



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

April 20, 2015

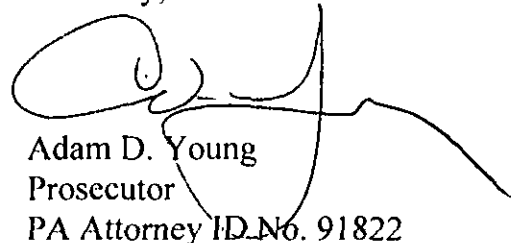
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission, Bureau of Investigation
and Enforcement v. Continental Communities, LLC and Hickory
Hills MHC, LLC
Docket No. C-2015-2468131

Dear Secretary Chiavetta:

Enclosed for filing please find the original copy of the Answer to Preliminary
Objections in the above referenced case, on behalf of the Bureau of Investigation and
Enforcement of the Pennsylvania Public Utility Commission. Copies have been served
on the parties of record in accordance with the Certificate of Service.

Sincerely,



Adam D. Young
Prosecutor
PA Attorney ID No. 91822

Counsel for the Bureau of
Investigation and Enforcement

Enclosures

cc: As per Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement,	:	
Complainant	:	
	:	C-2015-2468131
v.	:	
	:	
Continental Communities, LLC	:	
And	:	
Hickory Hills MHC, LLC	:	

**ANSWER OF THE BUREAU OF INVESTIGATION AND ENFORCEMENT
TO THE PRELIMINARY OBJECTIONS OF CONTINENTAL COMMUNITIES,
LLC AND HICKORY HILLS, LLC**

NOW COMES, the Bureau of Investigation and Enforcement (“I&E” or “Complainant”) of the Pennsylvania Public Utility Commission (“Commission”) by and through its prosecuting attorneys, and files this Answer to the Preliminary Objections of Continental Communities, LLC and Hickory Hills MHC, LLC (“Respondents”), pursuant to 52 Pa. Code § 5.101(f). In support thereof, I&E avers as follows:

I. INTRODUCTION

On February 19, 2015, I&E filed a Formal Complaint against Respondents at Docket No. C-2015-2468131, alleging that Respondents violated the Act of December 22, 2011, P.L. 586, No. 127; 58 P.S. §§ 801.101 *et seq.* (“Act 127”) as well as numerous provisions of the Code of Federal Regulations. I&E appropriately seeks relief, including that the Commission: (1) find Respondents to be in violation of Act 127 and the Code of

Federal Regulations for each of the thirty-nine (39) counts set forth in the Formal Complaint; (2) impose a civil penalty upon Respondents in the amount of Two Million Dollars (\$2,000,000.00)¹; (3) direct Respondents to pay an assessment of \$3,384 for the 2012-13 and 2013-14 fiscal year(s); and (4) order such other remedy as the Commission may deem to be appropriate.

On April 10, 2015, Respondents, through counsel, filed Preliminary Objections, at the above docket in addition to an Answer and New Matter. In Respondents' Preliminary Objections, Respondents allege the following: (1) the Formal Complaint fails to state any cause of action against Respondent Continental Communities as it "does not now and has never owned or operated 'equipment or facilities in this Commonwealth for the transportation of gas or hazardous liquids by pipeline or pipeline facility regulated under Federal pipeline laws.'" 58 P.S. § 801.102; and (2) the Formal Complaint fails to state any cause of action against Respondent Continental Communities or Hickory Hills that justifies the requested maximum civil penalty based on the alleged "egregious and serious nature of this incident" because there "is no basis in law or in the factual allegations pleaded in the Formal Complaint to create a nexus between the explosion that occurred on February 14, 2014 at Hickory Hills and the statutory violations alleged in the Formal complaint."

For the reasons stated herein, I&E contends that Respondents' Preliminary Objections are without merit, as I&E has stated a valid cause of action against both Respondents. Moreover I&E's averments of factual and legal acts or omissions, if

¹ This proposed civil penalty is the maximum permitted to be assessed pursuant to 66 Pa.C.S. § 3301(c).

accepted as true, are legally sufficient and create a causal nexus to the deadly explosion, thereby warranting the maximum civil penalty.

