



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

Docket No. DG 15-XXX

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
Petition for Expansion of Franchise to the Town of Hanover and City of Lebanon, New
Hampshire

**DIRECT TESTIMONY
OF
RICHARD G. MACDONALD**

July 24, 2015

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My Name is Richard G. MacDonald. My business address is 130 Elm Street, Manchester,
4 New Hampshire, 03101-2716.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Liberty Utilities Service Corp. as the Director of Gas Operations for
7 Liberty Utilities (EnergyNorth Natural Gas) Corp. (“EnergyNorth” or “the Company”).

8 **Q. On whose behalf are you testifying today?**

9 A. I am testifying on behalf of EnergyNorth.

10 **Q. Mr. MacDonald, please state your educational background and professional**
11 **experience.**

12 A. In 1977, I received an Associate’s Degree in Applied Science in Industrial Electricity
13 from the NH Community College in Nashua, NH. In 1997, I received an Associate’s
14 Degree in Mechanical Engineering Technology from the New Hampshire Technical
15 Institute in Concord, NH. In July of 2012, I assumed the position of Director Gas
16 Operations for EnergyNorth. My responsibilities as Director include managerial oversight
17 of all gas operations and construction processes.

18 From 1977 to 2000, I was employed by EnergyNorth Natural Gas, Inc. where I held
19 various supervisory and managerial positions in gas operations. From 2000 to 2008, I

1 was employed by KeySpan Energy Delivery where I was the Manager of Field
2 Operations and Construction. In 2008, I accepted a position at National Grid as the New
3 England Resource Planning Manager responsible for operating and maintenance work
4 plans and capital construction project planning for the New England region and held this
5 position until 2012.

6 **Q. Have you previously testified before this Commission?**

7 A. Yes, I testified in Docket No. DG 06-045, EnergyNorth's Petition for Termination of
8 Propane Service to Kaunas Circle, Manchester, NH, as well as recent Cast Iron/Bare
9 Steel dockets, DG 13-149 and DG 14-041.

10 **Q. What is the purpose of your testimony today?**

11 A. My testimony discusses the Company's plans for constructing and operating a gas
12 distribution system in the Town of Hanover and the City of Lebanon, New Hampshire,
13 assuming the Company is awarded franchise rights for those municipalities.

14 **Q. Please provide a general description of the facilities that will be constructed.**

15 A. The Company will install gas mains from the location of the liquefied natural gas (LNG)
16 vaporization and compressed natural gas (CNG) decompression facility, as described in
17 Mr. Clark's testimony, to the initial anchor customers and lead residential and
18 commercial customers. Such construction will include installation of plastic gas mains
19 and service lines, which will be designed and sized appropriately to support the initial
20 customer base as well as expected growth from customers requesting service during or

1 following construction. These facilities will be installed and maintained under
2 EnergyNorth's existing maintenance and construction standards and in accordance with
3 industry standards and all applicable codes.

4 **Q. Please describe how the gas distribution system will be constructed.**

5 A. The Company will issue a request for proposal (RFP) for the construction of the
6 distribution system consistent with contracts we issue in our normal course of business
7 throughout the EnergyNorth service area. We will issue the RFP to: (a) qualified
8 contractors that have previously provided services to EnergyNorth and who have
9 demonstrated, through successful completion of projects, their ability to meet our
10 standards of safety, reliability, and performance; and/or (b) contractors that have a
11 demonstrated expertise within the scope of work identified in the RFP. EnergyNorth has
12 worked with a pool of qualified contractors such as RH White Construction, Inc.,
13 Midway Utility Contractors LLC and Mears Construction LLC that have successfully
14 completed multi-year contracts for construction services. These qualified contractors
15 have offices and/or staging areas within our service territories, are familiar with the
16 subsurface conditions of New Hampshire, and have considerable experience in the
17 construction of gas distribution systems and facilities. The contract strategy ultimately
18 selected will depend largely on the scope and amount of work over the initial startup
19 period and on the long-term growth estimates and projections. All main and service
20 facilities will be constructed to EnergyNorth's current operating, maintenance and
21 construction standards, which meet or exceed US Department of Transportation Pipeline

1 and Hazardous Materials Safety Administration (PHMSA) and New Hampshire State
2 Chapter Puc 500 rules and any and all other applicable federal state and local standards or
3 permitting requirements.

