

REDACTED

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

Docket No. DG 21-XXX

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

Approval of a Special Contract with Granite Ridge Energy, LLC

DIRECT TESTIMONY

OF

WILLIAM R. KILLEEN

June 25, 2021



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Liberty Utilities (EnergyNorth Natural Gas) Corp.
d/b/a Liberty
Docket No. DG 21-XXX
Direct Testimony of William R. Killeen

TABLE OF CONTENTS

I. Introduction.....1

II. Purpose and Overview.....2

III. Description of the Granite Ridge GTA5

IV. Relief Sought in this Filing.....6

V. Conclusions and Recommendation8

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1 **I. INTRODUCTION**

2 **Q. Please state your name, title, and business address.**

3 A. My name is William R. (Bill) Killeen. I am Director, Energy Procurement, of Liberty
4 Utilities (Canada) Corp., the indirect parent company of Liberty Utilities (EnergyNorth
5 Natural Gas) Corp. (“Liberty” or “the Company”). My business address is 354 Davis Road,
6 Oakville, Ontario, Canada.

7 **Q. On whose behalf are you submitting this Direct Testimony?**

8 A. This Direct Testimony is submitted before the New Hampshire Public Utilities
9 Commission (the “Commission”) on behalf of Liberty.

10 **Q. Mr. Killeen, please summarize your educational and professional background.**

11 A. I earned a Bachelor of Engineering Science (Chemical) degree from the University of
12 Western Ontario (now Western University) in 1985. I also earned a Master of Business
13 Administration degree from the Ivey School of Business at Western University in 1989.

14 I have 32 years of professional experience in the energy and utilities industries in the areas
15 of regulation, supply, operations, and customer service. I have worked at natural gas
16 utilities and electric utilities, as well as in consulting, marketing, and government positions.

17 Early in my career, I was employed by Union Gas Limited, a major natural gas utility
18 serving over 1.4 million customers in Ontario, Canada, for twelve years in varying
19 capacities, including regulatory and supply. Prior to joining Liberty in February 2014, I
20 was employed by Enersource Hydro Mississauga Inc., a major electric utility serving the
21 City of Mississauga, Ontario, for three years as Manager, Regulatory Affairs. In between

1 my employment at these two large utilities, I was employed at various other companies,
2 always retaining responsibility for oversight of regulatory affairs and supply, typically in
3 Ontario or eastern Canada. These companies included Engage Energy Canada Inc., Direct
4 Energy as Manager, Regulatory Affairs, and a consulting company, ECNG Energy LP, as
5 Director, Supply and Regulatory Affairs for eight years. Following ECNG, I spent a brief
6 tenure within the Ministry of Energy of the Ontario Government.

7 **II. PURPOSE AND OVERVIEW**

8 **Q. What is the purpose of your Direct Testimony?**

9 A. The purpose of this Direct Testimony is to support the Company's request for Commission
10 approval of Liberty's Gas Transportation Agreement ("GTA" or the "new contract") with
11 Granite Ridge Energy, LLC ("Granite Ridge") for a firm transportation service of up to
12 130,000 dekatherms ("Dth") per day from an existing meter station with Tennessee Gas
13 Pipeline Company ("TGP") in Londonderry, New Hampshire, to the Granite Ridge Energy
14 Center, a natural gas-fired power plant, also in Londonderry, New Hampshire (the "Granite
15 Ridge facility"), which agreement was executed on May 13, 2021. This GTA is subject to
16 Commission approval as a "special contract" because the rate charged under the GTA
17 varies from the rates that would otherwise be charged under Company's tariff.

1 **Q. Please explain the existing Gas Transportation Agreement between Granite Ridge**
2 **and the Company?**

3 A. The Company's Londonderry Lateral is a 2.7-mile, high pressure pipeline that connects the
4 transmission line owned by TGP, known as the Concord Lateral, with the Granite Ridge
5 facility.

6 The existing GTA (the "existing contract"), signed by AES Londonderry, LLC, Granite
7 Ridge's predecessor ("AES"), and EnergyNorth Natural Gas, Inc., Liberty's predecessor
8 ("EnergyNorth"), provides for EnergyNorth to construct, own, and operate the
9 Londonderry Lateral, for EnergyNorth to provide a firm transportation service to the AES
10 power plant over the new lateral, and for AES to pay both a fixed demand charge and a
11 variable charge based on consumption, with an inflation escalator.

12 The existing contract precluded EnergyNorth from serving any other customers off the
13 Londonderry Lateral; AES was to remain the lateral's sole customer.

14 The term of the existing contract is 20 years from the "in service date," which was
15 September 14, 2001, through September 14, 2021. Thereafter, the existing contract would
16 continue on a year-to-year basis, unless terminated by either party on 12 months' notice.

