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## STATE OF NEW HAMPSHIRE

## PUBLIC UTILITIES COMMISSION

October 30, 2014 - 11:03 a.m.  
Concord, New Hampshire

NHPUC NOV14'14 PM 3:26

RE: DG 14-155  
LIBERTY UTILITIES (ENERGYNORTH NATURAL  
GAS) CORP. AND IBERDROLA USA  
ENTERPRISES, INC.:  
*Joint Petition for Authority to Transfer  
Ownership of New Hampshire Gas Corporation  
to Liberty Utilities (EnergyNorth Natural  
Gas) Corp.*

**PRESENT:** Commissioner Robert R. Scott, Presiding  
Commissioner Martin P. Honigberg

Sandy Deno, Clerk

**APPEARANCES:** Reptg. Liberty Utilities (EnergyNorth Natural  
Gas) Corp.:

Sarah B. Knowlton, Esq.

Reptg. Iberdrola USA Enterprises, Inc.:  
Patrick H. Taylor, Esq. (McLane Graf...)

Reptg. HotZero, LLC:  
D. Dickinson Henry

Reptg. Residential Ratepayers:  
Rorie E. P. Hollenberg, Esq.  
Office of Consumer Advocate

Reptg. PUC Staff:  
Michael J. Sheehan, Esq.  
Randall S. Knepper, Director/Safety Division  
Stephen P. Frink, Asst. Dir/Gas & Water Div.

Court Reporter: Steven E. Patnaude, LCR No. 52

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**I N D E X**

**PAGE NO.**

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                                  THORN C. DICKINSON  
                                  STEPHEN P. FRINK**

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1	Joint Petition for Authority to Transfer Ownership of New Hampshire Gas Corporation to Liberty Utilities (EnergyNorth Natural Gas) Corp., including the Petition, Motion for Confidential Treatment, Attachment to the Petition, and the Testimonies of Messrs. Leehr, Hall, DaFonte, Saad, Smith, Sherry & Dickinson, with attachment thereto (06-06-14)	9
2	Joint Petition for Authority to Transfer Ownership of New Hampshire Gas Corporation to Liberty Utilities (EnergyNorth Natural Gas Corp. <b>{CONFIDENTIAL &amp; PROPRIETARY}</b> )	9
3	OCA Direct Prefiled Testimony of Scott J. Rubin, with attachments (09-25-14)	9
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**P R O C E E D I N G**

1  
2 CMSR. SCOTT: Good morning. We're here  
3 for Docket DE 14-155, which is Iberdrola USA Enterprises,  
4 New Hampshire Gas Corporation, and Liberty Utilities'  
5 Joint Petition for Approval for Liberty's acquisition of  
6 the New Hampshire Gas Corporation from Iberdrola through a  
7 stock sale. This was filed on June 6, 2014. New  
8 Hampshire Gas Corporation is a public utility that  
9 distributes propane/air gas to approximately 1,200  
10 customers in Keene, New Hampshire. Iberdrola is a Maine  
11 holding company and a wholly-owned subsidiary of  
12 Iberdrola, S.A., a Spanish corporation. Iberdrola  
13 provides natural gas service to customers in New England  
14 and New York through a number of subsidiaries, including  
15 New Hampshire Gas Corporation. Liberty is a public  
16 utility that provides retail gas service to approximately  
17 86,000 customers in 31 communities throughout New  
18 Hampshire.

19 According to the Joint Petition, Liberty  
20 will buy all the outstanding stock from the New Hampshire  
21 Gas Corporation from Iberdrola in cash. New Hampshire Gas  
22 Corporation will then merge into Liberty. The Petition  
23 states that Liberty will continue to provide propane/air  
24 service in Keene under the same terms and conditions that

1 the existing New Hampshire Gas Corporation -- of the  
2 existing New Hampshire Gas Corporation tariff. The  
3 Petition states that Liberty will not seek any rate  
4 changes that could affect New Hampshire Gas Corporation  
5 customers, and Liberty will not seek rate recovery of any  
6 acquisition premium or transaction costs arising from its  
7 purchase of the New Hampshire Gas Corporation.

8 In Order 25,690, dated 9 July, the  
9 Commission granted Iberdrola's Motion for Protective Order  
10 and Confidential Treatment regarding terms of a Superior  
11 Court settlement agreement, and granted HotZero limited  
12 intervenor status.

