

CHAIRWOMAN
Dianne Martin

COMMISSIONER
Kathryn M. Bailey

EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

Website:
www.puc.nh.gov

PUBLIC UTILITIES COMMISSION

21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

May 7, 2021

Gary Epler, Esq.
Chief Regulatory Counsel
Unitil Service Corp.
6 Liberty Lane West
Hampton, NH 03842

Re: DG 20-142, Northern Utilities, Inc.
Request for Waiver of Puc 505.07(a)
Grant of Waiver

Dear Mr. Epler:

On September 2, 2020, Northern Utilities, Inc. (Northern) filed a request for a waiver of New Hampshire Code of Administrative Rules, Puc 505.07(a), which requires gas utilities to maintain the equipment and facilities necessary to accurately test the meters used to measure the gas provided to customers. In support of its request, Northern submitted attachments, including its 2020 Annual Meter Testing Report and 2019 Gas Meter Testing Facility Cost Analysis. Commission Staff (Staff) filed a recommendation regarding Northern's request on March 19, 2021.

By secretarial letter dated December 19, 2017, issued in Docket No. DG 17-134, the Commission previously granted Northern a waiver of Puc 505.07(a), subject to certain conditions and effective from November 1, 2017 to October 31, 2020. Northern now seeks a new 3-year waiver of Puc 505.07(a) for effect on November 1, 2020. According to Northern, its analysis demonstrated that it continues to be more cost-effective for Northern to use an outside service company to test its meters than to test them in-house.


Based on its review of Northern's filing, Staff concluded that Northern will continue to save operating costs by outsourcing the testing of its meters. Staff noted, however, that Northern did not address in its filing how it would perform meter tests requested by customers pursuant to Puc 505.05, under which the requested test may be witnessed by the customer, the customer's agent, or Staff. Staff recommended that the Commission grant Northern's waiver request for a 4-year period beginning on November 1, 2020 and ending on October 31, 2024. Staff determined that a 4-year waiver is warranted because the number of meters that Northern is expected to add during this 4-year period is not anticipated to reach a level that would make in-house testing more cost-effective than outsourcing.

The Commission has reviewed Northern's request for a waiver of Puc 505.07(a) and, based on Staff's recommendation, determined that the standards for waiver contained in Puc 201.05 have been satisfied.

Accordingly, Northern's request to waive the requirements of Puc 505.07(a) has been granted with the following conditions:

1. Northern must confirm within 15 days of the date of this letter its capability to meet the requirements of Puc 505.05.
2. The waiver of Puc 505.07(a) shall be for a period of 4 years, commencing retroactively on November 1, 2020, with an expiration date of October 31, 2024.
3. Future waiver requests of Puc 505.07(a), if necessary, shall be filed at least 60 days prior to the expiration date of an existing waiver.
4. The waiver shall not be assignable or otherwise transferrable.
5. Northern shall immediately notify the Commission of any anticipated or actual change in its third-party vendor's testing capabilities or practices, including costs, using this docket number as a reference.
6. The Commission may reassess, revise, or otherwise alter the waiver in the event of changes in statutory or regulatory requirements, or other relevant developments related to meters and meter testing.
7. Throughout the term of this waiver, Unitil shall file annual reports of gas meter testing with sufficient detail to allow Staff to evaluate the effectiveness of outsourcing over alternative in-house options. The annual reports shall include:
 - a. A written narrative summarizing overall meter testing program results, with observations related to year-over-year average cost per meter test variances by class;
 - b. A reconciliation of actual outsourced gas meter testing program costs to identified costs in its third-party vendor's purchase order agreement(s);
 - c. A cost benefit analysis that compares sufficiently detailed actual costs of outsourcing its meter testing for each of Unitil's three gas divisions to updated cost estimates to bring the meter testing and servicing operation in-house; and
 - d. An updated status of what steps have been taken by Unitil or its meter testing program vendor to determine the defect responsible for the failure of any group of meters that have been flagged with accuracy rates of 87 percent or less.
8. All annual reports of gas metering testing should be filed by March 31 of each year throughout the term of the waiver.

Sincerely,



Debra A. Howland
Executive Director

cc: Service List (Electronically)
Docket File

Service List - Docket Related

Docket#: 20-142

Printed: 5/7/2021

Email Addresses

ExecutiveDirector@puc.nh.gov
epler@unitil.com
lynn.fabrizio@puc.nh.gov
steve.frink@puc.nh.gov
randy.knepper@puc.nh.gov
jayson.laflamme@puc.nh.gov
amanda.noonan@puc.nh.gov
ocalitigation@oca.nh.gov