

REDACTED

DG 15-155  
Valley Green Hanover-Lebanon Franchise Petition  
Data Requests from Commission Staff  
Staff Set 1 to Valley Green Natural Gas, LLC

Date Request Received: 8/5/15      Date of Response: 8/12/15; 10/30/15; 12/21/15; 1/8/16  
Request No. Staff 1-2      Witness: James W. Campion, IV

REQUEST: Reference the response to Puc 1604.07 Contents of Filing Requirement Schedules. Please provide the supporting schedules for the draft tariff rates that reflect Puc rate case filing requirements. Explain all assumptions used in determining rate base, revenue and cost estimates, and rate of return.

RESPONSE: Please see response to Staff 1-7. Valley Green expects to finalize the general rate schedules in its rate proceeding.

Tech Session 1 SUPPLEMENTAL RESPONSE: See attached rate case schedules.

Set 3 CONFIDENTIAL SUPPLEMENTAL RESPONSE: See attached confidential hypothetical rate case schedules.

A  
thirty (30) year life, rather than 40 years, has been assigned to Structures as directed by Staff in an email following Staff's initial discovery request.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]


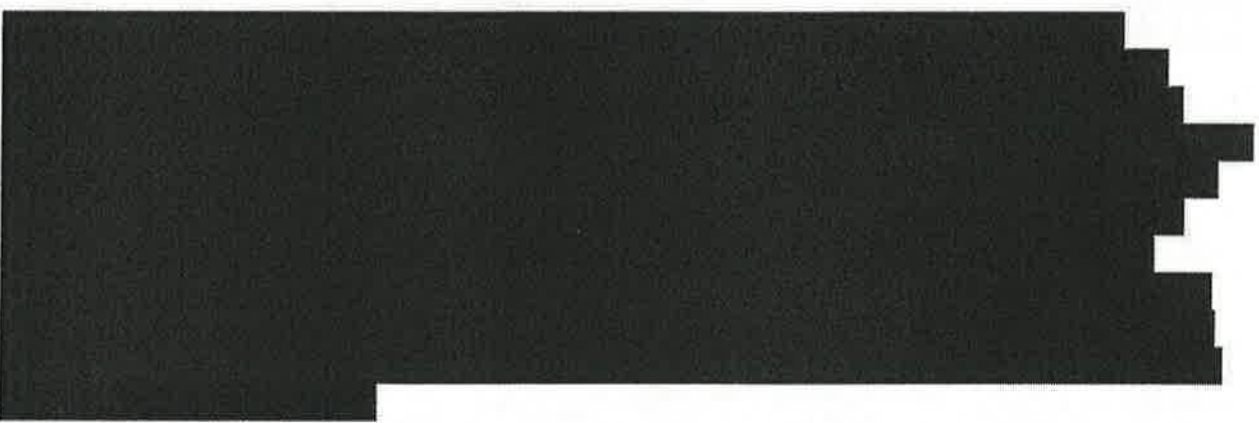

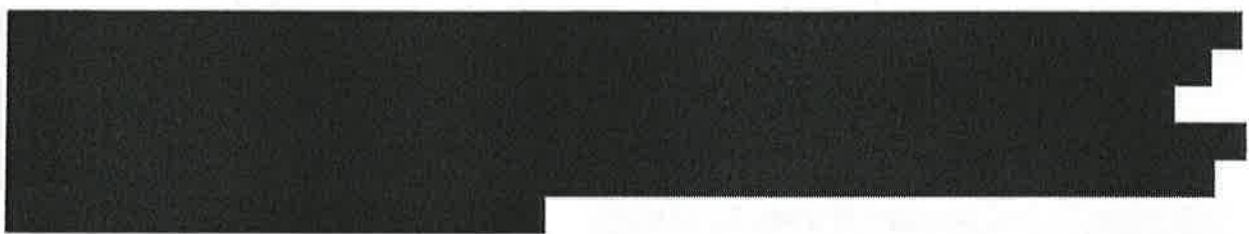
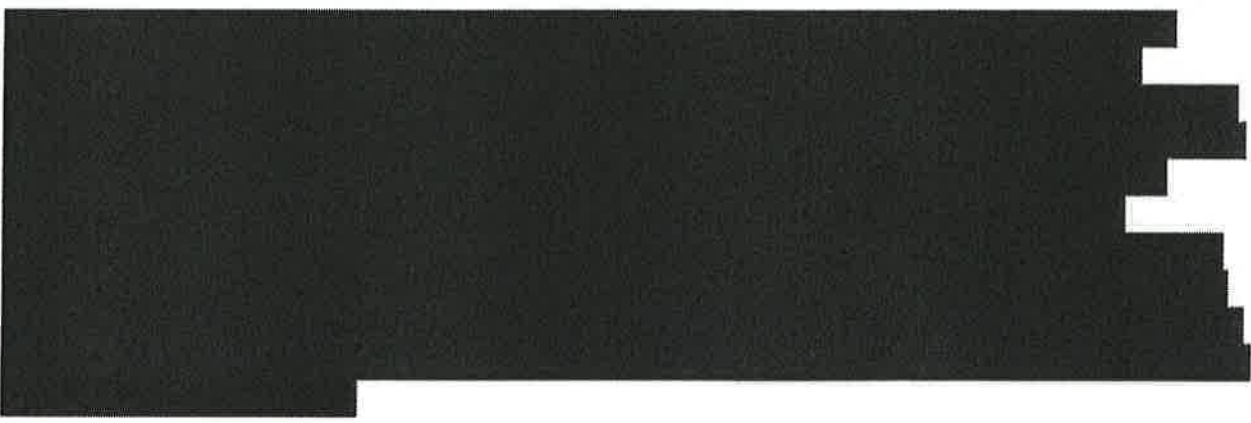

[REDACTED]

[REDACTED]

Valley Green will be doing this in part because the timetable laid out in the technical session now includes three unexpected additional months of discovery and deliberation in the first

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quarter of 2016. Valley Green had expected this time to be devoted to post-decision site plan development. Pushing that work to later in the year would cripple the development of non-regulated business efforts which are already well under way. Also, Valley Green sees these efforts as essential to effectively bringing gas service to as many Upper Valley residents as possible.



As stated above, this does not represent a change in the rate schedule estimates that were filed in response to Staff 1-2 (tech session supplement). Rather, it is a clarification regarding the scope of our total business plan and our intention to maximize our service to as many sectors of our market at the earliest possible date.

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DG 15-155  