13 On 27 October, a Settlement Agreement  
14 was filed, along with a motion to accept a late filing.  
15 So, I'd like to address that first. Is there any  
16 objections to the motion to accept the late filing?

17 MS. HOLLENBERG: No. Thank you.

18 CMSR. SCOTT: We'll -- the Commission  
19 accepts that. Also, two other -- to start, I'd like to  
20 address the two Motions for Protective Order and  
21 Confidential Treatment. First, the one filed on October  
22 27th by Liberty Utilities relative to the Office of  
23 Consumer Advocate Data Request 1-6. Are there any  
24 objections to that motion?

1 MS. HOLLENBERG: No.

2 MR. SHEEHAN: No objection from Staff.

3 CMSR. SCOTT: Okay. Before we -- do you  
4 have any issues?

5 (Cmsr. Honigberg indicating in the  
6 negative.)

7 CMSR. SCOTT: So, we'll accept that.  
8 We'll grant that order. The other Motion for Protective  
9 Order and Confidential Treatment was filed by Iberdrola  
10 USA, relative to Staff Request 1-28, and that was filed on  
11 October 29th. Are there any objections to that, us  
12 approving that motion?

13 MR. SHEEHAN: No objection.

14 MS. HOLLENBERG: No objection.

15 CMSR. SCOTT: Okay. We'll approve that  
16 also.

17 So, with that, I would start with  
18 appearances please.

19 MS. KNOWLTON: Good morning,  
20 Commissioners. My name is Sarah Knowlton. I'm here today  
21 on behalf of Liberty Utilities (EnergyNorth Natural Gas)  
22 Corp. And, with me from the Company is the Company's  
23 witness, Stephen Hall, and at counsel's table is Richard  
24 MacDonald and Steven Mullen.

1 CMSR. SCOTT: Good morning. Next,  
2 please.

3 MR. TAYLOR: Good morning,  
4 Commissioners. I'm Patrick Taylor, from the law firm of  
5 McLane, Graf, Raulerson & Middleton, representing today  
6 Iberdrola USA Enterprises, Incorporated. With me today  
7 are the Company's witness, Thorn Dickinson, also at  
8 counsel's table with me are representatives of the  
9 Company, Ignacio Estella and Antonio De Antonio.

10 MS. HOLLENBERG: Good morning,  
11 Commissioners. Rorie Hollenberg, here for the Office of  
12 Consumer Advocate.

13 MR. HENRY: Good morning, Commissioners.  
14 I'm Dick Henry, here on behalf of HotZero.

15 MR. SHEEHAN: Good morning. Michael  
16 Sheehan, on behalf of Staff. Present with me is Staff's  
17 witness, Stephen Frink, and, at counsel's table, Randall  
18 Knepper.

19 CMSR. SCOTT: Thank you. Are there any  
20 more administrative, are there identifications for  
21 premarked exhibits we could go through?

22 MR. SHEEHAN: Sure. Prior to the  
23 hearing, we've agreed to a basic numbering system for the  
24 exhibits to be marked with the parties and with the Clerk.

1                   Exhibit 1 will be the redacted version  
2 of the Petition and attachments. The Petition is included  
3 simply because it's part of the Bates numbering that  
4 continues through the various testimonies and attachments.  
5 Exhibit 2 will be the confidential version of that same  
6 document. And, these documents have all been filed and  
7 are in Docketbook, so we don't have extra copies here  
8 today. Exhibit 3 will be the Testimony of Scott Rubin, on  
9 behalf of the OCA, and his attachments. Exhibit 4 will be  
10 Staff's Testimony of Mr. Frink and Mr. Knepper and  
11 attachments. Exhibit 5 will be the Settlement Agreement.  
12 And, in the version of the Settlement Agreement filed,  
13 there's a Table of Contents to the attachments. And, the  
14 attachments will be put on Docketbook, they're voluminous,  
15 five or six hundred pages, so, we have permission from the  
16 Clerk's Office to keep a electronic copy in Docketbook.  
17 And, Exhibit 6 is an errata sheet of Mr. Knepper's  
18 testimony that was circulated today, and is the only paper  
19 copy that will be marked add admitted this morning.

