

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DG 21-xxx

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
D/B/A LIBERTY

Petition to Approve a Special Contract with Granite Ridge Energy, LLC

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty (“Liberty” or the “Company”), through counsel, respectfully petitions the New Hampshire Public Utilities Commission to approve the May 13, 2021, *Gas Transportation Agreement by and between Granite Ridge Energy, LLC and Liberty Utilities (EnergyNorth Natural Gas) Corp.*, which is a “special contract” that requires Commission approval pursuant to RSA 378:18.

The purpose of the special contract is to replace an existing and similar agreement between Liberty and Granite Ridge which will expire on September 14, 2021. Liberty asks that the Commission promptly review and approve the special contract given the September 14, 2021, expiration date of the existing contract.

In support of this Petition, Liberty states as follows:

1. Liberty is a public utility engaged in the retail delivery of natural gas to almost 100,000 customers in 30 municipalities across New Hampshire.
2. Granite Ridge is the owner of the Granite Ridge Energy Center (the “Granite Ridge facility”), a natural gas fired power plant in Londonderry. The Granite Ridge facility is a Liberty customer served by the Liberty-owned Londonderry Lateral.
3. The Londonderry Lateral is a 2.7-mile pipeline that connects the Granite Ridge facility with the Concord Lateral, the transmission pipeline owned by Tennessee Gas

Pipeline Company, LLC (“TGP”).

4. In 2001 the predecessors of Liberty and Granite Ridge signed a gas transportation agreement (the “existing contract”) which provides, among other terms, for Liberty to transport gas across the Londonderry Lateral to the Granite Ridge facility, and for Granite Ridge to pay for that transportation service.
5. Liberty exercised its right to terminate the existing contract as of September 14, 2021, and the parties have negotiated the new contract with modified terms to go into effect September 15, 2021. This new gas transportation agreement is the special contract of which the Company now seeks Commission approval.
6. Commission approval is necessary because the new contract, like the existing contract, provides for “service at rates other than those fixed by its schedules of general application.” RSA 378:18; *see* Order No. 23,657 (March 22, 2001) (approving the existing special contract).
7. The statute requires the Commission to determine whether “special circumstances exist which render such departure from the general schedules just and consistent with the public interest” RSA 378:18.
8. The “special circumstances” that support the new contract include the following:
 - a. Granite Ridge is a unique customer with unique requirements in that the Granite Ridge facility uses large quantities of natural gas that Liberty delivers with equipment of a type that is not employed to serve other customers, i.e., the Londonderry Lateral and its associated facilities;
 - b. The Granite Ridge facility places few burdens on many of the Company’s systems, for example, Granite Ridge does not use the Company’s customer service department and the energy procurement team does not have to plan for and obtain its supplies because Granite Ridge arranges for its gas to be delivered to the Londonderry Lateral;

- c. The Granite Ridge facility is in a market that is better suited for a different rate structure than other commercial customers;
 - d. Granite Ridge would not be able to operate absent the special contract because the otherwise applicable tariff rate would result in charges that would likely render the power plant uncompetitive; and
 - e. Customers nonetheless benefit from the revenue structure contained in the new contract because they exceed the largely unique costs Liberty incurs to provide service to the Granite Ridge facility (operation and maintenance of a gas main that operates at a pressure higher than any of the Company's other mains).
9. The Special Contract is "just, reasonable, and consistent with the public interest"

for the following reasons:

- a. Liberty will have the right to connect new facilities to the Londonderry Lateral, which the existing contract does not allow, so that it can best optimize the capacity recently acquired from TGP¹ and provide additional reliability and resiliency to its customers served by the Nashua and Manchester distribution systems;
- b. Liberty's customers will receive revenues similar to those being paid under the existing contract, with appropriate inflation-based increases over time, which revenues far exceed the cost to serve the Granite Ridge facility and thus serves to lower distribution rates for all customers;
- c. Liberty will become the "meter operator" at the existing TGP meter station in Londonderry, New Hampshire, which will allow Liberty to better manage its supply deliveries under the new TGP capacity contract; and
- d. Granite Ridge, an important electric generating facility in New Hampshire that is committed to providing reliable electric generation into the ISO-NE electric grid, will receive the reliable firm transportation service to access the natural gas supplies, at reasonable rates, that are necessary to run its facility.

These reasons support a Commission finding that the new contract is in the public

¹ The Company has filed for approval of this new TGP contract in Docket No. DG 21-008.

interest.

10. Attached to this petition is the Direct Testimony of William R. Killeen, Liberty's Director of Energy Procurement. Mr. Killeen's testimony describes the history of the Londonderry Lateral, the relevant terms of the existing contract, the reasons Liberty terminated the existing contract, the terms of the new contract, and the reasons the new contract is in the public interest. A copy of the new contract is Confidential Attachment WRK-1 to Mr. Killeen's testimony.

WHEREFORE, Liberty respectfully requests that the Commission:

- A. Find that the May 13, 2021, Gas Transportation Agreement by and between Granite Ridge Energy, LLC and Liberty Utilities (EnergyNorth Natural Gas) Corp. is just and consistent with the public interest;
- B. Approve the May 13, 2021, Gas Transportation Agreement; and
- C. Grant such further relief and make such findings or orders as may be necessary and consistent with the relief requested.

Respectfully submitted,
Liberty Utilities (EnergyNorth Natural Gas) Corp., d/b/a
Liberty
By its Attorney,



Date: June 25, 2021

By: _____
Michael J. Sheehan, Esq. #6590
116 North Main Street
Concord, NH 03301
Telephone (603) 724-2135
Michael.Sheehan@libertyutilites.com

Certificate of Service

I hereby certify that on June 25, 2021, a copy of this Petition has been electronically forwarded to the Office of the Consumer Advocate.

A handwritten signature in black ink, appearing to read "M. Sheehan", is positioned above a horizontal line.

Michael J. Sheehan