# THE STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

#### DG 15-494

### LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. d/b/a LIBERTY UTILITIES

## Petition for Approval of Firm Transportation Agreement

#### ORDER OF NOTICE

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

("EnergyNorth") is a public utility pursuant to RSA 362:2, that provides natural gas service to approximately 90,000 customers in southern and central New Hampshire and in Berlin. On December 8, 2015, EnergyNorth filed a Petition for Approval of Tennessee Gas Pipeline

Company LLC Supply Path Precedent Agreement ("Precedent Agreement") along with the confidential and redacted direct testimony of Francisco C. DaFonte, Vice President, Energy

Procurement, Liberty Energy Utilities (New Hampshire) Corp. EnergyNorth also filed a motion for protective order and confidential treatment regarding the Precedent Agreement. EnergyNorth requests final Commission approval by April 2, 2016, so as to meet a regulatory approval deadline in the Precedent Agreement.

EnergyNorth seeks pre-approval of a twenty-year contract with Tennessee Gas Pipeline

LLC ("TGP") to purchase up to 78,000 Dth/day of firm capacity on TGP's proposed pipeline

from Susquehanna County, Pennsylvania, to Wright, New York ("Supply Path Project"), at a

fixed negotiated rate. According to EnergyNorth, the Precedent Agreement will provide

necessary capacity to transport gas from the Marcellus Shale directly to its distribution system in

New Hampshire, in conjunction with the TGP Market Path capacity approved by the

Commission recently in DG 14-380. Order No. 25,822 (October 2, 2015). The TGP Market Path will interconnect with the Supply Path project.

EnergyNorth avers that direct capacity to Marcellus supply will benefit customers in terms of reliability and cost. According to the company, the negotiated rate for the Supply Path Project capacity is "significantly discounted" from the expected recourse rate associated with the project, because EnergyNorth negotiated the rate collectively through a consortium of local distribution companies. EnergyNorth contends that Commission approval of the Precedent Agreement is consistent with the public interest.

EnergyNorth's filing raises, inter alia, issues related to RSA 374:1 and 374:2 (public utilities to provide reasonably safe and adequate service at "just and reasonable" rates); RSA 374:4 (Commission's duty to keep informed of the manner in which all public utilities in the state provide for safe and adequate service); RSA 374:7 (Commission's authority to investigate and ascertain the methods employed by public utilities to "order all reasonable and just improvements and extensions in service or methods" to supply gas); and RSA 378:7 (rates collected by a public utility for services rendered or to be rendered must be just and reasonable). These issues include whether EnergyNorth reasonably investigated and analyzed its long term supply requirements and the alternatives for satisfying those requirements, and whether EnergyNorth's entry into the Precedent Agreement with TGP for Supply Path Project pipeline capacity is prudent and reasonable. In addition, in the event the Commission's investigation is not completed before May 2, 2016, and EnergyNorth elects not to terminate the Precedent Agreement before that date, the filing raises the issue of who bears the risk of a subsequent imprudence finding.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at http://www.puc.nh.gov/Regulatory/Docketbk/2015/15-494.html. Each party has the right to have an attorney represent the party at the party's own expense.

#### Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on January 5, 2016, at 10:00 a.m. at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference,

EnergyNorth, the Staff of the Commission and any intervenors shall hold a technical session to
review the petition and allow EnergyNorth to provide any amendments or updates to their filing,
after which the Staff and parties shall file a proposed procedural schedule; and it is

**FURTHER ORDERED**, pursuant to N.H. Code Admin. Rules Puc 203.12, EnergyNorth shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than December 24, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before December 31, 2015; and it is

**FURTHER ORDERED**, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party' seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to EnergyNorth and the Office of the Consumer Advocate on or before December 31, 2015, such Petition stating the facts

demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rules Puc 203.17 and RSA 541-A:32, 1(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before January 5, 2016.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of December, 2015.

Debra A. Howland Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

#### SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov al-azad.iqbal@puc.nh.gov amanda.noonan@puc.nh.gov chico.dafonte@libertyutilities.com karen.sinville@libertyutilities.com mark.naylor@puc.nh.gov maureen.karpf@libertyutilities.com michael.licata@libertyutilities.com ocalitigation@oca.nh.gov pradip.chattopadhyay@oca.nh.gov rorie.patterson@puc.nh.gov sbk@rathlaw.com Stephen.Hall@libertyutilities.com steve.frink@puc.nh.gov steven.mullen@libertyutilities.com susan.chamberlin@oca.nh.gov

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#### **FILING INSTRUCTIONS:**

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND

EXEC DIRECTOR NHPUC

21 S. FRUIT ST, SUITE 10 CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.