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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

November 8, 2007 - 10:38 a.m.
Concord, New Hampshire

RE: DG 07-101
ENERGYNORTH NATURAL GAS, INC. D/B/A
KEYSPAN ENERGY DELIVERY NEW ENGLAND:
Petition for approval of a firm
transportation agreement with Tennessee
Gas Pipeline to provide EnergyNorth
additional capacity of 30,000 MMBtu per
day on the Concord Lateral.
(Prehearing conference)

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Graham J. Morrison
Commissioner Clifton C. Below

Connie Fillion, Clerk

APPEARANCES: Reptg. ENGI d/b/a KeySpan Energy Delivery:
Thomas P. O'Neill, Esq.
Steven V. Camerino, Esq. (McLane, Graf...)

Reptg. Residential Ratepayers:
Kenneth E. Traum, Asst. Consumer Advocate
Stephen Eckberg
Office of Consumer Advocate

Reptg. PUC Staff:
Edward N. Damon, Esq.

Court Reporter: Steven E. Patnaude, CCR

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Mr. O'Neill	5
Mr. Traum	5
Mr. Damon	6

1 P R O C E E D I N G S

2 CHAIRMAN GETZ: Okay. Good morning. We
3 will open the prehearing conference in docket DG 07-101.
4 On September 14, 2007, KeySpan Energy filed a petition for
5 approval of a firm transportation agreement with Tennessee
6 Gas Pipeline to provide EnergyNorth additional capacity of
7 30,000 MMBtu per day on the Concord lateral. Under the
8 agreement, the Tennessee Gas Pipeline would construct the
9 facilities necessary to render firm transportation
10 service, and such service would commence in the latter of
11 November 1, 2009 or the date on which Tennessee is able to
12 render service to KeySpan, for a term of 20 years, and
13 KeySpan will incur an annual cost of \$4,380,000.

14 In docket DG 06-105, KeySpan's
15 Integrated Resource Plan proceeding, Staff filed testimony
16 stating that it did not believe the expansion of the
17 lateral would be the least cost option to supply
18 incremental needs. Staff and KeySpan agree that it would
19 be appropriate for the Commission to review KeySpan's
20 analysis and make a determination of prudence before it
21 commits to the pipeline project.

22 And, this order of notice was issued on
23 October 9, setting the prehearing conference for this
24 morning. So, let's take appearances.

{DG 07-101} [Prehearing conference] (11-08-07)

1 MR. O'NEILL: Thomas O'Neill, Senior
2 Counsel, KeySpan Energy Delivery. And, with me today is
3 Steve Camerino, from the McLane law firm.

4 CHAIRMAN GETZ: Good morning.

5 CMSR. MORRISON: Good morning.

6 CMSR. BELOW: Good morning.

7 MR. TRAUM: Good morning, Commissioners.
8 Representing the Office of Consumer Advocate, Kenneth
9 Traum, and with me today is Stephen Eckberg. And,
10 Meredith Hatfield will be the attorney on the case. She
11 was unfortunately called over to the Legislature.

12 MR. DAMON: Good morning, Commissioners.
13 Edward N. Damon, for the Staff. And, with me this morning
14 are Stephen Frink, and, from Liberty Consulting, John
15 Adger and Yavuz Arik, and also Bob Wyatt from Staff as
16 well.

17 CHAIRMAN GETZ: Good morning.

18 CMSR. MORRISON: Good morning.

19 CMSR. BELOW: Good morning.

20 CHAIRMAN GETZ: And, I'll just note for
21 the record that the affidavit of publication was filed on
22 October 30, and that there are no outstanding motions to
23 intervene. So, I'd turn to you, Mr. O'Neill, to provide a
24 statement of the Company's position.

{DG 07-101} [Prehearing conference] (11-08-07)

1 MR. O'NEILL: Good morning, Mr. Chairman
2 and Commissioners. Very briefly, we believe that the
3 Concord lateral upgrade project that's proposed by
4 Tennessee Gas Pipeline Company presents a unique
5 opportunity to provide infrastructure, critical
6 infrastructure improvements for New Hampshire and the New
7 England region. We have prepared and presented an
8 analysis that we believe demonstrates that the project is
9 a reliable least cost alternative for meeting future
10 requirements of our customers.

11 We look forward to working with the
12 Staff and the OCA to demonstrate the merits of the
13 project. And, I would like to express appreciation to
14 both the Staff and the OCA for committing to what we plan
15 on presenting as a expedited schedule that would allow
16 Tennessee to begin work on the project in a timely
17 fashion, assuming approval of the project. Thank you.

18 CHAIRMAN GETZ: Thank you. Mr. Traum.

19 MR. TRAUM: Thank you, sir. The Office
20 of Consumer Advocate does not have a position in this case
21 at this point in time. We will be looking at what
22 hopefully will be the best case solution for all
23 concerned. Recognizing that the Company is under --
24 seeking expediting treatment, we have already send out and

1 received data responses from the Company on this case.

2 CHAIRMAN GETZ: Thank you. Mr. Damon.

3 MR. DAMON: The Company's right to
4 terminate the precedent agreement with Tennessee Gas
5 Pipeline expires on March 1, 2008. And, ideally, the
6 docket will be concluded by then. A number of substantive
7 issues must be explored, including alternative analyses,
8 underlying assumptions, operations of supplemental supply
9 plans, associated contract commitments, and the impact on
10 the Company's gas distribution and transmission systems
11 within New Hampshire. As Mr. Traum noted, that discovery
12 is already underway. Staff will use its very best efforts
13 to move the docket along, and expect the Company to do
14 likewise. Thank you.

15 CHAIRMAN GETZ: Thank you. Okay. Is
16 there anything else that we should address before we close
17 the prehearing conference? (No verbal response) Hearing
18 nothing, then we'll close the prehearing conference and
19 await a recommendation of the parties as to the schedule,
20 I guess following the tech session that will occur today.
21 So, hearing nothing else, then we close the prehearing
22 conference.

23 (Whereupon the prehearing conference
24 ended at 10:45 a.m.)

{DG 07-101} [Prehearing conference] (11-08-07)

