

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

July 28, 2015 - 9:08 a.m.
Concord, New Hampshire

NHPUC AUG13'15 PM 3:59

RE: DG 15-155
VALLEY GREEN NATURAL GAS, LLC:
Petition for Franchise Approval.
(Prehearing conference)

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Robert R. Scott
Commissioner Kathryn M. Bailey

Sandy Deno, Clerk

APPEARANCES: Reptg. Valley Green Natural Gas, LLC:
Charles G. Willing, Jr., Esq.

Reptg. Liberty Utilities (EnergyNorth
Natural Gas) Corp. d/b/a Liberty Utilities:
Douglas L. Patch, Esq. (Orr & Reno)

Reptg. NG Advantage:
Susan S. Geiger, Esq. (Orr & Reno)

Reptg. the City of Lebanon, N.H.:
H. Bernard Waugh, Jr., Esq. (Gardner...)

N. Jonathan Peress, *pro se*

Reptg. Susan W. Almy and Stephen M. Wood:
State Rep. Susan W. Almy

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

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APPEARANCES: *(c o n t i n u e d)*

Reptg. Residential Ratepayers:

Susan Chamberlin, Esq., Consumer Advocate
Pradip Chattopadhyay, Asst. Consumer Advocate
Office of Consumer Advocate

Reptg. PUC Staff:

Alexander F. Speidel, Esq.
Mark A. Naylor, Director/Gas & Water Div.
Stephen P. Frink, Asst. Dir./Gas & Water Div.

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P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: We're here this
3 morning in Docket 15-155, which is a Petition for
4 Franchise Approval by Valley Green Natural Gas, LLC. It's
5 a petition to provide gas utility service in Hanover and
6 Lebanon. It implicates a host of sections of the RSAs
7 within RSA 374, a little bit under 362, and some other
8 sections as well. We have a number of intervenors. We
9 have a number of people who are interested in this
10 proceeding, as I can see from the crowd. We're scheduled
11 for the prehearing conference this morning, followed by a
12 technical session of the parties, in which the
13 Commissioners will not be present.

14 So, before we go any further, why don't
15 we take appearances from those who are here.

16 MR. WILLING: Good morning, Chairman
17 Honigberg and Commissioners Scott and Bailey. My name is
18 Charles Willing. And, I am with the law firm of Rath,
19 Young & Pignatelli. And, we represent Valley Green
20 Natural Gas, LLC. With me today is Jay Campion, the
21 Principal of Valley Green; Scott Brown, of New Energy
22 Capital Partners, which is capitalizing the project; Ken
23 Stanley and Brian Sullivan, with TRI-MONT, an engineering
24 and consulting firm; and Jon Carroll, with Gulf. And,

1 that's it for our team.

2 CHAIRMAN HONIGBERG: That accounts for
3 the first two tables on that side, I assume, or not? No.
4 Okay. On the end?

5 MR. WILLING: No. These two.

6 CHAIRMAN HONIGBERG: All right. On the
7 end?

8 MR. PERESS: Good morning, Mr. Chair.
9 N. Jonathan Peress. I'm appearing *pro se* on behalf of
10 myself and my family, as residents of the Central Business
11 District, in Lebanon, New Hampshire.

12 MR. PATCH: Good morning. Good morning,
13 Commissioners. Doug Patch, with the law firm of Orr &
14 Reno. I'm here this morning on behalf of Liberty
15 Utilities, and, basically, EnergyNorth Natural Gas
16 Company. And, with me this morning at the table are
17 Steven Mullen and Michael Licata.

18 MS. GEIGER: Good morning, Mr. Chairman
19 and Commissioners. I'm Susan Geiger, of the law firm of
20 Orr & Reno. And, I represent NG Advantage, LLC. And,
21 with me this morning at counsel's table is Mr. Tom Evslin,
22 who is Chairman and CEO of NG Advantage.

23 REP. ALMY: Good morning, Chairman.
24 Sorry, I have not done this. I'm Susan Almy. I'm a

1 resident of Lebanon and a member of the Conservation
2 Commission. I put in a request with Stephen Wood, who
3 cannot be here today, for a formal intervention. I have a
4 letter, which I wrote late last night, with Mr. Wood, that
5 I wanted to put into the record, which I sent a copy of by
6 e-mail late last night, since I only saw the filing from
7 Valley Green at 5:30. And, there are a couple of small
8 changes of fact in it that I wanted to put in, the time
9 that it arrived, the date, and that one of these
10 violations was noticed to the Conservation Commission.

11 CHAIRMAN HONIGBERG: Representative
12 Almy, we'll -- Representative Almy, we'll take up the
13 intervention petitions in a moment.

14 REP. ALMY: Thank you.

15 CHAIRMAN HONIGBERG: We're just trying
16 to get a sense of who's here. And, if there's documents
17 that need to be filed or refiled, we'll pick that up --

18 REP. ALMY: Thank you.

19 CHAIRMAN HONIGBERG: -- once we've got
20 everybody sorted out, if you don't mind. There's others
21 then, at the second table there on that side.

22 MR. WAUGH: I'm Bernie Waugh, from the
23 firm of Gardner, Fulton & Waugh. I represent the City of
24 Lebanon. And, sitting beside me is David Brooks, who is

1 the City Planning Director, and sitting beside him is
2 Chris Christopoulos, who is the Fire Chief of the City.

3 MS. CHAMBERLIN: Good morning,
4 Commissioners. Susan Chamberlin, Consumer Advocate. And,
5 with me today is Pradip Chattopadhyay.

6 MR. SPEIDEL: Good morning,
7 Commissioners. Alexander Speidel, representing the Staff
8 of the Commission. And, I have with me Assistant Director
9 Steve Frink of the Gas & Water Division, and Director Mark
10 Naylor of the Gas & Water Division. Thank you.

11 CHAIRMAN HONIGBERG: We also have an
12 intervention petition from someone named "Ariel Arwen".
13 Is that person here?

14 (No verbal response)

15 CHAIRMAN HONIGBERG: Seems not.
16 Mr. Peress, we don't have an intervention petition that I
17 know of from you.

18 Oh, Representative Almy, I can't see you
19 back there, so --

20 REP. ALMY: Sorry. I'd just like to
21 say, Ariel Arwen is in Chicago for two weeks, and is
22 hoping to know of the future meetings so that she can
23 come. That's one reason I'm here.

24 CHAIRMAN HONIGBERG: Okay. Mr. Peress,

1 I don't think we have an intervention petition from you.

2 MR. PERESS: That is correct, Mr. Chair.
3 I've been traveling a lot. It is my intention to serve on
4 the parties an intervention petition by electronic mail
5 today, and you will have it at the Commission tomorrow.

6 CHAIRMAN HONIGBERG: And, the basis for
7 your intervention is that you are a resident of one of the
8 towns?

9 MR. PERESS: I live in the Central
10 Business District, in Lebanon, New Hampshire. Yes, sir.

11 CHAIRMAN HONIGBERG: I know we have
12 objections to some of the intervention petitions, the ones
13 that were filed obviously, from Valley Green.
14 Mr. Willing, is there anything else you want to say about
15 interventions right now?