II. LEGAL STANDARD

The Commission's Rules of Administrative Practice and Procedure permit the filing of preliminary objections. 52 Pa. Code §§ 5.101 (a)(1)-(7). The grounds for preliminary objections are limited to the following:

- (1) Lack of Commission jurisdiction or improper service of the pleading initiating the proceeding.
- (2) Failure of a pleading to conform to this chapter or the inclusion of scandalous or impertinent matter.
- (3) Insufficient specificity of a pleading.
- (4) Legal insufficiency of a pleading.
- (5) Lack of capacity to sue, nonjoinder of a necessary party or misjoinder of a cause of action.
- (6) Pendency of a prior proceeding or agreement for alternative dispute resolution.
- (7) Standing of a party to participate in the proceeding.

52 Pa. Code § 5.101(a).

In deciding whether to grant or deny a preliminary objection, there must be a presumption that all facts averred in the complaint are true and, correspondingly, it must be determined whether, based on well-pleaded factual averments of the complainant, recovery or relief is possible. *See Feingold v. Bell of Pa.*, 383 A.2d 791 (Pa. 1977); *See also Equitable Small Transp. Interveners v. Equitable Gas Co.*, 1994 Pa PUC LEXIS 69, *3.

Furthermore, any inferences fairly deducible from the facts must be accepted for purposes of the disposition of the preliminary objections. *See Commonwealth v. Bell Telephone Co.*, 551 A.2d 602 (Pa. Cmwlth. Ct. 1988). The Commission shall deny a preliminary objection,

in favor of the non-moving party, if there are any doubts that must be resolved. Boyd v. Ward, 802 A.2d 705, 707 (Pa. Cmwlth. Ct. 2002); Weber v. PPL Electric Utilities Corp., Docket No. C-2008-2052894, Order at 4 (March 23, 2009). Also, preliminary objections must be denied, where factual or legal issues remain to be examined. See P. J. S. v. Pa. State Ethics Comm'n, 669 A.2d 1105 (Pa. Cmwlth. Ct. 1996).

Preliminary objections alleging "legal insufficiency of pleading," serve judicial economy by avoiding a hearing where no factual dispute exists. Drake v. Pa. Electric Co., Docket No. C-2014-2413771, Order at 5 (May 7, 2014). The Commission will find a complaint legally sufficient if it provides the following:

...an act or thing done or omitted to be done or about to be done or omitted to be done by the respondent in violation, or claimed violation, of a statute which the Commission has jurisdiction to administer, or of a regulation or order of the Commission.

Drake, Order at 6; 52 Pa. Code § 5.22(a)(5).

The purpose of a preliminary objection raising specificity is to ensure that the ability of an adverse party to answer and defend will not be unduly impaired by a complainant's vagueness in stating grounds for the action. Stilp v. Commonwealth, 910 A.2d 775 (Pa. Commw. Ct. 2006), *aff'd*, 974 A.2d 491 (Pa. 2009). When a respondent files a preliminary objection alleging "insufficient specificity of a pleading," an answer is not required until further directed by the presiding officer or the Commission. 52 Pa. Code § 5.101(e)(1).

Such preliminary objection requires consideration of the following questions:

[W]hether the complaint is sufficiently clear to enable the defendant to prepare his defense, or whether the plaintiff's complaint informs the defendant with accuracy and completeness of the specific basis on which recovery is sought so that the defendant may know without question upon what grounds to make his or her defense.

Rambo v. Greene, 906 A.2d 1232, 1269 (Pa. Super. 2006).

With regard to the preliminary objections filed by Respondents in this case, it is assumed that the basis for the Preliminary Objections are 52 Pa. Code §§ 5.101 (a)(3) and (4) alleging insufficient specificity and/or legal insufficiency of a pleading. Taking all relevant and well-pleaded facts in the Formal Complaint as true, it is clear that I&E has stated a valid cause of action against both Continental Communities LLC and Hickory Hills MHC, LLC, and that the facts, if assumed to be true, support a finding for the maximum imposable civil penalty of \$200,000 per violation for each of the 39 violations alleged, capped at the statutory maximum of \$2,000,000.

