

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 13-313

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

Least Cost Integrated Resource Plan

Order Finding Integrated Resource Plan Adequate

ORDER NO. 25,762

February 9, 2015

APPEARANCES: Sarah B. Knowlton, Esq., for Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities; James Brennan of the Office of Consumer Advocate, on behalf of residential ratepayers; and Alexander F. Speidel, Esq., for the Staff of the Public Utilities Commission.

In this Order, the Commission finds that the Least Cost Integrated Resource Plan (LCIRP) filed by Liberty in November 2013 meets the requirements of RSA 378:38 and is adequate pursuant to RSA 378:39. The Commission accepts the LCIRP and further directs Liberty to include certain information in its next LCIRP to be filed no later than February 9, 2017.

I. PROCEDURAL BACKGROUND

On November 1, 2013, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (Liberty), filed an LCIRP with the Commission, as ordered in Docket No. DG 10-041, Liberty's last LCIRP review proceeding. The LCIRP covered the planning period of November 1, 2013, through October 31, 2018. *See* Hearing Exhibit 1. The Office of Consumer Advocate (OCA) filed a letter on December 2, 2013, indicating its participation in the docket

pursuant to RSA 363:28. On January 21, 2014, the Commission issued an order of notice scheduling a prehearing conference and technical session for March 18, 2014.

The prehearing conference was held as scheduled on March 18, 2014. There were no intervenors. Through 2014, Staff, OCA, and Liberty engaged in technical sessions and propounded discovery regarding Liberty's LCIRP. Effective August 15, 2014, the Legislature explicitly extended the LCIRP statutes, RSA 378:37 through RSA 378:40, to include natural gas utilities such as Liberty. *See* Laws of 2014, ch. 129. (Previous to this amendment of the LCIRP statutes, the Commission required gas utilities to submit integrated resource plans by order. *See, e.g., National Grid NH*, Order No. 25,317 (January 11, 2012)). On November 12, 2014, Staff filed a recommendation that the Commission accept Liberty's LCIRP as adequate, pursuant to the terms of RSA 374:4 and RSA Chapter 378. *See* Hearing Exhibit 2, Staff Recommendation of Al-Azad Iqbal. On December 2, 2014, a hearing on the merits was held.

II. POSITIONS OF THE PARTIES AND STAFF

A. Liberty

In its LCIRP filing, Liberty provided: (1) details regarding Liberty's resource planning process and strategies based on present market conditions and Liberty's current forecast of requirements; (2) a detailed description of the method Liberty used to forecast demand on its system; (3) a description of the analysis Liberty used to determine its normal and design-day planning standards; (4) a description of how Liberty designed its resource portfolio to meet customer requirements under design-day conditions; (5) an inventory of existing resources including savings related to energy efficiency programs; and (6) a demonstration that Liberty's portfolio is adequate to meet customer demands under a range of weather and economic

conditions. Hearing Exhibit 1, *passim*. Liberty also provided evidence of its compliance with the requirements of Order No. 25,317, specific to the Commission's acceptance of the last Liberty integrated resource plan. Hearing Exhibit 1 at Bates pages 70-71.

At the hearing, Liberty presented the oral testimony of Francisco C. DaFonte, Vice President of Energy Procurement at Liberty Energy Utilities (New Hampshire) Corp., and Eric M. Stanley, Manager of Energy Efficiency and Customer Programs at Liberty Energy Utilities (New Hampshire) Corp. *See* Transcript of December 2, 2014, Public Hearing (Tr.) at 6-7. Messrs. DaFonte and Stanley provided additional detail regarding new potential sources of supply (such as the proposed Tennessee Gas Pipeline expansion project) and their impact on Liberty's ongoing planning, and the role of energy efficiency in Liberty's planning development process. Tr. at 10-33. In its closing statement, Liberty requested that the Commission approve its LCIRP as meeting the statutory criteria, and find that it is adequate. Tr. at 44.