Valley Green Hanover-Lebanon Franchise Petition  
Data Requests from Commission Staff  
Staff Set 3 to Valley Green Natural Gas, LLC

Date Request Received: 11/20/15  
Request No. Staff 3-2

Date of Response: 12/21/15; 1/8/16  
Witness: James W. Campion, IV

REQUEST:

- a) What is the annual projected sales amount necessary for the Company to go forward with the project (ordering equipment and commencing construction)?
- b) For each of the first five years, please provide projected annual Dth sales, net income and rate of return.
- c) For the utility, what is the anticipated breakeven point in annual sales and in what year does the Company expect to reach the breakeven point? (The year in which revenue exceeds the revenue requirement. Please also identify the year in which the Company first generates a profit.)

Please provide supporting schedules in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

CONFIDENTIAL RESPONSE:

See ~~also~~ Supplemental Response financial schedules to Staff 1-7 and related responses to Staff 3-10 and Supplemental Staff 1-2. See [REDACTED] in the Staff 1-7 Financials.

- a) ~~Valley Green's project is designed to provide~~ [REDACTED]  
in response to Supplemental Staff 1-2 ~~also provide~~ projected sales, equipment that will be ordered, and what construction is expected ~~for 2016~~. Valley Green is [REDACTED]  
[REDACTED]

[REDACTED]

\_\_\_\_\_

b) [REDACTED]

[illegible]

c) [REDACTED] the break-even point cannot be discussed without first discussing one of the main reasons why Valley Green Natural Gas, LLC was formed: to bring competitive energy alternatives to the Upper Valley. Valley Green presumes Staff is aware of the precipitous drop in crude oil prices that has occurred since Valley Green first meeting with PUC staff in 2012. On the date of that meeting with Staff, the price of Brent crude was \$107.86. As of this writing, Brent Crude oil now stands at \$37.66 dollars a barrel. Mont Belvieu propane prices in the same time span have collapsed from \$1.70 to 38 cents. These fuels are the energy source for the majority of the franchise territory consumer load and are the fuels Valley Green intended to compete with to bring price relief to businesses in the Upper Valley. [REDACTED]

