



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

April 20, 2015

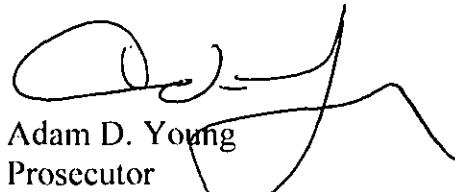
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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 New Matter 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

RECEIVED
2015 APR 20 PM 2:02
PA PUC
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement,
Complainant

C-2015-2468131

v.

Continental Communities, LLC
And
Hickory Hills MHC, LLC

ANSWER TO NEW MATTER

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Now comes, the Pennsylvania Public Utility Commission's ("Commission") Bureau of Investigation and Enforcement ("I&E"), and files this Answer to the New Matter of Continental Communities, LLC ("Continental Communities") and Hickory Hills MHC, LLC ("Hickory Hills") (collectively, "Respondents"). I&E hereby represents as follows:

27. Denied. To the extent that Respondents attempt to incorporate any and all assertions made in Paragraphs 1-26 as New Matter, this is denied. Pursuant to 52 Pa. Code § 5.62(b), New Matter is limited to material facts that are not merely denials of the averments of the preceding pleadings. 52 Pa. Code § 5.62(b). Respondents cannot avoid these requirements by incorporating all paragraphs of their Answer as New Matter. I&E rejects this attempt and denies these allegations.

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

29. Admitted.

30. Denied. Although Hickory Hills MHC, LLC may be the deed holder of the real estate at Hickory Hills Mobile Home Community, 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 Pennsylvania Department of Labor & Industry ("L&I") 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.

31. Denied. *See* response to Paragraph 30 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 30 *infra*), Continental Communities' own website lists Hickory Hills in Pennsylvania under the "Our Communities" tab. In the "About Us" tab on the same page, 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.” *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 and the Department of Labor & 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, LLC and is, therefore, also responsible for the consequences of this incident.

32. Denied. *See* responses to Paragraphs 30 and 31 above.

33. Denied. *See* responses to Paragraphs 30 and 31 above.

34. Denied. *See* responses to Paragraphs 30 and 31 above.

35. Denied. To the extent that Respondents attempt to incorporate any and all assertions made in Paragraphs 1-26 as New Matter, this is denied. Pursuant to 52 Pa. Code § 5.62(b), New Matter is limited to material facts that are not merely denials of the averments of the preceding pleadings. 52 Pa. Code § 5.62(b). Respondents cannot avoid these requirements by incorporating all paragraphs of their Answer as New Matter. I&E rejects this attempt and denies these allegations.

36. Denied. The provisions of Act 127 speak for themselves. By way of further response, however, Respondents have apparently misread the exemption provision of Act 127 at 58 P.S. § 810.301(e)(1). First, this provision states that no application or registration fee is required of a petroleum gas distributor who is registered under the Propane and Liquefied Petroleum Gas Act, and provides proof of registration to the Commission. Not only were Respondents Continental Communities or Hickory Hills not registered with L&I (as evidenced by the denial of their renewal application, and subsequent failure to perfect the application renewal process), but neither Respondent provided such proof of registration to the Commission. Second, this exemption only exempts petroleum gas distributors from filling out the Commission application and paying the Commission registration fee. This exemption does not exempt such distributors from registering with the Commission, rather it allows distributors to use, upon showing proof to the Commission, their application from L&I in lieu of the Commission's application, and exempts registration fees. Thus, Respondents were still legally obligated to register with the Commission.

37. Denied. Respondent Continental Communities may have been registered with L&I at one point in time, but it is denied that it has been registered with L&I since 2010.

- a. Admitted.
- b. Denied. I&E lacks sufficient knowledge or information upon which to form an answer to this allegation. Strict proof is demanded.

- c. Denied. I&E lacks sufficient knowledge or information upon which to form an answer to this allegation. Strict proof is demanded.
- d. Denied. I&E lacks sufficient knowledge or information upon which to form an answer to this allegation. Strict proof is demanded.
- e. Denied. I&E lacks sufficient knowledge or information upon which to form an answer to this allegation. Strict proof is demanded.
- f. Denied. I&E lacks sufficient knowledge or information upon which to form an answer to this allegation. Strict proof is demanded.