16 MR. WILLING: In general or
17 specifically?

18 CHAIRMAN HONIGBERG: Do you have any --
19 are you going to say anything different about Mr. Peress's
20 petition --

21 MR. WILLING: No.

22 CHAIRMAN HONIGBERG: -- than you said
23 about anybody else's?

24 MR. WILLING: No.

1 CHAIRMAN HONIGBERG: I didn't think so.
2 Staff has not taken a position on any of the
3 interventions. Mr. Speidel, do you have any comments on
4 the interventions? Or, Ms. Chamberlin, I'm going to ask
5 you in a minute, too. So, I'm going to ask Mr. Speidel
6 first.

7 MR. SPEIDEL: Yes, Mr. Chairman, Staff,
8 as a general matter, would not object to any of the
9 interventions on the basis of the subpart II,
10 discretionary intervention standard. Thank you.

11 CHAIRMAN HONIGBERG: Ms. Chamberlin, do
12 you have any position on the interventions?

13 MS. CHAMBERLIN: I took a look at the
14 iNATGAS case interventions, and those were similar
15 parties, and they were all granted intervention, with some
16 caution to stay on topic. So, I don't have an objection
17 to any of the interventions.

18 CHAIRMAN HONIGBERG: I have a question
19 for Attorney Patch and Attorney Geiger. It seems like
20 you're not -- your clients are different, obviously. Any
21 potential conflict between your two clients?

22 MR. PATCH: Not that we know of at this
23 time. We've vetted it with both.

24 MS. GEIGER: Yes, Mr. Chairman. We

1 wouldn't be sitting here if we felt that there was any
2 client -- any conflict of interest. And, we have reviewed
3 the Canons of Professional Responsibility, and undertaken
4 to vet any conflict and have obtained consents from both
5 clients to the representations.

6 CHAIRMAN HONIGBERG: It will certainly
7 make meetings convenient. I don't think we're going to be
8 ruling on interventions as we sit here. I think that
9 there's some issues we're going to need to take a look at.
10 I know, with the technical session coming up, there are
11 certain discussions that it's possible the intervenors
12 might not be able to participate in up front. Although,
13 to the extent that you're discussing scheduling, there
14 should be no problem with everybody being in the room and
15 participating.

16 Mr. Speidel, is there anything I'm
17 missing in that regard?

18 MR. SPEIDEL: No. You have the general
19 gist of it, Mr. Chairman. I would say that the technical
20 session will be relatively brief. Staff understands that
21 the Petitioner, Valley Green, would like to propose a
22 procedural schedule for the consideration of Staff and
23 other parties. Given the fact that we do have quite a
24 number of intervenors, we don't expect any substantive

1 discussion right at this point. We just want the dust to
2 settle about potential interventions and those rulings
3 from the Commission.

4 So, we expect that there would be a
5 technical session requested for later in August. And,
6 also, Staff would like to request that there be ongoing
7 rolling data requests, as there have been in the recent
8 past, regarding the Petitioner's filing. So, there will
9 be ongoing work, but the formulization of the procedural
10 schedule might take a week or two.

11 CHAIRMAN HONIGBERG: All right. I'm
12 going to give -- well, let me back up a minute. Do either
13 of the Commissioners have questions for any of the parties
14 or intervenors at this time?

15 CMSR. SCOTT: I think I do.

16 CHAIRMAN HONIGBERG: Yes. Commissioner
17 Scott.

18 CMSR. SCOTT: This is for Valley Green.
19 And, good morning, everybody. I was just curious to get a
20 little bit more outline of what your thoughts, your
21 Petition says you -- everything going the way you'd like
22 it, you'd like to provide gas service by Fall of 2016.
23 What does that mean as far as -- you'll be talking about a
24 procedural schedule, but what's your -- are there certain

1 drop-dead points for construction, that type of thing, --

2 CHAIRMAN HONIGBERG: Commissioner Scott,
3 can we hold off on that? We're going to give the parties
4 a chance to state their positions. We're talking the
5 interventions right now.

6 CMSR. SCOTT: All right. Thank you.

7 CHAIRMAN HONIGBERG: I'm sorry to
8 interrupt, though.

9 CMSR. SCOTT: That's all right.

10 CHAIRMAN HONIGBERG: Representative
11 Almy, I know there's something you wanted to clarify with
12 respect to filings. We did receive something from you
13 either last night or early this morning. I got to make
14 sure I find it here. Oh, I don't know. Maybe we didn't.

15 COMMISSIONER BAILEY: That's it. You
16 have it.

17 CHAIRMAN HONIGBERG: I do have it? Oh,
18 that's the date problem. The one we received was dated
19 "July 21", and that you said that the date was wrong. Are
20 there other -- do you have a different document that you
21 need to file? Is that what you're telling us?

22 REP. ALMY: No. Well, I have the six,
23 seven copies that your original instructions said have to
24 come. And, there were two other small changes in the

1 letter that I just realized late last night, after I
2 printed all this out. One is that it was --

3 CHAIRMAN HONIGBERG: Just wait a minute.

4 REP. ALMY: Yes.

5 CHAIRMAN HONIGBERG: Who else in the
6 room has what I'm looking at or what Representative Almy
7 is looking at? Attorney Willing, you have it. Attorney
8 Speidel, you have it. I assume Attorneys Patch and Geiger
9 and Mr. Peress, and Ms. Chamberlin -- do you have it, Ms.
10 Chamberlin?

11 MS. CHAMBERLIN: I have not looked for
12 it. So, I'm not sure.

13 CHAIRMAN HONIGBERG: All right.

14 REP. ALMY: It was sent to you. It was
15 sent to the original base list.

16 CHAIRMAN HONIGBERG: Okay. Here's what
17 we're going to do, Representative Almy. You can tell us
18 what the changes are. For those who have the letter, that
19 will be great. But, when we're done here, you're going to
20 take it over and file it with the Clerk's office. You may
21 need help from Mr. Speidel or someone to make that happen.
22 But we'll get the correct letter on file.

23 So, why don't you tell us what the
24 changes are to the letter that you did send in.

1 REP. ALMY: Yes. They're really quite
2 minor. One of them is that I was -- that Valley Green
3 sent this e-mail to us, and it was after hours for me, but
4 it was 4:30 in the afternoon, after 4:30. And, the second
5 one is towards the end, in the final bullet point, on one
6 of those wetlands cases came before the Lebanon
7 Conservation Commission, the other one has just been quite
8 public in Lebanon and came up, I believe, as "other
9 business", which is not something that we really deal with
10 formally.

11 CHAIRMAN HONIGBERG: All right. Thank
12 you. So, we'll deal with getting the paperwork right
13 after we're done here.

14 So, is there anything else we need to
15 deal with with respect to interventions? Commissioner
16 Bailey, do you have any questions regarding interventions?