III. ANSWER

Preliminary Objection No. 1.

6. Admitted. By way of further answer, Hickory Hills, LLC is a sole member Limited Liability Corporation, the sole member of which is Continental Communities.

7. Admitted.

8. Denied. Hickory Hills, LLC may be the deed holder of the real estate at Hickory Hills Mobile Home Community, however, Continental Communities, LLC is the *de facto* owner and operator of Hickory Hills Mobile Home Community and the associated propane pipeline facility. See "ATTACHMENT A" hereto, wherein Continental Communities represents itself as the "owner" of the propane operation on a renewal application to the Department of Labor & Industry under its obligations as a pipeline operator under the Propane and Liquefied Petroleum Gas Act. Moreover, it is denied that Continental Communities, LLC is without obligation in this case. I&E avers that Continental Communities LLC, as the *sole member* of Hickory Hills, LLC is jointly

responsible for the actions of Hickory Hills, LLC and should be held jointly and severally liable for all consequences of such actions, including civil penalties, regardless of deed holder status.

9. Denied. See response to Paragraph 8 above. Continental Communities, LLC is the sole member of Hickory Hills MHC, LLC and has acted and operated in the past as owner of Hickory Hills Mobile Home Community. Not only has Continental Communities filed state applications as “owner” of the mobile home park (Paragraph 8 *infra*), Continental Communities’ own website lists Hickory Hills in Pennsylvania under the “Our Communities” tab. In the “About Us” tab on the same site, Continental Communities boasts that it “currently owns, operates and manages a well-diversified portfolio of affordable, high quality manufactured housing communities and park model / recreational vehicle resorts (both family-oriented and age-restricted) located in select markets across the United States” and “[e]ach community owned by Continental Communities is managed by a wholly-owned subsidiary, Continental Management Services, which is responsible for overseeing and implementing on-site community operating and management functions.” (emphasis added). See “ATTACHMENT B”. Moreover, following the incident on February 14, 2014, Continental Communities’ Operations Manager and Vice President have been in written contact with Commission gas safety personnel as well as the Department of Labor and Industry Boiler Division on behalf of Hickory Hills MHC, LLC in responding to requests for information regarding Hickory Hills’ propane pipeline system. See “ATTACHMENT C”. Continental

Communities LLC is clearly in control of Hickory Hills MHC and is, therefore, also responsible for the consequences of this incident.

10. Denied. See responses to Paragraphs 8 and 9 above.

11. Denied. See responses to Paragraphs 8 and 9 above.

12. Denied. See responses to Paragraphs 8 and 9 above.

Preliminary Objection No. 2.

13. Admitted. By way of further response, these are not the only facts alleged in the Formal Complaint. Facts at Paragraphs 26 (a) – (s) relate to the regulatory violations found by Commission gas safety inspectors.

14. Denied. There is a causal nexus between the deadly explosion and Respondents' failure to register with the Commission and bring its system into compliance with federal pipeline safety laws. Had Respondents registered with the Commission, allowed Commission gas safety personnel to inspect its facilities, and brought its system into compliance with federal pipeline safety laws, this devastating incident may have been avoided.

15. Admitted. As the facts in the Formal Complaint clearly state, Respondents' actions in the weeks leading up to the explosion are of an egregious and serious nature, show a wanton disregard for the safety of the public at the Hickory Hills Mobile Home Community, as well as demonstrate the lack of qualification of pipeline personnel in responding to and repairing leaks. See Paragraphs 17-19 (a) – (w), 26 (a) – (s) of the

Formal Complaint. This certainly warrants the maximum civil penalty that can be imposed.

16. Denied. Act 127 speaks for itself. By way of further answer, Respondents' reading of Act 127 missed two key provisions, which grant jurisdiction to the Commission to impose civil penalties upon pipeline operators for violations of the federal pipeline laws. Act 127 gives the Commission jurisdiction to enforce the federal pipeline laws against pipeline operators in the Commonwealth of Pennsylvania and to impose civil penalties for violating the same. *See* 58 P.S. §§ 801.501(a)(7) and 502(a). Nothing in Act 127 suggests that civil penalties may be imposed *only* for failing to register with the Commission as a pipeline operator. Civil penalties may be imposed for any violations of the federal pipeline safety laws. The seriousness of the resulting consequences of Respondents' failure to register and failure to comply with the federal pipeline safety laws should be taken into account under 52 Pa. Code § 69.1201 in determining the amount of the civil penalty. I&E believes that the maximum civil penalty is warranted.

