

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 14-124

GRANITE STATE GAS TRANSMISSION COMPANY, INC.

**Petition for a License to Build and Maintain an Interstate
Natural Gas Pipeline Beneath the Squamscott River**

Order *Nisi* Granting License

ORDER NO. 25,702

August 4, 2014

In this order we grant GSGT's request for a license to build and maintain a natural gas pipeline beneath the Squamscott River in Exeter and Stratham. This order is being issued on a *nisi* basis to ensure that all interested parties receive notice of the Commission's order and have the opportunity to request a hearing prior to its effective date.

I. PROCEDURAL HISTORY

Granite State Gas Transmission Company, Inc. (GSGT), owns and operates an 86 mile long natural gas transmission line between Haverhill, Massachusetts, and Portland, Maine, that travels through southeastern New Hampshire. GSGT intends to replace a 0.9 mile section of pipe, which crosses the Squamscott River in Exeter and Stratham. GSGT filed a petition pursuant to RSA 371:17 seeking a license to authorize the replacement of the section crossing the river. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2014/14-124.html>.

II. POSITIONS OF THE PARTY AND STAFF

A. GSGT

According to the petition, the section of pipe GSGT intends to replace is one of the original federally-authorized sections of the interstate pipeline built in the 1950s. Petition at 1. The existing pipeline consists of coated steel with cathodic protection. The coating has corroded which makes the cathodic protection less effective. GSGT determined to replace the section of pipe that is the subject of this docket as part of its Integrity Management Program. *Id.* at 2. GSGT provided the technical details of the replacement pipe. *Id.*

GSGT states that it has the appropriate approvals from the Federal Energy Regulatory Commission (FERC). FERC confirmed that the new pipe will not materially increase the pipe's transmission capacity and that the replacement is based upon sound engineering principles. *Id.* GSGT states it has federal authority for the pipeline under a "blanket certificate of public convenience and necessity." *Id.*

GSGT states that it is in the process of obtaining the required easement in submerged lands from the state, with a hearing before the Governor and Council in August. GSGT has also sought a ruling from the Site Evaluation Committee that the project does not require a certificate of siting and facility. *Id.* at 2-3. According to the petition, the New Hampshire Rivers Management Advisory Committee determined that any potential effects on the Squamscott River will be *de minimus*, and that the New Hampshire Council on Resources and Development recommended approval of the state easement. *Id.* at 2.

GSGT states that the new pipe will be buried beneath the Squamscott River by horizontal directional drilling. GSGT has tentative agreements with all potentially affected parties

regarding the location of the pipe. *Id.* at 3. Finally, GSGT states that the new pipe will not disturb navigation or public use of the river, and that the project is necessary to meet the reasonable requirements to provide natural gas service. *Id.*

B. Commission Staff

The Commission's Safety Division reviewed the petition, attachments, land ownership records, and applicable rules. Staff first noted that the Squamscott River is a "tidal water" on the list of Public Waters maintained by the Department of Environmental Services (DES), <http://des.nh.gov/organization/commissioner/pip/publications/wd/documents/olpw.pdf>.

July 21, 2014, Recommendation of Safety Director Randall Knepper.

Second, the Safety Division confirmed that easements are in place to allow for the pipeline to be built on each shore. The Town of Exeter owns the land on the western side of the river and a private party owns the land on the eastern side. *Id.* at 2.

Third, the Safety Division noted that although the petition does not explicitly state that the project will comply with the gas pipeline safety rules of 49 CFR Part 192, "Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards," it does provide engineering details of the materials and selection of applied coatings that comply with those rules. *Id.*

Based on the information provided, the Safety Division recommended approval of the petition with the following conditions: (1) that the Commission limit any approval to the GSGT natural gas pipeline under consideration in this docket; (2) that the Commission direct GSGT to operate and maintain the crossing in conformance with the latest version of 49 CFR Part 192; and (3) that the Commission require all future alterations to the crossing that may affect the

public to conform to the version of 49 CFR Part 192 that is in place when the alteration is submitted for approval.

