

September 3, 2016
Debra Howland, Executive Director
NH Public Utilities Commission
21 South Fruit Street, Suite 10,
Concord, N.H. 03301-2429

Dear Director Howland,

Please do NOT approve Liberty Utilities (LU) Docket DG 16-770 Petition to Purchase Concord Steam. This proposal completely contradicts the goals of New Hampshire's 10 Year State Energy Strategy; increase the diversity of our state's energy sources, increase efficiency, and use more home grown energy sources such as biomass, wind, hydro and solar.

Any large energy project based in Concord should serve as a flagship of best practices in responsible energy policy and implementation. It should be an exemplar to other large campuses and municipalities.

As a citizen who followed PUC dockets IR 15-124 and DG 14-380 quite closely, I am shocked that I didn't know about the apparent crisis with Concord Steam. As I dig into the news items, RFPs, and testimony, I am left with many more questions than seems usual for a project of this magnitude.

At the technical session on August 19, 2016, I was very surprised to learn that Concord Steam was in such a state of crisis that they were turning to Liberty Utilities to buy them out and assist customers in converting to individual gas fired heating systems by heating season 2017-2018. The purchase by Liberty Utilities is supported by Concord Steam and was presented as the only practicable solution to an absolute crisis.

What happened to the proposal by Green City Power to purchase Concord Steam and continue to operate it as a co-generation facility with a 30% reduction in rates?

<http://www.concordmonitor.com/Articles/2016/03/From-Archives-2/ConcordSteamUseThis-cm-032416>

With over 180 buildings and 100 customers involved, I am attempting to find out whether it's possible that converting all of these buildings from district steam to natural gas would simply shift the \$17 million required to update the Concord Steam facility to the customers by forcing them to install gas fired steam boilers in their individual facilities. From the information in the Concord Monitor article by Megan Doyle on July 21,

“Ciborowski was still considering his options, but he had already started planning the switch to natural gas for some buildings. Boilers can cost between \$20,000 and \$25,000, he said, and he was hopeful Liberty Utilities would help new clients finance the conversions in some way.

“That's an enormous capital cost,” he said.”

<http://www.concordmonitor.com/Concord-NH-Concord-Steam-Liberty-Utilities-purchase-deal-3575591>

If we use an average cost of \$20,000 for each boiler, customer expenses with this transition would total \$3.6 million without considering other engineering and structural changes. The cost to the city alone to transition is budgeted for \$600,000.

Liberty Utilities has been very aggressive about expanding its franchise territory in New Hampshire. The proposed expansion plans have been used to justify a Precedent Agreement for capacity on the Northeast Energy Direct pipeline project. Those of us following DG 16-241 expect that Liberty Utilities and other LDCs who sought capacity on the NED will now shift those contract proposals to the Spectra Access Northeast project.

In reviewing testimony of various parties, I am struck by this requirement in the Power Purchase Agreement,

“The APA also requires that Concord Steam utilize natural gas as the
17 primary fuel source, 170,000 Dth minimum, for creation of steam to serve its customers
18 during the winter of 2016/2017. Concord Steam will remain dual-fuel and utilize
19 biomass for peaking needs, as well as the primary fuel for Design Days (0 Fahrenheit).”

There are many other disturbing features of the APA such as a non-compete clause and return on investments that seem excessive. I also see great danger in a strategy that will allow the customers most challenged by an upfront capital investment to bear the burden of ever increasing rates for district steam as other customers leave the system... until operation ceases entirely in 2019.

Despite the kind words of Stephen Frink, the assistant director of the PUC's gas and water division, ““If it fails, it certainly won't be from lack of effort on their part,” Frink said of Concord Steam, “In spite of their higher rates than what the natural gas utilities have offered, I think it speaks to their customer relations and place in the community, that they've been able to keep the customers they still have.” I have heard a different assessment of the situation with Concord Steam from someone I regard as an expert in energy matters,

“They have managed to piss off their biggest customers - City of Concord and the State of NH - by providing poor service and unreliability. They could not follow up on grants or forms or promises. Even when Republican landlord Steve Dupre tried to help out - nothing came of it.

Now the city and the state just want to know that their building will be heated when it is cold. It is pathetic. Of course, they could have looked at the [google map app](#) to see they could run the same systems off solar power. “

And yet, the Liberty Utilities proposal would continue to allow Concord Steam to run operations at least until May of 2017 and perhaps until 2019.

At one time, natural gas was considered a cleaner “bridge fuel” than other fossil fuels, but it’s difficult to continue supporting that position when we now know that methane is a Greenhouse Gas with heat trapping potential 84 times more powerful than carbon during the first 20 years. For the State of New Hampshire to support such a massive investment in fossil fuel infrastructure is unconscionable.

Hopefully the Public Utilities Commission will request all parties to take a step back and invite recognized climate and energy experts to analyze the problems presented by the deplorable state of Concord’s district steam service.

I would also like to point out that the Concord Steam website is not very helpful in explaining how much electricity is produced by co-generation. I found a reference to 125 Million KWH produced since 1987, but it isn’t easy to find the rated capacity of the plant anywhere on the site. <http://www.concordsteam.com/Benefits.html>

I think I would be well within my rights to file for intervenor status as a citizen and taxpayer of the State of New Hampshire. However, I ask only that I be added to the service list for DG 16-770 and notified of future hearings and technical sessions.

Thank you very much for considering my comments in this matter.

Sincerely,

Patricia A Martin

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