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DG 15-155

**Valley Green Natural Gas, LLC Responses to 9/8/15
Tech Session Data Requests**

Date Request Received: 8/5/15
Request No. Tech Session 2

Date of Response: 8/17/15; 11/5/15
Witness: James W. Campion, IV
Kenneth Stanley

Request No. Staff 1-5

REQUEST: Reference Stanley Testimony p. 9, lines 10-15. Please describe the assets and personnel that will be employed to operate and maintain the Valley Green pipeline distribution system and where those assets are, or will be, located.

RESPONSE:

It is expected that Valley Green Natural Gas will contract with qualified contractors to provide all operations and maintenance functions until such time as those capabilities can be provided efficiently and effectively with in house staff. The Primary Pipeline Distribution System O&M Contractor is expected to be TRI-MONT Engineering, Co. (TRI-MONT). TRI-MONT will contract and manage additional 3rd party services as required for specific tasks and requirements. It is TRI-MONT's intension to establish Operations & Maintenance Human Resources local to the facilities that will act in a Supervisory role and report to Valley Green Natural Gas Management/Ownership Staff. We anticipate the following Roles & Responsibilities protocol:

- O&M and IMP Personnel and Responsibility Structure:
 - General Manager – Valley Green Natural Gas Staff
Responsible for:
 - VGNG governance ,asset management, and general oversight
 - Ensure Contractors have adequate support to perform their responsibilities
 - Financial Management
 - Media and Public relations
 - Chief Operating Officer – Valley Green Natural Gas Staff
Responsible for:
 - Contracts Management
 - Overall Operating Control, Management, and Oversight
 - Ensure Contractors have adequate support to perform their responsibilities
 - Securing and managing consumer accounts

Tech Session 2
Supplemental Staff 1-5

○ Supervising Engineer (Contracted)

Contractor: TRI-MONT Engineering, Co.

Responsible for:

- Overall O&M and DIMP management and Contractor oversight & Coordination
- Ensure O&M and DIMP, along with associated Plans and Procedures are established and maintained
- Participate in O&M and DIMP annual review and review of associated documents, Procedures, and Plans
- Management of Changes
- Quality Assurance and Quality Control
- Record keeping - File and Manage historical records, plans, and evaluations
- Oversight of Qualifications and Awareness Training as well as Public Awareness Program
- Monitor, File, and participate in review ongoing evaluations and activities
- Communicate O&M and DIMP performance and needs to Chief Operating Officer
- Management, planning, and oversight of all Maintenance and Emergency response actions
- Ensure compliance with Codes, Regulations, Standards, and Permits
- Oversee Reporting requirements and Documentation requirements

○ Gas Pipeline Distribution System Manager (Contracted)

Contractor: TRI-MONT Engineering, Co.

Responsible for:

- Performance of ongoing and annual of HCA Threat & Risk analysis review
- Review of O&M and DIMP Inspections and Reports and make recommendations for actions to be taken
- Review ongoing evaluations/activities and make recommendations for actions to be taken
- Support management of historical records, plans, and evaluations
- Recommending, coordinating, and supporting completion of O&M and IMP related Training requirements
- Ensure Public Awareness requirements are met
- Drug and Alcohol Program Compliance of its and Contractors Personnel
- Corporate data systems updates, availability and integration
- Record keeping, including GIS system maintenance and updates
- Operator qualification training and record keeping

Tech Session 2
Supplemental Staff 1-5

○ Pipeline Distribution System Operation Supervisor (Contracted)

Contractor: TRI-MONT Engineering, Co.

