

Appendix A

Via email only

12/23/15 (13 days ago)

Ariel Arwen
<arielarwen@gmail.com>

to Maureen, Douglas

December 23, 2015

Ms. Karpf and Mr. Patch,

When I called Mr. Patch on 12/18, I said I would put the content of our conversation in writing, to wit: I am requesting a more complete and specific answer to Data Request 3-1 because I am concerned that at some point, as a result of these projects and other locked-in natural gas commitments, there is a point in the future at which natural gas emissions will exceed the targets set forth in the NH Climate Action Plan.

"Arwen 3-1: In the New Hampshire Department of Environmental Services' "NH Climate Action Plan", targets are set of reducing greenhouse gas emissions 20% below 1990 levels by 2025 and 80% by 2050. If these goals remain in place, how does Liberty Utilities expect to provide service that would comply with these goals, even after taking into consideration the lower carbon footprint (at combustion) of gas over fuel oil and coal? Please specifically refer to the 2025 target and separately to the 2050 target."

The response simply directed me to the response to Arwen 1-10. As I said during our phone conversation, I don't consider that to be responsive to Arwen 3-1. The response to 1-10 merely suggests in general terms that Liberty's plans are consistent with certain policy preferences described in the Climate Action Plan, after which the response essentially declines to set forth anything about total greenhouse gas (GHG) emissions, including methane, because these cannot be calculated without more information about the actual conditions that will prevail on your new system if it is built. This is not responsive to 3-1 and I believe I am entitled to such a response. Please provide a specific response on the question of GHG emissions by either applying your best estimate of GHG emissions resulting from the system you intend to build or, if you cannot do that, please provide a range of data based on worst-case and best-case scenarios. I simply cannot accept that Liberty has no idea what the total of GHG emissions (CO2-equivalent) to the atmosphere will result from the proposed system.

I would also like to take this opportunity to request a full and nonredacted copy of your response to Staff 3-9. You invoked rule PUC 203.08 as the basis for not furnishing me with the attachment to your response to that question, but nothing in the rule provides a basis for withholding this document from me.

With respect to the above-referenced discovery disputes, please treat our previous conversation, and this message, as the "good faith effort" required of me under Rule 203.09 , prior to the submission of a Motion

to Compel Discovery. I intend to file such a motion on January 7, 2016 if these issues are not resolved to my satisfaction prior to that date.

Thank you for your assistance and best wishes to you for the holidays.

Sincerely,
Ariel Arwen

Via email only

12/30/15 (6 days ago)

Patch, Douglas L.

to me, Maureen

Ms. Arwen,

Thank you for reaching out and attempting to resolve the two discovery-related issues raised in your December 23, 2015 email. We have discussed your email and we still believe that the response we provided to your data request 3-1 is an appropriate response to the question, as it cites the specific recommendations of the NH Climate Action Plan that the Company believes its franchise proposal supports. Further, we believe the question is beyond the scope of this docket, overly burdensome, and seeks speculative information about compliance with a plan that has no legal effect. Given this, we continue to believe that the response to your data request is the best information that we can provide.

In terms of the attachment to Staff 3-9, given the fact that there are two competing applications for this franchise, that similar financial information has been kept confidential in DG 15-155, and given the language of RSA 91-A:5 and Commission precedent, we continue to believe that there is a good faith basis for seeking confidential treatment of this information.

Best wishes to you also for the holidays.

Sincerely,

Doug Patch

Douglas L. Patch

Admitted in NH and MA

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From: Ariel Arwen [mailto:arielarwen@gmail.com]

Sent: Wednesday, December 23, 2015 3:28 PM

To: Maureen Karpf <Maureen.Karpf@libertyutilities.com>; Patch, Douglas L. <DPatch@orr-reno.com>

Subject: Follow-up to Data Request Responses

Appendix B

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
DG 15-289

Petition for Approval of a Gas Franchise for Lebanon and Hanover, New Hampshire
Ariel Arwen's Data Requests - Set 3

Date Request Received: 12/7/15
Request No. Arwen 3-1

Date of Response: 12/15/15
Respondent: Michael Licata

REQUEST: In the New Hampshire Department of Environmental Services' "NH Climate Action Plan", targets are set of reducing greenhouse gas emissions 20% below 1990 levels by 2025 and 80% by 2050. If these goals remain in place, how does Liberty Utilities expect to provide service that would comply with these goals, even after taking into consideration the lower carbon footprint (at combustion) of gas over fuel oil and coal? Please specifically refer to the 2025 target and separately to the 2050 target.

