



Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 17-048
Distribution Service Rate Case

Staff Data Requests - Set 4

Date Request Received: 7/7/17
Request No. Staff 4-25

Date of Response: 7/21/17
Respondent: Steven Mullen

REQUEST:

Reference Docket DE 16-383, Rebuttal Testimony of Mr. Smith & Mr. Mullen, Bates page 228-229.

- a. Please explain in detail the “environmental issues” related to Manchester yards.
- b. Please provide all documents which support the conclusion that the site is not viable.
- c. Did Liberty consider environmental remediation of this site? If yes, please provide details including cost estimates of remediation. If not why not?

RESPONSE:

- a. The environmental issues at the Manchester yard stem from the fact that the location is the site of a former manufactured gas plant (MGP). Each year, the Company includes testimony and status updates regarding investigation and remediation efforts at each MGP site as part of the annual Winter Period Cost of Gas (COG) filing. Environmental costs are included as part of the Local Distribution Adjustment Clause component of rates. The Company also meets annually with Staff and the OCA to review the status of the MGP sites prior to submitting the Winter COG filing. For the most recent discussion of the Manchester site, see the testimony of Mary E. Casey filed in DG 16-814 at Bates 021-022 (https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-814/INITIAL%20FILING%20-%20PETITION/16-814_2016-09-01_ENGI_DBA_LIBERTY_DTESTIMONY_M_CASEY.PDF). The annual filing also includes a write-up of the history and status of each MGP site. The write-up pertaining to the Manchester site can be viewed at Bates 137-143 (https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-814/INITIAL%20FILING%20-%20PETITION/16-814_2016-09-01_ENGI_DBA_LIBERTY_SUMMARY_SCHEDULES.PDF)
- b. As stated in the testimony, the site was considered not viable primarily due to the environmental issues. The Manchester site is a former manufactured gas plant and is included in the New Hampshire Department of Environmental Services’ (NHDES) investigation, management, and remediation system pursuant to NHDES’ Env-Or 600 Contaminated Site Management rules. Thus, any construction activities, particularly those involving soil removal or other site-disturbing actions, would be subject to strict

environmental management and worker safety practices, significantly increasing the related construction and remediation costs beyond what the costs would be without such conditions.

In addition, the existing building would need to be expanded to accommodate the current needs for training the employees of both the gas and electric utilities. This expansion in Manchester was not viable due to space constraints and the aforementioned conditions.

Taking the above reasons into account, it was determined not to further investigate the site for possible location of a gas and electric training center.

- c. Yes. See the response to part a. Current reserves for investigation, remediation, and ongoing monitoring of the site through the year 2047 are several millions of dollars.