

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

RE: LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. D/B/A LIBERTY
UTILITIES

DOCKET NO. DG 15-___

**Petition for Approval of Tennessee Gas Pipeline Company, LLC Supply Path Precedent
Agreement**

NOW COMES Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (“EnergyNorth” or the “Company”) and petitions the New Hampshire Public Utilities Commission (the “Commission”) for approval of a firm transportation agreement with Tennessee Gas Pipeline Company, LLC (“Tennessee”) for procurement of capacity from Susquehanna County, Pennsylvania to Wright, New York. For the reasons set forth below, the Company requests that the Commission find that the agreement is prudent, reasonable and consistent with the public interest. In support hereof, the Company states as follows:

1. By this Petition and the accompanying Pre-Filed Direct Testimony of Francisco C. DaFonte, the Company seeks approval to enter into a 20-year contract with Tennessee (the “Supply Path PA”) pursuant to which the Company would purchase on a firm basis up to 78,000 Dth/day of capacity on Tennessee’s proposed pipeline from Susquehanna County, Pennsylvania to Wright, New York (the “Supply Path Project”). As a result of this Supply Path PA, EnergyNorth would have the necessary capacity to transport gas from the Marcellus Shale directly to its distribution system in New Hampshire.¹ The Supply Path PA provides the Company and its customers with the opportunity to take advantage of what has been an

¹ On October 2, 2015 in Order 25,822 in Docket No. DG 14-380, the Commission approved the Company’s precedent agreement with Tennessee pursuant to which it will purchase up to 115,000 Dth/day of so-called “Market Path” capacity on Tennessee’s proposed gas pipeline from Wright, New York (the “Market Path Project”) to the Company’s system in New Hampshire (the “Market Path PA”).

exceptional source of natural gas both in terms of quantity and price over the past five years. However, given the magnitude of the investment required by the Supply Path PA, the Company seeks the Commission's approval prior to purchasing capacity under the agreement.

2. Attachment FCD-1 to Mr. DaFonte's testimony depicts the proposed route of the Supply Path Project, which will consist of approximately 177 miles of pipeline traversing northeastern Pennsylvania and southern New York, between Station 319 on the 300 Leg of the Tennessee system and a new compressor station near Wright, New York on the Tennessee 200 Leg. The Supply Path Project is expected to enter service in November 2018, and will have an aggregate capacity of up to 1.2 Bcf per day. Of the approximately 177 miles of pipeline to be constructed, 42 miles consist of looping the existing Tennessee 300 Leg in Pennsylvania and 135 miles are proposed to be co-located with the Constitution Pipeline.

3. The Supply Path PA has an initial twenty-year term beginning on the later date of November 1, 2018 or the date on which Tennessee is able to begin service to EnergyNorth using the Supply Path facilities. The Company will purchase up to 78,000 Dth per day (the "MDQ") of firm transportation service from one or more mutually agreeable receipt points on Tennessee's 300 Line in Zone 4 to Tennessee's existing Wright, New York ("Wright") delivery point at a monthly Negotiated Reservation Rate multiplied by the contracted MDQ. *See Attachments FCD-2 and 3.* As was the case with the Market Path PA, EnergyNorth negotiated the material terms of the Supply Path PA through a consortium of local distribution companies and was able to obtain more favorable pricing. As a result of these collective efforts, the negotiated rate is significantly discounted from the expected recourse rate associated with the Supply Path Project.

4. The Supply Path PA contains critical milestones which affect the parties' obligations under the contract. Tennessee submitted a FERC Pre-Filing Application on

September 15, 2014 and it is the Company's understanding that Tennessee expects to make a FERC Certificate Application by the end of 2015, with the expected approval of that application anticipated in the fourth quarter of 2016. The contract provides that EnergyNorth has until May 2, 2016 to obtain regulatory approval of the contract from the Commission.

5. EnergyNorth's decision to procure capacity on the Supply Path Project was based on its analysis of the potential cost savings that could be obtained for its customers by procuring transportation capacity upstream of the Market Path Project (i.e., between the Marcellus/Utica natural gas basins and the interconnection with the Market Path Project at Wright). Based on the results of that analysis, EnergyNorth determined that it was in the interest of its customers to explore the firm transportation options available to access natural gas supplies in the Appalachian supply basin (i.e., Marcellus/Utica shale). EnergyNorth identified two potential options – the Supply Path Project and the Constitution pipeline – but because the Constitution pipeline was fully subscribed, analyzed potential procurement scenarios from the Supply Path Project only. That analysis demonstrated that the optimal Supply Path volume would be 78,000 Dth per day which formed the basis for the Company's contracting position.

6. As described in detail in Mr. DaFonte's testimony, the Supply Path PA is in the public interest because: (a) it will provide cost effective natural gas supply for EnergyNorth's customers; (b) provide direct access to the Marcellus/Utica supply basins; (c) provide an option to access numerous production area storage facilities and storage optimization-related benefits; (d) enhance the diversity of the EnergyNorth portfolio; (e) lead to greater price stability; and (f) enable other supply options within the EnergyNorth portfolio. In light of these benefits, the Company requests that the Commission open a docket to consider the Supply Path PA, and find by April 2, 2016 that it is prudent, reasonable and consistent with the public interest.

WHEREFORE, EnergyNorth respectfully requests that the Commission:

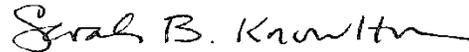
- A. Open a proceeding to conduct a review of this matter and determine that EnergyNorth's decision to enter into the proposed arrangement with Tennessee is prudent, reasonable and consistent with the public interest;
- B. Complete the review and issue a final order no later than April 2, 2016, and;
- C. Grant such other relief as is just and reasonable and consistent with the public interest.

Respectfully submitted,

LIBERTY UTILITIES (ENERGYNORTH
NATURAL GAS) CORP. D/B/A LIBERTY
UTILITIES

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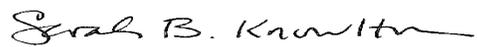


December 8, 2015

By: _____
Sarah B. Knowlton, Esquire

Certificate of Service

I hereby certify that on December 8, 2015, a copy of this Petition for Approval of a Tennessee Gas Pipeline Company, LLC Supply Path Precedent Agreement has been forwarded to the Office of Consumer Advocate.



Sarah B. Knowlton