



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

Docket No. DG 14-___

Iberdrola USA Enterprises, Inc.

and

Liberty Utilities (EnergyNorth Natural Gas) Corp.

DIRECT TESTIMONY

OF

DANIEL SAAD, MARK SMITH and WILLIAM SHERRY

June 6, 2014

1 **Mr. Saad**

2 **Q. Mr. Saad, please state your name and business address.**

3 A. My name is Daniel Saad. My business address is 15 Buttrick Road, Londonderry, New
4 Hampshire 03053.

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

7 A. I am employed by Liberty Energy Utilities (New Hampshire) Corp. (“Liberty Energy
8 NH”) as the Vice President, Operations & Engineering. In this capacity, I am responsible
9 for the day-to-day operations of Liberty Utilities (Granite State Electric) Corp. (“Granite
10 State”) and Liberty Utilities (EnergyNorth Natural Gas) Corp. (“EnergyNorth”),
11 including all day-to-day field activities, maintenance, construction, and engineering.

12

13 **Q. Please describe your educational background and professional experience.**

14 A. In 1982, I earned a Bachelor of Science degree in Mechanical Engineering from the
15 University of Massachusetts, and, in 1993, I earned a Masters of Business Administration
16 from Boston College, with a concentration in finance and operations management. From
17 1982 to 1988, I worked in various progressive engineering roles for Stone & Webster
18 Engineering Corporation in its nuclear engineering-mechanics division. From 1988 to
19 2000, I was employed by Boston Gas Company. From 2000 until the time of Liberty
20 Energy NH’s acquisition of Granite State, I worked for National Grid USA and its
21 predecessor company, KeySpan Corporation, in various capacities, including Vice

1 President, Gas Operations & Construction, New England. I am also a registered
2 professional engineer, a member of the American Gas Association, a Director of the
3 Energy Council of the Northeast and a former director of the Northeast Gas Association.
4

5 **Q. Have you previously testified before the Commission?**

6 A. Yes. I testified in DG 11-040, the docket in which the Commission approved the sale of
7 Granite State and EnergyNorth to Liberty Energy NH.
8

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

10 A. The purpose of my testimony is to address EnergyNorth's technical and managerial
11 ability to operate the system currently owned by New Hampshire Gas Corporation (the
12 "Keene System") and to explain how that system will be operated on a day-to-day basis
13 under EnergyNorth's ownership.
14

15 **Q. Are others jointly filing testimony with you?**

16 A. Yes. Mark Smith testifies as to how the current employees of the Keene System will be
17 integrated into EnergyNorth. In addition, William Sherry discusses how customer
18 service functions will be handled following the acquisition. Together, our testimony
19 explains how vital aspects of the operation of the Keene System will be handled both
20 immediately following the transaction and into the future.

1 **Q. Please describe EnergyNorth's technical and managerial experience in operating**
2 **retail natural gas distribution systems.**

3 A. EnergyNorth is the largest natural gas distribution utility in New Hampshire, serving
4 approximately 90,000 customers in 30 municipalities across the state. In addition to its
5 natural gas distribution system, EnergyNorth owns and operates three LNG vaporization
6 facilities in Concord, Manchester and Tilton, four propane facilities in Amherst,
7 Manchester, Nashua and Tilton and a small propane distribution system in Amherst. The
8 employees who oversee the operations and maintenance of EnergyNorth's distribution
9 system and these LNG and propane systems would be the same employees who would be
10 available to provide support to the Keene System. Currently, the Operations and
11 Engineering Group that provides services to EnergyNorth has over 100 employees across
12 its Gas Operations, Engineering, Compliance, Quality and Emergency Planning, and
13 Production, Dispatch and Control groups. All of these employees are located in New
14 Hampshire, either in Manchester, Londonderry, Nashua and Tilton.

15
16 **Q. Please describe how the Keene System would be integrated into EnergyNorth from**
17 **an operational perspective.**

18 A. EnergyNorth will operate the Keene System in the same manner as it operates today, with
19 some operational enhancements that I describe below. The current leadership,
20 employees, and resources located in Keene will remain the same, with the current
21 manager of the Keene System reporting under Liberty Energy NH's Operations &

1 Engineering department. Liberty Energy NH's Operations & Engineering department
2 currently supports all field activities as well as engineering functions for both
3 EnergyNorth and Granite State and would do so for the Keene System as well.
4

5 **Q. What operational enhancements would you make and why would they be**
6 **considered an improvement to the current operation of the Keene System?**

7 A. The immediate impact and benefit would be the proximity of EnergyNorth's existing gas
8 resources in New Hampshire which would provide local and prompt support to the Keene
9 System. EnergyNorth does not outsource many of its support functions, and as a result,
10 has substantial in-house expertise that would be beneficial to the customers of the Keene
11 System. For example, EnergyNorth has significant experience at both the leadership and
12 field resource level across all aspects of its Operations and Engineering Department, in
13 natural gas and propane-air, customer metering, emergency response, maintenance, and
14 construction of gas distribution systems. EnergyNorth also has at its disposal a large
15 array of tools, equipment and vehicles, all in close proximity to the Keene System if
16 needed. These resources will be available, as needed, during emergency restoration
17 activities or other events outside of normal operations. In the short-term, EnergyNorth
18 would integrate the Keene System into its safety, codes and standards, quality,
19 compliance and emergency response programs. Over the longer term, we would look to
20 implement and integrate into the operation of the Keene System other enhancements such
21 as automated meter reading and EnergyNorth's internal meter testing program, which

1 allows EnergyNorth to better control meter calibration than if outsourced.

