1	STATE OF NEW HAMPSHIRE
2	PUBLIC UTILITIES COMMISSION
3	
4	March 9, 2018 - 10:07 a.m.
5	Concord, New Hampshire
6	26 MAR 18 PM4:05
7	RE: DG 17-198 LIBERTY UTILITIES (ENERGYNORTH
8	NATURAL GAS) CORP. d/b/a LIBERTY UTILITIES: Petition to Approve Firm
9	Supply, Transportation Agreements, and the Granite Bridge Project. (Prehearing conference)
10	(Flenealing Confedence)
11	PRESENT: Commissioner Kathryn M. Bailey, Presiding
12	Commissioner Michael S. Giaimo
13	Sandy Deno, Clerk
14	APPEARANCES: Reptg. Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities:
15	R. J. Ritchie, Esq.
16	Reptg. Repsol Energy North America:
17	Sarah B. Tracy, Esq. (Pierce Atwood) Robert Neustaedter, Dir./Reg. Affairs
18	Reptg. ENGIE Gas & LNG, LLC:
19	John A. Shope, Esq. (Foley Hoag)
20	Reptg. Pipe Line Awareness Network for the Northeast (PLAN):
21	Richard A. Kanoff, Esq. (Burns)
22	Reptg. Conservation Law Foundation: Melissa E. Birchard, Esq.
23	Court Reporter: Steven E. Patnaude, LCR No. 52
24	



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2	APPEARANCES:	(Continued)
3		Reptg. Residential Ratepayers:
4		D. Maurice Kreis, Esq., Consumer Adv. Brian D. Buckley, Esq. Pradip Chattopadhyay, Asst. Cons. Adv.
5		James Brennan, Finance Director Office of Consumer Advocate
6		Reptg. PUC Staff:
7		Alexander F. Speidel, Esq. Lynn Fabrizio, Esq.
8		Stephen Frink, Dir./Gas & Water Div.
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1			
1			
2	INDEX		
3		PA	GE NO.
4	STATEMENTS RE: INTERVENTION PETITIONS BY:		
5	Mr. Ritchie	9,	32
6	Mr. Kanoff		13
7	Ms. Birchard		18
8	Ms. Tracy	22,	3 4
9	Mr. Kreis		25
10	Mr. Speidel		31
11	Mr. Shope		33
12	QUESTIONS BY:		
13	Cmsr. Bailey 12, 17, 18,	25,	27
14	Cmsr. Giaimo		15
15			
16	STATEMENTS RE: MOTION FOR CONFIDENTIAL TREATMENT BY:		
17			
18	Mr. Kreis	35,	43
19	Ms. Tracy		3 9
20	Mr. Speidel		41
21	Mr. Ritchie		45
22	QUESTIONS/STATEMENTS BY:		
23		41,	50
24	<u>'</u>	,	

1		
2	I N D E X (continued)	
3	PA	GE NO.
4	STATEMENTS OF PRELIMINARY POSITION BY:	
5	Mr. Ritchie 53,	68
6	Ms. Tracy	56
7	Mr. Shope	57
8	Mr. Kanoff	57
9	Ms. Birchard	58
10	Mr. Kreis	58
11	Mr. Speidel	65
12	QUESTIONS BY:	
13	Cmsr. Bailey 57, 63,	69
14		
15	PUBLIC COMMENT BY:	
16	Patricia Martin	71
17	Mark Vallone	72
18	Stephanie Scherr	7 4
19	Griffin Sinclair-Wingate	7 6
20		
21	STATEMENT BY CMSR. BAILEY FOLLOWING RECESS	77
22		
23		
24		

1 PROCEEDING

CMSR. BAILEY: Good morning,
everyone. We're here in Docket DG 17-198,
Liberty Utilities (EnergyNorth Natural Gas)
Corp., Petition to Approve a Firm Supply,
Transportation Agreements, and the Granite
Bridge Project. Specifically, the Company is
requesting approval of a delivered supply
contract with ENGIE Gas; approval of a
precedent agreement with Portland Natural Gas
Transmission System for firm transportation
capacity; determination that it is prudent for
Liberty to build an in-state pipeline, the
Granite Bridge Pipeline; and an on-system
liquified natural gas storage facility, the
Granite Bridge facility.

I note for the record that we received an affidavit of publication on February 23rd.

We have intervention requests from Mr. Terry Clark, PLAN, CLF, ENGIE Gas, Repsol Energy North America Corp., the Greater Manchester, Nashua, and Concord Chambers of Commerce. We have a response to the

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         intervention requests from Liberty.
                   We have a Motion for Confidential
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         Treatment and an objection from the OCA.
                   Before we get started, I'd like to
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 5
         let everybody know that the Chairman is not
 6
         with us today because of a family emergency,
 7
         but he plans to participate in this docket.
 8
                   Let's take appearances.
                   MR. RITCHIE: On behalf of Liberty
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10
         Utilities (EnergyNorth Natural Gas) Corp. d/b/a
11
         Liberty Utilities, R. J. Ritchie. And I would
12
         just like to note that, if any party does need
13
         a copy of Liberty's responses and objection to
14
         the petitions to intervene, which was filed
15
         last night, I do have copies on hand.
16
                   Thanks.
17
                   CMSR. BAILEY: All right. Are you
18
         all with Liberty?
19
                   MS. TRACY: No.
20
                   CMSR. BAILEY: So, are you making an
21
         appearance?
22
                   MS. TRACY: I'm happy to make an
23
         appearance. Let me make sure my mike is
24
         working first.
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                   CMSR. BAILEY: Just pull it really
 2
         close.
 3
                   MS. TRACY: It is. My name is Sarah
         Tracy. I'm with the law firm of Pierce Atwood.
 4
 5
         And I represent Repsol Energy North America.
                   MR. NEUSTAEDTER: My name is Robert
 6
         Neustaedter. I'm also with -- I'm with Repsol
 7
 8
         Energy North America.
                   MR. SHOPE: John Shope, of the law
9
10
         firm of Foley Hoag, in Boston, and I'm
11
         representing ENGIE Gas & LNG, LLC.
12
                   CMSR. BAILEY: Is there somebody here
13
         from the Chambers?
14
                        [No indication given.]
15
                   CMSR. BAILEY: All right. Mr.
16
         Husband.
17
                   MR. HUSBAND: I'm sorry. Mr. Clark
18
         is actually not petitioning to intervene in
19
         this matter.
20
                   CMSR. BAILEY: Oh.
21
                   MR. HUSBAND: I'm just here, we're
22
         holding over from the last prehearing
23
         conference because of the technical session to
24
         follow. But I'll move over there, if you'd
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         like?
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                   CMSR. BAILEY: No, that's okay.
 3
                   MR. HUSBAND:
                                  Okay.
 4
                   CMSR. BAILEY: All right. Thank you.
 5
                   MR. HUSBAND:
                                  Thank you.
                   MR. KANOFF: On behalf of the Pipe
 6
 7
         Line Awareness Network for the Northeast,
 8
         Richard Kanoff, law firm Burns & Levinson.
 9
                   MS. BIRCHARD: Melissa Birchard,
10
         representing the Conservation Law Foundation.
11
         Good morning.
12
                   CMSR. BAILEY: Good morning.
13
                   MR. KREIS: Good morning,
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         Commissioner Bailey, Commissioner Giaimo.
15
         D. Maurice Kreis, the Consumer Advocate, here
16
         on behalf of residential utility customers.
                                                       Му
17
         co-counsel in this proceeding is our staff
18
         attorney, Brian Buckley.
19
                   MR. SPEIDEL: Alexander Speidel
20
         representing the Staff of the Commission.
         I have with me the Directer of the Gas & Water
21
22
         Division, Stephen Frink; the utility analyst
23
         from the Gas & Water Decision; and my
24
         colleague, Lynn Fabrizio, from the Legal
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1 Division of our Commission, co-counsel. 2 Thank you. 3 CMSR. BAILEY: All right. Have the 4 parties or have the entities moving to 5 intervene had an opportunity to review 6 Liberty's response to the motions to intervene? 7 [No verbal response.] CMSR. BAILEY: Yes? Okay. Would you 8 9 like to respond or should we give Liberty, do 10 you -- Mr. Ritchie, do you want to explain your 11 response? 12 MR. RITCHIE: Yes. Thank you for the 13 opportunity. As stated in the petition -- or, 14 Liberty's response to the -- an objection to 15 the petitions to intervene, Liberty does object 16 to CLF and PLAN's petitions to intervene for 17 the reasons stated therein. 18 But just by way of summary, it's the 19 Company's position that, given the presence of 20 the OCA in this docket, that the interests of 21 the member customers of Liberty will be 22 adequately represented. 23 Furthermore, if the Commission does 24 decide to allow PLAN and CLF to participate in

these dockets, Liberty respectfully requests that the Commission require those two entities to obtain affidavits from members testifying or attesting that they are Liberty customers who support PLAN and CLF's petitions to intervene.