20                   The Parties have agreed to not require  
21 the witnesses to take the stand and adopt their testimony,  
22 that all the testimony is accepted, for the people that  
23 will take the stand can be admitted as full exhibits,  
24 without going through that exercise of formally adopting,



[WITNESS PANEL: Hall~Dickinson~Frink]

1 if that's okay with the Commissioners.

2 CMSR. SCOTT: And, for clarity,  
3 regarding the Staff testimony, we have a 25 September  
4 filing, which is a replacement filing, is that correct?

5 MR. SHEEHAN: No. It's just a one --  
6 the September 25 testimony is fine. We are filing today a  
7 one-page errata sheet, just has some corrections to  
8 Mr. Knepper's testimony.

9 CMSR. SCOTT: I wasn't clear. What I  
10 meant was, the September 25th, it says "please find a  
11 replacement original and six copies" --

12 MR. SHEEHAN: Oh, yes. That's correct.  
13 That's correct.

14 CMSR. SCOTT: Thank you.  
15 (The documents, as described, were  
16 herewith marked as **Exhibit 1** through  
17 **Exhibit 6**, respectively, for  
18 identification.)

19 CMSR. SCOTT: So, on that front, how do  
20 you wish to proceed?

21 MR. SHEEHAN: We propose three witnesses  
22 to take the stand and answer questions regarding the  
23 Settlement: Stephen Hall, from Liberty; Stephen Frink,  
24 from Staff; and Thorn Dickinson, from Iberdrola. And,

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 they can present the terms of the Settlement and answer  
2 any questions that the Commissioners may have.

3 CMSR. SCOTT: Okay. Why don't we  
4 proceed then.

5 MR. SHEEHAN: So, if those three could  
6 take the stand.

7 (Whereupon **Stephen R. Hall,**  
8 **Thorn C. Dickinson,** and **Stephen P. Frink**  
9 were duly sworn by the Court Reporter.)

10 **STEPHEN R. HALL, SWORN**

11 **THORN C. DICKINSON, SWORN**

12 **STEPHEN P. FRINK, SWORN**

13 **DIRECT EXAMINATION**

14 BY MS. KNOWLTON:

15 Q. Good morning. I'll start with you, Mr. Hall. If you  
16 would state your full name for the record please.

17 A. (Hall) My name is Stephen R. Hall.

18 Q. By whom are you employed?

19 A. (Hall) I'm employed by Liberty Energy Utilities New  
20 Hampshire Corp.

21 Q. What is your position with the Company?

22 A. (Hall) I am Director of Regulatory and Government.

23 Q. And, in that position, did you have any responsibility  
24 relating to the proposed acquisition of New Hampshire

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 Gas Corporation by EnergyNorth?

2 A. (Hall) Yes, I did.

3 Q. What role did you play in this docket?

4 A. (Hall) I was a member of the Company's team that put  
5 together the filing. And, I was also a member of the  
6 negotiating team that negotiated the Settlement.

7 Q. And, did you participate in discovery on behalf of the  
8 Company?

9 A. (Hall) Yes, I did.

10 Q. The proposed settlement has been marked as "Exhibit 4"  
11 today. Do you have that before you?

12 A. (Hall) I do.

13 Q. Would you describe for the Commission the terms of the  
14 Settlement to which the Company has agreed?

15 A. (Hall) Certainly. The Settlement before the Commission  
16 would essentially result in EnergyNorth acquiring and  
17 operating New Hampshire Gas on an "as is" basis. The  
18 Settlement provides for the purchase of New Hampshire  
19 Gas by EnergyNorth for \$3 million, with the price to be  
20 adjusted based on net working capital and financial  
21 indebtedness as of the date of closing.

22 New Hampshire Gas will become a division  
23 of EnergyNorth, but EnergyNorth will maintain separate  
24 accounting records and will also file separate annual

[WITNESS PANEL: Hall~Dickinson~Frink]

1 reports for the Keene Division.

2 Under the Settlement, EnergyNorth has  
3 agreed that it will not recover any transaction costs  
4 nor any acquisition premium or transition costs.

