

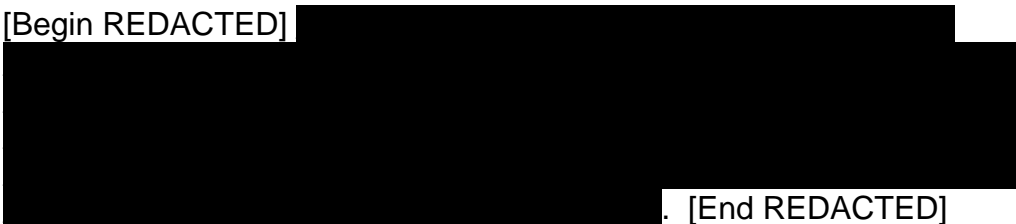
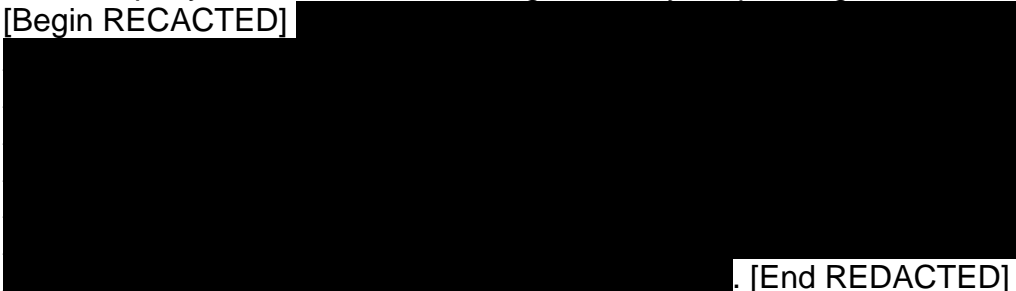
**New Hampshire Public Utilities Commission**  
**Northern Utilities, Inc.**  
**Docket No: DG 19-116**  
**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III**  
**Staff Discovery Requests - Set 1**

**Request No. Staff 1-3:**

Reference, testimony of Mr. Furino, page 43.

- a. How does the decrease in the volume of LNG deliveries to Canaport impact the ability to contract for additional supply from that facility?
- b. What inquiries did the Company regarding the availability and cost of supplies from Canaport?
- c. Did the Company run resource mix optimization analyses of any alternative supply options? If not, why not? If yes, please provide a summary of the results with a copy of the SENDOUT report/output.
- d. Please explain how the cancellation charged are treated in the Company's comparison of supply alternatives.

**RECACTED Response:**

- a. [Begin REDACTED]  . [End REDACTED]
- b. The Company issued an RFP seeking a 3 to 5 year peaking service [Begin REDACTED]  . [End REDACTED]
- c. The Company did not run the resource mix optimization in Sendout. However, the Company did analyze both alternative supply options and alternative supply volumes to that which was selected. The Company utilized the Landed Cost Analysis to compare capacity back to Dawn Hub (which was selected) to capacity back to the AECO Hub (which was not selected). This analysis is provided in the Testimony of Robert S. Furino, beginning on Page 44. The Company also analyzed the potential savings from increasing the WXP volume from 10,000 Dth to 15,000 Dth.

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This analysis is provided originally to the Maine PUC in Docket No. 2019-00101 in response to Data Request OPA 1-2 and is provided as part of the Company's response to Staff 1-2.

- d. Cancellation charges were not reflected in the Company's landed cost analysis.

**Person Responsible:** Robert S. Furino

**Date:** 8/1/2019

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 2**

**Request No. Staff 2-2:**

Have Enbridge, PNGTS, and TransCanada all made the necessary filings in order to start the regulatory approval process for the proposed capacity projects? If yes, what is the current status of each approval process? If not, when is it expected that these filings will be made and approvals received.

**REDACTED Response:**

None of the pipelines have yet filed for their approvals. The following is the current status by pipeline:

PNGTS is in the preparation phase of its regulatory application that is expected to be filed with FERC in Quarter 4 of 2019. [BEGIN CONFIDENTIAL] [REDACTED]  
[REDACTED] [END CONFIDENTIAL].

Enbridge expects to file for approval with the Ontario Energy Board in Quarter 3 of 2019. [BEGIN CONFIDENTIAL] [REDACTED]  
[END CONFIDENTIAL].

TransCanada expects to file for approval with the National Energy Board of Canada by the end of 2019 and [BEGIN CONFIDENTIAL] [REDACTED]  
[END CONFIDENTIAL].

