

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

NORTHERN UTILITIES, INC.

DOCKET NO. DG 19-___

Petition for Approval of Precedent Agreements for Westbrook Xpress Phase III Project

NOW COMES Northern Utilities, Inc. (“Northern” or the “Company”) and respectfully requests the New Hampshire Public Utilities Commission (the “Commission”) approve certain precedent agreements with Portland Natural Gas Transmission System (“PNGTS”), TransCanada Pipelines Limited (“TransCanada”) and Enbridge Gas, Inc.¹ (“Enbridge”) for a firm natural gas pipeline transportation path from Dawn, Ontario to Granite State Gas Transmission, Inc.’s (“Granite”) interconnects as part of PNGTS’ Westbrook XPress Phase III Project (the full capacity path is referred to herein as “WXP Capacity” or “WXP Project”; the precedent agreements are collectively referred to herein as the “WXP PAs” or the “Agreements”). For the reasons set forth below, the Company requests that the Commission find that the WXP PAs are prudent, reasonable and consistent with the public interest. In support hereof, the Company states as follows:

1. By this Petition and the accompanying Pre-Filed Direct Testimony of Robert S. Furino, the Company seeks approval to enter into the WXP PAs that will provide Northern the ability to transport 10,000 Dth/day of natural gas from Dawn to Granite for a 15-year initial term, with an option to extend. The projected in-service date for Westbrook XPress Phase III is November 1, 2022. Applying the Company’s latest design year forecast for the 2022-2023 gas year, approximately 4,200 Dth/day of the proposed capacity will be supported by New

¹ Formerly known as Union Gas Limited.

Hampshire Division customers.² Given the term of the Agreements and the conditions precedent contained therein, the Company respectfully asks the Commission's approval prior to the so-called "regulatory out" date for the PNGTS and Enbridge agreements – i.e., the date prior to which the Company can withdraw from the agreements without a penalty - and therefore requests that the Commission complete its review by October 31, 2019. Complete copies of the Agreements are attached to Mr. Furino's testimony as Appendix 1-A CONFIDENTIAL (PNGTS), Appendix 1-B CONFIDENTIAL (TransCanada) and Appendix 1-C CONFIDENTIAL (Enbridge).

2. Mr. Furino's testimony describes the proposed route of the WXP Project and the terms and conditions of the WXP PAs, which will increase the MDQ of long-term resources in the Company's portfolio to 99,558 Dth, an increase of 9,965 Dth³ or percent (11%), and enhance reliability and price stability for Northern's customers by moving existing receipt points away from an area where supply is declining and toward an area where supply is increasing. The proposed WXP Capacity will initially replace supply that Northern currently buys as delivered peaking supply on PNGTS or Maritimes & Northeast U.S. ("Maritimes"), which is an illiquid market due to limited supplies and competing demand from markets in Maine and Atlantic Canada, with supply that can be purchased at the Dawn Hub, a highly liquid trading point, offering access to multiple pipeline interconnects and many trading companies as well as underground storage facilities. The proposed WXP Capacity would be releasable to retail marketers under the Company's Delivery Service Terms and Conditions.

3. PNGTS' Westbrook Xpress Project will be implemented in three phases. Phase I provides 42,652 Dth/d beginning November 1, 2019. PNGTS filed their certificate application

² The Modified Proportional Responsibility Allocator, which is used to allocate demand costs, is based on Design Year utilization.

³ The WXP Capacity is 10,000 Dth/day less 0.35% fuel reimbursement to Granite.

for Phase I with the Federal Energy Regulatory Commission (“FERC”) on December 21, 2018.⁴ Phase II provides 63,242 Dth/d beginning November 1, 2021 and Phase III provides another 18,040 Dth/d beginning November 1, 2022. In total, WXP is designed to provide 123,934 Dth per day of service.⁵ Planned expansion facilities to support WXP include a new compressor to be located in Westbrook, Maine. Figure 1 in Mr. Furino’s pre-filed testimony summarizes the recent TransCanada and PNGTS projects.

4. The precedent agreements with PNGTS and with Enbridge allow Northern to terminate those agreements without liability if all approvals from jurisdictional regulatory authorities that the Company determines are necessary in connection with the WXP Capacity have not been obtained by October 31, 2019.⁶ Thus, the Company respectfully requests that the Commission conduct an expedited review of the Agreements and issue an Order by Friday, October 30, 2019 to enable Northern to provide timely notice of satisfaction of the conditions precedent (or lack thereof).

5. As described in detail in Mr. Furino’s testimony, the WXP PAs: (a) will provide cost-effective and reliable natural gas supply for Northern’s customers; (b) will reduce reliance upon delivered supplies; (c) will provide not only savings but price stability; and (d) will provide greater access to more attractive and liquid supply markets. In light of these benefits, the Company requests that the Commission open a docket to consider the WXP PAs, and find by October 30, 2019 that the WXP PAs are prudent, reasonable, consistent with the public interest and that associated costs are appropriate for recovery through Northern’s gas supply rates.

⁴ Abbreviated Application for Certificate of Public Convenience and Necessity and Presidential Permit Amendment, December 21, 2018, CP19-32.

⁵ Portland Natural Gas Transmission System presentation, NGA Regional Market Trends Forum, April 25, 2019, slide 7.

⁶ The Enbridge and PNGTS precedent agreements were amended to extend this termination right from September 30, 2019 to October 31, 2019.

WHEREFORE, Northern respectfully requests that the Commission:

- A. Open a proceeding to conduct a review of this matter and determine that Northern's decision to enter into the Westbrook Xpress Precedent Agreements is prudent, reasonable and consistent with the public interest, and that costs associated with the Westbrook Xpress Precedent Agreements are, subject to the Company's ongoing obligation to act prudently, appropriate for recovery through the Company's annually approved Cost of Gas rates;
- B. Complete the review and issue a final order no later than October 30, 2019; and
- C. Grant such other relief as is just and reasonable and consistent with the public interest.

Dated June 28, 2019.

Respectfully submitted,

NORTHERN UTILITIES, INC.

By Its Attorney,



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