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Valley Green Natural Gas, LLC
Docket No. DG 15-155
EXHIBIT 5

Valley Green Confidential Discovery Responses

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SECTION A

DG 15-155
Valley Green Hanover-Lebanon Franchise Petition
Data Requests from Commission Staff
Staff Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 8/5/15 Date of Response: 8/12/15; 10/30/15; 12/21/15; 1/8/16
Request No. Staff 1-2 Witness: James W. Campion, IV

REQUEST: Reference the response to Puc 1604.07 Contents of Filing Requirement Schedules. Please provide the supporting schedules for the draft tariff rates that reflect Puc rate case filing requirements. Explain all assumptions used in determining rate base, revenue and cost estimates, and rate of return.

RESPONSE: Please see response to Staff 1-7. Valley Green expects to finalize the general rate schedules in its rate proceeding.

Tech Session 1 SUPPLEMENTAL RESPONSE: See attached rate case schedules.

Set 3 CONFIDENTIAL SUPPLEMENTAL RESPONSE: See attached confidential hypothetical rate case schedules. [redacted] A thirty (30) year life, rather than 40 years, has been assigned to Structures as directed by Staff in an email following Staff's initial discovery request.

[redacted]

Valley Green will be doing this in part because the timetable laid out in the technical session now includes three unexpected additional months of discovery and deliberation in the first

quarter of 2016. Valley Green had expected this time to be devoted to post-decision site plan development. Pushing that work to later in the year would cripple the development of non-regulated business efforts which are already well under way. Also, Valley Green sees these efforts as essential to effectively bringing gas service to as many Upper Valley residents as possible. [redacted]

As stated above, this does not represent a change in the rate schedule estimates that were filed in response to Staff 1-2 (tech session supplement). Rather, it is a clarification regarding the scope of our total business plan and our intention to maximize our service to as many sectors of our market at the earliest possible date.

DG 15-155
Valley Green Natural Gas, LLC
Petition for Franchise Approval
Staff Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 8/5/15

Date of Response: 8/12/15; 12/21/15; 1/8/16
Witnesses: Scott Brown
James W. Campion, IV

Request No. 1-7

REQUEST: Reference Brown Testimony, p. 2, lines 10-17. Please provide the most recent financial analysis and expected financial structuring related to the development, construction and operation of the facility.

CONFIDENTIAL RESPONSE: See attached confidential financial spreadsheets.

CONFIDENTIAL SUPPLEMENTAL RESPONSE: See attached electronic confidential financial spreadsheets.

Bates-stamp pages 7 through 75 are confidential in their entirety and are removed from this volume.

SECTION B

DG 15-155
Valley Green Hanover-Lebanon Franchise Petition
Data Requests from Commission Staff
Staff Set 3 to Valley Green Natural Gas, LLC

Date Request Received: 11/20/15 Date of Response: 12/7/15; 12/21/15; 1/8/16; 4/22/16
Request No. Staff 3-1 Witness: James W. Campion, IV

REQUEST: Please list the 10 potential customers with the greatest annual load usage and for each: (a) the projected annual usage, (b) design day use, (c) current fuel use, (d) distance from the plant, (e) customer class, (f) a summary of discussions/negotiations between the Company and potential customer. (g) For customers that the Company expects to serve under a special contract, please explain why tariff rates should not apply.

SUPPLEMENTAL CONFIDENTIAL RESPONSE:
As stated in Valley Green's petition, Valley Green is targeting select areas for its initial build out. These areas are designated as Service Area A, Service Area B, and Service Area C. Customers were selected from these Service Areas. [redacted]

Overall, Valley Green expects the Service Areas to require approximately 60,000 gallons of LNG per day during the winter and 30,000 gallons of LNG per day during the summer load. The nature of the gas service will be firm, uninterruptible commercial/industrial service. Residential service will be provided when residential customers are located along Valley Green's gas mains, however, that load is not imbedded in the 60,000/30,000 estimate. Valley Green designed its storage facility assuming 27,095 gallons of LNG per day.

Within the Service Areas, such as Service Area B, Valley Green estimated square footage of the customer's facilities using publicly available municipal assessor information. Valley Green used a demand factor of 90.58 cf/sf based on information available from the U.S. Energy Information Administration. See Arwen 1-5 and Stanley testimony at 4-5.

Members of the Lebanon-Hanover Corporate Energy Work Group are denoted by an *.

Service Area A
Total annual load was calculated on baseload use of LNG: 18,287 gallons/day or 1,511 MSCFD. Fuel mix will include use of CNG and methane as supplies are available and when such supplies are competitively priced. [redacted]

[redacted]

(g) Special Contract: RSA 378:18 allows special contracts when circumstances exist which warrant a departure from the general tariff rates. The departure is in the public interest because the special contract rate will not be lower than Valley Green's estimated long run marginal cost. The special contract will benefit Valley Green by retaining a large-use customer for a reliable term of years. The contract will benefit the customer in terms of favorable pricing. The contract will benefit tariff customers because the increased volume of gas purchased will help secure more favorable, lower cost supply than if Valley Green purchased a lesser quantity of gas supply and CIAC contributions under the terms of the Special Contract.