38. Denied. Regardless of the actions of L&I, Respondents were never actually registered with L&I, and were nevertheless legally required to register with the Commission. *See also* the response to Paragraph 36 above.

39. Denied. Respondents were not, in fact, registered, as their application for renewal was denied by L&I. Moreover, Respondents did not provide the Commission with proof of registration as required under Act 127. Respondents were still required to provide proof of such registration to the Commission in lieu of filing an application and paying a registration fee.

40. Denied as stated. The provisions of Act 127 speak for themselves. By way of further response, reading the provisions of Act 127 *in pari materia* with each other, Respondents were obligated to provide the Commission with proof of registration with L&I. Only then is the Commission required to verify such registration with L&I. , Respondents, however, were unable to provide such proof to the Commission because

they were not, in fact, registered. Had Respondents attempted to provide such proof to the Commission, and the Commission then attempted to verify that information with L&I, L&I could not have confirmed the registration because the application had been denied. In short, this exemption does not apply, nor does it absolve Respondents of their statutory obligation to register with the Commission.

41. Denied. *See* responses to Paragraphs 36, 38, 39 and 40 above.

42. Denied. To the extent that Respondents attempt to incorporate any and all assertions made in Paragraphs 1-26 as New Matter, this is denied. Pursuant to 52 Pa. Code § 5.62(b), New Matter is limited to material facts that are not merely denials of the averments of the preceding pleadings. 52 Pa. Code § 5.62(b). Respondents cannot avoid these requirements by incorporating all paragraphs of their Answer as New Matter. I&E rejects this attempt and denies these allegations.

43. Denied. Respondents' propane distribution system was operated by unqualified pipeline personnel and was non-compliant with nearly every provision of the federal pipeline safety laws at 49 C.F.R. Chapter 192. While repairs may have been made to the system from time to time, the efforts hardly can be called "diligent."

44. Admitted in part. Denied in part. It is admitted that over a fifteen-year timespan, maintenance was performed on the propane pipeline system, one-third of the bare steel system was replaced with plastic pipe, and leak surveys were done. It is denied that the leak surveys were periodic enough to comply with federal pipeline safety laws

and that the repairs were performed properly or by qualified personnel in compliance with the federal pipeline safety laws.

- a. Admitted. By way of further response, the piecemeal replacement of the bare steel pipe with plastic sections of pipe actually contributed to the ineffectiveness of the cathodic protection system by interrupting the electrical current.
- b. Admitted. By way of further answer, the 2006 leak survey found eight (8) underground leaks, and recommended a replacement of the entire bare steel piping system with plastic pipe. Eight years later, at the time of abandonment on April 10, 2014, only one-third of the bare steel pipe had been replaced. The remaining two-thirds of bare steel pipe was not cathodically protected and was subject to corrosion.
- c. Admitted. By way of further response, the Grade 2 (10-15%) leak found in April 2012 near lot 118 on Hickory Hills Drive (site of the explosion) *did not fix itself. Three months later, in June 2012, when work was finally performed on the leaks discovered in April 2012, no repair was done at 118 Hickory Hills Drive because it was determined that this leak no longer existed. As soon as this leak was detected, it should have been graded, documented, and scheduled for*

repair as per a written procedure manual, which they did not have, pursuant to 49 C.F.R. 192.605 and 615.

45. Denied.

- a. Denied. I&E is without sufficient knowledge to form a belief as to the truth of this averment. It is further denied that the leak that caused the explosion on February 14, 2014 was on the customer side of the meter.
- b. Denied. By way of further response, Respondents' Community Manager William Boehm sent maintenance man William Noble to 118 Hickory Hills Drive 2-3 times over a 2 week period of time prior to the incident, but Mr. Noble could not find a leak anywhere inside the residence. Mr. Boehm also referred "local handyman" Dale "Smitty" Smith to the residence, who replaced a cracked nut and short section of steel pipe by the water heater. Mr. Smith was accompanied by Respondents' maintenance worker William Noble for all visits, including the day of the repair. Neither man was able to discover the source of the leak inside or under the home. Both men, however, unequivocally stated that they could smell gas underneath the home, inside the home at the back wall by the water heater, outside the home by the front porch and in the driveway.