B. Office of Consumer Advocate

Mr. Brennan of the OCA indicated at hearing that the OCA took no position regarding the Liberty LCIRP filing. Tr. at 42.

C. Staff

Al-Azad Iqbal, Analyst for the Gas and Water Division, summarized Staff's position regarding the Liberty LCIRP in a filing made to the Commission on November 12, 2014. Hearing Exhibit 2. Mr. Iqbal stated Staff's opinion that the LCIRP meets the requirements of RSA 374:4 and RSA Chapter 378, after having reviewed the plan, and Liberty's responses to Staff's and OCA's data requests. Hearing Exhibit 2, at 2. Mr. Iqbal recommended that the

Commission accept Liberty's LCIRP as filed, with the understanding that a few minor technical concerns of Staff would be addressed in Liberty's next LCIRP filing.

At hearing, Mr. Iqbal provided additional oral testimony in response to Commissioners' questioning, regarding these additional enhancements. Mr. Iqbal stated that Liberty needed to apply a more nuanced approach in evaluating its energy-efficiency options; Mr. Iqbal also recommended that Liberty, for its future LCIRP, apply a cross-check on a company-wide basis to its modelling outputs. Tr. at 35-36. In both Mr. Iqbal's written recommendation his oral testimony, Staff commended Liberty's use of open-source statistical software in its LCIRP development, and indicated that the software allowed a thorough review by all parties, while minimizing review costs. Hearing Exhibit 2 at 2, Tr. at 42-43. In its closing statement at hearing, Staff reiterated its support for Commission acceptance of the Liberty LCIRP as adequate. Tr. at 43.

III. COMMISSION ANALYSIS

As a threshold matter, we recognize that the current Liberty LCIRP represents a transitional phase in gas utility integrated resource planning, as a result of the Legislature adding natural gas utilities to the filing requirements of RSA Chapter 378 as of August 15, 2014. The statute changed after the Liberty plan was filed, but before our hearing on the merits. For administrative efficiency and clarity, we will assess the instant plan under the statutory standards of RSA Chapter 378, with the understanding that Liberty did not prepare the instant plan with the expectation that these statutes, rather than our past orders (*e.g.* Order No. 25,317) would govern our assessment. In any event, we concur with Staff that this LCIRP meets the standards of

RSA Chapter 378, and we will accept this plan as adequate under the new statutory scheme for natural gas utility LCIRP filings. Liberty plainly took a careful approach to examining its demand- and supply-side planning forecasting needs, including through its integration of energy-efficiency measures. We appreciate Liberty’s application of an open-source software approach to this LCIRP, and look forward to Staff’s methodological suggestions being implemented by Liberty for its next filing.

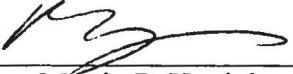
Also, for the purposes of the next LCIRP, we ask that Liberty address all of the statutory elements of RSA 378:38 and RSA 378:39 in its plan development in a granular way, so that reviewing parties may track the correspondence of the plan with the relevant statutory standards.

Based upon the foregoing, it is hereby


ORDERED, that Liberty’s LCIRP filed on November 1, 2013, is deemed adequate, as set forth above; and it is

FURTHER ORDERED, that Liberty file its next LCIRP on or before February 9, 2017, reflecting the elements described above.

By order of the Public Utilities Commission of New Hampshire this ninth day of February, 2015.

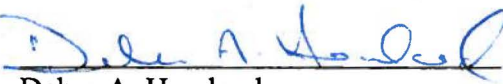


Martin P. Honigberg
Chairman



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director

SERVICE LIST - EMAIL ADDRESSES - DISCOVERY MATERIALS

Pursuant to N.H. Admin Rule Puc 203.09 (d) and 203.11 (a) (11) Electronic copies of all discovery shall be served on every person designated for discovery filings on the Commission's official service list. [Discovery shall not be filed as part of a docket filing pursuant to 203.02]

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