17 The New Hampshire Site Evaluation Committee approved construction of the Londonderry
18 Lateral and the Granite Ridge facility in 1999, and the Commission approved the existing
19 contract in 2001. *See* Order No. 23,657 (March 22, 2001).

1 **Q. Please explain the changes in ownership during the term of the existing contract.**

2 A. Since signing the existing contract, Granite Ridge assumed the rights and obligations of
3 AES, and Liberty assumed the rights and obligations of EnergyNorth.

4 **Q. Have the revenues collected during the term of the existing contract exceeded the
5 construction costs?**

6 A. Under the terms of the existing contract, Granite Ridge has paid to Liberty demand charges
7 that have increased to approximately \$[REDACTED]/year over the past few years. The total paid
8 since 2001 far exceeds the original construction costs.

9 **Q. The existing contract contains a termination provision that either party can exercise
10 following the initial twenty-year term. Has either party provided notice of
11 termination? If so, please explain.**

12 A. On July 23, 2020, Liberty provided Granite Ridge notice that Liberty was exercising its
13 right to terminate the existing contract as of September 14, 2021, the end of the existing
14 contract's 20 year term.

15 Liberty decided to terminate the existing contract because, on July 14, 2020, Liberty signed
16 a new contract with TGP for capacity on the Concord Lateral of 40,000 Dth/day,¹ to be
17 delivered to TGP's Londonderry meter station, the same station that currently serves the
18 Londonderry Lateral. In order to optimize the incremental TGP capacity contract and
19 provide increased reliability and resiliency to its customers, Liberty intends to build new

¹ See Docket No. DG 21-008.

1 distribution facilities that would connect the Londonderry Lateral to its Nashua and
2 Manchester distribution systems.

3 As stated previously, the existing contract does not allow Liberty to tap into the
4 Londonderry Lateral. Thus, Liberty exercised its right to terminate the existing contract
5 so that it could negotiate a new GTA that would allow Liberty to tap into the Londonderry
6 Lateral and deliver incremental gas supplies to its customers in the Nashua and Manchester
7 distribution systems.

8 **Q. And could you please explain what happened following the termination notice?**

9 A. Liberty and Granite Ridge successfully negotiated the new GTA which the Company now
10 presents to the Commission for approval.

11 The new contract, dated May 13, 2021, will replace the existing contract when it expires
12 on September 14, 2021.

13 **III. DESCRIPTION OF THE GRANITE RIDGE GAS TRANSPORTATION**
14 **AGREEMENT.**

15 **Q. What are the material terms of the new Granite Ridge GTA?**

16 A. The new Granite Ridge GTA is provided as Confidential Attachment WRK-1 and contains
17 the following material terms:

- 18 • An initial term of September 15, 2021, to October 31, 2026 (five years plus one and
19 a half months), with the right for Granite Ridge to renew for two subsequent five-
20 year periods until October 31, 2036. The new contract would thereafter continue

1 on a year-to-year basis unless terminated by either party with one year’s written
2 notice.²

- 3 • up to 130,000 Dth/day of firm transportation service over the Londonderry Lateral;
- 4 • the right for Liberty to connect new facilities to the Londonderry Lateral;
- 5 • the requirement that Granite Ridge relinquish its rights to be the “operator” of the
6 existing meter station on the TGP Concord Lateral in Londonderry, New
7 Hampshire;³ and
- 8 • a fixed annual demand charge of \$ [REDACTED], with an inflation escalator.⁴

9 **IV. RELIEF SOUGHT IN THIS FILING**

10 **Q. Why is the Company seeking Commission approval of the new contract?**

11 A. This new GTA provides for service to Granite Ridge under “rates other than those fixed by
12 its schedules of general application.” RSA 378:18. Therefore, Liberty must seek
13 Commission approval and demonstrate that the terms of the new contract, a “special
14 contact,” are in the public interest.

² Specifically, the initial term is September 15, 2021, to October 31, 2026. Granite Ridge may elect to extend the contract for an additional five years, until October 31, 2031, by providing written notice by October 31, 2025. If Granite Ridge so elects, it will have a similar option to extend the term until October 31, 2036, by providing written notice to Liberty on or before October 31, 2030. Thereafter, the Agreement shall continue yearly, unless terminated by either party by providing at least twelve months’ prior written notice to the other party.

³ The new contract requires Granite Ridge to designate Liberty as operator of the interconnection facilities between Liberty and TGP known as “Granite Ridge – 420931.”

⁴ The demand charge will be collected in monthly payments, commencing at \$ [REDACTED] per month, which will escalate by 2% each contract year, with the first escalation commencing on November 1, 2022.

