

STATE OF NEW HAMPSHIRE
Before the
PUBLIC UTILITIES COMMISSION

DOCKET NO DG 08-048

UNITIL CORPORATION

AND

NORTHERN UTILITIES, INC.

JOINT PETITION

for

APPROVAL OF STOCK ACQUISITION

DIRECT TESTIMONY OF

THOMAS P. MEISSNER, JR.

March 31, 2008

1 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A: My name is Thomas P. Meissner Jr. My business address is 6 Liberty Lane West,
3 Hampton, New Hampshire 03842.

4

5 **Q: FOR WHOM DO YOU WORK AND IN WHAT CAPACITY?**

6 A: I am Senior Vice President and Chief Operating Officer of Unitil Corporation
7 ("Unitil"), and Senior Vice President of its principal subsidiaries, Unitil Energy
8 Systems, Inc. ("UES") and Fitchburg Gas and Electric Light Company
9 ("FG&E"). My responsibilities are primarily in the areas of utility operations and
10 engineering.

11

12 **Q: PLEASE SUMMARIZE YOUR PROFESSIONAL AND EDUCATIONAL**
13 **BACKGROUND.**

14 A: I have over 23 years of professional experience in the utility industry and an
15 extensive background in all areas of gas and electric energy delivery including
16 distribution engineering; system planning; construction and maintenance; safety;
17 inventory and supply chain management; emergency response and restoration;
18 fleet and facilities management; metering and meter reading; system operations;
19 and related technology and asset management systems. I joined Unitil in 1994 as
20 a design engineer and was named Director of Engineering in 1996, Senior Vice
21 President of Operations and Engineering in 2003, and assumed my current
22 responsibilities as Chief Operating Officer of Unitil in 2005. In addition to my

1 responsibilities at Unitil, I also serve as Board President of Rockingham
2 Community Action, a Portsmouth based agency serving the people of
3 Rockingham County and devoted the elimination of poverty.

4
5 Prior to joining Unitil, I was employed for 10 years at Public Service of New
6 Hampshire where I advanced through a variety of positions in Distribution
7 Engineering, Southern Division Engineering, Seacoast Division Engineering, and
8 Key Accounts. The last position I held prior to joining Unitil was that of
9 Electrical Superintendent in Portsmouth. I hold Bachelor of Science degrees in
10 both Electrical Engineering and Mechanical Engineering from Northeastern
11 University and an MBA from the University of New Hampshire. I also completed
12 the Power Technology Course (“PTI Course”), a two year certificate program
13 taught by Power Technologies, Inc. of Schenectady, NY.

14
15 **Q: DO YOU HAVE ANY LICENSES THAT QUALIFY YOU TO SPEAK TO**
16 **ISSUES RELATED TO ENGINEERING?**

17 A: Yes, I am a registered Professional Engineer in the state of New Hampshire.

18
19 **Q: HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NEW**
20 **HAMPSHIRE PUBLIC UTILITIES COMMISSION ("COMMISSION")?**

21 A. Yes, I have previously testified before this Commission, in dockets DE 01-247
22 and DT 07-011.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
2 **PROCEEDING?**

3 A. The purpose of my testimony is to address the operational, organizational and
4 safety compliance aspects of Unitil's acquisition of Northern Utilities, Inc.
5 ("Northern") and Granite State Gas Transmission, Inc. ("Granite"). In particular,
6 I will describe how Northern's field operations, construction programs and gas
7 safety and compliance plans will be managed and integrated with Unitil's existing
8 utility operations.

9
10 **Q. PLEASE DESCRIBE UNITIL'S UTILITY OPERATIONS.**

11 A. UES is a New Hampshire corporation that was formed through the merger of
12 Concord Electric Company and Exeter & Hampton Electric Company, which date
13 back to 1901 and 1908 respectively. UES provides electric distribution service to
14 more than 73,000 customers in 31 communities in the Capital and Seacoast
15 regions of New Hampshire. These territories are served from two operations
16 centers; one on McGuire Street in Concord, New Hampshire and the other on
17 Drinkwater Road in Kensington, New Hampshire. In total, approximately 66
18 employees work out of these two locations, including line crews, substation
19 crews, meter department employees, stockroom personnel, and related business
20 services and administrative support functions.