17 COMMISSIONER BAILEY: No thank you.

18 CHAIRMAN HONIGBERG: All right. So,
19 we're going to give the parties a chance and the
20 intervenors a chance to state their initial positions
21 about why we're here and how this is going to come out.

22 Attorney Willing, why don't you give us
23 a start here.

24 MR. WILLING: On interventions or --

1 CHAIRMAN HONIGBERG: No. Well, if you
2 want to say something about interventions, you can. But I
3 think we already decided that --

4 MR. WILLING: Okay.

5 CHAIRMAN HONIGBERG: -- you didn't need
6 to say anything else about interventions.

7 MR. WILLING: Got it.

8 CHAIRMAN HONIGBERG: So, no. We're
9 talking about the Petition and what's going to happen
10 here.

11 MR. WILLING: Got it. Good morning.
12 Valley Green Natural Gas, LLC, is a New Hampshire company
13 formed in 2013 for the purpose of providing distribution
14 and sale of natural gas in New Hampshire. Valley Green
15 seeks a franchise to provide gas service to industrial,
16 institutional, commercial, municipal, and residential
17 customers in the City of Lebanon and the Town of Hanover.
18 Valley Green plans to provide gas service by purchasing
19 liquified natural gas from domestic suppliers using a
20 virtual pipeline. Valley Green will store the LNG and
21 process it in a regasification facility and distribute the
22 gas to customers through its own pipeline distribution
23 system.

24 New Energy Capital, LLC, is providing

1 capital for the project. New Energy Capital is based in
2 Hanover and invests in clean energy projects across the
3 country. New Energy Capital sees the Valley Green project
4 as an opportunity to invest in the use of energy that will
5 help the Upper Valley lower its emissions and carbon
6 footprint. New Energy Capital intends to hold its equity
7 interest over the long term.

8 Valley Green anticipates providing gas
9 service in the Fall of 2016. Valley Green plans to locate
10 its facilities on a portion of a 182-acre parcel in
11 Lebanon. Valley Green chose the site because of its
12 proximity to I-89 and I-91. Valley Green intends to enter
13 a long-term lease for the land, but will own all of the
14 physical assets, such as the storage tanks, regasification
15 facility, and distribution system.

16 Valley Green believes that granting the
17 franchise is in the public interest. Access to natural
18 gas is noted in the state's 10-year Energy Plan.

19 The City of Lebanon and the Town of
20 Hanover also want more access to more affordable energy
21 sources. Dartmouth College and Dartmouth-Hitchcock
22 Medical Center have been researching ways to reduce energy
23 costs and reduce their carbon footprint. Valley Green is
24 in active discussions with its largest prospective

1 customers, including Dartmouth College and DHMC, to pin
2 down what type of gas service will best meet their needs.
3 If a special contract appears best, then we will file for
4 approval of that contract with the Commission.

5 As noted in the Petition, Valley Green
6 has presumed a winter load of 60,000 gallons per day and a
7 summer load of 30,000 gallons per day, in order to
8 properly size its storage tanks, regasification facility,
9 and distribution system.

10 Valley Green is negotiating long-term
11 operation and maintenance agreements for its pipeline
12 distribution system, tank storage, and regasification
13 facility. TRI-MONT has a wealth of experience in
14 operating pipeline distribution systems and Gulf has a
15 wealth of experience in operating storage and
16 regasification facilities. TRI-MONT will also handle
17 customer service needs, connections, and shut-offs.

18 Valley Green plans to hire a vendor to
19 handle its customer billing needs. Valley Green has yet
20 to decide whether to read customer meters itself or
21 contract that out with a billing vendor. Valley Green is
22 in the process of developing its tariff to cover terms of
23 service customarily included in a tariff. Valley Green
24 has developed a general ledger. Rate design will be the

1 subject of a future rate case. But, initially, our
2 customer base will be largely commercial, industrial, and
3 institutional.

4 Valley Green expects to take advantage
5 of synergies of gas-related businesses near its facility.
6 For instance, it's supplier, Gulf, seeks to build a
7 wholesale vehicle refueling station at the site, and will
8 lease any extra tank storage space. That way the tanks
9 will be fully used, but still available, if Valley Green
10 needs the space for its customers.

11 Valley Green has begun obtaining the
12 necessary local and state permits to construct its
13 facilities. As noted in the Order of Notice, Valley Green
14 does not yet know if it needs a license to cross public
15 waters from the Commission. But, if it does need one, it
16 will file for one.

17 We look forward to working with Staff,
18 the OCA, and intervenors in the technical session
19 following this prehearing. We are happy to answer any
20 questions that the Commission or parties have.

21 CHAIRMAN HONIGBERG: Thank you,
22 Mr. Willing. I think the order in which we're going to go
23 is those who have filed for intervenor status, and then
24 the OCA, and then Staff, as we go around the room.

1 So, Mr. Peress, I'm going to come back
2 to you at the end, if you don't mind? Mr. Patch.

3 MR. PATCH: Mr. Chairman, just to be
4 clear, is this our opportunity to respond to the objection
5 to our Petition to Intervene? Or, should we just state
6 our preliminary position in the docket?

7 CHAIRMAN HONIGBERG: Why don't you also
8 address -- why don't you also respond to intervention as
9 you -- as you make your comments. And, then, Mr. Willing,
10 I'll give you a chance at the end, if there's anything
11 else you feel you need to say with respect to
12 intervention.

13 So, go ahead, Mr. Patch.

14 MR. PATCH: Thank you. As the
15 Commission knows, EnergyNorth has filed a Petition for a
16 Franchise Approval that the Commission has docketed as "DG
17 15-289". And, our position in this docket is that we
18 believe EnergyNorth has the requisite financial,
19 managerial, and technical capability to be awarded the
20 franchise, the gas franchise, for Lebanon and Hanover. It
21 believes its better equipped, more sophisticated, has more
22 experienced employees, has an affiliate, an electric
23 distribution company, that already serves this area. And,
24 so, we believe that we have programs in place, like the

1 Energy Efficiency Program, and a lot of experience, and
2 are very familiar with the responsibilities that go along
3 with being a public utility in the state. Therefore, it
4 is EnergyNorth's position that it would be in the public
5 interest for the Commission to award the franchise to
6 EnergyNorth.

7 In terms of the objection to the
8 Petition to Intervene, as, again, as the testimony filed
9 in the other docket shows, and as we believe our Petition
10 to Intervene in this docket shows, EnergyNorth has been
11 investigating this as a potential franchise for some time.
12 It is not, as Valley Green suggests, that EnergyNorth is
13 trying to "catch up". This isn't a race. This is a
14 serious determination that the Commission has to make,
15 about what would be in the public interest, particularly
16 for the people of the Lebanon and Hanover areas. We don't
17 believe we are lagging behind. While EnergyNorth does not
18 have a project site secured, what it wants to do is to
19 work with the City of Lebanon to find a site that fits
20 with the City's Master Plan, to come up with a site that
21 is suitable for the City and the Company.