Service Area B

Total annual load was calculated on baseload use of LNG: 4,041 gallons/day or 344 MSCFD.

[redacted]

Service Area C

Total annual load was calculated on baseload use of LNG: 4,767 gallons/day or 394 MSCFD.

[redacted]

SECTION C

DG 15-155
Valley Green Hanover-Lebanon Franchise Petition
Data Requests from Commission Staff
Staff Set 3 to Valley Green Natural Gas, LLC

Date Request Received: 11/20/15 | Date of Response: 12/21/15; 1/8/16; 4/22/16
Request No. Staff 3-2 | Witness: James W. Campion, IV

REQUEST:
a) What is the annual projected sales amount necessary for the Company to go forward with the project (ordering equipment and commencing construction)?

b) For each of the first five years, please provide projected annual Dth sales, net income and rate of return.

c) For the utility, what is the anticipated breakeven point in annual sales and in what year does the Company expect to reach the breakeven point? (The year in which revenue exceeds the revenue requirement. Please also identify the year in which the Company first generates a profit.)

Please provide supporting schedules in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

SUPPLEMENTAL CONFIDENTIAL RESPONSE:

See Supplemental Response financial schedules to Staff 1-7 and related responses to Staff 3-10 and Supplemental Staff 1-2. [redacted] in the Staff 1-7 Financials.

a) Build-out scenarios provided in response to Supplemental Staff 1-2 provide projected sales, equipment that will be ordered, and what construction is expected. Valley Green is [redacted]

[redacted]

[redacted]

b) [redacted]

c) [redacted], the break-even point cannot be discussed without first discussing one of the main reasons why Valley Green Natural Gas, LLC was formed: to bring competitive energy alternatives to the Upper Valley. Valley Green presumes Staff is aware of the precipitous drop in crude oil prices that has occurred since Valley Green first meeting with PUC staff in 2012. On the date of that meeting with Staff, the price of Brent crude was $107.86. As of this writing, Brent Crude oil now stands at about $44~~$37.66~~ dollars a barrel. Mont Belvieu propane prices in the same time span have collapsed from $1.70 per gallon to 44.5~~38~~ cents per gallon. These fuels are the energy source for the majority of the franchise territory consumer load and are the fuels Valley Green intended to compete with to bring price relief to businesses in the Upper Valley. [redacted].

[redacted]

[redacted]

Valley Green's break-even point is not prolonged by having costs from outside the franchise. Valley Green will be providing service to only local interests in the Hanover and Lebanon area. Its revenue requirement will be based solely on the costs to provide service to customers in Hanover and Lebanon and it will have the benefit of a strong unregulated affiliate.

While no one can predict future oil prices with certainty, it is fair to project that oil prices will rise at least gradually in coming years. Indeed, the price of Brent crude has recovered from a

low of $29.31 per barrel in late January 2016 to about $44.00 per barrel as of this writing, and the Mont Belvieu propane price has recovered from a low of 29.6 cents in late January to 44.5 cents most recently. The fact that oil prices are currently low by historical standards should not be the basis for a decision to delay approval of a natural gas utility franchise to serve the residents of Lebanon and Hanover over many years, given that there will be a time lag before the franchisee is able to fully develop its project and natural gas could be more price-competitive with oil by the time a gas utility is ready to begin serving customers.

Bates-stamp pages 85 through 87 are confidential in their entirety and are removed from this volume.

SECTION D

DG 15-155
Valley Green Hanover-Lebanon Franchise Petition
Data Requests from Commission Staff
Staff Set 3 to Valley Green Natural Gas, LLC

Date Request Received: 11/20/15 | Date of Response: 12/21/15; 1/8/16; 4/22/16
Request No. Staff 3-8 | Witness: James W. Campion, IV

REQUEST: Please provide an updated organization chart with annual cost (direct & indirect) of each position and service.

SUPPLEMENTAL CONFIDENTIAL RESPONSE:

(a) [redacted]

4) [redacted]

5) [redacted]

(b) [redacted]

Valley Green has used its best efforts to separate cost estimates for [redacted]. The staffing costs have been broken out as well as estimated Operations and Maintenance (O&M) costs. One-time costs for vehicles, tools, instruments, desks, and computers are not included in the figures below or in the O&M costs estimated).