4 **Q. What is the time frame for construction of the distribution system?**

5 A. The time frame will be dependent upon when approvals are received, the location of the
6 LNG/CNG facility, and the number and location of anchor customers to be served from
7 this facility. Construction of the distribution system will commence in parallel with the
8 construction of the LNG/CNG facility. The major distribution system construction to
9 support the growth opportunities will likely be performed in phases over a two- to three-
10 year period.

11 **Q. How will the Company support the safe operation of the plant and distribution**
12 **system?**

13 A. The LNG/CNG facility and distribution system will be constructed and operated in
14 accordance with current established operating and maintenance standards and procedures,
15 with which EnergyNorth has extensive experience. The location of operations personnel
16 to support the day-to-day operation of the proposed gas facilities will be managed from
17 our Lebanon Operations facility and customer service walk-in center. The staffing
18 support for the processes and customers will be a combination of current and incremental
19 employees working out of the Lebanon Operations Center. These employees will receive
20 all required certification training and training necessary to support the gas operations

1 processes. The intent is for the Lebanon team to support gas operations similar to that of
2 EnergyNorth's Keene Division.

3 **Q. How will the Company construct the distribution system within these communities?**

4 A. The Company will meet with the City of Hanover and Town of Lebanon municipal and
5 public works officials to determine the specific local requirements for utility use and
6 occupancy within their public Rights-of-Way (ROWs). Additional meetings will be
7 scheduled as needed to review the proposed preferred routes for this project and
8 coordinate to an appropriate level the short- and long-term scope of the gas distribution
9 system construction project. EnergyNorth has an excellent working relationship with the
10 New Hampshire Department of Transportation (NHDOT). We will work closely with the
11 local state division highway road agents and engineers to review and submit any NHDOT
12 road permits for construction. Since the Company coordinates its excavation and
13 restoration activities for its utility maintenance and construction processes in 29 cities and
14 towns across New Hampshire within our existing service territories, we have extensive
15 knowledge and experience to accomplish this effectively in a manner that is the least
16 disruptive to local traffic, businesses and residences.

17 **Q. How will the Company meet the emergency response requirements?**

18 A. The Company will have the necessary resources reporting out of the Lebanon Operations
19 facility to meet the current emergency response requirements of Puc 504.07. The
20 monitoring of the gas system reliability and dispatching of emergency job orders will be

1 supported by the Emergency Dispatch and Gas Control Center located at Liberty's
2 Corporate office in Londonderry, New Hampshire.

3 **Q. Will the addition of this franchise area place any additional burden on existing**
4 **resources that will impact service to EnergyNorth's existing customers?**

5 A. No, it will not. Gas dispatching and emergency response contact will be handled from the
6 Company's Londonderry headquarters. Operational and customer related functions will
7 be managed locally in Hanover/Lebanon. This staffing structure is similar to how
8 EnergyNorth manages its Keene Division. The Company successfully transitioned the
9 Keene Division into its operations without adverse effect on existing EnergyNorth
10 customers and expects to similarly transition the new franchise area, assuming the
11 Company is awarded franchise rights.

12 **Q. Please describe the staffing requirements and operation of the LNG facility.**

13 A. The LNG/CNG facility will be designed with the latest, proven equipment and
14 technology available. The Company expects to automate most control and safety
15 functions. Staffing will be adequate to handle day-to-day facility tasks such as off-
16 loading of LNG transports, connecting CNG trailers, performing maintenance and
17 monitoring functions. EnergyNorth's Production and Instrumentation/Regulation team
18 will manage this facility and assure reliability and compliance. The Gas Control team in
19 Londonderry will monitor the facility with the current SCADA system deployed today at
20 other EnergyNorth production facilities.

1 **Q. Does this conclude your testimony?**

2 A. Yes, it does.