

THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

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September 15, 2014

Zachary Barrett
Director of State Programs
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
3700 South McArthur Boulevard
Suite B
Oklahoma City, OK 73169

RE: New Hampshire CY 2015 State Application for Interstate Agent Status:

Dear Mr. Barrett:

This letter is intended to inform you of a recently enacted New Hampshire State Law regarding pipeline safety. New Hampshire statute RSA 363:22 was amended by House Bill 1224, effective January 1, 2015, and requires the New Hampshire Public Utilities Commission (through its Safety Division) to apply annually for interstate agent status to inspect pipeline safety of interstate natural gas pipelines and interstate hazardous liquid pipelines located within New Hampshire. It also includes provisions to report back to the New Hampshire legislature the results of such application.

Interstate Systems Involved:

Natural Gas:

New Hampshire interstate gas pipeline systems contain transmission pipelines owned and operated by 4 interstate natural gas pipeline operators:

- 1) Granite State Gas Transmission System (Operator ID #6580) owned by Unitil Corporation headquartered in Hampton, New Hampshire.
- 2) Tennessee Gas Pipeline (Operator ID #19160) owned by Kinder Morgan of Houston, Texas.
- 3) Portland Natural Gas Transmission System (Operator ID #31145) owned by TransCanada with local headquarters in Portsmouth, New Hampshire.
- 4) Maritimes and Northeast Pipeline, LLC (Operator ID #31335) owned by Spectra Energy Transmission, LLC Corp of Houston, Texas.

In total, this comprises 232 miles of interstate transmission natural gas pipeline through 31 communities within New Hampshire.

Hazardous Liquids:

New Hampshire has a single hazardous liquid pipeline containing crude oil:

- 1) Portland Pipeline System (Operator ID #15786) owned by Portland Pipeline LTD of Montreal, Canada.

Portland Pipeline System consists of 2 hazardous liquid pipeline segments traversing 5 communities within New Hampshire and is approximately 71 miles combined within New Hampshire.

Experience and Qualifications of New Hampshire Public Utilities Commission Safety Division Staff

The Commission's Safety Division comprises a Program Manager, 2 Safety Inspectors, an Underground Damage Prevention Specialist and administrative support. Both inspectors as well as the Program Manager have completed the prerequisite PHMSA Training and Qualification Courses for Natural Gas Inspector Classification.

The Commission's Safety Division believes it has the capability and technical expertise to perform inspections on the four interstate natural gas operators. Our proximity to the operators' facilities including ROW's, compressor stations, gate stations and regulating stations, coupled with an in depth knowledge of local conditions, allow us to attain more frequent inspection cycles and reviews as well as incorporate familiarity of local public concerns and expectations.

The Commission's Safety Division has all the prerequisite training and qualifications required for Standard Gas Inspections of Interstate Gas Operators. We have two outstanding prerequisites to be completed before Interstate Gas Integrity Inspections could be assigned. In terms of Hazardous Liquid Training, two prerequisite trainings are required for Standard Liquid Inspections of Interstate Hazardous Liquid Operators, and four additional training classes are required prior to conducting Interstate Hazardous Liquid Integrity Inspections. Attachment 1 contains specific information on staff training.

Previous Inspection Experience with Interstate Pipeline Operators

New Hampshire was granted temporary interim agent status for the construction of PNGTS and Maritimes and Northeast Pipeline in 1999 and 2000, improvements related to GSGT crossings of Little Bay and sections of disbonded coating in 2010 and 2013, and inspection of Kinder Morgan's 2009 compressor station installation in New Hampshire. The Commission has also performed inspections on behalf of PHMSA for project durations up to a year. Given this experience, New Hampshire believes it is positioned to complete standard inspections and monitoring on behalf of PHMSA through a Gas Interstate Agent Agreement.

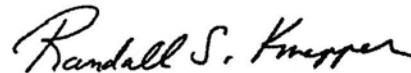
The current resources and existing staffing levels of the Safety Division would allow the Commission to integrate the additional inspections into the current schedule of inspections without any foreseeable need for additional resources.

Next Steps

Please let us know the potential for allowing the New Hampshire Public Utilities Commission to be designated an Interstate Agent. In particular, we would like to know if we should include latest pipeline safety considerations into our annual grant application(s) for CY 2015. We would like to know what PHMSA's interstate inspection needs are, in particular those of PHMSA's Eastern Region for interstate pipeline segments located within New Hampshire. It is our understanding that PHMSA has submitted budget requests to Congress for additional inspectors on the federal level. New Hampshire legislators believe this proposed arrangement of delegated authority will allow PHMSA to focus inspection efforts in states that are rapidly expanding while allowing local inspectors the opportunity to inspect interstate pipelines.

A prompt reply would be appreciated. As always, we welcome your feedback for program improvements and continuing our long standing partnership with PHMSA.

Sincerely,



Randall S. Knepper
Director, Safety Division

Cc: Amy Ignatius/PUC Chair
Cc: Eunice Landry/ PUC Bus Admin
Cc: Byron Coy/ PHMSA ER Director

ATTACHMENT 1
STAFF TRAINING QUALIFICATIONS

Gas Interstate Inspectors (Standard)

The seven core trainings required for Gas Interstate Inspectors have been completed for all New Hampshire Public Utilities Commission Inspectors including the following:

- 1 PHMSA-PL1250 *Safety Evaluation of Gas Pipeline Systems Course***
- 2 PHMSA-PL1255 *Gas Pressure Regulation & Overpressure Protection Course***
- 3 PHMSA-PL1310 *Plastic and Composite Materials Course***
- 4 PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
- 5 PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
- 6 PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
- 7 PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***

Gas Integrity Management Inspectors

In addition to the core trainings, six more trainings are required for Gas Integrity Management Inspectors. 4 of 6 have been completed for all New Hampshire Public Utility Commission Inspectors including the following:

- 8 PHMSA-PL1297 *Gas Integrity Management (IM) Protocol Course***
- 9 PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
- 10 PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Programs Course***
- 11 PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT***

Two remain to be completed; our staff is currently waitlisted by PHMSA Training & Qualification Center:

- 12 PHMSA-PL3267 *Fundamentals of Integrity Management Course***
- 13 PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***

In terms of Hazardous Liquid Training:

Hazardous Liquid Interstate Inspectors (Standard)

There are six core trainings required for Hazardous Liquid Interstate Inspectors. Four of the six have been completed for all New Hampshire Public Utilities Commission Inspectors including the following:

- 1 PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
- 2 PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
- 3 PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***
- 4 PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***

Two remain to be completed; our staff is currently waitlisted by PHMSA Training & Qualification Center:

- 5 PHMSA-PL2258 *Safety Evaluation of Hazardous Liquid Pipeline Systems Course***

6 PHMSA-PL2284/ PHMSAPL3275 *Current HAZWOPER Certification (24-hour HAZWOPER with an annual 8-hour refresher)*

Hazardous Liquid Integrity Management Inspectors

In addition to the core trainings, seven additional trainings are required for Hazardous Liquid Integrity Management Inspectors. 3 of 7 have been completed for one of New Hampshire Public Utilities Commission Inspectors including the following:

- 7 PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
- 8 PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Program Course***
- 9 PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT Programs Course***

Four remain to be completed; our staff is currently waitlisted by PHMSA Training & Qualification Center:

- 10 PHMSA-PL2288 *Safety Evaluation of Breakout Tanks Course***
- 11 PHMSA-PL2294 *Safety Evaluation of Hazardous Liquid Pipeline Integrity Management (IM)***
- 12 PHMSA-PL3267 *Fundamentals of Integrity Management Course***
- 13 PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***



U.S. Department
Of Transportation

1200 New Jersey Ave., SE
Washington, DC 20590

Pipeline and Hazardous
Materials Safety Administration

December 10, 2014

OVERNIGHT EXPRESS MAIL

Mr. Randy Knepper
Director, Safety Division
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Dear Mr. Knepper:

Thank you for your letter dated September 15, 2014, informing me of the New Hampshire State Law RSA 363:22 amended by House Bill 1224, effective January 1, 2015. The new law requires the New Hampshire Public Utilities Commission (NHPUC), through its pipeline safety division, to apply annually for interstate agent status for gas and hazardous liquid pipelines. The Pipeline and Hazardous Materials Safety Administration (PHMSA) appreciates your willingness to partner with us for the inspection of interstate pipelines in New Hampshire.

The NHPUC has acted as a temporary interstate agent for the inspection of gas facilities in the past for PHMSA. The temporary interstate agent status was for time defined specific projects such as the construction of the Portland Natural Gas Transmission System and the Maritimes and Northeast Pipeline as mentioned in your letter. PHMSA believes utilizing temporary interstate agent agreements is the best way to interface with States for the inspection of interstate pipelines. These agreements allow PHMSA to leverage State inspection resources for the specific areas where additional support benefits overall safety. PHMSA will continue to reach out to the NHPUC to participate under temporary interstate agreements for time defined projects to support the inspection of interstate pipelines in New Hampshire, when the need arises.

PHMSA encourages the NHPUC pipeline safety inspectors to complete the additional gas training for conducting integrity management inspections. This training is critical to conducting gas integrity management inspections for both intrastate and interstate gas pipelines. New Hampshire currently has only 71 miles of interstate hazardous liquid pipeline and no intrastate hazardous liquid pipelines in the state; however, PHMSA notes you have been pursuing the training necessary for the inspection of hazardous liquid pipelines. To the extent this training

does not detract from your primary inspection responsibilities over intrastate gas pipeline facilities we are supportive of your continued training in this area. The training would allow PHMSA to work with the NHPUC for the inspection of hazardous liquid pipeline construction in the State. In our review of forecasted pipeline construction activity, we do not foresee the need to use the NHPUC in 2015.

PHMSA has always encouraged States to focus inspection resources on the intrastate pipelines under their safety authority where there is a greater potential of pipeline incidents due to the population and infrastructure density. As mentioned above we will continue to look for opportunities to participate with the NHPUC for the inspection of interstate pipelines under temporary interstate agreements where it does not detract from intrastate safety oversight. I have requested Mr. Byron Coy, PHMSA Eastern Region Director for Pipeline Safety, to alert me to any opportunities where temporary interstate agent support from the NHPUC would support the overall safety mission. If projects are identified we will contact you to discuss them and draft the documentation necessary for temporary interstate agent status for those defined projects. Again, I appreciate your willingness to support interstate pipeline safety inspections and your contributions to pipeline safety.

Sincerely,

A handwritten signature in blue ink, appearing to read "Zach Barrett", with a stylized flourish extending to the right.

Zach Barrett
Director for State Programs
Office of Pipeline Safety

cc: Jim Anderson, State Programs Evaluator, PHMSA, PHP-50
Byron Coy, Director, Eastern Region, PHMSA, PHP-100

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Kathryn M. Bailey

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September 30, 2015

Representative Robert Introne, Chairman
House Science Technology and Energy Committee
Legislative Office Building
33 N. State Street
Concord, NH 03301

Re: Annual Report to the New Hampshire House Science, Technology and Energy Committee

Dear Chairman Introne:

As required in RSA 363:22-a, Pipeline Operation Safety, Sub-Section II, the New Hampshire Public Utilities Commission (the Commission) respectfully submits this annual report to the New Hampshire House Science, Technology and Energy Committee.

At this time, the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the U.S. Department of Transportation has full jurisdiction for inspection and enforcement actions regarding interstate matters related to pipeline safety in New Hampshire.

On September 15, 2014, the Commission submitted a formal request to Zachary Barrett, the Director of State Programs at PHMSA, for the authorization of our fully qualified inspectors (PHMSA Pipeline Safety Regulations, Parts 191-192) to conduct standard gas inspections of interstate gas pipeline operators. We also requested authorization to conduct hazardous liquids inspections of the lone interstate hazardous liquids pipeline operator. At the time of this request, the Commission's inspectors were in the process of taking the necessary training to become qualified inspectors (PHMSA Pipeline Safety Regulations, Part 195) for standard hazardous liquids inspections of the lone interstate hazardous liquids operator. Subsequently, during 2015, the aforementioned training has now been completed by our pipeline safety inspectors.

On December 10, 2014, the Commission received a response from Mr. Barrett (PHMSA), encouraging us to continue with our inspector training in these areas, as necessary, to conduct our primary responsibilities over intrastate pipeline facilities. As of September 30, 2015, PHMSA has not relinquished its responsibilities related to inspections of interstate gas pipeline operators and interstate hazardous liquids pipeline operators that currently operate in New Hampshire. The PHMSA response to New Hampshire is consistent to responses given to other

states making the similar requests. In fact, PHMSA has publicly stated that it is rescinding interstate agent status to those states that currently have such authorities.

In October the Commission will again apply to PHMSA for interstate agent authorizations regarding pipeline operations, maintenance, design, qualification of personnel and other monitoring and compliance inspections as necessary. The Commission's pipeline safety inspectors have completed the necessary PHMSA training and are fully qualified to conduct inspections of interstate gas operators and interstate hazardous liquids operators that currently operate in New Hampshire.

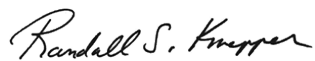
Once again, for intrastate gas operations, the Commission received a perfect score from PHMSA, in its latest evaluation of the New Hampshire Pipeline Safety Program.

There were no new pipeline projects in New Hampshire during the past twelve months. There was a small rehabilitation of the Granite State Gas Transmission System, located on the New Hampshire sea coast, that neither PHMSA, nor the Commission inspected. There is one proposed project that the Commission is monitoring, the Northeast Energy Direct project being developed by Kinder Morgan's Tennessee Gas Pipeline. This pipeline will be an interstate natural gas transmission system that would pass through several southern New Hampshire towns if the project receives approval by the Federal Energy Regulatory Commission. The New Hampshire Site Evaluation Committee (SEC) will likely also review this project, if petitioned.