- c. Admitted in part. Denied in part. It is admitted that on February 4, 2014, Respondents dispatched maintenance worker William Noble along with Dale “Smitty” Smith to 118 Hickory Hills Drive due to another report of propane odor. It is further admitted that neither man was able to find a leak inside or underneath the house, but that both men unequivocally smelled a strong odor of propane inside, outside, and underneath the house. Mr. Smith replaced an 18” section of pipe and a single nut under the house near the furnace, and leak tested all fittings before departing. No leaks were found either before or after the repair. The remainder of this allegation is denied. Specifically, any references to a wall-mounted heater are denied. Moreover, references to the “resident’s outside contractor” are denied, as Mr. Smith was referred to 118 Hickory Hills Drive by Respondents’ Community Manager, Mr. William Boehm.
- d. Denied. Post-accident testing of the service line, riser, and meter are certainly reliable.
- i. Admitted in part. Denied in part. It is admitted that the residents’ insurer removed the riser, meter, and regulator the night of the explosion. Any implication that the insurer would return any meter, riser, and regulator *OTHER* than the one originally removed is denied. Moreover, Commission

personnel were not notified of the explosion for several days after the incident, in violation of federal regulations mandating incident reports, so even if chain of custody were an issue, which it is denied that it is, it is Respondents' fault. This is not a Fourth Amendment issue in a criminal proceeding and strict chain of custody, while preferable when practical, is not a requirement.

- ii. Denied as stated. It is denied that the equipment is of "dubious provenance." In a letter to Commission Gas Safety Manager Paul Metro from Robert M. Fitzgerald, Vice President of Continental Communities, LLC (on behalf of Hickory Hills MHC, LLC), and dated March 13, 2014, Mr. Fitzgerald states, "arrangements will be made with AEL Labs to transport the meter, risers, and regulator to AEL Labs' facilities for analysis . . . A strict chain of custody of the equipment will be maintained throughout the process." See "ATTACHMENT D." At no time before or after this letter was the provenance of the tested equipment considered suspect.
- iii. Denied.
- iv. Denied.

e. Denied.

46. Denied. To the extent that Respondents attempt to incorporate any and all assertions made in Paragraphs 1-26 as New Matter, this is denied. Pursuant to 52 Pa. Code § 5.62(b), New Matter is limited to material facts that are not merely denials of the averments of the preceding pleadings. 52 Pa. Code § 5.62(b). Respondents cannot avoid these requirements by incorporating all paragraphs of their Answer as New Matter. I&E rejects this attempt and denies these allegations.

47. Denied. There is no basis in fact or law that provides for the offsetting of a statutorily imposed administrative civil penalty for state and federal regulatory violations against any civil settlements or judgments.

48. Denied. To the extent that Respondents attempt to incorporate any and all assertions made in Paragraphs 1-26 as New Matter, this is denied. Pursuant to 52 Pa. Code § 5.62(b), New Matter is limited to material facts that are not merely denials of the averments of the preceding pleadings. 52 Pa. Code § 5.62(b). Respondents cannot avoid these requirements by incorporating all paragraphs of their Answer as New Matter. I&E rejects this attempt and denies these allegations.

49. Denied.

a. Admitted.

b. Admitted.

c. Denied. By way of further response, it is not the duty of the Commission to reach out to manufactured housing providers, or any

other would-be petroleum pipeline operator to advise it of its obligations under Act 127. It would be impossible for the Commission to know of the existence of many of these pipeline operators. It is for this very reason that Act 127 is a statute requiring self-reporting by a pipeline operator. Respondents were aware of their obligation to register with L&I; were aware of the inherently dangerous nature of operating a propane pipeline facility; and if they were not aware, then they should have been aware, of their obligations under Act 127 upon passage. Like any statute, the General Assembly published notice of Act 127 in the Pennsylvania Bulletin ("Bulletin"). *See* 42 Pa. Bull. 201 (January 14, 2012). Moreover, the Commission published notice of registration requirements, implementation orders, and generally the passage of Act 127 in the Bulletin. *See* 42 Pa. Bull. 644 (January 28, 2012), 43 Pa. Bull. 1393 (March 9, 2013). In fact, with all the available information on the Commission's website, the numerous Bulletin publications, and generally published news articles about Act 127, there is little chance Respondents were unaware of their obligations under Act 127.

