

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

**VALLEY GREEN NATURAL GAS, LLC**

**Petition for Franchise in the City of Lebanon and Town of Hanover**

**DG 15-155**

**Supplemental Testimony of**

**James W. Campion, IV  
Kenneth Stanley  
Jonathan W. Carroll  
Scott Brown**

April 27, 2016

1 **Q. Please state your full names and business addresses**

2 A. Our full names and business addresses are as follows: James W. Campion, IV, Post  
3 Office Box 14, 44 Main Street, Hanover, New Hampshire 03755; Kenneth H. Stanley, 38 Resnik  
4 Rd., Suite # 102, Plymouth, MA 02360; Jonathan W. Carroll, 100 Crossing Blvd., Framingham,  
5 MA 01702; and Scott Brown, New Energy Capital Partners, L.L.C., 53 South Main Street, Third  
6 Floor, Hanover, NH 03755.

7 **Q. Have you provided written testimony in this proceeding?**

8 A. Yes, we have each provided written pre-filed testimony in this proceeding dated May 15,  
9 2015.

10 **Q. What is the purpose of this supplement to testimony?**

11 A. The purpose of the supplemental testimony is to summarize certain additional  
12 information about the Valley Green Natural Gas ("Valley Green") project since the filing of  
13 Valley Green's petition with reference to the discovery responses where such information has  
14 been disclosed to the parties in this proceeding.

15 **Q. How does the supplemental testimony impact your original pre-filed testimony?**

16 A. This testimony supplements our pre-filed testimony and does not, in general, replace it.

17 **Q. Please describe any changes to Valley Green's project since the filing of its petition.**

18 A. As further detailed in Valley Green 's confidential supplemental response to Staff 1-2  
19 (Exhibit 5, Section A), Valley Green modified its design approach in connection with the  
20 development of build-out scenarios requested by Staff. Valley Green now anticipates that the  
21 project will rely upon a 1.2 million gallon tank to meet the Commission's storage requirements,  
22 in lieu of a series of 60,000 gallon tanks. An affiliated company, Valley Green Energy Services,  
23 LLC, will utilize a significant portion of the tank's storage capacity and engage in unregulated

1 sales of natural gas products, including delivery of LNG by truck to remote customers. Valley  
2 Green Energy Services will make tank space available to Valley Green as needed. Other  
3 components of the project remain as previously described.

4 **Q. Please describe the build-out scenarios.**

5 A. Valley Green modeled build-out in three stages to areas of increasing distance from  
6 Valley Green's site. The scenarios are further identified in Valley Green's confidential response  
7 to Staff 1-2 (Exhibit 5, Section A).

8 **Q. Please elaborate on TRI-MONT's experience to offer engineering services and  
9 pipeline operation and maintenance support for the Valley Green project.**

10 A. Beyond the information provided in the Petition (Exhibit 1) and the Pre-filed Direct  
11 Testimony of Kenneth H. Stanley (Exhibit 2), TRI-MONT's experience is described in further  
12 detail in Valley Green's responses to Staff 1-3 (Exhibit 4, Section A) and Staff 1-4 (Exhibit 4,  
13 Section B). Additional information is contained in Valley Green's responses to Almy-Wood 1-3,  
14 Peress/Neary 1-3, Peress/Neary 1-4 and Peress/Neary 1-5 (not included as exhibits). TRI-  
15 MONT's experience is noted in the testimony of Mr. Randall S. Knepper and Mr. Robert Wyatt  
16 of Staff (Exhibit 6), at pp. 7-10.

17 **Q. Please elaborate on Gulf's experience to offer LNG Facility operation and  
18 maintenance support for the Valley Green project.**

19 A. Beyond the information provided in the Petition (Exhibit 1) and the Pre-filed Direct  
20 Testimony of Jonathan W. Carroll (Exhibit 2), Gulf's experience and unique capabilities are  
21 described in further detail in Valley Green's responses to Staff 1-3 (Exhibit 4, Section A) and  
22 EnergyNorth 1-10 (Exhibit 4, Section M).