1 **Q. Why does Liberty believe this new contract is in the public interest?**

2 A. The new contract is in the public interest for the following reasons:

- 3 • Liberty will have the right to connect new facilities to the Londonderry Lateral so
4 that it can best optimize the capacity recently acquired from TGP and provide
5 additional reliability and resiliency to its customers served by the Nashua and
6 Manchester distribution systems;
- 7 • Liberty’s customers will receive revenues similar to those being paid under the
8 existing contract, with appropriate inflation-based increases over time;
- 9 • Liberty will become the “meter operator” at the existing TGP meter station in
10 Londonderry, New Hampshire, which will allow Liberty to better manage its supply
11 deliveries under the new TGP capacity contract; and
- 12 • Granite Ridge, an important electric generating facility in New Hampshire that is
13 committed to providing reliable electric generation into the ISO-NE electric grid,
14 will receive the reliable firm transportation service to access the natural gas supplies
15 that are necessary to run its facility.

16 **Q. Are any additional facilities or investments needed to provide service under the new**
17 **contract?**

18 A. No.

1 **Q. Will the new Granite Ridge GTA impact the Company's supply procurement**
2 **portfolio?**

3 A. No. Granite Ridge is responsible for purchasing and delivering its own gas supply to
4 TGP's Londonderry meter station, and Liberty is simply responsible for delivering that
5 supply on the Londonderry Lateral to the Granite Ridge generating facility. Liberty is not
6 responsible to provide any additional supply to Granite Ridge so there is no impact on the
7 Company's gas supply portfolio.

8 **V. CONCLUSIONS AND RECOMMENDATION**

9 **Q. Please summarize your conclusions and recommendation.**

10 A. Liberty believes the Company's GTA with Granite Ridge for firm transportation service
11 up to 130,000 Dth per day from the existing Londonderry, New Hampshire, meter station
12 to the Granite Ridge facility, which was executed on May 13, 2021, is in the public interest
13 and therefore requests the Commission to approve this contract.

14 **Q. Does this conclude your Direct Testimony?**

15 A. Yes, it does.

SPECIAL CONTRACT – NATURAL GAS SERVICE

CONTRACT NO. NHPUC 2021-001

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

with

Granite Ridge Energy, LLC

Date of Execution: May 13, 2021
Effective Date: September 15, 2021, subject to Commission approval
Date of Termination: *See Article III the Special Contract*

Authorized by Order No. _____ (_____, 2021) in Docket No. DG 21-xxx

STATEMENT OF SPECIAL CIRCUMSTANCES
THAT JUSTIFY DEPARTURE FROM THE EXISTING TARIFF

1. Granite Ridge Energy, LLC (“Granite Ridge”) is a Delaware limited liability company which owns and operates the Granite Ridge Energy Facility, a natural gas-fired power plant in Londonderry (the “Granite Ridge facility”).
2. Liberty Utilities (EnergyNorth Natural Gas) Corp. (“Liberty”) owns and operates a 2.7 mile natural gas pipeline that runs from the Concord Lateral, owned by Tennessee Gas Pipeline Company (“TGP”) to the Granite Ridge facility, and is known as the “Londonderry Lateral.”
3. Granite Ridge desires Liberty to transport from the Concord Lateral, through the Londonderry Lateral, and deliver to the Granite Ridge facility, on a firm basis, those volumes of gas that Granite Ridge procures from a third party supplier ("Supplier") and that the Supplier delivers to the Londonderry Lateral.
4. The attached Gas Transportation Agreement provides the terms and conditions under which Liberty will transport Granite Ridge’s gas from TGP’s meter station at the Londonderry Lateral to the Granite Ridge facility.
5. The agreement is a “special contract” governed by RSA 378:18 because the rate Liberty will charge Granite Ridge is “at rates other than those fixed by [Liberty’s] schedules of general application.”
6. Accordingly, the agreement is necessary to provide Granite Ridge with the transportation service it desires at a rate that is beneficial to both Granite Ridge and Liberty’s customers. For the reasons described above and in the supporting testimony, the departures from Liberty’s Tariff that are embodied in the attached agreement are just and consistent with the public interest under the particular circumstances of this case.

GAS TRANSPORTATION AGREEMENT

by and between

GRANITE RIDGE ENERGY, LLC

and

LIBERTY UTILITIES (ENERGYNORTH
NATURAL GAS) CORP.

