

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DG 17-xxx

Liberty Utilities (EnergyNorth Natural Gas) Corp.

Petition for Temporary Waiver of Puc 506.03, On-Site Storage Requirements

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (“EnergyNorth” or the “Company”), through counsel, respectfully petitions the Commission pursuant to Puc 201.05 for a temporary waiver of the peak storage requirements of Puc 506.03 due to trucking limitations that have been caused by the extremely cold weather now gripping New Hampshire.¹

In support of this petition, EnergyNorth states as follows:

1. The first two parts of Puc 506.03 (emphasis added) state as follows:

(a) Unless separately addressed in a utility’s integrated resource plan as defined in Puc 510.01(e), and approved by the commission pursuant to an adjudicatory proceeding pursuant to Puc 200, each utility shall determine its maximum projected design week demand based on the coldest historical consecutive 7- day period, otherwise known as the 7-day design demand, and determine the amount of firm gas supply to be furnished by natural gas pipeline deliveries and on-site storage inventory, if any, necessary to satisfy the 7- day design demand.

(b) In connection with the operation of its peak shaving facilities, each utility shall retain a minimum on-site storage inventory volume for peak-shaving between December 1 and February 14 of each year that is equivalent to the volume of on-site storage inventory deemed necessary to satisfy the 7-day design demand as determined in (a) above

2. This rule requires the Company to maintain a combined propane and LNG inventory that is equal to 100% of the “7-day design demand” until February 15, when the requirement drops to 75% of the 7-day design demand until March, when it drops further to 50%. Puc

¹ This petition does not apply to the Company’s Keene Division.

506.03(e) and (f). The Company must file weekly reports of its on-site storage inventory levels with the Commission's safety division. Puc 506.03(g).

3. In this petition, the Company seeks a temporary waiver of Puc 506.03(b) so that EnergyNorth must have on site 50% of the 7-day design demand through February 1. The reasons for this request follow.

4. New Hampshire and all of New England are experiencing a historic cold snap, with temperatures expected to fall well below zero degrees Fahrenheit for many days. The severity of this weather is reflected in the fact that this period is likely to become the new "coldest historical consecutive 7-day period" on which the Company will calculate the future 7-day design demand. The Company currently calculates the 7-day design demand on a period in 2004, which had 396 heating degree days (HDDs). The Company is forecasting that EnergyNorth's service territory is in the midst of a 7-day period that will have about 420 HDDs.

5. Although EnergyNorth has sufficient supply to meet the projected demand over this cold spell, and although the Company does not foresee any contract or operational issues, this cold weather is placing a large demand on trucking. The Company regularly refills its on-site storage tanks with trucked deliveries of propane and LNG. EnergyNorth, other gas utilities, and many commercial users of these fuels all need additional deliveries because of the extreme temperatures. This increased demand is causing scheduling constraints and timing issues of those deliveries. Thus, the Company may be unable to refill its storage tanks as quickly as usual.

6. These trucking constraints may cause the on-site storage volumes to temporarily fall below the 7-day design demand level. As the weather is currently forecasted to normalize in about 10 days, the trucking conditions will also normalize, allowing the Company to comfortably return to the 100% storage requirements. This waiver request is necessary to keep the Company

in compliance with the rules until these trucking issues, which are outside the Company's control, are resolved.

7. The requested waiver will also give the Company the flexibility to avoid making spot purchases at unreasonably high prices. LNG and propane prices are currently well below the natural gas spot prices in the New England market area; thus, a temporarily lower 7-day storage requirement as sought in this petition would allow the Company flexibility to avoid making purchases at unreasonable rates, if such a decision was otherwise appropriate, with the savings being passed along to EnergyNorth's customers.

8. Again, the Company's specific request is to allow it to maintain on-site propane and LNG inventories at 50% of the 7-day design demand requirement until February 1, at which time the Company will again meet the 100% requirement of Puc 506.03(b).

9. Waiver of this storage requirement is in the public interest as it will allow the Company to work through the trucking logistics, and possibly mitigate price increases that would otherwise be borne by the Company's customers. This proposed waiver will have no impact on the reliability or operation of the Company's system, and thus will have no adverse impact on customers. The waiver will not disrupt the orderly and efficient resolution of any matter currently before the Commission.

10. The Company requested a similar waiver related to the 7-day storage requirement of LNG in Docket No. DG 14-028, which was motivated by the extremely high prices the Company would have had to pay in order to maintain the required LNG 7-day storage levels (whereas in this docket the primary reason is the trucking issues). The Company asked in DG 14-028 that the requirement be lowered to 50% of the 7-day requirement through March 1 of that year. The Commission granted the waiver by secretarial letter, saying "a waiver of Puc 506.03 under the

conditions described above is consistent with the public interest.” EnergyNorth seeks a similar finding that this waiver request is in the public interest.

11. The Company has discussed this matter with Staff.

WHEREFORE, the Company respectfully asks that the Commission:

- A. Grant a temporary waiver of Puc 506.03 as described above; and
- B. Grant such other and further relief as the Commission deems necessary and just.

Respectfully submitted,

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

By its Attorney,



Date: December 29, 2017

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

Certificate of Service

I hereby certify that on December 29, 2017, a copy of this Petition has been forwarded to the Office of Consumer Advocate.



Michael J. Sheehan