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P R O C E E D I N G

CHAIRWOMAN MARTIN: Good morning, everyone. We're here this morning in Docket DG 21-036, which is the Liberty Utilities' Petition for Approval of a Renewable Natural Gas Supply and Transportation Agreement.

My name is Dianne Martin. I am the Chairwoman of the Public Utilities Commission. Commissioner Goldner.

COMMISSIONER GOLDNER: Yes. Dan Goldner, Commissioner.

CHAIRWOMAN MARTIN: Okay. And we'll take appearances now. I apologize. Oh, there you are, Mr. Sheehan. Let's start with Mr. Sheehan.

MR. SHEEHAN: Good morning. Mike Sheehan, for Liberty Utilities (EnergyNorth Natural Gas) Corp.

CHAIRWOMAN MARTIN: Okay. Thank you. And Mr. Kreis, there you are. Go ahead.

MR. KREIS: Good morning, everybody. I am Donald Kreis, the Consumer Advocate, here on behalf of residential utility customers.

CHAIRWOMAN MARTIN: Okay. Thank you.

1 And for the Department of Energy, who is
2 appearing today?

3 MS. SCHWARZER: Good morning. I'm with
4 the new Department of Energy. My name is Mary
5 Schwarzer. I am an attorney with the Division of
6 Regulatory Support. And with me today are Randy
7 Knepper, Karen Cramton, Deandra Perruccio, and
8 Dan Phelan, from the Division of Policy and
9 Programs and the Division of Enforcement.

10 CHAIRWOMAN MARTIN: Okay. Thank you.
11 And Mr. Husband.

12 MR. HUSBAND: Good morning, Commission.
13 Yes. Richard Husband. I am here representing
14 Jonathan Chaffee, who has filed a Petition to
15 Intervene.

16 CHAIRWOMAN MARTIN: And for CLF, Mr.
17 Krakoff.

18 MR. KRAKOFF: Good morning, Chairwoman
19 Martin, and nice to meet you, Commissioner
20 Goldner. My name is Nick Krakoff. I'm from
21 Conservation Law Foundation.

22 CHAIRWOMAN MARTIN: Okay. Thank you.

23 For preliminary matters, I have one
24 high-level I'd just like to highlight for the

1 parties. Obviously, as Ms. Schwarzer mentioned,
2 the Department of Energy was recently created,
3 and so we have a slightly different arrangement.
4 And, for that reason, the Commission will be
5 using the prehearing conferences more
6 consistently with the description set forth in
7 the rules. Going forward, they will be slightly
8 broader, and the Commission may have some more
9 questions and requests for information itself.

10 Any questions on that? Ms. Schwarzer.

11 MS. SCHWARZER: Thank you, Chairwoman
12 Martin. Included within that broader framework
13 for prehearing conferences is a discussion of
14 "procedural scheduling". And I wonder if that's
15 something that you anticipate discussing in this
16 prehearing conference?

17 CHAIRWOMAN MARTIN: Yes. I think so.
18 My expectation is that going forward there will
19 be a proposed procedural schedule, as there had
20 historically been.

21 However, I think, for today, we'll
22 follow the normal process. You're going to have
23 a technical session. I assume you'll put in a
24 proposed procedural schedule. To the extent that

1 process or timing changes, we will highlight that
2 for you.

3 But we are, obviously, in the
4 preliminary stages at this point, and so we will
5 proceed consistent with the normal course.

6 MS. SCHWARZER: Thank you.

7 CHAIRWOMAN MARTIN: Okay. Anyone else?

8 *[No verbal response.]*

9 CHAIRWOMAN MARTIN: Okay. And I also
10 have two Petitions to Intervene that are pending,
11 one from Mr. Husband, on behalf of Mr. Chaffee.

12 Is there any objection to that
13 intervention?

14 MR. SHEEHAN: There is from the
15 Company, if I could be heard?

16 CHAIRWOMAN MARTIN: Please go ahead.

17 MR. SHEEHAN: With respect, Mr. Chaffee
18 is not a Liberty gas customer. I believe, as a
19 resident of Lebanon, he's probably a Liberty
20 electric customer, which is, obviously, a
21 different company.

22 He will not become a Liberty gas
23 customer. And, to the extent he has any
24 interest, broadly speaking, with regard to

1 environmental issues, nothing decided in this
2 docket, whether the Commission approves or
3 doesn't approve what is, in effect, a gas supply
4 agreement, will affect Mr. Chafee -- Chaffee.

5 Of course, the standard of RSA 541-A:32
6 requires the proposed intervenor to show that his
7 rights, duties, privileges, immunities, or other
8 substantial interests may be affected by what's
9 in this docket. And, with respect again, I just
10 don't think that standard is met by Mr. Chaffee's
11 interests as expressed in his Petition.

12 Should the Commission grant the
13 request, we would look forward to Mr. Chaffee's
14 support, frankly, given that the nature of this
15 docket is to bring substantial quantities of
16 renewable gas into the New Hampshire, to New
17 Hampshire customers.

18 CHAIRWOMAN MARTIN: Okay. Thank you,
19 Mr. Sheehan. Ms. Schwarzer.

20 MS. SCHWARZER: Thank you, Madam
21 Chairwoman.

22 The Department of Energy does not take
23 a position on the motions to intervene this
24 morning. But, consistent with our obligation to

1 create a complete record, I do want to point out
2 that it's my understanding Liberty is seeking
3 what it describes as a "geographically targeted
4 franchise", which is described in its discovery
5 response, which is public, 1-5(c), is a very
6 small commercial area near the airport. And
7 Mr. Chaffee's address, which I'm not going to
8 state on the record, is not within that small
9 area.

10 And, whether or not the Commission is
11 going to consider granting a very small
12 franchise, or whether the Commission believes
13 that a franchise for West Lebanon would encompass
14 the whole territory, is not known to the
15 Department of Energy.

16 Indeed, Liberty has not filed a
17 petition for a franchise at this time. But I did
18 want to bring that to the Commission's attention.

19 CHAIRWOMAN MARTIN: Mr. Sheehan, can
20 you respond to that, because that was one of the
21 questions I had related to the franchise?

22 MR. SHEEHAN: This filing does not seek
23 a franchise in Lebanon. We have been speaking
24 with a commercial customer in West Lebanon. And,

1 until those arrangements become final and that
2 customer wishes to get service, we will then file
3 a petition for a franchise. And the potential
4 customer is in that area around the airport. And
5 the idea would be to seek a franchise for that
6 geographically limited area around the Lebanon
7 Airport.

8 And, again, this docket, the franchise
9 is not necessary to resolve this docket. We will
10 wait *[indecipherable audio]*, and it's not part of
11 the request in this docket.

12 CHAIRWOMAN MARTIN: I guess, to
13 Ms. Schwarzer's point, though, to the extent you
14 change the franchise, could it potentially
15 involve Mr. Chaffee?

