

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

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

Winter 2011-2012 Cost of Gas

Docket No. DG 11-_____

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

September 1, 2011

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 2011, the Company held what has been an annual technical session with the
40 Commission staff to keep the Commission apprised of the status of site
41 investigation and remediation efforts, as well as cost recovery efforts against third
42 parties.

43 **Q.** In 2004, the Company began an investigation of an area referred to generally as
44 Lower Liberty Hill. Please briefly describe the current status of the Company's
45 investigation at Lower Liberty Hill and any significant events over the course of
46 the past year.

47 A. Lower Liberty Hill is a disposal area associated with the former Laconia MGP.
48 The disposal area is located in what is now a residential neighborhood in Gilford.
49 The Company completed investigation activities at Lower Liberty Hill in 2007
50 and the results indicate that soil and groundwater contamination from MGP waste
51 products have impacted locations formerly occupied by four residential properties
52 and a portion of an abutting stream. These impacts are primarily located in sub-
53 surface soils, and in deep groundwater. No drinking water impacts have been
54 found. A Remedial Action Plan (“RAP”) was submitted to NHDES in February
55 2007, which recommended a remedial alternative consisting of a subsurface
56 containment wall, limited soil removal and an impermeable cap. In September
57 2007, NHDES, responded to the February 2007 RAP and required the Company
58 to evaluate additional remedial alternatives that included further soil removal. In
59 November 2007, the Company submitted RAP Addendum No. 1 to NHDES. The
60 revised plan recommended a remedial alternative that included construction of a
61 subsurface containment wall, removal of tar-saturated soils to a depth of
62 approximately 45 feet, and installation of an impermeable cap on the four
63 residential properties owned by the Company. On February 29, 2008, NHDES
64 issued a letter to the Company indicating that it had reached a preliminary
65 determination that the remedy recommended in the November 2007 RAP met the
66 NHDES requirements and that a final decision would be reached following a
67 public meeting and comment period. Following a public meeting in March and a
68 six week public comment period, NHDES issued a letter on June 26, 2008,
69 deferring its final decision on the recommended remedial alternative for the

70 Lower Liberty Hill site pending further data analysis following the development
71 of a scope of work prepared after consultations between NHDES, the Town of
72 Gilford and National Grid NH . In 2008 and 2009, technical representatives from
73 National Grid NH, the Town of Gilford, the Liberty Hill neighborhood and
74 NHDES met several times to discuss the comments provided to NHDES during
75 the public comment period, the scope of groundwater modeling to be performed,
76 additional limited data collection, and the results of the modeling and data
77 collection conducted in late 2008 and 2009. Based on the results of the modeling,
78 NHDES requested that the Company submit a revised Remedial Action Plan to
79 evaluate the technical changes from the modeling event.

80 On August 17, 2009, the Company submitted Remedial Action Plan Addendum
81 No. 2 to NHDES which revised the remediation option recommended in
82 November 2007 to include low flow groundwater extraction and treatment. In
83 October 2010, NHDES issued a Preliminary Decision on Remedial Action Plan
84 Addendum No. 2, in which NHDES indicated that it did not concur with the
85 Company's recommended remedial alternative and further recommended the
86 complete removal of coal tar-impacted soils at the site. The Company attended a
87 NHDES public meeting in November 2010 and submitted a comment letter to
88 NHDES in January 2011 further explaining the Company's rationale for its
89 recommended remedial alternative for the site and discussing why the Company
90 believes that its recommendation should be adopted by NHDES. The Company
91 is awaiting a Final Decision from NHDES on Remedial Action Plan Addendum
92 No. 2.

