

Liberty Utilities – Natural Gas Growth



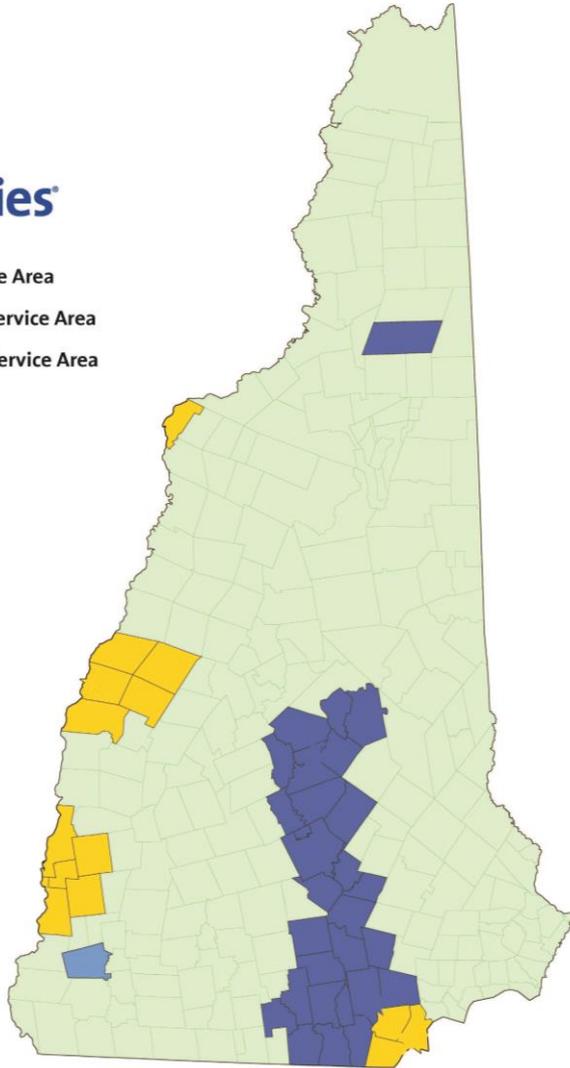
Residential Ratepayers Advisory Board

January 23, 2017

About Liberty Utilities



- Electric Service Area
- Natural Gas Service Area
- Propane/Air Service Area



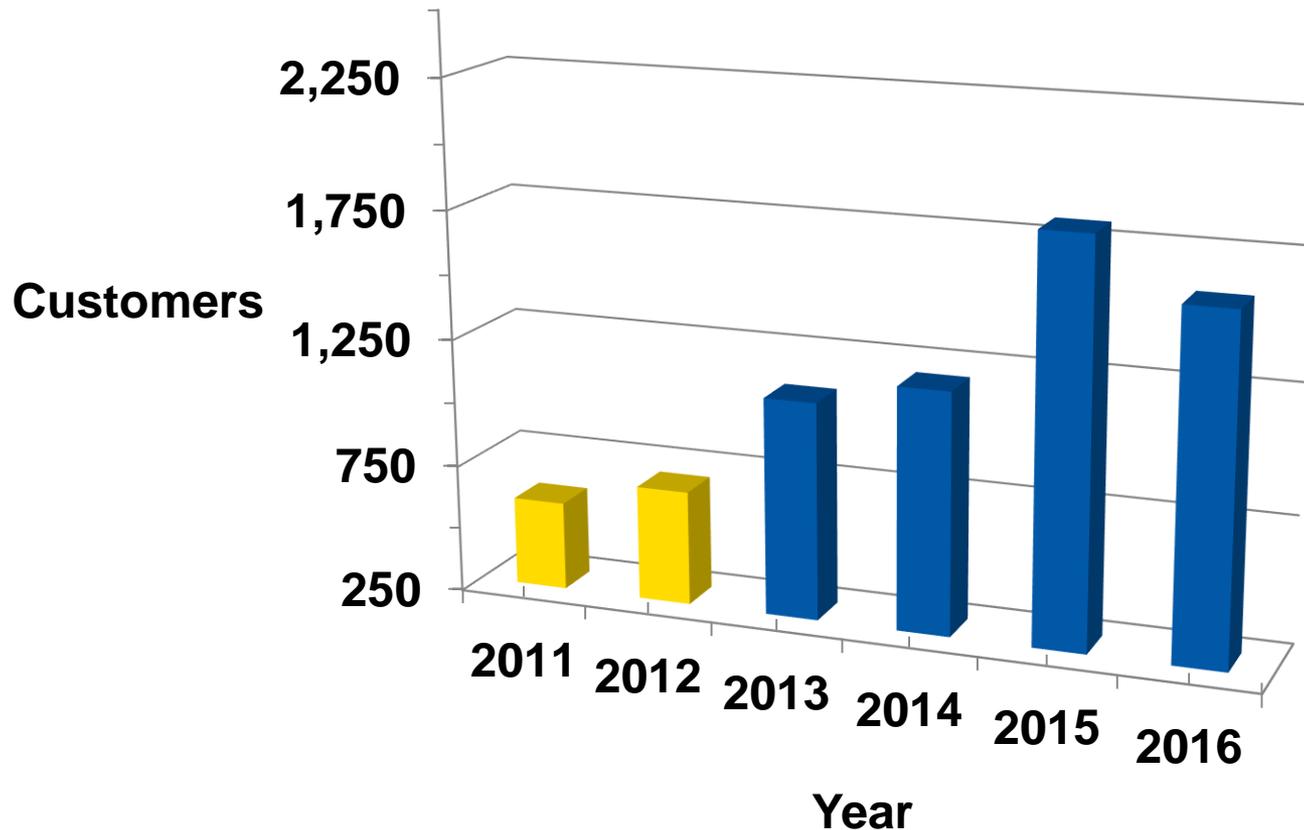
Liberty Utilities – United States

- Over 30 electric, gas & water utility systems
- Operates in 15 states
- 2,200 employees
- 782,000 customers

Liberty Utilities – New Hampshire

- 90,000 gas customers in 31 communities (I-93 Corridor)
- 43,000 electric customers in 21 communities (Salem area and Upper Valley / CT River)
- Headquartered in Londonderry
- 340 employees
- 5 customer walk-in centers (Tilton, Lebanon, Salem, Londonderry & Keene)

Customer Growth



Since 2012 Liberty Utilities has added 5,700 new customers within our existing franchise areas.

Benefits

- Customer growth reduces costs to all
 - Spreads fixed costs over larger pool of customers (capacity / plant / CIBS)
- Provides customers with additional fuel choice
 - 33% less expensive than fuel oil
 - 67% less expensive than propane²
- Increased economic development opportunities
- Energy efficiency opportunities
 - ACEEE #2 ranked natural gas efficiency programs in United States



Current Supply Portfolio

Tennessee Gas Pipeline (Concord Lateral)

- 106,833 Dth/day

Portland Natural Gas Transmission System

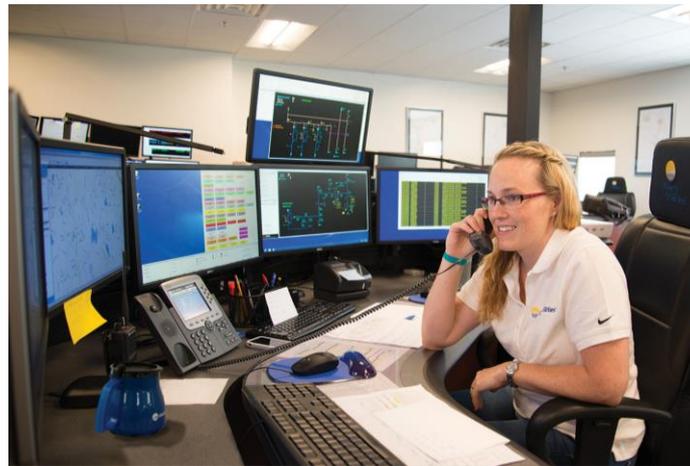
- 1,000 Dth/day

LNG Facilities

- 22,800 Dth/day

Propane Facilities

- 34,600 Dth/day



Hanover / Lebanon Franchise Petition