50. Denied. To the extent that Respondents attempt to incorporate any and all assertions made in Paragraphs 1-26 as New Matter, this is denied. Pursuant to 52 Pa.

Code § 5.62(b), New Matter is limited to material facts that are not merely denials of the averments of the preceding pleadings. 52 Pa. Code § 5.62(b). Respondents cannot avoid these requirements by incorporating all paragraphs of their Answer as New Matter. I&E rejects this attempt and denies these allegations.

51. 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.

52. Denied. The deadly explosion is related to 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.

53. Admitted. As the facts in the Formal Complaint clearly establish, 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. This certainly warrants the maximum civil penalty that can be imposed.

54. Denied. Act 127 speaks for itself. By way of further answer, Respondents' reading of Act 127 misses 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.

55. 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, rather, § 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.

56. 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 I&E. 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.

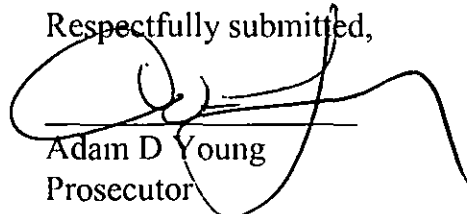
57. Denied. The Formal Complaint alleges all necessary facts to support the violations of the federal pipeline laws. Respondents assume the facts outlined in Paragraphs 17-19 of the Complaint are the only facts pleaded, however, those paragraphs state a factual basis illustrating the reckless disregard for the safety of the residents at Hickory Hills, specifically that of the decedent, and the consequences thereof. 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 likely contributed to a catastrophic explosion resulting in the death of William Donald Neith, Sr.

58. 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 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 requirements, 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 unbeknownst to Commission gas safety personnel. All of the well pleaded facts in the Formal Complaint clearly 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, for all the foregoing reasons, the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission, hereby requests that the Administrative Law Judge and the Commission reject the allegations in Respondents' New Matter consistent with this Answer and find Respondents in violation of each and every count in the Formal 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
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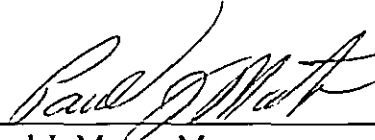
Dated: April 20, 2015

VERIFICATION

I, Paul J Metro, Manager of the Gas Safety Division of the Pennsylvania Public Utility Commission, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect that I&E will be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 relating to unsworn falsification to authorities.

Date:

20 Apr 15



Paul J. Metro, Manager
Gas Safety Division
Bureau of Investigation and Enforcement

ATTACHMENT “A”



pennsylvania

DEPARTMENT OF LABOR & INDUSTRY

BUREAU OF OCCUPATIONAL & INDUSTRIAL SAFETY

RECEIVED-BOIS
MAILROOM

File #	<u>10860</u>
Loc #	<u>001</u>
Date	_____
LPGRG	

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>YAK BROOK</u> State <u>PA</u> Zip <u>160523</u> E-Mail _____ Location Name <u>HICKORY HILLS NHC</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>Distributor</td> </tr> <tr> <td>\$ 90 <input type="checkbox"/> 2,000 or less gallons</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>\$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>\$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>\$450 <input type="checkbox"/> 6,000 or more customers</td> </tr> <tr> <td>Industrial User</td> <td></td> </tr> <tr> <td>\$ 4 <input type="checkbox"/> 2,001 to 30,000 gallons</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> </tr> <tr> <td>\$180 <input type="checkbox"/> 180,001 or more gallons</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 <input type="checkbox"/> 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 Baehr</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> Bales #: <u>93060</u>																		

