

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 21-127

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. d/b/a LIBERTY

Petition to Approve Special Contract with Granite Ridge Energy, LLC

**Order Granting Granite Ridge Energy, LLC's Motion for Rehearing and
Clarification of Order No. 26,671**

ORDER NO. 26,712

October 24, 2022

I. BACKGROUND AND PROCEDURAL HISTORY

In Order No. 26,671 (August 25, 2022) (Order 26,671), the Commission approved a gas transportation agreement (Agreement) between Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (Liberty) and Granite Ridge, LLC (Granite Ridge), as well as the first term of the Agreement. The Commission approved the Agreement as a special contract pursuant to RSA 378:18.

On September 23, 2022, Granite Ridge filed a Motion for Rehearing of Order 26,671 (Motion). On September 27, 2022, Liberty filed a letter in support of Granite Ridge's Motion.

Order 26,671, Granite Ridge's Motion, and related docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at: <https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-127.html>.

II. POSITIONS OF THE PARTIES

a. Granite Ridge, LLC

Granite Ridge argued that the Commission should grant rehearing to approve not only the Agreement, but also Granite Ridge's contractual renewal options. In

support of its position, Granite Ridge made several arguments. First, Granite Ridge argued that the Commission misinterpreted the Contract as having an expiration date of October 31, 2026. Second, Granite Ridge noted that the Commission has approved special contracts with lengthy terms in the past, citing to Order No. 25,268 (September 9, 2011) and Order No. 24,122 (February 6, 2003). Third, Granite Ridge argued that not approving the contract extension options will diminish its value, stating that the lack of such approval will impact its bidding strategy when participating in ISO-NE's forward capacity auction, which may inadvertently result in an exacerbation of the region's energy challenges.

Granite Ridge went on to propose that the Commission could meet its stated regulatory purposes while also approving its extension options by approving the gas transportation agreement on rehearing subject to reporting requirements and on the condition that Liberty's other customers not subsidize Granite Ridge during contract renewal terms.

b. Liberty

Liberty's September 27, 2022, letter generally supported Granite Ridge's Motion.

III. COMMISSION ANALYSIS

The Commission may grant rehearing or reconsideration for "good reason" if the moving party shows that an order is unlawful or unreasonable. RSA 541:3; RSA 541:4; *Rural Telephone Companies*, Order No. 25,291 (November 21, 2011); *see also Public Service Company of New Hampshire d/b/a Eversource Energy*, Order No. 25,970 at 4-5 (December 7, 2016). A successful motion must establish "good reason" by showing that there are matters that the Commission "overlooked or mistakenly conceived in the original decision," *Dumais v. State*, 118 N.H. 309, 311 (1978) (quotation and citations

omitted), or by presenting new evidence that was “unavailable prior to the issuance of the underlying decision,” *Hollis Telephone Inc.*, Order No. 25,088 at 14 (April 2, 2010). A successful motion for rehearing must do more than merely restate prior arguments and ask for a different outcome. *Public Service Co. of N.H.*, Order No. 25,970, at 4-5 (citing *Public Service Co. of N.H.*, Order No. 25,676 at 3 (June 12, 2014); *Freedom Energy Logistics*, Order No. 25,810 at 4 (September 8, 2015)).

We note that Granite Ridge did not participate in the underlying proceeding despite the Agreement’s protracted term and the multiple rounds of Commission record requests seeking historical information that Liberty was not able to provide and stated was unavailable. The Commission encourages Granite Ridge to participate in dockets that directly affect its interests and to offer any relevant information it has available into the record.

The Commission neither misinterpreted the Agreement nor amended the Agreement’s inter-company terms. As noted in Order 26,671 at 8, if Granite Ridge exercises its renewal option, then Liberty would have been compelled to seek the Commission’s approval of the Agreement’s renewal as a special contract. Whether cast as a reporting requirement, compliance filing, conditional approval, or requirement for future discreet approval, the Commission's intent is to ensure that the terms of the Agreement are and remain just and consistent with the public interest. This aim is not served without continuing oversight. As was demonstrated in this matter, a key term to the prior special contract was abandoned shortly after its approval, no further substantive Commission review appears to have taken place for approximately 20 years, and the utility could not provide key documentation of the actual outcomes of the prior arrangement.

We conclude that our concerns and oversight responsibilities can be addressed by alternative means, and therefore find that good cause has been shown to grant rehearing. We grant rehearing to refine the Commission's future oversight as a conditional approval subject to ratepayer's not subsidizing Granite Ridge's operations during any renewal period and reporting requirements. This is the alternate method of providing additional review and process at contract renewal junctures as proposed by Granite Ridge. Motion at page 20. Neither this order, nor Order No. 26,671 as modified by this order, authorize Liberty to recover from its ratepayers any revenue loss resulting from the Agreement. We reserve the right to address this issue should it arise in the future.

Finally, with respect for Granite Ridge's request for clarification relating to the first amendment to the special contract filed August 27, 2021, we clarify that Order No. 26,518 (September 14, 2021) approved both the extension of the underlying special contract and the first amendment to the instant contract. As such, we clarify that the first amendment to the gas transportation agreement approved by Order 26,671 is approved pursuant to Order No. 26,518.

Based upon the foregoing, it is hereby

ORDERED, that Granite Ridge, LLC's Motion for Rehearing and Clarification of Order No. 26,671 is GRANTED as discussed herein; and it is

FURTHER ORDERED, that Order No. 26,671 is modified to conditionally approve the Agreement, inclusive of its terms of extension or renewal, subject to Liberty's ratepayers not subsidizing Granite Ridge's operations during any renewal period; and it is

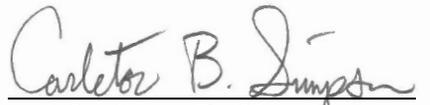
FURTHER ORDERED, that Liberty shall file with the Commission a Revenue Requirement Model and a Depreciation Schedule consistent with the spreadsheets

submitted as Exhibits 6a and 6b in this matter 60 days prior to the effective date of any contract extension or renewal.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of October, 2022.



Daniel C. Goldner
Chairman



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 21-127

Printed: 10/24/2022

Email Addresses

ClerksOffice@puc.nh.gov
Energy-Litigation@energy.nh.gov
paul.b.dexter@energy.nh.gov
thomas.c.frantz@energy.nh.gov
deborah.gilbertson@libertyutilities.com
whewitt@HewittLegalAdvisors.com
maureen.karpf@libertyutilities.com
bill.killeen@libertyutilities.com
donald.m.kreis@oca.nh.gov
David.Lamoreaux@Calpine.com
catherine.mcnamara@libertyutilities.com
Erica.Menard@libertyutilities.com
amanda.o.noonan@energy.nh.gov
ocalitigation@oca.nh.gov
daniel.t.phelan@energy.nh.gov
michael.sheehan@libertyutilities.com
karen.sinville@libertyutilities.com
Joshua.Tilbury@libertyutilities.com