

Case No.	DG 14-380
Exhibit No.	#31
Witness	Panel 1
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Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

DG 14-380

Petition for Approval of a Firm Transportation Agreement with the Tennessee Gas Pipeline Company, LLC

Staff Data Requests - Set 1

Date Request Received: 1/14/15
Request No. Staff 1-5

Date of Response: 1/30/15
Respondent: Francisco C. DaFonte

REQUEST:

Ref. DaFonte Testimony, Bates p. 17-18. Given that there will be consistent reserve for the contract period of 20 years, please explain how did the company decided the capacity of 115,000 Dth per day.

RESPONSE:

As with any new pipeline project, a contracting party must make a determination of the capacity it will require on the project with the understanding that the project has a finite amount of capacity available. Given the difficulty in siting any new pipeline project in New England, it is quite possible that the NED project may be the only pipeline project available for the foreseeable future. By way of comparison, the last pipeline project built in New England was the Maritimes and Northeast Pipeline more than 15 years ago. For these reasons, the Company needed to consider the requirements of its firm customers over the 20 year term of the contract in order to determine the appropriate capacity commitment. Moreover, as an "Anchor Shipper" on the NED project, the Company received discounted rate treatment as well as other favorable terms and conditions throughout the course of the 20 year term of the contract.

Due to the "lumpy" nature of any new capacity, the Company will have some reserve capacity for a period of years before it either grows into that capacity or modifies its portfolio as other contracts and resources come up for expiration or, as is the case with the EnergyNorth portfolio, the useful life of its propane facilities comes to an end. In addition, the Company will make every effort to mitigate the costs of the reserve capacity as it does today through the use of capacity release, off-system sales and asset management transactions.