

September 13, 2016

Debra Howland Executive Director and Secretary

New Hampshire Public Utilities Commission

21 S. Fruit Street, Suite 10

Concord New Hampshire 03301

RE: DG 16-770

Liberty Utilities (Energy North Natural Gas) Corp. d/b/a Liberty Utilities and Concord Steam Corporation Joint Petition for Approval of an Asset Purchase Agreement

Dear Ms. Howland,

After attending the 8/19/16 Technical Session and the 9/9/16 Hearing on this docket, I need to express a number of serious concerns and my disapproval of any decision to approve this petition.

While it is understandable that the sudden “emergency” to provide heat for all the buildings served by Concord Steam Corporation (CSC) has made the job of gaining PUC Approval for the Liberty Utilities (LU)/CSC petition look like it could “save the day”, it would just as surely invite hardships and repercussions down the road.

A more thorough, transparent and careful examination of the long-term effects and implications of approving this petition is absolutely necessary. Focus needs to widen to include the long-term cost-effectiveness, climate and environmental impacts and the public’s welfare over time.

The state also needs to stop long enough to consider what the modeling effect will be if it decides to invest in fossil fuels (particularly fracked gas) for 28 of its buildings, including the State House. Is that the model it intends to provide for NH homeowners, schools, municipalities and businesses...in this day and age?

Separating myths from reality to get beyond simplistic answers: Fracked gas is NOT expected to remain a “cheaper fuel”. It is definitely NOT a “cleaner fuel”. And it will NOT add to our energy diversity. Fending off the relentless pressures from the fossil

fuel lobbyists and representatives, including the fossil fuel-funded BIA, who use those myths to justify and promote the sale of their wares in NH, is crucial. Speculative promises delivered as facts and misleading statements using those well-advertised myths need to be seen for what they are and rejected. We need to be guided by NH's own well-researched energy strategy.

Since cost seemed to be a top priority during the discussions on this docket, cost-effectiveness over time deserves more scrutiny:

- Converting to natural gas boilers is not cheap. It's expensive. Even with help from proposed loans, interest rates will be added. Boilers are expected to cost \$10,000-20,000+ for most, \$15 million for the state, and roughly \$600,000 for the City of Concord.
- Building owners will be wedded to fossil fuels for 20 plus years after such an investment, during this time when increasing federal and state mandates and incentives will begin to push conversions to ever cheaper and more dependable renewables.
- Long-term cost-effectiveness will be hit by a range of variables and problems within the gas industry itself--newer stringent regulations coming for hydraulic fracturing and pipeline infrastructure impacting construction timelines and market prices, financial issues within the international and domestic natural gas industry, gas plays running dry, and extraction becoming more difficult and expensive.
- Indirect economic costs due to more powerful, destructive storms have been increasing and are predicted to continue escalating as a result of fossil fuel-provoked climate change, especially from the extra heat-trapping impact of methane/fracked gas operations. The EPA states: **"Pound for pound, the comparative impact of CH4 (methane) on climate change is more than 25 times greater than CO2 over a 100-year period". It is also well-documented that within its first 20 years in the atmosphere, methane is over 80 times more powerful as a greenhouse gas.** Expensive storms like the 2008 NH Ice Storm with its 14 day power outage, the several "100 year floods", mammoth snow storms, sea rise, etc. all cause damages to roads, bridges, utility infrastructure, businesses, and municipal and state budgets.
- Our best hope for having low natural gas prices is to NOT add any more of it to our energy usage. As Pat Martin's 2<sup>nd</sup> Comment on this docket states, "the numbers offered by PUC staff describing gas prices as \$0.95 per Therm versus \$5.00 per Therm for Concord Steam may be correct for a day", but not over a 5 yr. average which was "closer to \$2.00 per Therm."  
<https://www.eia.gov/dnav/ng/hist/n3010nh3m.htm>

- The OEP's 10 Yr. State Energy Strategy is crystal clear about the need for energy diversity to avoid price volatility. And we're already over 50%.
- Yet, at the September 9 Hearing, a LU spokesman twisted that concept, stating flatly that natural gas would help us with diversity.
- In fact, as the previous Director of the OEP stated, **"Increasing reliance on one fuel, namely natural gas, is what caused the wholesale price spikes in the winter of 2013-2014 in the first place". In fact, that reliance "may increase, not decrease, the likelihood of price spikes and volatility in wholesale markets in the near-term if there are disruptions to the supply of that fuel"**.  
<https://www.puc.nh.gov/Regulatory/Docketbk/2015/15-124.html>
- And two Energy Information Administration (EIA) studies conducted for the US Department of Energy have determined that the exportation of natural gas will raise its price domestically in competition with higher profits in the overseas markets. <https://www.eia.gov/analysis/requests/fe/> And US exports of natural gas grew by 18% in 2015 according to the EIA - <https://www.eia.gov/naturalgas/importsexports/annual/>

So, although Liberty Utilities states, again and again, that natural gas will save money, the facts don't support that. Future lower prices for natural gas are NOT a given, but speculative, at best.

Please also bear in mind the message of NH Senate Bill 73 (SB 73) to identify "cost-effective measures to reduce fossil fuel consumption by 25% by 2025" (in less than 10 yrs.), plus Governor Hassan's statement when she called out the dangers of fracked gas for our climate at a public meeting in late August.

