

Wholesale Investigation (IR 15-124) Follow-Up Staff Questions for Liberty Utilities (Liberty)

July 9, 2015

Instructions for responses: Please e-mail responses in PDF format to alexander.speidel@puc.nh.gov; responses will be promptly posted to the NHPUC website here:

http://puc.nh.gov/Electric/Investigation_into_Potential_Approaches_to_Mitigate_Wholesale_Electricity_Prices.html

1. In response to Staff Request 4-10 in NHPUC Docket DG 14-380 enquiring about the prospect of Liberty contracting for capacity on the Supply Path segment of TGP-NED project, Liberty responded that it intends to file a precedent agreement with the New Hampshire Public Utilities Commission for capacity on the Supply Path. Does Liberty expect other Anchor Shippers to purchase capacity on the NED Supply Path? If so, please identify those shippers.
2. Will Liberty transfer 100% of the capacity purchased on the NED project to the new receipt point or some portion of that amount, leaving the remaining capacity at Wright, NY? If the capacity purchased on the Supply Path is less than the capacity purchased on the NED Market Path, please provide in percentage terms the Supply Path amount and explain why Liberty chose not to purchase the full amount at the upstream receipt point. Also, please provide the location of the new upstream receipt point.
3. Given that Liberty has already informed the Staff in Docket DG 14-380 of its decision to enter into a second PA with TGP to purchase capacity on the Supply Path, the Staff in IR 15-124 presumes that Liberty (or the Anchor Shippers as a group) concluded based on a benefit-cost analysis that the benefits of the purchasing capacity on the Supply Path outweigh the incremental costs. If so, please describe in as much detail as possible the analysis that was conducted. Please also provide the results of that analysis and detail all assumptions.
4. If the analysis includes the assumption that the price of natural gas at Wright, NY will materially exceed the price in the Marcellus production area for a significant portion of the contract term, please provide the basis for that assumption and indicate whether the price differential between Wright, NY and the Marcellus production area is assumed to be greatest in the winter months.
5. Please clarify whether the PA for the NED Market Path is conditional on completion of the NED Supply Path and/or the Constitution pipeline.