And furthermore, that the Company does request that the Commission cabin CLF and PLAN's participation in these dockets to the economic issues that are to be decided within this docket. Specifically noting that other issues, other than the economic issues at issue here in 17-198, could be better aired and argued in other forums, such as the Site Evaluation Committee or energy efficiency dockets.

So, that is Liberty's position with respect to PLAN and CLF.

With respect to Repsol's petition to intervene, Liberty is vigorously opposing that petition on the grounds that Repsol, as merely a competitor to ENGIE, does not have any rights, privileges, duties or interests in this docket. Unlike PLAN and CLF, they are not purporting to represent any customers of

Liberty. They are merely intervening, in

Liberty's opinion, to frustrate the -- or

impair the orderly -- the orderly conduct of

this proceeding, and potentially scuttle the

Granite Bridge Project, which they're doing in

the best interests of their shareholders, but

ultimately to the detriment of the ratepayers

of New Hampshire.

Therefore, Liberty respectfully requests that the Commission deny Repsol's petition to intervene, relying on similar decisions regarding prospective intervenors who were merely competitors in a market. And here it's -- here Liberty's position is basically that what Repsol is requesting is that they be allowed to participate in this docket mainly because their -- the second order of consequence of the approval or the Commission's potential approval here may result in an economic harm to Repsol, in that they would not be able or they could potentially lose market share, and that is not adequate to sustain a petition to intervene.

With respect to the interventions of

the three Chambers of Commerce, Liberty does not take a position on those interventions. In fact, they -- Liberty is in support of those interventions, by the fact that the Chambers of Commerce do have members who are Liberty customers, which can be substantiated by lists that are available on those Chambers' websites.

With respect to ENGIE's petition to intervene, Liberty does not object to that petition to intervene. But merely requests that, if granted, the Commission limit ENGIE's access to confidential information.

CMSR. BAILEY: Mr. Ritchie, the PLAN motion specifically says that it includes -that its members include customers and ratepayers of Liberty New Hampshire. Do you have any reason to doubt that?

MR. RITCHIE: There's no -- the

Company does not specifically doubt that, no.

The Company's argument, with respect to -- with

respect to the request for affidavits, is a

concern -- a larger concern that this will

incent other organizations potentially who do

not have customer members to attempt to

intervene in dockets where they do not have any members who are actually customers and subject to any kind of harm.

CMSR. BAILEY: All right. Let's hear the response from Mr. Kanoff, and then Ms. Birchard.

MR. KANOFF: Thank you. Let me start with the issue of members first, since we just were discussing that. As we stated in the petition, PLAN does have members that are ratepayers of Liberty. That was the case in other proceedings that PLAN was involved in. In those proceedings, the Commission did not require us to go out and demonstrate explicitly that members were ratepayers with affidavits. I think that the representation in the intervention petition should be sufficient.

The fact that there might be, in some speculative way, other organizations that would seek to participate in some to-be-determined proceeding down the road is not a basis to require a otherwise unprecedented and burdensome requirement of an intervenor in this proceeding.

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The other points that were made in terms of an objection were the objection that OCA -- on the basis that OCA was representing the same ratepayers or the same interests, I think that that's not the case. They have a narrower focus. In other cases, we represented ratepayers with more -- with a broader interest in supply planning and in alternatives to the project at issue, and we would expect to do that here.

With respect to --

CMSR. BAILEY: Excuse me.

Kanoff, can you get closer to the mike? fading out.

MR. KANOFF: Sure. With respect to limitations on representation, I just want to note that, in the Petition filed here, the Company has put a link to its website. On the website they specifically submit that there is economic benefits to this Project, there's environmental benefits to this Project, there's community benefits to this Project. All those benefits intersect in some way with the issue of whether this Project is least cost, whether

it should be approved, and whether it's sized and planned appropriately.

We think having limitations on the front end with respect to our representation for anything directly or indirectly raised in the Petition is premature. To the extent that, in discovery and/or in filing of testimony, there are areas that warrant questions, they can file objections and raise scope issues there. We would suggest to the Commission that it's unnecessary on the front end to put in any restrictions on scope at this early stage.

Thank you.

CMSR. BAILEY: Commissioner Giaimo.

CMSR. GIAIMO: Attorney Kanoff, do you know how many of your members are customers of Liberty?

MR. KANOFF: I do not. I did not ask that specifically as part of my participation today. I know it's -- well, let me just leave it at that. I know there are members, I did ask that, and put it in the petition. I don't know how many.

CMSR. GIAIMO: And could you maybe

elaborate on why you think it would be "unduly"

-- "unduly burdensome" to get an affidavit from
a couple of your members who might be

customers -- who are customers?

MR. KANOFF: We would have to go — well, let me back up. Folks who are members basically submit membership information and applications to PLAN. They submit it in whatever way they want, information about whether they can contribute, and how much those contributions are. It's outside the normal process and expectation of those members that they would then be required to participate in any type of affidavit or after-the-fact process unrelated to their membership in PLAN. And I think it really goes beyond what they signed up for.

On the other hand, if the Commission would require, we can certainly get an affidavit from principals at PLAN, attesting that members have -- are ratepayers of Liberty. But I think to take it one step beyond that and go to individual members is a stretch, respectfully.

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                   CMSR. GIAIMO:
                                   Thank you.
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                   CMSR. BAILEY:
                                  Mr. Kanoff, I
 3
         understand that the mission of your
 4
         organization is mostly environmental, and to
 5
         oppose gas pipeline -- new gas pipeline
 6
         projects, is that correct?
 7
                   MR. KANOFF: The focus has been more
         than environmental. And, in fact, in the other
 8
9
         cases that we participated in reviewing
10
         pipelines, it was primarily -- environmental
11
         was a component, but it was primarily on the
12
         supply side. It was primarily showing, and we
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         had witnesses to that effect, that the need and
14
         the costs assumed as part of the approval
15
         process were not accurate.
16
                   And so, I would say that the focus is
17
         primarily on supply, on costs and need, on
18
         alternatives. And to the extent environmental
19
         comes in at all, it's less of a focus than
20
         those areas.
21
                   CMSR. BAILEY: When your donors join
22
         your organization and they make their donation,
23
         do they understand all that?
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                   MR. KANOFF: I think it's pretty
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         clear, from the participation that we've had
         certainly in New Hampshire, that that's the
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 3
         case.
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                   CMSR. BAILEY: Okay. Thank you.
                                                      {\tt Ms.}
 5
         Birchard, your motion says that you have
 6
         "approximately 5,000 members in New England...
 7
         530 members in New Hampshire, some of whom
         reside in the natural gas distribution
 8
         territory of Liberty". Do you know if any of
 9
10
         them are actual customers?
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                   MS. BIRCHARD: Yes, I do. In fact,
12
         you know, I haven't had the chance to respond
13
         at this point, but --
14
                   CMSR. BAILEY: This is your
15
         opportunity to respond. I just wanted --
16
                   MS. BIRCHARD: Sure.
17
                   CMSR. BAILEY: I just wanted to ask
18
         you that, to include that in your response.
19
                   MS. BIRCHARD: And that is a good
20
         question. Thank you very much.
21
                   You know, as stated in our petition,
22
         CLF does have hundreds of members in New
23
         Hampshire, including members in the Liberty gas
24
         territory. And to be clear, that includes
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customers who are Liberty — excuse me, members who are Liberty gas customers. In fact, I take a little bit of offense at the suggestion that "CLF is a Massachusetts interest without New Hampshire ties". I, myself, and my Director, Tom Irwin, are both New Hampshire attorneys, with, you know, homes here, families here, and Tom, himself, is a Liberty gas customer.