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\_\_\_\_\_

[REDACTED]

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Valley Green's break-even point is not prolonged by having costs from outside the franchise. Valley Green will be providing service to only local interests in the Hanover and Lebanon area. Its revenue requirement will be based solely on the costs to provide service to customers in Hanover and Lebanon and it will have the benefit of a strong unregulated affiliate. [REDACTED]

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DG 15-155  
Valley Green Hanover-Lebanon Franchise Petition  
Data Requests from Commission Staff  
Staff Set 3 to Valley Green Natural Gas, LLC

Date Request Received: 11/20/15  
Request No. Staff 3-9

Date of Response: 12/7/15  
Witness: James W. Campion, IV

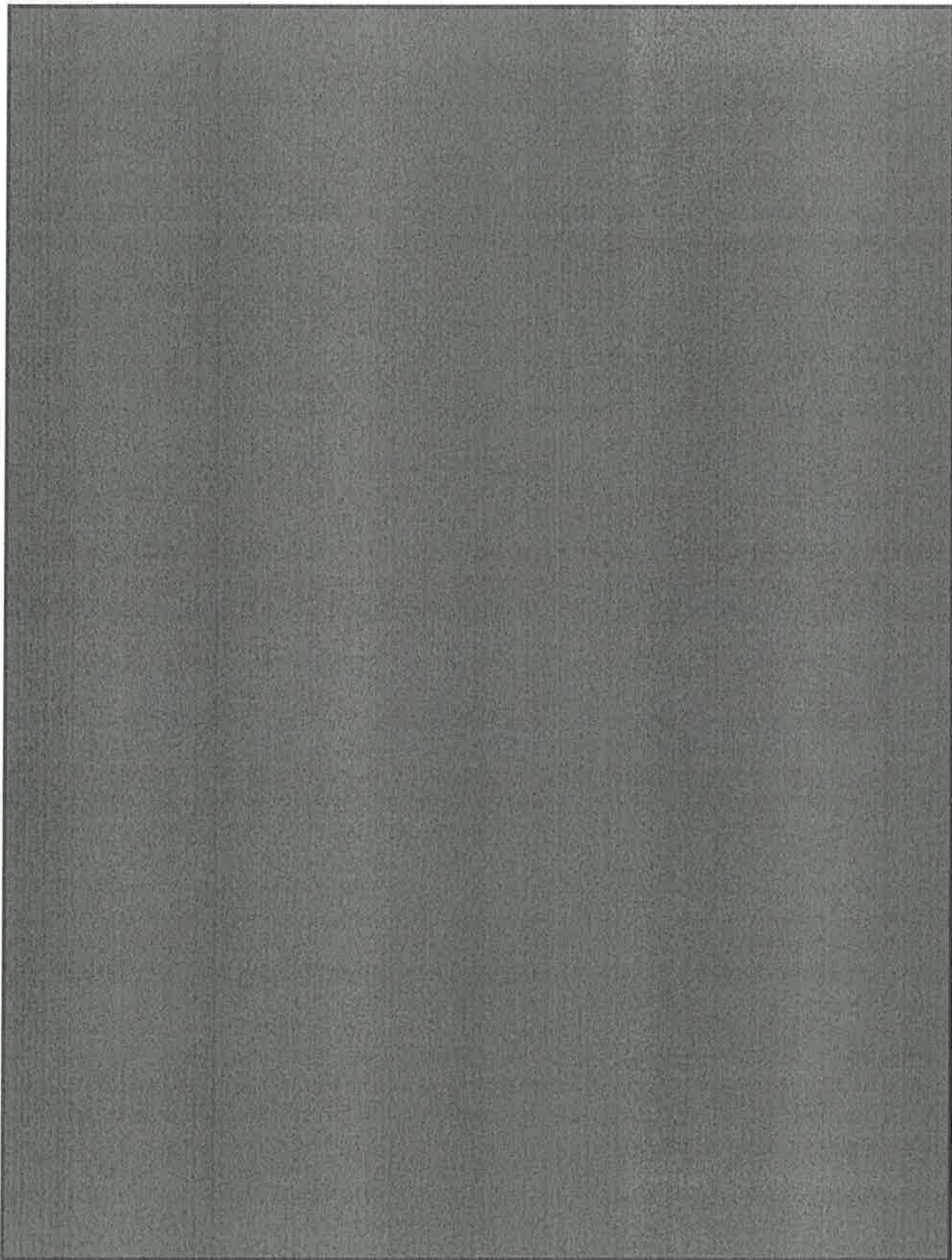
REQUEST: Please describe all fixed assets expected to provide utility service under a lease arrangement and the primary terms of each lease (length, annual cost, option to buy) and the percentage of cost to be allocated to the utility and the basis for the allocation.