Dated as of May 13, 2021

GAS TRANSPORTATION AGREEMENT

This Agreement (“Agreement”) is made and entered into as of this 13th day of May, 2021, by and between Liberty Utilities (EnergyNorth Natural Gas) Corp., a New Hampshire corporation with principal offices located at 15 Buttrick Road, Londonderry, New Hampshire (“Liberty”), and Granite Ridge Energy, L.L.C., a Delaware limited liability company with principal offices located at 717 Texas Ave., Suite 1000, Houston, Texas 77002 (“Granite Ridge”) (each of Liberty and Granite Ridge individually, a “Party”, and collectively, the “Parties”).

WHEREAS, Granite Ridge owns and operates a natural gas-fired power plant in Londonderry, New Hampshire (“Facility”); and

WHEREAS, Liberty owns and operates a 2.7 mile natural gas pipeline from an existing meter station with Tennessee Gas Pipeline Company (“TGPC”) in Londonderry, New Hampshire to the Facility (“Pipeline”);

WHEREAS, Liberty desires to connect its distribution facilities to the Pipeline upstream of the Facility and ultimately take delivery of up to 1,667 Dth/hr (the “Upstream Liberty Volume”) via such new connection; and

WHEREAS, Granite Ridge desires Liberty to transport through the Pipeline to the Granite Ridge delivery point located at Liberty’s insulated flange at the terminus of the Pipeline (the “Delivery Point”), on a firm basis, such volumes of gas procured by Granite Ridge from a third party supplier (“Supplier”) to be selected by Granite Ridge for use at the Facility and delivered by Supplier to the TGPC meter station interconnect with the Pipeline.

NOW, THEREFORE, in consideration of the above premises, the mutual covenants and agreements herein contained, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Article I. DELIVERY TERMS AND CONDITIONS

Section 1.01 Delivery Service. Liberty will furnish delivery service, and Granite Ridge agrees to accept and pay for such service all as more fully set forth in this Agreement. Granite Ridge shall comply with all delivery service provisions as set forth in the “FERC NGA Gas Tariff, Sixth Revised Volume No. 1, of Tennessee Gas Pipeline Company, L.L.C.,” as it may be further revised from time to time (the “TGPC Tariff”). Liberty shall bill Granite Ridge all costs billed to Liberty by TGPC associated with the provisions of transportation service to Granite Ridge under the TGPC Tariff.

Section 1.02 Delivery to Granite Ridge. Each day during the term of this Agreement, Liberty shall deliver to the Delivery Point via the Pipeline all of the gas scheduled for receipt by Granite Ridge at the receipt point located at the TGPC insulated flange upstream of Liberty's remote operated valve at the TGPC Meter Station (Granite Ridge – 420931) (the "Receipt Point"), up to a maximum of 130,000 dekatherms per day ("Dth per day").

Granite Ridge has the sole responsibility to purchase, nominate, and schedule the gas to be transported by Liberty. Liberty shall be required to deliver only the gas that reaches the Receipt Point on Granite Ridge's behalf.

The Parties acknowledge that Liberty's ability to deliver the gas that Granite Ridge scheduled for receipt and delivery shall be directly correlated to Liberty's receipt pressure from TGPC. Liberty shall not be obligated to deliver Granite Ridge's gas scheduled for receipt if the TGPC receipt pressure is not sufficient to allow for said deliveries (it being understood that Liberty's receipt of gas volumes into its distribution system connection to the Pipeline upstream of Granite Ridge are no, greater than the Upstream Liberty Volume amount plus any daily balancing tolerance allowed by TGPC). The price to be paid for such transportation service shall be as set forth in Article II.

Article II. COSTS and SECURITY

Section 2.01 Payment and Escalation Rate. Granite Ridge shall pay Liberty for all the firm transportation service to be provided hereunder through a monthly Fixed Demand Charge ("FDC") of \$[REDACTED]. Such monthly FDC shall be payable each month for the term hereof and shall be paid by Granite Ridge notwithstanding whether or how much gas is actually used. The FDC shall escalate each Contract Year, beginning November 1, 2022, by an amount equal to two percent (2%) of the prior year's FDC ("Escalation Rate"). The Parties agree that such Escalation Rate is intended to compensate Liberty for any charges, surcharges or other costs which Liberty is authorized by any federal, state and local authorities to impose in connection with the services to be provided hereunder and that any charges, surcharges or costs in excess of the Escalation Rate shall be borne by Liberty.

Section 2.02 During Curtailment. In the event that delivery of natural gas by Granite Ridge's Supplier is curtailed by the Supplier, then to the extent Liberty has incremental gas supply available for sale, Granite Ridge may, at its election, purchase such available gas supply from Liberty at a mutually agreed price. In no event shall Liberty be obligated to make any gas supply sales to Granite Ridge nor shall any gas supply sales to Granite Ridge be priced below Liberty's highest priced natural gas supply on the day of any such gas supply sale to Granite Ridge.