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

95 **A.** In June 2008, National Grid NH remediated the Merrimack River portion of the
96 site by dredging approximately 9,000 cubic yards of coal tar impacted sediments
97 from the river. The river dredging activities were substantially complete in late
98 2007 and final restoration activities were completed in May 2008. A Final
99 Remedial Action Implementation Report documenting the sediment remediation
100 activities was submitted to NHDES in August 2008. Pre-design investigations in
101 support of preparation of a Remedial Action Plan for the upland portion of the site
102 were performed between 2007 and 2010, including additional site
103 characterization, coal tar recovery pilot testing and coal tar mobility assessment
104 and modeling. In June 2010, the Company submitted a Remedial Action Plan for
105 the upland portion of the site to NHDES which recommended source removal,
106 coal tar recovery and installation of a barrier wall proximate to the river. In April
107 2011, NHDES approved the upland Remedial Action Plan and requested that the
108 Company proceed with the additional investigation activities recommended in the
109 June 2010 Remedial Action Plan. In addition, the Company performed storm
110 drain rehabilitation activities at the site in Fall 2010 on a deteriorated portion of
111 the site drainage system that is located within a known LNAPL area to mitigate
112 migration of impacts to the Merrimack River.

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

115 A. The Company began investigation activities at the Concord MGP site in late
116 2004. Following initial investigation activities, NHDES requested that the
117 Company submit a supplemental scope of work to complete the delineation of
118 MGP-related impacts on and off site. In late 2008, the Company implemented the
119 2007 NHDES-approved scope of work. In September 2009, the Company
120 submitted a Supplemental Site Investigation Report to NHDES documenting
121 NHDES-approved additional investigation activities at the site performed between
122 2006 and 2009. NHDES approved the report in February 2010 and directed that
123 certain additional activities be performed, including removal of the contents of
124 certain on-site structures and certain investigation activities outside the
125 boundaries of the Company's property. An Initial Response Work Plan for the
126 structure work was submitted in July 2010 and approved by NHDES in August
127 2010. The work was completed in June 2011. The Company also submitted a
128 Supplemental Data Collection Work Plan in August 2010 for the additional
129 investigation work requested by NHDES. NHDES approved of the Work Plan on
130 September 16, 2010. Access negotiations with various property owners are on-
131 going and the work is expected to be implemented in the second half of 2011.

132 With regard to the pond that is located near Exit 13 on Interstate 93, down-
133 gradient from the MGP, when the pond was remediated in 1999, NHDES required
134 that the northern portion remain untouched, allowing for storm water input to the
135 pond, with the knowledge that some contamination remained and might require
136 remediation in the future. In 2006, NHDES requested that the Company address
137 the residual contamination in the pond. Following the completion of additional

138 investigation activities of this portion of the site, the Company submitted to
139 NHDES an Interim Data Collection Report in September 2006, a Conceptual
140 Remedial Design in March 2007, and a Presumptive Remedy Approval Request
141 in March 2009. In May 2009, NHDES granted the Presumptive Remedy
142 Approval allowing for the design and implementation of a cap over the pond
143 sediments to move forward. The proposed remedial work is to be performed on
144 city-owned land and within a NHDOT right-of-way; therefore the Company is
145 working with these parties to come to agreement on the design features, negotiate
146 access, and clarify the responsibilities of the three parties.

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

149 **A.** In November 2007, the Company submitted and NHDES approved a work plan
150 for a coal tar recovery pilot test at the Nashua MGP site. In June 2008, the
151 Company installed six extraction wells for pilot testing at the site. The Company
152 completed construction of the coal tar recovery system and it began operating in
153 November 2009. To date, 170 gallons of coal tar (also referred to as "DNAPL" or
154 Dense Non-Aqueous Phase Liquid) have been recovered. In September 2010, the
155 Company submitted an Installation Summary and DNAPL Recovery Pilot test
156 summary report to NHDES recommending that DNAPL extraction activities
157 continue. In addition, the Company submitted a work plan to NHDES in October
158 2010 for an off-site groundwater investigation program to support the delineation
159 of a Groundwater Management Zone. This work plan was approved by NHDES
160 on November 5, 2010. Access negotiations and environmental permitting for this

161 investigation were completed in June 2011 and the work is expected to start in
162 late August 2011.

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

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

170 **III STATUS OF INSURANCE COVERAGE LITIGATION**

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

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

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

178 **A.** Yes, it does.