REDACTED RESPONSE:

[REDACTED]

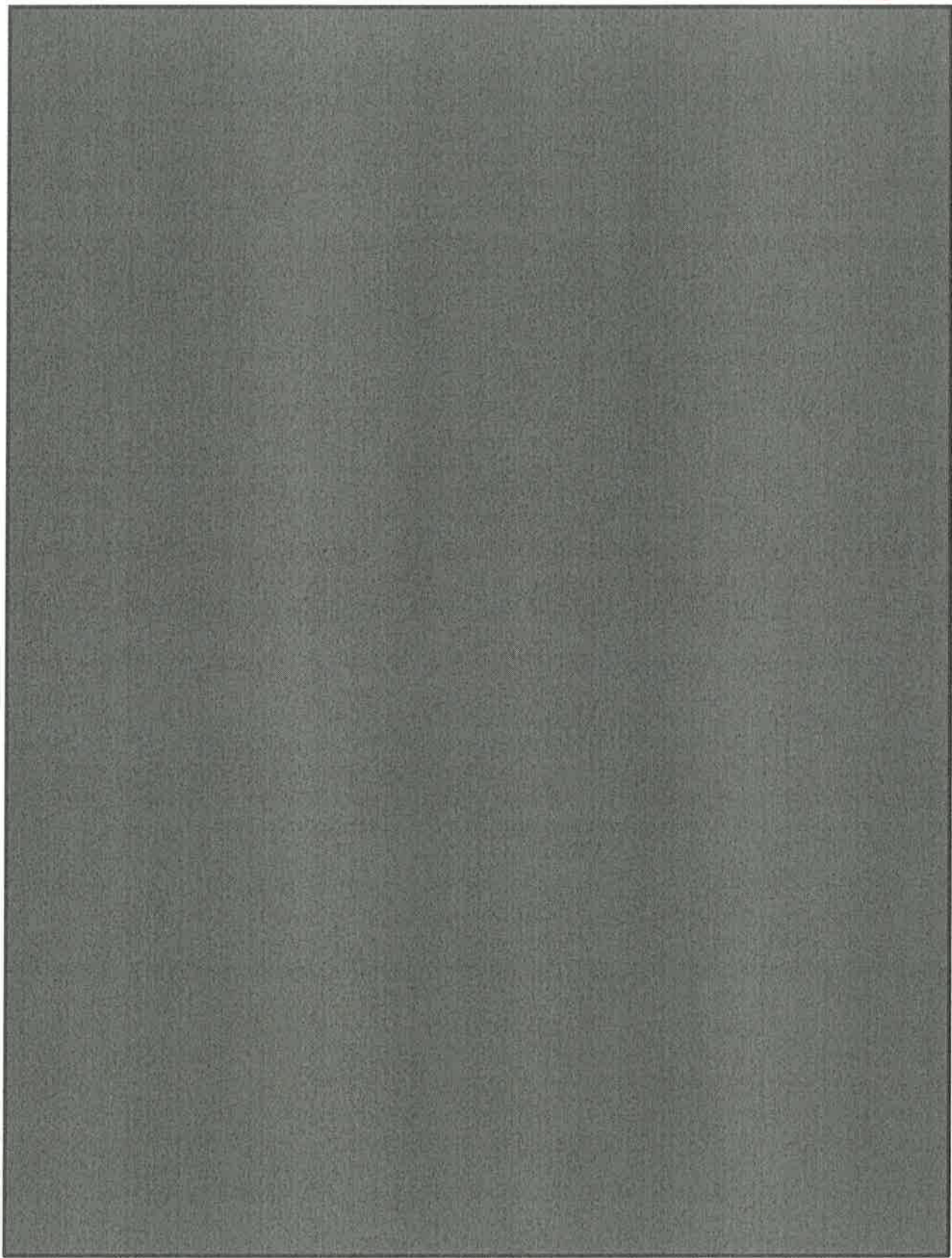


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