

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

Docket No. DG 14-____

Liberty Utilities (EnergyNorth Natural Gas) Corp.
Winter 2014-15 Cost of Gas Filing

DIRECT TESTIMONY

OF

MARY E. CASEY

September 2, 2014

1 **I. BACKGROUND**

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

3 A. My name is Mary E. Casey. I am the Environmental Program Manager for Liberty
4 Energy Utilities (New Hampshire) Corp. ("Liberty Energy NH"). I am responsible for
5 overseeing the management of the investigation and remediation of manufactured gas
6 plant (MGP) sites for Liberty Utilities (EnergyNorth Natural Gas) Corp. ("EnergyNorth"
7 or the "Company") as well as operational environmental compliance, including air and
8 waste permitting, wetlands permitting and protection and spill response.

9

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

11 A. I hold a Bachelor of Science in Chemical Engineering from Polytechnic Institute of New
12 York, and a Master of Science in Civil/Environmental Engineering from Polytechnic
13 University. I have been employed by Liberty Energy NH since July 3, 2012, managing
14 the investigation and remediation of MGP sites. Prior to my employment by Liberty
15 Energy NH, I held the position of Principal Environmental Engineer for National Grid
16 and KeySpan Energy, with responsibility for operational environmental compliance.

17

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

19 A. The purpose of my testimony is to discuss the status of EnergyNorth's site investigation
20 and remediation efforts at various MGP sites in New Hampshire, to briefly describe the

1 MGP-related activities performed by the various contractors and consultants, to discuss
2 the costs for which the Company is seeking rate recovery, and to describe the status of
3 the Company's efforts to seek reimbursement for MGP-related liabilities from third
4 parties. My testimony is intended to update the information provided by the Company in
5 prior cost of gas proceedings. The costs associated with these investigations and
6 remediation efforts and certain of the amounts recovered from third parties are included
7 in the schedules and other data prepared by Mr. Simek as part of the Company's cost of
8 gas filing.

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10 **II. STATUS OF INVESTIGATION AND REMEDIATION ACTIVITIES**

11 **Q.** Please briefly describe the status of each of the Company's MGP sites.

12 **A.** Rather than reviewing each of these sites in a question and answer format, consistent with
13 past practice, the description of the status of investigation and remediation efforts at each
14 site as well as the various efforts to recover the site investigation and remediation costs
15 from third parties are summarized in materials included in the Company's filing. In
16 addition, as previously ordered by the Commission, in August 2014, the Company held
17 what has been an annual technical session with the Commission Staff and the Office of
18 Consumer Advocate to keep them apprised of the status of site investigation and
19 remediation efforts, as well as cost recovery efforts against third parties.

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1 **Q. In 2004, the Company began an investigation of an area referred to generally as**
2 **Lower Liberty Hill in Gilford. Please briefly describe the current status of the**
3 **Company's investigation at Lower Liberty Hill and any significant events over the**
4 **course of the past year at that site.**

5 A. The Company began remediation activities at the Lower Liberty Hill site. A public
6 meeting was held on September 25, 2013 to present the design to the Town. The
7 Remedial Design Report was finalized and approved by NHDES in December 2013.
8 Plans and Specifications were developed concurrently, and the bidding process
9 commenced in September 2013 with a Request for Information to ten prospective
10 contractors. On October 28, six contractors were selected to participate in the bidding for
11 the construction, with bids due back on December 6, 2013. On January 9, 2014, three of
12 the bidders were interviewed and Charter Environmental of Boston, MA (the Contractor)
13 was selected for the project. A public meeting took place on February 12, 2014 to further
14 explain details of the anticipated construction and to introduce the project team to the
15 community. The Contractor mobilized to the site and began set-up in May 2014, with
16 the first load of soil being hauled from the site on June 6, 2014. Construction has gone
17 smoothly with little to no impact to the surrounding community. To date, approximately
18 one third of the soil destined for treatment from the site has been removed and treated. It
19 is expected that, by the end of the construction season of 2014, the contaminated
20 materials at southern half of the site will be removed and the area backfilled. During the