And on April 13, Governor Hassan wrote a letter to the PUC on the Access Northeast funding proposal, stating, "I strongly encourage the commission to take a broad view and thoroughly review and examine the costs and benefits of this proposal in contrast to other alternatives, including increasing small-scale renewable energy generation and increasing investments in cost-effective energy efficiency."<http://www.unionleader.com/Expanded-gas-line-Access-Northeast-is-now-the-target#sthash.upekP04x.dpuf>

The economics of the state of NH are also NOT supported by investing in Liberty Utilities, a Canadian company selling gas from PA. Our state's economy, especially the North Country, would be better served by investing in small campus wood pellet heating systems such as those offered by the non-profit, Northern Forest Center, using modern emissions technologies to eliminate emissions and bring their efficiency up to 85%. No Concord air inversion problem from them. And NH offers a statewide Pellet

Boiler rebate. Concord schools and buildings in the state campuses should enthusiastically explore this option.

One of the most glaring questions, and one that demands opposition to the approval of this petition, until new solid clarifying facts come forward, is the issue of RISK. At the Technical Meeting on 8/19/16, several attendees including myself, heard one of the LU lobbyists state that they only have enough fuel to last through 2017. That was the same claim made at hearings when LU sought PUC approval for a precedent agreement to contract for natural gas from the Northeast Energy Direct (NED) pipeline. This raises the question of serious risks for the potential effects of this petition's approval.

- Although one of their representatives testified at the 9/9/16 Hearing that they will not add more customers than they can handle and they have enough fuel contracted to cover the previous customers of CSC, how do they definitively know what the next several winters will be like? And why would they have stated that they would be out by 2017 as recently as August 19, without presenting their new supply source at the 9/9/16 Hearing?
- Why would building owners follow the advice of LU to convert to natural gas boilers, including three Concord schools, the state, and the City of Concord, when LU has recently said that they do not have signed contracts for the gas after 2017? Who will provide it?
- If they are assuming Access Northeast will be their transmission supplier, it would have to be approved, given all its state permits and be constructed by then. That leaves a lot to HOPE.
- In any case, the MA Supreme Judicial Court's ruling against any tariff for ratepayers for the costs of new pipeline expansions in MA could be a stopper for NH, too. Arguments are being made that it makes no difference, but why would the other states agree to paying the MA share on top of their own?

Bottom line: Is the PUC willing to risk the fallout from approving the Liberty/CS petition based on a set of maybes? Would the PUC seriously approve the petition based on an assumption...a possibility or even just a probability that LU will obtain the natural gas supplies they have said (August 19) they'll need after 2017, or even just enough for the CSC customers and "no more", rather than requiring them to present a substantiated in-hand contract signed with a supplier guaranteeing more than the bare minimum of adequate supplies for a specific number? This gamble needs to be further vetted.

Of course, seeing LU's expansion efforts in Pelham/Windham, Hanover/Lebanon and Merrimack, makes the hand-writing clear. They're gunning for a new transmission

pipeline from Marcellus, most likely Access Northeast. Again it must be asked, how soon could that construction be completed, even if it ever got that far? What do they think they know that we haven't been told? And if the PUC approves their petition, what must the PUC know that they haven't told the public? And if NED went down, how can anyone promise the next one won't? It IS a set of "maybes".

More time is needed to examine this entire situation. Attorney Richard Husband asked for more time for discovery. I agree. The "maybes" need to be eliminated and the "just enough fuel" is a real concern and a serious factor in how much risk the PUC would implicitly support by its approval.

**All plans should include energy efficiency upgrades/energy consumption reductions** wherever possible before conversions of any kind take place, **phasing in renewables whenever possible**, especially after solar battery storage becomes more affordable—predicted to be within 5 years.

It is indisputable that the cheapest form of energy is zero--the energy you don't use. It's also the "low hanging fruit", demanding the least amount of cash outlay for the greatest immediate return on the dollar. In fact, it is driving down demand in MA to the extent that Figure # 3 in Appendix A of the State's 10 Yr. Energy Strategy illustrates that NH will not need more natural gas up to 2032. stating below the graph that it is due to reductions in demand for our exports to MA as a result of their energy efficiency programs and installations for renewables.

Lastly, we will need to live with the choice our state makes for a long time, its model for the rest of the state and NE. And if we think that the only results of our choices will be local we're merely hiding our heads in the sand. If the PUC chooses to approve the petition, and if our state chooses natural gas we need to take responsibility for participating in the indirect but very real, tangible, cash support we are providing for the further destruction of US land and the contamination of aquifers and other water resources in the areas where the fracking and pipeline construction takes place as well as endangering the health of people living near well heads, compression stations and metering stations all along the transmission lines.

Beyond that, everyone is harmed by the continuation of pumping the engine of climate change from all the methane leaks which are known but invisible to the naked eye, yet are now being photographed and filmed by advanced infra-red cameras, as they pour out from hydraulic fracking well heads and along pipelines, old and new, including even the distribution lines—as discovered throughout the Boston area and published in the Globe, last year.

I request that the PUC or LU/CSC sponsor one additional Forum following the one on September 21 to give more people a chance to ask questions.

And I ask that you fully examine the risks and deny this petition.

Thank you for taking my comment.

Beverly Edwards

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