

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**Re: EnergyNorth Natural Gas, Inc.
d/b/a National Grid NH**

Winter 2010-2011 Cost of Gas

Docket No. DG 10-_____

**Pre-filed Direct Testimony of
Michele V. Leone
on behalf of
EnergyNorth Natural Gas, Inc.
d/b/a National Grid NH**

September 1, 2010

1 **I. BACKGROUND**

2 **Q.** Please provide your name, job title and job description.

3 **A.** My name is Michele Leone. I am the Manager of the New England Site
4 Investigation and Remediation Program for National Grid, through which I
5 provide services to EnergyNorth Natural Gas, Inc. d/b/a National Grid NH
6 ("National Grid NH" or the "Company".) I am responsible for overseeing the
7 management of the investigation and remediation of MGP sites for National Grid
8 NH as well as for the Company's Massachusetts and Rhode Island affiliates.

9 **Q.** Please describe your educational and professional background.

10 **A.** I hold a Bachelor of Science in Environmental Engineering from Syracuse
11 University, and a Master of Science in Engineering in Environmental Engineering
12 from the University of Michigan at Ann Arbor. I have been employed by
13 National Grid since December 2000 in the Site Investigation and Remediation
14 Group, managing the investigation and remediation of MGP sites. Prior to my
15 employment by National Grid, I held the position of Project Manager for an
16 environmental consulting firm, with responsibility for the investigation and
17 remediation of numerous hazardous waste sites and for providing technical
18 support to expert witnesses in litigation cases.

19 **Q.** What is the purpose of your testimony?

20 **A.** The purpose of my testimony is to discuss the status of site investigation and
21 remediation efforts at various MGP sites in New Hampshire, to briefly describe
22 the MGP-related activities performed by the various contractors and consultants,

23 to discuss the costs for which National Grid NH is seeking rate recovery, and to
24 describe the status of National Grid NH's efforts to seek reimbursement for MGP
25 related liabilities from third parties. My testimony is intended to update the
26 information provided by the Company in prior cost of gas proceedings. The costs
27 associated with these investigations and remediation efforts and certain of the
28 amounts recovered from third parties are included in the schedules and other data
29 prepared by Ms. Leary as part of the Company's cost of gas filing.

30 **STATUS OF INVESTIGATION AND REMEDIATION ACTIVITIES**

31 **Q.** Will you please briefly describe the status of each of the Company's MGP sites?

32 **A.** Rather than reviewing each of these sites in a question and answer format,
33 consistent with past practice, the description of the status of investigation and
34 remediation efforts at each site as well as the various efforts to recover the site
35 investigation and remediation costs from third parties are summarized in materials
36 included with Tab 20 of the Company's filing. These summaries follow the
37 format that has previously been agreed upon in discussions between the Company
38 and Commission staff. In addition, as previously ordered by the Commission, in
39 July 2010, the Company held what has been an annual technical session with the
40 Commission staff (as well as the Consumer Advocate) to keep the Commission
41 apprised of the status of site investigation and remediation efforts, as well as cost
42 recovery efforts against third parties.

43 **Q.** In 2004, the Company began an investigation of a disposal area associated with
44 the Laconia MGP. Please briefly describe the current status of the Company's
45 investigation and any significant events over the course of the past year.

46 **A.** The disposal area, known as Lower Liberty Hill, is located in what is now a
47 residential neighborhood in Gilford. The Company completed investigation
48 activities at Lower Liberty Hill in 2007 and the results indicate that soil and
49 groundwater contamination from MGP waste products have impacted locations
50 formerly occupied by four residential properties and a portion of an abutting
51 stream. These impacts are primarily located in sub-surface soils, and in deep
52 groundwater. No drinking water impacts have been found. A Remedial Action
53 Plan ("RAP") was submitted to NHDES in February 2007, which recommended a
54 remedial alternative consisting of a subsurface containment wall, limited soil
55 removal and an impermeable cap. In September 2007, NHDES, responded to the
56 February 2007 RAP and required the Company to evaluate additional remedial
57 alternatives that included further soil removal. In November 2007, the Company
58 submitted RAP Addendum No. 1 to NHDES. The revised plan recommended a
59 remedial alternative that included construction of a subsurface containment wall,
60 removal of tar-saturated soils to a depth of approximately 45 feet, and installation
61 of an impermeable cap on the four residential properties owned by the Company.
62 On February 29, 2008, NHDES issued a letter to the Company indicating that it
63 had reached a preliminary determination that the remedy recommended in the
64 November 2007 RAP met the NHDES requirements and that a final decision

65 would be reached following a public meeting and comment period. Following a
66 public meeting in March and a six week public comment period, NHDES issued a
67 letter on June 26, 2008, deferring its final decision on the recommended remedial
68 alternative for the Lower Liberty Hill site pending further data analysis following
69 the development of a scope of work prepared after consultations between
70 NHDES, the Town of Gilford and National Grid NH . In 2008 and 2009,
71 technical representatives from National Grid NH , the Town of Gilford, the
72 Liberty Hill neighborhood and NHDES met several times to discuss the
73 comments provided to NHDES during the public comment period, a scope for
74 groundwater modeling and additional limited data collection (submitted in
75 September 2008) and the results of the modeling and data collection conducted in
76 late 2008 and 2009. Based on the results of the modeling, NHDES requested that
77 the Company submit a revised Remedial Action Plan to evaluate the technical
78 changes from the modeling event. On August 17, 2009, the Company submitted
79 Remedial Action Plan Addendum No. 2 to NHDES which revised the November
80 2007 recommended alternative to include low flow groundwater extraction and
81 treatment. The Company attended a public meeting hosted by NHDES in
82 September 2010 and is awaiting a decision from NHDES on Remedial Action
83 Plan Addendum No. 2..