22 It's not EnergyNorth's intention to
23 stall the review of the franchise request, nor to
24 intervene to have access to confidential information.

1 Confidential information that Valley Green is putting
2 forth is something that we don't intend to look at, we
3 don't think we need.

4 Again, the bottom line for this
5 proceeding is to find "what is for the public good?" And,
6 we submit that, in order for the Commission to make this
7 determination, it should have EnergyNorth's input in this
8 proceeding, so that the Commission is aware of all options
9 available for customers, and that it can make a
10 determination of what is the best course of action.

11 EnergyNorth believes, in terms of the
12 541-A:32 two-part test, with regard to intervention, that
13 it has rights and privileges that will be affected by this
14 proceeding. Both companies have filed pursuant to RSA
15 374:22 and 26. Both of those statutes, for an entity that
16 is seeking to commence business as a public utility, refer
17 to "rights" and "privileges". So, we believe what is at
18 stake here is a right or privilege that EnergyNorth wishes
19 to exercise, just as it is for Valley Green. So, we
20 believe, therefore, that we meet the first part, the first
21 test that is articulated in RSA 541-A:32. And, that
22 statute says "the presiding officer shall grant a petition
23 for intervention if it states facts demonstrating that the
24 petitioner's rights or privileges may be affected by the

1 proceeding." We think we've met that test.

2 In the alternative, should the
3 Commission exercise its discretionary authority under RSA
4 541-A:32, II, we believe the Commission should follow its
5 past practice of allowing interested persons and
6 organizations to intervene in major dockets involving
7 important public policy principles. We believe that is
8 the case in this docket. We think it's entirely
9 appropriate and lawful for the Commission to permit
10 intervention by third parties who have knowledge of and
11 experience with the issues that are implicated by this
12 docket. And, we would cite a New Hampshire Supreme Court
13 case, *Ruel versus New Hampshire Real Estate Appraiser*
14 *Board*, 163 New Hampshire 636, that basically stands for
15 the broad position that an administrative agency "is free
16 to permit third parties to participate in proceedings
17 before it, for such assistance as those parties may
18 offer." Clearly, EnergyNorth, with the experience that it
19 has in this state, can offer that kind of experience and
20 knowledge in the docket. We believe the interest of
21 justice would be served by such intervention.

22 And, I would also like to cite other
23 proceedings where the Commission has determined that it
24 would allow competitors to participate in a proceeding

1 where it had granted intervention. *Appeal of Pinetree*
2 *Power*, 152 New Hampshire 92, a 2005 Commission case, was a
3 situation where wood-fired power plants were granted
4 intervention by the Commission in a PSNH docket involving
5 Schiller Station. Thus, the longstanding practice of the
6 Commission is to allow interventions like EnergyNorth's.

7 We believe there's no evidence to
8 support the claim that Valley Green makes in its objection
9 that "intervention would impair the orderly and prompt
10 conduct of the proceeding". Questions concerning
11 discovery and how to handle confidential or competitive
12 sensitive information should be addressed at the
13 appropriate time in the factual and procedural context in
14 which they arise. They should not be prejudged by Valley
15 Green, or others, at the outset of this proceeding. Nor
16 should speculation on these matters at this juncture serve
17 as a legitimate basis for preventing EnergyNorth from
18 participating in the docket. Thank you.

19 CHAIRMAN HONIGBERG: Thank you. Ms.
20 Geiger.

21 MS. GEIGER: Thank you. Based on its
22 preliminary review of the filings in this docket, NG
23 Advantage, LLC, is in favor of the granting of a franchise
24 in the Hanover and Lebanon area. However, NG Advantage is

1 concerned with the issue of gas supply presented by Valley
2 Green's proposal, and is also concerned with assuring that
3 a reliable supply of gas to firm customers is balanced
4 with the rates charged to end-users. Valley Green's gas
5 supply proposal is to purchase LNG from Gulf under a
6 long-term supply contract, and that Gulf will purchase
7 natural gas and liquefy it or procure LNG from other
8 sources and deliver LNG to Valley Green's facility via
9 truck.

10 The Order of Notice in this case states
11 that, among other issues to be determined in this docket,
12 are "whether Valley Green would be in a position to
13 furnish reasonably safe and adequate, and in all other
14 respects just and reasonable, gas service and
15 facilities...including adequacy of gas supply." And,
16 "whether Valley Green's proposal comports with New
17 Hampshire's Energy Policy, at RSA 378:37". That statute
18 provides, in part, that "the state's energy policy is to
19 meet the energy needs of its citizens and businesses in
20 the state at the lowest reasonable cost".

21 Neither the Petition, nor the prefiled
22 testimony indicate that Valley Green's gas supplies will
23 be procured by a competitive bidding, which calls into
24 question whether the proposed supply agreement is the

1 lowest reasonable cost, as required by the state's energy
2 policy. Primary reliance on LNG, as opposed to CNG, may
3 raise both the capital and commodity costs to a level
4 where necessary anchor customers either remain on oil or
5 continue to use trucked CNG directly, as opposed through
6 an LDC.

7 In addition, apart from the sole source
8 contract issue, it is unclear whether Valley Green's
9 proposal to use Gulf as an LNG supplier is just and
10 reasonable. For example, the Petition, at Paragraph 11,
11 states "Gulf presently transports LNG from third-party
12 terminals in Massachusetts, Pennsylvania, and Quebec to
13 multiple locations throughout the Northeast." That
14 paragraph also states that "Gulf has plans to build a
15 liquefaction facility in the Marcellus Shale Region", and
16 that "30 percent of the capacity of that [Marcellus]
17 facility will be dedicated to the Valley Green project".
18 These statements indicate the gas supply to Hanover and
19 Lebanon will be trucked great distances. Currently, LNG
20 in the Lebanon and Hanover area is consistently more
21 expensive than CNG. Trucking an additional supply from as
22 far away as the Marcellus Region is unlikely to change
23 this situation.

24 In any event, we believe the supply

1 issues should be determined by competitive bidding. The
2 prearrangement with Gulf seems to be precluding bidding
3 for LNG supply and creates a dependence on LNG, even if
4 CNG is useable for some or all of the project's natural
5 gas needs.

6 NG Advantage currently delivers CNG to
7 West Lebanon from its compressor station in Pembroke, New
8 Hampshire. This compressor station is approximately 64
9 and a half miles from Lebanon and 68 and a half miles from
10 Hanover. A second NG Advantage compressor station in
11 Milford -- Milton, Vermont is approximately the same
12 distance from both towns, and serves as a backup to
13 Pembroke, and is a source of inexpensive Canadian-sourced
14 gas during the winter months.

15 NG Advantage competitors also operate
16 CNG compressor stations in the vicinity, and would also be
17 likely to bid on a contract for gas supply, if they were
18 allowed to do so.

19 NG Advantage appreciates the opportunity
20 to provide these comments, and looks forward to working
21 with others in this docket to further develop the issues
22 that the Commission must determine in deciding whether to
23 grant Valley Green an LDC franchise for the Town of
24 Hanover and City of Lebanon, and how to provide for

1 reliable delivery in a cost-effective manner as a
2 condition of such franchise. Thank you.