Section 2.03 Curtailement of Liberty's Supplies. Liberty may not curtail gas received by Liberty at the Receipt Point from Granite Ridge's Supplier for the account of Granite Ridge if Liberty's gas supplies are curtailed by Liberty's suppliers.

Section 2.04 Billing and Payment. Billing and payment hereunder shall be in accordance with Liberty's New Hampshire Public Utilities Commission-approved tariff, "NHPUC NO. 10 – Gas, Liberty Utilities (EnergyNorth Natural Gas) Corp.," as it may be revised from time to time (the "Liberty Tariff").

Section 2.05 Security. Granite Ridge shall provide Liberty with a parent company guarantee in the amount of \$2 million.

Article III. COMMENCEMENT DATE AND TERM

Section 3.01 Term. This Agreement shall continue in full force and effect from September 15, 2021 until October 31, 2026. Granite Ridge may elect to extend the Term until October 31, 2031 by providing written notice to Liberty on or before October 31, 2025. If Granite so elects, it will have a similar election to extend the Term until October 31, 2036 by providing written notice to Liberty on or before October 31, 2030. Thereafter, the Agreement shall continue on a year-to-year basis, unless terminated by either Party on at least twelve (12) months' prior written notice to the other Party.

Section 3.02 Contract Year. "Contract Year" shall mean the period from September 15, 2021, until October 31, 2022, and thereafter each twelve-month period commencing on November 1, 2022.

Section 3.03 PUC Approval. This Agreement is conditioned on a final order from the New Hampshire Public Utilities (PUC) approving the Agreement as a "special contract" pursuant to NH RSA 378:18.

Article IV. OWNERSHIP AND RISK OF LOSS

Section 4.01 Ownership. The Pipeline from the Receipt Point up to the Delivery Point will be owned, operated and maintained by Liberty. Gas pipeline facilities after the Delivery Point will be owned, operated and maintained by Granite Ridge.

Section 4.02 Risk of Loss. As between the Parties, Liberty shall have responsibility for and any liability with respect to the gas after its receipt at the Receipt Point and prior to its delivery to Granite Ridge at the Delivery Point. Granite Ridge shall have responsibility for and any liability with respect to the gas after its delivery to Granite Ridge at the Delivery Point.

Section 4.03 Title to gas transported under this Agreement will, at all times, vest in Granite Ridge.

Article V. FUTURE TAXES

Section 5.01 Liberty shall be solely liable for any future sales, excise or other tax arising from service to Granite Ridge for gas sold or transported under this Agreement which Liberty may hereafter be required to pay or collect under any federal, state or local law and Liberty agrees that the price payable under this Agreement includes any such taxes currently payable in connection with such service.

Article VI. METERING

Section 6.01 Metering Operation. Granite Ridge shall designate Liberty as operator of the interconnection facilities between Liberty and TGPC known as “Granite Ridge – 420931”. The Parties will cooperate with TGPC to effect such change at no cost to Granite Ridge.

Section 6.02 Communication Lines. Granite Ridge and Liberty shall each be responsible for supplying and maintaining their own telephone or communication lines capable of transmitting information collected from the MV90 metering equipment to be installed at the TGPC meter station to their own computer systems. Liberty shall supply all necessary access and rights of way for Granite Ridge’s communication lines. If a dedicated phone line is required for such purpose, Granite Ridge shall be responsible for scheduling the installation thereof on a timely basis and for paying any costs associated with the installation and operation thereof, including but not limited to any applicable monthly service charge.

Article VII. ACCESS TO PREMISES

Section 7.01 Upon reasonable notice during the term of this Agreement, for the purpose of installing, testing, or reading meters or installing, maintaining, repairing or replacing other material or equipment used in furnishing gas service under this Agreement, Granite Ridge will allow representatives of Liberty reasonable access to those portions of Granite Ridge's premises where piping, metering, or other gas delivery equipment owned by Liberty is located.

Article VIII. FORCE MAJEURE

Section 8.01 Force Majeure. If either Party is rendered unable, wholly or in part, due to a Force Majeure Event to carry out its obligations under this Agreement, other than to make payments due under this Agreement, it is agreed that the obligations of such Party, so far as they are affected by Force Majeure, shall be suspended during the continuation of any inabilities so caused, but for no longer period than shall be reasonably necessary as a result of such Force Majeure, and such cause shall as far as possible be remedied with all reasonable dispatch; provided, however, that neither Party shall be required against its will to adjust any labor dispute. The Party claiming a Force Majeure event shall give notice and full particulars of such Force Majeure Event orally by telephone, in writing by facsimile transmission and/or via email to the other Party as soon as reasonably possible after the occurrence of such event.