5 Q. And, if I could ask you a question about the  
6 transaction and the transition costs.

7 A. (Hall) Certainly.

8 Q. What is your understanding of what those terms mean?

9 A. (Hall) Okay. "Transaction costs" are costs incurred  
10 for the merger or the acquisition to go through, things  
11 like legal expenses, fees associated with acquiring the  
12 stock of the company. "Transition costs" are  
13 non-recurring -- one-time expenses that are incurred to  
14 effectuate the transaction and the transition from New  
15 Hampshire Gas as a company owned by Iberdrola to the  
16 Keene Division of EnergyNorth.

17 Q. Mr. Hall, I just want to note for the record that I had  
18 referred to the Settlement as "Exhibit 4", when it's,  
19 in fact, "Exhibit 5". But if you would continue with  
20 your summary.

21 A. (Hall) Certainly. Under the Settlement, EnergyNorth  
22 will charge the Keene Division \$200,000 annually for  
23 corporate expenses, and that amount is going to be  
24 adjusted annually for inflation beginning January 1,

[WITNESS PANEL: Hall~Dickinson~Frink]

1 2016. EnergyNorth has agreed that it will maintain a  
2 separate tariff for the Keene Division, with separate  
3 distribution and commodity rates. Essentially, when  
4 the acquisition occurs, rates will not change.

5 Q. Mr. Hall, if I actually may go back to the \$200,000,  
6 how was that amount derived?

7 A. (Hall) That amount was derived based on an analysis of  
8 the costs that New Hampshire Gas incurred over the last  
9 few years as a result of services provided by Iberdrola  
10 to New Hampshire Gas. And, EnergyNorth has agreed that  
11 it will maintain that same dollar amount, same cost for  
12 all of those services.

13 Continuing, under the Settlement,  
14 EnergyNorth will maintain the Keene work center with  
15 eight full-time positions. I would note that one  
16 position is currently vacant, and that applicants are  
17 being sought to fill that position.

18 EnergyNorth has agreed that it will meet  
19 with Staff and OCA within 90 days after closing to  
20 develop a plan for the annual replacement of cast iron  
21 or wrought iron pipe. And, EnergyNorth will adopt New  
22 Hampshire Gas policies and procedures for the operation  
23 of the Keene Division. And, for clarity and ease of  
24 reference, those policies and procedures are attached

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 to the Settlement. To the extent that any changes are  
2 necessary to those policies and procedures, EnergyNorth  
3 will notify Staff of any such changes within 14 days of  
4 the effective date of those changes.

5 And, any of the terms of the Settlement  
6 will remain in effect until the Commission approves  
7 otherwise.

8 What we are seeking in this docket is  
9 we're seeking the Commission's approval of the  
10 Settlement without condition or modification. And, we  
11 are requesting an order approving the transaction by  
12 November 28th, 2014, to allow for closing by  
13 December 31, 2014. We're seeking a December 31 closing  
14 date because the mechanics of the transfer of ownership  
15 is easier if it's done by year-end. That, combined  
16 with the fact that there is a walkaway date in the  
17 Stock Purchase Agreement of January 4, 2015.  
18 Therefore, we're seeking to close by the end of this  
19 year.

20 And, that completes my summary.

21 Q. Mr. Hall, based on your summary, is it fair to  
22 characterize EnergyNorth's proposed operation of the  
23 Keene Division as essentially an "as is" basis?

24 A. (Hall) Yes.

[WITNESS PANEL: Hall~Dickinson~Frink]

1 Q. I believe the Company's filing indicated that there is  
2 one other regulatory approval that must be obtained in  
3 order for the acquisition to close, which is an  
4 approval from the Federal Communications Commission.  
5 Do you have any update that you can provide on the  
6 status of that approval?

7 A. (Hall) Yes. My understanding is -- bear with me for a  
8 moment. My understanding is that the FCC has consented  
9 to the transaction, but there is a requirement that  
10 they be notified when -- regarding the date of the  
11 closing of the transaction.

12 MS. KNOWLTON: Thank you. I have no  
13 further questions for Mr. Hall.

14 MR. SHEEHAN: If I could ask a few  
15 questions of Mr. Frink.

16 CMSR. SCOTT: Please.

17 BY MR. SHEEHAN:

18 Q. Mr. Frink, your position and your involvement with this  
19 docket please.

20 A. (Frink) I'm the Assistant Director of the Gas and Water  
21 Division here at the Commission. And, I was primarily  
22 responsible for analyzing the financial impacts, and  
23 working with Randy Knepper on operations and safety  
24 issues in analyzing this proposed acquisition.