**Person Responsible:** Robert S. Furino

**Date:** August 19, 2019

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 2**

**Request No. Staff 2-5:**

Please provide the following:

- a. Please identify decision points in the schedules when the Company will evaluate whether to proceed with the agreements or not.
- b. Please provide details of the decision-making process of the Company that will be used to evaluate whether to initiate a cancellation event.
- c. Please explain what criteria will be used in the decision-making. If the criteria are different at each decision point, please identify the differences.

**REDACTED Response:**

Regarding the PNGTS Precedent Agreement, [BEGIN CONFIDENTIAL]

[END CONFIDENTIAL]

Regarding the TransCanada Precedent Agreement, pursuant to Article 10 of Appendix 1-B, the Company has the right terminate the Precedent Agreement at any time and would incur Cancellation Charges accrued at that time.

Regarding the Enbridge Precedent Agreement, [BEGIN CONFIDENTIAL]

[END CONFIDENTIAL]

- a. The Company cannot foresee all circumstances under which it might seek to terminate one or more of the precedent agreements early. [BEGIN CONFIDENTIAL]

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 2**

[REDACTED]  
[END CONFIDENTIAL]

- b. The Company has not formalized a decision-making process for assessing termination of its participation in the projects, but anticipates [BEGIN CONFIDENTIAL]

[REDACTED]  
[END CONFIDENTIAL]

- c. Specific decision-making criteria have not been developed. Project cancellation or a failure to obtain regulatory approval on the part of one of the pipelines would jeopardize the capacity path and unless a viable replacement project is anticipated, early termination by Northern of the other projects may be viable although the consequences would need to be weighed carefully. Once regulatory approvals for all projects have been obtained, the risk of cancellation would drop significantly and the cost of an early termination would increase significantly as the pipelines ramp up their spending.

**Person Responsible:** Robert S. Furino

**Date:** August, 19, 2019

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 2**

**Request No. Staff 2-6:**

Has the Company been party to similar agreement or have projects been subject to cancellation fees (or a similar cost arrangement)?

- a. Please provide a brief summary of the projects and corresponding arrangements.
- b. In any of the cases, did the company face the consequences of fees or costs? If yes, please provide details, including the recovery mechanism used.

**REDACTED Response:**

Yes, the Company was party to a similar precedent agreement with TransCanada in 2015.

- a. In February 2015, Northern entered into a precedent agreement with TransCanada for service on the Vaughan project. Northern's participation in this project was tied to a turnback of capacity whereby Northern replaced Parkway to Waddington capacity with Parkway to East Hereford capacity. The contract quantity was 6,333 GJ/day. [BEGIN CONFIDENTIAL] [REDACTED]. [END CONFIDENTIAL].
- b. No cancellation charges or fees for pre-service costs have been incurred.

**Person Responsible:** Robert S. Furino

**Date:** August 19, 2019

DG: 19-116  
Exhibit:  
Date:  
H.O.:

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 2**

**Request No. Staff 2-9:**

Please identify and provide the total costs that Northern will have paid and/or would be required to pay if it does not receive satisfactory regulatory approvals of its agreements by October 31, 2019 and terminates its agreements.

**REDACTED Response:**

If Northern does not receive regulatory approval by October 31, 2019 and terminates the three precedent agreements, it will [BEGIN CONFIDENTIAL] [REDACTED]

