

September 11, 2016

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Liberty Utilities (LU) Docket DG 16-770 Petition to Purchase Concord
Steam

Please do NOT approve the sale of Concord Steam to Liberty Utilities.

Daniel Webster to the rescue?

"Webster then grabs the stranger and twists his arm behind his back, "for he knew that once you bested anybody like Mr. Scratch in fair fight, his power on you was gone." Webster makes him agree "never to bother Jabez Stone nor his heirs or assigns nor any other New Hampshire man till doomsday!"

https://en.wikipedia.org/wiki/The_Devil_and_Daniel_Webster

I'm watching the 60 Minutes coverage on the earthquakes in Oklahoma on this Sunday, September 11th. 9-11. The title of the piece is "Earthquake Alley." It got me to thinking about just how awful the idea of selling Concord Steam to Liberty Utilities is. All the State, School, City and Commercial buildings in downtown Concord will burn fracked gas instead of taking steam co-generated with biomass. The PUC order for the procedure to approve the sale is DG 16-770 and all documents can be viewed here, <https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-770.html>

I will grant you that there is an "inversion" problem in Concord, so a biomass plant has to have the proper environmental controls, but surely there are other solutions than converting to fracked gas? Getting rid of that smog here by burning fracked gas will just contribute to people with poisoned water and air who live in the fracking fields and the paths of these pipelines. We are creating virtual "Hells" in areas of Oklahoma and Pennsylvania. At least we can see the smog! We can't see the methane and the formaldehyde and other poisonous gases that will be released into neighborhoods where the metering and regulation and compressor stations are built.

Perhaps it sounds melodramatic to argue that selling Concord Steam to Liberty Utilities is like selling New Hampshire's soul and future to the devil? But, of all places to sell out to fracked gas; the State Capital!!! Where is the innovation? Where is the environmental concern? Any large city or campus converting from biomass to fracked gas would be bad enough, but the State Capital should be a flagship for a renewable future!

New Hampshire had her own "Daniel Websters" at the adjudicative hearing of the sale of Concord Steam to Liberty Utilities on Friday, September 9th. Both Office of Consumer Advocate, Don Kreis, and Attorney Richard Husband of Litchfield, pleaded to conduct a fully transparent process.

Attorney Richard Husband, in particular, complained of the lack of discovery which would allow a more thorough investigation of alternatives and answer questions about procedure. The sale is being fast tracked, yet the filing was not described as an emergency.

I do not mean to characterize the PUC as "Old Scratch." They are following the rules which not only gives them the discretion to treat this contract as an "emergency," but encourages them to do so.

I inserted myself into a small group that was poring over a blueprint of the steam lines in Concord during a break in the hearing. I heard one of them discuss the loop of steam pipes that will still be used, but cut off from the rest of the network and fitted out with a gas fired boiler. Someone asked where the boiler would go. Another replied, "In front of the State House!" and laughed. Before I could stop myself, I retorted, "Yes. It should. As a symbol of our shame!" Before anyone gets too excited, they actually pointed out an area well away from the State House where the boiler will go.

Still, it gave me an idea. If I were a cartoonist, I would draw the front of the State House with Daniel Webster now standing atop a huge nasty boiler with a line feeding it that tracked back to scenes of environmental devastation and choking, gasping people.

I'd planned to write another comment on PUC Docket DG 16-770, refuting the numbers offered by PUC staff describing gas prices as \$0.95 per Therm versus \$5.00 per Therm for Concord Steam. \$0.95 per therm might be the price for the day, but what is the 5 year average? I did find that the price over the last five years has been closer to \$2.00 per Therm. <https://www.eia.gov/dnav/ng/hist/n3010nh3m.htm> I didn't have any luck getting the five year average price for Concord Steam customers, but the fact of having the steam delivered instead of having to operate and maintain a boiler needs some value attached to the price per Therm. To me, that is another reason for there to be a formal discovery process.

