### STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

#### **Docket No. DG 17-198**

# 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's Assented-to Motion to Amend Procedural Schedule

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (the "Company" or "Liberty"), through counsel, respectfully moves the Commission to amend the procedural schedule to provide January 31, 2019 as a date on or before which Liberty will make a supplemental filing that will include updated construction cost estimates for the Granite Bridge Pipeline and the Granite Bridge LNG facility (collectively, "Granite Bridge Project"); a review of the benefits to the customers of Liberty associated with the commercial terms outlined in a Memorandum of Understanding ("MOU") between the Company and Calpine Corporation ("Calpine"), the owner of the Granite Ridge Energy Center ("GREC") in Londonderry, New Hampshire; the submission of any agreements between the Company and Calpine that further detail the arrangement between the parties; and supporting testimony and analyses. The supplemental filing will also include a proposed schedule for the balance of the docket.

As stated in paragraph 11 below, most parties have assented to the relief sought, one party took no position, and the remaining parties did not indicate their position prior to filing. No party objected.

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

- 1. There have been several developments related to the Granite Bridge Project that warrant a revised schedule.
- 2. First, the Company recently executed an MOU with Calpine, the owner of the GREC, which is an existing customer of Liberty and can generate approximately 745 megawatts of electrical power using two natural gas-fired combined cycle turbines. The GREC is connected to the Tennessee Gas Pipeline ("TGP") Concord Lateral, which would allow Calpine to utilize a natural gas supply service provided by the Company, as the volumes from the proposed Granite Bridge LNG facility would be delivered to the TGP Concord Lateral via the proposed Granite Bridge Pipeline. Under the terms of the MOU, Calpine has agreed to a multi-year winter service from the Granite Bridge Project beginning when the Granite Bridge Project is placed into service. As with almost any capital intensive, long-lived energy infrastructure project, the Granite Bridge Project will have certain availability in the short-term, which allows the Company to offer to Calpine this winter service. Consistent with the Company's approach to portfolio management and, in particular capacity mitigation activity, the value derived from the winter service to Calpine will be returned to the customers of Liberty.
- 3. Liberty and Calpine are now in detailed negotiations regarding a Precedent Agreement that will formalize the commercial terms from the MOU within the body of a more comprehensive contract. The proposed January 31, 2019 date provides the Company the opportunity to develop a supplemental filing, which will provide a status update with respect to the negotiations between the parties and allow the Company to submit any

agreements to the Commission that further detail and clarify the arrangement between the parties.

- 4. As stated previously in this proceeding, the Company has provided construction cost estimates for the Granite Bridge Project that were preliminary in nature and would be updated as environmental, geotechnical and further engineering work was completed. The Company and its environmental, construction, and engineering consultants are in the process of updating the estimated construction costs for both the Granite Bridge Pipeline and the Granite Bridge LNG facility.
- 5. As for the Granite Bridge Pipeline, the Company has completed its 30% design of the pipeline route as requested by the New Hampshire Department of Transportation ("DOT") and has incorporated the DOT's suggestions to date. The 30% design provides a more precise route taking into account data compiled through various expert consultant work. These more detailed 30% design plans are now being reviewed by expert pipeline contractors that the Company retained to provide updated construction cost estimates for the Granite Bridge Pipeline, which will be completed in the coming weeks.
- 6. Similarly, the Company and its engineering consultants have been refining the design plans for the Granite Bridge LNG facility. The Company has engaged two Engineering, Procurement, and Construction ("EPC") contractors to prepare more detailed construction cost estimates. Again, these updated estimates will be completed in the coming weeks.
- 7. The updated and revised construction cost estimates for the Granite Bridge Project will require the Company to develop updated annual costs using the levelized cost model submitted to the parties through a data response in this proceeding. The updated annual

3

costs are also an input assumption change to the Company's SENDOUT® model. Therefore, the Company intends to provide a range of updated SENDOUT® model results in the supplemental filing on January 31, 2019.

- 8. The Company's supplemental filing will include an update of estimated construction costs for the Granite Bridge Pipeline and Granite Bridge LNG facility, a review of the benefits associated with the commercial terms outlined in the MOU with Calpine and the submission of any agreements that further detail the arrangement between the parties, and a summary of the SENDOUT® analyses conducted by the Company that incorporates the various updates listed above.
- 9. The Company will also work with the parties to establish a proposed procedural framework for the balance of this docket, which the Company will submit along with the supplemental filing.
- 10. For the reasons stated above, the Company believes that it is in the best interest of all parties that the Commission grant this request to amend the procedural schedule to allow for a January 31, 2019 supplemental filing.
- 11. The following parties assent to the relief sought: Staff, the OCA, PLAN, CLF, the Town of Epping, Repsol, and Local 12102. Engie takes no position. The Company has not heard from the rest, but no one has objected.

WHEREFORE, Liberty respectfully asks that the Commission to:

- A. Grant this motion and amend the procedural schedule to provide for January 31, 2019, as a date for the Company to make a supplemental filing as described above; and
- B. Grant such other relief as is just and reasonable and consistent with the public interest.

4

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

By its Attorney,

By: \_

Multen

Date: November 16, 2018

Michael J. Sheehan, Senior Counsel #6590 116 North Main Street Concord, NH 03301 Telephone (603) 724-2135 <u>michael.sheehan@libertyutilities.com</u>

Certificate of Service

I certify that on November 16, 2018, a copy of this response has been electronically forwarded to the service list.

Whichen

By: \_\_\_\_\_\_ Michael J. Sheehan