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

DG 21-127
Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22 Date of Response: 4/29/22
Request No. RR 2-1 Respondent: Deborah Gilbertson

REQUEST:

Provide a table showing every charge that Granite Ridge has paid to Liberty in the last five years in addition to the contractually set charge for transmission under the terms of the existing special contract/transportation agreement, including any demand charges, variable charges, and Local Distribution Adjustment Clause (LDAC) charges (broken down by LDAC charge component) pursuant to Liberty's applicable tariff.

RESPONSE:

The table below shows every charge that Granite Ridge has paid Liberty in the past five years, which are the charges provided for in the existing Commission-approved special contract.

Note that the only charges called for under the existing special contract are (1) a fixed demand charge, which is subject to an inflation escalator each year, that does not depend on the quantity of gas delivered, and (2) a charge of $0.01/Dth for any gas delivered in excess of 32,000,000 Dth per contract year, which is imposed only in those years that Granite Ridge exceeds that threshold.

The Order approving the existing Special Contract adopted a term in the settlement agreement that called for the Company to "allocate 1.75% of the annual revenues from the Transportation Agreement as a credit to [the Company's] deferred account for expenses relating to remediation of manufactured gas contamination …." Order No. 23,657 at 23 (March 22, 2001). Thus, the environmental "charge" is not a separate charge to Granite Ridge but merely a Company allocation of a portion of the demand charges.

	2017	2018	2019	2020	2021
Jan	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Feb	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Mar	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Apr	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
May	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Jun	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Jul	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Aug	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Sep	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Oct	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Nov	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Dec	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

The shaded or redacted information above consists of the demand charges Granite Ridge has paid over the past five years, which information was granted confidential treatment in Order No. 23,661 (Mar. 23, 2001) as pricing information that is "confidential, commercial, or financial information" and is protected from disclosure by RSA 91-A:5, IV. Therefore, pursuant to that statute and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confirmation that this remains confidential prior to the final hearing in this docket.

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

DG 21-127
Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22 | Date of Response: 4/29/22
Request No. RR 2-2 | Respondent: Deborah Gilbertson

REQUEST:

Provide a table showing every charge that Granite Ridge would pay to Liberty over the next five years if the proposed 2021 GTA special contract were to be approved, in addition to the contractually set charge for transmission under the proposed 2021 GTA special contract, including any demand charges, variable charges, and LDAC charges (broken down by LDAC charge component) pursuant to Liberty's applicable tariff.

RESPONSE:

The proposed 2021 GTA between the Company and Granite Ridge Energy, LLC ("Granite Ridge") only contains a fixed demand charge, it does not conform to the Company's existing distribution tariff and thus does not include the tariff's various charges. That is why the 2021 GTA has been filed for approval as a "Special Contract" because of the "off-tariff" rate and unique service being provided to Granite Ridge via a dedicated gas transmission line built initially to serve the Granite Ridge power plant exclusively.

The off-tariff rate agreed to in the proposed 2021 GTA is a fixed demand charge paid to Liberty and credited to its customers monthly regardless of how much gas is utilized by Granite Ridge. The fixed demand charge is escalated by 2 percent each year while the GTA is in effect. The GTA does not call for Granite Ridge to separately pay any other charges. The table below provides the monthly and annual demand charge for each of the first five years of the proposed GTA.

Table RR 2-2: Five-Year Monthly and Annual Demand Charge

	Year 1	Year 2	Year 3	Year 4	Year 5
Monthly Demand Charge	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Annual Demand Charge	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

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

DG 21-127

Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22
Request No. RR 2-3

Date of Response: 4/29/22
Respondent: Deborah Gilbertson

REQUEST:

In record request response 1-1, Liberty stated that "… the Company will collect Granite Ridge's share of the MGP costs through the LDAC." Liberty's tariff, however, states that special contract customers are exempt from the Environmental Surcharges, which include any MGP costs allowable in the LDAC. See NHPUC Tariff NO. 10 at second revised page 38, NHPUC Tariff NO. 11 at original page 39. In addition to accurately demonstrating how Granite Ridge has been and might be charged in questions one and two above, provide a narrative description stating why Environmental Surcharges are or are not applicable to Granite Ridge.

RESPONSE:

As referenced in the above question and as contained in the body of the Special Contract, Granite Ridge will not be assessed the LDAC and thus will not directly contribute toward a share of the environmental surcharge that is a component of the LDAC. The Company's response to RR 1-1 was thus incorrect. However, as the Special Contract's Fixed Demand Charge ("FDC") well exceeds the revenue requirement associated with Liberty's construction of the Londonderry Lateral, the FDC will continue to lower all customers' bills.