The Commission will be reviewing its Puc 1400 Pipeline Public Utility rules for purposes of incorporating operator safety requirements that reflect, or to the extent possible, strengthen the requirements of PHMSA Part 195, as related to hazardous liquids pipelines. This rulemaking exercise will be similar to the material that the Commission has already incorporated into the Puc 500 Gas rules.

Lastly, the Commission is not aware of any violations imposed by PHMSA during the past twelve months among any of the five interstate pipeline operators in New Hampshire. The Commission has no knowledge of any interstate pipeline inspections being performed in New Hampshire by PHMSA during the past year.

Respectfully,

A handwritten signature in cursive script, reading "Randall S. Krueger".

Director, Safety & Security

CHAIRMAN
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November 30, 2015

Zachary Barrett
Director of State Programs
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
3700 South MacArthur Boulevard, Suite B
Oklahoma City, OK 73169

RE: New Hampshire CY 2016 State Application for Interstate Agent Status

Dear Mr. Barrett:

This letter is intended to once again remind you of a recently enacted 2014 New Hampshire State Law regarding pipeline safety. New Hampshire statute RSA 363:22 amended by House Bill 1224 became effective January 1, 2015, and requires the New Hampshire Public Utilities Commission (through its Safety Division) to annually apply for interstate agent certification to inspect safety issues of interstate natural gas pipelines and interstate hazardous liquid pipelines located within New Hampshire. It also includes provisions to report back to the New Hampshire legislature the results of such application.

Interstate Systems Involved:

Natural Gas:

New Hampshire interstate gas pipeline systems contain transmission pipelines owned and operated by 4 interstate natural gas pipeline operators:

- 1) Granite State Gas Transmission System (Operator ID #6580) owned by Unitil Corporation headquartered in Hampton, New Hampshire.
- 2) Tennessee Gas Pipeline (Operator ID #19160) owned by Kinder Morgan of Houston, Texas.
- 3) Portland Natural Gas Transmission System (Operator ID #31145) owned by TransCanada with local headquarters in Portsmouth, New Hampshire.
- 4) Maritimes and Northeast Pipeline, LLC (Operator ID #31335) owned by Spectra Energy Transmission, LLC Corp of Houston, Texas.

In total, this comprises 232 miles of interstate transmission natural gas pipeline through 31 communities within New Hampshire.

Also of note is an incremental 76 mile interstate transmission pipeline segment of the proposed Northeast Direct Expansion Project to be developed by Kinder Morgan that is currently proposed to be located in southern New Hampshire, passing through 17 communities; 13 of which currently have no interstate transmission pipelines. The petition filed at FERC on November 20, 2015 consists of a \$5 billion project that is proposed along a larger projected route traversing New York, Massachusetts, and New Hampshire. The in service date is expected to be 2018 if FERC grants a certificate of need and the New Hampshire Site Evaluation Committee also grants a certificate.

Hazardous Liquids:

New Hampshire has a single hazardous liquid pipeline containing crude oil:

- 1) Portland Pipeline System (Operator ID #15786) owned by Portland Pipeline LTD of Montreal, Canada.

Portland Pipeline System consists of 2 hazardous liquid pipeline segments traversing 5 communities within New Hampshire and is approximately 71 miles combined within New Hampshire.

Experience and Qualifications of New Hampshire Public Utilities Commission Safety Division Staff

The Commission's Safety Division consists of a Program Manager, 2 Safety Inspectors, an Underground Damage Prevention Specialist and administrative support. Both inspectors as well as the Program Manager have completed the prerequisite PHMSA Training and Qualification Courses for Natural Gas Inspector Classification.

The Commission's Safety Division believes it has the capability and technical expertise to perform inspections on the four interstate natural gas operators and now the hazardous liquid interstate operator. Our proximity to the operators' facilities including ROW's, compressor stations, gate stations and regulating stations, coupled with in depth knowledge of local conditions can only add greater insights to inspection routines. Closer proximity also allow us to establish and attain more frequent inspection cycles, yield attentive and concentrated reviews as well as incorporate familiarity of local public concerns and expectations into the monitoring of pipelines. Rather than reviewing an overall encompassing corporate plan for completeness we will be able to provide extensive focus on those segments located within New Hampshire and any associated operations impacted within New Hampshire. This would fulfill the intent of our State legislature and the impacted public

The Commission's Safety Division has all the prerequisite training and qualifications required for Standard Gas Inspections of Interstate Gas Operators. We have also completed all prerequisites necessary for Interstate Gas Integrity Inspections. In terms of Hazardous Liquid Training, one prerequisite training is required for Standard Liquid Inspections of Interstate Hazardous Liquid Operators, and two additional training classes are required prior to conducting Interstate Hazardous Liquid Integrity Inspections. Attachment 1 contains specific information on staff training.

Previous Inspection Experience with Interstate Pipeline Operators

New Hampshire was granted temporary interim agent status for the construction of PNGTS and Maritimes and Northeast Pipeline in 1999 and 2000, improvements related to GSGT crossings of Little Bay

and sections of disbonded coating in 2010 and 2013, and inspection of Kinder Morgan's 2009 compressor station installation in New Hampshire. The Commission has also performed inspections on behalf of PHMSA for project durations up to a year. Given this experience, New Hampshire believes it is well positioned to complete standard as well as comprehensive inspections and monitoring on behalf of PHMSA through a Gas Interstate Agent Agreement.

As you are well aware, New Hampshire has no municipal gas companies, no gathering lines and no offshore gas pipelines. We do not believe the added inspection work will cause any detriment to existing programs.

All LPG operators have been inspected for the last dozen years and are well integrated into the core of New Hampshire pipeline safety inspection cycles. Our master meter operators have steadily been reduced over several decades to where we have only one remaining. The lone master meter operator has contracted with the local gas distribution operator for maintenance and emergency response functions resulting in a very desirable situation.

New Hampshire's Underground Damage Prevention Program is a mature program that is well established for over 32 years. We currently oversee and effectively enforce the one call requirements for all operators within New Hampshire including interstate gas transmission operators and interstate hazardous liquid transmission operators. The latest 2014 PHMSA characterization tool once again scored New Hampshire's underground damage prevention system with a perfect rating.

The current resources and existing staffing levels of the Safety Division would allow the Commission to integrate the additional inspections into the current schedule of inspections without any foreseeable need for additional resources. Our staffing levels using previous PHMSA formulas and proposed PHMSA minimum inspection activity provide assurances that there is little risk for degradation to our existing program.

Governmental Efficiency

New Hampshire believes a fundamental tenant of public service demands efficiency at all governmental levels. We provide the following examples where increased efficiency can be gained by breaking down the jurisdictional barriers that exist today.

Example 1 – Welding Inspections

In New Hampshire, the distribution companies use a pool of qualified welders to perform welding activities on steel pipelines. The same pool of welders is also used by the interstate pipeline operators. We routinely review the qualifications of those welders and believe efficiency can be gained by reviewing the same welding qualifications as part of the interstate inspection process. Until, a local distribution operator in New Hampshire and Maine also owns the Granite State Gas Transmission Pipeline (GS GT). In fact GS GT records and offices are maintained in the same building, on the same floor as those for the distribution operator. It is inefficient to not perform both inspections concurrently given the fact they are a few file cabinets from each other.

Example 2 – Gate Stations/ Regulation Stations

All of the Gate Stations are above ground and form the transfer point where the interstate system is transferred to the local distribution system. While performing regulator inspections at these locations it would be efficient use of an inspector's time to also inspect the interstate piping since these are at jointly operated facilities. At that same time ROW inspections of required markers can also be performed since the Gate Stations are located within the ROW. Again this would be an efficient use of resources.

Example 3 – Greater Savings of Per Inspection Costs

It is well established that state programs on average have a lower cost per inspector than our federal partners. The largest cost savings is derived from smaller labor and benefits expenditures. This coupled with reduced travel expenditures leads to greater cost savings which in turn reduces rates of customers.

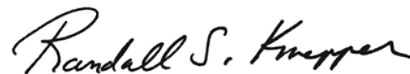
Next Steps

Please let us know the potential for allowing the New Hampshire Public Utilities Commission to be designated an Interstate Agent. Given that each interstate agent application is only for a year at a time, we believe that the general and broader interstate agent status is what the citizens of New Hampshire were requesting when our state laws were amended in 2014. Limited, time defined arrangements have always been available. In particular, we would like to know how any acceptance of our offer affects our latest pipeline safety annual grant application(s) for CY 2016.

We would like to know what PHMSA's interstate inspection needs are, in particular those of PHMSA's Eastern Region for interstate pipeline segments located within New Hampshire. It is our understanding that PHMSA has submitted budget requests to Congress for significant additional inspectors on the federal level. New Hampshire legislators believe the proposed arrangement we seek of delegated authority will allow PHMSA to focus inspection efforts in states that are rapidly expanding resulting from the increased associated construction activity in shale regions while allowing local inspectors the opportunity to inspect interstate pipelines maximizing our inherent advantages.

A prompt reply would be appreciated. As always, we welcome your feedback for program improvements and continuing our long standing partnership with PHMSA.

Sincerely,



Randall S. Knepper
Director, Safety Division

cc: Martin Honigberg, PUC Chairman
Debra Howland, PUC Executive Director
Byron Coy, PHMSA Eastern Region Director
Eunice Landry, PUC Bus Administrator

ATTACHMENT 1
STAFF TRAINING QUALIFICATIONS

Gas Interstate Inspectors (Standard)

The seven core trainings required for Gas Interstate Inspectors have been completed for all New Hampshire Public Utilities Commission Inspectors including the following:

1. **PHMSA-PL1250 *Safety Evaluation of Gas Pipeline Systems Course***
2. **PHMSA-PL1255 *Gas Pressure Regulation & Overpressure Protection Course***
3. **PHMSA-PL1310 *Plastic and Composite Materials Course***
4. **PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
5. **PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
6. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
7. **PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***

Gas Integrity Management Inspectors

In addition to the core trainings, six more trainings are required for Gas Integrity Management Inspectors. All six have been completed for all New Hampshire Public Utility Commission by at least of the pipeline safety program staff including the following:

8. **PHMSA-PL1297 *Gas Integrity Management (IM) Protocol Course***
9. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
10. **PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Programs Course***
11. **PHMSA-PL3IC *Investigating and Managing Internal Corrosion of Pipelines WBT***
12. **PHMSA-PL3267 *Fundamentals of Integrity Management Course***
13. **PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***

In terms of Hazardous Liquid Training:

Hazardous Liquid Interstate Inspectors (Standard)

There are six core trainings required for Hazardous Liquid Interstate Inspectors. Five of the six have been completed for all New Hampshire Public Utilities Commission Inspectors including the following:

1. **PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
2. **PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
3. **PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***
4. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
5. **PHMSA-PL2258 *Safety Evaluation of Hazardous Liquid Pipeline Systems Course***

A single remain to be completed; our staff is currently waitlisted by PHMSA Training & Qualification Center for over a year:

6. **PHMSA-PL2284/ PHMSAPL3275 *Current HAZWOPER Certification (24-hour HAZWOPER with an annual 8-hour refresher)***

Hazardous Liquid Integrity Management Inspectors

In addition to the core trainings, seven additional trainings are required for Hazardous Liquid Integrity Management Inspectors. 5 of 7 have been completed for one or more of New Hampshire Public Utilities Commission Staff including the following:

7. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
8. **PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Program Course***
9. **PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT Programs Course***
10. **PHMSA-PL3267 *Fundamentals of Integrity Management Course***
11. **PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***

Two remain to be completed; our staff is currently waitlisted by PHMSA Training & Qualification Center for over a year:

12. **PHMSA-PL2288 *Safety Evaluation of Breakout Tanks Course*** (It should be noted that the lone Hazardous Liquid Interstate Pipeline within New Hampshire has no break out tanks.)
13. **PHMSA-PL2294 *Safety Evaluation of Hazardous Liquid Pipeline Integrity Management (IM)***

Gilpatric, Kerri-Lyn

From: Barrett, Zach (PHMSA) <Zach.Barrett@dot.gov>
Sent: Thursday, September 01, 2016 3:56 PM
To: Knepper, Randy
Cc: Martin, Don (PHMSA); Evans, Rex (PHMSA); Coy, Byron (PHMSA)
Subject: RE: Annual Interstate Agent Request

I apologize for you not receiving a response to your November 30th letter – totally my fault. Please in the future follow-up with an email requesting the status of our response if you fail to receive something within 30 days of making a request to us by mail. Please send me an email with a PDF of your September 2016 signed letter requesting interstate agent status. As you know PHMSA has moved more in the direction of project specific and time defined agreements for interstate projects such as construction.

From: Knepper, Randy [<mailto:Randy.Knepper@puc.nh.gov>]
Sent: Thursday, September 01, 2016 2:02 PM
To: Barrett, Zach (PHMSA)
Cc: Martin, Don (PHMSA); Evans, Rex (PHMSA); Coy, Byron (PHMSA)
Subject: RE: Annual Interstate Agent Request

Zach

We sent a request on Sept 14, 2014 for CY 2015 and received a reply back Dec 10, 2014.

We sent a request on Nov 30, 2015 for CY 2016 and did not receive a reply back.

We will be sending a request in September 2016 for CY 2017.

Attached is the correspondence to date. I will also be sending a letter to Byron to see how many federal inspections were done for the 4 interstate transmission pipelines and 1 hazardous liquid pipeline in New Hampshire. (I mention this so Byron can start to pull the information)

I couple the two and file a report to our state legislature annually.

Hope this helps. If there are any questions please give me a call.