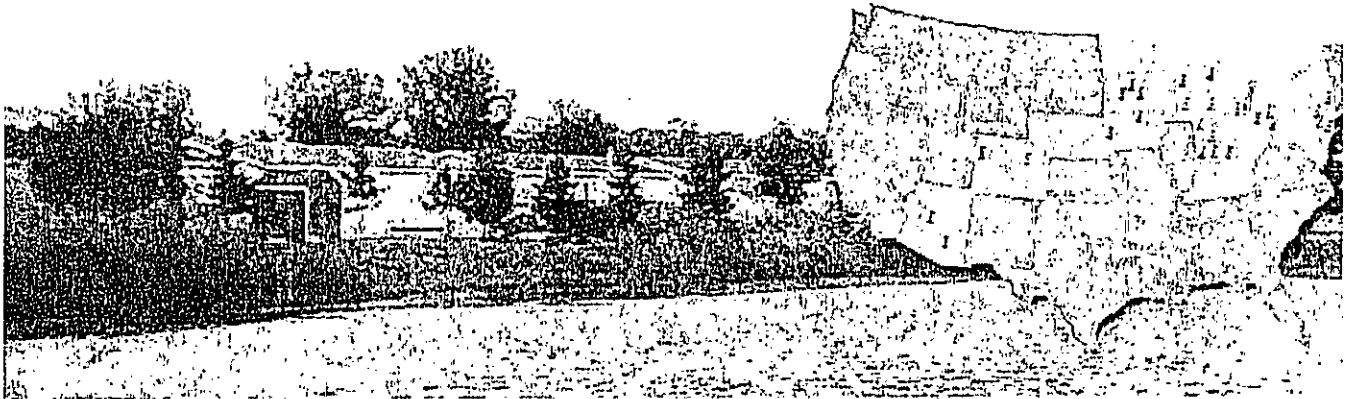
Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program

ATTACHMENT "B"



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**The Continental Commitment: Affordable,
High Quality Living**

- + **Arizona**
- + **Colorado**
- + **Indiana**
- + **Iowa**
- + **Michigan**
- + **Minnesota**
- + **Nebraska**
- + **New Jersey**



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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...

[Learn More](#)

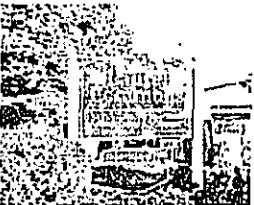


Hickory Hills – Bath, PA

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...

[Learn More](#)



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](#)



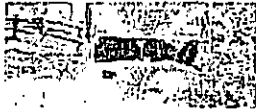
Redwood Estates –

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



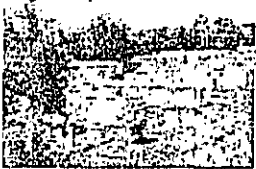
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selection of amenities and social events, Virginia Hills is a safe and comfortable community that boasts a great location and plenty of mature trees. Holiday events, such as an annual Easter egg hunt...

[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"



Sent Via email

March 11, 2014

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

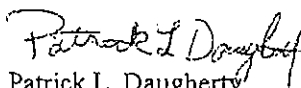
Dear Mr. Metro,

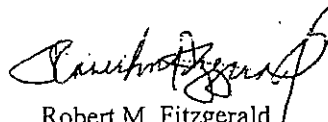
Pursuant to your letter dated March 10, 2014 regarding Hickory Hills, Bath, PA, Hickory Hills shall provide:

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

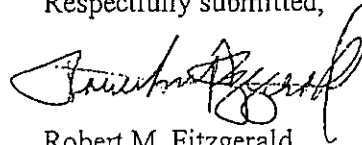
and review by the PAPUC Gas Safety Office, arrangements will be made with AEL Labs to transport the meter, risers, and regulator to AEL Labs' facilities for analysis. Notification will be provided to you of the shipping date and the beginning of testing, as requested. A strict chain of custody of the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

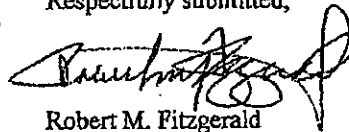
Dear Mr. Kline:

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

2014 MAR 31 PM 2:34

BOILER SECTION

ATTACHMENT "D"



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

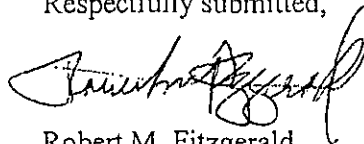
and review by the PAPUC Gas Safety Office, arrangements will be made with AEL Labs to transport the meter, risers, and regulator to AEL Labs' facilities for analysis. Notification will be provided to you of the shipping date and the beginning of testing, as requested. A strict chain of custody of the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



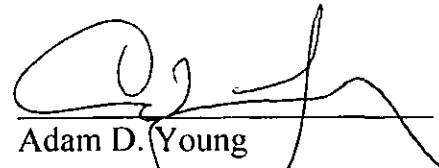
Robert M. Fitzgerald
Vice President

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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