[redacted]

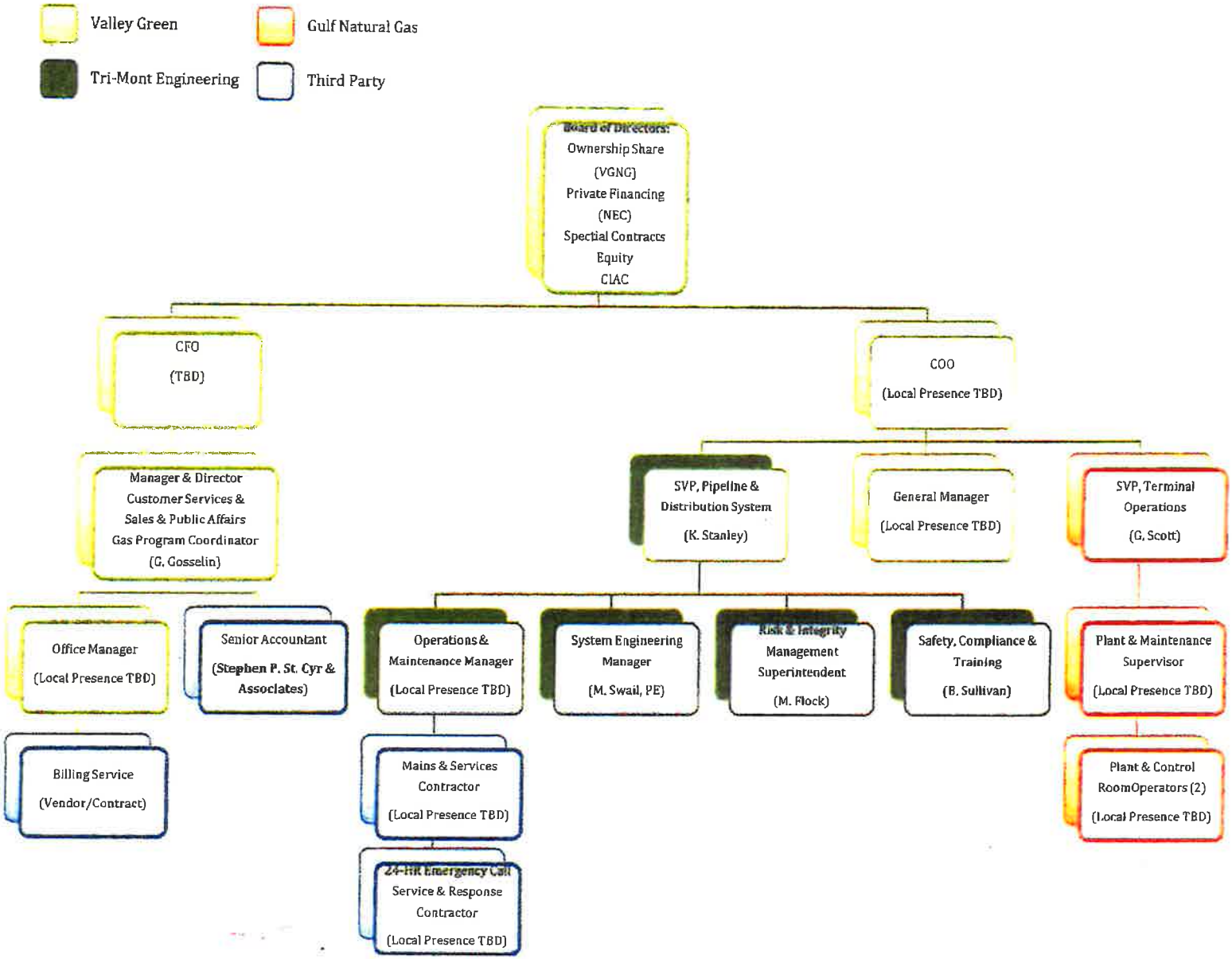
[redacted]

[redacted]

[redacted]

[redacted]

(1) Valley Green Natural Gas, LLC - Proposal



Bates-stamp pages 93 through 99 are confidential in their entirety and are removed from this volume.

SECTION E

DG 15-155
Valley Green Hanover-Lebanon Franchise Petition
Data Requests from Commission Staff
Staff Set 3 to Valley Green Natural Gas, LLC

Date Request Received: 11/20/15 | Date of Response: 12/7/15; 1/8/16
Request No. Staff 3-10 | Witness: James W. Campion, IV

REQUEST: Ref. Staff DR 1-2. Please calculate the revenue requirement and rates using the attached Excel format and a 40 year average service life to calculate depreciation on structures. Please provide the response in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

RESPONSE: See CONFIDENTIAL Supplemental Staff 1-2, attached.

Valley Green understands Staff seeks to have Valley Green provide information for future test years 2017 and 2020 and complete Schedule 1, Revenue Requirement; Schedule 2, Revenue, Expenses, and Income; Schedule 3, Working Capital, Rate Base; and Schedule 4, Rate of Return.

[redacted]

Bates-stamp pages 102 through 131 are confidential in their entirety and are removed from this volume.

SECTION F

DG 15-155
Valley Green Natural Gas, LLC
OCA Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 06/15/15 | Date of Response: 06/25/15; 12/7/15
Request No. OCA 1-6 | Witness: James W. Campion, IV

REQUEST: Will any other entity be providing continual management or support services to Valley Green? If so, please provide any contracts, or other evidence of the terms, and costs, of those anticipated support services.

RESPONSE: At this time, Valley Green anticipates contracting with a vendor to provide billing services. Valley Green has not yet identified a vendor. Valley Green has not drafted an agreement for these services.

