

Debra Howland, Executive Director and Secretary
NH Public Utilities Commission
21 S. Fruit Street – Suite 10
Concord, NH 03301

Re: DG 14-380 Liberty Precedent Agreement

Dear Ms. Howland,

Thank you for this opportunity to comment to the PUC regarding the DG 14-380 Liberty Utilities Precedent Agreement.

In reading the testimony of Liberty Utilities, it is not evident that they experienced a shortage of natural gas for their customers in NH. But if they had or if they were legitimately concerned about having an adequate supply of natural gas available to cover winter and summer peaks in NE, they would presumably be seeking a timely resolution. Contracting with Kinder Morgan would not provide that. Rather, its Northeast Energy Direct pipeline (NED) is predicted to be completed three years from now. On the contrary, the Distrigas LNG contract with ISO- NE as well as NEPOOL's proposal are slated to cover peaks now and up to 2018 with the Winter Reliability Program. Portland Natural Gas Transport System would also be available relatively soon. And they would not come with a destructive and costly construction process being foisted on the public and ratepayers. There are also the AIM and TGP/CT pipelines which have been approved by FERC and may possibly begin construction this year and the Access Northeast pipeline proposal coming into view. All would provide less of a burden for rate payers than Kinder Morgan's \$5-6 billion construction costs and have less of a disruptive effect on southern NH's economy, travel industry, and real estate markets with its massive overbuild.

Of course, energy efficiency and renewable energy resources are the best bargain of all. They are doubly cost-effective by boosting NH's economy with quality long term in-state and local jobs, especially compared with Kinder Morgan's project offering only 5 long term jobs. And clean energy technologies move us forward toward a smarter energy future, reducing demand and costing less.

None of the other options would bring such a massive infrastructure into NH to potentially become stranded costs for years on end when the Marcellus play runs dry or federal mandates require greater reductions in fossil fuel usage. The state could be left with 71 miles of aging and risky pipes beneath our roads and neighborhoods. I agree with the opinions offered by the OCA, Melissa Whitten, and PLAN NE on the stranded cost risk to ratepayers.

A Liberty Utilities contract with Kinder Morgan would not be cost-effective for our NH or NE ratepayers not only because it's construction price tag is too high and because it would significantly defeat our goal of diversity of supply, but also because it's huge overbuild is designed for exports to higher paying Asian and European markets. In turn, according to a study by the Energy Information Administration (EIA), gas exports would ultimately raise prices domestically, not lower them. From the Industrial Energy Consumers of America (IECA) website (www.ieca-us.com), the EIA study is quoted as saying that "Exports will raise the wellhead prices between 34 – 54%." That is the reason that Dow, Alcoa and the IECA are fighting against the exportation of natural gas--to keep their manufacturing and transportation costs down.

It is clear that Liberty Utilities could get what they need far more easily, more quickly, and more cost-effectively for their customers and for all NE ratepayers in the long run, through the other available energy options. And it is instructive to learn from ISO-NE's website that June, 2015 had the lowest cost and demand in 12 years....without any new pipelines and with the retirement of four major power plants—VT Yankee, Salem Harbor, Norwalk, and Mt Tom. As Dan Dolan, President of the NE Power Generators Association, said, "The 'energy crisis' was overblown". In my opinion, as a NH resident and ratepayer, it certainly seems that if the potential contract between Liberty Utilities and Kinder Morgan/TGP gets approved it would lay out a welcome mat for an unnecessary behemoth of harms, risks and excessive costs. Thank you for your important work on this critical issue.

Bev

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