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

DG 14-380

Petition for Approval of a Firm Transportation Agreement with the Tennessee Gas Pipeline Company, LLC

Pipeline Awareness Network of the Northeast ("PLAN") Data Requests – Set 4

Date Request Received: 6/10/15
Request No. PLAN 4-18

Date of Response: 6/22/15
Respondent: Francisco C. DaFonte

REQUEST:

Reference: DaFonte Rebuttal, Bates p: 30 (Table 5) and Staff Tech-46(a)

- a) Why did Tennessee provide a cost estimate that is based on all of the additional gas being deliverable to the Nashua meter?
- b) Please explain why EnergyNorth would need to have nearly 115,000 Dth/day of receipt capacity at the Nashua meter (the 49,534 Dth shown in PLAN 2-7 plus the additional 65,000 Dth)?
- c) Please provide EnergyNorth's request to Tennessee to prepare the initial estimate, which is referred to in the October 2, 2014 e-mail from Rebecca Mack to Chico DaFonte.
- d) What portion of the cost of the expansion facilities described in the October 2, 2014 e-mail from Rebecca Mack to Chico DaFonte is associated with the looping of the Nashua lateral and the Nashua meter upgrade, and what portion of the estimated cost is associated with the expansion of capacity on the Concord Lateral itself?
- e) Please explain why EnergyNorth did not request a cost estimate for primary delivery to meters other than Nashua.

RESPONSE:

- a) The Company requested the estimate from Tennessee in order to determine the order of magnitude for an expansion of the Concord Lateral. The Nashua meter was assumed to be the delivery point by Tennessee because the Company had requested a similar volume for delivery to the Nashua system at the new gate station off of the NED pipeline.
- b) As stated in (a) above, the initial estimate was based on an assumption that the same 65,000 Dth to be delivered at the new gate station on the NED project would be delivered at the existing Nashua gate station if the NED PA was not approved.
- c) The initial estimate was verbally requested by the Company.
- d) The initial cost estimate for the upgrade of the Concord Lateral was based entirely on all gas being delivered to Nashua. The Company recently requested an updated cost estimate from Tennessee to determine the overall cost to deliver volumes not only to Nashua, but also downstream on the Concord Lateral at the Manchester and Concord gate stations. This scenario is more reasonable as it spreads out the delivered volume of 65,000 Dth

across its 3 largest gate stations, which would be required in the event the NED PA is not approved and the new gate station on the NED pipeline is not built. That cost estimate is [REDACTED] per Dth and the cost estimate detail is provided as Confidential Attachment PLAN-4-18. This cost is [REDACTED] per Dth greater than the initial cost estimate for deliveries to Nashua only of [REDACTED] per Dth. The Company had used the initial estimate in its SENDOUT® model runs in this case. Updating the economic analysis provided by the various SENDOUT® runs with the new cost estimate would add approximately [REDACTED] in demand charges over the 20-year term of the contract as compared to the NED alternative. The confidential information contained in this response is the subject of the Company's December 31, 2014, Motion for Protective Order and Confidential Treatment.

- e) Please see the Company's response to (a), (b) and (d) above.

Chico DaFonte

From: Mack, Rebecca G (Becky) <Rebecca_Mack@kindermorgan.com>
Sent: Thursday, June 18, 2015 3:18 PM
To: Chico DaFonte
Subject: RE: Data Request

Chico,

With regard to question "d" below, the portion of the rate that can be attributed to the expansion of the Concord lateral is [REDACTED] and the portion of the rate attributed to the looping of the Nashua lateral and the Nashua meter upgrade is [REDACTED] for a total of [REDACTED] as indicated in my the December 8, 2014 email.

Per your request, we looked at an expansion further up the Concord lateral for 65,000 Dth/day with delivery volumes split between Nashua, Manchester and Concord. The indicative rate for this expansion would be [REDACTED] Dth/day from Dracut. For this expansion scenario, there is the same amount of looping as the 65,000 Dth/day case to Nashua south of Pelham; however, there is a significant amount of looping required North of Pelham since the deliveries are further downstream.

Please let me know if you have any questions or need further information.

Kind regards,

Becky Mack

Manager, Business Development
Office: 713-420-4656
Cell: 832-405-3135
Rebecca_Mack@KinderMorgan.com



Tennessee Gas Pipeline
Company, LLC.
a Kinder Morgan company

From: Chico DaFonte [mailto:Chico.DaFonte@libertyutilities.com]
Sent: Wednesday, June 10, 2015 4:55 PM
To: Mack, Rebecca G (Becky)
Subject: Data Request

Becky,

We received the following data request from PLAN in our NED approval docket:

- a) Why did Tennessee provide a cost estimate that is based on all of the additional gas being deliverable to the Nashua meter?
- b) Please explain why EnergyNorth would need to have nearly 115,000 Dth/day of receipt capacity at the Nashua meter (the 49,534 Dth shown in PLAN 2-7 plus the additional 65,000 Dth)?
- c) Please provide EnergyNorth's request to Tennessee to prepare the initial estimate, which is referred to in the October 2, 2014 e-mail from Rebecca Mack to Chico DaFonte.

- d) What portion of the cost of the expansion facilities described in the October 2, 2014 e-mail from Rebecca Mack to Chico DaFonte is associated with the looping of the Nashua lateral and the Nashua meter upgrade, and what portion of the estimated cost is associated with the expansion of capacity on the Concord Lateral itself?
- e) Please explain why EnergyNorth did not request a cost estimate for primary delivery to meters other than Nashua.

The referenced email communication is attached.

Could you provide answers to (d) above? Also, could you address the cost issue if we were to request incremental capacity further up the Concord Lateral, e.g. say we allocated the 65,000 between Nashua, Manchester and Concord? Would it be greater because we are going further up the pipe or less because there's maybe less looping?

I am leaving the office now but can be reached on my cell if you have any immediate questions.

Thanks!

F. Chico DaFonte | Liberty Utilities
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