

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE SITE EVALUATION COMMITTEE

DOCKET NO. SEC 2024-__
PORTLAND NATURAL GAS TRANSMISSION SYSTEM
Joint Petition to Change Ownership

March 26, 2024

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Attachments

1. Direct & Indirect Ownership Charts for Buyers and Sellers
2. Pre-Filed Testimony of Daniel Sailors on Financial Capabilities (*Redacted*)
 - a. Pre-Filed Testimony of Daniel Sailors on Financial Capabilities(*Confidential*)
3. Pre-Filed Testimony of Mark Saxe on Financial Capabilities (*Redacted*)
 - a. Pre-Filed Testimony of Mark Saxe on Financial Capabilities (*Confidential*)
4. Statement of Assets and Liabilities (Morgan Stanley) (*Confidential*)
5. Statement of Assets and Liabilities (BlackRock) (*Confidential*)
6. Pre-Filed Testimony of William Yardley on Technical and Managerial Capabilities
7. Transition Services Agreement (*Confidential*)

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DOCKET NO. SEC 2024-__

PORTLAND NATURAL GAS TRANSMISSION SYSTEM

Joint Petition to Change Ownership

I. Introduction and Overview

North Haven Infrastructure Partners III (AIV-B) SCSp (“NHIP III”) an affiliate of Morgan Stanley Infrastructure Inc. and BlackRock Global Infrastructure Fund IV, SCSp, an affiliate of BlackRock Financial Management, Inc. (“BGIF IV”, together with NHIP III, the “Buyers”), TC Pipelines, LP, a Delaware limited partnership (“TCP”) and Northern New England Investment Company, Inc., a Vermont corporation (“NNEIC”, together with TCP, the “Sellers” and collectively with the Buyers, the “Petitioners”) jointly submit this petition (the “Joint Petition”) pursuant to RSA 162-H:8 and, to the extent applicable, RSA 162-H:5, I, to the New Hampshire Site Evaluation Committee (the “SEC” or “Committee”) requesting approval of the proposed upstream change of ownership interests in the Portland Natural Gas Transmission System (“PNGTS”). In support of this Joint Petition, the Petitioners provide the following information.

Sellers own PNGTS, an interstate natural gas pipeline and appurtenant facilities in New Hampshire comprehensively regulated by the Federal Energy Regulatory Commission (“FERC”) under the federal Natural Gas Act (“NGA”). The northern component is an approximately 79.1-mile natural gas pipeline extending from Pittsburg, New Hampshire to Shelburne, New Hampshire, with a lateral extension of 0.7 miles to Groveton, New Hampshire, which is wholly owned and operated by PNGTS. PNGTS is currently operated by TransCanada Northern Border

Inc. (“TC Service Provider”), a subsidiary of TCP. The southern component is an approximately 31.3-mile natural gas pipeline extending from Newington, New Hampshire to Plaistow, New Hampshire, with lateral extensions of 1.1 miles and 0.6 miles to Newington, New Hampshire, and Haverhill, Massachusetts, respectively, which is jointly owned by PNGTS and Maritimes & Northeast Pipeline, L.L.C. (“Maritimes”) and operated by Maritimes. The SEC issued a Certificate of Site and Facility for the facilities on July 16, 1997 (the “Certificate”). *See* SEC Docket No. 96-01 and SEC Docket No. 96-03, *Order Granting Certificate of Site and Facility*, July 16, 1997.

The Petitioners seek the SEC’s approval of the change of upstream ownership pursuant to RSA 162-H:8, because the Certificate and all of the existing permits and approvals will remain in place throughout the transfer of partnership process and will not be terminated or altered by reason of this Joint Petition. Upon transfer, the Buyers will ensure that operation and maintenance of the facilities continues in compliance with all terms and conditions in the Certificate.

Pursuant to RSA 162-H:4-a, III, the SEC Chairperson may establish a subcommittee of three members, consisting of two agency members and one public member to conduct this proceeding. Petitioners respectfully request that the SEC Chairperson appoint a three-member subcommittee to review this Joint Petition.

II. Jurisdiction and Standard of Review

RSA 162-H:8 provides that the SEC shall:

[A]dministratively approve changes of ownership and transfers of certificates within 90 days of a petition if it determines the new certificate holder has adequate financial, technical, and managerial capability to assure construction and operation of the facility in continuing compliance with the terms and conditions of the certificate.

In addition, RSA 162-H:5, I prohibits the transfer or assignment of any certificate without SEC approval.¹

This Joint Petition addresses the financial, technical, and managerial capability of the Buyers, as the proposed transferees of the partnership interests in PNGTS, to assure that the facility continues to operate in continuing compliance with the terms and conditions of the Certificate. *See* RSA 162-H:8, VI. The SEC has applied this same scope of review in previous dockets involving proposed changes of ownership.