3 CHAIRMAN HONIGBERG: Thank you, Attorney
4 Geiger. Representative Almy, before you start, I can just
5 tell you, you should convey to Ms. Arwen that the fact
6 that she's not here likely won't affect in any way how we
7 rule on her Petition for Intervention. So, I'm sure she's
8 concerned about that, but she needn't be.

9 So, why don't you tell us what your
10 position is on this briefly.

11 REP. ALMY: Thank you. Unfortunately,
12 the Valley Green Petition is focused on a single parcel in
13 Lebanon, which we believe is even more important to
14 Lebanon's green space and water quality goals than when
15 the Master Plan was completed. We are therefore highly
16 concerned that the owner of Valley Green has twice,
17 including on this parcel, violated wetlands regulations,
18 with the result of making it more difficult to make a
19 determination for the wetlands permits necessary. We
20 regard this as part of the general problem that you have
21 to rule on of abiding by the laws of the state and the
22 rules of the municipality for developing this facility.
23 And, we think that it is relevant. Thank you.

24 CHAIRMAN HONIGBERG: Mr. Waugh.

1 MR. WAUGH: Yes, Mr. Chairman. The City
2 doesn't either oppose or support the application
3 officially. As we said in our Motion to Intervene, we
4 have interest in preserving the local regulatory
5 mechanisms that are already in place, including site plan
6 review and the licensing of distribution lines in public
7 highways.

8 We recognize that the Applicant has said
9 they don't intend to ask to be exempt from the City's
10 review process. But, obviously, that is a concern of the
11 City. The City is highly concerned with safety and
12 emergency planning, which is also, we think, a province of
13 this Commission, in terms of the safety of the service
14 being provided. We don't believe that it can be safely
15 provided unless the Applicant works with the City's
16 emergency and safety personnel and to develop a plan and a
17 response plan. That hasn't happened yet. The City hasn't
18 had communications from the Applicant since April of 8 --
19 or, of, yes, 2014, which is when they received their
20 variance from the Zoning Board of Adjustment. So, we are
21 here to look over the shoulder, make sure we get the same
22 information that will later be presented to the City.

23 The last thing I want to say is that I
24 noted in the objection from -- to some of the citizen

1 proposed intervenors that the Applicant said that the City
2 would be representing their interests. I want to disclaim
3 that. The City represents its own interests, and would
4 not claim to represent the individual interests of
5 individual citizens of the City.

6 CHAIRMAN HONIGBERG: Interestingly put.
7 I think I know what you meant. But you might want to have
8 a meeting with the two citizens who are here, so that they
9 understand exactly what it is you just said.

10 Mr. Peress, we're going to do you before
11 we do the OCA and Staff. I know you have a lot of
12 experience here, so this -- none of this is a surprise to
13 you. So, go ahead.

14 MR. PERESS: Thank you, Mr. Chair, for
15 the opportunity to present the views of myself and my
16 family. As you know, RSA 374:26 establishes the public
17 good requirement for the granting of such a franchise.
18 It's our perspective that this is case of first impression
19 as to what meets that "public interest" standard. In
20 addition to the legal, technical, managerial, financial,
21 and financial expertise and capability, we suggest that
22 there is a duty for any franchisee to provide a public
23 benefit. This Commission has consistently held that the
24 right to a franchise is a privilege and -- excuse me, that

1 the ability to conduct a franchise is a privilege and not
2 a right that is granted by this Commission. And, those
3 issues around "public good" and "public benefit" have been
4 reflected through multiple factors amongst very -- amongst
5 the many utilities in the state, including service
6 offerings, rate designs, and including things like
7 conservation programs.

8 Myself and my family are long-time
9 residents of Lebanon for more than a dozen years. We own
10 one of the grand old homes in the Central Business
11 District. Our house is approximately 200 years old. In
12 prior years, I've used as much as 2,000 gallons of oil to
13 heat my home. Let me just say that Lebanon is a very
14 special place. There's a very high degree of community
15 engagement. It's a community that has residents that take
16 public welfare considerations very seriously. In fact,
17 the website *livability.com*, using a comprehensive set of
18 criteria, determined that Lebanon has the highest quality
19 of life of any small town in the country. That's
20 *livability.com*. There are multiple entities seeking a
21 franchise to provide this sort of service in Lebanon.
22 Valley Green has stated that their intention at this point
23 is to provide services to commercial, industrial, and
24 institutional customers, and potentially determine that

1 they will provide services to residents in the future.

2 To be clear, providing services to
3 Dartmouth College does not satisfy the public interest.
4 The community members have a right to be heard, and they
5 have a right to and would ask this Commission to assess
6 the extent to which prospective franchisees will best
7 provide public benefit to the community.

8 For example, the housing stock in
9 Lebanon and the Lebanon and Hanover area is extremely old.
10 Programs like energy efficiency programs that are offered
11 by the utilities would be very beneficial, as it relates
12 to both the service offerings, as well as the supply of
13 fuel for thermal purposes in the community.

14 From the standpoint of myself and my
15 family, we believe that these are -- that these sorts of
16 issues are important to be heard and deliberated before
17 this Commission and will assist the Commission in
18 rendering a determination in this, on this application.

19 Just on a personal note, in addition to
20 having appeared before this Commission on multiple
21 occasions, professionally, although I am appearing in my
22 personal capacity, I am the Director of Air Policy for
23 Natural Gas for the Environmental Defense Fund. I work on
24 natural gas supply issues all day, every day, both with

1 respect to local distribution companies and interstate
2 pipelines.

3 Moreover, I am also a board member of
4 the North American Energy Standards Board, elected by the
5 wholesale gas quadrant in that board, which sets the
6 standards by which services are provided by the gas
7 industry.

8 As I mentioned, we will be filing to
9 intervene today, which will be received in hard copy by
10 the Commission tomorrow. Thank you.

11 CHAIRMAN HONIGBERG: Ms. Chamberlin.

12 MS. CHAMBERLIN: Thank you. The OCA is
13 interested in increasing opportunities to residential
14 consumers to get access to natural gas services. We will
15 be participating in both petitions to see that whichever
16 entity is serving the area remembers that residential
17 customers need access to these services as well.
18 Sometimes the target for large industrial customers
19 eclipses the needs of residential consumers.

20 So, we will be participating in that
21 fashion, generally speaking, having at least two entities
22 interested in the same territory should, through
23 competition, increase options. And, so, that's what we
24 are looking for. Thank you.

1 CHAIRMAN HONIGBERG: Mr. Speidel.

2 MR. SPEIDEL: Thank you, Mr. Chairman.

3 As a opening matter, I would like to state that, as it
4 does traditionally, Staff very much welcomes citizen
5 involvement, by folks who are taking time out of their
6 busy days to come down to the Commission and to make their
7 voices heard about what is a very interesting case, and
8 what is a very exciting prospect, which would be, pretty
9 much for the first time in about 60 years, a *de novo* gas
10 utility setting up shop in an unserved portion of our
11 state.

