

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

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

DOCKET NO. DG 14-\_\_\_\_

**Petition for Approval of a Firm Transportation Agreement With Tennessee Gas Pipeline  
Company, LLC**

NOW COMES Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (“EnergyNorth” or the “Company”) and petitions the New Hampshire Public Utilities Commission (the “Commission”) for approval of a firm transportation agreement with Tennessee Gas Pipeline Company, LLC (“Tennessee”), including a determination that the Company’s decision to enter into the agreement is prudent and consistent with the public interest. In support hereof, the Company states as follows:

**Introduction**

1. By this Petition and the accompanying Pre-Filed Direct Testimony of Francisco C. DaFonte, the Company seeks approval to enter into a 20 year contract with Tennessee pursuant to which the Company would purchase on a firm basis up to 115,000 Dth per day of capacity. The Company is seeking the Commission’s advance approval of this transaction given the substantial financial commitment that is required for this long-term agreement.

2. As explained in Mr. DaFonte’s testimony, the proposed firm transportation contract with Tennessee is prudent and in the public interest because the Company needs this long-term firm transportation capacity resource to reliably satisfy existing and future customer load requirements in its service area, and it is the best cost resource to meet the capacity needs of

the Company's customers. In addition, the proposed firm transportation contract on the proposed Northeast Energy Delivery ("NED") pipeline project will likely provide opportunities to expand natural gas distribution service to other parts of the state, and within the Company's existing franchise territory. Further, the NED project will provide increased distribution system reliability via a secondary point of delivery on the west end of the Company's distribution system. The Company is seeking final Commission approval of its decision to enter into this contract by July 1, 2015, a regulatory approval deadline established in the Company's Precedent Agreement with Tennessee.

### Background

3. On February 13, 2014, Tennessee announced an open season to offer firm transportation service on its proposed NED project from a primary receipt point at Wright, NY and primary delivery points off of the Concord Lateral at the Nashua, Manchester and Laconia city gates and a primary delivery point at a new interconnect off of the NED mainline at or near West Nashua commencing on or about November 1, 2018. Currently, the entire EnergyNorth system in southern New Hampshire is served exclusively off of the Concord Lateral. This new interconnect will provide a secondary feed on the west side of the distribution system which will enhance reliability and allow for more economic future system expansion.

4. Before Tennessee announced the NED project, EnergyNorth had already established that it would need additional firm capacity to meet the needs of its customers. Specifically, in its current Least Cost Integrated Resource Plan (the "IRP"), which is pending before the Commission as Docket DG 13-313, the Company determined that for the period November 1, 2013 to October 31, 2018, it would require additional resources to meet its

forecasted customer demand. *See* Docket DG 13-313, Exhibit 1, pp. 66-67; Transcript from December 1, 2014 Hearing at 10-11. Since then, the Company has conducted a further long-term demand forecast, and determined that it will have a significant resource deficiency over a 24 year horizon. *See* Pre-filed Direct Testimony of Francisco C. DaFonte at 16-17. As a result, the Company identified the need for incremental pipeline capacity to effectuate additional deliveries of natural gas to its city gates in order to reliably serve its customers into the future, and as explained by Mr. DaFonte, evaluated potential resources to meet this need. *Id.* Applying its Commission-approved resource planning process, which includes cost and non-cost factors, the Company determined that the “best cost” capacity option for its customers was the purchase of additional capacity from Tennessee through its NED project. *Id.* at 36-39.

5. Accordingly, on October 24, 2014, EnergyNorth entered into a Precedent Agreement with Tennessee, a copy of which is included with Mr. DaFonte’s testimony as Attachment FCD-2. Pursuant to the Precedent Agreement, if EnergyNorth received the Commission’s approval for this transaction, EnergyNorth would enter into a Market Path Firm Agreement pursuant to which EnergyNorth would purchase from Tennessee on a firm basis up to 115,000 Dth per day of capacity for a twenty year term. Service would be provided at a negotiated fixed rate for the 20 year term. To provide the transportation service, Tennessee would construct a gas pipeline along the route depicted on Attachment FCD-1. Mr. DaFonte’s testimony identifies the critical milestones that must be achieved for the NED project to be completed. *See* DaFonte Testimony at 26-27. EnergyNorth would not be obligated to make any purchases from Tennessee if the Commission did not approve this transaction by July 1, 2015.

6. As explained in Mr. DaFonte’s testimony, EnergyNorth participated in the negotiation of this Precedent Agreement as part of a consortium of nine local distribution

companies (“LDCs”), each of which entered into a precedent agreement with Tennessee on similar terms and conditions. This consortium approach allowed the LDCs to leverage their aggregate capacity commitment in the Northeast Energy Direct project to negotiate a deeply discounted anchor shipper rate as well as other key beneficial terms and conditions. Because of this approach, the terms and conditions for each individual LDC precedent agreement are nearly identical for each utility with some minor exceptions such as the delivery points, which are unique to each company, and individual company administrative information.

7. For the reasons set forth in this Petition, as well as Mr. DaFonte’s testimony, the Company submits that the Company’s entry into the Tennessee firm transportation agreement is prudent and consistent with the public interest.

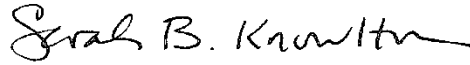
WHEREFORE, EnergyNorth respectfully requests that the Commission:

- A. Open a proceeding to conduct a review of this matter and determine that EnergyNorth’s decision to enter into the proposed arrangement with Tennessee is prudent and consistent with the public interest;
- B. Complete the review and issue a final order no later than July 1, 2015, and;
- C. Grant such other relief as is just and reasonable and consistent with the public interest.

Respectfully submitted,

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

By its Attorney,



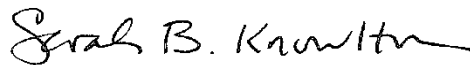
Date: December 31, 2014

By: \_\_\_\_\_

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Certificate of Service

I hereby certify that on December 31, 2014, a copy of this Petition has been forwarded to Susan Chamberlin, Consumer Advocate.



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Sarah B. Knowlton