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 Q. You just heard Mr. Hall give a summary of the  
2 Settlement Agreement. And, understanding that the  
3 Agreement speaks for itself, do you agree that Mr.  
4 Hall's summary is a fair description of what the  
5 Settlement provides?

6 A. (Frink) Yes, I do.

7 Q. In your testimony, and that of Mr. Knepper, prior to  
8 the Settlement Agreement, there were certain statements  
9 and comments made, conditions and problems or issues  
10 that Staff had regarding the proposed sale. Can you  
11 explain why -- what changed from your testimony to the  
12 date of settlement that allows you to speak in support  
13 of the Settlement now?

14 A. (Frink) My concern, on the financial side of things, is  
15 that, for New Hampshire Gas customers, if they were to  
16 be rolled into the EnergyNorth system and the Liberty  
17 rates applied to them, they would see approximately a  
18 36 percent decrease in their bills, and that would be  
19 essentially made up by the Liberty -- current Liberty  
20 customers. So, there was a shifting of costs there  
21 that would take place, if that was -- if that was  
22 indeed what happened. But, under the terms of the  
23 Settlement, that isn't what's going to happen, at least  
24 not initially. I mean, the Company can come forward

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 with a proposal in a future rate case or somewhere down  
2 the road, but, until that time, things basically remain  
3 the same.

4 I know the safety issues put forth in  
5 Mr. Knepper's testimony, he was concerned that, with  
6 the Liberty being in a much closer proximity than the  
7 current ownership, that they may seek to shut down that  
8 operation center and possibly meet some of those needs  
9 with the staff from other locations, and the Settlement  
10 precludes that. It maintains the current staffing,  
11 maintains the same emergency response times that are  
12 currently in place for New Hampshire Gas, which is  
13 more -- much tighter than what Liberty has.

14 So, anyway, all in all, our concerns are  
15 fully addressed through this Settlement.

16 MR. SHEEHAN: Thank you. Those are all  
17 the questions I have.

18 CMSR. SCOTT: Mr. Taylor.

19 MR. TAYLOR: Just some very brief  
20 questions. I'll do it like everybody else, sitting down.

21 BY MR. TAYLOR:

22 Q. Mr. Dickinson, could up please state your full name for  
23 the record.

24 A. (Dickinson) Yes. It's Thorn Dickinson.

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 Q. And, who are you employed by?

2 A. (Dickinson) By Iberdrola USA Management Corporation.

3 Q. And, what is your position with the Company?

4 A. (Dickinson) Yes. I'm a Vice President of Business  
5 Development.

6 Q. And, what has your role been in connection with this  
7 docket?

8 A. (Dickinson) With this docket, I've been intimately  
9 involved from the beginning in all filings associated  
10 with it and discussions on settlement.

11 Q. And, having -- well, have you read the Settlement  
12 Agreement that's being presented to the Commission  
13 today.

14 A. (Dickinson) Yes.

15 Q. And, having read that, and having heard the testimony  
16 of Mr. Hall and Mr. Frink, would you agree that that's  
17 an accurate characterization of the Settlement  
18 Agreement?

19 A. (Dickinson) Yes, I do.

20 MR. TAYLOR: I have no further  
21 questions.

22 CMSR. SCOTT: Is there any other -- I  
23 guess we haven't heard from OCA and HotZero, did you have  
24 any cross?

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1 MS. HOLLENBERG: I just have a couple of  
2 questions, if I might please.

3 **CROSS-EXAMINATION**

4 BY MS. HOLLENBERG:

5 Q. Mr. Hall, you talked about the difference between  
6 "transition costs" and "transaction costs", and you set  
7 out your understanding of those two types of costs.

8 A. (Hall) Uh-huh.

9 Q. Would you agree that those costs or the definitions of  
10 those costs are defined in the Settlement Agreement at  
11 Paragraph 4? Which is on Page 4.

12 A. (Hall) Yes.

13 Q. Thank you. And, Mr. Hall, you testified about a  
14 "walkaway date", which was early in January of 2015, as  
15 one of the reasons that the Companies were asking for  
16 approval, expedited approval by the Commission in this  
17 case. Is there any flexibility on that walkaway date?  
18 For instance, I know we've had situations in the past  
19 where a acquisition has been settled, and the approval  
20 is pending, and there are extensions that can be  
21 negotiated with the parties. If you could just address  
22 that please?