Also as stated in our petition, CLF's participation will uniquely add to this proceeding, in terms of considering the prudence of Liberty's Petition. CLF has extensive experience concerning natural gas, natural gas storage, non-gas alternatives, and energy projects and markets.

I will note that, in some contexts, we have, in fact, been on the record before the PUC and elsewhere supporting LNG investments, such as LNG storage facilities.

I am not taking a position here at this time on the Petition before us, and the specific numerous investments that are proposed here.

But I do note that CLF is an expert

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on energy matters, and not simply environmental matters. As a participant in the NEPOOL stakeholder process, CLF has participated in the formation and refinement of New England's energy markets and planning of the region's electric transmission grid. As an active voting member also of NEPOOL, CLF has represented its end-user sector in the ISO-New England's Natural Gas/Electric Coordination Working Group. CLF's expertise in the energy area extends to, among other things, natural gas and electricity coordination, natural gas energy efficiency and conservation, natural gas supplies, natural gas distribution infrastructure, greenhouse gas emission reduction requirements that may pertain in some cases to natural gas, electrification, grid modernization, and the impacts of pipelines. The question here is whether the proposed Project is prudent and just and reasonable, in light of factors including alternative options. CLF expects that it can contribute to the conversation on this subject

{DG 17-198} [Prehearing conference] {03-09-18}

in particular. CLF is concerned with the

1 prudence of investments that would entail higher costs for its members, including --2 3 including those proposed here, including for Liberty gas customers. 4 Our members do generally prefer to 5 6 shift the state's economic investments towards 7 those that will not result in stranded costs in 8 the future, including those that reduce environmental costs. Our members believe that 9 10 their interests are best represented by a 11 higher scrutiny of investments that may result 12 in future stranded costs. And CLF's long track record in 13 14 similar proceedings before the New Hampshire 15 Public Utilities Commission supports our 16 intervention. 17 As to the question of limiting scope, 18 I support the comments made already by Mr. 19 Kanoff. 20 And as to affidavits, you know, I 21 simply point out that it is unnecessary to go 22 to that measure. 23 Thank you.

CMSR. BAILEY:

Thank you.

Ms. Tracy,

would you like to respond?

MS. TRACY: I would. Thank you.

Commissioners Bailey and Giaimo, good morning.

Repsol has four primary and direct interests in this proceeding. As you all know from reading the petition, Liberty has included Repsol directly in the prefiled testimony of Dr. -- of Mr. William Killeen and Mr. James Stephens, particularly at Pages 80 to 81 and 83 to 84, although that's not an exclusive listing.

Repsol has -- appears to have confidential information that is included in this Petition. Although, we are, at this point, not able to see exactly what that information is. Any confidential information exchanged between Repsol and Liberty Utilities may be subject to a confidentiality agreement, and we would seek to protect those interests in the proceeding as it moves forward.

Secondly, to the extent that information regarding Repsol is discussed or is released, Repsol has an interest in understanding what that info is that's being --

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information is that's being presented, and ensuring that it's accurate.

Third, the Commission, as even Liberty has said, is considering in this case whether the Liberty's decision regarding if the proposal was prudent or is prudent, and that inevitably includes an analysis about Liberty's alternative supply options. And as part of that, Repsol has extensive experience and specific knowledge about options that are available in the marketplace, some of which may even be new, given that Repsol just learned about Liberty's Petition for the pipeline, which changes the picture somewhat. So, there is -- Repsol has expertise to bring to the Commission's analysis regarding the resource alternatives that may be of use to the Commission and other parties in this proceeding.

Finally, to the extent that the Commission determines that the LNG facility proposed by Liberty Utilities provides excess capacity above the demand of its customers, as we indicated in the petition, it's possible

that Liberty could be incented to facilitate off-system sales, which would impact Repsol's rights, privileges, and substantial interests in the marketplace.

In response to some of the comments that Liberty Utilities made in its opposition to Repsol's petition to intervene, I note that Liberty indicated that Repsol is "merely a competitor", and cited Order Number 25,666, for the proposition that competitors are not allowed intervention or that the Commission has previously determined that.

I have reviewed that order, and actually the Commission went on to allow the intervention of those other parties that were objected to in that proceeding, on the basis that those intervenors were able to provide a useful industry perspective and shed light on the potential risks of Liberty's proposal in that matter.

It is not Repsol's intention to frustrate or impede the analysis in this proceeding to the detriment of Liberty's customers. It is, in fact, Repsol's intention

1 to provide additional analysis or information, 2 where appropriate, to assist in the evaluation 3 as to whether Liberty's customers are -- that the decision is beneficial to Liberty's 4 5 customers, in the minds of the Commission. 6 So, we strongly believe that we have 7 a direct interest, as we are mentioned in the Petition, in actively participating in this 8 9 proceeding, and we seek the Commission's leave 10 to do so. 11 Thank you. 12 CMSR. BAILEY: Ms. Tracy, would you 13 plan on offering a witness? 14 MS. TRACY: We would like to reserve 15 the opportunity to offer a witness, that would 16 likely be a representative from Repsol itself. 17 At this point, we have not discussed the option 18 of hiring an outside consultant. So, it would 19 probably be somebody in the industry from the 20 Company itself. 21 CMSR. BAILEY: Okay. Thank you. Are 22 there other people that want to respond? 23 Mr. Kreis. 24 Thank you, Commissioner MR. KREIS:

Bailey.

Having listened to Mr. Ritchie and having read his pleading in opposition to the pending intervention motions, I feel obliged to say a few things on behalf of the OCA, because the OCA is referenced in the Liberty pleading.

I emphatically disagree with the premise that the participation of the Pipe Line Awareness Network and the Conservation Law Foundation is redundant, in light of the fact that my office is an automatic party to this proceeding. As I explained during the previous prehearing conference, what we bring to a proceeding like this is advocacy on behalf of the economic interests of ratepayers as ratepayers. And by "economic interests", I mean "what's it going to cost the customers and how it would affect the way they use the services of the utility?"

That is much narrower than the broader range of concerns that I think are arguably in front of the Commission in a proceeding like this. And I don't necessarily agree with those parties who think that those

1 other issues are properly before the SEC and not properly before the Commission. I realize 2 3 that there was language that seemed to suggest that in the order the Commission recently 4 5 issued about the Hanover/Lebanon franchise 6 expansion. But I really think that question 7 hasn't been litigated. It's an important one. And I suspect some of the intervenors in this 8 9 proceeding, other than the OCA, might want to 10 raise some of those issues. 11 The other point I would like to make 12 has to do with --13 CMSR. BAILEY: Mr. Kreis? 14 MR. KREIS: Yes. 15 CMSR. BAILEY: Before you move off 16 that point, can you explain to me exactly what 17 you think the issues that the Commission didn't 18 put in its Order of Notice are that should be 19 included? MR. KREIS: I'm not suggesting that 20 21 there's anything missing from the Commission's 22 Order of Notice. I'm merely suggesting that 23 denying parties the opportunity to intervene,

{DG 17-198} [Prehearing conference] {03-09-18}

based on the theory that the only issues before

the Commission in this proceeding are economic ones, would be -- it would be an inappropriate interpretation of the applicable standard in the Administrative Procedure Act.

CMSR. BAILEY: But, in this case, where we have to make a determination on whether the decision was prudent, how does that go beyond rates, and cost analysis, obviously?

MR. KREIS: Well, I think that -first of all, I think the parties deserve an
opportunity to develop that, the answer to that
question more fully as the proceeding evolves.

But, in general, I think prudence is a function in this case of the extent to which what the Company is doing is consistent with the State Energy Policy and the standards in the least cost integrated resource planning docket.

Now, having already been to the prehearing conference in the least cost integrated resource planning docket, we know that the border or the boundary between that docket and the issues there and this docket and the issues here is at least unclear at the

present time. And I think that prudence raises a lot of other issues than just economics.

But, again, you know, that's something that I think the parties in this proceeding should have the opportunity to argue, litigate, brief, and ultimately have resolved at the Commission, and perhaps ultimately in front of the appellate tribunal if there's appeals from the Commission order.

