

Joe Hamrock  
*President & CEO*



290 W. Nationwide Blvd.  
Columbus, OH 43215  
614-460-6888  
jhamrock@nisource.com

September 19, 2018

The Hon. Edward J. Markey  
United States Senate  
Washington, D. C. 20510

The Hon. Elizabeth Warren  
United States Senate  
Washington, D. C. 20510

Dear Senators Markey and Warren:

Thank you for your September 17, 2018 letter to Stephen Bryant, President of Columbia Gas of Massachusetts. We know you and your constituents have questions – and deserve answers – about the tragic events that took place in Lawrence, Andover, and North Andover, Massachusetts on September 13, 2018. I would like to address the specific questions you raised about the incident in your letter, as well as in your subsequent telephone conversation with our team.

Before turning to your specific questions, I want to say how sorry I am for the terrible impact this event has had on so many people in the greater Lawrence area. A young life was tragically lost, many people were injured, and so many families continue to struggle in the aftermath. We are fully committed to providing immediate and ongoing assistance to people who need it, rebuilding our system safely, and working tirelessly to earn back the public's trust.

I assure you that Columbia Gas of Massachusetts is fully cooperating with state and federal investigators to determine what happened, why it happened, and what steps we should take to prevent a disaster of this type in the future. We are also working in partnership with state and local officials and community organizations to support those in need, including those who lost property or were displaced from their homes. Finally, we are committed to completely replacing the low-pressure bare steel and cast iron pipeline system in those communities with state-of-the-art plastic mains and distribution lines.

In Question No. 1, you requested a copy of the company's Distribution Integrity Management Plan. A copy of that document is enclosed. We have redacted personal

information, such as employee names and telephone numbers, as well as certain information concerning critical infrastructure and risk and vulnerability assessments that the Department of Public Utilities (“DPU”) has determined should not be subject to public disclosure. The plan was last audited by the DPU on November 20, 2015.

Questions 2 through 7 ask about facts specific to this incident. As you know, this matter is now under investigation by the National Transportation Safety Board (“NTSB”). We respect the integrity of the NTSB process. While we are committed to full transparency and sharing information as it becomes available, as a party to the investigation, we are legally prohibited from releasing such “investigative information” at this time without the approval of the NTSB. We will continue to fully cooperate in that investigation, and will be guided by the findings of the NTSB in making operational improvements in the future.

In Question No. 8, you asked for a copy of Columbia’s most recent Emergency Response Plan. A copy of that plan is enclosed. Again, it has been redacted to remove personal information, such as employee names and telephone numbers.

Questions 9 and 10 also ask about facts specific to the event, which we are unable to answer at this time for the reasons discussed above.

In Questions No. 11 and 14, you requested a description of certain planned upgrades in the Lawrence area, and asked whether state or federal regulators were aware of those planned pipeline upgrades. The company currently spends approximately \$80 million/year on a program referred to as the Gas System Enhancement Plan (“GSEP”), which is designed to improve the safety of the pipeline system by replacing bare steel and cast iron infrastructure. The specific projects to be done each year are submitted to the DPU annually for review and approval. A list of projects planned for 2018, which included upgrades planned for this area, was included in the company’s 2018 plan, which was filed with and approved by the DPU. A copy of the 2018 plan is enclosed. The list of planned upgrades appears in Appendix A to the testimony of company witness David Mueller.

Questions 12, 13 and 15 ask about facts specific to the event, which we are unable to answer at this time for the reasons discussed above.

In Question No. 16, you asked how much of the company’s proposed \$33.2 million rate increase would be dedicated to enhanced safety of operations, along with inspections and upgrades in the impacted areas of Lawrence, North Andover, and Andover. The Company is withdrawing this proposed rate increase. However, as noted above, our team is committed to restoring the affected communities, rebuilding peace of mind, and reestablishing trust in our company. Withdrawing the rate increase is necessary at a time when our full focus is on supporting our customers and the communities we serve.

In Question No. 17, you asked about actions taken by the Company following previous incidents to improve operating or response procedures in order to avoid or minimize future accidents. In each case, those incidents were thoroughly investigated, and we took action where necessary:

- Following the Worthington Street incident in 2012, the company modified its policies and procedures, known as “gas standards,” to minimize the risk of injury and damage in connection with the “barholing” process.
- Following the Easton incident in 2007, Columbia modified its gas standards to impose additional safety precautions to be taken when excavating within a safety zone.
- Following the Seekonk incident in 2012, we changed our procedures to require the establishment of immediate contact between company personnel and first responders when there is any indication of a pipeline rupture or other condition that could adversely affect the public safety.

In Question No. 18, you asked about the installation of excess flow valves. The company has installed excess flow valves on new or replaced service lines in residential, multi-family, or small commercial structures, as required by federal regulations. Those regulations, however, do not require the installation of excess flow valves in systems that operate at pressures below 10 pounds per square inch, because excess flow valves are not effective in low-pressure systems. The low-pressure system in the Merrimack Valley operated at a pressure of less than one pound per square inch, so customers in that system would not have had excess flow valves. When the company replaces the bare steel and cast-iron pipe in that area, however, excess flow valves will be installed.

In Question No. 19, you ask if the company believes that excess flow valves should be installed on all existing homes. While we will, of course, install excess flow valves on existing homes upon the request of the customer, as required by the regulations, we do not believe that retrofitting all existing homes would be the most beneficial investment for our customers. Instead, we believe that we can achieve greater improvements in system safety in other ways, such as replacing bare steel and cast iron mains and service lines.

In Question 20, which was submitted by telephone, you asked which houses were safe. I want to be clear that, with the exception of homes lost or significantly damaged, all structures in the affected area are now safe. A list containing the addresses of those houses is enclosed. It is labeled “Cleared Locations.”

Finally, in Question 21, which was also submitted by telephone, you asked for the name of the contractor Columbia was using on the day of the incident. Once again, that concerns facts which relate directly to the event, which at this time we are unable to answer for the reasons discussed above.

In closing, I would reiterate that Columbia Gas of Massachusetts is fully committed to meeting the immediate and ongoing needs of people in the greater Lawrence area, working in partnership with all stakeholders to rebuild a safe and modern natural gas system, and through actions – not words – regaining the trust of our customers and neighbors in the Merrimack Valley.

I look forward to continuing to work with you as we deliver on these commitments.

Very truly yours,

A handwritten signature in black ink that reads "Joe Hamrock". The signature is written in a cursive, slightly slanted style.

Joseph Hamrock

cc (without enclosures):

Benjamin Allen  
Associate General Counsel  
National Transportation Safety Board