With those conditions, the Safety Division concluded that that the proposed natural gas pipeline would meet all current safety standards. *Id.* at 3.

III. COMMISSION ANALYSIS

RSA 371:17 requires GSGT to seek a license from the Commission to construct and maintain a pipeline beneath any “public waters” of the state whenever it is “necessary ... to meet the reasonable requirements of service to the public.” The Squamscott River is on DES’s list of public waters, as referenced above. If GSGT can demonstrate that the Squamscott River crossing is “necessary” under RSA 371:17, then RSA 371:20 authorizes the Commission to grant the license if it “may be exercised without substantially affecting the public rights in said waters.”

Based on the information presented in GSGT’s submissions and Staff’s memorandum, we find that the proposed crossing of the Squamscott River is necessary for GSGT to meet the reasonable requirements of safe and reliable service to the public as required by RSA 371:17. The petition involves a major distribution line and the proposed project will replace pipe that is more than 50 years old and deteriorating. Safe operation is an inherent component of the public rights standard under RSA 371:20. We also find that the requested license may be “exercised without substantially affecting the public rights in said waters” largely because the pipe will be buried beneath the river bed. RSA 371:20. We therefore find that the crossing is in the public good and approve the petition subject to the three conditions recommended by the Safety Division and subject to GSGT obtaining other required approvals.

Our decision is issued on a *nisi* basis to provide any interested party the opportunity to submit comments on GSGT's petition or to request a hearing.

Finally, inasmuch as DES is responsible by statute for maintaining the official list of public waters, and the New Hampshire Long Range Capital Planning and Utilization Committee is responsible for approval of any disposal or lease of state owned properties pursuant to RSA 4:40, we determine that notice of the proposed crossings to both of those entities is warranted.

The Commission issues this order on a *nisi* basis to ensure that all interest parties receive notice of the determination and have the opportunity to request a hearing.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, GSGT is authorized, pursuant to RSA 371:17 to construct, maintain and operate the proposed natural gas pipeline over and across the public waters described in its petition and depicted in its May 13, 2014, filing; and it is

FURTHER ORDERED, that this approval is limited to the natural gas pipeline under consideration in this docket, and is conditioned on the requirement that GSGT constructs, operates, maintains and, if applicable, alters the piping consistent with Puc 506.02 and 49 CFR Part 192, as amended; and it is

FURTHER ORDERED, that GSGT shall provide a copy of this Order *Nisi* to (i) the City Clerks of Exeter and Stratham, New Hampshire, (ii) the New Hampshire Attorney General, (iii) the owner of the land in Stratham bordering the eastern edge of the public waters (*i.e.*,

L. Labonte), (iv) the New Hampshire Department of Environmental Services, and (v) the New Hampshire Long Range Capital Planning and Utilization Committee, by first class mail no later than August 11, 2014, and to be documented by affidavit filed with this office on or before August 14, 2014; and it is

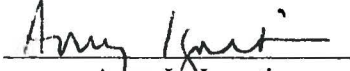
FURTHER ORDERED, that the Petitioner shall cause a summary of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than August 11, 2014, and to be documented by affidavit filed with this office on or before August 14, 2014; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than August 13, 2014, for the Commission's consideration; and it is

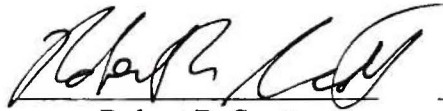
FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than August 14, 2014; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective August 15, 2014, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

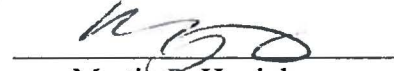
By order of the Public Utilities Commission of New Hampshire this fourth day of August, 2014.



Amy I. Ignatius
Chairman

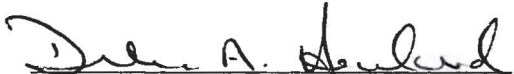


Robert R. Scott
Commissioner



Martin P. Honigberg
Commissioner

Attested by:



Debra A. Howland
Executive Director