Randy Knepper
Director of Safety
New Hampshire Public Utilities Commission
21 So Fruit St
Concord, NH 03301
603-271-6026
randy.knepper@puc.nh.gov

From: Barrett, Zach (PHMSA) [<mailto:Zach.Barrett@dot.gov>]
Sent: Thursday, September 01, 2016 2:32 PM
To: Knepper, Randy
Cc: Martin, Don (PHMSA); Evans, Rex (PHMSA); Coy, Byron (PHMSA)
Subject: Annual Interstate Agent Request

Randy,

I know you are required to send a request for interstate agent status every year. I have not yet seen your request for this year can you forward the signed requesting letter so we can respond to it. Thanks, "Zach"

CHAIRMAN
Martin P. Honigberg

COMMISSIONERS
Robert R. Scott
Cathryn M. Bailey

EXECUTIVE DIRECTOR
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STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

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FAX No. 271-3878

Website:
www.puc.nh.gov

September 28, 2016

Zachary Barrett
Director of State Programs
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
3700 South MacArthur Boulevard, Suite B
Oklahoma City, OK 73169

RE: New Hampshire CY 2017 State Application for Interstate Agent Status

Dear Mr. Barrett:

This letter is intended to once again remind you of our 2014 enacted New Hampshire State Law regarding pipeline safety. New Hampshire statute RSA 363:22 amended by House Bill 1224 became effective January 1, 2015, and requires the New Hampshire Public Utilities Commission (through its Safety Division) to apply annually for interstate agent certification to inspect safety issues of interstate natural gas pipelines and interstate hazardous liquid pipelines located within New Hampshire. It also includes provisions to report back to the New Hampshire legislature the results of such application.

Interstate Systems Involved:

Natural Gas:

New Hampshire interstate gas pipeline systems contain transmission pipelines owned and operated by 4 interstate natural gas pipeline operators:

- 1) Granite State Gas Transmission System (Operator ID #6580) owned by Unitil Corporation headquartered in Hampton, New Hampshire.
- 2) Tennessee Gas Pipeline (Operator ID #19160) owned by Kinder Morgan of Houston, Texas.
- 3) Portland Natural Gas Transmission System (Operator ID #31145) owned by TransCanada with local headquarters in Portsmouth, New Hampshire.
- 4) Maritimes and Northeast Pipeline, LLC (Operator ID #31335) owned by Spectra Energy Transmission, LLC Corp of Houston, Texas.

In total, this comprises 232 miles of interstate transmission natural gas pipeline through 31 communities within New Hampshire.

In 2016 Kinder Morgan withdrew its request from FERC to build the Northeast Direct Transmission Pipeline in Southern New Hampshire and canceled the project.

Hazardous Liquids:

New Hampshire has a single hazardous liquid pipeline containing crude oil:

Portland Pipeline System (Operator ID #15786) owned by Portland Pipeline LTD of Montreal, Canada.

Portland Pipeline System consists of 2 hazardous liquid pipeline segments traversing 5 communities within New Hampshire and is approximately 71 miles combined within New Hampshire.

Experience and Qualifications of New Hampshire Public Utilities Commission Safety Division Staff

The Commission's Safety Division consists of a Program Manager, 2 Safety Inspectors, an Underground Damage Prevention Specialist and administrative support. Both inspectors as well as the Program Manager have completed the prerequisite PHMSA Training and Qualification Courses for Natural Gas Inspector Classification.

The Commission's Safety Division believes it has the capability and technical expertise to perform inspections on the four interstate natural gas operators and now the hazardous liquid interstate operator. Our proximity to the operators' facilities including ROW's, compressor stations, gate stations and regulating stations, coupled with in depth knowledge of local conditions can only add greater insights to inspection routines. Closer proximity also allows us to establish and attain more frequent inspection cycles, yield attentive and concentrated reviews as well as incorporate familiarity with local public concerns and expectations into the monitoring of pipelines. Rather than reviewing an overall encompassing corporate plan for completeness, we will be able to provide extensive focus on those segments located within New Hampshire and any associated operations impacted within New Hampshire. While accomplishing PHMSA's inspection requirements, inspections completed by New Hampshire inspectors serves a dual purpose of achieving the New Hampshire legislature's goals of satisfying potential concerns regarding impacts of pipelines upon the local public.

The Commission's Safety Division has all the prerequisite training and qualifications required for Standard Gas Inspections of Interstate Gas Operators. We have also completed all prerequisites necessary for Interstate Gas Integrity Inspections. In terms of Hazardous Liquid Training, all prerequisite training is required for Standard Liquid Inspections of Interstate Hazardous Liquid Operators, and one training class is required prior to conducting Interstate Hazardous Liquid Integrity Inspections. Attachment 1 contains specific information on staff training.

Previous Inspection Experience with Interstate Pipeline Operators

New Hampshire was granted temporary interim agent status for the construction of PNGTS and Maritimes and Northeast Pipeline in 1999 and 2000, improvements related to GSGT crossings of Little Bay and sections of disbonded coating in 2010 and 2013, and inspection of Kinder Morgan's 2009 compressor station installation in New Hampshire. The Commission has also performed inspections on behalf of PHMSA for project durations up to a year. Given this experience, New Hampshire believes it is well positioned to complete standard as well as comprehensive inspections and monitoring on behalf of PHMSA through a Gas Interstate Agent Agreement. These agreements are only for one year at a time and do not preclude any federal oversight.

As you are well aware, New Hampshire has no municipal gas companies, no gathering lines and no offshore gas pipelines. We do not believe the added inspection work will cause any detriment to existing programs.

All LPG operators have been inspected for the last dozen years and are well integrated into the core of New Hampshire pipeline safety inspection cycles. Our master meter operators have steadily been reduced over several decades to where we have only one remaining. The lone master meter operator has contracted with the local gas distribution operator for maintenance and emergency response functions resulting in a very desirable situation.

New Hampshire's Underground Damage Prevention Program is a mature program that is well established for over 33 years. We currently oversee and effectively enforce the one call requirements for all operators within New Hampshire including interstate gas transmission operators and interstate hazardous liquid transmission operators. The latest 2014 PHMSA characterization tool once again scored New Hampshire's underground damage prevention system with a perfect rating. We fully expect to have an effective program classification as a result of PHMSA's Part 198 Subpart D evaluation.

The current resources and existing staffing levels of the Safety Division would allow the Commission to integrate the additional inspections into the current schedule of inspections without any foreseeable need for additional resources. Our staffing levels using previous PHMSA formulas and proposed PHMSA minimum inspection activity provide assurances that there is little risk for degradation to our existing program.

Governmental Efficiency

New Hampshire citizens demand efficient government at all levels. We provide the following examples where increased efficiency can be gained by breaking down the jurisdictional barriers that exist today.

Example 1 – Welding Inspections

In New Hampshire, the distribution companies use a pool of qualified welders to perform welding activities on steel pipelines. The same pool of welders is also used by the interstate pipeline operators. We routinely review the qualifications of those welders and believe efficiency can be gained by reviewing the same welding qualifications as part of the interstate inspection process. Unitil, a local distribution operator in New Hampshire and Maine also owns the Granite State Gas Transmission Pipeline (GSGT). In fact GSGT records and offices are maintained in the same building, on the same floor as those for the distribution operator. It is inefficient to not perform both inspections concurrently given the fact they are a few file cabinets from each other.

Example 2 – Gate Stations/ Regulation Stations

All of the Gate Stations are above ground and form the transfer point where the interstate system is transferred to the local distribution system. While performing regulator inspections at these locations it would be efficient use of an inspector's time to also inspect the interstate piping since these are at jointly operated facilities. At that same time ROW inspections of required markers can also be performed since the Gate Stations are located within the ROW. Again this would be an efficient use of resources.

Example 3 – Greater Savings of Per Inspection Costs

It is well established that state programs on average have a lower cost per inspector than our federal partners. The largest cost savings is derived from smaller labor and benefits expenditures. This coupled with reduced travel expenditures leads to greater cost savings which in turn reduces rates of customers.

Next Steps

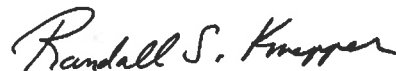
Please let us know the potential for allowing the New Hampshire Public Utilities Commission to be designated an Interstate Agent. Given that each interstate agent application is only for a year at a time, we believe that the general and broader interstate agent status is what the citizens of New Hampshire were requesting when our state laws were amended in 2014. Limited, time defined arrangements have always been available. In particular, we would like to know how any acceptance of our offer affects our latest pipeline safety annual grant application(s) for CY 2017.

We would like to know what PHMSA's interstate inspection needs are, in particular those of PHMSA's Eastern Region for interstate pipeline segments located within New Hampshire. It is our understanding that PHMSA has been approved by Congress for significant additional inspectors on the federal level. New Hampshire legislators believe the proposed arrangement we seek of delegated authority will allow PHMSA direct federal resources to focus inspection efforts in states that are rapidly expanding resulting from the increased associated construction activity in shale regions while allowing local inspectors the opportunity to inspect interstate pipelines maximizing our inherent advantages. This frees up PHMSA inspectors to concentrate on the construction activity associated with these large construction projects.

Lastly, the "Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, Public Law No. 114-183 was signed into law Jun. 22, 2016. We note Section 60106 (b) (4) and Section 60106 (f) may be applicable in this case and would like to be apprised of PHMSA's intentions of inspection activity in New Hampshire for CY 2017.

A prompt reply would be appreciated. As always, we welcome your feedback for program improvements and continuing our long standing partnership with PHMSA.

Sincerely,



Randall S. Knepper
Director, Safety Division

cc: Martin Honigberg, PUC Chairman
Debra Howland, PUC Executive Director
Byron Coy, PHMSA Eastern Region Director
Eunice Landry, PUC Bus Administrator

ATTACHMENT 1
STAFF TRAINING QUALIFICATIONS

Gas Interstate Inspectors (Standard)

The seven core trainings required for Gas Interstate Inspectors have been completed for all New Hampshire Public Utilities Commission Inspectors including the following:

1. PHMSA-PL1250 *Safety Evaluation of Gas Pipeline Systems Course*
2. PHMSA-PL1255 *Gas Pressure Regulation & Overpressure Protection Course*
3. PHMSA-PL1310 *Plastic and Composite Materials Course*
4. PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course*
5. PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course*
6. PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course*
7. PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course*

Gas Integrity Management Inspectors

In addition to the core trainings, six more trainings are required for Gas Integrity Management Inspectors. All six have been completed by two of three employees of the New Hampshire Public Utility Commission by at least of the pipeline safety program staff including the following:

8. PHMSA-PL1297 *Gas Integrity Management (IM) Protocol Course*
9. PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course*
10. PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Programs Course*
11. PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT*
12. PHMSA-PL3267 *Fundamentals of Integrity Management Course*
13. PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course*

In terms of Hazardous Liquid Training:

Hazardous Liquid Interstate Inspectors (Standard)

There are six core trainings required for Hazardous Liquid Interstate Inspectors. Five of the six have been completed for all New Hampshire Public Utilities Commission Inspectors including the following:

1. PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course*
2. PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course*
3. PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course*
4. PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course*
5. PHMSA-PL2258 *Safety Evaluation of Hazardous Liquid Pipeline Systems Course*

A single remain to be completed; our staff is currently waitlisted by PHMSA Training & Qualification Center for over a year but is expected to be completed in January 2017:

6. **PHMSA-PL2284/ PHMSAPL3275 Current HAZWOPER Certification (24-hour HAZWOPER with an annual 8-hour refresher)**

Hazardous Liquid Integrity Management Inspectors

In addition to the core trainings, seven additional trainings are required for Hazardous Liquid Integrity Management Inspectors. 7 of 7 have been completed for one or more of New Hampshire Public Utilities Commission Staff including the following:

7. **PHMSA-PL3291 Fundamentals of (SCADA) System Technology and Operation Course**
8. **PHMSA-PL3292 Safety Evaluation of Inline Inspection (ILI)/Pigging Program Course**
9. **PHMSA-PL31C Investigating and Managing Internal Corrosion of Pipelines WBT Programs Course**
10. **PHMSA-PL3267 Fundamentals of Integrity Management Course**
11. **PHMSA-PL3306 External Corrosion Direct Assessment (ECDA) Field Course**
12. **PHMSA-PL2288 Safety Evaluation of Breakout Tanks Course** (It should be noted that the lone Hazardous Liquid Interstate Pipeline within New Hampshire has no break out tanks.)
13. **PHMSA-PL2294 Safety Evaluation of Hazardous Liquid Pipeline Integrity Management (IM)**

CHAIRMAN
Martin P. Honigberg

COMMISSIONER
Robert R. Scott
Kathryn M. Bailey

EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

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

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Website:
www.puc.nh.gov

September 30, 2016

Representative Robert Introne, Chairman
House Science, Technology and Energy Committee
Legislative Office Building
33 N. State Street
Concord, NH 03301

Re: Annual Report to the New Hampshire House Science, Technology and Energy Committee

Dear Chairman Introne:

As required by RSA 363:22-a, Pipeline Operation Safety, Sub-Section II, the New Hampshire Public Utilities Commission (Commission) respectfully submits this annual report to the New Hampshire House Science, Technology and Energy Committee.

At this time, the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the U.S. Department of Transportation has full jurisdiction for inspection and enforcement actions regarding interstate matters related to pipeline safety in New Hampshire. This includes gas transmission pipelines and the one oil transmission pipeline within New Hampshire.

On November 30, 2015, the Commission submitted a formal request to Zachary Barrett, the Director of State Programs at PHMSA, for authorization of our fully qualified inspectors (PHMSA Pipeline Safety Regulations, Parts 191-192) to conduct standard gas inspections of interstate gas pipeline operators. We also requested authorization to conduct hazardous liquids inspections of the one interstate hazardous liquids pipeline operator. At the time of this request, the Commission's inspectors were in the process of taking the necessary training to become qualified inspectors (PHMSA Pipeline Safety Regulations, Part 195) for standard hazardous liquids inspections of the one interstate hazardous liquids operator.

