

From: Ian Oxenham [mailto:ian.r.a.oxenham@gmail.com]
Sent: Friday, March 16, 2018 11:09 PM
To: PUC - Executive.Director; PUC:
Cc: Kreis, Donald
Subject: RE: DG 17-198 Liberty Utilities Granite Bridge Project

Ian Oxenham
92 Methodist Hill Road
Plainfield, NH 03781
March 16, 2018

Debra Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

RE: DG 17-198 Liberty Utilities Granite Bridge Project

Dear Ms. Howland:

This is a request for information pursuant to Puc 104 and Puc 201.07. Please file this letter as a public comment.

I request unredacted copies of all documents which Liberty Utilities submitted in support of its Granite Bridge petition, as identified in its motion for a protective order. For the reasons stated below and the reasons the Office of the Consumer Advocate stated in its opposition to that motion, I ask that Commission deny the motion for a protective order and make public unredacted copies as soon as possible.

The details of this proposal are of significant public interest because Liberty Utility's proposed cost recovery scheme jeopardizes New Hampshire state public policy. Liberty plans to recover the cost of the pipeline over 55 years, beginning at the earliest in 2021. That means the pipeline would have to be in operation until at least 2076. Yet New Hampshire has pledged to bring its greenhouse gas emissions down to near-zero levels by 2050 by joining the Under2 Coalition (see <http://under2mou.org/coalition/>). Logically then, Liberty's plan either entails getting the Commission to agree to undermine New Hampshire public policy or unjustly and unreasonably forcing future ratepayers to pay for a project that will provide them with no benefit.

The only way Liberty's plan could be both economic and not contrary to public policy is if it could recover its costs at a competitive price over a period of no more than 30 years. Yet Liberty indicates it needs 55 years to do so. Liberty is in effect thus asking for either a ratepayer subsidy in the form of charging future ratepayers stranded costs for an imprudent investment that will do them no good or a taxpayer subsidy in the form of an exemption from a policy goal the state will have to meet in some other way. At the same time, Liberty seems to want to hide the size of this public subsidy from public scrutiny by requesting the relevant information be kept confidential.

This all the more outrageous because advances in cold climate air source heat pump (ASHP) technology have made it a heating alternative competitive with natural gas. Indeed, not only are the newest cold climate heat pumps cheaper to install than natural gas systems, they now have operating costs on par with natural gas heating systems.* This strongly suggests that Liberty may not be able to provide natural gas heating at competitive prices if it had to recover its capital costs over only a 30-year period—or that recovering its capital costs over a 55-year period may allow it to unfairly undercut the price of cold climate ASHP competitors. Yet the public will never know if the pricing details of this deal are kept confidential.

In short, the public has a paramount interest in knowing whether or not an agency of its government is providing an implicit public subsidy to a regulated utility that may undermine the government's professed policy goals and/or undercut competition. Even if the Commission finds that Liberty's proposal does neither, keeping the proposal's details secret will undercut public confidence in the Commission's findings, the process that led to them, and ultimately in the Commission's willingness and ability to serve the public. For these reasons, the Commission should deny Liberty's request for a protective order and make public the relevant documents.

Thank you for your consideration.

Sincerely,

Ian Oxenham

* The most recent generation of cold climate ASHPs have coefficients of performance of over 3 (i.e., the systems provides 3 units of thermal energy for every unit of electrical energy it consumes on average) in New England's climate. (Source: <http://www.neep.org/blog/hot-strategies-cold-climate-air-source-heat-pumps>). At a coefficient of performance of three, natural gas and cold climate ASHP operating costs are essentially the same. (Source: http://www.neep.org/sites/default/files/NEEP_ASHP_2016MTStrategy_Report_FINAL.pdf at page 36).