1 winter months, it is expected that the Contractor will shift support equipment, trailers,
2 and water treatment facilities to the remediated portion of the site in preparation to
3 remediate the northern half of the site during the construction season in 2015.
4

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

7 A. A Remedial Design Report for the on-site and off-site impacts is currently being finalized
8 for submittal in September 2014. The on-site activities will include further investigation
9 and remediation of areas showing localized contamination. The off-site design will
10 involve installation of extraction and monitoring wells to continue monitoring any
11 migration of contamination between the site and the Merrimack River.
12

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

15 A. The full report summarizing all investigation activities was submitted to NHDES in
16 August 2013, in preparation for submittal of the Remedial Action Plan (RAP). This
17 Supplement Data Collection Report was accepted by NHDES on October 24, 2013, and
18 EnergyNorth was authorized to prepare a RAP and Groundwater Management Permit
19 (GMP) application, which is currently being prepared for submittal in September 2014.

1 On June 16, 2013, strong winds during a thunderstorm caused a tree to fall on the
2 northern side of the roof of the Holder House located on the former Concord MGP
3 property, damaging the slate roof and brick wall. In a letter dated February 24, 2014
4 NHDES stated that the holder structure "...serves as a physical barrier to prevent
5 infiltration of precipitation into the foundation and thereby limits the amount of MGP
6 byproducts that may be released to the environment." EnergyNorth is in the process of
7 repairing the structure to prevent these potential releases.

8 In February 2013, the Company met with NHDES to discuss all sampling activities to
9 date. These activities are summarized in a Site Investigation Report Addendum,
10 submitted to NHDES in June 2013. The Company reinitiated discussion with the City in
11 July 2014 regarding access to the site to implement the approved design of the wetland
12 cap. These discussions are ongoing.

13
14 **Q. Please briefly describe the current status of the Company's remediation work at the**
15 **Nashua MGP.**

16 A. The GMP application and revised RAP were submitted in March 2014. NHDES
17 authorized the Company to design the revised RAP, and the Company will submit the
18 details of the design prior to December 31, 2014. The Company also obtained the GMP
19 on June 6, 2014, requiring the Company to monitor the groundwater every April and
20 October with an Annual Groundwater Monitoring Report obligation.

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

A. The most significant activity the Company has undertaken in the past year is the resolution of its environmental liability at the Keene MGP site. On August 30, 2013, the Company received a demand letter from Public Service Company of New Hampshire (PSNH) to begin allocation negotiations for costs incurred by PSNH for its clean-up associated with the manufactured gas plant operations at the former Keene manufactured gas plant. A legacy company of EnergyNorth, Gas Service, Inc., owned the site for a period of time in 1940's and 1950's. The Company engaged in mediated negotiation with PSNH on February 27, 2014 resulting in a comprehensive settlement of EnergyNorth's liability for the remediation expense at the Keene MGP. The details of that settlement, which are confidential, are set forth in Attachment MEC-1.

III STATUS OF INSURANCE COVERAGE LITIGATION

Q. Have there been any recent significant developments in the Company's efforts to seek contribution from its insurance carriers in the past year?

A. No. Insurance recovery efforts are complete with respect to all of the Company's former MGP sites.

1 **Q. What environmental remediation efforts do you anticipate in 2015?**

2 A. The remediation of the Lower Liberty Hill site will continue as described above, with an
3 expected completion date in the Fall of 2015. At the Manchester MGP site, we will
4 commence remediation of localized areas of contamination on-site, and installation of
5 monitoring and extraction wells on the off-site property. The Holder House at the
6 Concord MGP site will be repaired to keep precipitation from infiltrating the structure.
7 At the Nashua MGP site, we are targeting 2015 for paving to commence as part of the
8 RAP design, upon approval by NHDES.

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

11 A. Yes, it does.