On September 28, 2016, the Commission again applied to PHMSA for interstate agent authorizations regarding pipeline operations, maintenance, design, qualification of personnel and other monitoring and compliance inspections as necessary. The Commission's pipeline safety inspectors have completed the necessary PHMSA training and are fully qualified to conduct inspections of interstate gas operators and interstate hazardous liquids operators that currently operate in New Hampshire.

The Commission has not received a formal response from Mr. Barrett (PHMSA). Mr. Barrett has, however, communicated to us that PHMSA's overall position has remained the same as stated in PHMSA's December 2014 response to a similar request. To date, PHMSA has not relinquished its responsibilities related to inspections of interstate gas pipeline operators and interstate hazardous liquids pipeline operators that currently operate in New Hampshire. The PHMSA response to New Hampshire is consistent with responses given to other states making similar requests. PHMSA has publicly stated that the agency has no desire to allow any further certifications regarding interstate facilities.

There were no new pipeline projects in New Hampshire during the past twelve months. There was a small rehabilitation of the Granite State Gas Transmission System, located on the New Hampshire seacoast, that neither PHMSA, nor the Commission inspected.

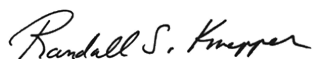
The highly publicized Northeast Energy Direct project being developed by Kinder Morgan's Tennessee Gas Pipeline was canceled in early 2016 and no application was filed with the New Hampshire Site Evaluation Committee (SEC). This proposed pipeline was to be an interstate natural gas transmission system projected to pass through several southern New Hampshire towns.

The Commission will be reviewing N.H. Code of Admin Rules Puc 1400 Pipeline Public Utilities for purposes of incorporating operator safety requirements that reflect, or to the extent possible, strengthen the requirements of PHMSA Part 195, as related to hazardous liquids pipelines. This rulemaking exercise will be similar to the material that the Commission has already incorporated into the Puc 500 Gas rules. The SEC did include conditions for siting interstate gas transmission pipelines in its August 2016 amendments to SITE 300 rulemaking.

The "Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, Public Law No. 114-183 was signed into law Jun. 22, 2016. We note Section 60106 (b) (4) and Section 60106 (f) require PHMSA's to apprise the Commission of its intentions of inspection activity in New Hampshire for CY 2017 that would allow for us to attend coordinated inspections.

Lastly, the Commission is not aware of any violations imposed by PHMSA during the past twelve months among any of the five interstate pipeline operators in New Hampshire. PHMSA has indicated to the Commission that Portland Pipeline Corp., Tennessee Gas Pipeline and Maritimes Northeast Pipeline were inspected in 2015 by PHMSA.

Respectfully,



Director, Safety & Security

Cc; A. Ross, NHPUC
D. Howland, NHPUC



U.S. Department
Of Transportation

1200 New Jersey Ave., SE
Washington, DC 20590

Pipeline and
Hazardous Materials
Safety Administration

October 21, 2016

OVERNIGHT EXPRESS MAIL

Mr. Randall Knepper
Director, Safety Division
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Dear Mr. Knepper:

Thank you for your letter dated September 28, 2016, requesting Interstate Agent Status as required by the New Hampshire statute RSA 363:22 amended by House Bill 1224 that became effective January 1, 2015. We value the New Hampshire Public Utilities Commission's participation in the Pipeline and Hazardous Materials Safety Administration's (PHMSA) pipeline safety program through a 60105 Certification for the inspection and enforcement of intrastate gas pipelines and appreciate your willingness to support interstate pipeline inspections.

As you note in your letter, PHMSA has worked in the past with the New Hampshire Public Utilities Commission (NHPUC) regarding the construction inspection of an interstate pipeline and it is our intention to continue to work with the NHPUC regarding interstate pipeline inspections. The 2016 Pipes Act provides for State participation in interstate inspections without entering into a formal Interstate Agent Agreement with PHMSA. Additionally, PHMSA may enter into project defined agreements with New Hampshire, as we have in the past, for interstate facilities where PHMSA has a specific need for additional inspection support for a given interstate project.

PHMSA is significantly increasing our inspection workforce primarily dedicated to the inspection and enforcement of interstate pipelines. Due to our staff increase and the flexibility for States to participate with PHMSA for the inspection of interstate pipelines, PHMSA is not currently entering into new formal Interstate Agent Agreements with States unless there is a compelling need for additional safety oversight regarding interstate pipelines in a specific State. Additionally, PHMSA continues to encourage States to focus inspection resources on intrastate distribution facilities where there is an increased incident risk to the public.

Mr. Randall Knepper
Director, Safety Division
New Hampshire Public Utilities Commission
Page 2

Per your request, our Eastern Region has provided you with data on past PHMSA inspections for interstate pipelines in New Hampshire. A review of New Hampshire incident data indicates there have been no incidents on interstate pipeline facilities since 2001; however, there were four incidents on intrastate distribution systems with two occurring in 2015. PHMSA has reviewed our oversight of interstate pipelines in New Hampshire and do not see the need to enter into a formal Interstate Agent Agreement with the State. Thank you for your continued support for pipeline safety.

Sincerely,

A handwritten signature in black ink, appearing to read "Zach Barrett", with a stylized flourish extending from the end.

Zach Barrett
Director for State Programs
Office of Pipeline Safety

STATE OF NEW HAMPSHIRE

CHAIRMAN
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September 19, 2017

Zachary Barrett
Director of State Programs
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
3700 South MacArthur Boulevard, Suite B
Oklahoma City, OK 73169

RE: New Hampshire CY 2018 State Application for Interstate Agent Status

Dear Mr. Barrett:

This letter is intended to once again remind you of our 2014 enacted New Hampshire State Law regarding pipeline safety. New Hampshire statute RSA 363:22 amended by House Bill 1224 became effective January 1, 2015, and requires the New Hampshire Public Utilities Commission (through its Safety Division) to apply annually for interstate agent certification to inspect safety issues of interstate natural gas pipelines and interstate hazardous liquid pipelines located within New Hampshire. It also includes provisions to report back to the New Hampshire legislature the results of such application.

Interstate Systems Involved:

Natural Gas:

New Hampshire interstate gas pipeline systems contain transmission pipelines owned and operated by 4 interstate natural gas pipeline operators:

- 1) Granite State Gas Transmission System (Operator ID #6580) owned by Unitil Corporation headquartered in Hampton, New Hampshire.
- 2) Tennessee Gas Pipeline (Operator ID #19160) owned by Kinder Morgan of Houston, Texas.
- 3) Portland Natural Gas Transmission System (Operator ID #31145) owned by TransCanada with local headquarters in Portsmouth, New Hampshire.
- 4) Maritimes and Northeast Pipeline, LLC (Operator ID #31335) owned by Spectra Energy Transmission, LLC Corp of Houston, Texas.

In total, this comprises 232 miles of interstate transmission natural gas pipeline through 31 communities within New Hampshire.

The only project activities the Safety Division is aware of are:

- A new lateral is being installed off Tennessee Gas Pipeline in Pelham NH with a new metering location being added.
- GSGT continued rehabilitation of its pipeline for ILI assessments by adding launchers and receivers and ten inch diameter pipeline. This has been a multi phased project spanning multiple years.

Hazardous Liquids:

New Hampshire has a single hazardous liquid pipeline containing crude oil:

Portland Pipeline System (Operator ID #15786) owned by Portland Pipeline LTD of Montreal, Canada.

Portland Pipeline System consists of 2 hazardous liquid pipeline segments traversing 5 communities within New Hampshire and is approximately 71 miles combined within New Hampshire.

Experience and Qualifications of New Hampshire Public Utilities Commission Safety Division Staff

The Commission's Safety Division consists of a Program Manager, 2 Safety Inspectors, an Underground Damage Prevention Specialist and administrative support. Both inspectors as well as the Program Manager have completed the prerequisite PHMSA Training and Qualification Courses for Natural Gas Inspector Classification.

The Commission's Safety Division believes it has the capability and technical expertise to perform inspections on the four interstate natural gas operators as well as the hazardous liquid interstate operator. Our proximity to the operators' facilities including ROW's, compressor stations, gate stations and regulating stations, coupled with in depth knowledge of local conditions can only add greater insights to inspection routines. Closer proximity also allows us to establish and attain more frequent inspection cycles, yield attentive and concentrated reviews as well as incorporate familiarity with local public concerns and expectations into the monitoring of pipelines. Rather than reviewing an overall encompassing corporate plan for completeness, we will be able to provide extensive focus on those segments located within New Hampshire and any associated operations impacted within New Hampshire. While accomplishing PHMSA's inspection requirements, inspections completed by New Hampshire inspectors serve a dual purpose of achieving the New Hampshire legislature's goals of satisfying potential concerns regarding impacts of pipelines upon the local public.

The Commission's Safety Division has all the prerequisite training and qualifications required for Standard Gas Inspections of Interstate Gas Operators. We have also completed all prerequisites necessary for Interstate Gas Integrity Inspections. In terms of Hazardous Liquid Training, all prerequisite training required for Standard Liquid Inspections of Interstate Hazardous Liquid Operators, and conducting Interstate Hazardous Liquid Integrity Inspections has been completed. Attachment 1 contains specific information on staff training.

Previous Inspection Experience with Interstate Pipeline Operators

New Hampshire was granted temporary interim agent status for the construction of PNGTS and Maritimes and Northeast Pipeline in 1999 and 2000, improvements related to GSGT crossings of Little Bay

and sections of disbonded coating in 2010 and 2013, and inspection of Kinder Morgan's 2009 compressor station installation in New Hampshire. The Commission has also performed inspections on behalf of PHMSA for project durations up to a year. Given this experience, New Hampshire believes it is well positioned to complete standard as well as comprehensive inspections and monitoring on behalf of PHMSA through a Gas Interstate Agent Agreement. These agreements are only for one year at a time and do not preclude any federal oversight.

As you are well aware, New Hampshire has no municipal gas companies, no gathering lines and no offshore gas pipelines. We do not believe the added inspection work will cause any detriment to existing programs.

All LPG operators have been inspected for the last dozen years and are well integrated into the core of New Hampshire pipeline safety inspection cycles. Our master meter operators have steadily been reduced over several decades to where we have only one remaining. The lone master meter operator has contracted with the local gas distribution operator for maintenance and emergency response functions resulting in a very desirable situation.

New Hampshire's Underground Damage Prevention Program is a mature program that is well established for over 34 years. We currently oversee and effectively enforce the one call requirements for all operators within New Hampshire including interstate gas transmission operators and interstate hazardous liquid transmission operators. The latest 2014 PHMSA characterization tool once again scored New Hampshire's underground damage prevention system with a perfect rating. We were deemed to have an "adequate" program classification as a result of PHMSA's Part 198 Subpart D evaluation in CY 2016. We expect the same for CY 2017 in which the evaluation was completed but has not been received to date.

The current resources and existing staffing levels of the Safety Division would allow the Commission to integrate the additional inspections into the current schedule of inspections without any foreseeable need for additional resources. Our staffing levels using previous PHMSA formulas and proposed PHMSA minimum inspection activity provide assurances that there is little risk for degradation to our existing program.

Governmental Efficiency

New Hampshire citizens demand efficient government at all levels. Increased efficiency can be gained by breaking down the jurisdictional barriers that exist today. Our CY 2017 request for interstate agent status previously provided three practical examples where governmental efficiencies could be attained. We continue to believe these examples are still relevant.

Next Steps

Please let us know the potential for allowing the New Hampshire Public Utilities Commission to be designated an Interstate Agent. Given that each interstate agent application is only for a year at a time, we believe that the general and broader interstate agent status is what the citizens of New Hampshire were requesting when our state laws were amended in 2014. Limited, time defined arrangements have always been available and allow for little continuity in inspection efforts. In particular, we would like to know how any acceptance of our offer affects our latest pipeline safety annual grant application(s) for CY 2018.

We would like to know what PHMSA's Eastern Region interstate inspection needs are, in particular those necessary for interstate pipeline segments located within New Hampshire. It is our understanding that PHMSA has been approved by Congress for significant additional inspectors on the federal level but has been inhibited by continuing budget resolutions. New Hampshire's legislators believe the proposed arrangement we seek of delegated authority will allow PHMSA's federal resources to focus inspection efforts in rapidly expanding states. New Hampshire has had minimal associated construction activity compared to regions containing shale. Interstate Agent Status allows local inspectors the opportunity to inspect interstate pipelines maximizing our inherent advantages. This frees up PHMSA inspectors to concentrate on the construction activity associated with these large construction projects in other states.

Lastly, the "Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016", Public Law No. 114-183 was signed into law June 22, 2016. In accordance with Section 60106 (b) (4) and Section 60106 (f) PHMSA's Eastern Region acting director notified the Safety Division on August 18, 2017 of a possibility of a "joint inspection" of the Portland Pipeline but has not given a proposed date. PHMSA has stated that any travel cost or inspection time may not be derived from the State Base Grant nor can inspection documents be retained. While "joint inspections" are our last preference and do not meet the intent of an interstate agent request or time defined agreement, they may be useful in our reporting back to the New Hampshire legislature.

A prompt reply would be appreciated. As always, we welcome your feedback for program improvements and continuing our long standing partnership with PHMSA.