RESPONSE: Please see response to Arwen 1-10.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
DG 15-289

Petition for Approval of a Gas Franchise for Lebanon and Hanover, New Hampshire
Ariel Arwen's Data Requests - Set 1

Date Request Received: 9/25/15
Request No. Arwen 1-10

Date of Response: 10/5/15
Respondent: Michael Licata

REQUEST:

Ref NH Climate Action Plan. Please explain how the proposed expansion is consistent with the goals of reducing overall greenhouse gas emissions, including but not limited to carbon dioxide and methane, "over the next one to two decades while positioning the residents, government, businesses, industries, and not-for-profits to achieve still greater future reductions as technological, economic, political and social changes allow". Specifically, using the CO2-equivalent metric and considering the entire life cycle greenhouse gas emissions from well head to burner tip, how will the greenhouse gas footprints of the proposed anchor customers be affected by a change to natural gas?

RESPONSE:

The proposed expansion of EnergyNorth's distribution system in Hanover and Lebanon will allow the residents and businesses in those municipalities to select natural gas as a fuel source, which produces approximately 30% less carbon dioxide emissions when combusted compared

to the fuels currently being utilized in the communities¹. The Company is also exploring utilizing methane currently being collected and flared at the Lebanon Landfill as an additional supply option. Initial estimates show that methane collected at the landfill could initially provide approximately 100,000 dekatherms of supply annually. In addition the Company is also exploring the feasibility of capturing methane from the City Wastewater Treatment Plant, via the installation of an anaerobic digester. The Company has had initial discussions with municipal officials regarding these options and the Company's chosen facility location was, in part, driven by its desire to utilize the methane, currently being flared at the Lebanon Landfill.

In addition to the direct emissions reductions associated with the combustion of a less carbon intensive fuel, potential customers will be able to access energy efficiency programs as described in the Company's response to Arwen 1-8.

Replacement of CO₂ intensive fuels like propane and oil with natural gas, coupled with the utilization of renewable landfill and biogas and the increased accessibility and adoption of energy efficiency programs are consistent with the New Hampshire Climate Action Plan.

¹ U.S. Energy Information Administration Carbon Dioxide Emissions Coefficients - http://www.eia.gov/environment/emissions/co2_vol_mass.cfm

Recommended Action 1.1 – Maximize Energy Efficiency in New Construction, Recommended Action 1.2 – Maximize Energy Efficiency in Existing Residential Buildings, Recommended Action 1.3 – Maximize Energy Efficiency in Existing Commercial, Industrial, and Municipal Buildings, Recommended Action 2.1 – Create Incentive Programs to Install Higher-Efficiency Equipment, Processes, and Systems, Recommended Action 3.1 – Increase Renewable Energy and Low-CO₂e Thermal Energy Systems and Recommended Action 2.4 – Encourage the Use of Biogenic Waste Sources for Energy Generation.

The Company is unable perform a comparative analysis of the complete natural gas supply chain that would be used to serve the communities, as such an analysis is largely dependent on accurate emissions data from the specific sites where the commodity would be extracted, as well as comparable data from the propane and heating oil suppliers and wells that are currently being utilized to serve the community and anchor customers. The Company has previously stated that it intends to procure the supply needed to serve the communities through an RFP process that could result in the commodity being procured from a number of different locations.