CONFIDENTIAL SUPPLEMENTAL RESPONSE: Valley Green contacted multiple meter reading and billing vendors and requested the attached proposal and scope of work from MuniBilling.

Valley Green has an agreement in principle with Vermont Gas to provide emergency response services, emergency call center services, and assistance in reviewing Valley Green's Operations & Maintenance plan.

Valley Green has retained Stephen P. St. Cyr & Associates to provide regulatory accounting services. At present, those services are being provided on an hourly basis, not under a specific contract or defined term.

Bates-stamp pages 134 through 138 are confidential in their entirety and are removed from this volume.

SECTION G

CONFIDENTIAL

DG 15-155

Valley Green Natural Gas, LLC

OCA Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 06/15/15 Date of Response: 06/25/15

Request No. OCA 1-26 Witness: James W. Campion, IV

REQUEST: Please provide a copy of the memorandum of understanding, and all other existing agreements between Gulf and Valley Green and between TRI-MONT and Valley Green.

CONFIDENTIAL RESPONSE: [redacted]

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made as of the date set forth below between Valley Green Natural Gas, LLC ("VGNG"), a New Hampshire limited liability company with offices at 44 S. Main Street, Hanover, NH 03755, and Gulf Oil Limited Partnership ("Gulf"), a Delaware limited partnership with offices at 100 Crossing Boulevard, Framingham, MA 01702.

Introduction

VGNG is developing a natural gas storage and vaporization facility and regulated distribution pipeline network (together, the "VGNG Facility") to supply natural gas to retail customers in Lebanon and/or Hanover, New Hampshire. Gulf operates as a supplier of refined petroleum products. VGNG and Gulf are interested in negotiating possible long-term contracts whereby (a) Gulf will supply VGNG and its retail customers with liquefied natural gas ("LNG"), and VGNG will purchase such LNG, which VGNG will convert into natural gas for distribution, (b) Gulf may provide full operational management for the VGNG Facility, and (c) Gulf may lease a permitted pad site adjacent to the VGNG Facility to install, access and operate a CNG and LNG refueling depot to service Gulf fleet vehicles (and potentially other vehicles) in the area.

This MOU is intended to outline potential terms in advance of potential, dedicated negotiations toward a possible definitive agreement between the parties, and does not represent contractual terms capable of acceptance or enforcement, except to the extent provided under "Binding Terms" below, which terms shall bind the parties. Neither VGNG nor Gulf have any obligation, legal or otherwise, to proceed with any transaction with each other. The matters set forth in this MOU constitute an expression of interest only and, except for the limited "Binding Terms" below, do not constitute a binding agreement between the parties. Any binding agreement between the parties would only arise as a result of the negotiation, execution and delivery of a written definitive agreement having terms and conditions satisfactory to the parties to such agreement.

A. Development of VGNG Facility

1. VGNG will be responsible for the permitting, engineering, procurement and construction of the VGNG Facility and its retail service operations, and the financing of the installation. VGNG is targeting a substantial completion date in the 3rd quarter of 2016. VGNG will consult with Gulf during the design phase, and Gulf will review and comment on VGNG Facility designs at its own expense. VGNG currently anticipates an initial VGNG Facility storage capacity of up to 1 million gallons initially, expandable in the future.

2. VGNG has received zoning approval for a facility site on a 182-acre parcel in Lebanon, New Hampshire. VGNG anticipates submitting final site plans to Lebanon and other relevant state and local agencies during the 1st quarter of 2015 for the

VGNG Facility. VGNG will file a retail service tariff with the New Hampshire Public Utilities Commission ("NHPUC") and obtain such approvals as are required for VGNG Facility financing and operations. The final "PUC Tariff" including the retail rates charged by VGNG must reflect the capital costs associated with the VGNG Facility, the operational costs associated with maintaining and managing a retail distribution supply company, and gas storage costs, as well as the LNG supply and facility operational terms negotiated with Gulf. The parties recognize that, if they are able to negotiate any definitive contractual arrangements, such contracts will be subject to approval by the NHPUC.

3. VGNG may determine to partner with one or more third parties in connection with financing the VGNG Facility. VGNG is committed via Letter of Intent with New Energy Capital Partners regarding a financing plan for the VGNG Facility.

B. LNG Supply

1. VGNG is interested in providing its retail gas customers with two basic services: (i) a "Tolling Service" in which the customer purchases LNG directly from Gulf (or other suppliers after expiration of initial service arrangements), and VGNG provides storage and delivery to the customer, and (ii) "Retail Supply Service" through which VGNG purchases LNG from Gulf only and no other suppliers and resells it to customers. Of the two services, VGNG anticipates Retail Supply Service remaining prevalent for several years [redacted] For that reason, VGNG is interested in long-term, fixed or semi-fixed price firm LNG supply arrangements for the VGNG Facility.

2. Contingent upon and subject to the parties negotiating and executing a definitive and binding LNG supply agreement, Gulf anticipates being able to offer a long-term firm supply of LNG at the pricing indicated in Exhibit A, with such possible pricing to be further analyzed by Gulf during negotiation of a definitive LNG supply agreement.