Responsible for:

- Distribution System Day-to-Day operations
- Perform required IMP Inspections and Surveys per 49 CFR part 191 and 192 requirements and other DOT covered tasks
- Ensuring a 24 hour emergency call center and response system is maintained and functional
- Operator Qualifications Training, O&M Training, and IMP Familiarization Training, to include documentation of same
- Drug and Alcohol Program Compliance of its Personnel and of Contractors Personnel
- Record Keeping for actions taken
- Incident Reporting
- Participate in repairs, evaluations, and upgrades as requested

○ Pipeline Distribution System Maintenance & Emergency Response (Contracted)

Contractor: Third Party

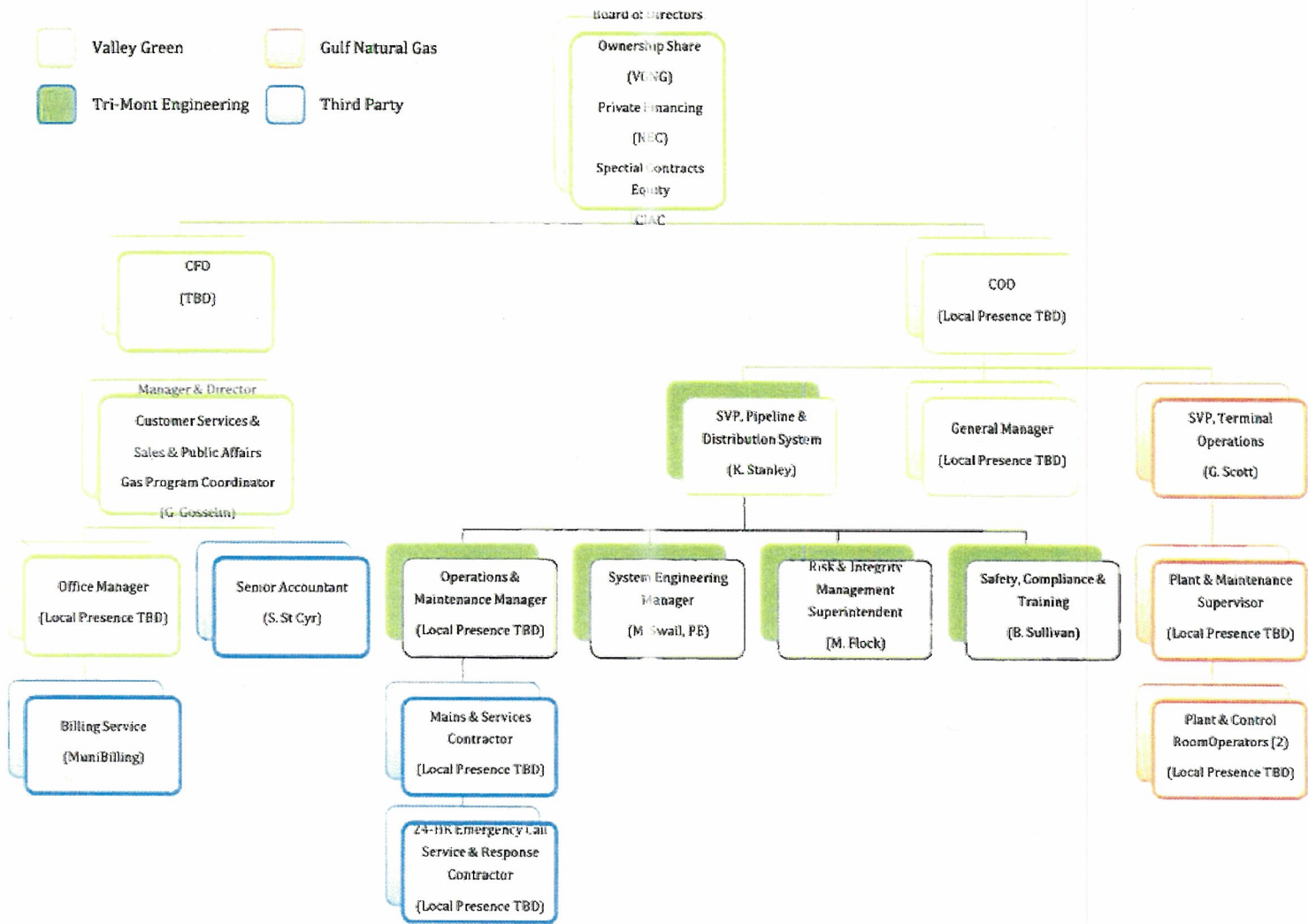
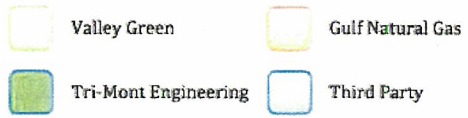
Responsible for:

- Operator Qualifications Training, O&M Training, to include documentation of same
- Drug and Alcohol Program Compliance of its Personnel
- Perform Maintenance and Emergency response actions as required
- Perform required repairs, evaluations, and upgrades as requested

SUPPLEMENTAL REQUEST:

Please state whether these positions are full time and where will they be located. Please identify personnel and assets.

SUPPLEMENTAL RESPONSE: See attached organization chart that identifies Valley Green Natural Gas, LLC; Tri-Mont Engineering, Inc.; Gulf Natural Gas; and third party vendor services.



DG 15-155
Valley Green Natural Gas, LLC
Petition for Franchise Approval
Staff Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 8/5/15
Request No. 1-3

Date of Response: 8/17/15
Witness: James W. Campion, IV

REQUEST: Regarding the services to be provided Valley Green by Gulf and TRI-MONT, did Valley Green issue an RFP for services? If so, please provide a copy of the RFP, a description of the responding bids and how the bids were evaluated. If Valley Green did not issue an RFP, please explain why not.

RESPONSE:

Valley Green did not issue an RFP for the services to be provided by either TRI-MONT or Gulf due to the unique nature of its project but pursued a process that was equivalent to an RFP. Pursuing an RFP process wasn't feasible because Valley Green needed to engage development partners before it was in a position to fully define scopes of work for aspects of its project. Also, an RFP is of limited usefulness when the pool of qualified providers is limited, as is the case with gas pipeline engineers and gas supplier-operators.

As to TRI-MONT:

There are very few firms in the New England region that have the capacities and experience required to shoulder the range of engineering responsibilities Valley Green has charged to TRI-MONT. Valley Green originally sought to retain a New Hampshire engineering firm located in the state with the full range of qualifications and experience the project required (specialized experience in gas processing, transmission and distribution via pipeline, and operations and maintenance of process applications, in addition to the full range of civil, mechanical, and environmental engineering services). Valley Green researched the New Hampshire engineering market and identified only two New Hampshire firms as meeting these standards - CHI Engineering and Sanborn Head & Associates. Valley Green contacted both firms to determine their interest. Both firms responded that they were unable to work with Valley Green due to a conflict of interest raised by their work with another gas utility. Because CHI and Sanborn Head were unavailable, Valley Green was forced to look out of state for providers with in-state New Hampshire experience. An additional benefit is that TRI-MONT also serves as a development partner.

As to Gulf:

Valley Green contacted many potential gas suppliers, including GDF Suez, Irving Oil, Clean Energy (truck fueling), Liberty Utilities, UGI Utilities, and Gas Metro and determined it needed the following basic gas supply requirements to best serve its customers:

- Firm pricing over a long period of time (15 years plus) because prospective customers are interested in stability of pricing over time.
- The capacity to supply large volumes of gas when Valley Green reaches full build-out of its distribution network.
- The flexibility to limit any take or pay requirement to accommodate a gradual build-out of the distribution network and use of supplemental fuels.
- Commitment to provide LNG & CNG fleet truck service.

During the course of discussions, Valley Green came to the conclusion that liquefied natural gas (LNG) was better suited to meet Valley Green's needs than compressed natural gas (CNG), for the following reasons:

- LNG has higher energy density than CNG. Accordingly, LNG is easier to store in quantities necessary to meet 7-day storage requirement. Further, because of storage advantages, LNG allows for purchases outside peak demand periods. By contrast, the CNG business model largely relies on just-in-time inventory.
- LNG is more stable in price. CNG prices vary markedly by season.
- CNG equipment would cost more.
- Using CNG would result in much heavier traffic because three times as many truck trips would be needed to deliver the same amount of fuel. Less traffic is a benefit sought by customers and the municipalities.
- During periods when CNG prices are low, Valley Green can augment its LNG supply with CNG as needed. Valley Green is designing its plant to include a CNG takedown station to mix CNG with our vaporized product when it is competitive with its base supply source, LNG. This too required special considerations in the supply contract. It would be harder to do the opposite (supplement a system designed around CNG with LNG).
- Seasonal storage of LNG allows purchase outside peak demand periods.
- Using LNG means Valley Green can lease extra tank space to defray costs.

