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September 17, 2015

Jordan D. McColman, Esq.
Staff Attorney
Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018

Dear Mr. McColman,

This letter is a follow-up to the discussion that you had on September 15, 2015, with Matt Kaply, Keith Lincoln, and Bill Hewitt concerning the electro-fusion couplings which were installed in the 2013 and 2014 construction seasons that Staff and Summit Natural Gas of Maine (SNGME) have been discussing over the past several months. I apologize that I was unable to participate in that meeting.

It is my understanding that during the meeting, Staff expressed concerns about the delay in the testing of the electro-fusion couplings at the University of Maine. SNGME remains committed to doing testing on couplings at the University of Maine. The delay in the performance of the testing resulted from our internal discussions of the proposed testing protocols, and whether the proposed protocols would produce relevant results. More specifically, our internal discussions focused on the fact that the proposed testing protocol we had discussed with Staff would not follow any recognized industry standard. SNGME believes that an industry standard testing protocol would provide appropriately objective information that could be used to analyze the issue with the electro-fusion coupling. After researching potential industry standards, SNGME has concluded that an industry standard on point does not exist. SNGME's preference is to have a well thought out protocol that has been subjected to internal and external review.

SNGME acknowledges that the internal discussions have delayed the testing, and SNGME commits to work with Staff in an expeditious manner to develop a better protocol. Please confirm whether Commission Staff would like to participate in this effort.

SNGME's internal discussions have also focused on the fact that, based on field experience, the electro-fusion couplings are safe, including those installed by the contractors identified by Staff. The basis for this position that the couplings in service: 1) have passed pressure testing; 2) have been subjected to multiple freeze/thaw cycles without any detected leaks; and 3) are fundamentally different than the electro-fusion tees from a leak risk perspective. More specifically, electro-fusion couplings have fundamentally different structural characteristics than tees in that couplings fully encircle the joined pipe, whereas tees simply rest on the pipe's outer surface.



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Furthermore, as you are aware, SNGME performs leak surveys of its system every 75 days, which is in excess of what is required under both state and federal gas safety regulations. No leaking couplings have been detected to date.

The installation of couplings is part of a continuous process of installing a plastic pipeline system. Since neither state nor federal regulations required LDCs to mark the location of these couplings at the time they were installed, SNGME does not have exact locations for the majority of couplings identified by Staff which were installed during the 2013 and 2014 construction seasons. A blanket requirement to locate, inspect and replace all couplings would therefore require SNGME to excavate nearly its entire distribution system. The scope of such a project would be so vast that any improvement in public safety resulting from the replacement of all couplings would be dramatically outweighed by the potential damage to the system by the magnitude of the excavation required to locate all of the couplings.

On account of the lower level of potential risk associated with these facilities, SNGME believes that, pending the test results, monitoring and management is the appropriate way to address Staff's concerns. Through continued vigorous leak surveys and the careful addition of construction information and risk assessments to our Distribution Integrity Management Plan (DIMP) SNGME will monitor the integrity of these facilities closely. Should any issues arise with the electro-fusion couplings, the Company will investigate and assess those issues and deploy resources commensurate with their risk. Statistical modeling and integrity management systems provide a wide array of tools to manage and mitigate risk. SNGME currently employs a variety of these resources and will continue to develop and expand its efforts in these areas. SNGME is confident that its system in service today is safe and that further excavation and inspection is unnecessary given the measures and plans that are currently in place.

The safety of our system, our customers, and our employees is SNGME's number one priority. We are building a state of the art natural gas distribution system and have gone to great lengths to ensure that we have the right systems and people in place to ensure safe, reliable, and efficient delivery of natural gas service to our customers.

Again, I apologize for not being able to be at the meeting in Hallowell on September 15, 2015. I hope that this letter helps explain our thoughts on what I understand to be Staff's concerns.

Please do not hesitate to contact me if you have any questions at (720)-981-2000 or mblittle@summitutilitiesinc.com.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Bryan Little, Esq.", written in a cursive style.

M. Bryan Little, Esq.
Vice President, Government &
Regulatory Affairs
Summit Utilities, Inc.



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