16 MR. SHEEHAN: Again, it would be a
17 separate proceeding. We would file a petition,
18 say, in November, asking for a Commission
19 approval to serve a portion of Lebanon. At that
20 point, Mr. Chaffee would have every right to
21 again raise and *[indecipherable audio]* say "I now
22 have an interest."

23 MS. SCHWARZER: I apologize. I'm not
24 able to hear.

1 MR. SHEEHAN: We just haven't gotten
2 there. This proceeding does not involve --

3 CHAIRWOMAN MARTIN: Mr. Sheehan? Mr.
4 Sheehan? Just a minute. I think you're having a
5 bandwidth issue.

6 MR. SHEEHAN: Yes.

7 CHAIRWOMAN MARTIN: We're losing the
8 connection. Do you have an option to switch to
9 another internet at your -- wherever you're
10 located?

11 MR. SHEEHAN: I will try. I logged in
12 the normal way this morning, was having trouble,
13 so I went a different way.

14 So, if you would like, I will log out
15 and try a different route?

16 CHAIRWOMAN MARTIN: I think we're going
17 to need to have you do that, because we are
18 losing you intermittently.

19 Mr. Kreis.

20 MR. KREIS: I apologize for
21 interjecting, but the OCA would like to go on the
22 record as supporting the intervention request of
23 Mr. Chaffee.

24 It is true that, historically, the

1 Commission has said that, if you are a customer
2 of the subject utility in a PUC proceeding, you
3 qualify for intervenor status. But that is not
4 the only basis for intervention. We are
5 generally supportive of both ratepayer and grass
6 roots intervention.

7 And, in this context, in this case, it
8 is very clear that Mr. Chaffee meets the
9 standard, because he is a citizen of the City of
10 Lebanon. And there is a history here of this
11 utility having a clearly expressed business
12 strategy that involves providing natural gas
13 service in Lebanon. Now, that may or may not be
14 a good idea. But the fact is that this -- this
15 docket represents another opportunity for
16 Liberty's natural gas subsidiary to get its foot
17 into that particular door.

18 Now, I'm not here to speak on behalf of
19 Mr. Chaffee. Mr. Husband can do that adequately.
20 But I am familiar with Mr. Chaffee's
21 participation in PUC proceedings in the past. I
22 know what he's interested in. And I think he has
23 a cognizable interest in the outcome of this
24 proceeding.

1 CHAIRWOMAN MARTIN: Thank you, Mr.
2 Kreis.

3 I actually want to pause right here and
4 take a five-minute recess, so that Mr. Sheehan
5 can try to reconnect, because I think we need to
6 be able to hear him.

7 So, let's take a recess until 10:35.
8 Mr. Sheehan, can you try to get back on and see
9 if you can get a better connection?

10 MR. SHEEHAN: Yes. Thank you.

11 CHAIRWOMAN MARTIN: Thank you.

12 *(Recess taken at 10:31 a.m. and the*
13 *prehearing conference resumed at*
14 *10:39 a.m.)*

15 CHAIRWOMAN MARTIN: Okay. Let's go
16 back on the record and give it another try.

17 Okay. And I think we had left off,
18 Mr. Sheehan, we had missed some of what you were
19 saying in response to and describing your
20 objection, if you can just go back and quickly
21 cover that.

22 MR. SHEEHAN: Sure. The statute
23 541-A:32 requires intervenors to demonstrate that
24 they have rights, duties, privileges, or

1 immunities, or other substantial interests that
2 may be affected by the particular docket. Again,
3 I mean no disrespect to Mr. Chaffee, we were
4 involved with him in a different docket, and,
5 yes, he was certainly a commendable participant.
6 But this case does not affect Lebanon, does not
7 affect his community, does not affect him in any
8 direct way, which is whether we can buy gas from
9 a facility in Bethel and deliver it to our
10 customers or not.

11 Yes, if this contract is approved, we
12 hope to serve customers in Lebanon, and then we
13 would be filing proceedings to approve a special
14 contract with that customer and to obtain the
15 franchise to serve that particular customer in
16 the future. If we were to lose that case, we
17 would still be buying the gas from RUDARPA under
18 this contract and sending it elsewhere.

19 So, again, it's our position that
20 Mr. Chaffee does not have direct interests at
21 stake in this docket. And the slippery slope it
22 creates is any citizen of New Hampshire could
23 intervene in any docket. There's no -- there's
24 nothing that limits Mr. Chaffee's qualifications

1 as an intervenor that would close the door to any
2 participant in any proceeding. And that's not
3 what -- we don't think that's what the statute
4 intends.

5 For example, if Mr. Chaffee lived in
6 Moultonborough, the interests he intends to
7 pursue here would be the same, even as a citizen
8 of Moultonborough. And, again, that seems to be
9 a slippery slope.

10 So, for those reasons, we object.

11 CHAIRWOMAN MARTIN: Thank you,
12 Mr. Sheehan. Were you able to hear Mr. Kreis's
13 comments, and his support, when he spoke?

14 MR. SHEEHAN: Yes. And my
15 understanding of those comments is Mr. Chaffee's
16 interest in, broadly speaking, environmental
17 concerns, greenhouse gas concerns. And those are
18 all legitimate concerns.

19 But, again, it's a more amorphous, not
20 specific, interest that I don't think satisfies
21 the statute.

22 CHAIRWOMAN MARTIN: Okay. Thank you.

23 And, Mr. Husband, I assume you'd like
24 to be heard on this? I think you're on mute.

1 MR. HUSBAND: Thank you. I'll catch up
2 with this at some point.

3 As the OCA has said, that the
4 intervention statute, it doesn't limit
5 interventions to just customers of the utility in
6 the franchise area. It's much broader than that,
7 and as Mr. Sheehan has acknowledged.

8 Mr. Chaffee definitely clearly has a
9 substantial interest in this proceeding, if for
10 no other reason than the fact that he lives in
11 West Lebanon, which is the targeted --
12 geographically targeted area, or part of it is
13 anyway. And the fact that Mr. Chaffee intervened
14 in DG 16-852 to its conclusion. And that case
15 was a case in which Liberty sought a gas
16 franchise in the City of Lebanon broadly. It
17 didn't ask that gas be limited to any particular
18 target. It was natural gas, which would include
19 renewable gas. Didn't ask for any limitation on
20 that to exclude renewable natural gas. And did
21 not ask for any exclusions on the territory
22 within the City of Lebanon that it was asking for
23 its franchise for. So, that would have included
24 the territory that's now being talked about in

1 terms of the geographically targeted area for the
2 RNG.

3 Therefore, because that proceeding
4 resulted in a lapse of the franchise, and in a
5 Commission order, which is number 26,399, from
6 August 28, 2020, saying that Liberty could not
7 operate a gas franchise within the territory of
8 Lebanon going forward without filing a whole new
9 petition, with various supporting materials,
10 including a business plan, evidence of customer
11 interest and commitments, that Liberty discussed
12 the matter with municipal authorities in the City
13 of Lebanon.