The best opportunities for LNG supply are from the new liquefaction plants under construction, such as Gulf's. Older LNG facilities are dedicated to other markets or are requiring large take or pay commitments. With everyone adding loads of capacity and new trains from Gulf, Liberty, UGI and others due to come on line in 12-24 months, aggressive pre-selling of that capacity is well underway.

Gulf was willing to commit supply for this project over the long term from a planned 100,000 gallons/day liquefaction train, with a bridge supply agreement until that facility comes on-line. Gulf has offered to dedicate an LNG-powered truck fleet to the project. No other potential suppliers matched this cost-effective commitment.

In addition, other suppliers did not match Gulf's experience with and commitment to on-site operation and maintenance of the system equipment and to lease additional Valley Green LNG tank storage capacity. Gulf is willing to match through an option of first refusal, any offer to spot price Valley Green supply from competitors before the liquefaction "train" comes on line. This price security is attractive.

Valley Green had multiple contacts with Clean Energy prior to its purchase of NG Advantage. NG Advantage's focus, however, was on CNG and vehicle fueling. Valley Green attended a presentation at Clean Energy's office in Concord after it purchased NG Advantage but Clean Energy never followed up with pricing for Valley Green. Clean Energy stated it had access to LNG supply, but the sources were from Tennessee and Ohio and Clean Energy did not own those sources. NG Advantage's closest LNG asset was in Michigan. NG Advantage and Clean Energy continued to push hard for CNG preference for base load and transportation fuel but could supply ample LNG for back-up.

Having surveyed the market thoroughly, Valley Green is confident that Gulf is currently the best match for the benefits Valley Green and its customers are seeking.

DG 15-155
Valley Green Natural Gas, LLC
NG Advantage LLC's Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 08/24/15
Request No. NG Advantage 1-3

Date of Response: 09/03/15
Witness: James W. Campion, IV

REQUEST: In analyzing natural gas supply options for the proposed Hanover and Lebanon franchises, did you solicit bids from LNG suppliers other than Gulf?

RESPONSE: Yes. See Valley Green's response to Staff 1-3.

REQUEST: If so, please provide a copy of all requests for proposals or other document(s) relating to the solicitation.

RESPONSE: The solicitations were informal and there were no requests for proposals.

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Valley Green Natural Gas, LLC

OCA Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 06/15/15

Date of Response: 06/25/15

Request No. OCA 1-3

Witness: James W. Campion, IV

REQUEST: Will Valley Green or any of its equity owner(s) have any interest in the vehicle refueling business being planned by Gulf on property to be leased by Valley Green?

RESPONSE: At this time, Valley Green plans to have no ownership interest in the vehicle refueling business proposed by Gulf.

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Valley Green Natural Gas, LLC
OCA Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 06/15/15

Date of Response: 06/25/15

Request No. OCA 1-18

Witness: James W. Campion, IV

REQUEST: Does Valley Green anticipate creating a separate subsidiary in connection with any of the business activities discussed in the testimonies filed on May 15, 2015?

RESPONSE: No, not at present.

DG 15-155
Valley Green Natural Gas, LLC
Petition for Franchise Approval
Staff Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 8/5/15
Request No. 1-6

Date of Response: 8/12/15
Witness: Scott Brown

REQUEST: Reference Brown Testimony. Does New Energy Partners (NECP) or any of its affiliates have any utility holdings? If so, for each utility please describe the utility, the amount of the investment and services provided.

RESPONSE: Neither NECP nor its affiliates hold interests in regulated utilities. Rather, NECP investments to date, other than Valley Green, have been in unregulated energy facilities.