12 There were two big waves of franchise
13 approvals in this area. The first, of course, was roughly
14 a hundred years ago, at the inception of the Commission's
15 founding. And, then, the second was just before and just
16 after the Korean War, when the natural gas pipelines made
17 their way into New Hampshire and displaced manufactured
18 gas sites around the state.

19 And, so, it has been many years. It's
20 been more than 60 years since we've assessed *de novo*
21 franchise applications for a service territory. And,
22 Staff does intend to examine our archives very carefully
23 about how these older franchise applications were
24 assessed. And, we may believe that there could have been

1 a competitive situation like this, where we have two
2 prospective franchise holders for the very same territory.

3 In assessing the Valley Green proposal
4 noticed here, and also the just-filed Liberty petition,
5 it's Staff's intent to carefully assess both petitions on
6 the basis of the same neutral criteria: Engineering
7 criteria, safety criteria, financial criteria, managerial,
8 and cost criteria. Also, we intend to very carefully
9 examine both petitions on the basis of what rates will be
10 offered for consumers, at what terms, what sort of
11 programs will be offered to consumers, as part of our
12 recommendations to the Commission in each petition.

13 So, we have a lot of work ahead of us.
14 I think it's fair to say that each petitioner has more
15 details to fill in through discovery and supplemental
16 filings regarding what they intend to do in this franchise
17 territory. And, we are very keenly interested in hearing
18 from entities like the City of Lebanon about what works
19 best for them for a public safety standpoint and for an
20 economic development standpoint.

21 So, Staff is very much excited about
22 this Petition and Liberty's. And, the Commission can
23 expect to hear from us regarding each petition during the
24 pendency. Thank you.

1 CHAIRMAN HONIGBERG: Mr. Willing, I'm
2 going to give you a crack at responding to what various
3 people have said. And, I'm fairly confident that people
4 up here will have questions for some or all of you who
5 have spoke. So, Mr. Willing, why don't you go ahead. My
6 guess is that there's going to be another round of
7 discussion based on questions. So, --

8 MR. WILLING: Okay. With regard to the
9 local intervenors, the main thrust of our objection there
10 is a subject matter objection. We have no objection to
11 local residents participating in the proceeding as
12 intervenors, so long as they stick to the issues that were
13 noticed in the Order of Notice. So, that was the main
14 point of the objection to the individuals. And, we have
15 no objection at all to the City's Motion to Intervene.

16 With regard to NG Advantage and Liberty
17 Utilities, I think our objections largely stand as we
18 filed them. I would just add that Liberty's interest here
19 I think is demonstrated pretty starkly by when it filed
20 and what it filed. They're seeking competitive advantage
21 by doing what they did, and that's not consistent with the
22 interests of justice or orderly conduct of the
23 proceedings. And, therefore, they shouldn't be allowed to
24 intervene, even on the discretionary standard, would be

1 our view.

2 I think, with regard to NG Advantage,
3 our main point is that they are interested in using this
4 proceeding to force consideration of them as a supplier,
5 and that's not a noticed issue. We went through a
6 process, which is spelled out in our Petition, in terms of
7 identifying how we would like to have our facility
8 supplied, and that will need to be measured against the
9 objective standards of Commission rules and standards.
10 But we think the angle here is to try to essentially force
11 consideration of a particular supplier, and that's, we
12 believe, not an issue that the Commission ought to allow
13 to be considered here.

14 CHAIRMAN HONIGBERG: Two different
15 formulations to that last point. I want to make sure I
16 understand which one you're relying on.

17 MR. WILLING: Yes.

18 CHAIRMAN HONIGBERG: Is it that it's not
19 specifically identified in the Order of Notice or that
20 it's not an appropriate thing for us to consider, whether
21 it was included in the Notice or not? Because I think --
22 I think Ms. Geiger's point, her client's point, is that
23 the Petition, the approach that your client is going
24 forward with assumes a particular supply point, and that's

1 going to have pricing considerations and things associated
2 with it. I think she's going to take the position that
3 you can do better. Your client could do a lot better if
4 it opened it up to others. And, that's what she wants us
5 to take a look at in evaluating whether your client has
6 done the best it can to get the best price. Are you
7 saying that that's not an appropriate issue?

8 MR. WILLING: No. I'm not saying that
9 that's not an appropriate thing. I'm saying what they're
10 truly after is to force consideration of them in
11 particular, and we don't think that's appropriate.

12 CHAIRMAN HONIGBERG: Okay. Do you have
13 anything else? I'm sorry if I interpreted you.

14 MR. WILLING: No.

15 CHAIRMAN HONIGBERG: All right.
16 Commissioner Scott, do you have questions for any of those
17 people out there? I have a sneaking suspicion that you
18 do.

19 CMSR. SCOTT: I can go now?

20 CHAIRMAN HONIGBERG: You can go now.

21 CMSR. SCOTT: Thank you. I'll go back
22 to my earlier premature question. I just wanted to get an
23 understanding from the Petitioner, very briefly, are there
24 any bright lines that, timingwise, we need to be cognizant

1 of? You state in your Petition you have a target of the
2 "Fall of 2016" to be in service. Obviously, we have
3 winters here that make construction sometimes difficult.

4 MR. WILLING: Uh-huh.

5 CMSR. SCOTT: Are there some bright
6 lines we need to be aware of, at least in your mind?

7 MR. WILLING: The sooner the better,
8 this is our interest. But, you know, mainly we just -- we
9 are aiming to be constructing next construction season.
10 So, we would like to have the necessary approvals from the
11 Commission by the time that happens and the necessary
12 approvals from other permitting bodies.

13 CMSR. SCOTT: Thank you.

14 CHAIRMAN HONIGBERG: Commissioner
15 Bailey.

16 COMMISSIONER BAILEY: Thank you.
17 Mr. Patch, I have a question for you. If the Commission
18 were to find that it was in the public interest, is there
19 any reason in the statutes that you know of that a
20 franchise is exclusive?

21 MR. PATCH: Not in the statutes that I
22 know of. But, I think, perhaps in terms of "what is in
23 the public interest?" I'm not sure that it would be in
24 the public interest to have two duplicate sets of lines

1 running underground through Lebanon and Hanover. It
2 doesn't seem to me it would be. And, so, that was one of
3 the things I think that we had put in our Petition.

4 But I don't know of anything that makes
5 it exclusive. And, there is a Supreme Court case, as I
6 think the Commission is familiar with, at least that
7 pertain to electricity, that electric franchises were not
8 exclusive as a matter of law. I don't have the site with
9 me. I can certainly get it.

10 COMMISSIONER BAILEY: That's okay.

11 MR. PATCH: But, to answer your
12 question, I don't know of anything in the statute that
13 says that, but --

14 COMMISSIONER BAILEY: Have federal laws
15 or orders or rules said anything about sharing
16 distribution pipeline space?