14 And I would remind the Commission, if
15 it doesn't know, that the City of Lebanon is
16 trying to adhere to the climate goals of the
17 Paris Climate Agreement. So, it's very important
18 to what goes on in the City of Lebanon in this
19 proceeding, and I'm kind of disappointed that
20 nothing has been filed to indicate that there
21 were any discussions with the City.

22 But I am comforted by the fact that
23 Attorney Sheehan has represented and made it
24 clear that there is not going to be a request for

1 any kind of gas franchise within any part of the
2 territory of Lebanon in this proceeding, and that
3 would include West Lebanon, and any request for
4 the West Lebanon franchise that's being discussed
5 in this proceeding. That would be an entirely
6 separate proceeding following this proceeding,
7 with an order of notice for that proceeding.

8 Mr. Chaffee is primarily concerned that
9 individuals in the City of Lebanon receive due
10 notice, and including himself, and are able to
11 get involved in that proceeding, if they wish to.

12 All of this is which to say he
13 certainly has a continuing interest in this case
14 under the standard set forth under the
15 intervention statute. And, while I'm comforted
16 by the fact that the Lebanon franchise isn't
17 directly going to be considered under this
18 proceeding, the result of this proceeding, as
19 Liberty notes, ultimately will lead to or it
20 maybe will lead to a request for a franchise in
21 Lebanon, that alone continues to provide Mr.
22 Chaffee with an interest, and his involvement in
23 the prior proceeding.

24 Thank you.

1 CHAIRWOMAN MARTIN: Thank you, Mr.
2 Husband.

3 Anyone else want to be heard on this?
4 *[No verbal response.]*

5 CHAIRWOMAN MARTIN: Okay. We're going
6 to take this Petition to Intervene under
7 advisement and we will issue an order. Mr.
8 Husband, we will treat you as an intervenor or
9 representing an intervenor for purposes of
10 today's prehearing conference.

11 Ms. Schwarzer.

12 MS. SCHWARZER: Thank you, Madam
13 Chairwoman.

14 There's also a Motion to Intervene from
15 the Conservation Law Foundation. And I was just
16 going to ask if presumptively you would make the
17 same decision and treat them the same way?

18 CHAIRWOMAN MARTIN: I would actually
19 like to hear from the parties as to whether there
20 is any objection to that Petition to Intervene?

21 MR. SHEEHAN: There is not from the
22 Company, based on CLF's assertion that they have
23 members who are customers of Liberty.

24 CHAIRWOMAN MARTIN: Okay. Ms.

1 Schwarzer.

2 MS. SCHWARZER: The Department of
3 Energy is not taking a position. But there's
4 certainly supporting information to grant the
5 Petition to Intervene.

6 CHAIRWOMAN MARTIN: Mr. Kreis?

7 MR. KREIS: We support the CLF Petition
8 for Intervention.

9 CHAIRWOMAN MARTIN: Mr. Krakoff, would
10 you like to speak to the Petition?

11 MR. KRAKOFF: Yes, briefly. You know,
12 CLF has a history of intervening in PUC dockets,
13 and in PUC dockets involving Liberty. We have an
14 interest here as, you know, we have a number of
15 our members that are Liberty customers. And we
16 are extremely interested in Liberty's proposal
17 here.

18 You know, Liberty has described the
19 creation of a sort of sustainable tariff in its
20 Petition. Our members are very interested in
21 sustainability and renewable energy. And, so,
22 we're very interested in learning more -- we'd be
23 interested in learning more about Liberty's
24 proposal, because, you know, this might be

1 something that they would be interested in.

2 Moreover, we also have members around
3 the site of the Bethlehem landfill, which is
4 where Liberty plans to source the RNG for this
5 project. And, so, they're also interested in any
6 impacts that might have on them as well.

7 Thanks.

8 CHAIRWOMAN MARTIN: Thank you, Mr.
9 Krakoff.

10 Based upon the facts presented in the
11 CLF Petition, and the distinction related to the
12 members being customers of this utility, I find
13 that the Petitioner has demonstrated that the
14 rights, duties, privileges, or other substantial
15 interests of its members may be affected by this
16 proceeding. And the interest of justice and the
17 orderly and prompt conduct of the proceeding
18 would not be impaired by allowing the
19 intervention. And I therefore grant this
20 Petitioner's intervention request.

21 Any other preliminary matters before we
22 hear from the parties? Ms. Schwarzer.

23 MS. SCHWARZER: Thank you, Madam Chair.
24 I had a little trouble finding my "unmute"

1 button. Just two very standard procedural
2 issues.

3 The PUC had ordered the Executive
4 Director to post the Order of Notice on the
5 website, sort of a parallel tandem to the utility
6 posting it. I wanted to assure the Commission
7 that that was done. I have not submitted any
8 evidence in support of that, but I can, if the
9 Commission were interested in verifying that
10 posting.

11 There are some pending Motions for
12 Confidential Treatment. The Department of Energy
13 does not object to Liberty's Motion for
14 Confidential Treatment of the letter of -- the
15 identity of the customers for the letters of
16 intent, or the projected volumes, which are
17 attached to the Clark/Stevens testimony as
18 Attachments 5, 6, 7, and 8.

19 However, there has also been a
20 submission of some discovery material, including
21 a consultant's report, which Liberty has marked
22 confidential in its entirety. And, although I
23 understand generally the process has been that
24 the parties wait until discovery is complete, it

1 may well be that some portion of -- it's arguably
2 some portion of the confidential report could be
3 made public without harming the interests of the
4 consultant, which is the issue Liberty has cited
5 in support of making that fully confidential.

6 CHAIRWOMAN MARTIN: Mr. Sheehan.

7 MR. SHEEHAN: Thank you. We appreciate
8 DOE's support of the filed Motion for
9 Confidential Treatment of the customer
10 information that is in the filing.

11 As for the discovery matter, as
12 Ms. Schwarzer mentioned, that is something that
13 is taken up later, when we asserted
14 confidentiality. And, as is the norm, we would
15 file an appropriate motion prior to the final
16 hearing in this docket.

17 And if there's discussions between now
18 and then about limiting the redactions, we will
19 certainly engage in those discussions. But we
20 believe it's premature to act on that request
21 now, because we don't have a request before the
22 Commission on that topic.

23 CHAIRWOMAN MARTIN: Anyone else want to
24 be heard on that? Ms. Schwarzer.

1 MS. SCHWARZER: Thank you, Madam Chair.

2 I think my larger concern was a
3 procedural one, in that sometimes those motions
4 are filed towards the very end of the proceeding.
5 And, so far, nothing has been filed. Perhaps
6 that's something we can discuss as a procedural
7 -- as part of a procedural schedule.

8 So, thank you.

9 CHAIRWOMAN MARTIN: Okay. Thank you.
10 I would encourage you then to discuss that, and
11 to submit that as part of your proposed
12 procedural schedule, to the extent there is an
13 agreement.