Section 8.02 Force Majeure Events. The term "Force Majeure Event" shall mean acts of God, pandemics, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, terrorism, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, storms, floods, washouts, arrests and restraints of governments and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the necessity for maintenance of or making repairs or alterations to machinery or lines of pipe, freezing of wells or lines of pipe, partial or entire failure of wells, curtailment or interruption of firm transportation, the decision of a governmental authority having jurisdiction over the Parties which explicitly prohibits performance under this Agreement (such that continued performance is rendered illegal), any declaration of force majeure by upstream pipelines, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party claiming suspension and which by the exercise of reasonable diligence such Party is unable to prevent or overcome. Force Majeure shall not include: (a) economic hardship; (b) any labor strike, labor dispute, work stoppage, boycotts, walkouts, and other labor difficulties or shortages resulting therefrom, except for nationwide strikes meeting all of the requirements specified in the definition of Force Majeure; (c) the inability to obtain labor, equipment or other materials or supplies to perform under this Agreement; (d) changes in market conditions; (e) failure to timely apply for permits or approvals; (f) any act or event to the extent resulting from the fault or negligence of any person claiming Force Majeure; or (g) the financial inability of any person to perform its obligations under the Agreement. The loss, interruption, curtailment or other unavailability of interruptible transportation is also specifically excluded as a Force Majeure Event unless the same event also curtails all firm transportation on the affected pipeline segment. Changes in the price or marketability of oil and natural gas or availability of other gas supply, LNG, propane, or other peak shaving services, shall not be deemed to constitute Force Majeure Events hereunder.

Article IX. ARBITRATION

Section 9.01 In General. Any dispute arising under this Agreement shall be subject to binding arbitration as herein provided, provided, however, that the Parties shall first seek in good faith to settle their dispute by negotiation between senior executives of both companies. An unreasonable delay in addressing the dispute by officers of either Party shall be evidence of an inability to resolve the dispute. Either Party may demand arbitration by giving written notice thereof to the other. The Party demanding arbitration shall set forth in such notice the issues to be arbitrated; within ten (10) days from the receipt of such notice, the other Party may provide notice of additional issues to be arbitrated. The decision of the arbitrator(s) in any arbitration hereunder shall be final and binding upon both Parties, and such decision may be entered in any court having jurisdiction. Application may be made to any court for a judicial acceptance of such decision and order of enforcement thereof. Interest on any decision hereunder may be recovered to the extent and in the manner provided by statute in the State of New Hampshire. Neither Party shall be precluded from bringing an action in any court of competent jurisdiction for injunctive or other provisional relief as necessary or appropriate.

Section 9.02 Number of Arbitrators. The Parties shall attempt to agree upon a single arbitrator for the dispute within thirty (30) days after the notice of arbitration has been sent and received. If the Parties are unable to agree upon a single arbitrator within such thirty (30) day period, then each Party shall select an arbitrator within ten (10) additional days. The two arbitrators so selected shall then select a third arbitrator within ten (10) days after their selection. If they are unable to agree upon a third arbitrator, the third arbitrator will be selected by the American Arbitration Association. A decision approved by any two (2) of the three (3) arbitrators shall be deemed final.

Section 9.03 Qualification of Arbitrators. All arbitrators shall be qualified by training or experience to decide the matter or matters in dispute. No arbitrator shall be an employee, agent, or the beneficial owner of any interest of any Party, or any affiliate thereof, or shall have performed directly or indirectly any services for either Party in the prior three (3) years.

Section 9.04 Hearings. Arbitration shall be conducted in Manchester, New Hampshire, or in such other location agreeable to both Parties. The arbitrator(s) shall schedule the exact time and place for hearings on the submission of written statements, at which time each Party may submit evidence. Both Parties shall submit a proposed resolution for each issue to be decided, and shall be entitled to conduct discovery with respect to the issue(s) in dispute to the extent permitted by the arbitrator(s). The Federal Rules of Evidence shall govern all discovery issues related to confidentiality, and the admission and use of evidence submitted by the Parties, and no inadmissible evidence shall be used in any way to support any decision of the arbitrator(s). The decision of the arbitrator(s) shall be in writing, shall state with particularity the findings of fact and conclusions of law relied upon to make the decision, and shall be signed by the arbitrator(s) or a majority of them. The arbitrator(s) shall be limited to selecting either Granite Ridge's or Liberty's proposed resolution with respect to each issue to be decided.

Section 9.05 Costs: Applicable Rules. Each Party shall bear its own costs of arbitration, including attorneys' fees. Except as otherwise provided herein, the Commercial Arbitration Rules of the American Arbitration Association in effect on the date of the demand for arbitration shall apply to all arbitration proceedings hereunder.

