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June 15, 2020

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station, 5<sup>th</sup> Floor  
Boston, MA 02110

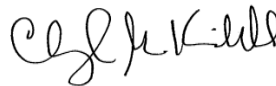
Re: Bay State Gas Company d/b/a Columbia Gas of Massachusetts, D.P.U. 19-140

Dear Mr. Marini:

Enclosed for filing in the above-captioned matter on behalf of Bay State Gas Company d/b/a Columbia Gas of Massachusetts, the Massachusetts Office of the Attorney General, the Massachusetts Department of Energy Resources, and the Massachusetts Department of Public Utilities Settlement Intervention Staff is a Motion for an Extension of Time.

Thank you for your attention to this matter.

Sincerely,



Cheryl M. Kimball, Esq.

Enclosures

cc: Laurie E. Weisman, Esq. – Hearing Officer  
Service List – D.P.U. 19-140



In conjunction with its approval of the Motion, the Department issued a directive entitled “Appointment of Settlement Staff” setting a deadline of Monday, June 15, 2020 for filing of a proposed settlement (“Settlement Directive”). By this Motion, the Settling Parties request extension of the deadline for filing of a settlement agreement to Monday, June 22, 2020. For the reasons set forth herein, there is good cause for the extension.

## **II. Basis for Extension**

The Settling Parties requested assignment of SIS in the above-referenced proceeding to collaborate with the Settling Parties to address three specific issues, as follows:

1. To identify the specific areas of alleged non-compliance with the Department’s pipeline safety regulations that the Department expects to adjudicate as part of D.P.U. 19-140, as well as other assessment, compliance or enforcement actions currently pending before the Department through its Division of Pipeline Safety.
2. To identify the improvement or modifications of operating procedures, process changes or other non-monetary compliance efforts that should be instituted by CMA prior to closing of the transaction, and/or by Eversource following the closing of the transaction, to address the areas of non-compliance identified by the Department in Item 1.
3. To quantify the payment in lieu of penalties that would be sufficient for NiSource and CMA to make to terminate D.P.U. 19-140 and fulfill the

prerequisite to closing of the “MDPU Required Resolution.”<sup>2</sup>

Beginning Monday, June 1, 2020, the Department’s SIS engaged with the Settling Parties in a series of discussions to reach resolution in these three designated areas. Significant progress toward settlement has occurred through these discussions and the issues are substantially narrowed.

However, as part of its assignment of SIS, the Department set a deadline of June 15, 2020 for the filing of a settlement agreement, stating as follows:

By June 15, 2020, SIS and the other full parties to this proceeding shall submit a proposed settlement that is sufficient for the Department to review and consider in resolution of this proceeding, pursuant to 49 U.S.C. § 60105, G.L. c. 164, §§ 76, 105A, and 220 CMR 69.00. If a proposed settlement cannot be submitted by June 15, 2020, the parties shall notify the Department that its proceeding may continue without settlement.

Appointment of Settlement Staff at 2-3.

The Settling Parties agree that the issues involved in the three areas identified as appropriate for the Department’s SIS are resolved or are resolvable. In addition, the Settling Parties (exclusive of the Department’s SIS) are making substantial progress on all other issues associated with the Department’s approval of Eversource’s acquisition of the assets comprising the operations of CMA under G.L. c. 164, § 96 and § 94. However, additional time is necessary to finalize a settlement agreement relating to the Department’s approval under G.L. c. 164, § 96 and § 94.

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<sup>2</sup> For the transaction to move forward, following the issuance of the Department’s final decision approving the sale and acquisition under G.L. c. 164 § 96, the following Department actions and approvals must have occurred: (1) “*MDPU Approval*,” which means the Department’s approval of the transactions contemplated by the Asset Purchase Agreement (“APA”), as required by the Department pursuant to G.L. c. 164 § 96, and any applicable rules and regulations promulgated by the Department (APA, Article 1, Section 1.1); and (2) “*MDPU Required Resolution*,” which means the final resolution or termination of all pending and future actions, claims, and proceedings under the Department’s jurisdiction against NiSource and CMA relating to the Greater Lawrence Incident, as well as other pending assessment, compliance or enforcement actions (APA, Section 10.1), which would include, among other matters, D.P.U. 19-140.

Eversource and NiSource are committed to obtaining necessary approvals and achieving satisfaction of required conditions by September 30, 2020, to allow for the transaction closing and Eversource ownership prior to November 1, 2020, which is the start of the 2020/2021 winter heating season. Therefore, the Settling Parties and the Department's SIS are in agreement that administrative efficiency would be well served by the filing of a single settlement agreement encompassing: (1) resolution of the amount of the payment to be made by NiSource and CMA that would be sufficient for the Department to terminate D.P.U. 19-140, and fulfill the prerequisite to closing of the "MDPU Required Resolution;" and (2) resolution of other issues arising under G.L. c. 164, § 96 and § 94, or otherwise required by Massachusetts law and Department precedent to be determined by the Department in order for the transaction to move forward in accordance with the terms contemplated by NiSource and Eversource in the APA.

The Settling Parties are endeavoring to complete the documentation associated with this comprehensive settlement by June 22, 2020. Should additional time be necessary to complete preparation of the filing requirements, the Settling Parties will notify the Department on or before June 22, 2020. However, the Settling Parties are committed to complete the filing encompassing all issues necessary for the Department to move forward to initiate the proceeding under G.L. c. 164, § 96 and § 94, and to terminate the proceedings in D.P.U. 19-140 and D.P.U. 19-141 and associated matters, no later than June 30, 2020 in any event. Lastly, the Settling Parties and the Department's SIS agree that Items 1 and 2 listed above, are under discussion and will be subject to a separate "Consent Order" executed by the Department's SIS and CMA, which is expected to be finalized no later than June 30, 2020.

## V. CONCLUSION


The issues involved in the three areas identified above, as appropriate for the Department's SIS, are resolved or are resolvable. In addition, the Settling Parties (exclusive of the Department's SIS) are making substantial progress on all other issues associated with the Department's approval of Eversource's acquisition of the assets comprising the operations of CMA under G.L. c. 164, § 96 and § 94. Therefore, the Department should allow an extension of the June 15, 2020 settlement filing deadline to provide additional time for development of a comprehensive settlement agreement addressing all aspects necessary for the Department's approval of the transaction consistent with the terms contemplated by the APA.

**WHEREFORE**, for the reasons stated above, the Settling Parties respectfully request that the Department grant this motion to extend the deadline for filing of a settlement agreement to June 22, 2020.

Respectfully submitted.

**Bay State Gas Company  
d/b/a Columbia Gas of  
Massachusetts**

By its Attorney



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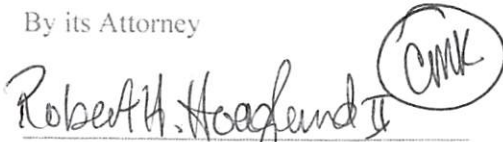
By:



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**Massachusetts Department of  
Energy Resources**

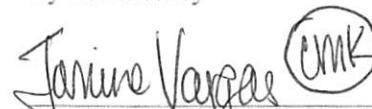
By its Attorney



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**Department of Public Utilities  
Pipeline Safety Division**

By its Attorney



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Dated: June 15, 2020