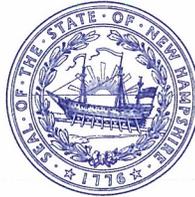


## STATE OF NEW HAMPSHIRE

CONSUMER ADVOCATE  
Susan W. Chamberlin, Esq.

ASSISTANT CONSUMER ADVOCATE  
Dr. Pradip K. Chattopadhyay



TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-1172

Website:  
[www.oca.nh.gov](http://www.oca.nh.gov)

## OFFICE OF CONSUMER ADVOCATE

21 S. Fruit St., Suite 18  
Concord, NH 03301-2429

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November 2, 2015

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, New Hampshire 03301-7319

RE: DG 14-380 Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities  
Office of the Consumer Advocate Concurrence to Pipeline Awareness Network Motion for  
Rehearing, Reconsideration and Clarification

Dear Ms. Howland:

On November 2, 2015 the Pipeline Awareness Network (PLAN) timely filed a Motion for Rehearing, Reconsideration and Clarification (Rehearing Motion) in the above-captioned case. The Office of the Consumer Advocate (OCA) concurs with the Rehearing Motion.

Pursuant to RSA 363:28, the OCA represents the interests of residential utility consumers as an intervener in the above-captioned case. On May 1, 2015 the OCA filed written testimony. On July 21 and 22 and August 6, 2015 the OCA participated in the hearing on the merits and presented the witness testimony of Dr. Pradip K. Chattopadhyay. Dr. Chattopadhyay's testimony is consistent with the positions taken by PLAN in its Rehearing Motion.

In particular the OCA agrees that the Company failed to meet its burden of proof. The OCA testified that:

The crucial threshold question, as to what is the optimal capacity amount from NED [Northeast Direct Pipeline], requires a comparison of contracts with different levels of capacity for NED. At best, it appears that the Company's position is that a capacity procurement of 115,000 Dth per day from NED (with adjustment for elimination of existing contracts) is appropriate because that is the amount needed to ensure that the design-day requirement in 2038 is fully met by the incremental capacity being contracted with NED. I disagree that a capacity contract should be considered appropriate based on that characterization. What is appropriate is largely a question about costs to ratepayers. A careful analysis to determine the appropriate level of capacity to contract from NED, is essentially about determining what would be a reasonable cost exposure for ratepayers over

years into the future (say, twenty years). That analysis includes weighing all available alternatives, including consideration of a greater real-time market exposure, determining what level of capacity contract with NED reasonably minimizes the expected cost of procurement going forward, and reasonably aligning the burden and benefits to ratepayers across years.

OCA testimony (May 1, 2015) at 6.

Similarly, as the Company failed to adequately consider optimal levels of pipeline capacity, the Company also failed to consider alternative pipeline configurations and other fuel resources such as LNG. The OCA states:

The same conclusion as discussed above is also supported when one compares the net costs for NED with non-NED procurements. The recommended SENDOUT® runs for NED capacities in decrements of 5,000 Dth per day starting from 110,000 Dth per day (assuming that the existing Concord Lateral contracts are eliminated) will provide the data needed to more precisely determine the capacity level that reasonably minimizes net costs.

OCA testimony (May 1, 2015) at 17.

Such data runs were not conducted and therefore the crucial information was not developed. Regarding the Company's lack of analysis of the availability of LNG as a cost effective alternative to pipeline capacity, the OCA stated at hearing in response to a question from Company's counsel:

Q: ...In your opinion, would it be prudent for the Company to rely on the propane systems for the long term?

A: Based on your own – the Company's testimony, I mean at this point, it's not viable to get rid of it. In the long term, I haven't – again, it all depends on what further information you're going to provide...

Transcript, Day 3 (August 6, 2015) at 24.

Without the necessary factual analysis of the cost implications of propane supply, the Company failed to provide the factual support for its petition. Therefore the OCA requests the Commission grant the November 2, 2015 Rehearing Motion as filed by PLAN in the above-captioned docket.

Respectfully,



Susan W. Chamberlin  
Consumer Advocate

cc: Service list via electronic mail