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

DG 21-127
Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22 | Date of Response: 4/29/22
Request No. RR 2-4 | Respondent: Deborah Gilbertson

REQUEST:

In support of its petition in Docket DG 00-145, the Company stated that "Perhaps, the most important benefit that [Liberty]'s customers will receive from the AES relationship is the additional gas supply that will become available under the Peaking Agreement. The Peaking Agreement is expected to provide significant gas cost savings because it will provide [Liberty] with considerable flexibility in managing its peaking resources." Exh. 5 at 10-11, Docket DG 00-145. The Commission went on to state "The most important benefit that [Liberty]'s customers will receive from the AES relationship is the additional gas supply that will become available under the Peaking Agreement. The Peaking Agreement is expected to provide significant gas cost savings because it will provide [Liberty] with considerable flexibility in managing its peaking resources." Order No. 23,657 at 27–28 (March 22, 2001)

a. Did the Company perform any analysis to determine whether such stated benefits were achieved? If yes, please provide all analysis done in this context with supporting live models/schedules/workpapers.
b. Please provide yearly customer transaction details (rates, volumes, totals etc. in live Excel format) related to the peaking agreement (reference sections 4.1 – 4.6), including but not limited to demand charges (rates and total), hourly commodity charges (gas volume, rates, and total), and any other customer billing determinants.
c. Please provide analyses of the yearly benefits achieved for Liberty customers with all data, assumptions, and supporting models/schedules/workpapers in live Excel format.

RESPONSE:

a. The referenced Peaking Agreement expired prior to Liberty's purchase of EnergyNorth Natural Gas, Inc. from National Grid and subsequent management of EnergyNorth's gas supply portfolio, and the Company does not have access to the National Grid data that would allow an analysis of the Peaking Agreement. Thus, the Company did not perform any analysis as to the achieved benefits of the expired Peaking Agreement.
b. See the Company's response to a above.
c. See the Company's response to a above.

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

DG 21-127
Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22	Date of Response: 4/29/22
Request No. RR 2-5	Respondent: Heather Tebbetts

REQUEST:

Reference DG 00-145, Exhibit 9, Attachment ALS-1 (AES Financial Model) providing detailed calculations of projected benefit-cost for both transportation and peaking agreements.

a. Please compare the projected benefit-cost with the actual benefits and costs realized to date. Please provide all supporting models/schedules/workpapers in live Excel format.

b. Please update the model for the future years (2022-2040) with the latest available data.

RESPONSE:

a. Exhibit 9, Attachment ALS-1 provided testimony and a series of financial analyses under various scenarios in connection with both the peaking and transportation agreements as proposed in the 2000–2001 timeframe. As stated in the response to RR 2-4 (a), the Company does not have access to the National Grid data that would allow an updated benefit-cost analysis of the agreements through 2012. Further, since acquiring EnergyNorth Natural Gas, Inc., Liberty has not received any benefit from the peaking agreement. Therefore, the Company is unable to provide a comparison of the projected benefits and costs from the 2001 model with the actual benefits and costs realized to date.

b. As stated in the response to part a, the Company has not performed a similar peaking benefit analysis as was presented in ALS-1; Liberty is not claiming a peaking benefit in the current proposed contract, which does not have any provisions related to a peaking service. However, the Company is able to provide a current revenue requirement model beginning in 2012, when Liberty acquired EnergyNorth, and can compare the annual revenue requirement against the annual contract payments as proposed in the new transportation agreement to demonstrate that the annual contract payment received from Granite Ridge exceeds the annual revenue requirement, providing a value to customers. The revenue requirement calculation begins in 2012 when Liberty acquired EnergyNorth and is based on the undepreciated value of the lateral at that time plus an estimate of the annual O&M costs to survey the line. Please see Confidential Attachment RR 2-5.xlsx for the revenue requirement for the years 2022 through 2040, tab "Rev Req 2022-2040."

Confidential Attachment RR 2-5.xlsx contains the demand charge in the 2000 Agreement and the demand charge in the 2021 Agreement, which charges are pricing information that is "confidential, commercial, or financial information" and thus protected from disclosure by RSA 91-A:5, IV. The Commission granted confidential treatment of the demand charges in the 2000 Agreement in Order No. 23,661 (Mar. 23, 2001), and the Company has sought confidential treatment of the demand charges in the 2021 Agreement. Therefore, pursuant to that statute and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confirmation that this remains confidential prior to the final hearing in this docket.

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

DG 21-127
Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22	Date of Response: 4/29/22
Request No. RR 2-6	Respondent: Heather Tebbetts

REQUEST:

Provide the annual amount paid by AES/Granite Ridge to Liberty, with a logical breakdown of the major payment components, from 2001. Compare these figures to the annual amount spent by Liberty to build and maintain the pipeline. Calculate the Net Present Value using Liberty's current Weighted Average Cost of Capital.

RESPONSE:

The annual amount paid by AES/Granite Ridge to Liberty can be found in the Company's response to RR 2-5 in Confidential Attachment RR 2-5.xlsx, along with the net present value calculations on tab Contract Charges. The Company does not have records from prior to 2012. The total charges during the period of 2012 through 2021 are [redacted], with a net present value of $367,504 for all costs and benefits.

The information marked above contains the demand charge in the 2000 Agreement and the demand charge in the 2021 Agreement, which charges are pricing information that is "confidential, commercial, or financial information" and thus protected from disclosure by RSA 91-A:5, IV. The Commission granted confidential treatment of the demand charges in the 2000 Agreement in Order No. 23,661 (Mar. 23, 2001), and the Company has sought confidential treatment of the demand charges in the 2021 Agreement. Therefore, pursuant to that statute and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confirmation that this remains confidential prior to the final hearing in this docket.