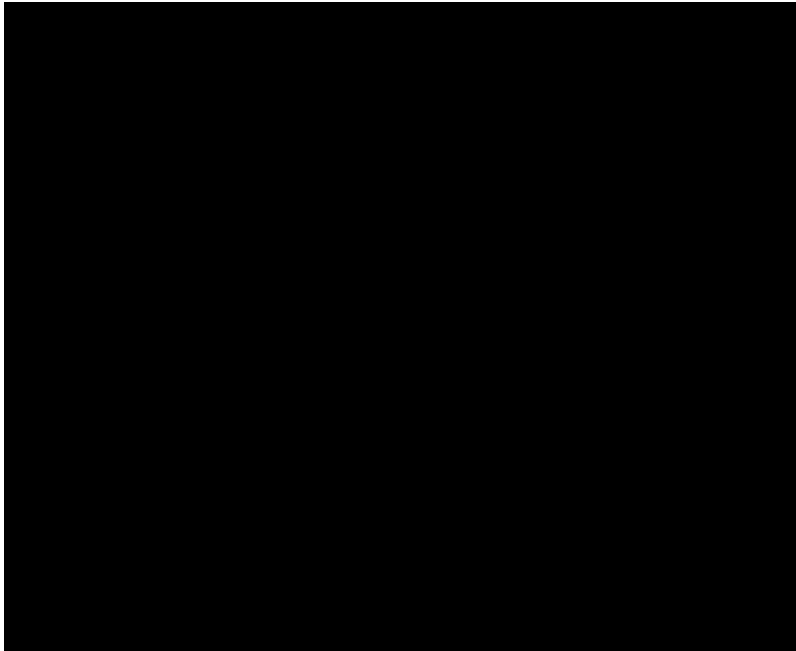
[REDACTED] [END

CONFIDENTIAL] is shown on Appendix 1-B, page 33, Schedule 1.

**Person Responsible:** Robert S. Furino

**Date:** August 19, 2019

# REDACTED

			Annual Demand Cost Estimates				
Year	From	To	PNGTS	TransCanada	Enbridge	Total	
1	Nov-22	Oct-23					
2	Nov-23	Oct-24					
3	Nov-24	Oct-25					
4	Nov-25	Oct-26					
5	Nov-26	Oct-27					
6	Nov-27	Oct-28					
7	Nov-28	Oct-29					
8	Nov-29	Oct-30					
9	Nov-30	Oct-31					
10	Nov-31	Oct-32					
11	Nov-32	Oct-33					
12	Nov-33	Oct-34					
13	Nov-34	Oct-35					
14	Nov-35	Oct-36					
15	Nov-36	Oct-37					
		Total					



DG: 19-116  
Exhibit:  
Date:  
H.O.:

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 4/TS**

**Request No. Staff 4-1:**

Please provide annual cost estimates, including annual demand costs, for each agreement during the contract period.

**Response:**

CONFIDENTIAL Staff 4-1 Attachment provides the requested data.

**Person Responsible:** Robert S. Furino

**Date:** Sept. 3, 2019

REDACTED

Estimate of Cumulative WXP III Contracts Cancellation / Pre-Service Cost Exposure to Northern (\$000)

Quarter	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Date	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22

Enbridge (\$CN) <sup>1</sup>	[REDACTED]															
TransCanada (\$CN) <sup>2</sup>	[REDACTED]															

Enbridge (\$US) <sup>3</sup>	[REDACTED]															
TransCanada (\$US) <sup>3</sup>	[REDACTED]															
PNGTS (\$US) <sup>4</sup>	[REDACTED]															

Cumulative Exposure (\$US)	[REDACTED]															
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Enbridge, TransCanada Exposure (\$US)	[REDACTED]															
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- 1/ As of July 2019
- 2/ As of February 2019
- 3/ Assumes 0.7501 \$CA to \$US exchange rate.
- 4/ As of August 2019

REDACTED

## Enbridge Precedent Agreement Timeline

Indicates Northern's Decision

Indicates Enbridge's Decision

Quarter	Date	Event	Decision	Financial Consequence if Terminated	Status	Reference
[REDACTED]						

CONFIDENTIAL

## TransCanada Precedent Agreement Timeline

Indicates Northern's Decision

Indicates TransCanada's Decision

Quarter	Date	Event	Decision	Financial Consequence if Terminated	Status	Reference

## PNGTS Precedent Agreement Timeline

Indicates Northern's Decision  
Indicates PNGTS' Decision

Quarter	Date	Event	Decision	Financial Consequence if Terminated	Status	Reference
[REDACTED]						

REDACTED  
 UPDATED

Estimate of Cumulative WXP III Contracts Cancellation / Pre-Service Cost Exposure to Northern (\$000)

Quarter	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Date	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22

Enbridge (\$CN) <sup>1</sup>	[REDACTED]															
TransCanada (\$CN) <sup>2</sup>	[REDACTED]															

Enbridge (\$US) <sup>3</sup>	[REDACTED]															
TransCanada (\$US) <sup>3</sup>	[REDACTED]															
PNGTS (\$US) <sup>4</sup>	[REDACTED]															

Cumulative Exposure (\$US)	[REDACTED]															
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Enbridge, TransCanada Exposure (\$US)	[REDACTED]															
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1/ As of July 2019

2/ As of September 2019

3/ Assumes 0.7501 \$CA to \$US exchange rate.

