

The State of New Hampshire  
Public Utilities Commission

**Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities**

Docket No. DG 17-xxx

Petition for Approval of a Special Contract with the  
New Hampshire Department of Administrative Services

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (“Liberty” or the “Company”), through counsel, respectfully petitions the New Hampshire Public Utilities Commission pursuant to RSA 378:18 to approve a Special Contract between Liberty and the New Hampshire Department of Administrative Services (“NHDAS”). The purpose of the Special Contract is to add a surcharge to NHDAS’s regular natural gas bills to reimburse Liberty for costs incurred to install temporary gas-fired steam boilers to serve certain state-owned buildings in Concord.

Liberty asks that the Commission approve the Special Contract forthwith given the May 31, 2017 date that Concord Steam will cease providing service to the affected buildings.

In support of this Petition, Liberty states as follows:

1. Liberty is a public utility primarily engaged in the retail delivery of natural gas to approximately 90,000 customers in 30 municipalities across New Hampshire, including Concord.

2. NHDAS is a governmental agency that, relevant to this docket, is responsible for managing 23 state-owned buildings in downtown Concord and at the Hugh J. Gallen State Office Park in Concord (the “State Buildings”).
3. The State Buildings currently receive steam service from Concord Steam, which will cease operations as of May 31, 2017.
4. It is not possible for NHDAS to implement the permanent replacement for Concord Steam’s service to the State Buildings by May 31.
5. NHDAS thus intends to install portable natural gas-fired steam boilers (“Boilers”) to provide temporary service to the State Buildings beginning May 31.
6. However, NHDAS does not currently have the authority to contract for the necessary services to design, install, and operate the Boilers.
7. NHDAS and Liberty thus entered into the Special Contract on March 1, 2017, which is Attachment 1 to this Petition, under which Liberty agreed to take the steps necessary to ensure NHDAS will have temporary steam service to the State Buildings as of May 31.
8. Specifically, Liberty agreed to engage engineers, arrange for the required utility connections, and to coordinate the rental, installation, and operation of the Boilers.
9. The Special Contract allows Liberty to include these Boiler-related costs in a surcharge to NHDAS’s natural gas bills through September 30, 2018.
10. Liberty will otherwise charge NHDAS its regular tariff rates for providing natural gas service to the Boilers.

11. Liberty's tariff does not provide for this work of arranging for the Boilers, and does not provide for the mechanism of recovering the Boiler-related costs through a bill surcharge.

12. Accordingly, this Special Contract is necessary to provide for the Boilers as described above.

13. The statute that allows for special contracts and that provides for Commission review, states as follows:

Nothing herein shall prevent a public utility from making a contract for service at rates other than those fixed by its schedules of general application, if special circumstances exist which render such departure from the general schedules just and consistent with the public interest ....

RSA 378:18.

14. The Commission applies this statute by examining whether "special circumstances exist that justify the departure from standard tariff rates and [whether] the Special Contract [is] just, reasonable, and consistent with the public interest." Order No. 25,694 at 8 (Jul. 15, 2014).

15. Liberty submits that there exist "special circumstances" and that the terms of the Special Contract are "just, reasonable, and consistent with the public interest."

16. The special circumstances that support the Special Contract include that Concord Steam will cease service on May 31, 2017, the State Buildings need an alternate source of heat on a temporary basis as of May 31, NHDAS cannot contract for the temporary solution by May 31, and Liberty is willing to arrange for the temporary heating system which will allow NHDAS time to determine and implement its long term heating solution.

17. The Special Contract is “just, reasonable, and consistent with the public interest” because it benefits NHDAS, the Company and its customers, and the public at large. First, NHDAS benefits from the Special Contract because it solves the short term problems arising from Concord Steam’s May 31 closure. NHDAS will only pay the actual costs of Liberty’s non-tariff services without markup, and NHDAS will have time to develop and install its permanent heating system.
18. Liberty and its customers will benefit from the Special Contract because NHDAS will reimburse Liberty for its costs related to the Boilers, because NHDAS will buy natural gas at tariffed rates, and because the quantity of gas sold to NHDAS is more than sufficient to cover the costs that Liberty will not pass along to NHDAS under Liberty’s line extension policies, i.e., the costs to connect the Boilers to natural gas.
19. The Special Contract benefits the public at large because it ensures the State Buildings will have heating service at far less cost than if NHDAS had to operate the Concord Steam plant just to serve those buildings, and because it affords NHDAS time for, and thus the opportunity for public input on, determining the best long term heating solution for the State Buildings.

WHEREFORE, Liberty respectfully asks that the Commission:

- A. Find that the Special Contract is just and consistent with the public interest;
- B. Approve the Special Contract; and
- C. Grant such further relief and make such findings or orders as may be necessary and consistent with the relief requested.

Respectfully submitted,

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a  
Liberty Utilities

By its Attorney,



Date: March 1, 2017

By: \_\_\_\_\_  
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Certificate of Service

I hereby certify that on March 1, 2017, a copy of this petition has been forwarded to the Office of Consumer Advocate.



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Michael J. Sheehan