21

1 FG&E was organized in 1852 and originally manufactured gas to illuminate the
2 gas lights in downtown Fitchburg. The company later expanded its operations to
3 provide natural gas and electric service to the city of Fitchburg and the
4 surrounding communities. Today, FG&E distributes electricity to more than
5 28,000 customers in four communities and natural gas to 15,000 customers in six
6 communities. Both gas and electric operations are supported from a single
7 operations center on John Fitch Highway in Fitchburg. Approximately 72
8 employees work out of this office, including gas utility workers, line crews, gas
9 service workers, substation crews, meter department employees, stockroom
10 personnel, and related business services and administrative support functions.

11

12 **Q. DOES UNITIL HAVE OTHER OFFICES OR EMPLOYEES**
13 **SUPPORTING ITS UTILITY OPERATIONS?**

14 A. Yes. Unitil Service Corporation ("Service Corp."), located at the Company's
15 corporate headquarters facility in Hampton, New Hampshire, provides centralized
16 administrative, technical and management services to Unitil's operating
17 subsidiaries. These services include engineering, information systems, human
18 resources, accounting, finance, regulatory, business services, executive
19 management and some operations management functions. Approximately 125
20 employees are based in Hampton supporting Unitil's utility operations. In
21 addition, Unitil has a 24/7 customer service center ("CSC") located at McGuire
22 Street in Concord, NH, staffed by approximately 45 employees. The CSC is

1 responsible for billing, customer service call response, payment services,
2 customer accounting, credit and collections and most customer communication
3 functions.

4

5 **Q. HOW ARE UNITIL'S OPERATIONS ORGANIZED AND MANAGED?**

6 A. Unitil's operations are organized into five functional areas: Gas Operations,
7 Electric Operations, Operations Services, Engineering, and Energy Measurement
8 & Control. Gas Operations and Electric Operations are responsible for
9 constructing, operating and maintaining our gas and electric systems, including
10 emergency response, work force management and all associated training and
11 safety compliance requirements. Operations Services provides support services to
12 operations, including fleet management, facilities, purchasing and inventory, plant
13 records, local customer service and administration. Engineering is responsible for
14 planning, design, construction standards, protection and control, as well as CAD
15 and GIS. Energy Measurement & Control is responsible for metering and meter
16 reading systems, substations, AMI systems and equipment, SCADA systems and
17 electric and gas control functions.

18

19 At the local level, the management structure mirrors this functional structure. We
20 have local management/supervision at each location for Gas Operations (FG&E
21 only), Electric Operations, Operations Services, and Energy Control &
22 Measurement. It is our philosophy to have strong locally-based management and

1 supervision to oversee day-to-day requirements and to make local operational
2 decisions.

3

4 **Q. PLEASE DESCRIBE FG&E'S GAS OPERATIONS IN MORE DETAIL.**

5 A. FG&E provides natural gas delivery service in the communities of Fitchburg,
6 Townsend, Lunenburg, Ashby, Westminster and Gardner, Massachusetts. In
7 total, FG&E owns, operates and maintains approximately 263 miles of gas mains,
8 and has approximately 14,163 gas services. These include both high pressure and
9 low pressure distribution systems, and a limited medium pressure distribution
10 system. As with Northern, we have been undertaking programmatic replacement
11 of our cast iron and bare steel mains and services using a variety of techniques
12 including overlay, live and dead insertion. Other components of our system,
13 including metering, regulator stations and gas production facilities are generally
14 similar to the types of facilities in-service at Northern.

15

16 As with any other gas company, we maintain offices and facilities, a vehicle fleet,
17 stockroom facilities and inventory, specialized equipment, record keeping
18 systems, and all other facilities and business systems necessary to run our gas
19 operations. In most respects, our FG&E gas operations are very similar to those
20 at either of Northern's locations. We manage our construction and maintenance
21 programs in a similar way, employ a similar labor force, administer similar labor

1 contracts, perform similar Operator Qualification training, maintain similar record
2 systems, comply with the same regulations, and do much of the same reporting.

3

4 **Q. HOW MANY EMPLOYEES WORK IN UNITIL'S GAS OPERATIONS?**

5 A. Unitil has approximately 23 employees based in Fitchburg who are devoted
6 exclusively to gas operations. In addition, there are various other employees who
7 perform common gas and electric functions in such areas as metering,
8 dispatching, damage prevention, plant records, stores, and administration. Of the
9 72 employees based in Fitchburg, approximately 23 are exclusively gas, 19 are
10 exclusively electric, and 30 perform common functions for both electric and gas
11 operations.