14 And, as for the motion that has already
15 been filed, we will take that under advisement
16 and issue a written order.

17 Anything else as a preliminary matter?

18 *[No verbal response.]*

19 CHAIRWOMAN MARTIN: Okay. Then, let's
20 start with preliminary positions. And we will
21 hear from Mr. Sheehan first.

22 MR. SHEEHAN: Thank you. What is
23 before the Commission is a contract between
24 Liberty and RUDARPA North Country, LLC. RUDARPA

1 has itself entered agreements with the owners of
2 the landfill in Bethlehem, to essentially take
3 all of the landfill gas service from that
4 landfill, pipe it to their facility, which is a
5 couple of hundred yards away, and clean it to
6 appropriate standards, so that it can be used in
7 a natural gas distribution system.

8 So, RUDARPA and Casella have agreements
9 for getting the gas to RUDARPA. And RUDARPA will
10 be in the process -- they are in the process of
11 constructing the facility that will clean the
12 landfill gas. And the output of that facility
13 will be compressed RNG, renewable natural gas,
14 that meets all of the quality specifications that
15 are required for the Company's existing supplies
16 of conventional natural gas. So, that compressed
17 fuel will be put on trucks and driven to certain
18 locations, Liberty locations, where it can be
19 delivered to our customers.

20 As the Petition has mentioned, those
21 delivery points could be Lebanon, could be Keene,
22 and could also be the Company's distribution
23 system at various points. The Company is now
24 undergoing engineering analyses to determine the

1 best point to inject this compressed RNG. It
2 could be in Concord, it could be in
3 Tilton/Laconia area. Those are all options.

4 But the import of the contract is
5 simply to buy all of the RNG that this facility
6 produces. That's obviously an
7 oversimplification. But that's, in effect, a --
8 it is, in effect, a supply contract.

9 We normally don't seek approval of
10 supply contracts. They are usually reviewed as
11 part of cost of gas proceedings or IRP
12 proceedings. But we elected, in this case, to
13 file it, because it is different. It does raise
14 issues that are worthy of investigation, from
15 Mr. Knepper's standpoint, of the quality of the
16 gas, and how it may affect our equipment,
17 *etcetera*. So, we elected to file it.

18 Most of the people in this hearing know
19 that we filed a similar proceeding a couple years
20 ago, back in 18-140, which was a similar contract
21 with RUDARPA for the same purchase of gas from
22 the same facility. That docket ran for about a
23 year. And, for a couple reasons, we withdrew it.
24 The first reason was, that contract had a

1 provision where we were obligated to buy the --
2 for lack of a better word -- the clean-up
3 facility, if it was built and met certain
4 specifications. That was a fairly substantial
5 financial commitment on the Company to buy that
6 facility. There were concerns raised of whether
7 that's the right thing for Liberty to do, get in
8 the business of cleaning up landfill gas.
9 RUDARPA, itself, had some changes going on its
10 end. And, so, for those reasons, we withdrew.

11 And what we have in front of us now is
12 a revised version of that contract, that is
13 strictly the purchase of the gas. There is an
14 option to buy the facility in the future, but it
15 would require a separate PUC proceeding, and we
16 would have to make a demonstration then as to why
17 that would be reasonable. We have no intentions
18 of doing that. It's just more of a safety valve
19 that, if, for some reason, it makes the most
20 sense for us to step in and buy, we would pursue
21 that option. So, the requirement that we buy the
22 facility is gone.

23 The other significant change is on the
24 RUDARPA end. They obtained financing for this

1 project. They have completed the financing, they
2 have obtained all the permits, and they are
3 undergoing construction. So, it is no longer a
4 possible project, it is an existing project. And
5 their expectations for going live with the
6 facility is sometime Quarter 2 next year, maybe a
7 little towards the end of Quarter 2, I don't have
8 the exact date. But they are in the process of
9 building the facility as we speak.

10 So, again, the purpose of this
11 proceeding is to approve a contract to buy all of
12 the output of that facility. The safeguards are,
13 if the gas does not meet the quality
14 requirements, it's not shipped. We will have
15 equipment at the Bethlehem facility to measure
16 the gas as it goes into the truck. If it does
17 not meet the quality, it doesn't drive. If, for
18 some reason, the truck arrives at a Liberty
19 facility, it is checked again. And, again, if
20 the quality is not up to par, we reject the gas
21 and the truck turns around and goes back to
22 Bethlehem.

23 Once we get the gas, it is treated as
24 normal natural gas. Chemically, it is the same.

1 There are some concerns with landfill gas being
2 converted. And part of our job is to determine
3 the best way to blend it with existing natural
4 gas, or whatever precautions are necessary to
5 make sure it doesn't have any adverse impact.
6 And, chemically, it will meet the same standard
7 that our pipeline gas now meets.

8 The quantity of gas is roughly three to
9 five percent of our total consumption. So, this
10 is a significant amount of gas. And, of course,
11 the benefits of this gas are that it is
12 displacing fossil fuel natural gas.

13 To the extent we put RNG into our
14 existing system, and serve existing customers, it
15 will displace the same quantities of natural gas
16 that we'd otherwise buy through legacy contracts
17 and agreements.

18 If the RNG is used for new customers,
19 for example, the possible customers in Lebanon
20 and Keene, it will be replacing other fossil
21 fuels. In Lebanon, the area that we are focusing
22 on is all served by propane. And, in Keene, as
23 we all know, it is served by propane-air. So,
24 again, there is a displacement of fossil fuels.

1 So, those are the environmental
2 benefits of this project. That can't be -- that
3 are an important piece of it, and is part of the
4 Company's focus in going in that direction as
5 well.

6 So, for all those reasons -- we should
7 say, the last piece is the price of this gas is
8 contained in the contract. As of today, it is
9 higher than our otherwise cost of gas, and that
10 is an issue that will be discussed in how we
11 handle that piece of it.

12 The special contract customers will be
13 agreeing to buy the gas at that price. So, there
14 is no price impact to other customers.

15 To the extent we do not sell all of the
16 RNG to special contract customers, there's likely
17 to be, at least in the near term, a differential
18 between the RNG price and the otherwise cost of
19 gas price. And we discussed this issue, when the
20 last docket was pending, on ways to address that,
21 and we will do that here. One way includes an
22 opt-in tariff, where customers -- existing
23 Liberty customers could opt in to pay the higher
24 price to receive the RNG. And, of course,

1 there's the option to socialize it to all
2 customers, as simply another component in the
3 fuel supply portfolio.

4 So, those are the kind of issues I am
5 sure that the parties will want to explore, and
6 we're happy to have those discussions. And,
7 ultimately, we hope to obtain support and the
8 Commission approval of this contract.

