

REVISED

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 17-152
Least Cost Integrated Resource Plan

Clark Data Requests - Set 2

Date Request Received: 6/8/18
Request No. Clark 2-1

Date of Revised Response: 6/29/18
Respondent: Francisco C. DaFonte

REQUEST:

If the pipeline, facility and related infrastructure proposed under the Granite Bridge Project are projected to have life spans ending on December 31, 2039, please state how that would impact the rates that Liberty projects ratepayers will pay as a result of the project.

REVISED RESPONSE:

The Granite Bridge pipeline would be depreciated over 55 years (and thus have, at minimum, a 55 year “life span”) and the LNG facility would be depreciated over 40 years, both of which are far in excess of the less than 20 year life span assumed in this question (neither facility will be in service by the end of 2019, so a life span ending December 31, 2039, is less than 20 years).

The Company has not calculated the rate impact of these facilities assuming depreciation lives of 20 years or less and thus cannot provide the information requested.

The Company did calculate levelized rates for these projects assuming the 55 year and 40 year depreciation lives described above, as described in the Direct Testimony of Timothy S. Lyons in Docket No. 17-198 at Bates 076R through 096R, which can be found here:
http://www.puc.state.nh.us/Regulatory/Docketbk/2017/17-198/TESTIMONY/17-198_2018-04-10_ENGI_REV_PDTESTIMONY_LYONS.PDF

The Company also calculated the bill impact for the average residential heating customer to be an increase of \$2.67 per month. *See* Attachment OCA 1-15.1 in Docket No. DG 17-198 at page 33 of 37, attached here as Attachment Clark 2-1. Had the Company calculated the bill impact using 20 year depreciation lives for these assets as suggested in the question, all else being equal, the shorter life would require the costs to be recovered over a shorter period and would increase the associated rates.

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Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 17-152

Least Cost Integrated Resource Plan

Clark Data Requests - Set 2

Date Request Received: 6/8/18
Request No. Clark 2-2

Date of Revised Response: 7/2/18
Respondent: Francisco C. DaFonte

REQUEST:

If the pipeline, facility and related infrastructure proposed under the Granite Bridge Project are projected to have life spans ending on December 31, 2049, please state how that would impact the rates that Liberty projects ratepayers will pay as a result of the project.

REVISED RESPONSE:

The Granite Bridge pipeline would be depreciated over 55 years (and thus have, at minimum, a 55 year “life span”) and the LNG facility would be depreciated over 40 years, both of which are in excess of the less than 30 year life span assumed in this question (neither facility will be in service by the end of 2019, so a life span ending December 31, 2049, is less than 30 years). The depreciable lives used for the pipeline and LNG facility are consistent with depreciable lives approved by the New Hampshire Public Utilities Commission.

The Company has not calculated the rate impact of these facilities assuming depreciation lives of 30 years or less and thus does not have the information requested.

The Company did calculate levelized rates for these projects assuming the 55 year and 40 year depreciation lives described above, as described in the Direct Testimony of Timothy S. Lyons in Docket No. 17-198 at Bates 076R through 096R, which can be found here:

http://www.puc.state.nh.us/Regulatory/Docketbk/2017/17-198/TESTIMONY/17-198_2018-04-10_ENGI_REV_PDTESTIMONY_LYONS.PDF

The Company also calculated the bill impact for the average residential heating customer to be an increase of \$2.67 per month. *See* Attachment Clark 2-1 (which is a copy of Attachment OCA 1-15.1 in Docket No. DG 17-198 at page 33 of 37). Had the Company calculated the bill impact using 30 year depreciation lives for these assets as suggested in the question, all else being equal, the shorter life would require the costs to be recovered over a shorter period and would increase the associated rates.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 17-152
Least Cost Integrated Resource Plan

Clark Data Requests - Set 2

Date Request Received: 6/8/18
Request No. Clark 2-1

Date of Response: 6/22/18
Respondent: Francisco C. DaFonte

REQUEST:

If the pipeline, facility and related infrastructure proposed under the Granite Bridge Project are projected to have life spans ending on December 31, 2039, please state how that would impact the rates that Liberty projects ratepayers will pay as a result of the project.

RESPONSE:

The proposed Granite Bridge Pipeline is depreciated over 55 years for rate making purposes, but its life expectancy is likely to be much greater than 55 years. The proposed Granite Bridge LNG facility is depreciated over 40 years for rate making purposes, but the life expectancy of the LNG facility, particularly the LNG tank, is likely to be much greater than 40 years.

For the purposes of developing an apples-to-apples comparison between the Granite Bridge Project and other capacity and supply alternatives, levelized rates were developed as described in the Direct Testimony of Timothy S. Lyons at Bates 076R through 096R.

The Company developed and described a typical bill impact for a residential heating customer in its responses to Staff 2-72 and OCA 3-11.