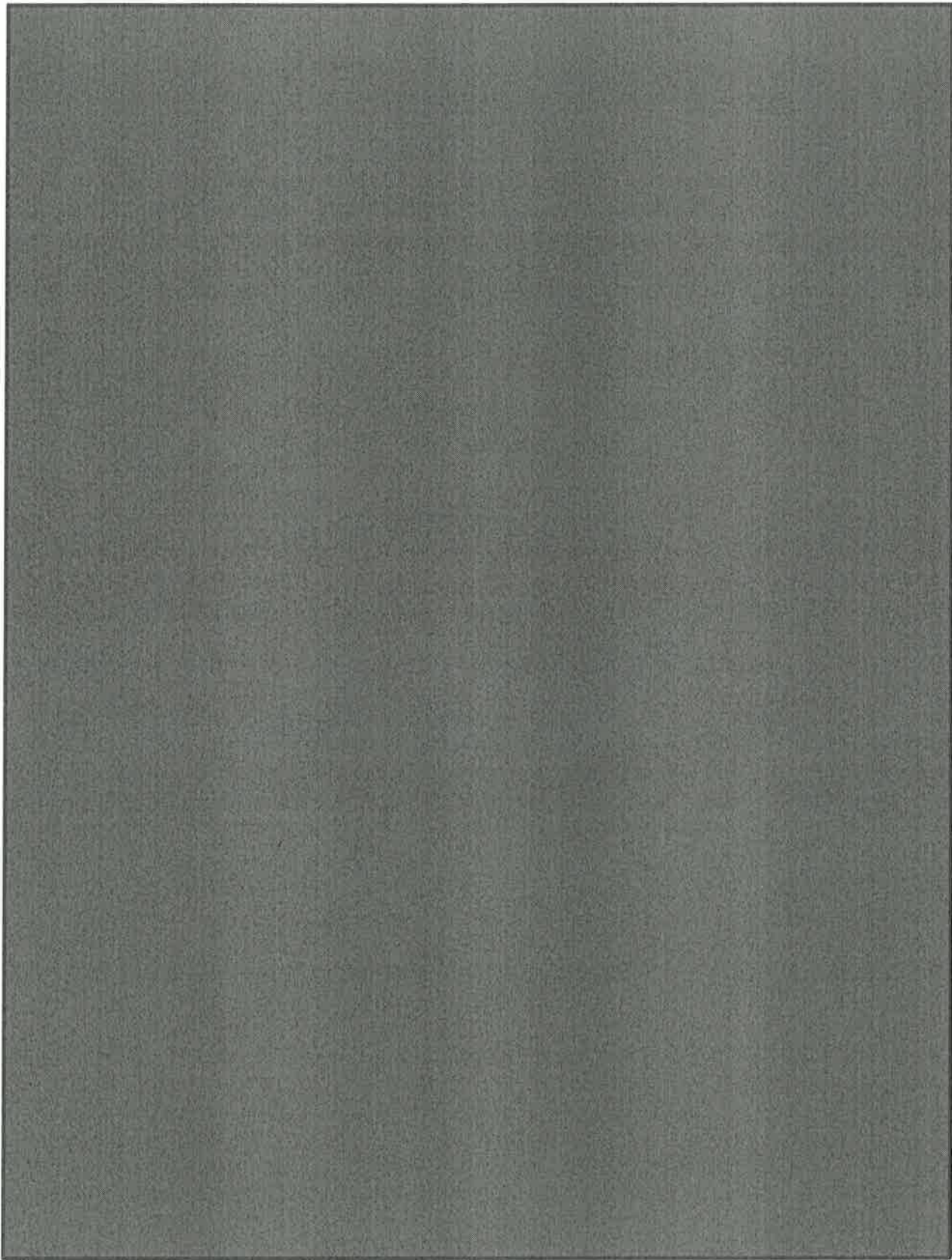




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