9 The parties, Staff -- DOE Staff and the
10 Company have circulated schedules this morning.
11 And, independently, we both agree to a schedule
12 that called for hearings either in December or
13 January. Which is, I expect that, at the
14 technical session, we will fine-tune that and be
15 presenting a schedule with requested hearing
16 dates along those lines.

17 Thank you.

18 CHAIRWOMAN MARTIN: Thank you,
19 Mr. Sheehan. Mr. Kreis.

20 MR. KREIS: Thank you, Madam
21 Chairwoman.

22 I would say that, in general, the
23 Office of the Consumer Advocate commends Liberty
24 Utilities for its interest in gas acquired from

1 landfills, whether you call it "renewable natural
2 gas" or something else. Our main and pressing
3 issue is that there simply be no cross-subsidies
4 between customers who volunteer to take the
5 renewable natural gas and those who don't
6 volunteer to take renewable natural gas. So long
7 as there is a firm guarantee that that kind of
8 cross-subsidy will not take place, we are almost
9 certainly inclined to be supportive of the
10 Company's Petition.

11 There is also the issue about the
12 option that Liberty has in the future to take
13 ownership of the facilities that are being built
14 by its contract counterparty. I think we're
15 agnostic about that at this point at the OCA. I
16 mean, we need to be convinced that that is in the
17 interest of customers.

18 It's always in the interest of an
19 investor-owned utility to put new assets into
20 rate base, because that's how utilities make
21 their money. We have to become convinced that it
22 is in the public interest and in the interest of
23 residential utility customers for the risk of
24 something going awry with that kind of ownership

1 being imposed, essentially, on customers. But
2 I'm confident that that issue can be addressed to
3 our satisfaction.

4 So, our outlook on this particular
5 Petition from this particular Company is
6 generally positive. And we look forward to
7 working with Liberty and the other parties to
8 reach a effective resolution.

9 CHAIRWOMAN MARTIN: Thank you, Mr.
10 Kreis. Mr. Husband.

11 MR. HUSBAND: Thank you, Madam
12 Chairwoman.

13 As we already discussed, Mr. Chaffee's
14 primary concern in petitioning to intervene in
15 the case is that the Commission's Order Number
16 26,399 is followed. That the proceedings don't
17 contravene it. And we've heard encouraging
18 statements from Liberty to that effect.

19 In terms of the underlying merits of
20 the proposed RNG Agreement, Mr. Chaffee takes no
21 position at this time.

22 And that's, essentially, my initial
23 statement at this time, initial position
24 statement.

1 Thank you.

2 CHAIRWOMAN MARTIN: Okay. Thank you,
3 Mr. Husband. And Mr. Krakoff.

4 MR. KRAKOFF: Thank you, Chairwoman
5 Martin. I do have a brief statement.

6 From the Petition and the testimony
7 that was filed with the Petition, it appears that
8 Liberty intends to market the gas from the
9 Bethlehem landfill as renewable and sustainable.
10 CLF has concerns about whether landfill gas is
11 actually renewable and sustainable, and whether
12 there are environmental benefits to landfill gas,
13 as Liberty claims, especially when compared to
14 non-pipeline or non-gas alternatives.

15 CLF is interested in learning more
16 about any analysis of life cycle greenhouse gas
17 emissions that Liberty has conducted for the
18 emissions from this proposed project when
19 compared to other alternatives, and why Liberty
20 considers the use of RNG sustainable.

21 Further, although Liberty states that
22 this project is not dependent on expansion of the
23 Bethlehem landfill, CLF has concerns about that
24 this and future projects will incentivize

1 increased expansion and development of landfills
2 in New Hampshire. Under New Hampshire's solid
3 waste management statutes, landfills are
4 considered -- or, landfilling is considered the
5 least favorable waste management practice. CLF
6 wants to ensure that this project and future
7 landfill gas projects will not contravene New
8 Hampshire's waste management statutes by
9 incentivizing further development of landfills.

10 And CLF looks forward to participating
11 in this docket and learning more about Liberty's
12 proposal, and the extent to which the proposal is
13 sustainable and renewable, compared with other
14 alternatives.

15 Thank you.

16 CHAIRWOMAN MARTIN: Thank you, Mr.
17 Krakoff. Ms. Schwarzer.

18 MS. SCHWARZER: Thank you, Madam
19 Chairwoman.

20 Consistent with perhaps Puc 203.15, I
21 wanted to give the Commission an overview of the
22 Department of Energy's initial perspective at a
23 fairly high level. The Department of Energy is
24 generally supportive of renewable natural gas as

1 a pipeline quality gas and a non-fossil fuel.
2 And, although DOE is pleased to be participating
3 in this docket, the Department does have some
4 questions and concerns about Liberty's specific
5 proposal, which we look forward to discussing and
6 resolving in the course of the discovery process.

7 By way of a quick overview of the
8 Agreement, Liberty seeks a 17-year renewable
9 natural gas supply and transportation agreement,
10 with an option for an additional 10-year
11 extension, to purchase all pipeline quality gas
12 from the Bethlehem landfill, and to deliver that
13 to letter of intent customers, and both opt-in
14 and regular distribution customers who may not
15 have opted in, in the event that the RNG is not
16 fully distributed among voluntary purchasers.

17 Liberty also wants to pursue right of
18 first refusal after four years of operation,
19 subject to future PUC review, because Liberty's
20 view is this would lower the price per therm of
21 RNG.

22 Liberty is also seeking, in addition to
23 a finding that the Agreement is adequate, just
24 and reasonable, and in the public interest, a

1 finding from the Commission that the Agreement is
2 prudent, and that the plans, not just the
3 Agreement, the supply and transportation, but the
4 other components of that, which include a
5 potential purchase, subject to further review,
6 TRECs, and, to some extent, the prospect of a
7 Lebanon franchise.

8 The Department of Energy has concerns
9 about the volume of gas that might be injected
10 into the distribution system for customers who
11 are not voluntarily interested in buying it at a
12 higher cost. There are concerns that weather
13 might interrupt production and delivery, and what
14 the outcome -- the financial outcome would be for
15 that. It's possible that some aspect of supply
16 purchases should be subject to risk-sharing or
17 deferred incremental costs. And DOE is strongly
18 interested in seeing the signed special contracts
19 in advance of any final hearing.

20 The Department is curious about the
21 physical locations that will be involved, and the
22 extent to which Liberty has done an analysis to
23 show that your RNG is economically advantageous
24 to ratepayers; I'm interested in a detailed

1 economic analysis. And it's not clear whether
2 Liberty at this time plans to submit special
3 customer -- special contract customers' contracts
4 to the Department for an independent review,
5 which might additionally delay service to them,
6 as would, potentially, the franchise issue.

7 The Department is not clear about
8 whether Liberty should own production equipment.
9 Certainly, an alternative would be for the
10 Company to obtain RNG from RUDARPA purely as a
11 supply and transportation issue, as the OCA
12 mentioned, there's risk.