Date Request Received: 12/7/15
Request No. Staff 3-9

Date of Response: 12/17/15
Respondent: Steven E. Mullen
William J. Clark

REQUEST: Please calculate the revenue requirement and rates using the attached 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: Pursuant to Puc 203.08, the Company has a good faith basis for seeking confidential treatment of the attachment to this response, Confidential Attachment Staff 3-9.xlsx. The Company will submit a motion for confidential treatment at or before the commencement of the final hearing in this proceeding. Because Confidential Attachment Staff 3-9.xlsx in its entirety includes confidential information, a redacted version of this attachment will not be provided by the Company. Please see Confidential Attachment Staff 3-9.xlsx.

Company

Revenue Requirement

	Reference	2017	2021
Rate Base	Schedule-3		
Rate of Return	Schedule-4		
Income Required			
Net Operating Income	Schedule-2		
Operating Income Surplus/(Deficiency)			
Tax Effect			
Revenue Surplus/(Deficiency)			
Federal Income Tax Rate		34.00%	0.34
State Income Tax Rate		8.50%	0.085
Federal Benefit of State Income Tax		-2.89%	-0.0289
Northern Effective Tax Rate		39.61%	0.3961
Gross-Up Factor = 1/(1-effective tax rate)		1.6559	1.6559

Company
Revenue and Expense
Income

Revenue	Number of Customers	Annual Dth	2017 Delivery Revenue	2017 Supply Revenue	2017 Total Revenue	Average Per Therm Rate
C&I - Special Contract						
C&I - Trariff						
Residential						
Total Operating Revenue	-	-				
Expenses	Company FTEs	Payroll Dir & Indir	Contract Services	Company Non-Labor	2017 Expense	
Distribution O&M						
Admin & General Expenses						
Total Delivery Expense						
Supply - LNG						
Supply - CNG						
Total Supply Expense						
Depreciation						
Taxes Other Than Income Taxes						
Interest Expense						

**Company
Revenue and Expense
Income**

				2021	2021	2021	Average
Revenue		Number	Annual	Delivery	Supply	Total	Per Therm
		of Customers	Dth	Revenue	Revenue	Revenue	Rate
	C&I - Special Contract						
	C&I - Trariff						
	Residential						
	Total Operating Revenue						
Expenses		Company	Payroll	Contract	Company	2020	
		FTEs	Dir & Indir	Services	Non-Labor	Expense	
	Distribution O&M						
	Admin & General Expenses						
	Total Delivery Expense						
	Supply - LNG						
	Supply - CNG						
	Total Supply Expense						
	Depreciation						
	Taxes Other Than Income Taxes						
	Interest Expense						

Company

Rate Base

12/31/2016

12/31/2020

Plant in Service

Less: Accumulated Depreciation

Less: Amortization

Net Utility Plant

Plus: Working Capital

Less: Deferred Taxes

Rate Base

Utility Plant in Service 12/31/16

Cost	Average Service Life	Depreciation Rate	Depreciation	Accumulated Depreciation
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Land

LNG Structures

LNG Equipment

CNG Structures

CNG Equipment

Distribution Mains

Distribution Services

Linear Feet	Average Cost per Foot
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Distribution Mains

Distribution Services

Utility Plant in Service 12/31/19					
	Cost	Average Service Life	Depreciation Rate	Depreciation	Accumulated Depreciation
Land					
LNG Structures					
LNG Equipment					
CNG Structures					
CNG Equipment					
Distribution Mains					
Distribution Services					
	Linear Feet	Average Cost per Foot			
Distribution Mains					
Distribution Services					

Company
Working Capital

	2017	2020
Distribution O&M Expense	0	0
Working Capital Percentage (net lag in days/365)		
Distribution Working Capital Requirement	0	0
Supply Expense	0	0
Working Capital Percentage (net lag in days/365)		
Supply Working Capital	0	0
Total Working Capital Requirement	0	0

**Company
Rate of Return**

Item	Amount	Component Ratio (%)	Component Cost Rate(%)	Weighted Average Cost Rate (%)
Common Stock				0.00%
Long Term Debt				0.00%
Total Overall Rate of Return		0.00%		0.00%
Ratemaking Interest Synchronization			12/31/2016	12/31/2020
Rate Base			0	
Cost Of Debt			0.00%	
Interest Expense			0	