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August 11, 2015

Debra A. Howland  
Executive Director  
N.H. Public Utilities Commission  
21 S. Fruit St., Suite 10  
Concord, N.H. 03301

Re: DG 14-380 Liberty Utilities Transportation Agreement

Dear Ms. Howland:

We are writing to request that the PUC deny the Settlement Agreement with Liberty Utilities.

Several months ago the Temple Board of Selectmen formed the Temple Ad-hoc Pipeline Advisory Committee to study the Kinder Morgan and Liberty Utilities proposals and to advise our Board on steps that the Town should take to protect our citizens. Members of that Committee have attended the PUC's public hearings on the Liberty case and read the supporting information available to the public. Based on that information we feel that there is no basis for their proposal and that it is clearly not in the best interest of Liberty's ratepayers. Blinded by other business interests, they have clearly failed to investigate and analyze the long term supply requirements of N.H. ratepayers and alternatives for satisfying those requirements.

Several key factors led us to that conclusion:

1. Attempting to develop the need for additional gas, Liberty's projection timeline was substantially longer than industry standards thus resulting in additional cost to ratepayers for the over supply in the next ten to twenty years.
2. In their projections, Liberty anticipated supply agreements that were either not committed to or only one-year commitments thus increasing the risk of over supply that would be to the detriment of ratepayers in N.H.

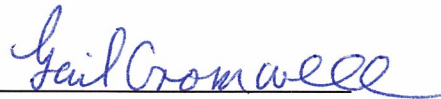
3. Approximately half of the gas Liberty has applied to purchase from Kinder Morgan through Wright is simply a replacement for gas that they currently purchase through Dracut.
4. Liberty provided no proof that the supply of gas at Dracut was likely to be diminished in the future.
5. Evidence was presented regarding new and/or expanded supplies of gas coming into the New England market countering a supposed threat that the supply at Dracut could diminish.
6. Liberty testified that they had not considered alternatives to NED including PNG and Spectra. However, in their final brief they now contend that they simulated the cost of these alternatives months ago and, of course, found them to be more expensive to ratepayers. While this contradiction leaves several open questions, the fact remains that they did not reasonably investigate contracts with these alternative providers to actually determine their cost effectiveness. Ignoring those opportunities leaves open the risk that N.H. ratepayers will pay more than other New England gas customers. It is our understanding that in the cases currently before the Massachusetts DPU, alternatives to NED are less expensive to ratepayers.
7. Their reasoning for not considering other supply options was that other options would require an expansion of the Concord Lateral. While Liberty's estimates of the cost of expansion of the Concord Lateral was not a part of the public record, expert testimony raised questions about the completeness and accuracy of those estimates which in cross examination Liberty did not contest.
8. Liberty admitted that they had not evaluated the LNG option that a number of other New England utilities have now contracted for. They claimed that their existing facilities are old and would need to be replaced but they admitted that no cost estimate was ever done. Liberty further admitted that they had not evaluated suitable land for such a new facility. LNG contracts are benefiting ratepayers in other New England markets and Liberty is not giving NH ratepayers the opportunity to benefit from this gas supply source.
9. Liberty's proposal would have them contract for transportation and pay whatever the fluctuating market price turns out to be at Wright vs. their current arrangement at Dracut. Currently there is no supply at Wright; there are only plans to build pipelines to serve and develop a market. This uncertainty adds risk to ratepayers that this supply will come to fruition.
10. Liberty provided a breakeven point for the purchase of gas at Wright which, combined with transportation costs from NED, would equal costs at Dracut. That break even point is 8% lower than the Daily Waddington Price which serves as a proxy for what the market will be at Wright if that facility comes to fruition. Liberty did not dispute this fact in cross-examination. This would increase costs to ratepayers vs. Dracut and this fact alone would be reason to reject this application.
11. Liberty's parent company has a \$400 million dollar investment in NED. Additionally, members of Liberty's and Energy North's boards serve on the board of the affiliate holding this investment. It is clearly therefore in

Liberty's and their parent's best interest to secure this contract for the revenue that it will create but, most importantly, for the advantage it will give Tennessee Gas in their FERC application process. It is our belief that FERC approval and the ability to ship gas offshore is what this application is really about. Liberty clearly does not have the best interest of N.H. ratepayers in mind.

In conclusion, we believe that Liberty's application is not in the best interest of its New Hampshire ratepayers. Liberty has failed to both reasonably investigate and analyze its long-term supply requirements and available alternatives for satisfying those requirements. Further, this contract and the NED pipeline application that it would support, would have serious detrimental effects on more than one hundred thousand New Hampshire residents.

In Temple we are particularly concerned about the close proximity of the proposed compressor station to our elementary school. Even if there were never any catastrophic incidents at this facility, our children would be forced to breathe the toxins regularly emitted from this compressor station.


Thank you for your consideration.



Gail Cromwell, Chairman



George Willard, Selectman



Ken Caisse, Selectman