84 **Q.** Please briefly describe the current status of the Company's remediation work at
85 the Manchester MGP.

86 **A.** In June 2008, National Grid NH remediated the Merrimack River portion of the
87 site by dredging approximately 9,000 cubic yards of coal tar impacted sediments
88 from the river. The river dredging activities were substantially complete in late
89 2007 and final restoration activities were completed in May 2008. A Final
90 Remedial Action Implementation Report documenting the sediment remediation
91 activities were submitted to NHDES in August 2008. Pre-design investigations in
92 support of preparation of a Remedial Action Plan for the Upland portion of the
93 site were performed between 2007 and 2010, including additional site
94 characterization, coal tar recovery pilot testing and coal tar mobility assessment
95 and modeling. In June 2010, the Company submitted a RAP for the upland
96 portion of the site to NHDES which recommended source removal,
97 coal tar recovery and installation of a barrier wall proximate to the river.

98 **Q.** Please briefly describe the current status of the Company's remediation work at
99 the Concord MGP.

100 **A.** The Company began investigation activities at the Concord MGP site in late
101 2004. Following initial investigation activities, NHDES requested that the
102 Company submit a supplemental scope of work to complete the delineation of
103 MGP-related impacts on and off site. In late 2008, the Company implemented the
104 2007 NHDES-approved scope of work. In September 2009, the Company
105 submitted a Supplemental Site Investigation Report to NHDES documenting
106 NHDES-approved additional investigation activities at the site performed between
107 2006 and 2009. NHDES approved the report in February 2010 and directed that

108 certain additional activities be performed, including removal of the contents of
109 certain on-site structures. A workplan for this work was submitted in June 2010
110 and approved by NHDES in August 2010. The work is expected to be performed
111 in Fall 2010.

112 With regard to the pond that is located near Exit 13 on Interstate 93, down-
113 gradient from the MGP, when the pond was remediated in 1999, NHDES required
114 that the northern portion remain untouched, allowing for storm water input to the
115 pond, with the knowledge that some contamination remained and might require
116 remediation in the future. In 2006, NHDES requested that the Company address
117 the residual contamination in the pond. Following the completion of additional
118 investigation activities of this portion of the site, the Company submitted to
119 NHDES an Interim Data Collection Report in September 2006, a Conceptual
120 Remedial Design in March 2007, and a Presumptive Remedy Approval Request
121 in March 2009. In May 2009, NHDES granted the Presumptive Remedy
122 Approval allowing for the design and implementation of a cap over the pond
123 sediments to move forward. The proposed remedial work is to be performed on
124 city-owned land and within a NHDOT right-of-way; therefore the Company is
125 working with these parties to come to agreement on the design features, negotiate
126 access, and clarify the responsibilities of the three parties.

127 During May 19, 2009 through May 22, 2009, National Grid NH implemented a
128 NHDES-approved sediment sampling program in the Merrimack River to

129 evaluate potential MGP-related impacts. The sediment sampling data report
130 summarizing the results of the investigation is currently being drafted. The
131 Company will meet with NHDES to discuss the report findings and strategy for
132 moving forward when the final report is submitted to NHDES.

133 **Q.** Please briefly describe the current status of the Company's remediation work at
134 the Nashua MGP.

135 **A.** In November 2007, the Company submitted and NHDES approved a workplan for
136 a coal tar recovery pilot test at the Nashua MGP site. In June 2008, we installed
137 six extraction wells for pilot testing at the site. The Company completed
138 construction of the coal tar recovery system and it began operating in November
139 2009. To date, 109 gallons of coal tar has been recovered. The Company
140 continues to assess the performance of the system and plans to submit a progress
141 report to NHDES in September.

142 **Q.** What other MGP investigation and remediation activity has the Company
143 undertaken in the last year?

144 **A.** Lower Liberty Hill, Manchester, Concord and Nashua are the four areas where
145 there is significant activity involving the Company. There is little or no activity to
146 report at the Keene or Dover locations at this time. As I mentioned previously, the
147 summaries included in the Company's cost of gas filing provide additional detail
148 regarding all of the Company's former MGP sites.

149 **III STATUS OF INSURANCE COVERAGE LITIGATION**

150 **Q.** Have there been any recent significant developments in the Company's efforts to
151 seek contribution from its insurance carriers that you wish to discuss?

152 **A.** No. Insurance recovery efforts are mostly complete with respect to all of the
153 Company's former MGP sites. With respect to Liberty Hill, insurance carriers
154 have been placed on notice of a potential claim, but no litigation has been
155 initiated.

156 **Q.** Does this conclude your direct testimony?

157 **A.** Yes, it does.