2

3 **Q. Do you see operational costs increasing with the integration of the Keene System**
4 **into EnergyNorth?**

5 A. No. We do not plan to increase the existing resources dedicated to EnergyNorth's work
6 as a result of this acquisition and it is those resources that drive most of EnergyNorth's
7 operating costs. We also expect that our local focus, using properly deployed technology
8 and economies-of-scale, will keep operational costs approximately the same under
9 EnergyNorth's ownership.

10

11 **Q. Are there any safety enhancements EnergyNorth can bring to the Keene System?**

12 A. Yes. We would leverage many of our existing processes, such as:

- 13 1. Dispatch & Control Center, located in Londonderry, to monitor the Keene System
14 and provide emergency resource coordination;
- 15 2. Pressure regulator and instrumentation expertise;
- 16 3. GIS/Mapping expertise and associated systems;
- 17 4. Corrosion control engineering, and;
- 18 5. Dedicated internal training department.

19

20 **Q. What is the time frame for providing these safety enhancements?**

21 A. Many of the enhancements would be in place or available on or shortly after close. The

1 GIS/Mapping integration may take several months to convert, but the current system
2 would be available and adequate in the short-term.

3
4 **Mr. Smith**

5 **Q. Mr. Smith, please state your name and business address.**

6 A. My name is Mark E. Smith. My business address is 15 Buttrick Road, Londonderry,
7 New Hampshire 03053.

8
9 **Q. By whom are you employed and in what capacity?**

10 A. I am employed by Liberty Energy NH as the Vice President of Human Resources. In this
11 capacity, I am responsible for all human resource matters including providing input into
12 compensation and benefit strategy.

13
14 **Q. Please describe your educational background and professional experience.**

15 A. I received Bachelor of Arts degree in History and Biology from Assumption College. I
16 also received a Master of Business Administration from Nichols College in
17 Massachusetts. Prior to my employment by Liberty Energy NH, I was employed by
18 National Grid USA Service Company, Inc. as the Vice President of Human Resources,
19 and prior to that as Vice President, Employee and Labor Relations.

20

1 **Q. Have you previously testified before the Commission?**

2 A. Yes. I testified before the Commission in DG 11-040.

3

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

5 A. The purpose of my testimony is to explain how the employees of New Hampshire Gas
6 will be integrated into EnergyNorth's operations.

7

8 **Q. How many employees are there at New Hampshire Gas?**

9 A. There are seven employees and one vacant position. There is a manager, two office
10 support personnel and four field employees. All of these employees are non-union. The
11 vacant position is a service technician and our expectation is that the vacancy will be
12 filled. The manager will report to Liberty Energy NH's existing Engineering and
13 Operations Department.

14

15 **Q. What are the plans to integrate the New Hampshire Gas employees into Liberty
16 Energy NH?**

17 A. All employees in New Hampshire that provide services to EnergyNorth and/or Granite
18 State are employed by Liberty Energy NH. After the closing of this transaction, all of
19 NHGC's employees will become employed by Liberty Energy NH and will continue in
20 their positions operating and maintaining the Keene System and providing services to its
21 customers. These employees will transition onto Liberty Energy NH's payroll and

1 benefits upon close of the transaction. They will retain their current rate of pay and be
2 integrated into the Liberty Energy NH compensation structure going forward. NHGC
3 employees will be credited for all prior years of service at New Hampshire Gas for
4 vacation, sick time, and all other benefits. Upon close, these employees will be enrolled
5 in Liberty Energy NH's medical, dental, life, 401(k) and disability programs. These
6 programs are in place across all of Liberty Utilities Co. and are market competitive.
7 Furthermore, these employees are not currently enrolled in a pension plan at NHGC and
8 will begin participating in Liberty Energy NH's Cash Balance Plan upon closing.

9
10 **Q. Are there any anticipated issues or challenges in integrating this group of employees**
11 **into Liberty Energy NH's existing organization?**

12 A. No. The transition of these employees is expected to be straightforward and
13 uncomplicated as it relatively simple matter of enrolling them in the Liberty Energy NH
14 benefit programs. The payroll transition is also uncomplicated as the NHGC employees
15 are all non-union and their current pay practices align with existing Liberty Energy NH
16 practices.