3. Gulf acknowledges that, contingent upon and subject to the parties negotiating and executing a definitive and binding LNG supply agreement, VGNG may choose to purchase a series of hedges on natural gas prices (e.g., positions in natural gas futures contracts) during the term of any LNG supply agreement in order to protect some or all of its customers against fluctuations in natural gas prices. Contingent upon and subject to the parties negotiating and executing a definitive and binding LNG supply agreement and subject to Gulf's credit and other review of any such hedge purchases, [redacted]

4. Contingent upon and subject to the parties negotiating and executing a definitive LNG supply agreement, Gulf will be responsible for sourcing LNG to meet its LNG supply obligations to VGNG, subject only to events of force majeure to be defined in any definitive agreement between the parties. Gulf anticipates developing a gas liquefaction plant in eastern Pennsylvania during the term of the VGNG supply agreement, but whether or not such development proceeds will not affect Gulf's obligations to supply LNG under any definitive supply arrangements the parties may enter into. All delivered LNG must meet all applicable quality standards, to be defined in any definitive LNG supply agreement between the parties.

5. [redacted]

6. Payment Terms: Contingent upon and subject to the parties negotiating and executing a definitive LNG supply agreement, provided that VGNG has obtained a sufficient Retail Supply Service customer base (10,000 MMBtus per month), [redacted]

7. Credit Arrangements: Both parties will present sufficient and reasonable financial information as reasonably requested by the other party under a non-disclosure agreement. If either party's creditworthiness is deemed unacceptable to the other party or the other party's financial providers, then the other party must provide additional security for performance in amounts sufficient to reasonably satisfy the other party and its creditors. The parties may make credit approval a condition of entering into any definitive agreement between them.

8. Facilities Construction: Contingent upon and subject to the parties negotiating and entering into a definitive and binding LNG supply agreement, the parties acknowledge that any such definitive agreement may include termination rights and other terms contingent upon VGNG completing the VGNG Facility and Gulf completing the liquefaction facility. [redacted]

[redacted]

C. VGNG Facility Management Services

1. Gulf is interested in providing all essential operation and maintenance services for the VGNG Facility ("O&M Services") for a term that would be co-extensive with its initial LNG supply obligations, if any. Contingent upon and subject to the parties negotiating and executing a definitive and binding agreement for O&M Services, the O&M Services may include, but may not be limited to, (i) scheduled VGNG Facility maintenance; (ii) daily operations, including receipt of LNG supply; (iii) provision of on-site operational staff; and (iv) compilation and submission of all required reports to regulatory agencies, facility lenders and insurers.

2. [redacted]. Any final arrangements must be submitted to the NHPUC, and the cost of such arrangements reflected in final NHPUC-approved service tariffs. [redacted]

3. If any definitive agreement is negotiated and entered into by the parties for O&M Services, all Gulf employees working at the VGNG Facility shall have all appropriate qualifications for their positions. Gulf recognizes that VGNG is required to identify key operational personnel and their qualifications to the NHPUC, and that Gulf may be required to change personnel if such personnel are not deemed qualified by the NHPUC.

D. Lease Pad Space for Gulf Operations

1. Apart from the LNG supply and O&M Services, and contingent upon and subject to the parties negotiating and executing a definitive and binding lease agreement, VGNG will provide Gulf with a long term lease on a demised space adjacent to the VGNG Facility premises for the location and operation by Gulf (at its own cost and expense) of a CNG/LNG refueling depot to service fleet vehicles in the area. Gulf will prepare detailed draft site plans of the refueling depot at its own cost and provide them to VGNG for reasonable and timely review by its engineers, then VGNG will submit final site plans to Lebanon, the NHPUC and other relevant state and local agencies (anticipated to occur during the 1st quarter of 2015) in conjunction with its own permitting processes for the VGNG Facility. Contingent upon the parties negotiating and executing a definitive and binding lease agreement and subject to any terms and conditions included in any such definitive agreement between the parties and applicable permits and approvals, VGNG will lease LNG storage space in VGNG tank(s) to Gulf for the Gulf transportation facility if, when and to the extent that tank

space is available above and beyond the space needed for VGNG to meet the supply needs of all of its Retail Supply Service and Tolling Service customers (including any NHPUC storage requirements). Such space will be leased to Gulf on a short-term or long-term basis, on terms agreed by the parties. If the parties agree that VGNG will install additional tank capacity specifically to meet the needs of the Gulf transportation facility, Gulf shall lease such capacity at least for the time period necessary for VGNG to recover the agreed-upon capital cost of the expansion. Further, VGNG will provide pipeline delivery service to the transportation facility under a separate storage and delivery agreement. The parties recognize that any agreements may be subject to review and approval by the NHPUC.