17 MR. PATCH: I don't know that federal
18 would have jurisdiction over distribution. I think
19 federal would have jurisdiction certainly over
20 transmission. So, I don't think federal would be
21 implicated, federal laws or rules would be implicated.

22 COMMISSIONER BAILEY: Okay. Thank you.

23 MR. PATCH: There may be some safety
24 regulations pertaining to gas that would be implicated,

1 but --

2 COMMISSIONER BAILEY: Okay.

3 Mr. Willing, do you have anything to add to that?

4 MR. WILLING: No.

5 COMMISSIONER BAILEY: Thank you.

6 CHAIRMAN HONIGBERG: I guess I have not
7 really a philosophical question, it's kind of a broad "how
8 should we proceed?" question, with the two petitions that
9 we have that want to largely do the same thing. And, I
10 think Mr. Patch's answer leads to this discussion, in that
11 it's probably not in the public interest to have two
12 distribution systems in the same place.

13 Now, I know, Mr. Willing, you have a
14 view as to Liberty's true intent here. But, assume with
15 me, play the game with me for a moment, that, no, they
16 are -- this is real. It's been ongoing. They have been
17 looking at this area. And, we have two petitions to do
18 the same thing. How should we look at these two? Should
19 they be combined in any way? Consolidated in any way?
20 Considered together? Should we set up a bidding war? An
21 auction of some sort for this territory? I mean, the
22 people on the other side of the hill are desperate for
23 revenue, could we work something out here to get that?
24 That's all facetious. You didn't hear that,

1 Representative Almy.

2 So, Mr. Willing and others, how should
3 we proceed? And, Mr. Willing, you need to assume, for
4 purposes of this, that what Liberty is doing is
5 legitimate.

6 MR. WILLING: Okay. Assuming what they
7 are doing is legitimate, these should be kept in separate
8 proceedings. They should not be merged together. Valley
9 Green Natural Gas has done a lot of legwork to prepare for
10 filing its Petition, and actually worked with Staff quite
11 a bit over a number of years to meet the criteria for a
12 filing, design, and all kinds of other work, customer
13 contacts. And, it has already advanced certain ways in
14 its proceeding. It would be prejudiced by a merger of the
15 two proceedings. It would delay our ability to, if we
16 were ultimately successful, get our service out to
17 customers.

18 If the choice is between letting parties
19 intervene in each other's proceedings versus merging the
20 proceedings, we'd prefer keeping the proceedings separate.
21 And, we think that's in the public interest, to get to --
22 Staff will, obviously, be involved in both proceedings,
23 if. You allow interventions, the parties will be involved
24 in the proceedings.

1 CHAIRMAN HONIGBERG: Mr. Patch, do you
2 have any thoughts on this?

3 MR. PATCH: Yes. Actually, you might be
4 surprised by this, but we share Valley Green's perspective
5 on that. We think there ought to be two separate
6 proceedings, but we think they ought to be on parallel
7 tracks. Basically, they ought to be running at about the
8 same time. Discovery ought to be done, excuse me, at
9 about the same time, so it doesn't advantage one party
10 over the other.

11 Ultimately, of course, it's what the
12 Commission thinks is the best way for it to address the
13 issues. So, obviously, we defer to the Commission, in
14 terms of what it thinks is the most efficient and best way
15 for it to get all the information it needs. But we think
16 two separate dockets, on parallel tracks, is probably the
17 way to go.

18 CHAIRMAN HONIGBERG: I mean, one of the
19 unusual things about this docket is we have a fair bit of
20 experience in the room. No one, however, has experience
21 with this situation that anybody's identified yet. And, I
22 don't think anybody was here in the early '50s, when we
23 last had one of these, according to Mr. Speidel.

24 Mr. Willing, do you want to say

1 something else?

2 MR. WILLING: I think we would agree
3 that their proceeding should proceed. We would not agree
4 that, to the extent that it was suggested, that our
5 proceeding should slow down to wait for their proceeding
6 to catch up.

7 CHAIRMAN HONIGBERG: And, I didn't hear
8 him say that.

9 MR. WILLING: I think -- I thought that
10 was between the lines, to get them on parallel tracks, it
11 will take them a certain amount of time to get to this
12 point. And, we don't want to wait for them.

13 CHAIRMAN HONIGBERG: He may have been
14 putting that between the lines, but we chose not to read
15 that part between the lines.

16 MR. WILLING: Okay. Okay.

17 CHAIRMAN HONIGBERG: Do others, with
18 experience or without, have some perspective on or
19 thoughts on how they wanted to do this? Mr. Speidel.

20 MR. SPEIDEL: In the view of Staff, we
21 concur with the respective petitioners' viewpoint, that
22 it's best to have two separate proceedings assessing each
23 petition. It's simpler that way. They're two pleadings
24 seeking the same franchise territory, but they're two

1 entities. There's a lot of record issues that might come
2 up if we have them merged, and everything is a big
3 spaghetti bowl, instead of having clear record one, clear
4 record two for each petitioner, that would be better.

5 In the view of Staff, we have noted that
6 it would appear that there seems to be a desire by each
7 petitioner to seek the same anchor customers. Lebanon and
8 Hanover are limited geographics base. And, there are
9 certain large commercial, educational, and industrial
10 customers that each company most likely will seek to
11 enable their respective services to make economic sense,
12 from a ratemaking perspective and from an investment
13 perspective.

14 We do not have any ability to really
15 control or to manage the selection of one petitioner or
16 another by those customers. Those customers will be
17 making economic decisions themselves during the -- most
18 likely during the pendency of this proceeding. So,
19 there's going to be competitive economic activity outside
20 of the walls of the Commission that will probably inform
21 the ability of each respective petitioner to either move
22 forward or to reconsider their plans or perhaps scale back
23 their plans or expand their plans, whatever the case might
24 be. So, there's going to be economic decisions that come

1 down the pike outside of the Commission that will probably
2 guide the process to a certain extent.

3 However, as I had mentioned before,
4 we're going to be applying, as Staff, the same criteria
5 to each proceeding. The personnel examining the legal,
6 analysis, and safety questions will be the same. So,
7 there will be a global perspective by Staff, making sure
8 that the same criteria are applied fairly to both
9 petitions.

10 CHAIRMAN HONIGBERG: Ms. Chamberlin, you
11 heard what Mr. Speidel just said about the anchor
12 customers, the industrial, educational entities that are
13 attractive to the companies. Your concern, being the
14 residential ratepayers, you used the word "competition" in
15 your opening there. How can we create a situation where
16 your interests are furthered with these two petitions
17 pending?

18 MS. CHAMBERLIN: Thank you, Chairman
19 Honigberg. I agree with the parties that two separate
20 proceedings is the best way to go, primarily for clarity,
21 just to keep things clear. We will be participating and
22 seeking options for residential consumers. So, my hope is
23 that each side will put together options or offers for
24 residential consumers, and then we will be able to compare

1 which is best.