1 **Q. Will any other entity provide continual management or support services to Valley**  
2 **Green?**

3 A. Valley Green described the status of its arrangements for meter reading and billing  
4 services and emergency response services in its confidential response to OCA 1-6 (Exhibit 5,  
5 Section F). Valley Green has retained Stephen P. St. Cyr & Associates to provide regulatory  
6 accounting services.

7 **Q. Please describe Valley Green's updated organizational structure and state whether**  
8 **it will have employees or consultants filling roles within that structure.**

9 A. Valley Green described its updated organizational structure in detail in its response to  
10 Tech Session 2 supplementing Staff 1-5 (Exhibit 4, Section C), and in the organizational charts,  
11 by scenario, attached to Valley Green's confidential response to Staff 3-8 (Exhibit 5, Section D).

12 **Q. Please identify the safety regulations and codes and industry standards that apply to**  
13 **the Valley Green project.**

14 A. Federal and state regulations and codes and industry standards applicable to the Valley  
15 Green project are summarized in Valley Green's responses to City of Lebanon 1-1 (Exhibit 4,  
16 Section I) and City of Lebanon 1-3 (Exhibit 4, Section J).

17 **Q. Please describe why Valley Green chose Liquefied Natural Gas (LNG) as its**  
18 **primary fuel source.**

19 A. Valley Green described the reasons behind its choice of LNG as its primary fuel source in  
20 its responses to Staff 1-3 (Exhibit 4, Section A) and NG Advantage 1-1 (Exhibit 4, Section O).  
21 Among these reasons are LNG's price stability and LNG's higher energy density, which better  
22 enables Valley Green to meet the Commission's 7-day storage requirement using on-site storage.

1 **Q. Please elaborate on Valley Green's contractual arrangements with Gulf for gas**  
2 **supply and operation and maintenance services?**

3 A. Valley Green provided a copy of a memorandum of understanding between Valley Green  
4 and Gulf in its confidential response to OCA 1-26 (Exhibit 5, Section G). The MOU addresses  
5 both gas supply and Gulf's operation and maintenance of the LNG facility.

6 **Q. Please elaborate on how Gulf will supply Valley Green with sufficient LNG to meet**  
7 **its needs.**

8 A. Valley Green further described how Gulf will supply sufficient LNG to the Valley Green  
9 project in its responses to OCA 1-9 (Exhibit 4, Section D) and OCA 1-23 (Exhibit 4, Section E),  
10 as well as its response to OCA 1-25 (not included as an exhibit).

11 **Q. Will Valley Green use alternative sources of supply such as landfill gas?**

12 A. Valley Green's discussions with the City of Lebanon regarding use of its landfill gas  
13 resource are described in Valley Green's confidential response to OCA 3-27 (Exhibit 5, Section  
14 D).

15 **Q. Has Valley Green developed a proposed tariff to govern its regulated gas service?**

16 A. Valley Green provided a draft tariff in its response to OCA 1-27 (Exhibit 4, Section F).  
17 The tariff contains terms of service incorporated from Commission-approved tariffs for other gas  
18 utilities in New Hampshire.

19 **Q. Does the draft tariff include proposed customer rates for gas service?**

20 A. No. Valley Green expects that the issue of rates will be determined in the context of its  
21 general rate case and that the rates will be developed consistent with traditional cost of service  
22 ratemaking principles. Valley Green anticipates hiring a rate design consultant to help determine  
23 appropriate customer classes and rates for its rate case. Valley Green provided a model of its

1 anticipated costs versus anticipated sales and resulting per-therm cost in its confidential response  
2 to Staff 3-10 (Exhibit 5, Section E).