13 Again, this raises the issue of whether
14 the prospective purchase should be reviewed as
15 prudent or not at this time, consistent with
16 Commission orders. In the Department of Energy's
17 understanding of past precedent, traditionally,
18 prudence is not resolved at this stage, absent
19 actual experience, delivery, because the Company
20 itself is in a better position to assess and
21 anticipate risk than either the Department of
22 Energy or the Commission could be at this time
23 with regard to what customers might then be --
24 have included in rate base.

1 The TREC issue is fairly significant,
2 in that it is not clear to the Department at this
3 time that any facility that is part of a pipeline
4 distribution system is or could be found eligible
5 for thermal renewable energy certificates
6 generated by the use of RNG. Certainly, RNG is
7 methane gas. It's certainly mentioned in the RNG
8 statute. But the facilities are required to be
9 able to produce measurable, useful thermal
10 energy. And, at this time, it's not clear how
11 facilities, commercial or even residential, for
12 instance, with boilers, might do that with RNG
13 injected into a distribution system and combined
14 with natural gas. And that raises requirements
15 in the 2500 -- Puc 2500 rules. The Petition
16 refers to a pending rulemaking docket, which is
17 no longer open at this time.

18 It's also not clear how Liberty
19 proposes to monetize the value of TRECs, which it
20 anticipates could lower the overall cost of gas,
21 inasmuch as it is end-users, not the utility,
22 that would own the TRECs, were they able to
23 attain them. So, in the event a facility has RNG
24 trucks to it, and it qualifies for TRECs,

1 certainly, the Department anticipates that would
2 be possible. It would be the entity -- the
3 special contract entity that would own the TRECs.
4 And I believe, understanding Liberty does not
5 expect to own the special contract TRECs, but, if
6 you look at that from the distribution
7 perspective within the pipeline, it would be the
8 homeowners or the commercial entity that Liberty
9 seems to be proposing to own the TRECs. And it's
10 not clear how that would be consistent with the
11 statute or the 2500 rules.

12 The last piece is the franchise, which
13 we've talked about from the perspective of
14 intervention. To the extent that Liberty is
15 asking the Commission, and in the interim the DOE
16 in the investigative phase, to credit potential
17 letters of interest with a capacity of up to 65
18 percent of the RNG produced for the first year,
19 to the extent that one of those special contracts
20 would be held by a Lebanon facility, and, if
21 there is no franchise, then that's an open
22 question at this time.

23 Certainly, we agree that this is a very
24 interesting docket, that RNG is worthy here,

1 we're generally supportive of RNG as a renewable
2 fuel. We look forward to working with the other
3 parties and moving this docket forward.

4 Thank you.

5 CHAIRWOMAN MARTIN: Thank you, Ms.
6 Schwarzer. Mr. Sheehan, can you respond to the
7 representations of Ms. Schwarzer related to the
8 commercial customers and the TRECs, to the extent
9 you have any preliminary response to that?

10 MR. SHEEHAN: Sure. The drafts of
11 these special contracts that these commercial
12 customers provides, and I suspect the finals will
13 provide, that the environmental attributes will
14 go to those customers.

15 The contract with RUDARPA, as you will
16 see, it's clear that the state environmental
17 attributes go to Liberty, and then Liberty will
18 convey those to the commercial customers. So,
19 commercial customer X that buys RNG directly from
20 us, it will be their job and their benefit to get
21 the TRECs and have to qualify under the 2500
22 rules.

23 For example, as you know, we have been
24 talking to a single customer in Lebanon. If that

1 customer began -- was the only customer off of a,
2 you know, serving only RNG, they would -- it
3 would be on them to qualify for the RECs and
4 monetize them. As an aside, currently, if those
5 RECs are monetized, the cost to those customers
6 is less than our otherwise cost of gas.

7 To the broader question of customers --
8 commercial customers that are on our existing
9 distribution system, say we injected the RNG in
10 Concord at our facility up on Broken Bridge Road,
11 on the Heights, and that customer was
12 pick-a-company in downtown Concord, there is an
13 open question of how that customer could monetize
14 the RECs. Say they -- we were to buy 1,000
15 decatherms a year, and they paid for 1,000
16 decatherms a year, and we injected the RNG into
17 our system, it's obviously mixed with the
18 existing natural gas.

19 The rules don't currently specifically
20 allow for monetizing those RECs under what we
21 call the "displacement" theory, meaning that the
22 1,000 decatherms of RNG they paid for is
23 displacing 1,000 conventional decatherms that
24 they would have otherwise purchased. That

1 concept, however, is mentioned in the statute,
2 and that concept is what happens with net
3 metering on the electric side. So, it's a
4 well-known and well-accepted concept that you
5 don't have to trace the exact RNG molecules from
6 the truck to the customer across town, but you
7 can give them a credit for it under this
8 "displacement" theory.

9 That being said, it is, again, not
10 explicit in the 2500 rules. And, if it requires
11 a change in the rules, we would certainly support
12 that and advocate for that on behalf of our
13 customers.

14 The last piece of the TREC issue is, to
15 the extent residential or smaller customers
16 either opt in or don't, the opt-in customers we
17 could handle one of two ways. We could have
18 them, under, again, under the displacement
19 theory, do their own certification to be eligible
20 for TRECs, or we could aggregate them, the
21 Company could aggregate them, and say "we have
22 100 customers, residential customers, who have
23 opted in." We could take that volume and do
24 whatever we can to comply with the rules to show

1 that they have burned that volume of RNG and
2 credit those customers with the TRECs, and
3 somewhat similar to how the net metering works.

4 Or, for those who don't opt in, all
5 customers, again, let's say there's 1,000
6 decatherms of unsold RNG that we are putting into
7 our system, or otherwise to be socialized, could
8 there be a mechanism where the Company could
9 aggregate those 1,000 decatherms and monetize the
10 TRECs and use it to offset the cost of gas.

11 So, there are ways to "skin this cat",
12 so to speak. The direct service to commercial
13 customers, special contract customers, is the
14 cleanest and is ripe for them to take advantage
15 of now. And we offset -- or, the displacement
16 customers is something I think the rules could be
17 interpreted to provide for now, but it is not
18 clear, and not everyone agrees with that
19 statement.

20 So, that's a long way to, hopefully,
21 answering your question.

22 CHAIRWOMAN MARTIN: No. Thank you.
23 That was very helpful.

24 Commissioner Goldner, do you have

1 questions that you'd like to ask?

2 COMMISSIONER GOLDNER: I do. I do. In
3 terms of reviewing the Petition, I do have some
4 questions.

5 To the extent that you have a response
6 today, that would be very helpful. If not, the
7 Commission just wanted to make sure it was on
8 your radar.

9 Sorry, I'm having technical issues
10 here.

11 The first question is, for the -- the
12 RNG agreement is 17 years, with the option to
13 extend for 10. Has it been contemplated how long
14 the contracts with the LOI customers would be? A
15 question for Mr. Sheehan.