23 A. (Hall) That flexibility exists. I don't recall the  
24 exact words, but it was, if I recall, it said that, to

[WITNESS PANEL: Hall~Dickinson~Frink]

1 the extent that any party hadn't obtained the requisite  
2 approval for the transaction, that the parties could  
3 mutually agree to extend the date to, I believe,  
4 April 4th.

5 Q. Okay. Thank you.

6 A. (Hall) But what we're seeking is approval from this  
7 Commission, therefore final approval, so that we can  
8 close by the end of the year.

9 Q. Uh-huh. I understand. Thank you so much. Mr.  
10 Dickinson, do you agree with that answer by Mr. Hall?

11 A. (Dickinson) Yes. I believe that's correct, yes.

12 Q. Thank you. And, Mr. Hall and Mr. Dickinson, if you  
13 could just answer this question. Do you agree that the  
14 Settlement Agreement that's filed accepts and  
15 incorporates the OCA's recommendations in its  
16 testimony?

17 A. (Hall) Yes.

18 Q. (Dickinson) Yes, I do.

19 MS. HOLLENBERG: Thank you very much.

20 No other questions.

21 CMSR. SCOTT: Does HotZero have any  
22 questions?

23 MR. HENRY: I have no questions.

24 CMSR. SCOTT: No questions. Okay.

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1 Commissioner?

2 CMSR. HONIGBERG: I just have a couple  
3 of things I want to ask about.

4 BY CMSR. HONIGBERG:

5 Q. And, I think I understand this, and I think it was  
6 clear enough ultimately in the testimony. But both  
7 you -- but, Mr. Hall, both you and Attorney Knowlton  
8 used the phrase "as is". You used it slightly  
9 differently, but I think ultimately you got to the same  
10 place. You, Mr. Hall, referred to it "acquire and  
11 operate as is", Ms. Knowlton limited it to "operate as  
12 is". And, when you buy something "as is", lawyers have  
13 a -- it means something to lawyers, that there's no  
14 warranties about performance, basically buying it as  
15 is. What you both really mean ultimately is that you  
16 intend to operate it as it is currently being operated  
17 under the terms of the Settlement, is that right?

18 A. (Hall) Correct. Attorney Knowlton's characterization  
19 was the right one.

20 Q. I think I'm going to steal a question from -- that I  
21 know Commissioner Scott was planning on asking. But  
22 the charge for expenses, you talked about it being  
23 "adjusted for inflation". Is it also going to be  
24 adjusted if it turns out that the actual cost of

[WITNESS PANEL: Hall~Dickinson~Frink]

1 what -- of the services being provided by Liberty are  
2 radically different from the 200,000 that's in the  
3 Agreement?

4 A. (Hall) No. There is no such provision for that kind of  
5 adjustment.

6 Q. Why not?

7 A. (Hall) It was a negotiated term.

8 A. (Frink) If I could speak, the fact is, Liberty isn't  
9 planning on adding any people to operate New Hampshire  
10 Gas. So, even if the costs -- well, those costs are  
11 being borne by Liberty's customers now, essentially  
12 200,000 now is shifting to New Hampshire Gas. And,  
13 that's -- so, Liberty's customers are benefiting, they  
14 would be paying those costs either way. So, that's  
15 really why there's no provision for a change in that.  
16 If there's a rate case, then that may be an issue.

17 Q. This is probably an unfair question. But have you  
18 given thought to how long you think it will be before  
19 you come back to start consolidating the operations,  
20 more along the lines of the original proposal?

21 A. (Hall) Yes. We haven't made that decision yet. We're  
22 going to have to take a look and begin operating the  
23 Company, and, you know, plan out the -- implement a  
24 business plan as we go. There is no time frame that we

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 have.

2 CMSR. HONIGBERG: That's all I have.

3 Thank you.

4 CMSR. SCOTT: I have a couple questions

5 also.

6 BY CMSR. SCOTT:

7 Q. Can you help lay out for me what, if I'm a current  
8 customer of New Hampshire Gas, what will I see  
9 different? Will my bills say "Liberty" on it? Will  
10 the trucks going by now say "Liberty" on it? What will  
11 change?

