance will be shut off. Please contact a qualified contractor for all needed repairs associated with this issue. After repairs have been made and inspected by the local gas inspector, please contact our Customer Service Department at 1-888-301-7700 to schedule an appointment for a follow up inspection by a Unitil Technician. Appointments can be scheduled Monday – Friday 8 a.m. to 8 p.m. or Saturday 8 a.m. to 2 p.m. If you have any questions or would like to discuss this matter, please contact the gas service department at (603) 294-5175. If you do not contact us to inspect the repairs, your gas service will be disconnected on _____.

MEDICAL EMERGENCY – If you believe that a medical emergency exists in your home or would exist if your service were to be disconnected, you may be protected from disconnection. Please contact us at 1-888-301-7700.

IMPORTANT NOTICE – YOUR RIGHTS – If you wish to discuss further why this safety issue must be addressed to avoid disconnection, you may contact us at (603) 294-5175 to request a conference with us prior to the date of disconnect. If you are not satisfied with our explanation, you may contact the NH Public Utilities Consumer Assistance Division at 1-800-582-3793. If you request the Public Utilities Commission to review the case, your gas service will not be disconnected until a final decision is made by the Commission.

If your service is shut off you will be required to pay a reconnection charge.

Sincerely,

Name
Position Title
Unitil Corporation
(o) 555-123-5555

Dear Customer;

This follow-up letter is to inform you that your *air supply* located at _____ has been red tagged due to a hazardous condition caused by non-compliance with applicable safety regulations. It is unsafe to use until the following condition has been corrected. As a result, service to this gas appliance has been shut off.

“Defective heat exchanger.”

The safety code pertaining to the installation of gas appliances and gas piping, National Fuel Gas Code N.F.P.A. 54/58, requires that the condition be remedied. Please contact a qualified contractor to make the needed repairs associated with this issue.

If you have questions or would like to discuss this matter, please contact the service supervisor at **603-294-5159**.

Please disregard this notice if the condition has been corrected.

Sincerely,

Service Department

Unitil Gas, Portsmouth NH

Cc: City/Town Gas Inspector

Dear Customer;

This follow-up letter is to inform you that your *air supply* located at _____ has been red tagged due to a hazardous condition caused by non-compliance with applicable safety regulations. It is unsafe to use until the following condition has been corrected. As a result, your gas service has been disconnected.

“Defective heat exchanger.”

The safety code pertaining to the installation of gas appliances and gas piping, National Fuel Gas Code N.F.P.A. 54/58, requires that the condition be remedied. Please contact a qualified contractor to make the needed repairs associated with this issue.

After repairs have been made and inspected by the local gas inspector, please contact our Customer Service Department at 1-888-301-7700 to schedule an appointment for a follow-up inspection and reconnection of service by a Unitil Technician. Appointments can be scheduled Monday – Friday 8 a.m. to 8 p.m. or Saturday 8 a.m. to 2 p.m. If you have any questions or would like to discuss this matter, please contact the gas service department at (603) 294-5175.

MEDICAL EMERGENCY – Please contact us at 1-888-301-7700 if you believe that a medical emergency exists in your home due to the disconnection of service.

IMPORTANT NOTICE – YOUR RIGHTS – If you wish to discuss further why this safety issue resulted in disconnection of service and must be addressed prior to reconnection, you may contact us at (603) 294-5175 to request a conference with us. If you are not satisfied with our explanation, you may contact the N.H. Public Utilities Commission Consumer Affairs Division at 1-800-582-3793.

If you have questions or would like to discuss this matter, please contact the service supervisor at **603-294-5159**.

Please disregard this notice if the condition has been corrected and you have already contacted Unitil regarding inspection and service reconnection.

Sincerely,

Service Department
Unitil Gas, Portsmouth NH

Cc: City/Town Gas Inspector

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov
amanda.noonan@puc.nh.gov
Christina.Martin@oca.nh.gov
david.wiesner@puc.nh.gov
epler@unitil.com
mark.naylor@puc.nh.gov
mgmt@spinnakerpointnh.net
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steve.frink@puc.nh.gov
susan.chamberlin@oca.nh.gov

Docket #: 13-321-1 Printed: May 14, 2014

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**