16 MR. SHEEHAN: That has varied. I think
17 each special contract customer is going to
18 approach it differently. We are not insisting
19 that they sign up for the full 17 years. So,
20 there are going to be various options, they will
21 commit for a certain of time, and have the option
22 to determine their certain amounts of time. And
23 that variability is certainly something we will
24 take into consideration when we develop a

1 mechanism to, again, either socialize or resell
2 the RNG to other customers.

3 As an aside, I can tell you that the
4 marketing of this RNG has been difficult for the
5 reason that we can't tell people that we'll be
6 ready on X date, because of various approvals
7 that are needed. There have been a couple that
8 have raised their hand and are willing to engage
9 with us, and they are. But we are very confident
10 that, assuming approval by the Commission of the
11 contract, and completion of the facility, which
12 is already being built, then we can tell the
13 facilities peoples of hospital X or school Y, we
14 can give you cost -- we can give you gas at this
15 price at this time, that we're comfortable we'll
16 be able to sell all the gas or at least the vast
17 majority of it.

18 COMMISSIONER GOLDNER: Okay. Thank
19 you.

20 What is the cost of the Liberty
21 facilities, the Liberty-built facilities, at the
22 Liberty-owned receipt points?

23 And I realize you might not have an
24 answer for that just now, it's a very specific

1 question. But the Commission is just trying to
2 understand sort of incremental costs that are
3 required for this contract that might be stranded
4 later, if something goes awry.

5 MR. SHEEHAN: Right. So, I hesitate to
6 put a number, because that's not my area, but
7 it's some hundreds of thousands of dollars for a
8 decompression facility. The current agreement
9 we're working with calls for a distribution
10 charge that will pay for that. Just like any
11 system extension, the tariff requires enough load
12 to generate the distribution revenues that would
13 pay for the extension. And, certainly, that
14 concept would continue through whatever special
15 contracts we have, again, to avoid the stranded
16 issue or cross-subsidy issue.

17 COMMISSIONER GOLDNER: Okay. Thank
18 you.

19 The Commission I think also would be
20 interested in kind of the overall incremental
21 capital requirements. So, we talked about the
22 decompression in the last question. But have
23 you -- have you schemed how much sort of
24 incremental capital would be year by year? Would

1 it all be up front? Can you share anything on
2 how that would work?

3 MR. SHEEHAN: Again, at a high level,
4 the contract provides that RUDARPA is responsible
5 for delivering the gas to our points. So, there
6 are no costs -- that's rolled into the cost of
7 gas already. At our points is the decompression
8 facility, and once built, you know, it's there
9 for a long time.

10 So, again, if we were to put one in
11 Concord, once it's up and running, there are no
12 additional capital costs just to accept the gas,
13 because it's produced over the years. I don't
14 see any other. Again, once built, it would be up
15 front.

16 The other scenario is a facility in a
17 different location, where we have to run a pipe,
18 that would be part of the decompression facility,
19 a facility and 100 feet of pipe would be in rate
20 base.

21 But I don't see any other capital costs
22 over the years to continue to provide the
23 service.

24 COMMISSIONER GOLDNER: Okay. Thank

1 you.

2 A clarification question on the 5
3 percent cap. That am I interpreting that
4 correctly to say that the regular ratepayers
5 could see up to a 5 percent increase in their
6 bill? Is that an appropriate read on the
7 proposal?

8 MR. SHEEHAN: It's not a 5 percent
9 increase on the bill. And I apologize, I didn't
10 brush up on the mechanics of that. It is 5
11 percent of the RNG. I'm sorry, I can't give you
12 a good answer on that.

13 I do know that that is likely to be the
14 primary topic of discussion of the parties, of
15 "what exposure is there to the non-participating
16 customers and how can that be addressed?" And
17 this 5 percent cap concept is what we proposed in
18 the Petition. And, like I said, I'm sure we'll
19 be talking about it more.

20 COMMISSIONER GOLDNER: Okay. Okay.
21 Thank you.

22 The next question is a little bit
23 longer, and it's -- I think it will also be a
24 topic for further discussion. But what the

1 Commission would be interested in is, is the
2 relative cost -- is the relative cost in favor of
3 RNG? So, the American Gas Foundation reported
4 that, compared to natural gas at \$3.67 per
5 million Btus, 44 percent of prospective RNG
6 projects are priced between \$7 and \$20, while
7 56 percent exceed \$20.

8 So, I guess the question is really
9 around do you think you can get close to the cost
10 of conventional natural gas?

11 MR. SHEEHAN: Obviously, time will tell
12 on that. I was trying to pull up the contract.
13 I think the price in our contract with RUDARPA is
14 in the \$10 to \$12 range now. And, you have the
15 contract in front of you, so you can check that.

16 If we were to buy the facility, again,
17 that's really not on the table, but that price
18 would go way down, because it would be divided.
19 Instead of an all-in cost, we would have the fuel
20 cost of I think at \$6, and then we would
21 certainly have the capital cost of buying the
22 facility, and that would be the analysis of how
23 those numbers shake out.

24 But we are in the \$10-\$12 range now,

1 subject to check. And, with the TRECs, for those
2 who qualify, that will bring that, probably not
3 down to \$3, but quite a ways down.

4 The other thing to remember is, as you
5 heard a lot in the Granite Bridge hearing, that
6 the prices vary widely summer/winter. So, this
7 price is flat year-round, because the landfill
8 produces gas year-round. So, maybe in summer
9 it's less economic, and winter it's more so,
10 because there's a more nuanced analysis, \$12 gas
11 sounds pretty cheap when it's hitting \$100 in the
12 middle of the winter.

13 COMMISSIONER GOLDNER: Okay. Thank
14 you.

15 CHAIRWOMAN MARTIN: Commissioner
16 Goldner, Ms. Schwarzer had her hand up.

17 MS. SCHWARZER: Thank you very much.
18 I'm not sure if the pricing is confidential, and
19 I know this is a public hearing, and I just
20 thought I would raise that.

21 COMMISSIONER GOLDNER: Okay. Thank
22 you.

23 And my final question for Mr. Sheehan
24 is, would you have any objections to managing the

1 project as a pilot, meaning specifically that
2 sort of we're ring-fencing the project with
3 separate accounting?

4 MR. SHEEHAN: No. I mean, not speaking
5 for the finance folks, I'm sure this will be
6 tracked very closely anyway. So, yes. To the
7 extent we are asked to -- yes, I'm sure we could
8 do whatever tracking the Commission deems fair,
9 it will be tracking both the special contractor
10 -- special contract customer use, any opt-in
11 customer use, we'd have to track that so we can
12 credit the bills appropriately. So, yes, I'm
13 sure we can keep track of any numbers that would
14 be relevant.

15 COMMISSIONER GOLDNER: Okay. Thank
16 you. That's all, Madam Chair.

17 CHAIRWOMAN MARTIN: Okay. Thank you.

18 I want to follow up on, we heard some
19 mention of impact of the weather and the season.
20 Is that something that, Mr. Sheehan, you've
21 contemplated? And what impacts do you expect?

