



Richard H. Lehr
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July 25, 2014

Via First Class Mail

Meredith Hatfield
Office of Energy and Planning
Governor Hugh Gallen State Office Park
107 Pleasant Street
Concord, NH 03301

Dear Ms. Hatfield,

Liberty Utilities appreciates the opportunity to provide comments on the New Hampshire State Energy Strategy draft. Liberty Energy Utilities (New Hampshire) Corp. has two subsidiaries: Liberty Utilities (Granite State Electric) Corp. and Liberty Utilities (EnergyNorth) Corp. which serve 43,000 electric customers and 90,000 natural gas customers, respectively, in 53 communities across New Hampshire.

The draft strategy discussed many different energy options. A primary objective of the state energy policy should be to ensure there is a balance of energy choices available to consumers at reasonable prices. Energy costs and choices have direct impacts on the economic development of the state.

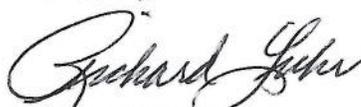
Liberty Utilities believes, in addition to promoting energy efficiency and renewable energy, the state's energy policy should provide access to and expansion of abundant, domestic natural gas and its CNG and LNG derivatives as part of a balanced energy portfolio for New Hampshire consumers. Natural gas is efficient, affordable and is a low-emissions resource. Lower energy costs are key components to fostering economic growth, job creation and overall benefits to businesses and homeowners alike. We appreciate the work of the New England Governors and applaud their commitment to cooperate with the effort to bring diversified energy sources such as natural gas into our region in order to help alleviate constraints and price volatility.

Liberty Utilities agrees with the objective discussed in the draft of promoting conversion to gas as a primary fuel source for customers who currently have nearby access to existing gas distribution mains. Such conversion will lower costs for all gas customers through greater utilization of fixed capacity. Liberty Utilities also agrees with securing low-cost financing options to help consumers cover the cost of new heating systems. As a result of the differential that exists between the cost of gas and the cost of oil, saturation rates along existing gas mains are high. Therefore, focus should include expanding gas availability to new extension customers as well. In the context of working with our regulators, Liberty Utilities continues to look at alternatives to help remove the barriers to expansion of our natural gas

distribution systems to meet high consumer demand. With respect to the strategy recommendation that targets be established for gas utilities to achieve higher utilization rates, Liberty Utilities favors an approach where utilities could be rewarded for increasing utilization. Liberty Utilities would oppose the establishment of targets if failure to achieve the target resulted in penalties to the utility.

Liberty Utilities looks forward to working with the Office of Energy and Planning and key stakeholders to create an energy policy that includes energy efficiency, renewables and natural gas which allows for consumer choice and enables the state to meet its renewable and greenhouse gas goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Lehr". The signature is written in a cursive, flowing style.

Richard Lehr
President, Liberty Utilities