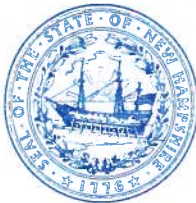


THE STATE OF NEW HAMPSHIRE



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September 19, 2012

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David Appelbaum, Transportation Specialist  
US Department of Transportation  
Pipeline and Hazardous Material Safety Administration  
1200 New Jersey Avenue S.E.  
Washington, DC 20590

RE: New Hampshire Status on Pipeline Safety Remediation Action Plans and Cast Iron Status

Dear Mr. Appelbaum:

Your letter of July 23, 2012 to Governor John Lynch requesting information regarding programs to replace leak prone and other high risk pipelines has been referred to me for response. New Hampshire's aged infrastructure does include worn, leak prone pipelines comprised primarily of bare steel and cast iron. In 1990, when the New Hampshire Public Utilities Commission recognized that leak prone pipes require formal, systematic replacement, we ordered an accelerated bare steel replacement program for one of our operators. Since that time, we have included safety related directives in many proceedings concerning all jurisdictional gas utilities. *See* Commission Orders Nos. 22,386 (1996), 23,333 (1999), 23,470 (2000), 24,777(2007), 24,906(2008), 24,996 (2009), 25,127 (2010) and 25,244 (2011) and, most recently, Orders Nos. 25,370 (2012) and 25,378 (2012). All Commission Orders are available for review and located on the Commission website at <http://www.puc.nh.gov/Regulatory/orders.htm>.

In 1994, 353 miles, or 27% of New Hampshire's distribution pipelines contained cast iron or bare steel. Through enhanced recovery mechanisms authorized by the Commission, that inventory has been cut in half, to less than 178 miles with one operator projected to remove all bare steel by 2017 and another operator projected to remove all cast iron and bare steel within the next 25 years. Presently, worn pipelines and leak prone pipelines represent only 7.5% of the distribution mains in New Hampshire. More importantly, significant quantities of bare steel services that are directly connected to customers' homes and businesses have been steadily replaced with the latest polyethylene pipelines. The Staff of the Commission's Safety Division has been extensively involved with developing customized approaches applicable to New Hampshire gas distribution systems in determining which pipelines are subject to the highest pipeline safety risks. This requires, among other things, reviewing operators' data integrity methodologies and algorithms used for weighting worn pipelines and determining priorities, requiring submission of physical samples, reporting on selected candidates for verification purposes, and tracking associated expenses.

Two items are worth noting that will further increase pipeline safety in New Hampshire. In 2012, the Commission directed the state's largest gas operator to implement a leak reduction program that achieves a 50% reduction in outstanding leaks over a defined period of time and also required the company to complete a thorough inventory of all in service Adlyl A polyethylene pipelines, including vintages, reported failures, associated leaks, and locations of pipelines and associated segment replacements. This effort will culminate in a report that outlines the size and scope of potential plastic issues so that an evaluation of associated risks can be performed and a decision as to whether a remediation program is warranted can be made.

Lastly, the Commission's Safety Division is engaged in a public rulemaking docket regarding safety requirements that is scheduled for completion by the end of 2012.

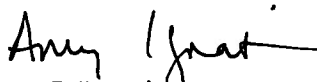
New Hampshire's Underground Damage Prevention Program is a mature program that has been in place since 1983 with enforcement authority and rulemaking residing directly with the Commission. PHMSA's evaluation placed New Hampshire as one of eight states that achieved the highest rankings. Our policy of strong enforcement coupled with educational and public outreach mechanisms has prevented many third party damages from occurring and minimized potential incidents.

As you are aware, in 2011, our Director of Safety, Randy Knepper authored the first edition of the extensive *Compendium of State Pipeline Safety Requirements & Initiatives Compared to Code of Federal Regulations*. He has been actively involved with the National Association of Pipeline Safety Representatives (NAPSR) pipeline safety technical committees, National Association of Regulatory Utility Commissions (NARUC) pipeline safety committees, Common Ground Alliance technical committees as well as regional and local committees within New Hampshire. In 2012, Mr. Knepper will become the first dual chair of both NAPSR and NARUC pipeline safety committees placing New Hampshire at the forefront of many national pipeline safety efforts.

New Hampshire has long recognized that ensuring safe and reliable service is a fundamental cornerstone in the oversight of transmission and distribution of gas. Our partnership with PHMSA and continued certification demonstrates New Hampshire's commitment to a strong pipeline safety program.

Please feel free to contact me at (603) 271-2431 if you have further questions or concerns.

Sincerely,

  
Amy L Ignatius  
Chairman

Cc Honorable John H. Lynch