4/ As of August 2019

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 4/TS**

**Request No. Staff 4-2:**

Please provide a timeline for the PNGTS, TransCanada, and Enbridge agreements that includes:

- a. Decision points for the pipeline;
- b. Decisions points for shippers;
- c. Decision points for Northern; and
- d. Financial consequences related to each decision point.

Please create a single timeline that indicates a, b, and c, in addition to separate timelines for each of the three agreements.

**REDACTED Response:**

- a. Please refer to CONFIDENTIAL Staff 4-2 Attachment. The Attachment provides a consolidated summary of the exposure schedules for each of the three Precedent Agreements along with a separate timeline of events, decision points and financial consequences for each Precedent Agreement.

■ Northern does not have definitive information regarding other shippers. On the Enbridge project, [BEGIN CONFIDENTIAL]

[END CONFIDENTIAL]

- c. Please see response to part a.
- d. Please refer to CONFIDENTIAL Staff 4-2 Attachment. Decision points identified in the timeline for each Precedent Agreement can be referenced to the consolidated summary of exposure to identify the estimated financial consequences.

**Person Responsible:** Robert S. Furino

**Date:** Sept. 3, 2019

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 4/TS**

**Request No. Staff 4-2:**

Please provide a timeline for the PNGTS, TransCanada, and Enbridge agreements that includes:

- a. Decision points for the pipeline;
- b. Decisions points for shippers;
- c. Decision points for Northern; and
- d. Financial consequences related to each decision point.

Please create a single timeline that indicates a, b, and c, in addition to separate timelines for each of the three agreements.

**RECACTED Response:**

- a. Please refer to CONFIDENTIAL Staff 4-2 Attachment. The Attachment provides a consolidated summary of the exposure schedules for each of the three Precedent Agreements along with a separate timeline of events, decision points and financial consequences for each Precedent Agreement.
- b. Northern does not have definitive information regarding other shippers. On the Enbridge project, [BEGIN CONFIDENTIAL]

[END CONFIDENTIAL]

- c. Please see response to part a.
- d. Please refer to CONFIDENTIAL Staff 4-2 Attachment. Decision points identified in the timeline for each Precedent Agreement can be referenced to the consolidated summary of exposure to identify the estimated financial consequences.

**Person Responsible:** Robert S. Furino

**Date:** August 30, 2019

**Supplemental Response:**

Please see the Company's CONFIDENTIAL Supplemental Staff 4-2 Attachment.

**Person Responsible:** Robert S. Furino

**Date:** October 10, 2019



**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 4/TS**

**Request No. Staff 4-3:**

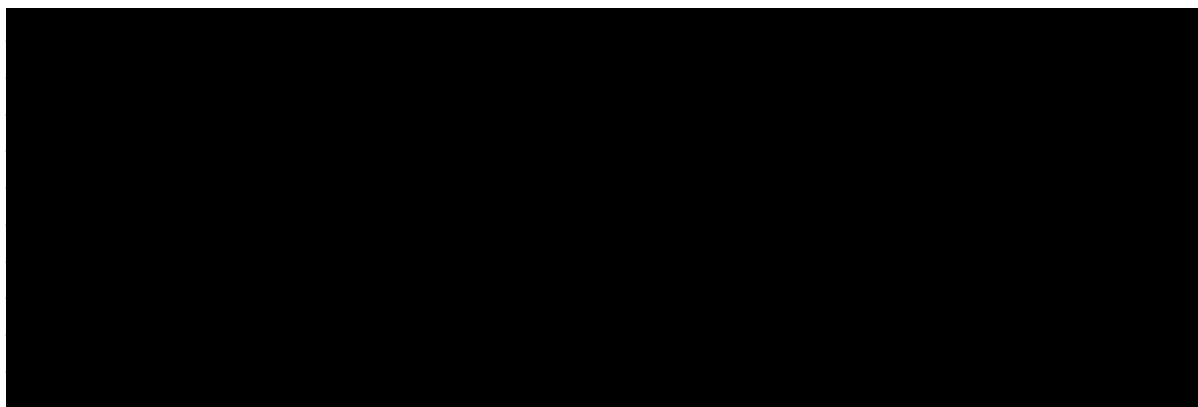
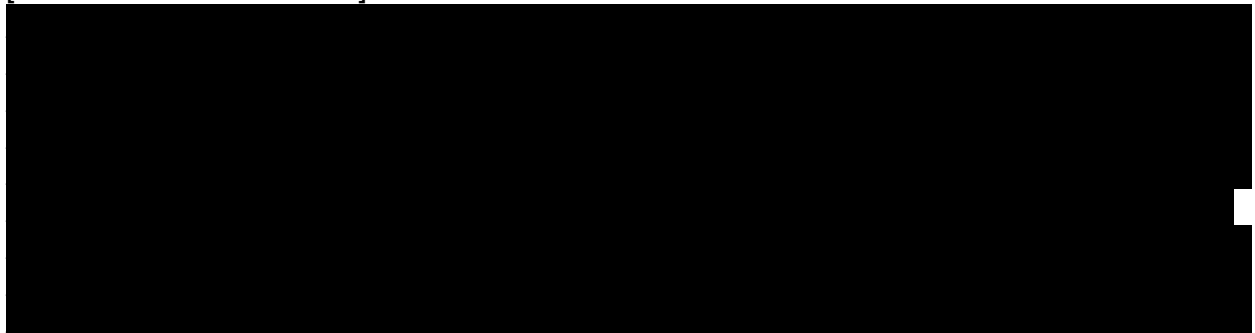
For each decision point, please provide a decision tree that includes a best estimate of the probability of each outcome, resource plans, and costs.