Article X. DEFAULT AND REMEDIES

Section 10.01 Default Generally. A Party shall be deemed in default if such Party fails to perform any material obligation imposed upon it under this Agreement, except where such failure is excused under other provisions of this Agreement. In the event that a Party is in default under this Agreement, the non-defaulting Party may, except as otherwise provided for in this Agreement, notify the defaulting Party in writing of such breach and may terminate this Agreement and/or take whatever action at law or in equity is deemed necessary to collect payment or to enforce performance if the defaulting Party does not remedy the breach within fifteen (15) days of receipt of such notice, or does not indemnify the non-defaulting Party in a manner reasonably satisfactory to the non-defaulting Party.

Section 10.02 Delivery Default and Cost of Alternate Fuel. In the event that Liberty fails to deliver to Granite Ridge the quantities of gas scheduled for receipt at the Receipt Point, and such failure is not excused under other provisions of this Agreement ("Delivery Default"), Granite Ridge shall have the right to exercise all remedies available to it at law or in equity, including, without limitation, the following remedies:

- (a) Granite Ridge may purchase and use an alternate fuel at the Facility in substitution for the gas which Liberty failed to deliver and Liberty shall compensate Granite Ridge for the cost of using such alternate fuel (which amount shall include any transportation charges, taxes or other charges associated with such alternate fuel use) ("Cost of Cover"). Granite Ridge will make a good faith effort to purchase the alternate fuel at the lowest reasonable cost available to Granite Ridge and will provide Liberty with a detailed written statement of all costs incurred, along with proof of payment thereof. In the event that Granite Ridge is unable to obtain alternate fuel or does not have the equipment in place to store, handle or combust the alternate fuel or is precluded by permitting or other operating restrictions from using an alternate fuel, Liberty shall compensate Granite Ridge for the actual cost of any electricity Granite Ridge is required to purchase on the spot market to comply with any sales commitments made prior to the Delivery Default or, in the event Granite Ridge is unable to purchase electricity on the spot market, Liberty shall compensate Granite Ridge for the loss of its electricity sales under agreements in effect during such Delivery Default (including contractual penalties actually incurred by Granite Ridge under such agreements, provided that Granite Ridge shall take all reasonable steps to avoid such contractual penalties and to otherwise mitigate any costs that Granite Ridge seeks to pass to Liberty). Granite Ridge will provide Liberty with a detailed written statement of all costs incurred (including all applicable contractual charges on request), along with proof of payment thereof. Granite Ridge will continue to pay the FDC for the month in which any Delivery Default occurs.
- (b) To the extent Granite Ridge does not have sales commitments with third parties for all or any portion of the Facility's capacity and associated energy, but instead sells such available capacity and energy into the ISO-NE power market, then in the event of a Delivery Default, Granite Ridge will be entitled to receive from Liberty as compensation for Granite Ridge's losses resulting from such Delivery Default in respect of any such available capacity or energy, an amount equal to the sum of (i) the energy revenues it would have made at the ISO-NE market clearing price for any energy that would have been generated during the applicable interval, and that is available and not committed to a third party under a contractual agreement, during the period of the Delivery Default, less the fuel costs it would have incurred to generate such energy, plus (ii) the amount of any performance penalties assessed by ISO-NE under its pay-for-performance capacity requirements for failure of Granite Ridge to meet its capacity obligations during any such Delivery Default period. "Fuel costs" shall be based on the cost of the scheduled gas to the Receipt Point. Granite Ridge will provide Liberty with a detailed written statement of all supporting costs and revenue calculations related to the foregoing. Granite Ridge will continue to pay the FDC for the month in which any Delivery Default occurs.

Section 10.03 Punitive Damages. Except as specifically provided for herein, in no event shall either Party be liable to the other for punitive, special, incidental, indirect, consequential, or other similar damages, whether such damages are claimed under breach of warranty, breach of contract, statutory, tort or any other theory or cause of

action at law or in equity.

Article XI. TERMINATION

Section 11.01 No Additional Obligations. In the event of termination hereunder, the rights and obligations of the Parties under this Agreement shall cease and shall have no further force and effect. Neither Party shall be responsible to the other for any further payment or the performance of any obligations hereunder, except as specifically provided for herein and except to the extent that any such payment or obligations have accrued as of the date of termination.

Article XII. COOPERATION OF THE PARTIES

Section 12.01 Upon request, the Parties shall endeavor in good faith, and shall use their best efforts, to assist each other in obtaining approval of this Agreement by the PUC and in applying for and obtaining any permits, consents, authorizations, certificates, or other necessary approvals or rights, including but not limited to the all necessary approvals from the PUC. Without limiting the generality of the foregoing, each Party agrees to devote such resources and personnel as may be required from time to time to ensure (i) the orderly and timely preparation and submission of information and application materials to the PUC, or any local, state or federal authorities and (ii) the adequate preparation for and participation in relevant proceedings thereof. Each Party further agrees to provide the other, and any authorized representatives thereof, with full and complete access to pertinent records developed thereby in connection with any applications before the PUC, or local, state, or federal authorities subject to the confidentiality provisions set forth in Article XII hereof.

