

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

Docket No. DG 17-XXX

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

**Petition to Approve Firm Supply and Transportation Agreements and the
Granite Bridge Project**

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (“EnergyNorth” or the “Company”), through counsel, respectfully petitions the New Hampshire Public Utilities Commission to:

- (1) Approve a delivered supply contract with ENGIE Gas & LNG, LLC (“ENGIE”);
- (2) Approve a precedent agreement with Portland Natural Gas Transmission System (“PNGTS”) for firm transportation capacity;
- (3) Find to be prudent the Company’s decision to build an in-state pipeline, the Granite Bridge Pipeline; and
- (4) Find to be prudent the Company’s decision to build an on-system liquefied natural gas (“LNG”) facility, the Granite Bridge LNG facility (together, the Granite Bridge Project).

In support of this Petition, the Company represents as follows:

1. The Company’s current supply of pipeline gas must travel through the Concord Lateral to reach its customers. The Concord Lateral is the transmission pipeline owned by Tennessee Gas Pipeline (“TGP”) that runs from Dracut, Massachusetts, to Concord, New Hampshire. Nearly all of EnergyNorth’s distribution system is connected to the Concord Lateral and to no other pipeline (with the exception of its small distribution system off of the PNGTS

pipeline serving the City of Berlin, and its distribution system in the City of Keene, which is not connected to a pipeline), although the Company supplements the pipeline supply with trucked LNG and propane, as needed.

2. The Company has grown in recent years and will continue to add customers who choose natural gas service. EnergyNorth added approximately 1,200 customers in 2014, 1,817 new customers in 2015, 1,637 new customers in 2016, and 1,621 new customers in 2017. In addition to organic growth within current service areas, the Company is expanding into its new service territories of Windham and Pelham, has plans to grow natural gas service in Keene, and hopes to have the opportunity to serve Hanover and Lebanon.

3. The Company's growth projections in its last two Least Cost Integrated Resource Plans, see Docket Nos. DG 13-313 and DG 17-152, and in the testimony filed with this petition confirm that EnergyNorth will need increased capacity. Indeed, the Commission's 2015 order approving the Company's contract for capacity on the Northeast Energy Direct project largely accepted the growth projections from the 2013 IRP. Order No. 25,822 at 25-27 (Oct. 2, 2015). EnergyNorth's 2017 IRP and the testimony filed in support of this petition project even more growth in Design Day demand.

4. The problem addressed in this petition is that EnergyNorth's growth will soon exceed the capacity of the Concord Lateral. Absent an alternative, EnergyNorth will have to impose a moratorium on further expansion, as has occurred with other New England distribution companies. A moratorium will adversely impact current customers, preclude new customers from enjoying the benefits of natural gas, and frustrate the state's economic development prospects.

5. The Company investigated alternatives to avoid a growth moratorium. The Company's investigation concluded that the combination of the ENGIE contract, the PNGTS

contract, and the Granite Bridge Project were clearly the best option in terms of cost, system security, and supply diversity. In this filing the Company asks the Commission to review EnergyNorth's analysis and approve as prudent the ENGIE and PNGTS contracts and the Company's selection of the Granite Bridge Project as the best way for EnergyNorth to serve its existing and new customers into the future.

6. The ENGIE contract would provide EnergyNorth with 90-day winter service of up to 7,000 dekatherms ("Dth") per day (630,000 Dth per year) for the winters of 2018/19 through 2021/22. ENGIE is the only entity with capacity to provide more natural gas to EnergyNorth's city gate on the Concord Lateral. The ENGIE contract is a short term solution until the Granite Bridge Project is complete.

7. The PNGTS contract is the long term solution and would provide 5,000 Dth per day of firm transportation capacity from Dawn, Ontario, to the eastern terminus of the Granite Bridge Pipeline in Stratham where it would interconnect with the so-called "Joint Facilities" pipeline. This volume would be phased in over three years, starting in November 2018, for a term of 22 years. The PNGTS contract will complement the Granite Bridge LNG facility and provide resource flexibility and supply diversification.

8. The costs associated with both contracts will be included in the Company's cost of gas, as is typical for such arrangements.

9. The Granite Bridge Pipeline would be an EnergyNorth-owned, 16-inch steel pipeline that will connect the Joint Facilities in Stratham with the Concord Lateral in Manchester, travelling within the "energy infrastructure corridor" of State Route 101. *See* RSA 162-R. EnergyNorth proposes to recover the costs of the Granite Bridge Pipeline in its distribution rates.

10. The Granite Bridge LNG Facility would consist of a full-containment tank system able to store up to 2 billion cubic feet of LNG and ancillary facilities, located on a 140 acre parcel in Epping adjacent to Route 101, and connected to the Granite Bridge Pipeline. Simply stated, the Granite Bridge LNG Facility would have the ability to liquefy and store the gas delivered from either the PNGTS or TGP pipelines in the low-cost summer period, and vaporize that same gas to serve EnergyNorth's customers in the winter when other supplies are more expensive. EnergyNorth proposes to recover the costs of the Granite Bridge LNG Facility through its cost of gas rates.

11. The details of the Granite Bridge Project are in the following testimony and exhibits that are filed with this petition:

- Pre-Filed Direct Testimony of Susan L. Fleck and Francisco C. DaFonte, with attachments;
- Pre-Filed Direct Testimony of Timothy S. Lyons, with attachments; and
- Pre-Filed Direct Testimony of William R. Killeen and James M. Stephens, with attachments.

An overview of the Granite Bridge Project can also be found at the project's website, www.granitebridgenh.com.

12. Due to the nature of EnergyNorth's requests in this petition, the Commission has authority to review and approve the Company's decisions in advance pursuant to RSA 374:1, RSA 374:2, and RSA 378:7 (the requirement that utilities provide safe and adequate service at just and reasonable rates), RSA 374:3 (the Commission's right of general supervision over utilities), RSA 374:4 (the Commission's duty to keep informed), RSA 374:5 and 374:7 (the requirement that utilities provide advance notice of plans for substantial capital improvements, and Commission's authority to investigate and approve such plans). *See Liberty Utilities*

(EnergyNorth Natural Gas) Corp., Order No. 25,822 (Oct. 2, 2015) (approving 20-year capacity contract); Northern Utilities, Inc. Order No. 22,288, 81 NH PUC 648 (Feb. 29, 2008) (approving a contract that would enable construction of an affiliate-owned LNG facility).

WHEREFORE, EnergyNorth respectfully asks the Commission to:

- A. Approve the delivered supply contract with ENGIE;
- B. Approve the precedent agreement with PNGTS for firm transportation capacity;
- C. Find to be prudent the Company's decision to build the Granite Bridge Pipeline;
- D. Find to be prudent the Company's decision to build the Granite Bridge LNG facility; and
- E. Grant any other relief that the Commission deems necessary, just, and reasonable to implement the relief sought above.

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

By its Attorney,



Date: December 21, 2017

By: _____
Michael J. Sheehan, Esq. #6590
15 Buttrick Road
Londonderry, New Hampshire 03053
Telephone (603) 724-2135
Michael.Sheehan@libertyutilites.com

Certificate of Service

I hereby certify that on December 21, 2017, a copy of this Petition has been forwarded to the Office of the Consumer Advocate.



Michael J. Sheehan