Sincerely,

/s/ Randall S. Knepper

Randall S. Knepper
Director, Safety Division

cc: Martin Honigberg, PUC Chairman
Debra Howland, PUC Executive Director
PHMSA Eastern Region Director
Eunice Landry, PUC Bus Off Administrator

ATTACHMENT 1
STAFF TRAINING QUALIFICATIONS

Gas Interstate Inspectors (Standard)

The seven core trainings required for Gas Interstate Inspectors have been completed for all New Hampshire Public Utilities Commission inspectors including the following:

1. **PHMSA-PL1250 *Safety Evaluation of Gas Pipeline Systems Course***
2. **PHMSA-PL1255 *Gas Pressure Regulation & Overpressure Protection Course***
3. **PHMSA-PL1310 *Plastic and Composite Materials Course***
4. **PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
5. **PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
6. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
7. **PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***

Gas Integrity Management Inspectors

In addition to the core trainings, six more trainings are required for Gas Integrity Management Inspectors. All six have been completed by one or more employees of the pipeline safety program staff including the following:

1. **PHMSA-PL1297 *Gas Integrity Management (IM) Protocol Course***
2. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
3. **PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Programs Course***
4. **PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT***
5. **PHMSA-PL3267 *Fundamentals of Integrity Management Course***
6. **PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***

In terms of Hazardous Liquid Training:

Hazardous Liquid Interstate Inspectors (Standard)

There are six core trainings required for Hazardous Liquid Interstate Inspectors. All six have been completed for acting as a lead by at least one member of New Hampshire Public Utilities Commission inspection team including the following:

1. **PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
2. **PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
3. **PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***
4. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
5. **PHMSA-PL2258 *Safety Evaluation of Hazardous Liquid Pipeline Systems Course***
6. **PHMSA-PL2284/ PHMSAPL3275 *Current HAZWOPER Certification (24-hour HAZWOPER with an annual 8-hour refresher)***

Hazardous Liquid Integrity Management Inspectors

In addition to the core trainings, seven additional trainings are required for Hazardous Liquid Integrity Management Inspectors. 7 of 7 have been completed for one or more of New Hampshire Public Utilities Commission inspection staff including the following:

1. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
2. **PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Program Course***
3. **PHMSA-PL3IC *Investigating and Managing Internal Corrosion of Pipelines WBT Programs Course***
4. **PHMSA-PL3267 *Fundamentals of Integrity Management Course***
5. **PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***
6. **PHMSA-PL2288 *Safety Evaluation of Breakout Tanks Course*** (It should be noted that the lone Hazardous Liquid Interstate Pipeline within New Hampshire has no break out tanks.)
7. **PHMSA-PL2294 *Safety Evaluation of Hazardous Liquid Pipeline Integrity Management (IM)***

STATE OF NEW HAMPSHIRE

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September 29, 2017

Representative Richard Barry, Chairman
House Science, Technology and Energy Committee
Legislative Office Building
33 North State Street
Concord, NH 03301

RE: Annual Report to the New Hampshire House Science, Technology and Energy Committee

Dear Chairman Barry:

As required by RSA 363:22-a, Pipeline Operation Safety, Sub-Section II, the New Hampshire Public Utilities Commission (Commission) respectfully submits this annual report to the New Hampshire House Science, Technology and Energy Committee.

At this time, the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the U.S. Department of Transportation has full jurisdiction for inspection and enforcement actions regarding interstate matters related to pipeline safety in New Hampshire. This includes gas transmission pipelines and the one oil transmission pipeline within New Hampshire.

On September 19, 2017, the Commission submitted a formal request to Zachary Barrett, the Director of State Programs at PHMSA, for authorization of our fully qualified inspectors (PHMSA Pipeline Safety Regulations, Parts 191-192) to conduct standard gas inspections of interstate gas pipeline operators. We also requested authorization to conduct hazardous liquids inspections of the one interstate hazardous liquids pipeline operator (PHMSA Pipeline Safety Regulations, Part 195).

Previous submissions occurred in 2014, 2015, and 2016. The Commission applied to PHMSA for interstate agent authorizations regarding pipeline operations, maintenance, design, qualification of personnel, monitoring and compliance inspections as necessary. The Commission's pipeline safety inspectors have completed the necessary PHMSA training and are fully qualified to conduct inspections of interstate gas operators and the lone interstate hazardous liquids operator currently operating in New Hampshire.

In October of 2016 the Commission received a formal response from Mr. Barrett (PHMSA). PHMSA's overall position has remained the same as stated in PHMSA's initial December 2014 response. To date, PHMSA has not delegated its responsibilities related to inspections of interstate gas pipeline operators and the single interstate hazardous liquids pipeline operator currently operating in New Hampshire. PHMSA's response to New Hampshire is consistent with responses given to other states

making similar requests. PHMSA has publicly stated that the agency has no desire to allow any further certifications regarding interstate facilities.

Regarding interstate pipeline activity, there were no new significant pipeline projects in New Hampshire during the past twelve months. We are aware of a small rehabilitation of the Granite State Gas Transmission System, located on the New Hampshire seacoast, that neither PHMSA, nor the Commission inspected.

The Commission will be reviewing N.H. Code of Administrative Rules, Puc 1400 Pipeline Public Utilities for purposes of incorporating operator safety requirements that reflect, or to the extent possible, strengthen the requirements of PHMSA Part 195, as related to hazardous liquids pipelines. This rulemaking exercise will be similar in scope and topics that the Commission has already incorporated into the Puc 500 Gas rules. The Site Evaluation Committee (SEC) did include conditions for siting interstate gas transmission pipelines in its August 2016 amendments to SITE 300 rulemaking.

The “Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016”, Public Law No. 114-183 was signed into law June 22, 2016. We note Section 60106 (b) (4) and Section 60106 (f) require PHMSA to apprise the Commission of its intentions of inspection activity in New Hampshire for CY 2017 that would allow for us to attend coordinated inspections. PHMSA’s Eastern Region acting director notified the Safety Division on August 18, 2017 of a possibility of a “joint inspection” of the Portland Pipeline but has not given a proposed date. PHMSA has stated that any travel cost or inspection time may not be derived from the State Base Grant nor can inspection documents be retained. While “joint inspections” are our least preferred of the three options of interstate inspections and do not meet the intent of an interstate agent request or time defined agreement, they may be useful in our reporting back to your committee.

Lastly, the Commission is not aware of any violations imposed by PHMSA during the past twelve months among any of the five interstate pipeline operators in New Hampshire. PHMSA has provided the recent history of interstate inspections for each operator and they are shown in the attached Table 1.

Respectfully,

/s/ Randall S. Knepper

Randall S. Knepper
Director, Safety & Security

cc: Debra Howland, NHPUC Executive Director
F. Anne Ross, NHPUC General Counselor

TABLE 1		
PHMSA Historical Interstate Pipeline Inspections of New Hampshire Pipelines		
Granite State Gas Transmission	2014	No Inspection conducted of any type
	2015	No Inspection conducted of any type
	2016	1 Inspection conducted in NH , Construction, Number of Days and Location Unspecified
	2017	1 inspection conducted in NH that was for a system wide processes (3 states) but affects NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
Portland Natural Gas Transmission	2014	1 inspection conducted outside NH that was for a system wide processes (3 states) but may affect NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2014	1 inspection conducted in NH that was for a system wide processes (3 states) but affects NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2015	1 inspection conducted outside of NH that was for a system wide process (3 states) but affects NH segments. Inspection was for Control Room procedures and records.
	2016	1 inspection conducted outside of NH that was for a system wide process (3 states) but affects NH segments. Inspection was for Control Room procedures and records.
	2017	1 inspection conducted outside of NH that was for a system wide process (3 states) but affects NH segments. Inspection was for Control Room procedures and records.
	2017	1 inspection conducted in NH that was for a system wide processes (3 states) but affects NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention
Maritimes and Northeast Pipeline	2014	1 inspection conducted in NH that was for a system wide processes (3 states) but affects NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2014	1 inspection conducted outside NH that was for a system wide processes (3 states) but may affect NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2015	No Inspection conducted of any type
	2016	No Inspection conducted of any type
	2017	No Inspection conducted of any type
Tennessee Gas Pipeline	2014	No Inspection conducted of any type
	2015	1 inspection conducted outside NH that was for a system wide processes (3 states) but may affect NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2015	1 inspection conducted in NH that was for a system wide processes (3 states) but affects NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2015	1 inspection conducted outside NH that was for a system wide processes (3 states) but may affect NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2015	1 Inspection conducted in NH , Public Inquiry, Number of Days and Location Unspecified
	2016	1 inspection conducted in NH that was for a system wide processes (3 states) but affects NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2017	1 inspection conducted in NH that was for a system wide processes (3 states) but affects NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
Portland Pipeline Crude Oil	2014	No Inspection conducted of any type
	2015	1 inspection conducted in NH that was for a system wide processes (3 states) but affects NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2015	1 inspection conducted outside NH that was for a system wide processes (3 states) but may affect NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2016	1 inspection conducted outside NH that was for a system wide processes (3 states) but may affect NH segments. Inspection may have included all or partial review of Operations and Maintenance Procedures, Emergency Procedures, Control Room Management, public awareness or damage prevention.
	2017	No Inspection conducted of any type



U.S. Department
Of Transportation

1200 New Jersey Ave., SE
Washington, DC 20590

**Pipeline and
Hazardous Materials
Safety Administration**

October 02, 2017

OVERNIGHT EXPRESS MAIL

Mr. Randall Knepper, Director
Safety Division
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Dear Mr. Knepper:

Thank you for your letter dated September 19, 2017, requesting Interstate Agent Status as required by the New Hampshire statute RSA 363:22, amended by House Bill 1224, which became effective January 1, 2015. We value the New Hampshire Public Utilities Commission's participation in the Pipeline and Hazardous Materials Safety Administration's (PHMSA) pipeline safety program through your 60105 Certification for the inspection and enforcement of intrastate gas pipelines and appreciate your willingness to support interstate pipeline inspections.

Interstate pipelines are PHMSA's primary safety responsibility providing a consistent regulatory platform across the Nation for the transportation of gas and hazardous liquid energy products. As you are aware, the 2016 Pipes Act provides for State participation in PHMSA's interstate inspections without entering into a formal Interstate Agent Agreement. Additionally, PHMSA may enter into project defined Agreements with New Hampshire, as we have in the past, for interstate facilities where PHMSA has a specific need for additional inspection support for a given interstate project. If the Eastern Region Director identifies activities/projects where a project defined Agreement would benefit the NHPUC and PHMSA we will reach out to you regarding your interest in supporting the project.

PHMSA has significantly increased our inspection workforce primarily dedicated to the inspection and enforcement of interstate pipelines. Due to our staff increase and the flexibility for States to participate with PHMSA for the inspection of interstate pipelines, PHMSA is not currently entering into new formal Interstate Agent Agreements with States unless there is a compelling need for additional safety oversight regarding interstate pipelines in a specific State. A review of the incident history for New Hampshire since 2009 indicates there have been no incidents on interstate pipelines under PHMSA's safety authority; however, there have been three incidents on distribution facilities under the NHPUC's oversight. PHMSA continues to

Mr. Randall Knepper, Director
Safety Division
New Hampshire Public Utilities Commission
2 | Page

encourage States to focus inspection resources on intrastate distribution facilities where there is an increased incident risk to the public.

We appreciate your continuing support and contributions to the pipeline safety program. As mentioned above PHMSA welcomes your participation in the interstate inspections we have scheduled for New Hampshire for CY2018. The PHMSA Eastern Region Director has provided you with a list of these inspections and will continue to coordinate with you as dates are finalized for these inspections. Thank you for your continued support of the pipeline safety program.

Sincerely,

A handwritten signature in dark ink, appearing to read "Zach Barrett", with a stylized, flowing script.

Zach Barrett
Director for State Programs
Office of Pipeline Safety

STATE OF NEW HAMPSHIRE

CHAIRMAN
Martin P. Honigberg

COMMISSIONERS
Kathryn M. Bailey
Michael S. Giaino

EXECUTIVE DIRECTOR
Debra A. Howland



PUBLIC UTILITIES COMMISSION
21 S. Fruit St., Suite 10
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FAX No. 271-3878

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December 4, 2018

Zachary Barrett
Director of State Programs
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
3700 South MacArthur Boulevard, Suite B
Oklahoma City, OK 73169

RE: New Hampshire CY 2019 State Application for Interstate Agent Status

Dear Mr. Barrett:

This letter is intended to once again remind you of our 2014 enacted New Hampshire State Law regarding pipeline safety. New Hampshire statute RSA 363:22 amended by House Bill 1224 became effective January 1, 2015, and requires the New Hampshire Public Utilities Commission (through its Safety Division) to apply annually for interstate agent certification to inspect safety issues of interstate natural gas pipelines and interstate hazardous liquid pipelines located within New Hampshire. It also includes provisions to report back to the New Hampshire legislature the results of such application.

Interstate Systems Involved:

Natural Gas:

New Hampshire interstate gas pipeline systems contain transmission pipelines owned and operated by 4 interstate natural gas pipeline operators:

- 1) Granite State Gas Transmission System (Operator ID #6580) owned by Unitil Corporation headquartered in Hampton, New Hampshire.
- 2) Tennessee Gas Pipeline (Operator ID #19160) owned by Kinder Morgan of Houston, Texas.
- 3) Portland Natural Gas Transmission System (Operator ID #31145) owned by TransCanada with local headquarters in Portsmouth, New Hampshire.
- 4) Maritimes and Northeast Pipeline, LLC (Operator ID #31335) owned by Enbridge of Calgary, Canada.

In total, this comprises 232 miles of interstate transmission natural gas pipeline through 31 communities within New Hampshire.

The only project activity the Safety Division is aware of are:

- GSGT continued rehabilitation of its pipeline for ILI assessments by adding launchers and receivers and ten inch diameter pipeline. This has been a multi phased project spanning multiple years.

Hazardous Liquids:

New Hampshire has a single hazardous liquid pipeline containing crude oil:

Portland Pipeline System (Operator ID #15786) owned by Montreal Pipeline Limited of Montreal, Canada.

Portland Pipeline System consists of 2 hazardous liquid pipeline segments traversing 5 communities within New Hampshire and is approximately 71 miles combined within New Hampshire.