E. Miscellaneous

1. Sale or Change in Control of VGNG: Gulf understands that if any definitive and binding LNG supply agreement or other binding agreement is executed between Gulf and VGNG, such agreements with VGNG will be pledged to VGNG's capital providers as collateral for VGNG Facility financing. Such capital providers will seek direct arrangements with Gulf, providing for the continuation of any definitive and binding agreement executed between Gulf and VGNG in the event that such capital providers foreclose on and/or sell the VGNG Facility in connection with the recovery of their capital. Contingent upon and subject to the parties executing any definitive and binding LNG supply agreement, Gulf will use commercially reasonable efforts to accommodate such typical lender/capital provider rights, so long as such provisions do not include any cost obligations for Gulf.

2. Sales and Marketing: Gulf will be responsible for all solicitation and marketing associated with its vehicle refueling operation. VGNG will be responsible for all sales and marketing associated with its gas distribution system, provided that Gulf agrees to assist in sales calls as available and provide supply-side promotional material featuring VGNG as the Utility provider at no cost to VGNG.

BINDING PROVISIONS

I. Confidentiality

Each party shall keep the existence and content of this MOU and any negotiations confidential, except that either party may share this MOU with those employees, directors or representatives with a need to know, or as required by applicable law, subpoena, judicial or permitting process (including but not limited to the PUC). This obligation shall survive for a period of two (2) years from the date of this MOU.

[redacted]

The parties may choose to extend this MOU by mutual agreement. Without modification of, and as further clarification of, the foregoing provisions of this Paragraph II, the parties agree that if they do not enter into any definitive, binding transaction agreements regarding the subject matter of this MOU on or before at 5:00 p.m. EST,

III. Legal Costs

Each party will pay its own respective fees and expenses (including the fees and expenses of legal counsel, brokers or other representatives or consultants) in connection with the negotiation of this MOU and the transactions contemplated hereby.

IV. Term

This MOU shall expire on the earlier to occur of: (1) the date on which the parties enter into a binding and definitive agreement regarding the subject matter of this MOU; or (2) April 30, 2015 at 5:00 p.m. EST.

SIGNATURES APPEAR ON FOLLOWING PAGE

WHEREFORE, the parties hereto have executed this MOU as of the 27 day of February, 2015.

VALLEY GREEN NATURAL GAS, LLC

By: _____
Name:
Title:

GULF OIL LIMITED PARTNERSHIP

By: _____
Name:
Title:

EXHIBIT A
Pricing

Gulf Oil Limited Partnership
100 Crossing Boulevard
Framingham, MA 01702

CONFIDENTIAL

OUTLINE OF INDICATIVE PRICING AND OTHER PROPOSED TERMS FOR

LNG SUPPLY AND TRANSPORTATION SERVICE

All of the following proposed supply and transport terms are contingent upon and subject to the parties negotiating and executing a definitive and binding LNG supply and transport contract:

Date	January 5, 2014
Buyer	Valley Green Natural Gas
Seller	Gulf Oil Limited Partnership
Service	Firm liquid natural gas supply (LNG) and transportation
Term	Upon completion of Seller's liquefaction facility for a term of 15 years. If, at any time after June 30, 2016, Buyer's Facility has commenced operation but Seller's liquefaction facility has not yet commenced operation and is not ready to deliver LNG to the VGNG Facility, Gulf will procure LNG on behalf of VGNG at a fair and equitable rate on an as-needed basis.
Contract Quantity	Maximum Daily Quantity (MDQ): November to March Up to 5 loads of LNG per day – approximately 50,000 gallons or 4,165 MMBtu MDQ: April to October Up to 3 loads of LNG per day – approximately 30,000 gallons or 2,499 MMBtu Annual Contract Quantity (ACQ) Up to 1,200 loads of LNG per year – Approximately 12,000,000 gallons or 999,600 MMBtu • MDQ and ACQ levels are used for discussion purposes only. Smaller or larger volume levels are available and pricing will be provided upon request.
Delivery Point	The receiving flange of Buyer's facility located on Etna Rd., Lebanon, NH.
Commodity Charge	November to March For each MMBtu of natural gas ordered and delivered to Buyer, Buyer will pay to Seller a commodity rate per MMBtu equal to the NYMEX natural gas settlement price(s) [redacted] April to October For each MMBtu of natural gas ordered and delivered to Buyer, Buyer will pay to Seller a commodity rate per MMBtu equal to the NYMEX natural gas settlement price(s) [redacted]
Freight Charge	For each MMBtu of natural gas ordered and delivered to Buyer, Buyer will pay to

