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The Honorable Maggie Goodlander
U.S. House of Representatives
Washington, DC 20515

Response to Hon. M. Goodlander 0611_2026

Dear Representative Goodlander,

Thank you for your recent letter regarding Liberty Utilities¹ ("Liberty") natural gas service to the Lakes Region communities of Northfield, Franklin, Tilton, Belmont, Sanbornton, Laconia, Canterbury and Gilford. Safely and reliably serving our customers are our top priorities, and we recognize the challenging impact the current infrastructure constraint is having on residences and businesses. That is why we have plans underway for both interim and long-term solutions to expand natural gas service in the area. These plans include a multi-year expansion of the 22-mile legacy natural gas pipeline (referred to as the "High Line") that connects the Lakes Region to the larger Liberty natural gas distribution system, as well as the use of portable liquified natural gas ("LNG") to supplement system supply beginning later this year.

We regret that, as a result of supply constraints, we have had to impose certain restrictions on new and expanded service while planned upgrades are underway. These steps are necessary so we can continue to provide safe and reliable service to our existing 5,000 customers in the Lakes Region. While we worked to be transparent with prospective customers, we recognize that our targeted outreach approach has not satisfied all stakeholders, and we are committed to improving our communication and engaging with all stakeholders going forward.

Liberty is currently in the process of filing a rate case with the New Hampshire Public Utilities Commission ("PUC"), including testimony that addresses the need for expanding the High Line. We expect this public filing will take place in July, and we will share the link to that filing with you when it occurs. In the meantime, we respectfully provide the following responses to your questions.

Background on Liberty

Liberty is an indirect subsidiary of Algonquin Power & Utilities Corp. ("Algonquin"), a Canadian investor-owned regulated utility holding company that primarily owns and operates regulated utilities in 13 states in the U.S. Algonquin serves approximately 1.27 million customer connections in the U.S. and has more than 2100 U.S. employees. It is publicly traded on the New York Stock Exchange and the Toronto Stock Exchange. In July 2012, Algonquin acquired Liberty and its sister company, Granite State Electric, from National Grid. Liberty subsequently acquired New Hampshire Gas from Iberdrola in 2014, which serves approximately 1,200 customers in Keene.²

¹ Liberty Utilities' gas utility in New Hampshire's legal entity name is Liberty Utilities (EnergyNorth Natural Gas) Corp.

² Note that the Concord Lateral does not serve Keene, where the gas supply is delivered to Liberty via truck, and the few commercial customers in Berlin, where the gas is delivered to Liberty via the Portland Natural Gas Transmission System.



Liberty currently serves nearly 100,000 natural gas distribution customers across 35 cities and towns in New Hampshire, supplying natural gas that it purchases from various suppliers and delivered to Liberty by an interstate pipeline owned by Tennessee Gas Pipeline (“Tennessee”). This pipeline, referred to as the Concord Lateral, runs from Dracut, Massachusetts to Concord, New Hampshire, and is Liberty’s primary source of supply for its customers.

Liberty’s Service in the Lakes Region

Approximately 5,000 of Liberty’s 100,000 customers are located in the Lakes Region communities of Northfield, Franklin, Tilton, Belmont, Sanbornton, Laconia, Canterbury, and Gilford. Service to the Lakes Region through the High Line began in the 1960s, with the pipeline extending north from Concord and terminating in Tilton.

The 22-mile, 200-psig High Line installed in the 1960s was a 6-inch, thin-wall pipeline of 0.141 inches compared to the current standard of 0.280 inches. Over the years, portions of the High Line have been upgraded to 12-inch pipeline in three phases. Five miles of pipeline beginning in Concord were replaced in 2003, followed by an additional 1.4 miles in 2004, ending in Loudon. In 2016, an additional 5.5 miles of 12-inch pipeline was constructed that extended into Canterbury. Approximately 10 miles of six-inch pipeline remains, in the stretch from Canterbury, through Northfield, and terminating in Tilton.

In addition to the High Line, Lakes Region customers are also supplied by a LNG peak shaving facility in Tilton, which was installed in 1979. The LNG peak shaving facility was designed to provide a second source of supply during periods of high demand, typically in the winter months.

