THE STATE OF NEW HAMPSHIRE

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Debra A. Howland Executive Director N.H. Public Utilities Commission 21 S. Fruit Street, Suite 10 Concord, NH 03301

Re: DG 17-068 Keene Declaratory Ruling; Safety Division Adequacy Assessment of Compressed Natural Gas Installation by Liberty Utilities

Dear Ms. Howland:

EnergyNorth Natural Gas d/b/a Liberty Utilities (Liberty) has proposed through various proceedings before the Commission the installation of a compressed natural gas (CNG) system and the conversion to CNG for a small portion of its existing propane/air gas distribution system in Keene. Commission Order No. 25,065 required the Safety Division to assess the adequacy of the proposed installation of a CNG storage trailer and decompression skid to supply an initial portion of the Keene system.

The Safety Division has completed its adequacy review. Our findings are enclosed in the attached report, which includes recommendations in each section for changes, improvements, and other actions to be taken before the proposed CNG system is launched. The Safety Division recommends the Commission accept the comprehensive report and require Liberty to address each concern and recommendation and to refile an amended and annotated plan that demonstrates compliance actions taken in response to the report. Upon receipt of the amended plan, the Safety Division will review the plan and recommend final approval for the commencement of the proposed conversions and supply of the Keene system. It should be noted at this time Liberty Utilities has provided enough detail to assess only Phase 1 of the overall, 5-phase conversion plan. Phase 1 includes the current distribution system serving the Monadnock Mall and Production Avenue. This phase comprises approximately 11 commercial and residential customers and approximately 20% of the current overall propane/air gas usage in Keene.

Careful scrutiny was given to this precedent-setting application to establish this type of gas distribution supply system within New Hampshire. The Safety Division surmises that, if approved, this installation approach may become a template for Liberty to use in other communities where there is no interstate pipeline or limited interstate pipeline access.

Respectfully,

/s/ Randall S. Knepper

Randall S. Knepper Director, Safety Division

cc: Docket Service List