17. Denied. *See* response to Paragraph 16 above. 66 Pa. C.S. § 3301 speaks for itself. By way of further answer, 66 Pa. C.S. § 3301 is silent as to *factors* for imposing civil penalties for *any* violations, instead, § 3301(c) is the basis for the maximum (daily and overall) civil penalty amount allowable for violations of the gas safety provisions of the Public Utility Code, the federal pipeline laws, and Act 127.

18. Denied. *See* response to Paragraph 16 above. 52 Pa. Code § 69.1201 speaks for itself. By way of further answer, the Commission's policy statement at 52 Pa.

Code § 69.1201 was never raised by Complainant. Insofar as this policy is relevant to these proceedings, the policy statement is a guideline for the Commission to determine *aggravated and mitigating factors before imposing a civil penalty*. Based upon the serious consequences resulting from Respondents' violations, the maximum civil penalty is certainly warranted.

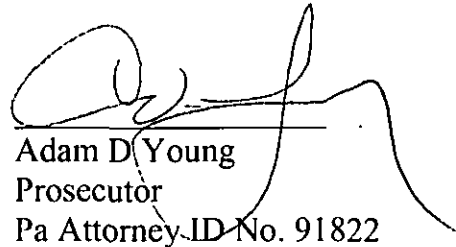
19. Denied. The Formal Complaint alleges all necessary facts to support the violations of the federal pipeline laws. Respondents assume the facts outlined in Paragraphs 17-19 of the Complaint are the only facts pleaded, however, those paragraphs state a factual basis illustrating the reckless disregard for the safety of the residents at Hickory Hills, specifically that of the decedent. Paragraph 26(a) – (s) outlines the acts or omissions of Respondents that resulted in a violation of Act 127 and the federal pipeline safety laws. Simply stated, Respondents' actions such as failing to register with the Commission, submitting to a safety inspection, complying with federal pipeline safety laws, and properly qualifying and training personnel to respond to and repair leaks, all may have contributed to a catastrophic explosion resulting in the death of William Donald Neith, Sr.

20. Denied. The Formal Complaint should be read in its entirety and clearly establishes a factual basis for all the violations alleged. By way of further response, Respondents Continental Communities, LLC and Hickory Hills MHM, LLC were under a *statutory obligation* to register their pipeline operation with the Commission. Had Respondents done so, gas safety inspectors would have inspected their facilities and found that Respondents' operation did not comply with *any* relevant provisions of 49

C.F.R Chapter 192. By failing to oblige their statutory duty, Respondents circumvented inspection by Commission gas safety inspectors, thereby allowing the continued operation of a dangerous propane pipeline system with a lengthy history of leaks. This poorly maintained and unmapped system of plastic and non-cathodically protected bare steel pipe, operated by unqualified pipeline personnel, continued to operate for two years after the passage of Act 127 unbeknownst to Commission gas safety personnel. The well pleaded facts in the Formal Complaint establish that Respondents allowed a severe propane leak to persist for several weeks, ultimately resulting in a fatal catastrophic explosion, which may have been avoided had Respondents complied with the provisions of Act 127 and the federal pipeline safety laws.

WHEREFORE, the reasons stated above, the Bureau of Investigation and Enforcement of the Public Utility Commission respectfully requests that the Administrative Law Judge and the Commission dismiss Respondents' Preliminary Objections and sustain I&E's Complaint.