The other point I would like to make has to do with Paragraph 7 in Liberty's opposition pleading, which appears at Paragraph [Page?] 3. Liberty says that Order Number 25,767 offers precedent for allowing member — allowing organizations like PLAN and CLF to participate in dockets, but, it says, that the Commission required proof that those organizations have members who are Liberty customers.

I've looked at the Order. I have looked at the transcript that is referenced immediately after the reference to the order.

And I can tell you that the Commission has required no such thing. Those authorities

simply do not stand for that proposition.

At the prehearing conference of
February 13, 2015, in Docket 14-380, there was
a hearing officer of the Commission sitting
where Commissioner Bailey is sitting right now,
he raised that possibility. But, since he is
now sitting at counsel's table, I'm sure he
would readily concede that he had no authority
to bind the Commission with respect to
requiring affidavits from intervenors, and the
Order itself simply says no such thing. It
acknowledges the fact that the Pipe Line
Awareness Network did submit affidavits, but it
has never required such affidavits. And I
think that sets a very troubling precedent.

Beyond that I would just make a general observation, that I am disappointing with the Company for setting such an unhelpful divisive tone right at the outset of this proceeding.

That's all I have to say.

 $$\operatorname{CMSR.}$$ BAILEY: Is there anybody else that wants to respond?

Mr. Speidel.

MR. SPEIDEL: Thank you, Commissioner Bailey.

On behalf of Staff, we'd like to say that we have no objections to any of the motions to intervene. Regarding the limitation on scope of any interventions, the limitations would be universal, and they are delineated in the Order of Notice within the issues, inter alia, notice issues that are described there.

And when you examine the issues of the Order of Notice, they include the RSA 374:1 and 374:2 requirement that public utilities must provide reasonably safe and adequate service at just and reasonable rates. And I would say that there is a colorable argument to be made that the question of safety may potentially embrace some of the concerns that PLAN and CLF are going to bring to the table here.

And likewise, I would say that the participation of ENGIE and Repsol could be useful in this case on a Part II discretionary basis, because they have specialized knowledge of the wholesale gas markets in northern New

England and in New England generally. That

could be very useful to Staff in its attempt to

analyze this proposal.

So, we do embrace the potential for intervention by these parties. And we think that the statutory standards of review could include some issues that aren't strictly dollars and cents issues.

Thank you.

CMSR. BAILEY: Do you want to respond, Mr. Ritchie?

MR. RITCHIE: If I could. Thank you, Commissioner Bailey.

With respect specifically to Repsol's contention that they have special expertise and industry knowledge in this case, the Company doesn't necessarily debate that, that they are expert in this industry and have expertise.

However, as the Staff noted earlier, that it is likely that the Staff will have experts in this proceeding. It's possible that OCA may have experts in this proceeding. Liberty will certainly be providing expert testimony, and already has in this proceeding.

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                    So, it doesn't, at least from the
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         Company's perspective, it doesn't pass muster
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         that Repsol should be admitted into this docket
         to attempt to elucidate the Commission and
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         Staff with their specialized expertise and
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         knowledge of these issues.
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                    In reality, Repsol is looking to
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         intervene in this docket because they do have
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         an interest, but the interest is strictly a
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         competitive one. And they, quite frankly, are
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         at risk, if the Granite Bridge Project is
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         approved, they are at risk of some degree of
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         financial harm.
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                   So, while the Commission has allowed
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         competitors into dockets to provide specialized
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         expertise, that's not what Repsol is here for.
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         They are here on behalf of their shareholders
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         and to protect their interests.
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                   CMSR. BAILEY: All right. Let's move
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         on to the Motion for Protective Order. Mr.
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         Kreis, do you want to -- Oh, I'm sorry.
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                   MR. SHOPE: Oh, sure. John Shope, on
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{DG 17-198} [Prehearing conference] {03-09-18}

behalf of ENGIE. I wasn't planning to speak,

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but I --

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                         [Court reporter interruption.]
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                   MR. SHOPE: I just wanted to respond
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         to the --
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                   CMSR. BAILEY: It's good when you get
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         really close to it. But, when you move away,
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         it can't hear you.
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                   MR. SHOPE: I just wanted to respond
         to the comment by Staff member -- Attorney
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         Speidel, just to clarify that ENGIE's sole
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         interest in intervening is to protect the
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         confidentiality of its information,
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         particularly with respect to its competitor,
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         Repsol. It's not our intent otherwise to
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         participate or advocate in the proceeding.
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                   CMSR. BAILEY: Okay. All right.
                                                      So,
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         how should we talk about the Motion for
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         Confidentiality? Oh, wait a second.
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                         (Cmsr. Bailey and Cmsr. Giaimo
19
                         conferring.)
20
                   CMSR. BAILEY: Oh. Ms. Tracy.
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                   MS. TRACY: Thank you. I just
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         wanted, on that last point, I wanted to make
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         the Commission aware, and we may be discussing
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         this in the next discussion about the Motion
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         for Protective Order -- or, protection for
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         confidentiality. But it's not Repsol's
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         intention in this proceeding to get under the
         hood of ENGIE's numbers or their pricing.
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         larger principles that I discussed earlier
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         stand. But it certainty wouldn't be our
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         intention in this proceeding to glean their
         confidential information by participating in
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9
         this matter.
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                   CMSR. BAILEY: All right. Thank you.
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         Okay.
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                   Mr. Ritchie, do you want to start by
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         summarizing your Motion for Confidentiality or
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         do you want to get right to Mr. Kreis's
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         objection? It's a pretty standard motion.
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                   MR. RITCHIE: Yes.
                                        I was going to
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         say, in the interest of time, if we want to get
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         right to Mr. Kreis's objection to the Motion, I
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         won't have any problem with that.
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                   CMSR. BAILEY: All right. Thank you.
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         Mr. Kreis.
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                   MR. KREIS:
                               Indeed, Commissioner
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         Bailey, I agree heartily with the observation
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         that you just made. It is a standard motion
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for confidential treatment. Full of conclusory, unproven, hypothetical allegations about the competitive harms that this Company and its counterparties will suffer should the putatively confidential material be publicly disclosed.

And I don't know how to elaborate on that concern beyond what I said in my written pleading. The applicable law requires the Commission to specifically find, after the Company specifically alleges actual, rather than hypothetical or imaginary competitive harms.

But beyond that, even if you accept the proposition that there are potential competitive harms here that the Commission can and should take into account, the fact is, this is a "big deal", in the Joe Biden sense of the phrase. This docket is a big deal. That is why the room is full of people and intervenors and potential intervenors. That's why the press is covering this subject. This is a matter of major public policy concern to this state.

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The law of RSA 91-A, meaning the case law of the New Hampshire Supreme Court, requires the Commission to undertake a balancing test that weighs the public's interest in disclosure against whatever privacy interest the Company has asserted. So, even though, in a different case, assuming again that the privacy interests are real and not imaginary, even in a different case, where the Commission might rule this material confidential, it can and should rule that the data should be publicly disclosed in an important case here, where basically the future of Liberty Utilities and its customers is at issue. This is a proceeding in which this Company is proposing to more than double the size of its rate base. And it has made a broad and sweeping claim of confidentiality. It has

Company is proposing to more than double the size of its rate base. And it has made a broad and sweeping claim of confidentiality. It has even publicly disclosed certain information, in various municipal settings, that it claims in its Motion here should be treated as confidential. That in itself warrants extremely skeptical scrutiny of the Company's

allegations here.

The other point I want to make has to do with the fact that, by statute, my office is obliged to live with and abide by whatever confidentiality determinations the PUC makes.

And we will do that. But the point is that the reason for sunshine, the underlying reason for RSA 91-A, is to give the public the opportunity to scrutinize what the government is up to.

And in this instance, the government is not just the PUC, but it is also my office. And the public is watching me to make sure that I am doing an effective and appropriate job in representing the interests of residential utility customers.

I do not want to do that in secret.