12

13 In addition to Unitil's employees in Fitchburg, various other Company employees
14 support or are otherwise engaged in gas operations at Service Corp. Unitil's
15 Director of Gas Operations is a Service Corp. employee, as are engineering,
16 safety, CAD and GIS personnel. Management and technical personnel involved
17 in metering are also Service Corp. employees, as are sales and business
18 development staff. In general, most Service Corp. employees providing
19 centralized services do so for both electric and gas operations.

20

21

1 **Q. ARE ANY OF UNITIL'S EMPLOYEES COVERED BY COLLECTIVE**
2 **BARGAINING AGREEMENTS?**

3 A. Approximately 85 Unitil employees are covered by collective bargaining
4 agreements. In New Hampshire, 39 UES employees are represented by the
5 International Brotherhood of Electrical Workers (IBEW), Local No. 1837. In
6 Massachusetts, 46 FG&E employees are represented by the Utility Workers
7 Union of America (UWUA), Local No. B340.

8
9 **Q. HOW WOULD YOU CHARACTERIZE LABOR RELATIONS AT UES**
10 **AND FG&E?**

11 A. I would characterize Unitil's relationship with our represented employees and
12 their business agents as strong. As with any company, grievances occasionally
13 occur but are resolved expeditiously. On rare occasions resorting to arbitration
14 over disputed issues may be necessary. In general, however, the labor
15 environment is generally collaborative and there is good communication between
16 management and union representatives. During our last contract negotiations in
17 2005, we executed five year contracts that satisfied all parties. Having operated
18 under those contracts for nearly three years, my experience has been that the
19 results met the expectations of both labor and management.

20

21 It is also noteworthy that Unitil is in the final stages of implementing an
22 Advanced Metering Infrastructure ("AMI") project that resulted in the elimination

1 of all meter reading positions within UES AND FG&E. However, Unitil pledged
2 early in the process to help affected employees transition to new positions
3 replacing retiring workers in other jobs, and to provide the necessary training to
4 achieve a successful transition. This became an integral part of our operations
5 succession planning, given the large number of anticipated retirements due to an
6 aging workforce. To date, our efforts have been very successful and employees
7 wishing to remain with FG&E and UES have all been awarded jobs, most of
8 which are higher paying jobs than the eliminated positions. This successful
9 transition was due in large part to the cooperation between the unions and Unitil
10 management.

11

12 **Q. DOES UNITIL OPERATE LIQUID PROPANE OR LIQUID NATURAL**
13 **GAS FACILITIES?**

14 A. Yes. Unitil has both types of facilities. FG&E owns and operates a Liquid
15 Propane Gas and Air ("LPGA") plant located in Lunenburg, Massachusetts. This
16 facility has liquid propane storage consisting of six mounded tanks with a total
17 useable capacity of approximately 310,000 gallons, and has a vaporization
18 capacity of 425 MCF (1,000 cubic feet) per hour. FG&E also owns and operates
19 a Liquid Natural Gas (LNG) plant located in Westminster, Massachusetts. This
20 facility has a single 55,000 gallon on-site storage tank and a vaporization capacity
21 of 300 MCF per hour. FG&E has made significant investments and upgrades to
22 both facilities; both are of modern design, are well maintained and are operated

1 regularly for peak shaving and supplemental supply. Our employees are
2 knowledgeable and well trained in operation, maintenance and safety
3 requirements, including emergency response and fire training.

4

5 **Q. DOES FG&E HAVE AUTOMATED METER READING (AMR)**
6 **CAPABILITY FOR ITS GAS CUSTOMERS?**

7 A. Yes. As already mentioned, FG&E is in the final stages of implementing an
8 Advanced Metering Infrastructure (AMI) system for all of our meters, both gas
9 and electric. This system is a multi-utility solution capable of reading both gas
10 and electric meters over a fixed network using an advanced two-way power line
11 carrier-based communication system. Gas metering is done using short-range
12 radio frequency communication which sends gas meter consumption data to the
13 electric meter at the same customer's premises. Both gas and electric readings are
14 then transported over FG&E's electric distribution lines to substation data
15 collectors, and from there back to FG&E's customer service center and billing
16 system. Benefits of the system include "always on" continuous data transmission,
17 automatic *daily* reading of meters, daily consumption data for improved response
18 to billing inquiries, the ability to schedule reads as needed, continuous outage
19 detection and potentially the ability to have on-premises gas leak detection.

20

21 There is a portion of our system in two communities where we have gas facilities
22 but no electric facilities. In those locations, we are unable to utilize the power

1 line carrier communication technology. As a result, we use Itron modules for
2 those gas meters and perform reading using “drive-by” AMR technology identical
3 to what is being employed at Northern.

