



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING, PUBLIC HEARING, AND PROCEDURAL CONFERENCE

D.P.U. 20-03

January 29, 2020

Petition of Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty Utilities for approval by the Department of Public Utilities, pursuant to G.L. c. 164, § 96, of the acquisition of Blackstone Gas Company.

On January 15, 2020, Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty Utilities ("Liberty Utilities" or "Company"), pursuant to G.L. c. 164, § 96, submitted a petition to the Department of Public Utilities ("Department") for approval of the acquisition of Blackstone Gas Company ("Blackstone Gas"), as set forth in an Agreement and Plan of Merger ("Agreement") dated October 31, 2019. The Department docketed this matter as D.P.U. 20-03. The Attorney General of the Commonwealth of Massachusetts has filed a notice of intervention in this matter pursuant to G.L. c. 12, § 11E(a).

Liberty Utilities states that, pursuant to the Agreement the Company will acquire the gas-system assets and customer base of Blackstone Gas through the purchase of the issued and outstanding common stock held by Blackstone Gas' sole shareholder for a price of \$5.5 million, plus closing adjustments. The Company states that upon closing of the transaction, the Blackstone Gas corporate entity will merge with and into Liberty Utilities, and the separate corporate existence of Blackstone Gas will cease to exist. Further, the Company states that, upon closing Liberty Utilities will continue as the surviving corporation, with the operations, assets and customers of Blackstone Gas consolidated into that of Liberty Utilities. Thus, according to the Company, upon closing, all customers of Blackstone Gas will become customers of Liberty Utilities.

Liberty Utilities states that its acquisition of Blackstone Gas is consistent with the public interest under G.L. c. 164, § 96 and will result in "net benefits" to customers. The Company states that as a result of the acquisition, current Blackstone Gas customers will experience an annual bill decrease once they become Liberty Utilities customers, with the exceptions of low-use customers in rate classes R-1, G-41 and G-51. For these low-use customers, Liberty Utilities proposes to maintain the current Blackstone Gas customer charge applicable to each rate class, rather than charge the Liberty Utilities customer charge for that rate class. The Company claims that the "customer charge freeze" will result in an annual bill decrease for these low-use customers. Further, the Company states that at the time of its

next base distribution rate proceeding, current Liberty Utilities customers will experience reduced annual bills as the result of the addition of Blackstone Gas' sales volumes and rate base. In addition, Liberty Utilities states that the unit rates of its Local Distribution Adjustment Clause will be reduced by the inclusion of Blackstone Gas' sales volumes.

Liberty Utilities also states that the acquisition will result in operational cost savings, administrative efficiencies, and various non-economic benefits. Further, the Company states that the acquisition will not result in any adverse impacts on service quality or greater potential for service interruptions. Additional information regarding specific bill impacts, the purported benefits to current Blackstone Gas and Liberty Utilities customers associated with the acquisition, and other public interest considerations can be found in Liberty Utilities' filing.

As part of the filing, the Company also seeks approval to treat Blackstone Gas' assets as a \$5.5 million addition to Liberty Utilities' plant in service, to be rolled into rate base in the Company's next rate base distribution rate case. Finally, Liberty Utilities requests that the Department, in approving the subject transaction, confirm that the franchise rights and obligations currently held by Blackstone Gas shall be held by Liberty Utilities and that no separate authorization is required under G.L. c. 164, § 21.

The Department will conduct a public hearing on Liberty Utilities' petition on **March 4, 2020**, at 2:00 p.m. at the Department's offices, One South Station – 5<sup>th</sup> Floor, Boston, Massachusetts 02110. Following the public hearing, the Department will conduct a procedural conference. Any persons interested in commenting on this matter may appear at the public hearing or file written comments with the Department not later than the close of business (5:00 p.m.) on March 6, 2020.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene or to participate in the proceeding no later than the close of business (5:00 p.m.) on February 28, 2020. A petition to intervene must satisfy the timing and substantive requirements of 220 CMR 1.03. Receipt by the Department, not mailing constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 CMR 1.01(4). To be allowed, a petition under 220 CMR 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

All written comments and petitions for leave to intervene or to participate in this proceeding must be filed with the Department of Public Utilities as follows: an original to Mark D. Marini, Secretary, Department of Public Utilities, One South Station, Boston, Massachusetts 02110; and one (1) copy of all materials filed with the Department should be sent to Marc J. Tassone, Hearing Officer, Department of Public Utilities, One South Station, 5<sup>th</sup> Floor, Boston, Massachusetts 02110. In addition, one (1) copy of these documents should be sent to

counsel for Liberty Utilities: Daniel P. Venora, Esq., Keegan Werlin LLP, 99 High Street, Suite 2900, Boston, Massachusetts 02110.

Further, in addition to paper filings with the Department, all documents also should be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to [dpu.efiling@mass.gov](mailto:dpu.efiling@mass.gov) and the Hearing Officer, Marc J. Tassone, [marc.tassone@mass.gov](mailto:marc.tassone@mass.gov), or (2) on USB flash drive. The text of the e-mail or letter accompanying the USB flash drive must specify: (1) the docket number of the proceeding (D.P.U. 20-03); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber> (enter "20-03").

A copy of Liberty Utilities' filing is available for inspection during regular business hours at Liberty Utilities' offices, 36 Fifth Street, Fall River, Massachusetts 02721, and at the Department's offices, One South Station, 5th Floor, Boston, Massachusetts. The filing also is available on the Department's website. Any person desiring further information regarding the petition should contact Liberty Utilities' counsel, Daniel P. Venora, Esq., at (617) 951-1400 or by email at [dvenora@keeganwerlin.com](mailto:dvenora@keeganwerlin.com).

To request materials in accessible formats (braille, large print, electronic files, audio format), contact the Department's ADA coordinator at [DPUADACoordinator@mass.gov](mailto:DPUADACoordinator@mass.gov) or (617) 305-3500. Reasonable accommodations at public or evidentiary hearings for people with disabilities are available upon request. Include a description of the accommodation you will need, including as much detail as you can. Also, include a way the Department can contact you if we need more information. Please provide as much advance notice as possible. Last minute requests will be accepted but may not be accommodated.

Any person desiring further information regarding this notice should contact Marc J. Tassone, Hearing Officer, Department of Public Utilities, at (617) 305-3500.