2 I don't know that there's any procedural
3 assistance that the Commission can give. I think,
4 primarily, it's a question of just developing the record,
5 and we will most likely side with the entity that does the
6 best for residential customers.

7 CHAIRMAN HONIGBERG: There's an
8 assumption implicit in what you just said, and I'm
9 interested in hearing whether others agree with that
10 assumption. And, that is that, as we review the two
11 petitions, and, again, Mr. Willing, playing the game, and
12 assuming that everything is happening at roughly the same
13 time, we're going to get to a point where both satisfy the
14 statutory criteria and would be qualified to be granted
15 the franchise. At the end of the day, how do we decide
16 which one gets it, assuming both meet the standards?

17 MS. CHAMBERLIN: I think it's too early
18 to tell. We really have to develop a record on this
19 because the "public interest" is a broad standard.
20 They're both sophisticated companies. We know quite a bit
21 about Liberty, not very much about Valley Green. I think
22 that we have to wait and see if there's a distinguishing
23 feature.

24 CHAIRMAN HONIGBERG: Mr. Peress.

1 MR. PERESS: Thank you, Mr. Chair.
2 Certainly, my perspective is that proceeding the way that
3 has been suggested with two separate dockets and
4 proceedings is fine. I think that the challenge that the
5 Commission has here is that both of the two petitions have
6 some highly speculative elements to them, as it relates to
7 their discussions with anchor tenants and where those
8 might lead. Which creates not a legal rightness problem,
9 but it creates a rightness like problem, as it relates to
10 being able to assess which proposed franchisee provides a
11 sufficient degree of public benefit for the Commission to
12 grant them the privilege of having such a franchise.

13 And, so, I'm going to agree with some of
14 the parties here, particularly Staff, that a record needs
15 to be developed, an extensive record needs to be
16 developed, relating to what those service terms will be,
17 not what they suggest that they might be, and what the
18 service offerings will be, not what they might be, as we
19 move through discovery, so that those issues can be
20 subjected to examination at hearing before the Commission
21 for both applicants.

22 CHAIRMAN HONIGBERG: Commissioner Scott.

23 CMSR. SCOTT: For Staff attorney, if we
24 do bifurcate it, my word, I guess, have the two parallel

1 tracks, I don't need an answer, I guess I'd want you to
2 make sure we're considering, one concern I have would be,
3 obviously, when we have some members of the public, not a
4 business interest, but residential issue, and
5 Representative Almy is here, others, to the extent, I want
6 to make this, if we end up with two different parallel
7 tracks, I want to make it fairly clear to the non --
8 people that don't usually come before us, you know, if
9 they have an interest in one, they most likely have an
10 interest in the other, how do we make sure that we connect
11 the dots for the -- you know, Attorney Peress is very
12 sophisticated in this, so, I'm less worried about him, no
13 offense. But I'm more worried about somebody else who may
14 be trying to come in on one side for Liberty, not
15 realizing that this is going on also, if that makes sense?

16 MR. SPEIDEL: Yes. Under the New
17 Hampshire Administrative Procedures Act, we have a notice
18 form that's called for, and the vehicle for that would be
19 a newspaper publication somewhere in the Upper Valley, and
20 it's catch-as-catch-can; a public citizen reads that or
21 doesn't read that. I would encourage interested citizens
22 and municipal officials in that region to do their own
23 outreach informally, if they know of citizens that are
24 concerned about these plans or have interests in such

1 plans, to get the word out. There's nothing wrong with
2 calling your neighbor and telling them, you know, "there
3 are these two proceedings coming along."

4 If we receive a citizen intervenor that
5 comes late to the game in the Liberty proceeding, they can
6 be alerted to the fact that they can file a late
7 intervention in this proceeding, if they so desire. Staff
8 would, again, offer no objection to that or even positive
9 support in the case of citizen intervenors.

10 So, I think there's ways around it.
11 This is an unusual situation, but it can be managed. I
12 would say that there will be common issues related to,
13 again, engineering, the same engineering criteria will be
14 applied to both, and also financial viability. Because I
15 think Staff would generally have the perspective that the
16 franchise territory should be supplied and provided with
17 service economically, on a basis that is sustainable.

18 I think we would probably have to
19 discuss internally the question of "whether a large
20 consolidated utility that has operations around the state
21 could necessarily engage in a loss leader activity in this
22 new franchise territory? As compared to a stand-alone
23 entity that's economically serving its customers on the
24 spot in the same service territory?" These are questions

1 we have to explore and think about.

2 But, one way or the other, I think it's
3 definitely doable for citizen involvement that to get the
4 word out and informally inform them.

5 CHAIRMAN HONIGBERG: Attorney Speidel,
6 you would agree with me that, when we do have large groups
7 of individuals who seem to have the same interests or
8 roughly the same interests, New Hampshire law and our past
9 practice is to have those groups of individuals combined
10 and work together, isn't that right?

11 MR. SPEIDEL: Yes. There is opportunity
12 to do so. In our own practice, we've always given those
13 parties the courtesy of asking them if they would object
14 or not object. If they object, we tend to give that a
15 good deal of weight in Staff's corner. So, perhaps there
16 is some ability for coordination of citizen intervenors.
17 They may, themselves, object to that, because they're
18 looking at it at different angles, and want to have their
19 own freedom of movement and not have to coordinate with
20 others. But we've had success in the past where
21 homeowners groups and citizen groups have banded together
22 *ad hoc* to serve as a consolidated intervention group.
23 That's right.

24 CHAIRMAN HONIGBERG: Yes, Ms. Geiger.

1 Sorry.

2 MS. GEIGER: Thank you, Mr. Chairman. I
3 just have a couple of thoughts. I would concur with the
4 group that it seems appropriate to keep both petitions on
5 parallel tracks.

6 But I would also like to address
7 something Mr. Willing said concerning NG Advantage's
8 Petition to Intervene in this docket. I believe that he
9 indicated that the purpose for the intervention by my
10 client would be to force Valley Green to consider NG
11 Advantage as a supplier. And, that's certainly not the
12 sole purpose for our intervention. We're asking that this
13 Commission allow us to intervene for the purpose of
14 examining the question of supply procurement on a
15 competitive basis, which we think goes to the "public
16 interest" issue, as well as the "state energy policy"
17 issue.

18 Our intent here is also to provide
19 information, much like Mr. Peress, based on NG Advantage's
20 considerable experience in this area, with compressed
21 natural gas and LNG. And, so, we would be participating
22 in order to provide the Committee -- Commission with
23 information that would assure reliable gas supply at a
24 reasonable cost, much like Mr. Speidel was indicating.

1 CHAIRMAN HONIGBERG: All right. Is
2 there anything else anyone would like to say, before we
3 leave you to your technical session?

4 (No verbal response)

5 CHAIRMAN HONIGBERG: All right. Seeing
6 nothing, we will adjourn the prehearing conference and
7 leave you to your work. Thank you all.

8 **(Whereupon the prehearing conference**
9 **was adjourned at 10:10 a.m., and a**
10 **technical conference was held**
11 **thereafter.)**