

N.H.P.U.C. Case No.	DG 14-380
Exhibit No.	# 6
Witness	Panel #1
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 Testimony of Francisco C. DaFonte
 December 31, 2014
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1 set at a minimum of 30 and 5 points, respectively. Contract flexibility is scored
 2 according to the alternative's nomination flexibility, any minimum take
 3 requirements, ability to access storage, etc., and is typically assigned a maximum
 4 of 20 points. Lastly, supplier viability is scored according to the financial
 5 integrity of the entity and is usually awarded a maximum of 15 points.

6

V. ENERGYNORTH'S DECISION MAKING PROCESS AND RESULTS

7 **Q. Please describe the array of resource options that were available to meet**
 8 **EnergyNorth's need for incremental capacity.**

9 A. In addition to the NED project, EnergyNorth identified two other pipeline projects
 10 that could satisfy all or a portion of its design day capacity needs: Spectra's
 11 Atlantic Bridge project and TransCanada/PNGTS's C2C project.

12

13 The Atlantic Bridge project involves the expansion of the existing Algonquin Gas
 14 Transmission system such that gas would flow from west to east via the Hudson
 15 Valley in NY, through southern CT and southern MA and then north into
 16 Spectra's Hubline system onto Spectra's Maritimes and Northeast Pipeline
 17 ("M&NE") system and ultimately to Dracut, MA where their facilities
 18 interconnect with Tennessee's existing pipeline system. Pricing was
 19 approximately [REDACTED] per Dth per day and delivery was solely to the Dracut, MA

1 interconnect with Tennessee. EnergyNorth could transport 50,000 Dth per day of
2 an equivalent 115,000 Dth per day of supply from Dracut using its existing Dracut
3 capacity with a blended cost of approximately \$0.30 per Dth per day. However, in
4 order to effectuate incremental deliveries of the remaining 65,000 Dth on the
5 Concord Lateral, Tennessee would have to expand the lateral from Dracut. Based
6 on estimates from Tennessee, the cost of the expansion would be approximately
7 [REDACTED] As a reasonableness check on the cost estimate from
8 Tennessee, the Company examined the most recent expansion cost for the
9 Concord lateral which took place in 2009. In that expansion, EnergyNorth entered
10 into a twenty year contract for 30,000 Dth per day of incremental capacity at a
11 cost of \$0.40 per Dth. [REDACTED]

12 [REDACTED]
13
14 The C2C project is a joint undertaking of PNGTS and its parent TransCanada.
15 PNGTS offered a proposal utilizing much of their existing capacity which runs
16 from the Canadian/NH border south and east to Portland, ME where it is jointly
17 shares a pipeline with M&NE to the Dracut interconnect with Tennessee.
18 PNGTS's proposal would include an expansion of TransCanada facilities north of
19 the border and bring supply from Wright, NY north to Canada via Iroquois Gas
20 Transmission and the across to the PNGTS border interconnect on TransCanada.
21 PNGTS's proposal was priced at approximately \$1.25 per Dth per day from

1 Wright, NY delivered to Dracut, MA, but suffered from the same limitations in
2 that all the supply lands in Dracut and cannot make it up the Concord lateral
3 without further expansion costs of [REDACTED] as noted with the Spectra
4 project.

5
6 In addition to the higher demand costs of the Atlantic Bridge and C2C projects,
7 neither project provides the added reliability of the NED project which will
8 provide a new interconnect feeding the west end of EnergyNorth's distributions
9 system. This new feed will provide EnergyNorth and its customers with a
10 secondary supply option that has not existed previously as all of its current
11 supplies must flow through the existing Tennessee mainline and up the Concord
12 lateral. Additionally, the NED pipeline project's latest proposed route will
13 traverse existing electric transmission right of ways cutting through southern NH
14 where homes and businesses have never had access to natural gas service.
15 EnergyNorth sees this as an opportunity to possibly expand economic and clean
16 natural gas service to more NH residents.

17
18 **Q. What analyses were performed by EnergyNorth prior to selecting the NED**
19 **project as the desired alternative?**

20 **A.** Consistent with its resource planning process, EnergyNorth performed a
21 combination of cost and non-cost evaluations of the three pipeline project