Respectfully submitted,



Adam D. Young
Prosecutor
Pa Attorney ID No. 91822

Wayne T. Scott
First Deputy Chief Prosecutor
PA Attorney ID No. 29133

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-5000
adyoung@pa.gov
wascott@pa.gov

Dated: April 20, 2015

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ATTACHMENT "A"

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pennsylvania

DEPARTMENT OF LABOR & INDUSTRY

BUREAU OF OCCUPATIONAL & INDUSTRIAL SAFETY

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LPG APPLICATION FOR REGISTRATION

Type or print legibly in black ink all the information requested below

Application Type	<input type="checkbox"/> Initial Registration <input type="checkbox"/> Change Registration Type <input checked="" type="checkbox"/> Renewal of Registration If renewal or change, list current registration number <u>87547</u>																											
Owner/Location Information	Owner Name <u>CONTINENTAL COMMUNITIES</u> Phone <u>(610) 759-6280</u> Mailing Address <u>2015 Spring Rd. Suite 600</u> Fax <u>(610) 759-2103</u> City <u>WAK BROOK</u> State <u>IL</u> Zip <u>60523</u> E-Mail _____ Location Name <u>HICKORY HILLS MHC</u> Location Address <u>121 HICKORY HILLS DR</u> City <u>BATH</u> County <u>NORTHAMPTON</u> Zip <u>18014</u> Municipality Name <u>MOORE</u> Type: <input type="checkbox"/> Borough <input type="checkbox"/> City <input checked="" type="checkbox"/> Township																											
Insurance Documentation	A valid certificate of insurance or a policy declaration page naming the owner as the insured is acceptable. The department (with address information listed below) must be listed as the certificate holder. <input type="checkbox"/> \$250,000 minimum Liability Coverage – 9,000 or Less Gallons <input checked="" type="checkbox"/> \$1 Million/Incident \$2 Million Aggregate Minimum Liability Coverage – 9,000 or more Gallons Insurance Carrier: <u>EMPLOYERS MUTUAL CAS CO</u> Policy Number: <u>21415</u> Effective Date: <u>3-1-10</u> Expiration Date: <u>3-1-11</u>																											
Training Program	<input checked="" type="checkbox"/> The LPG facility has employees who transfer LPG and utilizes the following training program to train authorized attendants: <input type="checkbox"/> Operator Provider Training Program <input type="checkbox"/> Program Approval Number _____ <input type="checkbox"/> Propane Education and Research Council Training Program <input type="checkbox"/> The LPG facility has no employees who transfer LPG																											
Registration Type / Fee	<table border="0"> <tr> <td>Bulk Plant</td> <td></td> <td>Distributor</td> </tr> <tr> <td>\$ 90 <input type="checkbox"/> 2,000 or less gallons</td> <td></td> <td>\$112.50 <input type="checkbox"/> Less than 1,000 customers</td> </tr> <tr> <td>\$ 90 <input checked="" type="checkbox"/> 2,001 to 30,000 gallons</td> <td></td> <td>\$235 <input checked="" type="checkbox"/> 1,000 to 2,999 customers</td> </tr> <tr> <td>\$135 <input type="checkbox"/> 30,001 to 90,000 gallons</td> <td></td> <td>\$337.50 <input type="checkbox"/> 3,000 to 5,999 customers</td> </tr> <tr> <td>\$180 <input type="checkbox"/> 90,001 or more gallons</td> <td></td> <td>\$450 <input type="checkbox"/> 6,000 or more customers</td> </tr> <tr> <td>Industrial User</td> <td></td> <td></td> </tr> <tr> <td>\$ 4: 2,001 to 30,000 gallons</td> <td></td> <td>\$ 50 <input type="checkbox"/> Cylinder Exchange Cabinet (per physical address)</td> </tr> <tr> <td>\$ 90 <input type="checkbox"/> 30,001 to 180,000 gallons</td> <td></td> <td></td> </tr> <tr> <td>\$180 <input type="checkbox"/> 180,001 or more gallons</td> <td></td> <td>Total gallons per location: <u>30,000</u></td> </tr> </table>	Bulk Plant		Distributor	\$ 90 <input type="checkbox"/> 2,000 or less gallons		\$112.50 <input type="checkbox"/> Less than 1,000 customers	\$ 90 <input checked="" type="checkbox"/> 2,001 to 30,000 gallons		\$235 <input checked="" type="checkbox"/> 1,000 to 2,999 customers	\$135 <input type="checkbox"/> 30,001 to 90,000 gallons		\$337.50 <input type="checkbox"/> 3,000 to 5,999 customers	\$180 <input type="checkbox"/> 90,001 or more gallons		\$450 <input type="checkbox"/> 6,000 or more customers	Industrial User			\$ 4: 2,001 to 30,000 gallons		\$ 50 <input type="checkbox"/> Cylinder Exchange Cabinet (per physical address)	\$ 90 <input type="checkbox"/> 30,001 to 180,000 gallons			\$180 <input type="checkbox"/> 180,001 or more gallons		Total gallons per location: <u>30,000</u>
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\$180 <input type="checkbox"/> 180,001 or more gallons		Total gallons per location: <u>30,000</u>																										
Signature	All information provided on this application is subject to the penalties of 18 Pa. CS §4904, relating to unsworn falsification to authorities. <u>John Boech</u> _____ <u>12/6/10</u> _____ Signature of Owner/Operator Date																											
Filing Requirements	Submit proof of insurance and payment by check or money order payable to Commonwealth of Pennsylvania along with this application to: PA Department of Labor & Industry BOIS – Boiler Division 651 Boas Street, Room 1606 Harrisburg, PA 17121-0750																											
FOR L&I USE ONLY	Check #: <u>13096</u> Amount: <u>\$202.50</u> Bates #: <u>93060</u>																											

Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program

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**The Continental Commitment: Affordable,
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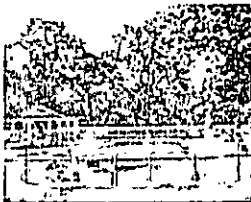
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Mercer, PA Forrest Brooke Estates is a safe and comfortable family-oriented community offering an attractive living environment

with mature trees and the convenience of off-street parking. The community's 212 sites...

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Hickory Hills – Bath, PA

With its wide, tree-lined streets, large lot sizes, and an extensive amenity package, including social activities for all ages, Hickory

Hills has been designated one of the top 10 manufactured home communities in the country...

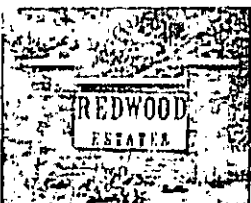
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Laurel Commons –

Reading, PA You'll find true community life at Laurel Commons, where residents enjoy plenty of social activities year-round,

including bingo, card and game nights, casino trips, community dinners, Bible study groups, and on-site... [Learn More](#)



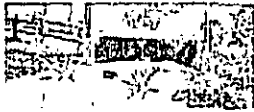
Redwood Estates –

Oakdale, PA Redwood offers safe, comfortable and friendly community living,



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selection of amenities and social events, Virginia Hills is a safe and comfortable community that boasts a great location and plenty of mature trees. Holiday events, such as an annual Easter egg hunt...
[Learn More](#)



Washington Estates – Washington, PA Welcome to Washington Estates, a family-friendly community located in Washington, PA. Its large homesites and convenient location make this all age community a very attractive place to live... [Learn More](#)

+ **Wisconsin**





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ABOUT US



Continental Communities is a privately-held company formed in 1997. The Company currently owns, operates and manages a well-diversified portfolio of affordable, high quality manufactured housing communities and park model / recreational vehicle resorts (both family-oriented and age-restricted) located in select markets across the United States. The founders of Continental Communities have more than 50 years of investment and operating experience within the industry and the Company currently employs more than 200 dedicated professionals.

Continental Communities prides itself on empowering local and on-site Community

Continental Communities Management Team

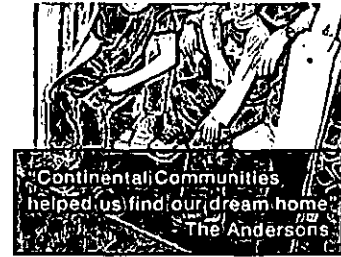
- + **Daniel T. Van Voorhis**

- + **Robert M. Fitzgerald**



Management Teams to allow on-time responses to the unique needs of our residents. The Company's fundamental belief is to serve its community residents with personal care and professional attention. Many Community Managers live and work in our communities, and like other residents, also have a personal stake in ensuring that their neighborhoods are safe and comfortable, and that all issues are addressed immediately and appropriately. Our Community Managers are available to residents "24 / 7", and are backed by the support, resources and expertise of one of the industry's largest organizations that operate more than 50 quality communities located throughout the United States.

