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September 30, 2021

Dianne Martin, Chairwoman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301-2429

Re: DG 21-127, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
Petition to Approve Special Contract with Granite Ridge Energy, LLC
Statement of Position of Department of Energy

Dear Chairwoman Martin:

In Order No. 26,518 (September 14, 2021), the Commission set September 30, 2021 as the deadline for the Department of Energy (and the Office of the Consumer Advocate) to provide input on Liberty's Petition in the Matter for Approval of a Special Contract with Granite Ridge Energy, LLC.. Pursuant to that Order, the Department of Energy states its support for approval of the 2021 Special Contract, as filed. Underlying the Department of Energy's support are the following:

The 2021 Special Contract essentially continues a transportation contract that was approved by the Commission, with support from the Commission Staff, in 2001 (See Order No. 23,657 in DG 00-145).

The 2021 Special Contract provides Liberty with additional flexibility concerning its existing lateral gas line which serves Granite Ridge. Specifically, the 2021 Special Contract allows Liberty to use this lateral to serve other customers, whereas the prior contract prohibited such use. Liberty states that it will use this flexibility to optimize use of additional capacity it had recently contracted with Tennessee Gas Pipeline Company (See DG 21-008), by tapping into the lateral to distribute gas to other customers in the Manchester and Nashua areas.

The demand charges Liberty will receive under the 2021 Contract will be adjusted upward annually for inflation.

Liberty states that demand charges collected under the 2001 Contract have far exceeded the original cost of the lateral to serve Granite Ridge and that the revenues from the 2021 Contract will exceed Liberty's cost to provide service to Granite Ridge.

No new investments by Liberty are needed to provide service to Granite Ridge under the 2021 Contract.

Accordingly, the Department of Energy supports approval of Liberty's petition in this matter. Consistent with the Commission's *Temporary Changes in Filing Requirements* (March 17, 2020), this letter is being filed solely in electronic form.

Thank you for your attention to this matter.

Sincerely,

/s/ *Paul B. Dexter*

Paul B. Dexter
Staff Attorney/Hearings Examiner

Cc: Service List