

THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
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November 30, 2012

Debra A. Howland, Executive Director
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Re: Docket No. DG 12-001 EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities, Inc.
Staff Request to Withdraw Testimony and Close Docket

Dear Ms. Howland:

In the Order of Notice issued on February 22, 2012, the Commission opened this docket to "investigate EnergyNorth's projected supply/demand balance and whether it is prudent for EnergyNorth to plan to retain more gas supply capacity than it needs to meet forecasted design-day peak demands or whether EnergyNorth ought to take actions to reduce the excess." In Docket No. 10-041, the Commission reviewed EnergyNorth's integrated resource plan. Also, in that docket, Staff took the position that EnergyNorth's integrated resource plan demonstrated that the company had capacity in excess of the capacity it needed to meet its design-day peak demands.

On September 28, 2012, Staff filed the testimony of Mr. George R. McCluskey in which Mr. McCluskey opined on options for reducing the excess capacity. Specifically, Staff argued that if EnergyNorth's peaking contract with Granite Ridge was renewed EnergyNorth would have more capacity than it needed to meet its design-day planning standard as well as the seven-day storage requirement mandated by Puc 506.03. Staff also argued that renewing the Granite Ridge peaking contract would allow EnergyNorth to retire its Manchester and Nashua propane facilities while still meeting its design-day planning standard and seven day storage requirements. Staff saw this option as beneficial for the reasons that had been set forth in its testimony. Staff's testimony was based in part on discussions it had with the President of Granite Ridge in August and September 2012 on the topic of renewing the contract.

Staff recently spoke to the President of Granite Ridge and learned that Granite Ridge is not in a position to enter into a multi-year renewal of the EnergyNorth peaking contract and that the best Granite Ridge could do is offer to renew the contract for one year and thereafter evaluate its ability to provide the peaking service on a year-to-year basis. Staff confirmed this fact in supplemental discovery from EnergyNorth which contained email exchanges dated October 22, 2012 between Jim Carlton, President of Granite Ridge and Chico DaFonte of EnergyNorth on this subject.

In light of the changed circumstances and given that an annual renegotiation would expose EnergyNorth to the risk of not having the Granite Ridge peaking supply in its portfolio going forward, Staff concludes that it can no longer support retirement of the Manchester and Nashua propane facilities. For this reason, Staff requests the Commission no longer consider its testimony and recommends the Commission close this docket. In light of the foregoing, Staff requests that the discovery deadline set for November 30 (including the obligation to file any motions to compel related to Staff's November 16 discovery responses) be suspended pending further action by the Commission in response to this letter.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Marcia A. B. Thunberg".

Marcia A. B. Thunberg
Staff Attorney

cc: Docket-Related Service List