Each community owned by Continental Communities is managed by a wholly-owned subsidiary, Continental Management Services, which is responsible for overseeing and implementing on-site community operating and management functions. In conjunction, Continental Community Home Sales implements the Company's home sales and brokerage operations (new and pre-owned homes), including lease-to-own and home rental programs. Additionally, the Company provides its residents with home financing / lending services directly through Chartwell Financial.



Type keywords...



ATTACHMENT "C"

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Sent Via email

March 11, 2014

Mr. Paul J. Metro, Manager
Pennsylvania Public Utility Commission
Gas Safety Division
Bureau of Investigation and Enforcement

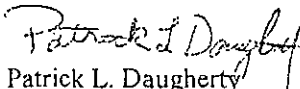
Dear Mr. Metro,


Pursuant to your letter dated March 10, 2014 regarding Hickory Hills, Bath, PA, Hickory Hills shall provide:

1. A plan to bring Hickory Hills propane distribution system (mains, service, meters/risers, appurtenances) into compliance with 49 CFR 192 by March 11, 2014.

Response: Hickory Hills is in the process of switching all customers over to single propane tanks. Residents received a thirty day notice on March 4, 2014, as required by Pennsylvania law, giving them until April 4, 2014 to convert to single propane tanks. Of the original 216 residents who were on the Hickory Hills propane system, 133 have already converted to single propane tanks. The remaining 83 residents are in process of converting and all residents will be converted to single tanks by April 4, 2014. At that time all mains and services will be abandoned as required under 49 CFR 192. A copy of the notice sent to residents is attached.

Respectfully submitted,


Patrick L. Daugherty
Operations Manager


Robert M. Fitzgerald
Vice President



March 13, 2014

Paul J. Metro, Manager
Pennsylvania Public Utility Commission
Gas Safety Division
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Hickory Hills MHC, LLC

Dear Mr. Metro:

Please find the following supplemental responses to the requests contained in your March 10, 2014 letter regarding Hickory Hills. We previously responded to your requests numbered 1 and 5-8. Please find the following responses to your remaining requests:

2. A plan to perform daily leak surveys starting on all mains and services until Hickory Hills distribution system is in compliance with 49 CFR 192.

Response: Pursuant to your recommendation, our client contacted Heath Consultants, Inc. ("Heath") on February 28, 2014. Our client received a proposal and contract from Heath on March 12, 2014. Upon execution of the contract, Heath will begin to perform daily leak surveys on all mains and services in compliance with 49 CFR § .192 until all mains and services are abandoned.

3. A plan to deliver the meter, riser and regulator from the explosion to AEL Labs of Edison, New Jersey for failure analysis. The analysis should include, but not limited to, the following evaluations: First, determine if the riser, meter, and any associated plumbing failed; Second, determine the meter reading. The meter, riser/regulator shall stay in your custody until delivered to AEL Labs. Hickory Hills shall provide a testing procedure for the lab to follow. Such testing procedure shall be reviewed by the PAPUC Gas Safety office prior to the lab test. Hickory Hills shall notify the PAPUC Gas Safety office of the date of the lab test. Additionally, the additional riser that failed on February 27, 2014 shall also be sent to AEL Labs for similar testing. Notify this office when the meter/riser/associated plumbing is shipped to the laboratory and when the testing will begin. Provide this office with an un-redacted written lab analysis.

Response: Development of a testing protocol to be followed when AEL Labs is testing the meter, riser and regulator is currently underway with Dr. Dan Pattanayak with AEL Labs. The testing protocol will be designed to determine what, if any, equipment failed and also to determine the meter reading, as requested in your letter. Upon completion of the testing protocol

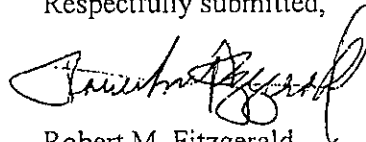
and review by the PAPUC Gas Safety Office, arrangements will be made with AEL Labs to transport the meter, risers, and regulator to AEL Labs' facilities for analysis. Notification will be provided to you of the shipping date and the beginning of testing, as requested. A strict chain of custody of the equipment will maintained throughout the process.