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

DG 21-127
Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22
Request No. RR 2-7

Date of Response: 4/29/22
Respondent: Heather Tebbetts

REQUEST:

Provide the Liberty revenue requirement attributable to Granite Ridge by year, from 2001.

RESPONSE:

Please see Confidential Attachment RR 2-5.xlsx for the revenue requirement calculation. The Company does not have records prior to 2012 and as such has calculated a revenue requirement based on the undepreciated value from 2012.

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

DG 21-127
Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22	Date of Response: 4/29/22
Request No. RR 2-8	Respondent: Catherine McNamara

REQUEST:

Beginning in 2001, provide the actual depreciation schedule (yearly plant balance, additions, retirements, etc.) and forecasted depreciation to end-of-life of the Londonderry Lateral in live Excel format with all formulae and calculations intact.

RESPONSE:

See Attachment RR 2-8.xlsx.

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

DG 21-127
Petition to Approve Special Contract with Granite Ridge Energy, LLC

New Hampshire Public Utilities Commission Record Requests - Set 2

Date Request Received: 4/8/22	Date of Response: 4/29/22
Request No. RR 2-9	Respondent: Deborah Gilbertson

REQUEST:

Provide illustrative bills for the Granite Ridge over the past twelve months had the Granite Ridge been enrolled on Liberty's applicable Commission-approved tariff. Provide a comparison of those illustrative bills to the actual revenues collected over the same time period.

RESPONSE:

Please see Confidential Attachment RR 2-9 for a comparison of the demand charges to be paid under the Special Contract to what Granite Ridge would have been charged over the past 12 months under the rate that would be applicable to Granite Ridge (G-53), which governs our largest customer and applies to those who use over 100,000 therms annually and whose winter consumption is not more than 67% of the annual load. Note that Granite Ridge's volumes for the annual period were [redacted] therms. This very large usage renders it unworkable for Liberty to treat Granite Ridge as a typical customer who could be served by Liberty under all provisions of its tariff. The tariff requires Liberty to balance transportation customers when the delivered volumes of natural gas do not match the consumed volumes. This balancing activity is performed through the use of Company assets such as underground storage. A power plant like Granite Ridge uses volumes far in excess of EnergyNorth's entire system on most days and thus Liberty should not be exposed to the risks involved in balancing Granite Ridge's activity, and therefore Granite Ridge needs to be served under terms outside the tariff. The Londonderry Lateral was built exclusively for Granite Ridge 20 years ago as a means to get gas to the plant. They are separate from EnergyNorth and are not entitled to any of the tariff's balancing provisions that Liberty performs for other customers as that would be untenable.

The information shaded or redacted above and in Confidential Attachment RR 2-9 contains the demand charge in the Special Contract, for which the Company filed a motion for confidential treatment at the outset of this docket. The information is "is pricing information that is "confidential, commercial, or financial information" that is protected from disclosure by RSA 91-A:5, IV. Granite Ridge's annual and monthly usage is also confidential customer information protected by that statute and by RSA 363:37. Therefore, pursuant to that statute and Puc 203.08(d), the Company has a good faith basis to seek confidential treatment of this information and will submit a motion seeking confidential treatment prior to the final hearing in this docket.

	G-53 Distribution Charge Per Tariff			GRANITE RIDGE POWER PLANT
Month	Therms		Bill Amount	Contract Demand Charge
Apr-21	[redacted]	$	3,896,693.49	[redacted]
May-21		$	5,266,751.97	
Jun-21		$	6,600,494.52	
Jul-21		$	6,383,834.94	
Aug-21		$	3,969,548.03	
Sep-21		$	3,291,563.51	
Oct-21		$	3,288,893.96	
Nov-21		$	3,329,794.30	
Dec-21		$	3,247,052.32	
Jan-22		$	4,011,013.02	
Feb-22		$	4,175,492.57	
Mar-22		$	5,489,611.18	
	[redacted]	$	52,950,743.81	[redacted]
Dth's	[redacted]			

The 2021 Agreement does not have the same limitation as Section 4.3 above, which specifically acknowledges Liberty's ability to serve new customers off the Londonderry Lateral: "WHEREAS, Liberty desires to connect its distribution facilities to the Pipeline upstream of the Facility and ultimately take delivery of up to 1,667 Dth/hr (the "Upstream Liberty Volume") via such new connection." 2021 Special Contract at 1. Liberty's ability to serve additional customers is secure under the 2021 Agreement.

If the Commission does not approve the 2021 Special Contract, then the 2000 Agreement will remain in place with the above limitations. Both parties have the right to terminate the 2000 Agreement which would likely lead to the negotiation of a new contract. Whether Liberty acquires the right to serve new customers off the Londonderry Lateral as a result of those new negotiations is unknown, although that would certainly be an important goal that Liberty would pursue in those negotiations.