I prefer to have my office's work fully scrutinized by the public, and I welcome skeptical scrutiny. When the Commission makes overbroad confidentiality determinations, based on hypothetical claims of competitive harms, without applying the balancing test in an appropriate and rigorous fashion, our ability to subject our work to public scrutiny is

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         compromised. And that is not what the
         Legislature intended to happen when it adopted
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         RSA 91-A.
                   CMSR. BAILEY: Are you suggesting
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         that none of the information is confidential?
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         That it should all be public? Or, that they
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         over redacted?
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                   MR. KREIS: I'm suggesting that they
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         over redacted.
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                   CMSR. BAILEY: All right. Thank you.
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         Ms. Tracy.
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                   MS. TRACY: Commissioners, thank you
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         for the opportunity to speak on this matter.
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                   As you can see from the pleadings,
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         Repsol just intervened on Wednesday. I was
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         retained shortly before that. Thus, Repsol has
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         not had an adequate opportunity to respond to
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         these two motions.
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                   We would ask the Commissioners for
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         leave to file a motion in support of Liberty's
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         Motion for Confidentiality and a protective
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         order, and to oppose the OCA's motion to
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         release the information to the public.
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                   We understand that, obviously, there
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is an interest in the public having -- being informed about the conduct and activities of the government. But, certainly, RSA 91-A:5 has an exception for the Right-to-Know law for records pertaining to commercial or financial information. And then, if the Commission needs to move into the balancing test as to whether those would -- disclosure of those -- that information would constitute an invasion of privacy, there would be an invasion of privacy in this instance with respect to Repsol's confidential information. This is information, as I indicated earlier, where it is -- we haven't seen it yet, so we don't know, but we imagine that this is information that may well be subject to a confidentiality agreement between the parties. And thus the parties have taken, meaning Repsol and Liberty, have taken efforts to protect the confidentiality of that information. And it is inappropriate to just release it, without giving Repsol the opportunity to speak more fully on that, and certainly to provide the real and specific examples of harm that could occur, as the OCA

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has suggested would be required in this circumstance.

So, we do ask the opportunity to file a motion in support of Liberty's request for confidential treatment of this information, certainly as it pertains to Repsol.

CMSR. BAILEY: Mr. Speidel, do you think there's any opportunity to narrow the amount of information that the Company seeks confidential treatment of, as is done in some other cases? Or, do we need to just rule on it?

MR. SPEIDEL: I would suggest to the Commission that it postpone ruling finally on that question of confidential treatment today. Staff has not yet developed a final position regarding the Motion, and there's good and valid reasons for that.

We are opposed in principle to overbroad requests for confidential treatment. And we are animated by the spirit of RSA 91-A, which militates in favor of disclosure. The Supreme Court has said that a number of times.

But we also don't want to harm the

competitive positions of corporations that,
under Part 5, have valid reasons for
maintaining the confidentiality of information
submitted to the New Hampshire state
government.

So, there's a lot of detailed information, a lot of specific elements that have been redacted. We hear Mr. Kreis's report loud and clear, that it would appear that some of this information is already in the public domain, maybe a lot of it is in the public domain. We don't really have a handle on that yet.

Motion be held under advisement for the time being. And we have to get to the bottom of what is really public and what isn't. And that's why we don't object to the participation of ENGIE and Repsol, as far as getting a handle on what is -- what is proprietary, what isn't. There may be a lot of data that's actually out there in the business world that we're not aware of, being in the business world, versus kind of a naked assertion of "Well, this is

proprietary." We don't know that yet. So, we'd like to have some time to get into the weeds a little bit and see what's really live confidential information.

But, if the Commission is on the bubble, ultimately, the burden of proof for confidential motions lies with the petitioner. So, they have to really indicate as to why this information is confidential and proprietary.

Thank you.

CMSR. BAILEY: All right. Mr. Kreis, did you have something to add? I see
Mr. Ritchie wants to say anything.

MR. KREIS: I just want to express my disagreement with the request that Repsol just made for the opportunity to brief and argue this subject. RSA 91-A is a disclosure statute. It is not a privacy statute. Third parties do not have standing to argue that the Commission is ever obliged to treat anything as confidential, and RSA 91-A gives the Commission complete discretion to take everything the Company has filed and order its disclosure in its entirety. And if you do that, nobody has

standing to challenge that determination you made.

I would also point out that pouring into my in-box has been a series of Right-to-Know requests, at least that's how I read them, from members of the public, seeking disclosure of the information that the Company is seeking to have treated as confidential here. I don't know how the Commission has handled those requests, if it has handled them, but that's another issue here: The pressing request for disclosure at the beginning of a proceeding.

I am still waiting for the Commission to rule on my opposition to the confidentiality motion that Eversource filed in the Access

Northeast docket, and that case has been appealed all the way to the New Hampshire

Supreme Court.

So, the idea that the Commission should simply defer ruling on these issues until some undefined and unspecified point later in the docket, that is inconsistent with the requirements of RSA 91-A.

(Commissioner Bailey conferring

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                         with Atty. Ross.)
                   CMSR. BAILEY: All right.
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         Ritchie.
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                   MR. SHOPE: Actually, if I could be
                 I believe Mr. Ritchie has consented to
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                This is John Shope.
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                   MR. RITCHIE: Yes. I consent to
         that.
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                   MR. SHOPE: We would request, if
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         there's any consideration of not --
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                         [Court reporter interruption.]
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                   MR. SHOPE: -- if there's any
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         consideration of not granting the Motion for
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         Confidentiality with respect to the information
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         of ENGIE that has been redacted, we would like
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         the opportunity to present a brief on that
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         point.
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                   CMSR. BAILEY: All right. Go ahead,
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         Mr. Ritchie. Or are you all set?
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                   MR. RITCHIE: And if I could have the
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         opportunity to speak?
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                   CMSR. BAILEY: Yes.
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                   MR. RITCHIE: I appreciate it.
                                                    Thank
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         you, Commissioner Bailey. Obviously, the
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Company respectfully but very strenuously disagrees with the OCA's motion.

As an initial point, the Company
believes it's basically -- it's a false choice
to think that these narrowly tailored
redactions in the document presents the
Commission with the choice between having a
fully transparent process or having this be
conducted like some sort of star chamber, where
everything is done in secret.

Actually, the Company's filing is voluminous. And it went through a very diligent effort to identify the material that was confidential and that needed to be protected. Whether it be pursuant to a confidentiality agreement with another party, or, more importantly, just on a broader level, especially with respect to the contract terms, the pricing, delivery, and financial information, and the confidential commercial information. The reality is is that, if this information were to be made public generally, it would -- first of all, it would compromise the Company's bargaining position in future

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similar transactions. Secondly, it would -- it would put the counterparties at a competitive disadvantage, vis-à-vis their competitors, if that information were to be publicized. And just on a general note, it would hinder -- it would hinder the Company's ability to negotiate these kind of deals going forward.

And ultimately, and this is sort of the unintended consequence of the OCA's argument, is that, in the end, the injury that this would cause would not only redound to the companies, but would also redound to ratepayers, because you would be in a situation where, if, for example, a supplier were thinking of bidding into an RFP process in New Hampshire or entering the New Hampshire market, they perhaps would elect not to do so, if it was -- if there was a real possibility that their confidential pricing information, which is generally protected in other jurisdictions, were made public. The result of that, obviously, would be less competition in the market, and the possibility that the Company would end up being stuck with an option that,

but for the -- but for the OCA's argument, would not be the least cost option.

So, the Company again vigorously disagrees with the OCA's claim that this is materially a hypothetical harm. It's real, as evidenced by the -- by the Commission's ruling in other dockets.

Also, I think it's worth noting that there is a significant, as the Company has noted before, there's a significant amount of overlap in these dockets. And therefore, there is a material amount of overlap in the protection of confidential information. So, it's interesting to note that the OCA did not object to the Company's filing for confidential treatment in 17-152, but is here. And I'm assuming the reason why, as noted in the objection, is because of the public's interest in this particular docket.

And while the Company doesn't necessarily disagree with the notion that the public does have an interest in 17-198, it obviously believes that that public interest is outweighed by the potential competitive harm

that could be done to the companies and the co-parties if the OCA's motion were accepted, and again, ultimately, the harm that would redound to ratepayers.

So, respectfully, the Company believes that the OCA is essentially trying to win a battle for ratepayers in this case, while potentially losing the war.

And in conclusion, the principles
that the Commission uses -- or, has relied on,
I should say, to protect this kind of
information in other dockets, or in 17-152, is
the same. So, the Company would, even if it -even if it is true that the public has more of
an interest in this case, the companies -- it's
all the more reason for the companies to
protect that information that, again, is
competitively sensitive and can do real harm.