Experience and Qualifications of New Hampshire Public Utilities Commission Safety Division Staff

The Commission's Safety Division consists of a Program Manager, 2 Safety Inspectors, an Underground Damage Prevention Specialist and administrative support. Both inspectors as well as the Program Manager have completed the prerequisite PHMSA Training and Qualification Courses for Natural Gas Inspector Classification.

The Commission's Safety Division believes it has the capability and technical expertise to perform inspections on the four interstate natural gas operators as well as the hazardous liquid interstate operator. Our proximity to the operators' facilities including ROW's, compressor stations, gate stations and regulating stations, coupled with in depth knowledge of local conditions can only add greater insights to inspection routines. Closer proximity also allows us to establish and attain more frequent inspection cycles, yield attentive and concentrated reviews as well as incorporate familiarity with local public concerns and expectations into the monitoring of pipelines. Rather than reviewing an overall encompassing corporate plan for completeness, we will be able to provide extensive focus on those segments located within New Hampshire and any associated operations impacted within New Hampshire. While accomplishing PHMSA's inspection requirements, inspections completed by New Hampshire inspectors serve a dual purpose of achieving the New Hampshire legislature's goals of satisfying potential concerns regarding impacts of pipelines upon the local public.

The Commission's Safety Division has all the prerequisite training and qualifications required for Standard Gas Inspections of Interstate Gas Operators. We have also completed all prerequisites necessary for Interstate Gas Integrity Inspections. In terms of Hazardous Liquid Training, all prerequisite training required for Standard Liquid Inspections of Interstate Hazardous Liquid Operators, and conducting Interstate Hazardous Liquid Integrity Inspections has been completed. Attachment 1 contains specific information on staff training.

Previous Inspection Experience with Interstate Pipeline Operators

New Hampshire was granted temporary interim agent status for the construction of PNGTS and Maritimes and Northeast Pipeline in 1999 and 2000, improvements related to GSGT crossings of Little Bay and sections of disbonded coating in 2010 and 2013, and inspection of Kinder Morgan's 2009 compressor

station installation in New Hampshire. The Commission has also performed inspections on behalf of PHMSA for project durations up to a year. Given this experience, New Hampshire believes it is well positioned to complete standard as well as comprehensive inspections and monitoring on behalf of PHMSA through a Gas Interstate Agent Agreement. These agreements are only for one year at a time and do not preclude any federal oversight.

As you are well aware, New Hampshire has no municipal gas companies, no gathering lines and no offshore gas pipelines. We do not believe the added inspection work will cause any detriment to existing programs.

All LPG operators have been inspected for the last dozen years and are well integrated into the core of New Hampshire pipeline safety inspection cycles. Our master meter operators have steadily been reduced over several decades to where we have only one remaining. The lone master meter operator has contracted with the local gas distribution operator for maintenance and emergency response functions resulting in a very desirable situation.

New Hampshire's Underground Damage Prevention Program is a mature program that is well established for over 34 years. We currently oversee and effectively enforce the one call requirements for all operators within New Hampshire including interstate gas transmission operators and interstate hazardous liquid transmission operators. The latest 2014 PHMSA characterization tool once again scored New Hampshire's underground damage prevention system with a perfect rating. We were deemed to have an "adequate" program classification as a result of PHMSA's Part 198 Subpart D evaluation in CY 2017. We expect the same for CY 2018 in which the evaluation was completed but has not been received to date.

The current resources and existing staffing levels of the Safety Division would allow the Commission to integrate the additional inspections into the current schedule of inspections without any foreseeable need for additional resources. Our staffing levels using previous PHMSA formulas and proposed PHMSA minimum inspection activity provide assurances that there is little risk for degradation to our existing program.

Governmental Efficiency

New Hampshire citizens demand efficient government at all levels. Increased efficiency can be gained by breaking down the jurisdictional barriers that exist today. Our CY 2019 request for interstate agent status previously provided three practical examples where governmental efficiencies could be attained. We continue to believe these examples are still relevant.

Next Steps

Please let us know the potential for allowing the New Hampshire Public Utilities Commission to be designated an Interstate Agent. Given that each interstate agent application is only for a year at a time, we believe that the general and broader interstate agent status is what the citizens of New Hampshire were requesting when our state laws were amended in 2014. Limited, time defined arrangements have always been available and allow for little continuity in inspection efforts. In particular, we would like to know how any acceptance of our offer affects our latest pipeline safety annual grant application(s) for CY 2019.

We would like to know what PHMSA's Eastern Region interstate inspection needs are, in particular those necessary for interstate pipeline segments located within New Hampshire. New Hampshire's legislators believe the proposed arrangement we seek of delegated authority will allow PHMSA's federal resources to focus inspection efforts in other rapidly expanding states. New Hampshire has had minimal associated construction activity compared to other regions containing shale. Interstate Agent Status allows local inspectors the opportunity to inspect interstate pipelines maximizing our inherent advantages. This frees up PHMSA inspectors to concentrate on the construction activity associated with these large construction projects in other states.

Lastly, the "Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016", Public Law No. 114-183 was signed into law June 22, 2016. In accordance with Section 60106 (b) (4) and Section 60106 (f) PHMSA's Eastern Region acting director notified the Safety Division on August 18, 2017 of a possibility of a "joint inspection" of the Portland Pipeline. In August 2018 the Safety Division accompanied 2 federal inspectors for 2 days of a 3 day Integrated Inspection including offices in South Portland, Maine and pipeline facilities in New Hampshire.. PHMSA has stated that any travel cost or inspection time may not be derived from the State Base Grant nor can inspection documents be retained. While "joint inspections" are our last preference and do not meet the intent of an interstate agent request or time defined agreement, they may be useful in our reporting back to the New Hampshire legislature.

A prompt reply would be appreciated. As always, we welcome your feedback for program improvements and continuing our long standing partnership with PHMSA.

Sincerely,

/s/ Randall S. Knepper

Randall S. Knepper
Director, Safety Division

cc: Martin Honigberg, PUC Chairman
Debra Howland, PUC Executive Director
PHMSA Eastern Region Director

ATTACHMENT 1
STAFF TRAINING QUALIFICATIONS

Gas Interstate Inspectors (Standard)

The seven core trainings required for Gas Interstate Inspectors have been completed for all New Hampshire Public Utilities Commission inspectors including the following:

1. **PHMSA-PL1250 *Safety Evaluation of Gas Pipeline Systems Course***
2. **PHMSA-PL1255 *Gas Pressure Regulation & Overpressure Protection Course***
3. **PHMSA-PL1310 *Plastic and Composite Materials Course***
4. **PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
5. **PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
6. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
7. **PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***

Gas Integrity Management Inspectors

In addition to the core trainings, six more trainings are required for Gas Integrity Management Inspectors. All six have been completed by one or more employees of the pipeline safety program staff including the following:

1. **PHMSA-PL1297 *Gas Integrity Management (IM) Protocol Course***
2. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
3. **PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Programs Course***
4. **PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT***
5. **PHMSA-PL3267 *Fundamentals of Integrity Management Course***
6. **PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***

In terms of Hazardous Liquid Training:

Hazardous Liquid Interstate Inspectors (Standard)

There are six core trainings required for Hazardous Liquid Interstate Inspectors. All six have been completed for acting as a lead by at least one member of New Hampshire Public Utilities Commission inspection team including the following:

1. **PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
2. **PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
3. **PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***
4. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
5. **PHMSA-PL2258 *Safety Evaluation of Hazardous Liquid Pipeline Systems Course***
6. **PHMSA-PL2284/ PHMSAPL3275 *Current HAZWOPER Certification (24-hour HAZWOPER with an annual 8-hour refresher)***

Hazardous Liquid Integrity Management Inspectors

In addition to the core trainings, seven additional trainings are required for Hazardous Liquid Integrity Management Inspectors. 7 of 7 have been completed for one or more of New Hampshire Public Utilities Commission inspection staff including the following:

1. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
2. **PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Program Course***
3. **PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT Programs Course***
4. **PHMSA-PL3267 *Fundamentals of Integrity Management Course***
5. **PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***
6. **PHMSA-PL2288 *Safety Evaluation of Breakout Tanks Course*** (It should be noted that the lone Hazardous Liquid Interstate Pipeline within New Hampshire has no break out tanks.)
7. **PHMSA-PL2294 *Safety Evaluation of Hazardous Liquid Pipeline Integrity Management (IM)***



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

1200 New Jersey Avenue, SE
Washington, D.C. 20590

February 20, 2019

FedEx Delivery

Mr. Randall Knepper
Director, Safety Division
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Dear Mr. Knepper:

Thank you for your letter dated December 4, 2018, regarding the New Hampshire Public Utilities Commission's (NHPUC) request for interstate agent status. The Pipeline and Hazardous Materials Safety Administration (PHMSA) appreciates the NHPUC's commitment to pipeline safety via its administration of an inspection and enforcement program for intrastate gas pipelines. PHMSA is gratified by the NHPUC's desire for interstate agent status. However, interstate support from the NHPUC is not currently necessary.

As you are aware, the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2016 allows states to participate in PHMSA's interstate inspections without a formal interstate agent agreement. Additionally, PHMSA and the NHPUC may enter into project-defined agreements for interstate projects with which PHMSA needs additional inspection support. PHMSA Eastern Region will reach out if we identify an opportunity where a project-defined agreement would be beneficial to the advancement of pipeline safety.

PHMSA welcomes the NHPUC's participation in our interstate inspections. The PHMSA Eastern Region Director has provided you with a list of these inspections and will continue to coordinate with you as inspection dates are finalized. Thank you for your continued support of pipeline safety.

Sincerely,

Zach Barrett
Director, State Programs

STATE OF NEW HAMPSHIRE

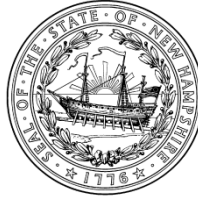
CHAIRMAN

COMMISSIONERS

Kathryn M. Bailey
Michael S. Giaimo

EXECUTIVE DIRECTOR

Debra A. Howland



PUBLIC UTILITIES COMMISSION

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September 26, 2019

Zachary Barrett
Director of State Programs
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
3700 South MacArthur Boulevard, Suite B
Oklahoma City, OK 73169

RE: New Hampshire CY 2020 State Application for Interstate Agent Status

Dear Mr. Barrett:

This letter is intended to once again remind you of our 2014 enacted New Hampshire State Law regarding pipeline safety. New Hampshire statute RSA 363:22 amended by House Bill 1224 became effective January 1, 2015, and requires the New Hampshire Public Utilities Commission (through its Safety Division) to apply annually for interstate agent certification to inspect safety issues of interstate natural gas pipelines and interstate hazardous liquid pipelines located within New Hampshire. It also includes provisions to report back to the New Hampshire legislature the results of such application.

Interstate Systems Involved:

Natural Gas:

New Hampshire interstate gas pipeline systems contain transmission pipelines owned and operated by 4 interstate natural gas pipeline operators:

- 1) Granite State Gas Transmission System (Operator ID #6580) owned by Unil Corporation headquartered in Hampton, New Hampshire.
- 2) Tennessee Gas Pipeline (Operator ID #19160) owned by Kinder Morgan of Houston, Texas. The nearest field office is in Hopkinton, Massachusetts.
- 3) Portland Natural Gas Transmission System (Operator ID #31145) owned by TransCanada with local headquarters in Portsmouth, New Hampshire and field offices in Windham, Maine.
- 4) Maritimes and Northeast Pipeline, LLC (Operator ID #31335) owned by Enbridge Inc., of Calgary, CA. with regional headquarters in Halifax, Nova Scotia. The nearest field office is Richmond, Maine.

In total, this comprises 232 miles of interstate transmission natural gas pipeline through 31 communities within New Hampshire.

There are no new project activities regarding interstate pipelines within New Hampshire that the Safety Division is aware of.

Hazardous Liquids:

New Hampshire has a single hazardous liquid pipeline containing crude oil:

Portland Pipeline System (Operator ID #15786) owned by Portland Pipeline LTD of Montreal, Canada.

Portland Pipeline System consists of 2 hazardous liquid pipeline segments traversing 5 communities within New Hampshire and is approximately 71 miles combined within New Hampshire.

Experience and Qualifications of New Hampshire Public Utilities Commission Safety Division Staff

The Commission's Safety Division consists of a Program Manager, 2 Safety Inspectors, an Underground Damage Prevention Specialist and administrative support. All inspectors as well as the Program Manager have completed the prerequisite PHMSA Training and Qualification Courses for Natural Gas Inspector Classification.

The Commission's Safety Division has the capability and technical expertise to perform inspections on the four interstate natural gas operators as well as the hazardous liquid interstate operator in an efficient and cost effective manner. Our proximity to the operators' facilities including ROW's, compressor stations, gate stations and regulating stations, coupled with in depth knowledge of local conditions can only add greater insights to inspection routines. Closer proximity also allows us to establish and attain more frequent inspection cycles, yield attentive and concentrated reviews as well as incorporate familiarity with local public concerns and expectations into the monitoring of pipelines. Pre-established relationships and knowledge of first responders, local gas contractors, welders and welding inspectors can only enhance the quality of an interstate inspection. Rather than solely reviewing an overall encompassing corporate plan for completeness, we will be able to provide extensive focus on those segments located within New Hampshire and any associated operations impacted within New Hampshire. While accomplishing PHMSA's inspection requirements, inspections completed by New Hampshire inspectors serve a dual purpose of achieving the New Hampshire legislature's goals of satisfying potential concerns regarding impacts of pipelines upon the local public.

The Commission's Safety Division has all the prerequisite training and qualifications required for Standard Gas Inspections of Interstate Gas Operators. We have also completed all prerequisites necessary for Interstate Gas Integrity Inspections. In terms of Hazardous Liquid Training, all prerequisite training required for Standard Liquid Inspections of Interstate Hazardous Liquid Operators, and conducting Interstate Hazardous Liquid Integrity Inspections has been completed. Attachment 1 contains specific information on staff training.