22 MR. SHEEHAN: Yes. The possible
23 impact, of course, is simply a snowstorm and the
24 trucks can't drive, and can't get to their

1 facility on time. There are a couple of
2 solutions to that. One is, the special contract
3 customers will be dual fuel. And they will be
4 provided notice "We've got a big storm coming, be
5 ready to switch over to propane on short notice
6 if the truck can't make it." So, that's how we
7 would handle those kind of customers.

8 And for the -- to the extent it's
9 injected into our system, again, we would have
10 notice that there's a possibility of an inability
11 to deliver, and our gas supply folks would be on,
12 ready to just get a little more gas from Dracut
13 to come up the pipeline. So, those are
14 manageable issues.

15 CHAIRWOMAN MARTIN: But I think I'm
16 getting at sort of the science of it and as to
17 whether production actually at the landfill will
18 change seasonally, and whether that's something
19 that you've contemplated?

20 MR. SHEEHAN: My understanding is the
21 production at the landfill is steady. Stuff will
22 be decomposing constantly year-round, slowly
23 declining over the years, as landfills do, and
24 that's part of the projections here as well.

1 So, other than mechanical hiccups, we
2 expect the RUDARPA facility to generate pretty
3 much the same gas 24/7/365.

4 CHAIRWOMAN MARTIN: Okay. Another
5 question along the lines of production.

6 Oh, Ms. Schwarzer.

7 MS. SCHWARZER: Thank you, Madam Chair.
8 The Department of Energy does have concerns that
9 weather could impact production of gas at the
10 landfill, based on freezing temperatures, and the
11 experience that UNH has had with its own landfill
12 gas project.

13 So, I wanted to just bring that to the
14 Commission's attention.

15 CHAIRWOMAN MARTIN: Thank you,
16 Ms. Schwarzer. That is the kind of thing that I
17 was hoping to highlight for Liberty and the
18 parties related to my question.

19 MR. SHEEHAN: On that topic, the UNH
20 landfill is not treated, it is pretty much pure
21 landfill gas going directly to their boiler.
22 This landfill gas that would be cleaned
23 substantially to the so-called "pipeline
24 quality". So, it's a different process, a

1 different gas. And I'm not the one to talk about
2 whether there could be production issues with
3 cold weather, but we don't expect it.

4 And, again, if there are issues, the
5 special contract customers will be dual fuel.
6 And the quantity is small enough that, if it
7 doesn't get to Concord as planned, we could sell
8 it as pipeline gas.

9 CHAIRWOMAN MARTIN: Okay. Thank you.

10 Is there any or has there been any
11 contemplation of the potential for the landfill
12 as a source to come to an end within the 17
13 years? And, if so, what would happen there?

14 MR. SHEEHAN: There is. Apparently,
15 landfill gas production projections is a science,
16 and that has been well studied, and was an
17 important part of this process here. And there
18 are charts that show what it has produced
19 historically over the last 10 or 20 years, and
20 what it's intended to produce out in the future.
21 And it is, again, a science, based on terms of
22 going in and time remaining, etcetera.

23 So, there is a curve that will show the
24 -- actually, in discovery, that will show the

1 expected output of the landfill over the next 20
2 years, and we expect it to go down. Could it
3 fluctuate? Yes. But it's a fairly steady, minor
4 fluctuation over the years.

5 And, again, the contract calls for us
6 simply to buy all they produce. If they stop
7 producing, we won't buy anything.

8 CHAIRWOMAN MARTIN: Okay. Thank you.

9 I have a question related to the
10 contract with RUDARPA, and the ability for the
11 Commission to oversee the process, I guess, as
12 this moves forward.

13 Is there -- what are the terms that
14 allow for sanctioning for operation or
15 maintenance by RUDARPA, if any?

16 MR. SHEEHAN: In terms for
17 "sanctioning" you said?

18 CHAIRWOMAN MARTIN: Yes. In other
19 words, what mechanism does Liberty have in its
20 contract related to the operation and maintenance
21 by RUDARPA, if any? You may not.

22 MR. SHEEHAN: I mean, I don't recall in
23 the current version -- form, before there was an
24 issue, because if we were going to buy the

1 facility, we had to make sure it was maintained,
2 *etcetera*, there was a separate, if you go in that
3 docket, I think it was filed, a separate
4 operation and maintenance agreement, that RUDARPA
5 was going to do it, but we had the right to step
6 in, if we had to.

7 I think what we have in the contract
8 now, again, is we simply buy what they produce.
9 And, if it's not up to quality, we don't have to
10 buy it.

11 There is a provision, I believe, in the
12 "Option to Purchase" section that provides who
13 would do the operation and maintenance. The
14 expectation is it would continue to be RUDARPA,
15 even if they sold the facility, that they would
16 be responsible to continue. But I'm not sure of
17 that, but it is in the contract.

18 CHAIRWOMAN MARTIN: Okay. Thank you.

19 And we've heard a little bit about some
20 other facilities like this in New Hampshire. But
21 what can you tell us about this type of project
22 elsewhere? And have you looked at the
23 experiences that have been had across the U.S.,
24 and have you seen any pitfalls or issues that

1 have occurred?

2 MR. SHEEHAN: So, I'm definitely not
3 the person to answer that question. But, in
4 conversing with Mr. Stevens, who filed testimony,
5 and Mr. Clark, and some of it is in their
6 testimony, if I recall, the all star [Fresh
7 Kills?] example is the landfill, frankly, one of
8 the largest in the world, in Staten Island, that
9 has been generating RNG for decades, I think they
10 went on line in the '70s or '80s, and it's still
11 working fine.

12 There are many -- this is a -- although
13 a longstanding practice, there is a new wave of
14 it going on now. So, there are lots of projects
15 that at least have come on line that are in
16 process like ours. There are trade groups that
17 focus on this, of which Mr. Clark and Mr. Stevens
18 are members of. So, again, there's a lot of
19 information there, we are looking at it, and we
20 are learning from it the best we can.

21 And the same with the RUDARPA folks.
22 They're also in that world. And it's in their
23 interest to make sure they build a good facility
24 that generates the gas promised in its contract.

1 And a few of them are on the phone today.

2 CHAIRWOMAN MARTIN: Okay. Thank you,
3 Mr. Sheehan.

4 Commissioner Goldner, did that prompt
5 any additional questions for you?

6 COMMISSIONER GOLDNER: No. Thank you.
7 I'm good.

8 CHAIRWOMAN MARTIN: Okay. Thank you,
9 everyone. That is all the questions that we have
10 for today. And we will let you get off to your
11 technical session.

12 Have a good rest of the day. We're
13 adjourned.

14 ***(Whereupon the prehearing conference***
15 ***was adjourned at 11:32 a.m., and a***
16 ***technical session was held***
17 ***thereafter.)***

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