And lastly, with respect to the Staff's mention of Repsol as a potential source of information in the docket, again, the Company would just want to reiterate its opposition to that perspective. In that, again, it's the Company's position that Repsol

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is essentially looking at a second bite at the
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         apple. They were involved in this process,
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         they were not chosen, and that's why they're
         here. They're not here to educate the
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         Commission.
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                   Thanks.
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                   CMSR. BAILEY: All right.
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         Commission has had a number of Right-to-Know
         requests, and we have provided an initial
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         response saying that we would rule on it by the
         end of March.
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                    I encourage you strongly to see if
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         you can narrow your differences with the OCA
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         and the Staff, working with OCA and the Staff,
         to see if there is -- if all the information
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         that you have redacted needs to be
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         confidential.
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                   MR. RITCHIE:
                                  Thank you.
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                   CMSR. BAILEY: Mr. Kanoff, you're not
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         part of this proceeding.
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                   MR. HUSBAND: Mr. Husband.
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                   CMSR. BAILEY: I'm sorry, Mr.
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         Husband. You're not part of this proceeding,
24
         right?
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MR. HUSBAND: I'm not part of this proceeding. I did want to note as a courtesy, though, I have filed a Right-to-Know request myself. I did receive the response, which is ambiguous. I'm not sure what it means.

But, if the Commission sitting up there now is going to issue a decision on this, or whether someone internally, a case master for my particular request, or Attorney Ross is going to respond to it. But I have -- I did let the Commission know in my -- in the letter I filed that this is an important issue that needs to be addressed. And this type of mass, broad filing cannot be allowed.

As an attorney, who I represent potential petitioners to intervene, as a member of the public, who has a right to know and has a right under the statute to file public comments, that I have a right to file informed public comments. It's very frustrating to look — open up a docket like this and look, for example, if you look at the letter I filed, there are two graphs that are filed by Liberty in support of the costs associated with the

pipeline and the costs associated with the facility, and everything in them is blacked out, except one number, the bottom line. That is absolutely meaningless to the general public. The public deserves much more.

I -- as I said, I'm just simply

letting the Commission know. I have a right to
go into court, as I read the statute, as

Attorney -- as Mr. Kreis pointed out later, the
Commission never did decide on the Right-toKnow request in Mr. Kreis's objection to the
request for confidentiality in the Access

Northeast case. I had filed a petition on
behalf of, I think, 20 organizations asking
that those redacted filings be disclosed to the
public. There was never a decision by the
Commission, even though it had promised to
decide the matter before -- before the case
concluded.

And I'm simply letting Attorney Ross know as well, I appreciate letters saying that this thing is going to be decided. But, when my experience has been it's not decided, I'm going to have to go to court unless there is

something really done about this.

CMSR. BAILEY: All right. Thank you.

Okay. Let's take initial positions of the people who have requested intervention in the room. And we will provide an opportunity for

6 public comment after that. Thank you.

Oh, sorry. Mr. Ritchie.

MR. RITCHIE: No. Thank you,

Commissioner Bailey. Liberty Utilities is

pleased to present for the Commission's review

and approval the Company's proposal to satisfy

our customers' needs for additional natural gas

supply. The Granite Bridge Project and the

contracts that will supply that Project are

designed to meet our customers' short and

long-term needs.

One major element of the Granite

Bridge Project is a proposed 27-mile pipeline

that would connect existing infrastructure in

Manchester with an existing interstate pipeline

located in Stratham. This 16-inch pipeline

would be located completely with the

state-owned Department of Transportation

right-of-way along Route 101, which was

designated as an "energy infrastructure corridor" under RSA 162-R.

The other major component of the Project is a proposed liquefied natural gas storage facility in Epping, which would sit on company-owned land adjacent to Route 101.

The new pipeline and LNG storage facility are vital to Liberty's future growth, because the Concord Lateral, which is currently the sole means of transporting natural gas to our customers, has reached capacity. The cost to upgrade the Concord Lateral far exceeds the projected cost of the Granite Bridge Project.

Absent the Granite Bridge Project, Liberty will have to either pursue a much costlier option or impose a moratorium on future growth.

The Company has also presented for approval in this docket two contracts that, combined, will be sufficient to meet the Company's demand requirements at our current rate of growth for the interim period between now and when the Granite Bridge Project is complete, and it will supply the natural gas that would be carried by the proposed pipeline

along Route 101.

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Finally, we impress upon the Commission the need for this docket to move expeditiously. Liberty's contract with Portland Natural Gas Transmission is one of several between PNGTS and other local distribution companies that are part of PNGTS's project that will provide the capacity Liberty needs to utilize the Granite Bridge pipeline. The other companies have signed contracts of much -- for much larger volumes. Approval of those contracts, filed in Massachusetts shortly before Liberty filed this docket, is expected within a few weeks. Thus, substantial delay in obtaining approval here may cause the other parties to proceed without Liberty, which would cause Liberty to have to renegotiate the agreements likely at far less favorable terms, all to ultimate detriment of customers.

We have communicated with other

parties in advance of this prehearing

conference and has suggested an admittedly

aggressive procedural schedule. We

respectfully request the Commission's support

for a schedule that would allow the Commission order by midsummer.

Thank you.

CMSR. BAILEY: Ms. Tracy.

MS. TRACY: Thank you. Repsol Energy
North America has no particular position on
Liberty's proposal at this time.

But we only reiterate the points that I made earlier in the discussion about the intervention of Repsol in this proceeding, in that our position is, one, to understand the information that's related to Repsol, and make sure that it's accurate for the Commission's benefit.

And then, the other -- the other piece is that, to the extent that there are analyses that aren't on the table with respect to Liberty's resource planning and sort of alternatives analysis that Repsol believes should be part of the Commission's consideration, we may seek to introduce that evidence. But that depends on, obviously, having -- understanding exactly what's in the Petition and how the case proceeds.

1 So, we don't have a position on the final outcome. But we do seek to introduce 2 relevant evidence as the case moves forward. 3 4 CMSR. BAILEY: Mr. Shope. 5 MR. SHOPE: Yes. ENGIE is -- oh, 6 No, ENGIE isn't seeking to sorry. Yes. 7 advocate with respect to the merits of the Petition. As I mentioned earlier, our interest 8 9 is focused on the protection of the 10 confidentiality of our information. 11 CMSR. BAILEY: Mr. Kanoff. 12 MR. KANOFF: Our issues are somewhat 13 in play right now. We haven't been privy to 14 the filing, which is confidential and has been 15 discussed here. 16 Having said that, we're going to be 17 looking carefully at supply alternatives, 18 costs, economics of the proposal, rate impacts, 19 and alternatives to supply. 20 CMSR. BAILEY: Mr. Kanoff, you are 21 aware that the Petition is on our website, 22 correct? It's redacted, so you don't have all 23 the information. But the Petition is there. 24 I was just referencing MR. KANOFF:

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         we don't have access to the confidential part
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         of the Petition. Yes. We've seen the
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         Petition.
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                   CMSR. BAILEY:
                                   Okay.
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                   MR. KANOFF: Yes.
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                   CMSR. BAILEY: Ms. Birchard.
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                   MS. BIRCHARD: Thank you. Briefly,
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         Conservation Law Foundation plans to address
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         the prudence of this Project and to hopefully
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         assist in the Commission's prudence review,
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         including the review of non-gas alternatives.
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         We look forward to discovery, as well as access
         to the confidential documents.
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                   And would note that the schedule we
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         have seen proposed does look somewhat
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         unrealistic and challenging.
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                   CMSR. BAILEY: Mr. Kreis.
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                   MR. KREIS: Thank you, Commissioner
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         Bailey.
                   First of all, let me say something I
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         forgot to say earlier, which is the OCA
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         supports all of the pending intervention
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         requests. I delivered a rather emphatic
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         peroration about the interventions, and I never
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finally stated a position. That's our position.

With respect to the merits of the case, the OCA, on behalf of residential ratepayers, supports prudent investments by Liberty Utilities consistent with the standards in the least cost integrated resource planning process. And we support managed expansion of Liberty Utilities' footprint, as we have indicated in the positions we have taken in previous dockets that deal with managed expansions.

However, we are concerned about the potential adverse consequences of this particular proposal, that as I said earlier, will more than double the Company's rate base should the Petition be granted in its entirety.

