

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 14-380

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

Petition for Approval of Long-term Firm Transportation Agreement

ORDER OF NOTICE

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (EnergyNorth) is a public utility pursuant to RSA 362:2, that provides natural gas service to approximately 86,000 customers in southern and central New Hampshire and in Berlin. On December 31, 2014, EnergyNorth filed a Petition for Approval of a Firm Transportation Agreement (Precedent Agreement) with Tennessee Gas Pipeline Company, LLC (TGP) along with the confidential and redacted direct testimony of Francisco C. DaFonte, Vice President, Energy Procurement, Liberty Energy Utilities (New Hampshire) Corp. EnergyNorth also filed a motion for protective order and confidential treatment regarding the Precedent Agreement. EnergyNorth requests final Commission approval by July 1, 2015, which is the regulatory approval deadline established in the Precedent Agreement.

EnergyNorth seeks pre-approval of a twenty-year Precedent Agreement with TGP on the proposed Northeast Energy Delivery (NED) pipeline project. Although not mentioned in the filing, EnergyNorth's affiliate, Algonquin Power & Utilities Corp. ("APUC") announced on November 24, 2014, that it plans to invest in the development of the NED pipeline project through Liberty Utilities (Pipeline & Transmission) Corp., a wholly owned subsidiary of APUC and Kinder Morgan Operating L.P.

<http://investors.algonquinpower.com/file.aspx?IID=4142273&FID=26297428>

The terms of the Precedent Agreement would require EnergyNorth to purchase on a firm basis up to 115,000 Dth per day of capacity at a negotiated fixed rate for the twenty-year term. To provide the transportation service, TGP plans to construct a gas pipeline along the route depicted on Attachment FCD-1 to Mr. DaFonte's testimony. As part of the Commission's approval, EnergyNorth seeks a determination "that the Company's decision to enter into the agreement is prudent and consistent with the public interest." Petition at 1.

EnergyNorth avers that it needs the long-term firm transportation capacity from TGP "to reliably satisfy existing and future customer load requirements in its service area[.]" and the TGP contract is the "best cost resource" to meet those capacity needs. Petition at 1-2. EnergyNorth posits that the TGP contract will also "provide opportunities to expand natural gas distribution service to other parts of the state, and within the Company's existing franchise territory" and "will provide increased distribution system reliability via a secondary point of delivery on the west end of the Company's distribution system." Petition at 2.

EnergyNorth recently identified its need for additional firm capacity in its pending Least Cost Integrated Resource Plan (IRP) filing in DG 13-313. Petition at 2-3, citing *Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities*, DG 13-313, Exhibit 1, pp. 66-67; Transcript of December 1, 2014 at 10-11. Since preparing that IRP filing, EnergyNorth has determined that it needs additional pipeline capacity "to effectuate additional deliveries of natural gas to its city gates in order to reliably serve its customers into the future." Petition at 3.

EnergyNorth negotiated the Precedent Agreement as part of a consortium of nine local natural gas distribution companies (LDCs). Petition at 3-4. Each of the nine LDCs entered Precedent Agreements with TGP, which are "nearly identical ... with some minor exceptions

such as the delivery points, which are unique to each [LDC], and individual [LDC] administrative information.” Petition at 4.

EnergyNorth’s filing raises, inter alia, issues related to RSA 374:1 and 374:2 (public utilities to provide reasonably safe and adequate service at “just and reasonable” rates); RSA 374:4 (Commission’s duty to keep informed of the manner in which all public utilities in the state provide for safe and adequate service); RSA 374:7 (Commission’s authority to investigate and ascertain the methods employed by public utilities to “order all reasonable and just improvements and extensions in service or methods” to supply gas); and 378:7 (rates collected by a public utility for services rendered or to be rendered must be just and reasonable). These issues include whether EnergyNorth reasonably investigated and analyzed its long term supply requirements and the alternatives for satisfying those requirements, and whether EnergyNorth’s entry into the Precedent Agreement with TGP for additional pipeline capacity is prudent, reasonable and otherwise consistent with the public interest. In addition, in the event the Commission’s investigation is not completed before July 1, 2015 and EnergyNorth elects not to terminate the agreement before that date, the filing raises the issue of who bears the risk of an imprudence finding.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission’s website at: <http://www.puc.nh.gov/Regulatory/Docketbk/2014/14-380.html>.

Each party has the right to have an attorney represent the party at the party’s own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on February 13, 2015, at 9:00 a.m. at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, EnergyNorth, the Staff of the Commission and any intervenors shall hold a technical session to review the petition and allow EnergyNorth to provide any amendments or updates to their filing, after which the Staff and parties shall file a proposal for the remainder of the procedural schedule; and it is

FURTHER ORDERED, that a hearing on the merits of the petition be held before the Commission on May 20, 2015, at 9:00 a.m.; and it is

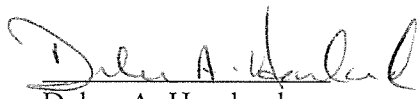
FURTHER ORDERED, pursuant to N.H. Code Admin. Rules Puc 203.12, EnergyNorth shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than January 26, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before February 11, 2015; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party' seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to EnergyNorth and the Office of the Consumer Advocate on or before February 11, 2015, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be

affected by the proceeding, as required by N.H. Code Admin. Rules Puc 203.17 and RSA 541-A:32, 1(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before February 13, 2015.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of January, 2015.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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