4

5 **Q. DOES UNITIL HAVE SCADA AND GAS CONTROL CAPABILITIES?**

6 A. Yes. FG&E's Supervisory Control and Data Acquisition (SCADA) system
7 consists of three Intellution¹ nodes. The master station displays real-time data
8 from the Company's LNG facility, LPGA facility, gate station, district regulator
9 stations and various system pressure monitoring sites. The LNG and LPGA
10 facilities have internal control systems that interface with SCADA via a Bristol
11 Babcock 3330 RTU (LNG plant) or a Bristol Babcock Control Wave PLC (LPGA
12 plant). All district regulator stations are equipped with field mounted
13 Programmable Logic Controllers ("PLC's") which communicate information to
14 the SCADA system through cellular modems. Operating parameters at the
15 Company's gate station are monitored through the Control Wave PLC at the
16 LPGA station. Data from all locations is transmitted to a master station at the
17 Company's office at John Fitch Highway, and is then used to operate the system
18 and manage the daily gas nomination process.

19

20

¹ Intellution is a product of GE Fanuc, a division of General Electric Company.

1 **Q. WHAT TYPES OF INFORMATION SYSTEMS DOES UNITIL USE FOR**
2 **GAS PLANNING AND FACILITIES MANAGEMENT?**

3 A. Unitil performs network modeling using the latest version of the Stoner
4 SynerGee® Gas planning software. The SynerGee® Customer Management
5 Module (CMM) is used to gather and categorize customer load information from
6 our Customer Information System, and all customer locations are tied to the
7 appropriate main section such that the CMM data can be loaded into the network
8 model. Models are also verified using known SCADA and metering points to
9 develop a highly accurate model. The models are kept up to date by Engineering.

10

11 We also maintain a Geographic Information System (GIS) built around ESRI
12 ArcMap software. As ArcMap is not a utility specific product, we use two
13 separate add-ons developed by Miner & Miner to increase our utility specific GIS
14 functionality: ArcFM & Session Manager and Designer & Work Flow Manager.
15 The ArcFM software manages the gas network database, provides utility specific
16 queries, and allows for data export into other applications. The Designer and
17 Work Flow Manager is built off the ArcFM product and allows Unitil to input job
18 cost estimating and inventory listing capabilities and supports the work flow and
19 approvals process. All gas projects are designed within GIS and routed
20 electronically for approvals. Once the project is complete, “as built” edits are
21 completed and the completed design is posted within GIS.

22

1 **Q. PLEASE DESCRIBE UNITIL'S TRAINING PROGRAMS INCLUDING**
2 **OPERATOR QUALIFICATION.**

3 A. Unitil has an on-going, comprehensive training program for all distribution,
4 operations and energy production related activities. These programs may be
5 conducted internally at our FG&E facility using internal or external subject matter
6 experts, or through participation in training programs offered by industry partners
7 such as the Northeast Gas Association ("NGA"). The training format generally
8 consists of classroom instruction followed by hands-on activities where
9 applicable. The program is designed to ensure all participants have in depth
10 knowledge of the subject matter as well as the ability to develop and maintain the
11 physical skills necessary for each task. This program includes a training module
12 for each covered task associated with our Operator Qualification program.
13 Additional training is conducted in such areas as pressure regulation, damage
14 prevention, emergency response, LNG and LPGA plant operations, static
15 electricity, hot tapping, and various other topics.

16
17 **Q. DO YOU BELIEVE UNITIL HAS ALL OF THE CAPABILITIES NEEDED**
18 **TO OPERATE THE NORTHERN SYSTEM?**

19 A. Yes. Unitil has the employees, management, knowledge, training, facilities, back
20 office capabilities, and technology systems needed to run a strong gas utility. It is
21 necessary only to add incrementally to existing staffing and to transition business
22 processes and information systems to Unitil in order for us to assume

1 management of the Northern system. In addition, Northern itself has established
2 programs and practices, trained employees, and all of the facilities, equipment and
3 systems needed to operate effectively as a gas company. We will not be losing
4 any of Northern's existing capabilities; we will be assuming those capabilities.
5 Northern may also have practices, processes or business systems that are superior
6 to our own and which can be leveraged to benefit our existing operations. We
7 intend to adopt best practices as part of our integration strategy.