12 A. (Hall) Essentially, the bill will change to "Liberty".  
13 We'll obviously have to file a new tariff that  
14 basically replaces "New Hampshire Gas" with  
15 "EnergyNorth". But, other than that, customers are  
16 going to see very little change, because the operation  
17 of the Company is going to be essentially the way it's  
18 done right now.

19 Q. And, I ask that question, because I'm wondering what  
20 kind of outreach there will be for customers?  
21 Obviously, to the extent there's an ownership change,  
22 we want to avoid customer confusion as much as  
23 possible.

24 A. (Hall) Yes. We will notify customers of the change.

{DG 14-155} {10-30-14}

[WITNESS PANEL: Hall~Dickinson~Frink]

1 I'm not sure how that's going to be done. But,  
2 obviously, some notification has to occur. So, whether  
3 that is through, you know, a mailer or other type of  
4 outreach, I'm not sure at this point. But, really,  
5 other than a name change, customers aren't going to see  
6 any difference.

7 Q. Okay. And, the numbers, if they have service issues,  
8 phone numbers and all that would stay the same?

9 A. (Dickinson) Yes, at least initially.

10 Q. Okay. Thank you. Probably for Mr. Frink, on Exhibit  
11 4, your testimony. So, Page 13 of your testimony, Line  
12 17 through 20, there was a discussion regarding "access  
13 to natural gas energy efficiency programs". And, I was  
14 curious. So, the implication at this time, this was  
15 before the Settlement, was that there would be almost a  
16 negative to customers, in that they would be paying for  
17 a charge for energy efficiency, but wouldn't be  
18 receiving any more than they already receive. Can you  
19 explain that?

20 A. (Frink) Yes. As a propane/air company, they do not  
21 have any energy efficiency programs, yet those  
22 customers are electric customers, and they do have  
23 access to energy efficiency programs offered through  
24 their electric utility. So, if your, just because I'm

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 an oil customer, those customers can contact their  
2 electric company and have an energy audit and do  
3 efficiency improvements, and those programs exist for  
4 them. So, -- and, under the terms of the Settlement  
5 Agreement, that's still what is going to work.

6 Q. That's helpful. Because I read this to mean like an  
7 LDAC charge or a --

8 A. (Frink) No LDAC charges going forward, until there's a  
9 rate case.

10 Q. Okay. That's helpful. Thank you. And, Mr. Hall, you  
11 looked like you wanted to say something, I didn't mean  
12 to --

13 A. (Hall) No. I was agreeing with him.

14 Q. Okay. That's always good. Also in the filing, and I  
15 don't have the cite, where it was, but Liberty  
16 mentions, and I think the language was that they're  
17 "expecting significant growth" in that Keene system,  
18 this is probably for Mr. Hall, I assume. So, what's  
19 the genesis of that? Is Liberty intending on increased  
20 efforts to get people to sign on to gas or what's  
21 behind that?

22 A. (Hall) That, I believe, was in Mr. Leehr's testimony.

23 Q. Yes.

24 A. (Hall) And, what we will do, following acquisition, is

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[WITNESS PANEL: Hall~Dickinson~Frink]

1 look into the economics of converting the system from a  
2 propane/air system to some other fuel source, like CNG  
3 or LNG. If it's economical to do so, and results in  
4 lower cost to customers, we would go forward and do it.  
5 And, if we're able to do that, we think there's a lot  
6 of potential in the Keene area to expand and grow the  
7 system. Obviously, the more you grow the system, the  
8 more volume there is over which to spread fixed costs,  
9 and it thereby benefits all customers.

10 Q. Thank you. That's helpful. And, the discussion, in  
11 fact, you have letters of support mentioning it, too,  
12 of potential CNG or LNG facilities, and all -- that's  
13 notional at this point, with a question mark? I assume  
14 that's notional at this point? There's no --

15 A. (Hall) Correct.

16 CMSR. SCOTT: Yes. Thank you. I think  
17 that's all I have. Is there any need for redirect?

18 MS. KNOWLTON: I have none.

19 MR. TAYLOR: I have none.

20 MR. SHEEHAN: No, sir.

21 CMSR. SCOTT: Okay. Great. All right.

22 With that, the panel is excused.

23 WITNESS HALL: Thank you.

24 CMSR. SCOTT: As usual, you're welcome

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1 to stay or sit back at your seats, either one.

