



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

Docket No. DG 16-XXX

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
Petition for Expansion of Franchise to the Town of Hanover and City of Lebanon, New
Hampshire

**DIRECT TESTIMONY
OF
RICHARD G. MACDONALD**

November 23, 2016

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My Name is Richard G. MacDonald. My business address is 130 Elm Street,
4 Manchester, New Hampshire, 03101-2716.

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

6 A. I am employed by Liberty Utilities Service Corp. as the Director of Gas Operations for
7 Liberty Utilities (EnergyNorth Natural Gas) Corp. (“Liberty Utilities” or “the
8 Company”).

9 **Q. Mr. MacDonald, please state your educational background and professional
10 experience.**

11 A. In 1977 I received an Associate’s Degree in Applied Science in Industrial Electricity
12 from the NH Community College in Nashua, NH. In 1997 I received an Associate’s
13 Degree in Mechanical Engineering Technology from the New Hampshire Technical
14 Institute in Concord, NH. In July 2012 I assumed the position of Director Gas
15 Operations for Liberty Utilities. My responsibilities as Director include managerial
16 oversight of all gas operations and construction processes.

17 From 1977 to 2000 I was employed by EnergyNorth Natural Gas, Inc. where I held
18 various supervisory and managerial positions in gas operations. From 2000 to 2008 I was
19 employed by KeySpan Energy Delivery where I was the Manager of Field Operations
20 and Construction. In 2008 I accepted a position at National Grid as the New England

1 Resource Planning Manager responsible for operating and maintenance work plans and
2 capital construction project planning for the New England region and held this position
3 until 2012.

4 **Q. Have you previously testified before this Commission?**

5 A. Yes, I testified in Docket No. DG 06-045, EnergyNorth's Petition for Termination of
6 Propane Service to Kaunas Circle, Manchester, NH, as well as recent Cast Iron/Bare
7 Steel dockets DG 15-104 and DG 16-449.

8 **Q. What is the purpose of your testimony today?**

9 A. My testimony discusses the Company's plans for constructing and operating a gas
10 distribution system in the Town of Hanover and the City of Lebanon, New Hampshire,
11 assuming the Company is awarded franchise rights for those municipalities.

12 **Q. Please provide a general description of the facilities that will be constructed.**

13 A. The Company will install gas mains from the location of the liquefied natural gas (LNG)
14 vaporization and compressed natural gas (CNG) decompression facility, as described in
15 Mr. Clark's testimony, to the initial anchor customers and lead residential and
16 commercial customers. Such construction will include installation of plastic gas mains
17 and service lines, which will be designed and sized appropriately to support the initial
18 customer base as well as expected growth from customers requesting service during or
19 following construction. These facilities will be installed and maintained under Liberty

1 Utilities' existing maintenance and construction standards and in accordance with
2 industry standards and all applicable codes.

3 **Q. Please describe how the gas distribution system will be constructed.**

4 A. The Company will issue a request for proposal (RFP) for the construction of the
5 distribution system consistent with contracts we issue in our normal course of business
6 throughout the Liberty Utilities service area. We will issue the RFP to: (a) qualified
7 contractors that have previously provided services to Liberty Utilities and who have
8 demonstrated through successful completion of projects their ability to meet our
9 standards of safety, reliability, and performance; and/or (b) contractors that have a
10 demonstrated expertise within the scope of work identified in the RFP. The Company
11 has worked with a pool of qualified contractors such as RH White Construction, Inc.,
12 Midway Utility Contractors LLC, and Mears Construction LLC that have successfully
13 completed multi-year contracts for construction services. These qualified contractors
14 have offices and/or staging areas within our service territories, are familiar with the
15 subsurface conditions of New Hampshire, and have considerable experience in the
16 construction of gas distribution systems and facilities. The contract strategy ultimately
17 selected will depend largely on the scope and amount of work over the initial startup
18 period and on the long-term growth estimates and projections. All main and service
19 facilities will be constructed to Liberty Utilities' current operating, maintenance, and
20 construction standards, which meet or exceed US Department of Transportation Pipeline
21 and Hazardous Materials Safety Administration (PHMSA), New Hampshire Puc 500

1 rules, and any and all other applicable federal state and local standards or permitting
2 requirements.