In particular, we oppose the use of a 20-year planning horizon, especially for such a large project, that raises issues of intergenerational equity. We think the appropriate planning horizon should be something more like ten years. And we would note that there is a reason that RSA 378,

Section 38, refers to a five-year planning horizon.

We oppose the use of an annualized cost approach for determining whether the Granite Bridge Project is prudent. Properly recognizing the actual costs faced by customers over time could have implications for the optimal choice of Liberty Utilities' supply procurement. And it's possible that, if you adopt a different and more appropriate approach, Granite Bridge would not turn out to be the least cost option when the actual costs of such a project over time is truly modeled.

Finally, I want to make a specific argument under RSA 541-A, which is the Administrative Procedure Act. The section that governs prehearing conferences talks about certain things that the administrative agency can and I would argue should resolve at prehearing conferences, and the Commission often leaves these things to the technical session that follows prehearing conferences, with the expectation that the parties are going to be able to agree on those things.

There are a couple of things here
that the parties are not going to be able to
agree upon. The most important of those is the
schedule for this docket. I have received
communications from the Company outlining what
they regard as a "reasonable" procedural
schedule. I have been in discussions with some
of the intervenors and the Staff about what we
regard as a "reasonable" procedural schedule.
These two sides have irreconcilable approaches
to how quickly this docket should proceed.

This is, as I said earlier, a big deal of a proceeding. The OCA needs at least three rounds of data requests, in addition to whatever information-gathering opportunities would arise at technical sessions. That suggests a docket that will not lead to a final order of the Commission until very late in 2018. And as a Mr. Ritchie just told you, he wants an order by midsummer. That is not an appropriate outcome in this docket. I realize that it could force the Company to have some earnest conversations with one or more counterparties. That is something the

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Commission can and should expect the Company to do, it having caused this situation by entering into contracts and proposing this docket on a particular timeline.

Another potentially large issue that I would request that the Commission issue a ruling about right now, following the prehearing conference, is the need of the Company to do SENDOUT runs for Staff and for the OCA, and potentially for other parties, to allow us to test some of the contentions that are contained in the Company's Petition. SENDOUT is a proprietary bit of software that the Company has purchased from an outside contractor that it uses to model various supply outcomes. It is unreasonable and, frankly, untenable to expect us to go out and buy the right to use that software. It is appropriate for the Commission to simply order the Company to do runs for the Staff, the OCA, and intervenors.

In previous dockets, the Company has vigorously resisted requests to do that. We should resolve that problem right now by having

the Commission simply tell the Company that is what the Commission will expect it to do.

CMSR. BAILEY: Mr. Kreis, do you think, if the Commission directed the Company to run SENDOUT runs for you, that could speed up the procedural schedule?

MR. KREIS: Yes.

CMSR. BAILEY: All right. Thank you.

MR. KREIS: I would like to close by making what may be an obvious point. The Company is not required to get preclearance from the PUC for capital projects. It has requested such preclearance here as a way presumably of insulating its shareholders from the business risk that arises out of business decisions of the company being declared after-the-fact to have been imprudent.

Liberty Utilities, I would say of the utilities that the Commission regulates, is historically more vulnerable to that possibility than some of the other utilities in this state are, given the flaws that the Commission has grappled with in the way that the Company plans.

So, if the Company is seeking that kind of preclearance here, and I acknowledge they have the right to do that, they also have the right and responsibility to cooperate with other parties, to give other parties and the Commission Staff a full and fair opportunity to conduct discovery and to skeptically evaluate what the Company is asking the Commission to approve here. That is the way the Commission should manage this docket.

Nevertheless, and despite the divisive and unhelpful tone that the Company has already set for this proceeding, the OCA is actually quite optimistic that at the end of this case, whenever that is, we will be able to reach some set of agreements with the Company that will allow some sort of capital project to move forward, because, clearly, the Company does have to make decisions about its future supply, and this dockets presents, along with the LCIRP docket, a useful opportunity for all of us to explore what the best choices will be for the Company and its customers.

CMSR. BAILEY: Mr. Speidel.

MR. SPEIDEL: Thank you, Commissioner Bailey. Staff has serious concerns regarding the magnitude of the Company's proposal for a capital investment presented here. Comparisons could be made to the experience of PSNH in the 1970s and 1980s with the Seabrook Project, where a very high level of capital outlay was made in comparison to the relatively modest customer base of the investing utility. And Staff wants to avoid negative outcomes arising from problems with economic feasibility and cost overruns for this Project.

An added concern here is Liberty's lack of project management experience of an investment of this magnitude. In light of the magnitude of the proposed investment, and the Company's express desire for a favorable ruling from the Commission in advance of construction on the question of prudency, Staff takes very seriously its obligation to assess the Project through a full review of the evidence and robust analytical approaches. Staff will request the services of an expert consultant in this effort.

Staff is not prejudging the issues at hand, but, as mentioned, has concerns that must be addressed by the Company. In particular, Staff will examine alternatives to this Project, and test the Company's economic and operational justifications for this investment.

Staff will cooperate with the Office of the Consumer Advocate, intervenors, and the Company, to gather as much useful information as possible regarding this proposal and the analytical factors surrounding it.

Staff, along with the OCA, as mentioned by Mr. Kreis, does not support the Company's procedural schedule proposal. This abbreviated schedule is not feasible, given the amount of analytical and data-gathering effort that must be accomplished here. And we note, in particular, that the Company had the recent experience of the Northeast Direct Precedent Agreement review, which took a significant amount of time, and should have been aware that the timeframe for such major matters, such major cases, is not very abbreviated. And when it negotiated certain deadlines with

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1
         counterparties, it did so at its own risk.
                                                      And
 2
         therefore, the Company has the obligation to
 3
         approach its counterparties and renegotiate to
 4
         a more reasonable schedule that incorporates
 5
         the necessity of the Commission review here.
 6
                   Again, the Company came here for
 7
         advance approval of the investment. And, so,
         therefore, the Company needs to accommodate
 8
 9
         itself to the Commission's own prerogatives in
10
         making sure that it's doing its job in
11
         reviewing this proposal.
12
                    In terms of the Motion for
13
         Confidential Treatment, as mentioned before,
14
         there's a lot of moving parts. And,
15
         Commissioner Bailey, you properly said that the
16
         Staff and the OCA should work with the Company
17
         to kind of maybe ring-fence and pare back some
18
         of the redactions, if appropriate. But we do
19
         reiterate that the animating spirit of RSA 91-A
20
         is in favor of disclosure, and the Company
21
         bears the burden of depending its redactions.
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Thank you.

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CMSR. BAILEY: All right. Are there -- Mr. Ritchie?

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1
                   MR. RITCHIE:
                                  If no one has anything
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         else to say, I would just like to make a couple
 3
         of notes with respect to what Mr. Kreis said
         earlier.
 4
                   CMSR. BAILEY:
 5
                                  Okay.
 6
                   MR. RITCHIE: Okay.
 7
                   CMSR. BAILEY: I think what we're
 8
         going to do is we're going to -- we'll allow
         you to make a couple of remarks. We're going
9
10
         to give the public an opportunity to comment.
11
         And then we're going to take a break and we
12
         may -- we'll come back before we adjourn.
13
                   Go ahead.
14
                   MR. RITCHIE: Okay. Thank you,
15
         Commissioner Bailey.
16
                   Just quickly, just a point of facts
17
         with respect to a point that was made by Mr.
18
         Kreis earlier, where he mentioned that this
19
         Project would result in a doubling of the
20
         Company's rate base. The Company concedes that
21
         this is a large project for EnergyNorth.
22
         However, only the Granite Bridge pipeline will
23
         be in distribution rate base, and the LNG
24
         facility will be in the cost of gas. So, there
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is no doubling of rate base precipitated by this filing.

And the Company doesn't -- I don't think the Company quite shares Mr. Kreis's pessimism with respect to the ability to work out a procedural schedule that could be amenable to all parties. The Company would like to stress that it is willing to be flexible with respect to the dates that were initially circulated by my colleague, Attorney Sheehan.

However, the Company would like to note that there is -- there is a date after which, if an order were to come out after a certain date, that would essentially amount to -- it would be tantamount to a dismissal of the case. So, the Company would like to -- is willing to work with other parties on establishing an expeditious procedural schedule that will allow it to enter into the contracts that are part of this filing. And it is willing to be flexible and discuss those dates.