	Seller a freight charge equal to [redacted] The Freight Charge may be adjusted annually to reflect the effect of any actual increases in driver wage rates on Seller's total freight costs.
Assumptions	Buyer shall be responsible for the procurement and installation of LNG storage and vaporization equipment. • Site location is on clear, level and dry land close to existing roadways suitable for delivery of LNG via trucks/trailers • Buyer will have enough storage to accommodate the delivery and transfer of up to 12,000 gallons of LNG • Buyer is responsible for securing applicable permits • Buyer is responsible for any requirements due to local LNG codes
Other	This outline is strictly confidential. All proposed terms in this outline are contingent upon and subject to the parties negotiating and executing a definitive, binding LNG supply and transport contract. Other provisions to be included in a definitive contract, including metering, measurement, billing and payment, force majeure and related provisions will be pursuant to Seller's agreement. This proposal, and any definitive contract resulting there from, is contingent upon and subject to final Gulf Oil Limited Partnership Board approval or equivalent. This proposal is also contingent upon and subject to Buyer's satisfying Seller's creditworthiness requirements, to be determined in Seller's sole discretion prior to the execution of a binding contract. Buyer shall be required to maintain such creditworthiness throughout the term of the contract. Buyer and Seller recognize and acknowledge that this Proposal is not legally binding on either party and is intended for negotiation purposes only. Neither party has any obligation to enter into a binding legal agreement or to pursue this proposal. Any agreement would be subject to the parties' execution of a mutually agreeable contract.

Gulf Natural Gas

AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS AMENDMENT TO MEMORANDUM OF UNDERSTANDING (the "Amendment"), dated April 20, 2015 (the "Effective Date"), is entered into by and between Valley Green Natural Gas, LLC ("VGNG"), a New Hampshire limited liability company with offices at 44 S. Main Street, Hanover, NH 03755, and Gulf Oil Limited Partnership ("Gulf"), a Delaware limited partnership, with its principal offices at 100 Crossing Boulevard, Framingham, Massachusetts.

WHEREAS, VGNG and Gulf have previously entered into that certain Memorandum of Understanding, dated February 27, 2015 (the "MOU");

WHEREAS, VGNG and Gulf now wish to amend the MOU to expand the term of the MOU by one month in order to allow additional time to negotiate and enter into final agreements regarding the subject matter of the MOU;

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and in the MOU, the adequacy and receipt of which are hereby acknowledged, the parties agree as follows:

1. The first and last sentences of Section II Exclusivity of the MOU are amended by replacing "April 30, 2015" with "May 31, 2015."

2. Section IV Term of the MOU is amended by replacing "April 30, 2015" with "May 31, 2015."

3. In all other respects, the MOU shall remain unchanged and in full force and effect. The terms of this Amendment will become effective on the Effective Date written above.

4. If any of the terms contained in this Amendment conflict with any of the terms contained in the MOU, the terms of this Amendment shall prevail.

5. The parties hereto acknowledge that they have read this Amendment and understand it and agree to be bound by its terms and conditions.

6. The parties agree that the individuals executing this Amendment are duly authorized to act on behalf of the entity for which he or she is signing and has the power to bind the entity regarding its obligations and rights in the MOU and this Amendment.

7. The parties further agree that the MOU, together with this executed Amendment, constitute the entire agreement between the parties with respect to the subject matter therein.

8. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be effective as of the day and year first above written.

Valley Green Natural Gas, LLC

4/20/2015
Date

By:
Print Name: JAMES COMPSTON
Its:

Gulf Oil Limited Partnership

4/20/2015
Date

By:
Print Name: Ronald R. Sakla
Title: President / COO

SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING (the "Second Amendment"), dated May 31, 2015 (the "Effective Date"), is entered into by and between Valley Green Natural Gas, LLC ("VGNG"), a New Hampshire limited liability company with offices at 44 S. Main Street, Hanover, NH 03755, and Gulf Oil Limited Partnership ("Gulf"), a Delaware limited partnership, with its principal offices at 100 Crossing Boulevard, Framingham, Massachusetts.

WHEREAS, VGNG and Gulf have previously entered into that certain Memorandum of Understanding, dated February 27, 2015, as amended on April 20, 2015 (the "MOU");

WHEREAS, VGNG and Gulf now wish to further expand the term of the MOU by one month in order to allow additional time to negotiate and enter into final agreements regarding the subject matter of the MOU;

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and in the MOU, the adequacy and receipt of which are hereby acknowledged, the parties agree as follows:

1. The first and last sentences of Section II Exclusivity of the MOU are amended by replacing "May 31, 2015" with "July 31, 2015."

2. Section IV Term of the MOU is amended by replacing "May 31, 2015" with "July 31, 2015."

3. In all other respects, the MOU shall remain unchanged and in full force and effect. The terms of this Amendment will become effective on the Effective Date written above.

4. If any of the terms contained in this Second Amendment conflict with any of the terms contained in the MOU, the terms of this Second Amendment shall prevail.

5. The parties hereto acknowledge that they have read this Second Amendment and understand it and agree to be bound by its terms and conditions.

6. The parties agree that the individuals executing this Second Amendment are duly authorized to act on behalf of the entity for which he or she is signing and has the power to bind the entity regarding its obligations and rights in the MOU and this Second Amendment.

7. The parties further agree that the MOU, together with this executed Second Amendment, constitute the entire agreement between the parties with respect to the subject matter therein.

8. This Second Amendment may be executed in one or more counterparts,

each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be effective as of the day and year first above written.