**REDACTED Response:**

Although each of the three precedent agreements have different terms, timing of decision points and financial consequences, Northern would take into account the combined impacts and future mitigation opportunities, as well as prospects for future projects to add or replace any planned capacity that may not be built under the proposed agreements when making decisions. The comments below reflect the Company's current approach given its understanding of the status of each project and the structure of the agreements. The Company will adapt its approach as it deems appropriate as the approval processes and project development move forward.

Enbridge

[BEGIN CONFIDENTIAL]



DG: 19-116  
Exhibit:  
Date:  
H.O.:

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 4/TS**

[REDACTED]

[REDACTED]

[REDACTED] [END

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TransCanada

[BEGIN CONFIDENTIAL]

[REDACTED]

[REDACTED]

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 4/TS**

[REDACTED]

[REDACTED]

[REDACTED]

[END CONFIDENTIAL]

PNGTS

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 4/TS**

[REDACTED]

[REDACTED]

[END CONFIDENTIAL]

Summary

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

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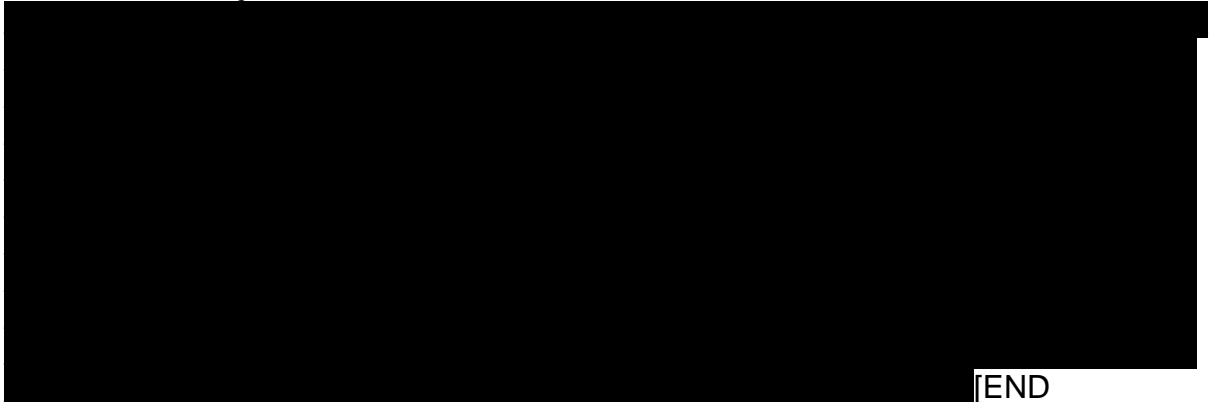
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DG: 19-116  
Exhibit:  
Date:  
H.O.:

**Northern Utilities d/b/a Unitil  
Department of Public Utilities  
Docket No: DG 19-116**

**Petition for Approval of Precedent Agreement for Westbrook Xpress Phase III  
Staff Discovery Requests - Set 4/TS**



[END

CONFIDENTIAL]

Lastly, regular communication with the pipelines regarding their respective efforts to obtain regulatory approval and land use permits, as well as to obtain updated cost estimates, will be a key aspect of Northern's ongoing management of the Precedent Agreements.

**Person Responsible:** Robert S. Furino

**Date:** Sept. 3, 2019