- Filed for franchise to provide Hanover and Lebanon natural gas distribution service on November 28, 2016
- Potential market of 1.3 to 1.6 Bcf of annual load
- Three potential anchor customers in the proposed franchise area already utilizing transported natural gas
- Interest from additional large commercial and industrial customers
- Economic growth in Upper Valley
- Provides fuel choice to residents and businesses
- Residential population density
- Experience operating Keene system



Facility Site Selection



- Located at 384 & 386 Plainfield Road in West Lebanon, adjacent to the Lebanon Landfill
- Potential to utilize renewable landfill gas
- Zoned Industrial Heavy. There are no residential homes in close proximity
- Accessible from Exit 20 off Interstate 89 without traveling through any residential neighborhoods
- Route is already being utilized by heavy trucking to access the landfill, Pike Industries, Carroll Concrete and big box retailers



VERMONT
NEW HAMPSHIRE

Lebanon Landfill

12A

91

20

9



Customer Protections

Managed Expansion Program (MEP) Order – 25,933

- Will not start construction on MEP project until 25% committed
- Discounted Cash Flow (DCF) analysis for projects over \$1,000,000

Windham / Pelham Settlement - Pending

- Will not start construction on franchises until 25% committed
- Risk sharing – Company reduces revenue deficiency in future rate cases if projected revenues are not achieved

Hanover Lebanon Filing - Pending

- Cost of facility recovered through Cost of Gas – only paid by customers in new franchise

Questions