Article XIII. CONFIDENTIALITY

Section 13.01 The Parties mutually agree that all information disclosed by the Parties to each other, or otherwise obtained by one Party from the other, in connection with this Agreement shall be kept confidential and shall not be disclosed to any other person, except to such other persons who are engaged, retained or otherwise acting on behalf of the Parties in connection herewith or to whom disclosures are necessary to carry out the transactions hereunder, and except as may be required by law, court order or the order or regulation of an administrative agency having jurisdiction over either of the Parties, or the subject matter of this Agreement; provided, however, that the Parties may issue a press release related to such underlying transactions in the form and manner approved by the Parties and their respective counsel. If required to be disclosed, then the Party subject to the disclosure requirement shall (a) notify the other Party immediately; and (b) cooperate to the fullest extent in seeking whatever confidential status may be available to protect any material so disclosed. The Parties acknowledge and agree that the remedy at law for any breach of this Article would be inadequate, and that the Parties may seek injunctive relief in the event of such breach.

Article XIV. MISCELLANEOUS

Section 14.01 Amendment. No provision of this Agreement shall be changed, waived, discharged or terminated except by an instrument in writing signed by the Party against whom enforcement of the change, waiver, discharge or termination is sought.

Section 14.02 Invalid or Unenforceable Provisions. If any provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction, all remaining provisions hereof shall remain in full force and effect as if such invalid or unenforceable provision were not a part hereof.

Section 14.03 Counterparts. This Agreement may be executed electronically in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 14.04 Headings. Article and section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 14.05 Waiver or Delay. No waiver by any Party hereto of a breach by any other Party of any terms or conditions of this Agreement shall be deemed a waiver of any other breach of the same or other terms or conditions, and no delay or failure by any Party to enforce or exercise any right under this Agreement shall constitute a waiver of such right or any other right hereunder.

Section 14.06 Governing Law. This Agreement shall be governed by the laws of the State of New Hampshire, without regard to its choice of law principles, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules and regulations of the PUC and other duly constituted authorities.

Section 14.07 Assignment. Neither Party may assign this Agreement or any of its rights, interests, or obligations hereunder, or any of its rights, interests or obligations under any document delivered pursuant to this Agreement, without the prior written approval of the other Party; which approval shall not be unreasonably withheld, provided, however, that this subsection shall not be construed in any way to require Liberty to obtain the prior written consent of Granite Ridge in order to assign, in whole or in part, its rights hereunder to one or more of its affiliates, and provided further, that Granite Ridge may assign, pledge, or otherwise transfer its rights in this Agreement to one or more affiliates or under the provisions of any mortgage, deed of trust, indenture or other instrument that it has executed or may hereinafter execute as security for its indebtedness, without the prior written consent of Liberty. The Parties agree further that each may assign its interests hereunder to a successor in interest, provided that such successor's credit rating by Standard & Poor or Moody's is equal to or higher than the credit rating of the Party making the assignment. Any transfer or assignment of any of the rights or interests hereunder in violation of the terms hereof shall be void and of no force or effect.

Section 14.08 Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

Section 14.09 Notice. All written notices, demands and requests of any kind which either Party may be required or may desire to serve upon the other Party hereto in connection with this Agreement ("Notice") shall be delivered by courier or other means of personal service which provides written verification of receipt, or by registered or certified mail, return receipt requested. All Notices shall be addressed and served as follows:

If to Granite Ridge:

717 Texas Avenue, Suite 1000
Houston, Texas 77002
Attn: Gas Trading Desk

With a copy to:

717 Texas Avenue, Suite 1000
Houston, Texas 77002
Attn: Legal Department

If to Liberty:

15 Buttrick Rd
Londonderry, NH 03053
Attn: Energy Procurement

With a copy to:

116 North Main Street
Concord, NH 03301
Attn: Legal

Section 14.10 Party's Costs. Except as otherwise expressly provided herein, each of the Parties will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 14.11 Reimbursements. Any penalties or reimbursement required to be made hereunder by a Party shall be payable within 30 days of receipt of the other Party's invoice.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.

By: Susan Fleck
Susan Fleck
Title: President

Digitally signed by Susan Fleck
Date: 2021.05.13 08:19:06 -04'00'

GRANITE RIDGE ENERGY, LLC

By: _____
Title: