



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

Docket No. DG 13-___

EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities
Winter 2013-14 Cost of Gas Filing

DIRECT TESTIMONY

OF

MARY E. CASEY

September 3, 2013

TABLE OF CONTENTS

I.	BACKGROUND	3
II.	STATUS OF INVESTIGATION AND REMEDIATION ACTIVITIES	4
III.	STATUS OF INSURANCE COVERAGE LITIGATION	11

1 **I. BACKGROUND**

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

3 **A.** My name is Mary Casey. I am the Environmental Program Manager for Liberty Utilities.
4 I am responsible for overseeing the management of the investigation and remediation of
5 manufactured gas plant (MGP) sites for EnergyNorth Natural Gas, Inc. d/b/a Liberty
6 Utilities ("ENGI" or the "Company").

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

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

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

15 **A.** The purpose of my testimony is to discuss the status of ENGI's site investigation and
16 remediation efforts at various MGP sites in New Hampshire, to briefly describe the
17 MGP-related activities performed by the various contractors and consultants, to discuss
18 the costs for which the Company is seeking rate recovery, and to describe the status of
19 the Company's efforts to seek reimbursement for MGP related liabilities from third

1 parties. My testimony is intended to update the information provided by the Company in
2 prior cost of gas proceedings. The costs associated with these investigations and
3 remediation efforts and certain of the amounts recovered from third parties are included
4 in the schedules and other data prepared by Mr. Savoie as part of the Company's cost of
5 gas filing.

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

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

8 **A.** Rather than reviewing each of these sites in a question and answer format, consistent with
9 past practice, the description of the status of investigation and remediation efforts at each
10 site as well as the various efforts to recover the site investigation and remediation costs
11 from third parties are summarized in materials included with Tab 20 of the Company's
12 filing. These summaries follow the format that has previously been agreed upon in
13 discussions between the Company and Commission staff. In addition, as previously
14 ordered by the Commission, in August 2013, the Company held what has been an annual
15 technical session with the Commission staff and the Office of Consumer Advocate to
16 keep them apprised of the status of site investigation and remediation efforts, as well as
17 cost recovery efforts against third parties.

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

4 **A.** Lower Liberty Hill is a disposal area associated with the former Laconia MGP. The
5 disposal area is located in what is now a residential neighborhood in Gilford. The
6 Company completed investigation activities at Lower Liberty Hill in 2007 and the results
7 indicate that soil and groundwater contamination from MGP waste products have
8 impacted locations formerly occupied by four residential properties and a portion of an
9 abutting stream. These impacts are primarily located in sub-surface soils, and in deep
10 groundwater. No drinking water impacts have been found. A Remedial Action Plan
11 (“RAP”) was submitted to NHDES in February 2007, which recommended a remedial
12 alternative consisting of a subsurface containment wall, limited soil removal and an
13 impermeable cap. In September 2007, NHDES, responded to the February 2007 RAP
14 and required the Company to evaluate additional remedial alternatives that included
15 further soil removal. In November 2007, the Company submitted RAP Addendum No. 1
16 to NHDES. The revised plan recommended a remedial alternative that included
17 construction of a subsurface containment wall, removal of tar-saturated soils to a depth of
18 approximately 45 feet, and installation of an impermeable cap on the four residential
19 properties owned by the Company. On February 29, 2008, NHDES issued a letter to the

1 Company indicating that it had reached a preliminary determination that the remedy
2 recommended in the November 2007 RAP met the NHDES requirements and that a final
3 decision would be reached following a public meeting and comment period. Following a
4 public meeting in March and a six week public comment period, NHDES issued a letter
5 on June 26, 2008, deferring its final decision on the recommended remedial alternative
6 for the Lower Liberty Hill site pending further data analysis following the development
7 of a scope of work prepared after consultations between NHDES, the Town of Gilford
8 and the Company. In 2008 and 2009, technical representatives from the Company, the
9 Town of Gilford, the Liberty Hill neighborhood and NHDES met several times to discuss
10 the comments provided to NHDES during the public comment period, the scope of
11 groundwater modeling to be performed, additional limited data collection, and the results
12 of the modeling and data collection conducted in late 2008 and 2009. Based on the
13 results of the modeling, NHDES requested that the Company submit a revised RAP to
14 evaluate the technical changes from the modeling event. On August 17, 2009, the
15 Company submitted RAP Addendum No. 2 to NHDES which revised the remediation
16 option recommended in November 2007 to include low flow groundwater extraction and
17 treatment. In October 2010, NHDES issued a Preliminary Decision on RAP Addendum
18 No. 2, in which NHDES indicated that it did not concur with the Company's
19 recommended remedial alternative and further recommended the complete removal of

1 coal tar-impacted soils at the site. The Company attended a NHDES public meeting in
2 November 2010 and submitted a comment letter to NHDES in January 2011 further
3 explaining the Company's rationale for its recommended remedial alternative for the site
4 and discussing why the Company believes that its recommendation should be adopted by
5 NHDES. In November 2011, NHDES issued a Final Decision indicating that NHDES
6 did not concur with the remedy recommended by the Company and selecting the full
7 removal alternative as the remedy for the site. In December 2011, the Company appealed
8 the Final Decision with the New Hampshire Hazardous Waste Council. During the
9 period of time the appeal was subject to the continuance, the Company, the New
10 Hampshire Department of Justice and NHDES engaged in settlement discussions on a
11 confidential basis. At the conclusion of those negotiations, NHDES and the Company
12 agreed on a final remedy for the site, which was approved by NHDES. That approval
13 allowed ENGI to withdraw its appeal as of December 19, 2012, and proceed with
14 implementation of the remedy. The Town of Gilford was briefed on the agreed-upon
15 remedy concurrently with NHDES approval and ENGI's withdrawal of the appeal. A
16 public meeting was held in the Town of Gilford to present the approved Conceptual
17 Remedial Design on January 23, 2013. The pre-design investigation to confirm extent
18 and depth of contamination commenced on February 20, 2013 and was completed first
19 week in April 2013. ENGI currently anticipates submitting the Remedial Design Report

1 to NHDES for review and approval in September 2013. A public meeting to present the
2 design will be held following the submittal.

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

5 **A.** In June 2008, the Company remediated the Merrimack River portion of the site by
6 dredging approximately 9,000 cubic yards of coal tar impacted sediments from the river.
7 The river dredging activities were substantially complete in late 2007 and final
8 restoration activities were completed in May 2008. A Final Remedial Action
9 Implementation Report documenting the sediment remediation activities was submitted
10 to NHDES in August 2008. Pre-design investigations in support of preparation of a RAP
11 for the upland portion of the site were performed between 2007 and 2010, including
12 additional site characterization, coal tar recovery pilot testing and coal tar mobility
13 assessment and modeling. In June 2010, the Company submitted a RAP for the upland
14 portion of the site to NHDES which recommended source removal, coal tar recovery and
15 installation of a barrier wall proximate to the river. In April 2011, NHDES approved the
16 upland RAP and requested that the Company proceed with the additional investigation
17 activities recommended in the June 2010 RAP. These additional investigation activities
18 were performed off-property in late 2011; the on-property investigation work was

1 completed during Spring and Summer 2012. A Remedial Design Report for the on-site
2 and off-site impacts is currently being finalized.

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

5 **A.** The Company began investigation activities at the Concord MGP site in late 2004.
6 Following initial investigation activities, NHDES requested that the Company submit a
7 supplemental scope of work to complete the delineation of MGP-related impacts on and
8 off site. In late 2008, the Company implemented the 2007 NHDES-approved scope of
9 work. In September 2009, the Company submitted a Supplemental Site Investigation
10 Report to NHDES documenting NHDES-approved additional investigation activities at
11 the site performed between 2006 and 2009. NHDES approved the report in February
12 2010 and directed that certain additional activities be performed, including removal of the
13 contents of certain on-site structures and certain investigation activities outside the
14 boundaries of the Company's property. An Initial Response Work Plan for the structure
15 work was submitted in July 2010 and approved by NHDES in August 2010. The work
16 was completed in June 2011. The Company also submitted a Supplemental Data
17 Collection Work Plan in August 2010 for the additional investigation work requested by
18 NHDES. NHDES approved of the Work Plan on September 16, 2010 (modified with
19 NHDES in November 2011). These investigation activities were completed in July 2012.

1 A letter summarizing the preliminary findings of this work was submitted to NHDES on
2 November 27, 2012. The full report summarizing these investigation activities will be
3 submitted to NHDES in August 2013, in preparation for submittal of the RAP.

4 With regard to the pond that is located near Exit 13 on Interstate 93, down-gradient from
5 the MGP, when the pond was remediated in 1999, NHDES required that the northern
6 portion remain untouched, allowing for storm water input to the pond, with the
7 knowledge that some contamination remained and might require remediation in the
8 future. In 2006, NHDES requested that the Company address the residual contamination
9 in the pond. Following the completion of additional investigation activities of this
10 portion of the site, the Company submitted to NHDES an Interim Data Collection Report
11 in September 2006, a Conceptual Remedial Design in March 2007, and a Presumptive
12 Remedy Approval Request in March 2009. In May 2009, NHDES granted the
13 Presumptive Remedy Approval allowing for the design and implementation of a cap over
14 the pond sediments to move forward. The proposed remedial work is to be performed on
15 city-owned land and within a NHDOT right-of-way; therefore the Company is working
16 with these parties to come to agreement on the design features, negotiate access, and
17 clarify the responsibilities of the three parties. The Company made multiple attempts
18 during the past year to engage the City of Concord to continue planning implementation
19 of the remedy. The Company will continue to attempt to meet with the City. In February

1 2013, the Company met with NHDES to discuss all sampling activities to date. These
2 activities are summarized in a Site Investigation Report Addendum, submitted to NHDES
3 in June 2013.

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

6 **A.** In November 2007, the Company submitted and NHDES approved a work plan for a coal
7 tar recovery pilot test at the Nashua MGP site. In June 2008, the Company installed six
8 extraction wells for pilot testing at the site. The Company completed construction of the
9 coal tar recovery system and it began operating in November 2009. To date, 216 gallons
10 of coal tar (also referred to as "DNAPL" or Dense Non-Aqueous Phase Liquid) have
11 been recovered. In September 2010, the Company submitted an Installation Summary
12 and DNAPL Recovery Pilot test summary report to NHDES recommending that DNAPL
13 extraction activities continue. In addition, the Company submitted a work plan to
14 NHDES in October 2010 for an off-site groundwater investigation program to support the
15 delineation of a Groundwater Management Zone. This work plan was approved by
16 NHDES on November 5, 2010. Following access negotiations and environmental
17 permitting for this investigation (completed in June 2011), the work was performed
18 between October and December 2011. In January 2013, a Supplemental Investigation
19 Report (SIR) and DNAPL Recovery System Pilot Test Progress report was submitted to

1 NHDES reporting on additional investigation activities required by NHDES (collection
2 of two additional rounds of groundwater data). A meeting with NHDES took place in
3 March 2013 to discuss these results. NHDES approved the Supplemental Investigation
4 Report in May 2013, authorizing ENGI to proceed with the delineation of the
5 Groundwater Management Zone in order to submit a Groundwater Management Permit
6 (GMP) application, and the preparation of a revised RAP for the terrestrial portion of the
7 site. These submittals will be submitted by the end of 2013.

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

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

15 **III STATUS OF INSURANCE COVERAGE LITIGATION**

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

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

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

5 **A.** Yes, it does.