Previous Inspection Experience with Interstate Pipeline Operators

New Hampshire was granted temporary interim agent status for the construction of PNGTS and Maritimes and Northeast Pipeline in 1999 and 2000, improvements related to GSGT crossings of Little Bay and sections of disbonded coating in 2010 and 2013, and inspection of Kinder Morgan's 2009 compressor station installation in New Hampshire. The Commission has also performed inspections on behalf of PHMSA for project durations up to a year. Given this experience, New Hampshire believes it is well positioned to complete standard as well as comprehensive inspections and monitoring on behalf of PHMSA through a Gas Interstate Agent Agreement. These agreements are only for one year at a time and do not preclude any federal oversight.

PHMSA conducted inspections in 2018 for Portland Pipeline and 2019 for Portland Natural Gas Transmission System as "joint inspections" that included NHPUC participation.

As you are well aware, New Hampshire has no municipal gas companies, no gathering lines and no offshore gas pipelines that require inspection resources. We do not believe the added inspection work will cause any detriment to existing programs.

All LPG operators have been inspected for the last dozen years and are well integrated into the core of New Hampshire pipeline safety inspection cycles. Our master meter operators have steadily been reduced over several decades to where we have only one remaining. The lone master meter operator has contracted with the local gas distribution operator for maintenance and emergency response functions resulting in a very desirable situation.

New Hampshire's Underground Damage Prevention Program is a mature program that is well established for over 36 years. We currently oversee and effectively enforce the one call requirements for all operators within New Hampshire including interstate gas transmission operators and interstate hazardous liquid transmission operators. The latest 2014 PHMSA characterization tool once again scored New Hampshire's underground damage prevention system with a perfect rating. We were deemed to have an "adequate" program classification as a result of PHMSA's Part 198 Subpart D enforcement evaluations in CY 2016, 2017 and 2018.

The current resources and existing staffing levels of the Safety Division would allow the Commission to integrate the additional inspections into the current schedule of inspections without any foreseeable need for additional resources. Our staffing levels using previous PHMSA formulas and proposed PHMSA minimum inspection activity provide assurances that there is little risk for degradation to our existing program.

Governmental Efficiency

New Hampshire citizens demand efficient government at all levels. Increased efficiency can be gained by breaking down the jurisdictional barriers that exist today. Our CY 2017 request for interstate agent status previously provided three practical examples where governmental efficiencies could be attained. We continue to believe these examples are still relevant.

Next Steps

Please let us know the potential of allowing the New Hampshire Public Utilities Commission to be designated an Interstate Agent. Given that each interstate agent application is only for a year at a time, we believe that the general and broader interstate agent status is what the citizens of New Hampshire were requesting when our state laws were amended in 2014. Limited, time defined arrangements have always been available and allow for little continuity in inspection efforts. In particular, we would like to know how any acceptance of our offer affects our latest pipeline safety annual grant application(s) for CY 2020.

We would like to know what PHMSA's Eastern Region interstate inspection needs are, in particular those necessary for interstate pipeline segments located within New Hampshire. New Hampshire's legislators believe the proposed arrangement we seek of delegated authority will allow PHMSA's federal resources to focus inspection efforts in other rapidly expanding states that pose higher risks without compromising inspection quality or standards. New Hampshire has had minimal associated construction activity compared to other regions containing shale and no interstate transmission incidents within the last 50 years. The envisioned interstate inspections would mostly cover operator's procedures and documentation because of little field activity. Interstate Agent Status allows local inspectors the opportunity to inspect interstate pipelines maximizing our inherent advantages. This frees up PHMSA inspectors to concentrate on the construction activity associated with those large construction projects underway in other states.

Lastly, the "Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016", Public Law No. 114-183 was signed into law June 22, 2016. In accordance with Section 60106 (b) (4) and Section 60106 (f) PHMSA's Eastern Region acting director notified the Safety Division on August 18, 2017 of a possibility of a "joint inspection" of the Portland Pipeline but has not given a proposed date. PHMSA has stated that any travel cost or inspection time may not be derived from the State Base Grant nor can inspection documents be retained. While "joint inspections" are our last preference and do not meet the intent of an interstate agent request or time defined agreement, they may be useful in our reporting back to the New Hampshire legislature.

A prompt reply would be appreciated. As always, we welcome your feedback for program improvements and continuing our long standing partnership with PHMSA.

Respectfully,

/s/ Randall S. Knepper

Randall S. Knepper
Director, Safety & Security

cc: Kathryn Bailey, NHPUC Commissioner
Michael Giaimo, NHPUC Commissioner
Debra Howland, NHPUC Executive Director
PHMSA Eastern Region Director

ATTACHMENT 1
STAFF TRAINING QUALIFICATIONS

Gas Interstate Inspectors (Standard)

The seven core trainings required for Gas Interstate Inspectors have been completed for all New Hampshire Public Utilities Commission inspectors including the following:

1. **PHMSA-PL1250 *Safety Evaluation of Gas Pipeline Systems Course***
2. **PHMSA-PL1255 *Gas Pressure Regulation & Overpressure Protection Course***
3. **PHMSA-PL1310 *Plastic and Composite Materials Course***
4. **PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
5. **PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
6. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
7. **PHMSA-PL3257 *Pipeline Safety Regulation Application and Compliance Procedures Course***

Gas Integrity Management Inspectors

In addition to the core trainings, six more trainings are required for Gas Integrity Management Inspectors. All six have been completed by one or more employees of the pipeline safety program staff including the following:

1. **PHMSA-PL1297 *Gas Integrity Management (IM) Protocol Course***
2. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
3. **PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Programs Course***
4. **PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT***
5. **PHMSA-PL3267 *Fundamentals of Integrity Management Course***
6. **PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***

In terms of Hazardous Liquid Training:

Hazardous Liquid Interstate Inspectors (Standard)

There are six core trainings required for Hazardous Liquid Interstate Inspectors. All six have been completed for acting as a lead by at least one member of New Hampshire Public Utilities Commission inspection team including the following:

1. **PHMSA-PL3242 *Welding and Welding Inspection of Pipeline Materials Course***
2. **PHMSA-PL3256 *Pipeline Failure Investigation Techniques Course***
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4. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
5. **PHMSA-PL2258 *Safety Evaluation of Hazardous Liquid Pipeline Systems Course***
6. **PHMSA-PL2284/ PHMSAPL3275 *Current HAZWOPER Certification (24-hour HAZWOPER with an annual 8-hour refresher)***

Hazardous Liquid Integrity Management Inspectors

In addition to the core trainings, seven additional trainings are required for Hazardous Liquid Integrity Management Inspectors. 7 of 7 have been completed for one or more of New Hampshire Public Utilities Commission inspection staff including the following:

1. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
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7. **PHMSA-PL2294 *Safety Evaluation of Hazardous Liquid Pipeline Integrity Management (IM)***



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

October 16, 2019

Mr. Randall Knepper
Director, Safety Division
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Dear Mr. Knepper:

Thank you for your letter dated September 26, 2019, regarding the New Hampshire Public Utilities Commission (NHPUC) request for interstate agent status. The Pipeline and Hazardous Materials Safety Administration (PHMSA) appreciates the NHPUC's commitment to pipeline safety via its administration of an inspection and enforcement program for intrastate gas pipelines. PHMSA appreciates the NHPUC's desire for interstate agent status. However, interstate support from the NHPUC is not currently necessary.

As you are aware, the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2016 allows States to participate in PHMSA's interstate inspections without a formal interstate agent agreement. Additionally, PHMSA and the NHPUC may enter into project-defined agreements for interstate projects with which PHMSA needs additional inspection support. The PHMSA Eastern Region will reach out if we identify an opportunity where a project-defined agreement would be beneficial to the advancement of pipeline safety.

PHMSA welcomes the NHPUC's participation in our interstate inspections. The PHMSA Eastern Region is providing you with a list of these inspections and will continue to coordinate with you as inspection dates are finalized. Thank you for your continued support of pipeline safety.

Sincerely,

Zach Barrett
Director, PHMSA State Programs

CHAIRWOMAN
Dianne Martin

COMMISSIONERS
Kathryn M. Bailey
Michael S. Giaimo

EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

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

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

Tel. (603) 271-2431

FAX No. 271-3878

Website:
www.puc.nh.gov

September 29, 2020

Zachary Barrett
Director of State Programs
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
3700 South MacArthur Boulevard, Suite B
Oklahoma City, OK 73169

RE: New Hampshire CY 2021 State Application for Interstate Agent Status

Dear Mr. Barrett:

This letter is intended to once again remind you of our 2014 enacted New Hampshire State Law regarding pipeline safety. New Hampshire statute RSA 363:22 amended by House Bill 1224 became effective January 1, 2015, and requires the New Hampshire Public Utilities Commission (through its Safety Division) to apply annually for interstate agent certification to inspect safety issues of interstate natural gas pipelines and interstate hazardous liquid pipelines located within New Hampshire. It also includes provisions to report back to the New Hampshire legislature the results of such application.

Interstate Systems Involved:

Natural Gas:

New Hampshire interstate gas pipeline systems contain transmission pipelines owned and operated by 4 interstate natural gas pipeline operators:

- 1) Granite State Gas Transmission System (Operator ID #6580) owned by Unitil Corporation headquartered in Hampton, New Hampshire.
- 2) Tennessee Gas Pipeline (Operator ID #19160) owned by Kinder Morgan of Houston, Texas. The nearest field office is in Hopkinton, Massachusetts.
- 3) Portland Natural Gas Transmission System (Operator ID #31145) owned by TransCanada with local headquarters in Portsmouth, New Hampshire and field offices in Windham, Maine.
- 4) Maritimes and Northeast Pipeline, LLC (Operator ID #31335) owned by Enbridge Inc., of Calgary, CA. with regional headquarters in Halifax, Nova Scotia. The nearest field office is Richmond, Maine.

In total, this comprises 232 miles of interstate transmission natural gas pipeline through 31 communities within New Hampshire.

The only new project activities regarding interstate pipelines within New Hampshire that the Safety Division is aware of include multiple inline inspection and material verification based on the recent transmission line rule changes applicable to the Granite State Gas Transmission System that will be spread over a number of years. These have been included as part of a FERC rate adjustment proceeding and have also been shared with New Hampshire and Maine pipeline safety state personnel.

Hazardous Liquids:

New Hampshire has a single hazardous liquid pipeline containing crude oil:

Portland Pipeline System (Operator ID #15786) owned by Portland Pipeline LTD of Montreal, Canada.

Portland Pipeline System consists of 2 hazardous liquid pipeline segments traversing 5 communities within New Hampshire and is approximately 71 miles combined within New Hampshire. It is currently idled with minimum to negligible oil flowing as a result of a five year protracted adjudication between City of South Portland, Maine and the pipeline. The issue is currently at the First U.S. Circuit Court of Appeals in Boston which has asked the Maine Supreme Judicial Court to preliminarily decide the issue on a state level before deciding the case at the federal level.

Experience and Qualifications of New Hampshire Public Utilities Commission Safety Division Staff

The Commission's Safety Division consists of a Program Manager, 2 Safety Inspectors, an Underground Damage Prevention Specialist and administrative support. The Program Manager and at least one inspector have completed the prerequisite PHMSA Training and Qualification Courses for Natural Gas and Hazardous Liquid Inspector Classification.

The Commission's Safety Division has the capability and technical expertise to perform inspections on the four interstate natural gas operators as well as the hazardous liquid interstate operator in an efficient and cost effective manner. Our proximity to the operators' facilities including ROW's, compressor stations, gate stations and regulating stations, coupled with in-depth knowledge of local conditions can only add greater insights to inspection routines. Closer proximity also allows us to establish and attain more frequent inspection cycles, yield attentive and concentrated reviews as well as incorporate familiarity with local public concerns and expectations into the monitoring of pipelines. Pre-established relationships and knowledge of first responders, local gas contractors, welders and welding inspectors can only enhance the quality of an interstate inspection. Rather than solely reviewing an overall encompassing corporate plan for completeness, we will be able to provide extensive focus on those segments located within New Hampshire and any associated operations impacted within New Hampshire. While accomplishing PHMSA's inspection requirements, inspections completed by New Hampshire inspectors serve a dual purpose of achieving the New Hampshire legislature's goals of satisfying potential concerns regarding impacts of pipelines upon the local public.

The Commission's Safety Division has all the prerequisite training and qualifications required for Standard Inspections of Interstate Gas and Hazardous Liquid Operators. We have also completed all prerequisites necessary for Interstate Gas and Hazardous Liquid Integrity Inspections. Attachment 1 contains specific information on staff training.

Previous Inspection Experience with Interstate Pipeline Operators

New Hampshire was granted temporary interim agent status for the construction of PNGTS and Maritimes and Northeast Pipeline in 1999 and 2000, improvements related to GSGT crossings of Little Bay and sections of disbonded coating in 2010 and 2013, and inspection of Kinder Morgan's 2009 compressor station installation in New Hampshire. The Commission has also performed inspections on behalf of PHMSA for project durations up to a year. Given this experience, New Hampshire believes it is well positioned to complete standard as well as comprehensive inspections and monitoring on behalf of PHMSA through a Gas Interstate Agent Agreement. These agreements are only for one year at a time and do not preclude any federal oversight.

PHMSA conducted inspections in 2018 for Portland Pipeline, 2019 for Portland Natural Gas Transmission System and 2020 for a multistate "Control Room" inspection of Kinder Morgan as "joint inspections" that included NHPUC participation. The Kinder Morgan inspection was a "virtual inspection" conducted by video conferencing. We also note in 2020 the Safety Division offered to perform a field inspection of a repair on a Kinder Morgan gas leak in Londonderry, NH but was unfortunately PHMSA response to our offer was that our inspection presence would be unnecessary. No PHMSA personnel attended the field repair and the operator's activities were completed with no field oversight.