2 So, Mr. Sheehan, you had mentioned --  
3 so, it's already agreed that there's no issues for anybody  
4 for admitting these exhibits, is that correct?

5 MR. SHEEHAN: That's correct. I believe  
6 the list I read off at the beginning is all agreed to by  
7 the parties.

8 CMSR. SCOTT: Okay. Well, so marked  
9 then.

10 So, I think, unless there's any other  
11 procedural issues, we're ready for closing statements?

12 (No verbal response)

13 CMSR. SCOTT: And, why don't we start  
14 with Liberty -- excuse me, last will be Liberty, Liberty  
15 and Iberdrola last, I'm sorry. New to this gig. So, how  
16 about if we start with the OCA.

17 MS. HOLLENBERG: Thank you. I'm happy  
18 to start. The OCA supports and recommends the  
19 Commission's approval of the Settlement Agreement, which  
20 incorporates and accepts the recommendations of the OCA's  
21 testimony filed in this proceeding.

22 We thank the Companies and the Staff, as  
23 well as HotZero's representatives, for their cooperation  
24 throughout this proceeding. And, nothing else. Thank

1 you.

2 CMSR. SCOTT: Thank you. And, the  
3 gentleman from HotZero.

4 MR. HENRY: HotZero supports the  
5 Settlement Agreement.

6 CMSR. SCOTT: Thank you. And, Staff.

7 MR. SHEEHAN: Staff obviously supports  
8 the Settlement as well. And, we believe it's an  
9 appropriate compromise of the issues that were raised  
10 during discovery and during the testimony. Thank you.

11 CMSR. SCOTT: And, now, I'll tell you  
12 what, I'll use Liberty last, we'll go with Iberdrola next.

13 MR. TAYLOR: Thank you. Iberdrola  
14 enthusiastically supports the Settlement Agreement among  
15 the parties in this docket and respectfully requests that  
16 it be approved by the Commission. Iberdrola believes the  
17 acquisition of New Hampshire Gas Company by EnergyNorth  
18 easily meets the "no net harm" standard and is in the  
19 public interest. The Company is very happy to have found  
20 in EnergyNorth a buyer for New Hampshire Gas Company that  
21 is local to New Hampshire, growth-oriented, and New  
22 Hampshire Gas Company will be in excellent hands going  
23 forward.

24 Iberdrola is very much appreciative of

1 the efforts of the Staff, OCA, Liberty, and HotZero  
2 throughout the docket, and leading up to the Settlement  
3 Agreement. And, thanks the Commission for the opportunity  
4 to be heard today. So, thank you.

5 CMSR. SCOTT: Thank you.

6 MS. KNOWLTON: Thank you. The Company  
7 believes that the proposed acquisition meets the "public  
8 good" standard, as Mr. Taylor explained. Liberty is very  
9 excited about owning this company. We believe that it  
10 provides a platform for which we can grow the system in  
11 the future, and we'll be back before the Commission to  
12 explain to you the details of when that will be and how  
13 that will be. But we are excited about that opportunity.

14 We would ask that the Commission approve  
15 the transaction without any conditions, as Mr. Hall  
16 indicated, by November 28th. The reason why we ask for  
17 approval by November 28th, is we would like for the 30-day  
18 appeal period to run prior to closing by year-end. It is  
19 important to the Company to close by year-end for a number  
20 of reasons, including employee transition issues will be  
21 easier, if those are conducted as of the first of the  
22 year. So, the timing of this fits well with that. And,  
23 so, we would ask that the Commission make its best efforts  
24 to issue an order by the 28th of November.

1                   And, lastly, I would like to thank  
2 everyone in this docket. It was a fast docket. And, we  
3 appreciate everyone's prompt and quick consideration of  
4 the issues, and, of course, the Commission's time today.  
5 Thank you.

6                   CMSR. SCOTT: Okay. Thank you. And,  
7 we'll take the matter under advisement. And, we will  
8 close the hearing. Thank you.

9                   **(Whereupon the hearing was adjourned at**  
10                   **11:36 a.m.)**