

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DG 16-XXX

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

Petition for Expansion of Franchise to the
Town of Hanover and City of Lebanon, New Hampshire

NOW COMES Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (the “Company” or “Liberty Utilities”), through counsel, and petitions the New Hampshire Public Utilities Commission pursuant to RSA 374:22 and 374:26 for permission and approval to provide natural gas distribution services in the Town of Hanover and the City of Lebanon. The Company also seeks a waiver of Puc 1603.02(a) to the extent it requires the filing of the Company’s entire tariff as part this franchise request.

In support of this petition, the Company states as follows:

1. Liberty Utilities is the largest natural gas distribution utility in New Hampshire, serving over 90,000 customers in more than 30 towns and cities across the state. In this petition Liberty Utilities asks the Commission for approval to expand its franchise to two more communities, the Town of Hanover and the City of Lebanon. Although Liberty Utilities’ affiliate, Liberty Utilities (Granite State Electric) Corp., currently provides electric distribution service to Hanover and Lebanon, these customers do not have access to natural gas.
2. The Company plans to build, own, and operate an “off pipeline” and self-contained underground distribution system. The gas will be provided from a Company-

owned facility located near the landfill in Lebanon, which facility will be able to use both liquefied natural gas (LNG) and compressed natural gas (CNG). Liberty Utilities will build out the underground pipeline system over a number of years, from south to north, ultimately reaching all areas of Hanover and Lebanon that it can economically serve.

3. The Company proposes to serve Hanover and Lebanon customers under its existing tariff, except for the Cost of Gas Clause. Hanover and Lebanon customers will be charged a unique cost of gas rate based on the costs particular to the LNG/CNG system located in Lebanon.
4. Attached to this petition are the testimonies and attachments of William Clark, Deborah Gilbertson, Richard MacDonald, and David Simek. Mr. Clark presents an overview of the Lebanon/Hanover project, describes the underlying economics, and he introduces the Company's business plan, titled the Hanover Lebanon Expansion Plan (the "Expansion Plan"), which contains the project's sales and marketing plan, financial analysis, engineering and operations overview, fuel procurement strategy, and community relations plan. Ms. Gilbertson's testimony centers on the Company's energy procurement strategy, including how Liberty Utilities has successfully supplied LNG, CNG, and propane to its existing facilities and how it will do so for the Hanover/Lebanon project. Mr. MacDonald describes how Liberty Utilities will construct and operate the pipeline system. Finally, Mr. Simek's testimony proposes new tariff language for a Cost of Gas Clause specific to the Hanover and Lebanon franchise areas, and other tariff changes necessary to add these communities to its list of towns and cities served.
5. The Company submits that this evidence satisfies the legal standards that the Commission applies to franchise requests, which are as follows.

6. RSA 374:22, I states: “No person or business entity ...shall engage in such business [as a public utility] in any town in which it shall not already be engaged in such business ... *without first having obtained the permission and approval of the commission.*” (Emphasis added.)
7. RSA 374:26 provides: “The commission shall grant such permission whenever it shall, after due hearing, find that such engaging in business, construction or exercise of right, privilege or franchise *would be for the public good*, and not otherwise; and may prescribe such terms and conditions for the exercise of the privilege granted under such permission as it shall consider for the public interest.” (Emphasis added.)
8. The application of these statutes is well-known: “The Commission exercises its authority under RSA 374:22 by assessing the managerial, technical, financial, and legal expertise of the petitioner. The Commission also scrutinizes franchise petitions to ensure they are consistent with the orderly development of the region.” *Northern Utilities*, Order No. 25,700 at 4 (Aug. 1, 2014) (granting Northern the right to provide service in Brentwood). The evidence filed in this docket satisfies these requirements.
9. First, the above evidence proves that the Company generally possesses the managerial, technical, financial, and legal expertise to operate a natural gas distribution company. Indeed, the Commission recently found that the Company satisfied this standard in *Liberty Utilities (Liberty Utilities Natural Gas) Corp.*, Order No. 25,736 (Nov. 21, 2014) (acquisition of New Hampshire Gas in Keene). More recently, Commission Staff acknowledged that Liberty Utilities has such expertise in reaching a

settlement in the Windham-Pelham franchise docket. *See* Docket No. DG 15-362 (the Commission conducted a hearing on the settlement agreement on October 25, 2016).