17
18 **Mr. Sherry**

19 **Q. Mr. Sherry, please state your name and business address.**

20 A. My name is William T. Sherry. My business address is 15 Buttrick Road, Londonderry,
21 New Hampshire 03053.

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

2 A. I am employed by Liberty Energy NH as the Vice President of Customer Care. In this
3 capacity, I am responsible for all customer service, communications, sales and marketing,
4 energy efficiency programs, and load data services for its gas and electric distribution
5 businesses.

6

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

8 A. I received a Bachelor of Arts in Politics from Brandeis University in 1982 and a Master
9 of Business Administration in Management from Bentley College in 1992. I worked for
10 National Grid and its predecessor companies through its subsidiaries, Massachusetts
11 Electric Company, Granite State, and National Grid USA Service Company, Inc. from
12 1982 to 2012. Over 30 years, I held a number of different positions in customer service,
13 energy efficiency program management and delivery, community relations, business,
14 government and regulatory affairs and senior leadership. In July 2012, I assumed my
15 present position with Liberty Energy NH. In addition, I currently serve on the Board of
16 Directors of Granite United Way in New Hampshire.

17

18 **Q. Have you previously testified before the Commission?**

19 A. Yes. I have testified before the Commission in numerous dockets since 1996, including
20 most recently in DG 13-198 and DG 11-040.

21

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

2 A. The purpose of my testimony is to explain how the customer service function associated
3 with customers of the Keene System will be transitioned into EnergyNorth's operations.
4

5 **Q. Please describe EnergyNorth's plans to provide customer service functions for**
6 **customers of the Keene System.**

7 A. Upon approval of this transaction, EnergyNorth intends to provide customer service to
8 customers of the Keene System in essentially the same way they are provided today for a
9 nine to twelve months post-closing. New Hampshire Gas currently provides meter
10 reading, billing and customer service functions on a standalone basis for its customers in
11 Keene. EnergyNorth intends to continue those practices, employing the same individuals
12 who are currently providing those services except as employees of Liberty Energy NH.
13 EnergyNorth would also maintain the walk-in customer service office currently operating
14 in Keene.
15

16 **Q. Please describe EnergyNorth's plans to integrate the Keene System into its customer**
17 **service operations.**

18 A. EnergyNorth intends to fully integrate the Keene System into its customer service, billing
19 and operations functions nine to twelve months following the closing, or approximately
20 late 2015. As a result, there would be no transition to its customer information system
21 until at least late 2015. Upon closing of the transaction, EnergyNorth will begin the work

1 on this transition, which will include installation of an automated meter reading system,
2 integration of the Keene System customer information into EnergyNorth's customer
3 information system, transition to EnergyNorth's integrated voice response system, and
4 certain electronic customer services. There would be some initial re-branding which
5 would take place shortly after the close of the transaction to identify New Hampshire Gas
6 as Liberty Utilities, including updates to the Company's website, signage, vehicles and
7 customer communications. Once the Keene System customer information has been
8 migrated into its customer information system, EnergyNorth will be able to provide
9 customer service support from any of its New Hampshire locations to the Keene System.
10 Over time, employees currently providing customer service to customers of the Keene
11 System would likewise be able to provide support for any Liberty customers in New
12 Hampshire. This is beneficial both to the customers of the Keene System and the current
13 customers of EnergyNorth.

14
15 **Q. Do customers of New Hampshire Gas currently receive energy efficiency services?**

16 A. No. New Hampshire Gas customers do not currently contribute to funding for energy
17 efficiency programs in its rate structure and thus do not receive those services. At some
18 point following the closing, the intent is that customers of the Keene System would
19 contribute to the funding of EnergyNorth's award winning energy efficiency programs
20 and would be eligible to participate in them. EnergyNorth expects to offer its full menu
21 of gas energy efficiency programs to the residential, commercial, industrial and

1 municipal customers of the Keene System. EnergyNorth's energy efficiency staff is
2 proficient in its program offerings and would be able to ramp up program marketing and
3 delivery quickly in the Keene area.

4
5 **Q. Please describe EnergyNorth's plans to offer low income programs and rates to the**
6 **customers of the Keene System.**

7 A. New Hampshire Gas customers do not currently have a low income rate available for
8 eligible customers. At some point following the closing, it is EnergyNorth's intent that
9 eligible customers of the Keene System would be able to take advantage of a low income
10 rate, and energy efficiency programs targeted for eligible low income customers.

11
12 **Q. Please describe other benefits customers can expect from a change in ownership**
13 **from New Hampshire Gas to EnergyNorth.**

14 A. New Hampshire Gas customers currently have limited options for customer service and
15 information. New Hampshire Gas does not currently have a website or offer any type of
16 electronic payment options. In addition, New Hampshire Gas customers must physically
17 come into the Keene office to apply for service. As part of the transition to EnergyNorth,
18 customers of the Keene System would, once the conversion is complete, be able to take
19 advantage of web-based services, telephone service options and electronic payment
20 options that are currently not available.

21

- 1 **Q. Does this conclude your direct testimony?**
- 2 **A. Yes, it does.**