8

9 **Q. PLEASE DESCRIBE THE ASSETS AND OPERATIONS THAT UNITIL**
10 **PROPOSES TO ACQUIRE FROM NISOURCE.**

11 A. Unitil proposes to acquire all of the assets of Northern, a subsidiary of Bay State
12 Gas. Northern provides natural gas distribution service to 52,000 customers in 44
13 coastal New Hampshire and Southern Maine communities, split about equally
14 between Maine and New Hampshire. Northern maintains offices and work center
15 locations in Portland, Maine and in Portsmouth, New Hampshire. The purchase
16 will include, without limitation, all i) customer accounts, ii) gas mains and
17 services, iii) regulator stations, iv) metering and meter reading systems, v) LNG
18 and LPG facilities in Lewiston and Portland, respectively, vi) real estate and
19 office facilities, vii) information systems, viii) records and data, ix) vehicles, x)
20 inventory, and all other assets both tangible and intangible owned and used by
21 Northern in the performance of its gas utility obligations.

22

1 Unitil also proposes to acquire the assets and employees of Granite, a subsidiary
2 of NiSource. Granite operates 86 miles of underground natural gas pipeline in
3 Massachusetts, Maine and New Hampshire. As with Unitil's acquisition of
4 Northern, the purchase will include pipeline facilities, real estate and office
5 facilities, information systems, records and data, vehicles, inventory, and all other
6 assets owned and used by Granite in the performance of its utility obligations.

7

8 **Q. WILL UNITIL MAINTAIN EXISTING OFFICES AND WORK CENTER**
9 **LOCATIONS?**

10 A. Yes. Northern's existing office and work center locations in Portland, Maine and
11 Portsmouth, New Hampshire will become Unitil offices and work centers after the
12 close of the Transaction and will continue to provide service to Northern's
13 customers. We have no plans to consolidate, move or eliminate existing office
14 locations.

15

16 **Q. WHAT WILL HAPPEN TO EXISTING EMPLOYEES OF NORTHERN**
17 **AND GRANITE?**

18 A. All employees of Northern and Granite will become Unitil employees at the
19 closing. We are committed to making this transition as easy as possible for
20 employees and have met with Northern and Granite employees in both Portland
21 and Portsmouth to discuss the transition and schedule, and to answer questions
22 about benefits and other related topics. All of the feedback we received was

1 positive and many employees seemed genuinely excited about this merger. We
2 intend to establish periodic communication to ensure that all Northern and Granite
3 employees are kept up to date on the status of the transaction and transition
4 throughout the process.

5

6 **Q. HOW MANY NORTHERN AND GRANITE EMPLOYEES WILL**
7 **BECOME UNITIL EMPLOYEES AFTER THE MERGER?**

8 A. Approximately 78 existing Northern employees will become Unitil employees at
9 the closing. Of these, 31 employees are based in Maine, and 42 employees are
10 based in New Hampshire. In addition, approximately 5 Granite employees will
11 become Unitil employees. It is worth emphasizing these are the same employees
12 who are currently performing the daily operations, maintenance and construction
13 work at Northern and Granite, and will continue to do so both before and after the
14 close. Employees will continue performing the same tasks and job functions as
15 they do today after the close.

16

17 **Q. DOES UNITIL INTEND TO REDUCE STAFFING LEVELS?**

18 A. No. Unitil has no plans to reduce staffing at Northern or Granite. To the
19 contrary, Unitil expects to hire approximately 40 new employees to replace
20 management and centralized services currently provided by Bay State or
21 NiSource. These employees will be additions to the existing staffing levels at

1 Northern and Granite. We expect all of these employees to be hired locally, and
2 they will live and work in the New Hampshire and Southern Maine area.

3

4 **Q. PLEASE DESCRIBE THE TYPES OF JOBS THAT WILL BE CREATED.**

5 A. Unitil will make incremental additions to its current staffing in many existing
6 central service functions. This will include professional positions in such areas as
7 accounting, engineering, human resources, regulatory services, and sales. In
8 addition, approximately twelve jobs will be added to supplement the current
9 staffing complement at our customer service center. We have well established
10 capabilities in these areas, but will hire additional staff to accommodate the
11 increased workload associated with our acquisition of Northern and Granite. We
12 also plan to establish a new gas control center to replace the services currently
13 provided by Bay State's gas control center in Ludlow, Massachusetts. We expect
14 to add approximately eight positions in this area. Finally, we will evaluate
15 staffing and organizational reporting relationships at the local operations centers,
16 and will supplement the existing workforce and management as needed to
17 effectively perform operations, maintenance and construction functions.