CMSR. BAILEY: And isn't it possible to renegotiate the contract that would expire,

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         if we don't get to an answer by the date that's
 2
         in your mind? I think that that happened in
 3
         the last case that involved a precedent
 4
         agreement.
                   MR. RITCHIE: Yes, it is.
 5
 6
         possible to do that. And I think Staff
         mentioned that. The Company's concern is that
 7
         there is a risk that, if the terms were to be
 8
9
         renegotiated, that it would result in terms
10
         that are less favorable to ratepayers than the
11
         current terms that are under agreement and in
12
         front of the Commission for approval.
13
                   CMSR. BAILEY: Okay. And can you
14
         tell me what the date, the drop-dead date is?
15
                   MR. SPEIDEL: I believe that's a
16
         confidential term.
17
                   CMSR. BAILEY: Oh. Mr. Speidel
         believes that's a confidential term.
18
                   MR. RITCHIE: It is. And that's why
19
20
         I didn't --
21
                   CMSR. BAILEY: Okay.
22
                   MR. RITCHIE: -- I didn't divulge it
23
         here.
24
                                  All right. Okay.
                   CMSR. BAILEY:
                                                      Mr.
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1	Husband, I think I'm going to have to ask you
2	to vacate your microphone, if you don't mind.
3	But do you have anything you want to add as a
4	member of the public? Or are you all set?
5	MR. HUSBAND: No thanks. I think I
6	said it before. Thank you. I didn't know that
7	there was going to be a public comment.
8	CMSR. BAILEY: Okay. All right.
9	Thank you.
10	Are there other members of the
11	public? Ms. Martin. Just make sure you get
12	close enough to the microphone please.
13	MS. MARTIN: I will. For the record,
14	I'm Pat Patricia Martin, from Rindge, New
15	Hampshire.
16	And I have a concern that the
17	opportunity for the public to intervene has
18	passed before the residents along the route
19	properly understand the Project impact and
20	their rights.
21	Liberty has met with board of
22	selectmen and some planning boards offering
23	promises of tax payments, which are sure to win
24	approval. When questions have been raised by

members of the public, they are told to wait
for the open houses. Did Liberty inform the
boards of selectmen and the planning boards
they met with about the opportunity to
intervene?

 $$\operatorname{And}$ I feel an expedited schedule is really deleterious to the public interest.

Thank you very much.

CMSR. BAILEY: All right. If you could please come forward and identify yourself.

MR. VALLONE: Thank you. I'm Mark Vallone. I live at 252 Blake Road, in Epping, New Hampshire. Certainly speaking after Ms. Martin's comments are very apropos. I'm very concerned about the expedited schedule that Liberty is proposing.

A little background, and, again, please bear with me. But I live in Epping, where 35 years ago we were a superfund fight -- site, due to Keefe Environmental Services, a company that came into town touting all the benefits, sticking us with a major toxic clean-up that required millions of dollars of

funding and took out hundreds of acres of land in town.

Wheelabrator-Frye proposed building a trash-to-energy plant. We also had a proposal to have a tire-to-energy plant. That we rejected those two, and we had the opportunity to reject those two. And those turned out to be two major commercial developments in the distant century that had been a great boon to the Town.

Last night I went to a Planning Board meeting. And I find it ironic that it was scheduled for March 8th, the date after the deadline for filing for intervention. Where the Planning Board gave the Liberty company a pretty good run for their money with regards to some of the holes that they found in the proposal.

So, I'm just asking for some help here. I would love to sign up as an intervenor right now, but it's too late.

CMSR. BAILEY: The Commission often entertains late motions to intervene. You

1 could file it in writing and state how your rights, duties, and privileges are impacted, 2 3 and we will rule on it. 4 MR. VALLONE: I would appreciate 5 that. Thank you so much. 6 CMSR. BAILEY: Is there anybody else 7 that would like to speak? 8 MS. SCHERR: Good morning. My name is Stephanie Scherr. I live in Fitzwilliam. 9 10 And I am the founder of the organization ECHO 11 Action. We have been involved with following 12 both Kinder Morgan and Liberty Utilities since 13 2014. We are deeply concerned as we see that 14 this Project looks to be something that is 15

both Kinder Morgan and Liberty Utilities since 2014. We are deeply concerned as we see that this Project looks to be something that is segmented. Having had the NED Pipeline withdrawn, Liberty Utilities has been aggressively seeking contracts throughout New Hampshire. And it appears that they are now looking at segmenting, and then potentially, in our opinion, looking to continue with that export. To export the gas, which there is a glut for right now, to Canada and European markets.

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{DG 17-198} [Prehearing conference] {03-09-18}

New Hampshire may seek some kind of

compensation from this. But, overall, we feel that it is a detriment to the people, to their health, to their safety, to their economic benefit, because long term there are other options, renewable options, that are to their advantage. And we feel that this is aggressively being sought to try to counteract that movement that has been quite positively been moving throughout New Hampshire.

We see a big change in the perception of what kind of energy use we need. We've seen a huge leap in jobs in the renewable community. And the openness and willingness to address those interests, including New Hampshire offshore wind.

So, we feel that there is not enough time to address the other options, and to significantly have the opportunity to look at what this really means, both to those communities along that, to other communities that could be linked in at some point in time, and to the long-term impacts to our climate as well.

Thank you.

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1
                   CMSR. BAILEY: Anybody else?
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                   MR. SINCLAIR-WINGATE: Hello.
                                                   Ιs
 3
         this on?
                   Is it on now?
 4
                   CMSR. BAILEY: That's great.
                                                  Thank
 5
         you.
 6
                   MR. SINCLAIR-WINGATE: All right.
 7
         name is Griffin. I live in Dover, New
 8
         Hampshire.
9
                   CMSR. BAILEY: Can you say what your
10
         last name is, Griffin?
11
                   MR. SINCLAIR-WINGATE: Griffin
12
         Sinclair-Wingate. I'd just like to say, as a
13
         young person, who has a lot of fear for the
14
         future of this world, in terms of the impact
15
         that our dependency on fossil fuels will have
16
         on it, I'd like to say that I think we should
17
         be pursuing renewables. I think that
18
         continuing to build fossil fuel infrastructure
19
         will only strengthen our dependency on fossil
20
         fuels, which is having a negative impact on the
21
         health and wellbeing of our communities, on our
22
         global climate, and on our economy as well.
23
                   I'll just keep it at that.
24
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you.

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1
                    CMSR. BAILEY: All right. Thank you.
         Anybody else?
 2
 3
                         [No indication given.]
                   CMSR. BAILEY: Okay. I would like to
 4
 5
         take a five-minute break to confer with my
 6
         colleague. And we will be right back.
 7
                         (Recess taken at 11:31 a.m. and
 8
                         the prehearing conference
                         resumed at 11:53 a.m.)
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10
                   CMSR. BAILEY: All right. Thank you
11
         for your patience.
12
                   Because of the magnitude of this
13
         request, we are going to take the unusual step
14
         of providing some guidance.
15
                   With respect to the procedural
16
         schedule, we believe that, because of the
17
         magnitude of this request, the schedule will
18
         require a robust and thorough analysis. It
19
         can't be truncated. It needs to have enough
20
         time to fully analyze the issues that are
21
         necessary for us to make an informed decision.
22
                   We encourage the parties to work
23
         cooperatively to narrow the issues on
24
         confidentiality. We expect the Company to
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1 allow Staff and the OCA to request a reasonable amount of SENDOUT runs that the Company will 2 3 perform on behalf of OCA and Staff, as we have 4 required other utilities. 5 We will permit comments for requests 6 for confidential treatment in support of 7 Liberty's motion, specifically by ENGIE and 8 Repsol, by Tuesday, March 13th. And if anybody 9 wants to file a response to those comments, we 10 will take those until next Friday, March 16th. 11 As far as motions to intervene, we'll 12 take those under advisement, and we'll issue 13 our decision as soon as possible. 14 We look forward to the report of the 15 technical session. 16 And we'll leave it at that. Thank 17 We are adjourned. you. 18 (Whereupon the prehearing 19 conference was adjourned at 20 11:55 a.m., and a technical 21 session was held thereafter.) 22 23 24