As you are well aware, New Hampshire has no municipal gas companies, no gathering lines and no offshore gas pipelines that require inspection resources. We do not believe the added inspection work will cause any detriment to existing programs.

All LPG operators have been inspected for the last dozen years and are well integrated into the core of New Hampshire pipeline safety inspection cycles. Our master meter operators have steadily been reduced over several decades to where we have only one remaining. The lone master meter operator has contracted with the local gas distribution operator for maintenance and emergency response functions resulting in a very desirable situation.

New Hampshire's Underground Damage Prevention Program is a mature program that is well established for over 37 years. We currently oversee and effectively enforce the one call requirements for all operators within New Hampshire including interstate gas transmission operators and interstate hazardous liquid transmission operators. The latest 2014 PHMSA characterization tool scored New Hampshire's underground damage prevention system with a perfect rating. We were deemed to have an "adequate" program classification as a result of PHMSA's Part 198 Subpart D enforcement evaluations in CY 2016, 2017, 2018, and 2019. The "adequacy" rating is a pass/fail type of rating used by PHMSA. The 2020 evaluation has not been conducted as of this writing.

The current resources and existing staffing levels of the Safety Division would allow the Commission to integrate the additional inspections into the current schedule of inspections without any foreseeable need for additional resources. Our staffing levels using previous PHMSA formulas and proposed PHMSA minimum inspection activity provide assurances that there is little risk for degradation to our existing program.

Governmental Efficiency

New Hampshire citizens demand efficient government at all levels. Increased efficiency can be gained by breaking down the jurisdictional barriers that exist today. Our CY 2017 request for interstate agent status previously provided three practical examples where governmental efficiencies could be attained. We continue to believe these examples are still relevant.

Next Steps

Please let us know the potential of allowing the New Hampshire Public Utilities Commission to be designated an Interstate Agent. Given that each interstate agent application is only for a year at a time, we believe that the general and broader interstate agent status is what the citizens of New Hampshire were requesting when our state laws were amended in 2014. Limited, time defined arrangements have always been available and allow for little continuity in inspection efforts. Interstate agent status is by definition only a one year agreement and requires subsequent certification applications each year for ensuing years. Thus, each application in itself is already a “limited time defined agreement” lasting no more than 365 days.

In particular, we would like to know how any acceptance of our offer affects our latest pipeline safety annual grant application(s) for CY 2021.

We would like to know what PHMSA’s Eastern Region interstate inspection needs are, in particular those necessary for interstate pipeline segments located within New Hampshire. New Hampshire’s legislators believe the proposed arrangement we seek of delegated authority will allow PHMSA’s federal resources to focus inspection efforts in other rapidly expanding states that pose higher risks without compromising inspection quality or standards. New Hampshire has had minimal associated construction activity compared to other regions containing shale and no interstate transmission incidents within the last 50 years. No major interstate expansion of interstate pipelines has been constructed in New Hampshire since 2000.

The envisioned interstate inspections would mostly cover operator’s routine type procedures and documentation because of little anticipated field activity. Interstate Agent Status allows local inspectors the opportunity to inspect interstate pipelines maximizing our inherent advantages. This frees up PHMSA inspectors to concentrate on the construction activity associated with those large construction projects underway in other states.

Lastly, the “Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016”, Public Law No. 114-183 was signed into law June 22, 2016. Section 60106 (b) (4) and Section 60106 (f) specifies the response of the request as well as the joint inspection process. PHMSA has stated that any travel cost or inspection time may not be derived from the State Base Grant nor can inspection documents be retained. While “joint inspections” are our last preference and do not meet the intent of an interstate agent request or time defined agreement, they may be useful in our reporting back to the New Hampshire legislature.

A prompt reply would be appreciated. As always, we welcome your feedback for program improvements and continuing our long standing partnership with PHMSA.

Zachary Barrett
Office of Pipeline Safety
Page 5

Respectfully,

/s/ Randall S. Knepper

Randall S. Knepper
Director, Safety & Security

cc:

Dianne Martin, NHPUC Chairwoman
Kathryn Bailey, NHPUC Commissioner
Michael Giaimo, NHPUC Commissioner
Debra Howland, NHPUC Executive Director
PHMSA Eastern Region Director

Attachment

ATTACHMENT 1
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In terms of Hazardous Liquid Training:

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7. **PHMSA-PL2294 *Safety Evaluation of Hazardous Liquid Pipeline Integrity Management (IM)***



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

October 26, 2020

Via Email

Mr. Randall Knepper
Director, Safety Division
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Dear Mr. Knepper:

Thank you for your letter dated September 29, 2020, regarding the New Hampshire Public Utilities Commission (NHPUC) request for interstate agent status. The Pipeline and Hazardous Materials Safety Administration (PHMSA) appreciates the NHPUC's commitment to pipeline safety via its administration of an inspection and enforcement program for intrastate gas pipelines. PHMSA appreciates the NHPUC's desire for interstate agent status. However, interstate support from the NHPUC is not currently necessary.

As you are aware, the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2016 allows states to participate in PHMSA's interstate inspections without a formal interstate agent agreement. Additionally, PHMSA and the NHPUC may enter into project-defined agreements for interstate projects with which PHMSA needs additional inspection support. The PHMSA Region assigned to operators in New Hampshire will reach out if we identify an opportunity where a project-defined agreement would be beneficial to the advancement of pipeline safety.

PHMSA appreciates your continued participation in the pipeline safety program and commitment to pipeline safety.

Sincerely,

A handwritten signature in blue ink, reading "Zach Barrett". The signature is fluid and cursive, with the first name "Zach" being more prominent than the last name "Barrett".

Zach Barrett
Director, PHMSA State Programs

INTERIM COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher Ellms, Jr.

STATE OF NEW HAMPSHIRE



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

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

Tel. (603) 271-3670

Website:
www.energy.nh.gov

September 29, 2021

Zachary Barrett
Director of State Programs
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
3700 South MacArthur Boulevard, Suite B
Oklahoma City, OK 73169

RE: New Hampshire CY 2022 State Application for Interstate Agent Status

Dear Mr. Barrett:

This letter is intended to once again remind you of our 2014 enacted New Hampshire State Law regarding pipeline safety. New Hampshire statute RSA 363:22 amended by House Bill 1224 became effective January 1, 2015, and formerly required the New Hampshire Public Utilities Commission (through its Safety Division) to apply annually for interstate agent certification to inspect safety issues of interstate natural gas pipelines and interstate hazardous liquid pipelines located within New Hampshire. Effective July 1, 2021 House Bill 2 transferred these responsibilities to a newly created New Hampshire Department of Energy. The latest provision authorizes the newly formed Department of Energy to report back to the New Hampshire legislature the results of such application.

Interstate Systems Involved:

Natural Gas:

New Hampshire interstate gas pipeline systems contain transmission pipelines owned and operated by 4 interstate natural gas pipeline operators:

- 1) Granite State Gas Transmission System (Operator ID #6580) owned by Unitil Corporation headquartered in Hampton, New Hampshire.
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In total, this comprises 232 miles of interstate transmission natural gas pipeline through 31 communities within New Hampshire.

The only new project activities regarding interstate pipelines within New Hampshire that the Division of Enforcement (formerly the Safety Division) is aware of include multiple inline inspection and material verification based on the recent transmission line rule changes applicable to the Granite State Gas Transmission System that will be spread over a number of years. These have been included as part of a FERC rate adjustment proceeding and have also been shared with New Hampshire and Maine pipeline safety state personnel.

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Experience and Qualifications of New Hampshire Department of Energy Division of Enforcement Staff

The New Hampshire Department of Energy's Division of Enforcement consists of a Program Manager, 2 Safety Inspectors, an Underground Damage Prevention Specialist and administrative support. The Program Manager and at least one inspector have completed the prerequisite PHMSA Training and Qualification Courses for Natural Gas and Hazardous Liquid Inspector Classification.

The New Hampshire Department of Energy's Division of Enforcement has the capability and technical expertise to perform inspections on the four interstate natural gas operators as well as the hazardous liquid interstate operator in an efficient and cost effective manner. Our proximity to the operators' facilities including Rights Of Way, compressor stations, gate stations and regulating stations, coupled with in-depth knowledge of local conditions can only add greater insights to inspection routines. Closer proximity also allows us to establish and attain more frequent inspection cycles, yield attentive and concentrated reviews as well as incorporate familiarity with local public concerns and expectations into the monitoring of pipelines. Pre-established relationships and knowledge of first responders, local gas contractors, welders and welding inspectors can only enhance the quality of an interstate inspection. Rather than solely reviewing an overall encompassing corporate plan for completeness, we will be able to provide extensive focus on those segments located within New Hampshire and any associated operations impacted within New Hampshire. While accomplishing PHMSA's inspection requirements, inspections completed by New Hampshire inspectors serve a dual purpose of achieving the New Hampshire legislature's goals of satisfying potential concerns regarding impacts of pipelines upon the local public.

The Department of Energy's Enforcement Division has all the prerequisite training and qualifications required for Standard Inspections of Interstate Gas and Hazardous Liquid Operators. We have also completed all prerequisites necessary for Interstate Gas and Hazardous Liquid Integrity Inspections. Attachment 1 contains specific information on staff training.

Previous Inspection Experience with Interstate Pipeline Operators

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The current resources and existing staffing levels of the Division of Enforcement would allow the Commission to integrate the additional inspections into the current schedule of inspections without any foreseeable need for additional resources. Our staffing levels using previous PHMSA formulas and proposed PHMSA minimum inspection activity provide assurances that there is little risk for degradation to our existing program.

Governmental Efficiency

New Hampshire citizens demand efficient government at all levels. Increased efficiency can be gained by breaking down the jurisdictional barriers that exist today. Our CY 2017 request for interstate agent status previously provided three practical examples where governmental efficiencies could be attained. We continue to believe these examples are all still relevant.

Next Steps

Please let us know the potential of allowing the New Hampshire Department of Energy's Division of Enforcement to be designated an Interstate Agent. Given that each interstate agent application is only for a year at a time, we believe that the general and broader interstate agent status is what the citizens of New Hampshire were requesting when our state laws were amended in 2014 and more recently in 2021. Limited, time defined arrangements have always been available and allow for little continuity in inspection efforts. Interstate agent status is by definition only a one year agreement and requires subsequent certification applications each year for ensuing years. Thus, each application in itself is already a "limited time defined agreement" lasting no more than 365 days.

In particular, we would like to know how any acceptance of our offer affects our latest pipeline safety annual grant application(s) for CY 2022.

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A prompt reply would be appreciated. As always, we welcome your feedback for program improvements and continuing our long standing partnership with PHMSA.

Respectfully,

/s/ Randall S. Knepper

Randall S. Knepper
Division of Enforcement

Zachary Barrett
Office of Pipeline Safety
Page 5

cc:
Jared Chicoine, Interim Commissioner
Christopher Ellms, Jr., Deputy Commissioner
Robert Burrough, PHMSA Eastern Region Director

Attachment

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4. **PHMSA-PL3293 *Corrosion Control of Pipeline Systems Course***
5. **PHMSA-PL2258 *Safety Evaluation of Hazardous Liquid Pipeline Systems Course***
6. **PHMSA-PL2284/ PHMSA-PL3275 *Current HAZWOPER Certification (24-hour HAZWOPER with an annual 8-hour refresher)***

Hazardous Liquid Integrity Management Inspectors

In addition to the core trainings, seven additional trainings are required for Hazardous Liquid Integrity Management Inspectors. 7 of 7 have been completed for one or more of New Hampshire Department of Energy inspection staff including the following:

1. **PHMSA-PL3291 *Fundamentals of (SCADA) System Technology and Operation Course***
2. **PHMSA-PL3292 *Safety Evaluation of Inline Inspection (ILI)/Pigging Program Course***
3. **PHMSA-PL31C *Investigating and Managing Internal Corrosion of Pipelines WBT Programs Course***
4. **PHMSA-PL3267 *Fundamentals of Integrity Management Course***
5. **PHMSA-PL3306 *External Corrosion Direct Assessment (ECDA) Field Course***
6. **PHMSA-PL2288 *Safety Evaluation of Breakout Tanks Course*** (It should be noted that the lone Hazardous Liquid Interstate Pipeline within New Hampshire has no break out tanks.)
7. **PHMSA-PL2294 *Safety Evaluation of Hazardous Liquid Pipeline Integrity Management (IM)***



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

October 5, 2021

Via Email

Mr. Randall Knepper
Division of Enforcement
Department of Energy
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Dear Mr. Knepper:

Thank you for your letter dated September 29, 2021, regarding the New Hampshire Department of Energy (NHDOE) request for interstate agent status. The Pipeline and Hazardous Materials Safety Administration (PHMSA) appreciates the New Hampshire Public Utility Commission's past commitment to pipeline safety and looks forward to working with the new NHDOE for the CY2022 inspection and enforcement program for intrastate gas pipelines. PHMSA appreciates the NHDOE's desire for interstate agent status; however, interstate support from the NHDOE is not currently necessary.

As you are aware, the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2020 allows states to participate in PHMSA's interstate inspections without a formal interstate agent agreement. Additionally, PHMSA and the NHDOE may enter into project-defined agreements for interstate projects with which PHMSA needs additional inspection support. The PHMSA Region assigned to operators in New Hampshire will reach out if we identify an opportunity where a project-defined agreement would be beneficial to the advancement of pipeline safety.

PHMSA appreciates your continued participation in the pipeline safety program and commitment to pipeline safety.

Sincerely,

A handwritten signature in blue ink, reading "Zach Barrett". The signature is fluid and cursive, with the first name "Zach" being more prominent than the last name "Barrett".

Zach Barrett
Director, PHMSA State Programs