10. Second, the evidence specific to the development of Hanover and Lebanon as described in the attached testimony and in the Expansion Plan demonstrates that the proposed development of the franchise areas is operationally prudent and financially sound.
11. Finally, as stated in Order No. 25,700, “[e]xpanding natural gas service to a new community not currently served advances the public good given the favorable market for natural gas for the foreseeable future.” *Id.* at 5. Liberty Utilities’ evidence demonstrates that the market for natural gas remains favorable, and thus expanding service to Hanover and Lebanon, which are “new communit[ies] not currently served,” is similarly for the public good.
12. The Company’s proposal will bring low cost natural gas to two more communities in the State, providing a more economic fuel option to consumers, which is consistent with the State’s energy plan, RSA 378:37 (“The general court declares that it shall be the energy policy of this state to meet the energy needs of the citizens and businesses of the state at the lowest reasonable cost while providing for the reliability and diversity of energy sources”), and the New Hampshire Office of Energy and Planning’s *10-Year State Energy Strategy*, which broadly encourages the expansion of natural gas availability.
13. For these reasons and those stated in the attached testimony, the Company requests that the Commission find the proposed expansions in the public good and grant the Company permission to serve throughout Hanover and Lebanon.

Request to Waive Puc 1603.02(a)

14. Puc 1603.02(a) provides that, “[a]t the time of proposing an initial franchise, a utility shall propose a tariff and file the tariff with the commission.” As discussed in the testimony, the Company requests that its existing tariff apply to new customers in Hanover and Lebanon, except for the Cost of Gas Clause. Since the Company is filing proposed cost of gas language applicable to Hanover and Lebanon and the necessary revisions to existing tariff pages to include Hanover and Lebanon in the Company’s service area, this waiver request is directed at the requirement that Liberty Utilities file copies of the balance of its tariff.
15. Liberty Utilities asks the Commission to waive Puc 1603.02(a), first, because the rule’s language suggests that it applies only when a utility is filing for its “initial franchise.” This petition, of course, is not proposing Liberty Utilities’ “initial” franchise. The rule thus does not apply here.
16. To the extent the Commission finds the rule applicable, Liberty Utilities requests a waiver because filing the balance of the Liberty Utilities’ tariff is burdensome (it has over 150 pages) and unnecessary as it is available on the Company’s website (<https://new-hampshire.libertyutilities.com/concord/residential/rates-and-tariffs/index.html>) and on the Commission’s website (<http://www.puc.nh.gov/Regulatory/companies-regulated-tariffs.htm#gas>).
17. Due to the tariff’s size and the fact that it has already been approved for service to Liberty Utilities customers, the Company respectfully requests a waiver of this filing requirement.

18. The waiver request satisfies the requirements of Puc 201.05 because it is in the public interest to conserve resources by not providing a copy of the entire tariff when there would be extremely limited changes (merely adding the names of the towns), it is available electronically, and it would be onerous to provide the copies. Granting this waiver will also not disrupt the orderly or efficient resolution of this matter before the Commission because the parties can rely on the existing electronic tariff to provide any needed information.

WHEREFORE, Liberty Utilities respectfully requests that the Commission:

- A. Grant the Company the franchises to serve within the Town of Hanover and the City of Lebanon;
 - B. Waive Puc 1603.02(a) to the extent it requires filing of the Company's entire tariff;
- and
- C. Grant such other relief as is just and reasonable and consistent with the public interest.

Respectfully submitted,

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




Date: November 28, 2016

By: _____
Michael J. Sheehan, Senior Counsel #6590
15 Buttrick Road
Londonderry, NH 03053
Telephone (603) 216-3635
michael.sheehan@libertyutilities.com

Certificate of Service

I hereby certify that on November 28, 2016, a copy of this petition and attachments have been forwarded to the Office of Consumer Advocate.



By: _____
Michael J. Sheehan