

Debra Howland, Executive Director and Secretary
NH Public Utilities Commission
21 S. Fruit Street – Suite 10
Concord, NH 03301

Re: DG 14-380 Liberty Precedent Agreement

Dear Ms. Howland,

Thank you for this additional opportunity to respond to the Liberty Precedent Agreement discussion.

With cost-effectiveness being one of the top priorities for the PUC in this deliberation with Liberty Utilities, it seems to me that there are two issues which need to be included in the calculations but are not being fully examined. Although possible future difficulties are considered relevant when it comes to stranded costs for energy facilities and equipment, the financial costs of climate catastrophes and disruptions fueled by increases in GHG emissions as well as anticipated price volatility resulting from potential upticks in US exportation of natural gas (not referring to Kinder Morgan exports) have not had their fair share of attention, it seems to me.

These are not speculative issues. Already climate disruptions and destructive storms are significantly effecting federal, state, and municipal budgets and entering into ongoing budget planning. And the rising cost of US natural gas after it hits the export markets is a problem we should face now, having been forewarned by the Energy Information Administration.

We need to consider the financial costs of dealing with increasing climate catastrophes. The Ice Storm of 2008, the multiple 100 year floods our state has had in recent years, and the enormous quantity of snow which fell in NH this past winter should be enough to instruct us that we need to factor in the costs which result from continuing our investments in and expansion of fossil fuel use, especially methane.

The 2008 Ice Storm was the most expensive storm ever for PSNH, according to their literature on the storm. And those costs were passed on to their ratepayers! It caused power outages lasting up to 14 days in Temple, along with blocked roads from downed trees and dangerous wires during the heart of the holiday season. Holiday shopping came to a halt. The floods that have caused bridge collapses, broken up roadways for the state to rebuild or repair and washed out tree roots causing trees to down the power lines, add to our tax rates and utility bills. Plowing and clearing last winter's enormous quantity of snow was expensive, as was the overtime pay for state troopers and first responders dealing with accidents.

Acknowledging that climate change is already in effect, states and towns are beginning to address the need for better climate catastrophe budget planning. And without any fairy god mothers available to cover the costs, we, the tax payers and rate payers, end up paying the tab through our state and municipal taxes and our utility rates, along with the financial losses we incur from lost days of work.

The state's economy is also hurt by the business sector losing power and normal business activity, plus the inability of workers to get to work, and eventual higher utility rates to pay for the destruction. School budgets and school taxes have to cover additional days of school in June, while the buildings need to remain heated on snow days when no one is there.

Bottom line - our taxes and utility costs are rising due to climate change disruptions and destruction. So, when evaluating the cost-effectiveness of a fossil fuel utility contract, those factors must be added to the financial calculations just as surely as the issue of potential stranded costs.

Also, in determining the least cost solution to our energy needs we need a wide enough lens to see the larger screen of evidence regarding how the resource we are evaluating will affect our energy picture down the road...again, just as we do with stranded costs. So I would suggest that to clear the field of green-washing language we need to correct the myth that natural gas is a "cleaner fuel", a "bridge fuel, or better for the environment. Science tells us, not by a long shot.

It is methane. And methane is a GHG significantly more powerful than CO2. It is not cleaner. Fracking it, transporting it, and burning it all involve fugitive leaks and emissions of methane. If we are serious about what Liberty Utilities' real costs are, we need to add the costs of its potential and probable pumping up of climate destruction to its price tag.

Another cost issue deserving more attention is price stability. The price stability of natural gas is threatened by the plans of various US fuel companies to export their gas to Asia and Europe. As I mentioned in a previous comment to the Commission, "according to a study by the Energy Information Administration (EIA), gas exports would ultimately raise prices domestically, not lower them. From the Industrial Energy Consumers of America (IECA) website (www.ieca-us.com), the EIA study is quoted as saying that 'Exports will raise the wellhead prices between 34 – 54%.' That is the reason that Dow, Alcoa and the IECA are fighting against the exportation of natural gas--to keep their manufacturing and transportation costs down."

So we could be caught by the price volatility of having to compete with a higher paying customer base overseas. And, if the speculative efforts of Liberty Utilities to expand their customer base to Keene or other NH towns were to succeed it would render us even more dependent on natural gas. We could suffer not only from price volatility but also the difficulties of a lack of diversity in supply.

Please consider these additional threats to price stability and cost-effectiveness when you are evaluating the economic trail that Liberty Utilities contract would leave for NH.

Thank you, again, for your work on this important issue.

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