Valley Green Natural Gas, LLC

By: _____

Print Name: James McCampbell

Its: Owner

Gulf Oil Limited Partnership

By: _____

Print Name: Ronald R. Sabia

Title: President & COO

SECTION H

DG 15-155

Valley Green Natural Gas, LLC

OCA Set 3 to Valley Green Natural Gas, LLC

Date Request Received: 08/17/15 Date of Response: 09/29/15; 12/9/15

Request No. OCA 3-3 Witness: James W. Campion, IV

REQUEST: Does VG have a marketing plan to attract residential customers? If so, please provide the details of such plan, to the extent it is developed at this time.

RESPONSE: Valley Green's marketing started with business customers seeking natural gas service. Businesses and industries in Lebanon and Hanover, particularly those located to the east of exit 18 of I-89 along Route 120 toward Hanover, indicated an interest in energy alternatives, including gas utility pipeline service. Valley Green began aggregating that commercial industrial interest in utility pipeline service in 2011. Letters of support and other forms of expressed interest from major employers like Hypertherm and Dartmouth-Hitchcock Medical Center and other members of the Corporate Energy Work Group of Lebanon and Hanover propelled the project through zoning permitting and preliminary Site Plan review in Lebanon. These letters are attached as well as the Work Group's March 2015 meeting summary. Because of this history and because the geographic area of the initial proposed build-out is zoned primarily IndL (light industry), there are few residential properties in the initial build-out area for Valley Green to market to. That said, Valley Green is committed to offering gas utility service to all property owners (including residential) on the projected initial build-out area.

After the initial build-out, Valley Green would look next to expand its pipeline into the downtown residential and business neighborhoods in Lebanon and Hanover, the closest residential neighborhoods to the pipeline source. Extension of the pipeline even into the closest residential neighborhoods would require substantial investment, so a decision to expand would depend on the level of customer interest. Valley Green is committed to extend service wherever it is economically viable in the franchise area.

In an effort to determine residential and commercial customer interest in these downtown neighborhoods, Valley Green has conducted a direct mail survey of businesses and residents in these areas. Valley Green is currently reviewing the responses. Depending on the results, Valley Green might adjust its plans to include more residential customers in the initial build-out.

Valley Green has presented its utility proposal in public meetings before the Planning and Zoning Boards in Lebanon and the Board of Selectmen in Hanover. Valley Green also held a public informational meeting on May 28, 2015 in the Lebanon city library, at which it fielded questions from attendees. These presentations and media reports resulting there from have gotten the word out. Following these sessions, some prospective residential customers have contacted Valley Green.

Valley Green has developed an informational web site (www.valleygreenutilities.com). Prospective residential customers and others can view ongoing progress on planning, permitting, and related initiatives. A copy of the above-described survey is available at the web site and is attached. The web site also details other ways Valley Green is introducing natural gas as an energy choice in the Upper Valley. These include:

- A project to integrate Lebanon landfill methane gas into its fuel mix.
- A project with Casella Waste Services to remove food from the local waste stream and bio digest methane as a sustainable renewable addition to the fuel mix. This would also help Lebanon extend the operational life of the Lebanon landfill.

Although not a residential marketing effort, Valley Green is also actively discussing energy solutions with the Veterans Administration Hospital in White River Junction and others to introduce satellite distribution centers that offer point-to-point delivery. These customers will likely remain too distant for pipeline access but could benefit from a more convention hub and spoke fuel service that is cleaner burning and more economical for them.

It is worth noting that 2015 has seen a drop in the price of established heating fuel types such as #2 fuel oil, propane, and wood pellets. This price drop has markedly reduced the possible savings residential customers can expect to gain from an immediate switch to utility natural gas service. It will likely cause many customers to lock in new contracts with existing suppliers at very customer-friendly rates and could reduce the level of residential customer interest for participation in the Valley Green initial build-out in 2016. Valley Green expects that when these contracts expire natural gas will have recovered enough of a price advantage over oil and propane to allow Valley Green to more effectively penetrate the residential market.

SUPPLEMENTAL RESPONSE: See attached results from Valley Green's preliminary survey.

REDACTED SECOND SUPPLEMENTAL RESPONSE: Please see the attached latest survey analysis. Valley Green has been looking at single family residences/condos in Lebanon that fall along/are in the vicinity of the primary distribution line that could be connected during build out. This review includes developments that have been approved by the City of Lebanon for construction. The results are as follows:

[redacted]

[redacted]

[redacted]

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Bates-stamp pages 159 through 168 are confidential in their entirety and are removed from this volume.

SECTION I

DG 15-155
Valley Green Natural Gas, LLC
OCA Set 3 (Round 2) to Valley Green Natural Gas, LLC

Date Request Received: 11/20/15 | Date of Response: 12/4/15; 1/8/16
Request No. OCA 3-27 | Witness: James W. Campion, IV

REQUEST: Please indicate whether Valley Green is willing to consider or is already considering landfill-based gas supply in its portfolio. If so, provide details to corroborate Valley Green's plan.

CONFIDENTIAL RESPONSE: [redacted]

Bates-stamp pages 171 through 180 are confidential in their entirety and are removed from this volume.