Peak shaving plants are designed to supplement supply balancing demand tolerances. These plants are not generally designed to maintain system reliability for a continuous amount of time.

The current downstream peak demand has reached the available supply under current conditions. Allowing additional gas volumes by accepting new load would risk the ability to provide safe and reliable service to existing customers within the area. To improve system integrity and capacity and support the growing demand in the region, upgrading the High Line is required.

The Lakes Region Moratorium

As described above, the High Line has reached its design limits to provide adequate gas supply for the Lakes Region and cannot support current system demands by itself. As a result, on July 15, 2024, Liberty notified the New Hampshire Department of Energy (“DOE”) and the Office of Consumer Advocate (“OCA”) that, regrettably, we had reached a point where we could no longer safely accommodate new service in the Lakes Region as a result of capacity limits on the High Line.

Liberty informed the DOE and OCA that expanding service could compromise reliability to existing customers in the area. The needed upgrade to the High Line was identified by Liberty in its 2022 Integrated Resource Plan (“IRP”) filed with the PUC and at that time was forecasted to be constructed in 2026–2027. The IRP is the result of an ongoing planning process in accordance with State law. As described in this letter, based on Liberty’s current plan, engineering will take place in 2026, and construction would be undertaken in 2027–2029.



Liberty notified the DOE and OCA that we would alert potential customers of the situation as they requested service, which we have continued to do over the last two years. In addition, Liberty has continued to communicate about the moratorium, including responding to inquiries from stakeholders and the media, meetings with the Tilton Select Board and the DOE in December 2025, and attending the public meeting at the Franklin Library arranged by your office in April 2026. In May 2026, we met with staff in the other New Hampshire Congressional offices to brief them on the moratorium status and to let them know to direct any questions or concerns to us so we could respond accordingly. We met again with the DOE on June 10 of this year. In addition, we maintain updates on our website about the status of the moratorium and plans going forward.

Liberty Interim Solutions: Portable LNG Tank

Liberty continues to evaluate interim solutions to help alleviate the moratorium in the Lakes Region service area while the necessary longer-term infrastructure upgrades are advanced. One such option under consideration is the use of portable LNG to supplement system supply. Specifically, Liberty is focused on a plan to connect a portable LNG tank at an existing LNG connection point. Liberty's goal is to have this solution deployed in late 2026, with a second portable LNG tank potentially added in 2027.

The purpose of the portable LNG solution is to introduce an additional source of gas into the system. This approach relies on trucked-in LNG that is vaporized and injected into the distribution system to support demand. Liberty has successfully deployed similar solutions in other applications, demonstrating its viability as a temporary supply option. This interim solution serves two primary objectives: (1) safely supporting existing customers by helping maintain system reliability and meeting demand, particularly during peak winter conditions; and (2) providing partial relief from the moratorium, allowing for some level of additional load to be served while permanent infrastructure solutions are developed.

The exact amount of incremental growth that portable LNG could enable depends on system hydraulics, siting considerations, and operational parameters. While portable LNG can provide meaningful system support, it is a short-term solution with limited capacity and will not replace the need for a long-term infrastructure upgrade.

Liberty's Long-Term Solution: Pipeline Replacement Project

Ultimately, the long-term solution for addressing capacity constraints in the Lakes Region will require replacing the remaining 10 miles of six-inch pipeline on the High Line. The cost to construct the project will be based on competitive bids based on then-current market conditions.

To date, Liberty has replaced approximately 12 miles of the High Line with 12-inch coated steel pipe, with the ability to operate at a 300-psig maximum allowable operating pressure, once fully completed. While each stage of the replacement efforts has provided the ability to provide some additional supply, the complete replacement of the remaining undersized piping would significantly increase capacity to the Lakes Region and would greatly reduce reliance on the LNG peak shaving plant. Preliminary engineering to replace the remaining 10 miles of the High Line will begin in 2026, followed by permitting activities in 2027. Construction will commence once all required permitting is obtained, and our goal is to complete this project by 2029. Of course, this schedule is contingent on obtaining any necessary approvals. Capital improvements such as this become a part of the rate base paid by customers, if approved by the PUC. As



such, Liberty must be able to demonstrate to the PUC that a capital investment of this magnitude is necessary and reasonable and that costs for the project are prudently incurred.