18

19 **Q. ARE NORTHERN AND GRANITE EMPLOYEES COVERED BY**
20 **COLLECTIVE BARGAINING AGREEMENTS?**

21 A. Yes. Approximately 29 of Northern's employees in New Hampshire are covered
22 by a collective bargaining agreement and are represented by the United

1 Steelworkers of America, Local No. 12012-6. Approximately 24 of Northern's
2 employees in Maine are covered by a collective bargaining agreement and are
3 represented by the Utility Workers Union of America, Local No. B341. In
4 addition, 3 Granite employees are also represented by the Utility Workers Union
5 of America, Local No. B341. It is worth noting that Unitil's employees in
6 Massachusetts are also represented by the Utility Workers Union of America,
7 Local No. B340 and we have an established relationship with the National
8 Business Representative.

9

10 **Q. DOES UNITIL INTEND TO HONOR COLLECTIVE BARGAINING**
11 **AGREEMENTS?**

12 A. Yes. Unitil will honor all collective bargaining agreements at Northern and
13 Granite.

14

15 **Q PLEASE DESCRIBE NORTHERN'S GEOGRAPHIC PROXIMITY TO**
16 **UNITIL'S EXISTING UTILITY OPERATIONS.**

17 A Northern's territories are an ideal fit with UES's existing service territories and
18 office locations. UES provides electric service to all or part of 18 communities in
19 southeast New Hampshire, while Northern provides gas service to all or part of 21
20 communities in southeast New Hampshire. The two service territories overlap
21 completely in 10 of these communities, and in parts of several others. In addition,
22 Northern's Portsmouth office is just 11 miles from Unitil's corporate office in

1 Hampton, New Hampshire. These two offices are in turn nearly perfectly
2 centered in what will be the combined service territories after the merger. From
3 the Corporate office in Hampton it is approximately 50 minutes to the Company's
4 Concord office and the Commission offices in Concord, 67 minutes to Northern's
5 Operations Center in Portland, 75 minutes to the Company's Fitchburg office, 1
6 hour 40 minutes to the Lewiston area, and 2 hours to the Maine Public Utilities
7 Commission in Augusta, Maine; all reasonably within driving distance.

8

9 **Q. PLEASE DESCRIBE THE PROPOSED MANAGEMENT STRUCTURE**
10 **FOR NORTHERN AFTER THE CLOSING.**

11 A. At the corporate level, we expect to maintain the existing functional structure that
12 we have today. This functional structure will include Gas Operations, Electric
13 Operations, Operations Services, Engineering, and Energy Measurement &
14 Control. Gas Operations will have primary responsibility for operations,
15 maintenance and construction including work force management and all
16 associated training and safety compliance requirements. Operations Services will
17 provide business support services including fleet management, facilities,
18 purchasing and inventory, plant records, local customer service and
19 administration. Engineering will be responsible for gas engineering including
20 planning, design and standards, as well as CAD and GIS. Energy Measurement &
21 Control will be responsible for metering and meter reading systems, substations

1 including AMI systems and equipment, SCADA systems and gas control
2 functions.

3
4 At the local level, we have not yet determined the appropriate structure or
5 managerial/supervisory needs. Because some of the existing managers have
6 responsibilities that span locations at both Northern and Bay State, we must first
7 determine how to best organize local management given Unitil's structure, size
8 and proximity. However, it is our philosophy to have strong locally-based
9 management and supervision to oversee day-to-day requirements and to make
10 local operational decisions. This is consistent with the management of our
11 existing operations centers, and we believe will work equally well at Northern.

12

13 **Q. WHERE WILL MANAGEMENT RESIDE?**

14 A. All of our management, whether corporate, service company, or local will reside
15 in the New Hampshire and Southern Maine area. Local management based at the
16 Portland and Portsmouth offices will be expected to live in reasonable proximity
17 to those offices.

18

19 **Q. HOW DOES UNITIL INTEND TO ENSURE STRONG SAFETY AND
20 OPERATIONAL PRACTICES AFTER THE CLOSING?**

21 A. Unitil has the management, knowledge, capabilities, and technology needed to
22 run a strong gas utility. We intend to add incrementally to existing staffing and

1 systems as necessary in order for us to assume management of the Northern
2 system. From the very outset, with our integration and transition process, and
3 through our long term management, we will adopt the best practices, processes
4 and systems to ensure excellent safety and operating practices in the Northern
5 system.

6

7 **Q: DOES THAT COMPLETE YOUR TESTIMONY?**

8 A: Yes it does.

9

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