3 **Q. Please identify the permits that are required for the proposed project.**

4 A. Valley Green provided a list of permits in response to EnergyNorth 1-1 (Exhibit 4,  
5 Section K). As described in Arwen 1-2 (Exhibit 4, Section P), the Lebanon Zoning Board of  
6 Adjustment (ZBA) approved a zoning variance for the property on which the Valley Green  
7 project will be located. The variance was extended for two years by a vote of the ZBA on March  
8 21, 2016. Valley Green has completed a wetlands restoration project in anticipation of receiving  
9 an Alteration of Terrain permit from the N.H. Department of Environmental Services (DES), as  
10 described in its response to Almy-Wood 1-2 (Exhibit 4, Section Q).

11 **Q. Please describe what factors caused Valley Green to select the Etna Road site.**

12 A. Valley Green selected its site due to many factors including but not limited to its zoning  
13 status, the existing infrastructure in the area, its distance from residential areas, its proximity to  
14 the interstate highway and its proximity to a large volume of demand, as further detailed in  
15 Valley Green's responses to EnergyNorth 1-3 (Exhibit 4, Section L) and LU Tech 1-1 (Exhibit 4,  
16 Section N). For many of the same reasons, the site is also ideally located for unregulated uses  
17 such as delivery of LNG to remote customers, refueling of Gulf's LNG fleet, and refueling of  
18 large vehicles including local bus lines. Vehicular customers could include area transit services,  
19 as two local planning studies referenced in LU Tech 1-1 (Exhibit 4, Section N) identified the  
20 Etna Road area as the most suitable location to support development of such services.

21 **Q. Has Valley Green developed rate schedules?**

22 A. While this is not a rate proceeding, at Staff's request, Valley Green developed detailed  
23 modeled rate schedules and related financial schedules under the build-out scenarios referenced

1 above, as documented in Valley Green's confidential responses to Staff 1-2 (Exhibit 5, Section  
2 A), Staff 1-7 (Exhibit 5, Section A), Staff 3-2 (Exhibit 5, Section C), Staff 3-8 (Exhibit 5,  
3 Section D) and Staff 3-10 (Exhibit 5, Section E).

4 **Q. Will Valley Green be able to offer competitive rates to customers?**

5 A. Valley Green will be able to offer natural gas service to customers at competitive rates  
6 under each build-out scenario, as indicated in its confidential responses to Staff 1-2 (Exhibit 5,  
7 Section A), Staff 1-7 (Exhibit 5, Section A), and Staff 3-10 (Exhibit 5, Section E).

8 **Q. Does Valley Green expect to earn a favorable rate of return on its proposed project?**

9 A. Yes. As described in its confidential response to Staff 3-2 (Exhibit 5, Section C), Valley  
10 Green calculated its overall rate of return for all of its build-out scenarios. In each scenario,  
11 Valley Green projects that it will earn a positive rate of return.

12 **Q. Please list the 10 potential customers with the greatest annual load usage.**

13 A. Valley Green provided a list of its 10 largest potential customers in its confidential  
14 response to Staff 3-1 (Exhibit 5, Section B).

15 **Q. Please describe Valley Green's marketing to potential customers.**

16 A. Valley Green's marketing to business and residential customers is described in its  
17 confidential response to OCA 3-3 (Exhibit 5, Section H) and its response to OCA 3-4 (Exhibit 4,  
18 Section G).

19 **Q. Describe Valley Green's discussions about commitments with potential customers?**

20 A. Valley Green's discussions with customers about potential pricing other terms are  
21 described in Valley Green's response to OCA 3-7 (Exhibit 4, Section H) and in its confidential  
22 response to OCA 3-3 (Exhibit 5, Section H).

1 **Q. What is Valley Green's position on dividing up the territory with Liberty Utilities?**

2 A. Valley Green's position on dividing up the territory is set forth in its response to OCA 3-4  
3 (Exhibit 4, Section G).

4 **Q. Do you have anything else you would like to add to your testimony?**

5 A. Not at this time.

6 **Q. Does that complete your testimony?**

7 A. Yes.