4. A plan to properly abandon mains and services as required by 49 CFR 192 as Hickory Hills customers switch to single unit propane tanks.

Response: A plan to properly abandon mains and services, as required by 49 CFR § 192, is already underway. Franchelli Enterprises began purging those mains and services no longer utilized after customers switched to single propane tanks. Mains and services will continue to be purged as additional customers switch to single propane tanks. Once all customers convert to single tanks, all mains and services will be purged and capped as required by 49 CFR § 192.727 for proper abandonment.

We hope that the above information satisfies your requests. We will provide updated information as it becomes available. Please feel free to contact us at your convenience.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert M. Fitzgerald", written in a cursive style.

Robert M. Fitzgerald
Vice President



March 31, 2014

ROBERT M. FITZGERALD
EXECUTIVE VICE PRESIDENT AND
CHIEF OPERATING OFFICER

DIRECT LINE: 630.645.8106
E-MAIL: r_fitzgerald@continentalscommunities.com

Lawrence R. Kline
Director, Boiler Division
Pennsylvania Department of Labor & Industry
Bureau of Occupation & Industrial Safety
651 Boas Street, Room 1614
Harrisburg, PA 17121

**RE: Hickory Hills Mobile Home Park Notice of Violation
File 10860-001, Inspector 2663**

Dear Mr. Kline:

By letter dated March 5, 2014, Hickory Hills MHC, LLC ("Hickory Hills") was notified of certain alleged violations of the Liquefied Petroleum Gas Law, 35 P.S. §§ 1329.1 *et seq.*, identified during an inspection by Inspector Joseph Russick on February 24, 2014. A copy of the notice is attached to this letter.

In response to the notice of violation, Hickory Hills immediately began the process of removing the community supply tank from service and removing customers from the underground supply system. The process was completed on March 26, 2014, and all residents of Hickory Hills were removed from the underground propane system and the community supply tank has been taken out of service permanently as of that date. The community supply tank will be removed from site in the near future. By removing the community supply tank from service and removing all residents from the underground pipe system, we have remedied all violations noted in the notice of violation before the March 31, 2014 compliance date. A statement to that effect is attached.

Although our permanent removal of the tank differs from the steps demanded in the notice of violation, we believe that our actions satisfy or moot the Bureau of Occupation and Industrial Safety's request to clear all violations by March 31, 2014. As we are eager to satisfy the Bureau's concerns completely, please let us know if additional actions are required for Hickory Hills to achieve compliance.

Respectfully submitted,

Robert M. Fitzgerald

Enclosure

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BOILER SECTION

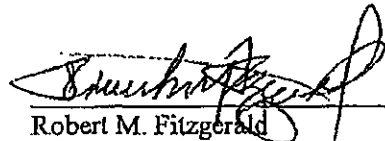
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SECRETARY'S BUREAU

CERTIFICATION

All residents of Hickory Hills were removed from the underground propane system and the community supply tank was removed from service on March 26, 2014. By removing the community supply tank from service and removing all residents from the underground pipe system, all violations identified in the notice of violation were remedied.

The foregoing information is subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: 3/31/14


Robert M. Fitzgerald
Vice President, Continental Communities

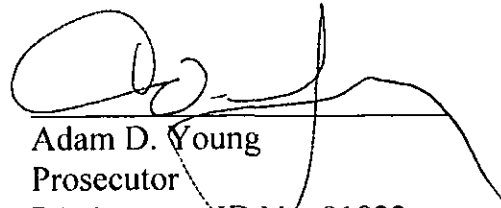
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SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

Service by First Class Mail:

Kevin J. McKeon, Esq.
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101



Adam D. Young
Prosecutor
PA Attorney ID No. 91822

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-5000

Date: April 20, 2015

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