3 **Q. What is the time frame for construction of the distribution system?**

4 A. The time frame will depend on when approvals are received, the location of the
5 LNG/CNG facility, and the number and location of anchor customers to be served from
6 this facility. Construction of the distribution system will commence in parallel with the
7 construction of the LNG/CNG facility. The major distribution system construction to
8 support the growth opportunities will likely be performed in phases over a two- to three-
9 year period.

10 **Q. How will the Company support the safe operation of the plant and distribution**
11 **system?**

12 A. The LNG/CNG facility and distribution system will be constructed and operated in
13 accordance with current established operating and maintenance standards and procedures
14 with which Liberty Utilities has extensive experience. The location of operations
15 personnel to support the day-to-day operation of the proposed gas facilities will be
16 managed from our Lebanon Operations facility and customer service walk-in center. The
17 staffing support for the processes and customers will be a combination of current and
18 incremental employees working out of the Lebanon Operations Center. These employees
19 will receive all required certification training and training necessary to support the gas

1 operations processes. The intent is for the Lebanon team to support gas operations
2 similar to that of the Company's Keene Division.

3 **Q. How will the Company construct the distribution system within these communities?**

4 A. The Company will meet with the Town of Hanover and City of Lebanon municipal and
5 public works officials to determine the specific local requirements for utility use and
6 occupancy within their public Rights-of-Way (ROWs). Additional meetings will be
7 scheduled as needed to review the proposed preferred routes for this project and
8 coordinate to an appropriate level the short- and long-term scope of the gas distribution
9 system construction project. Liberty Utilities has an excellent working relationship with
10 the New Hampshire Department of Transportation (NHDOT). We will work closely with
11 the local state division highway road agents and engineers to review and submit any
12 NHDOT road permits for construction. Since the Company coordinates its excavation
13 and restoration activities for its utility maintenance and construction processes in 29 cities
14 and towns across New Hampshire within our existing service territories, we have
15 extensive knowledge and experience to accomplish this effectively in a manner that is the
16 least disruptive to local traffic, businesses, and residences.

17 **Q. How will the Company meet the emergency response requirements?**

18 A. The Company will have the necessary resources reporting out of the Lebanon Operations
19 facility to meet the current emergency response requirements of Puc 504.07. The
20 monitoring of the gas system reliability and dispatching of emergency job orders will be

1 supported by the Emergency Dispatch and Gas Control Center located at the Company's
2 Corporate office in Londonderry.

3 **Q. Will the addition of this franchise area place any additional burden on existing**
4 **resources that will impact service to Liberty Utilities' existing customers?**

5 A. No, it will not. Gas dispatching and emergency response contact will be handled from
6 the Company's Londonderry headquarters. Operational and customer related functions
7 will be managed locally in Hanover/Lebanon. This staffing structure is similar to how
8 Liberty Utilities manages its Keene Division. The Company successfully transitioned the
9 Keene Division into its operations without adverse effect on existing Liberty Utilities
10 customers and expects to similarly transition the new franchise area, assuming the
11 Company is awarded franchise rights.

12 **Q. Please describe the staffing requirements and operation of the LNG facility.**

13 A. The LNG/CNG facility will be designed with the latest, proven equipment and
14 technology available. The Company expects to automate most control and safety
15 functions. Staffing will be adequate to handle day-to-day facility tasks such as off-
16 loading of LNG transports, connecting CNG trailers, performing maintenance, and
17 monitoring functions. Liberty Utilities' Production and Instrumentation/Regulation team
18 will manage this facility and assure reliability and compliance. The Gas Control team in
19 Londonderry will monitor the facility with the current SCADA system deployed today at
20 other Liberty Utilities production facilities.

1 **Q. Does this conclude your testimony?**

2 A. Yes, it does.