Liberty officials argued that bringing fracked gas to the downtown would increase energy diversity and argued that they are supported by this in the 10 Year State Energy Strategy. In fact, no diversity is created at all! Customers in Concord will now have gas, but they won't have the option of steam anymore. Moreover, the customer list is being sold to Liberty Utilities in exchange for \$1.9 Million! Who else will have access to that list? Solar installers? Energy Efficiency and heat pump vendors? Worse, a renewable biomass producer will go dark; sending New Hampshire in the wrong direction for getting to 25% renewable energy by 2020.

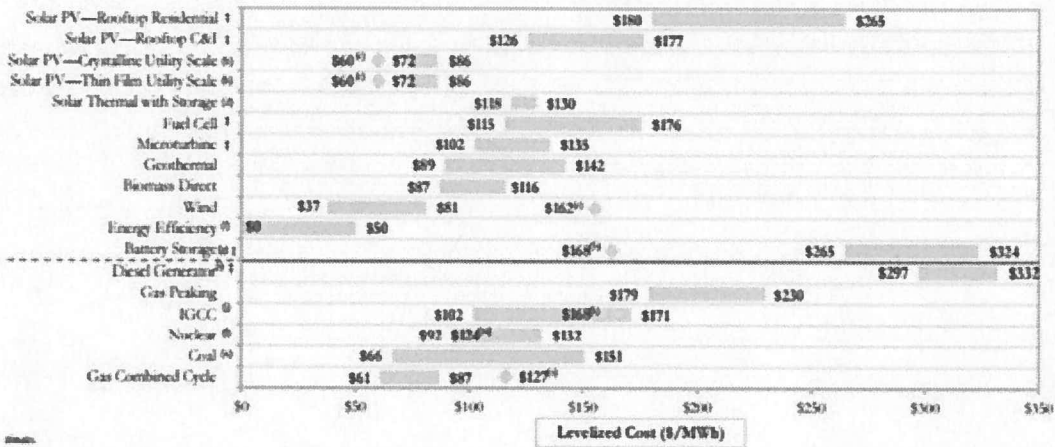
At least "Old Scratch" agreed to Daniel Webster's plea for a Fair Trial. Why won't our PUC allow time for discovery and full participation by The Jordan Institute and the people of New Hampshire, like Attorney Husband, who are qualified and have a significant interest in the outcome?

The OCA's argument that The Jordan Institute be allowed to intervene based on statute like the Energy Efficiency Resource Standard (EERS) was rebuffed on the basis that it wasn't yet in effect. Attorney Kreis also referenced RSA 378:7 that requires all energy infrastructure projects to consider the impact of energy efficiency first,

According to testimony given by the Northeast Energy Efficiency Partnership (NEEP) in IR 15-072, Energy Efficiency is the most cost effective energy investment as shown in the chart on the following page.

In New Hampshire, RSA 378:7 grants the Commission authority to fix just and reasonable rates. In determining whether rates are just and reasonable, the Commission must balance the customer's interest in paying no higher rates than are required against the investors' interest in receiving a reasonable return on their investment.⁹ Within this balancing test, a justification for the pursuit of all cost effective energy efficiency resources is evident. Maximizing value for both ratepayers and investors requires the utility commission to plan for acquisition of the least cost resources, and as demonstrated below, energy efficiency is the resource that provides the most value for ratepayers and utility investors.

Unsubsidized Levelized Cost of Energy¹⁰



Unfortunately, the Commission argued that the RSA does not apply to the sale of Concord Steam and referenced legislation (that did not pass) which would prohibit the PUC from considering carbon emissions or Climate Change in their deliberations.

Daniel Webster succeeded, not by law, but by evoking the goodness of the "undead" who served on the jury, their willingness to try, even if they weren't perfect, and the sweetness of life despite hard circumstances. I hope that the comments submitted in this docket will inspire the interveners to the docket to choose a different path.

Thank you for the opportunity to comment.

Sincerely,
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