Liberty's Duty to Provide Safe and Reliable Service

Liberty's decision to pause new connections in the Lakes Region is not a policy preference, a business convenience, or a choice made lightly. It is a legally grounded, operationally necessary response to a concrete infrastructure constraint. Further, it reflects Liberty's most fundamental obligation as a regulated utility: to provide service that is "reasonably safe and adequate" to the more than 5,000 customers in the Lakes Region who already depend on Liberty for service. RSA 374:1; *Rainville v. Lakes Region Water Co.*, 163 N.H. 271 (2012).

New Hampshire law requires public utilities to serve the public, but that duty must be understood in a practical and legally correct way. It is not an absolute obligation to grant every new request regardless of existing system conditions. Rather, a utility's service obligation arises from the public service it has undertaken to provide and must be assessed in light of that undertaking. *Claremont Gas Light Co. v. Monadnock Mills, Inc.*, 92 N.H. 468 (1943). That matters here, because the question is not simply whether additional homes or businesses would benefit from natural gas service. The question is whether Liberty can provide such service safely and reliably with the facilities presently available.

At this time, the answer is "no" because the High Line has reached its capacity limits. Bringing on new customers or new load to existing customers in the Lakes Region would create real risk to pressure, reliability, and safe delivery for the more than 5,000 customers who currently depend on Liberty for service. In that circumstance, the obligation to existing customers must come first. RSA 374:1 requires safe and adequate service, and that requirement would mean very little if a utility were forced to add load that its system cannot feasibly support.

The broader legal framework points in the same direction. The PUC has broad supervisory authority over public utilities and over questions involving extensions and improvements in service. RSA 374:3; RSA 374:7. But the existence of that authority does not mean a utility is required to serve new customers where doing so would undermine safe and adequate service for existing customers. Federal authority applying analogous natural-gas principles likewise recognizes that regulators may not compel a company to establish new connections or provide additional service when doing so would impair service to existing customers or effectively require enlargement of facilities beyond their present capacity. *Manufacturers Light & Heat Co. v. Fed. Power Comm'n*, 206 F.2d 404, 406 (3d Cir. 1953)

Liberty's tariff reinforces that conclusion. Under New Hampshire law, a filed utility tariff has the force and effect of law and binds both the utility and its customers. *Appeal of Verizon New England, Inc.*, 158 N.H. 693 (2009). To the extent that Liberty's tariff addresses facility availability, line extensions, or other prerequisites to new service, those provisions are legally operative and define the circumstances in which service may be deferred until the necessary infrastructure is in place. Specifically, Liberty has the right to reject any application for service that would involve excessive costs to supply, or that might affect the supply of service to other customers, or for other good and sufficient reasons. Tariff, Original Page 3, Section I, 6, B.



The current moratorium does not represent a failure of the duty to serve, but is a necessary exercise of that duty. New Hampshire law does not require a utility to accept new load that its existing system cannot safely carry, and it does not require Liberty to compromise the reliability and safety of service for thousands of current customers in order to accommodate new connections the infrastructure cannot yet support. The most prudent course, and the only one consistent with RSA 374:1 and the broader legal framework governing public utilities in this State, is to defer new connections until viable interim and long-term infrastructure solutions are in place. Liberty is now on a path to implementing these solutions.

We appreciate your interest in this important matter. As we pursue interim and long-term infrastructure solutions to supply natural gas to the Lakes Region, we recognize the importance of clear and ongoing communication with customers and stakeholders. While providing safe and reliable service is paramount, affordability ultimately drives decision-making from a regulatory and business perspective.

The multi-year effort to complete the final section of the High Line is a significant investment that will be borne by customers across our service area. Liberty believes the High Line Replacement Project is necessary and appropriate to better serve the Lakes Region. As we move forward through any necessary approvals for the project, we welcome and appreciate your continued engagement. Public support from you and other officials and stakeholders, including the potential for federal funding for energy infrastructure projects, will be critical as we work to turn this project into reality.

Respectfully,

Anthony Strabone

Anthony Strabone
President, Liberty Utilities (EnergyNorth Natural Gas)