In Docket No. 2004-01, where the SEC approved the transfer of AES Holdings Londonderry, LLC's membership interest in AES Londonderry, LLC to Granite Ridge, I, SPE, LLC, the SEC applied the following standard of review:

[W]hen a change in ownership is proposed, it is important for the Committee to investigate the financial, technical and managerial capability of the proposed new owner. This information is vital for the Committee and other state agencies to be able to ensure that the conditions of the certificate are continuously met. Ongoing environmental compliance and the safe operation of the facility are of the utmost concern to the Committee and the State of New Hampshire. Thus, the Committee's focus in this Docket is on the financial, technical and managerial capability of the proposed new owner of AESL.

See SEC Docket No. 2004-01, *Joint Application by AES Londonderry, LLC et al. for Approval to Transfer Equity Interests, Decision and Order*, October 14, 2004 at 6. The SEC reiterated this standard of review in multiple subsequent dockets involving the transfer of membership or equity interests in energy facilities that had already been certificated.

In Docket No. 2008-01, involving ownership of a 525 MW gas-fired power plant in Newington, New Hampshire, the SEC approved the transfer of the membership interest in

¹ On its face, RSA 162-H:5, I does not appear to apply to this transaction because the certificate holder, namely, PNGTS, will remain the same and the certificate is therefore not being transferred, nor is it being assigned.

Newington Energy, LLC held by CED/SCS Newington, LLC to North American Energy Alliance, LLC, under the same standard articulated in the AES matter. Specifically, the Committee noted that “[w]hen a change in ownership is proposed, the focus for the Committee shifts to an examination of the financial, managerial, and technical capabilities to assure that the conditions of the certificate are continuously met.” *See Joint Application of Newington Energy LLC, et al., Decision and Order Approving Transfer*, Docket No. 2008-01 (April 18, 2008) at 4.

On February 15, 2019, the SEC approved the transfer of 100% of the membership interest in Antrim Wind Energy, LLC held by Walden Green Energy Northeast Wind, LLC and Walden Antrim, LLC to Antrim Level, LLC before completion of construction of the certificated wind facility. The SEC applied the same standard of review in finding that “Antrim Level has adequate financial, technical, and managerial capability to construct and operate the Antrim Wind Project in continuing compliance with all of the terms and conditions of the Certificate of Site and Facility issued to Antrim Wind Energy.” *See SEC Docket No. 2018-03, Decision and Order Approving the Transfer of Ownership Interest in Antrim Wind Energy, LLC*, February 15, 2019 at 15 (Setting forth the standard of review as follows: “To approve a transfer in ownership, the proposed owner must demonstrate by a preponderance of the evidence that it has adequate financial, managerial, and technical capabilities to assure continuing compliance with the terms and conditions of the Certificate.”).

As described in Sections V and VI below, the Buyers have the financial, technical, and managerial capability to continuously meet the terms and conditions of the Certificate, thereby assuring that the facilities will continue to be operated in a secure, safe, and environmentally compliant manner.

III. Background of Facilities and Certificate

PNGTS is a Maine general partnership with a regional office in Lancaster, New Hampshire. PNGTS owns and operates an interstate FERC-regulated pipeline for the transportation of natural gas in interstate commerce that extends 295-miles from the Canadian border to connections in New Hampshire, passes through Maine, re-enters New Hampshire, and terminates at Dracut, Massachusetts. PNGTS provides interstate transportation service to natural gas local distribution companies, industrial customers, and gas marketing customers with delivery points in Massachusetts, New Hampshire, Rhode Island, and Maine. PNGTS has no retail customers in New Hampshire.

PNGTS's New Hampshire facilities include 79.1 miles of 24-inch diameter pipeline extending from Pittsburg across the northern part of the state to Shelburne, along with a lateral extending 0.7 miles to Groveton, and 31.3 miles of 30-inch diameter pipeline between Newington and Plaistow in the southern part of the state, along with two laterals, one extending 1.1 miles to Newington, New Hampshire, and one extending 0.6 miles to Haverhill, Massachusetts; the southern segment is jointly owned with Maritimes.

PNGTS is “primarily engaged in the transportation of natural gas in interstate commerce” (See *Portland Natural Gas Transmission System*, 165 FERC ¶ 61049 (2018)) and the NGA grants FERC exclusive jurisdiction over the construction and operation of such a natural gas company. See 15 U.S.C. § 717 *et seq.*; see also *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988) (“The NGA confers upon FERC exclusive jurisdiction over the transportation and sale of natural gas in interstate commerce for resale.”); *N. Natural Gas Co. v. State Corp. Comm’n of Kansas*, 372 U.S. 84 (1963) (“The NGA long has been recognized as a ‘comprehensive scheme of federal regulation of all wholesales of natural gas in interstate commerce.’”) (internal citations omitted). Under the NGA, prior to constructing and operating an interstate natural gas pipeline,

FERC must issue a certificate of public convenience and necessity under Section 7(c) of the NGA. In this case, PNGTS's construction and operation were authorized by a series of FERC orders in which FERC issued PNGTS certificates of public convenience and necessity pursuant to Section 7(c) of the NGA. *See Portland Natural Gas Transmission System*, 76 FERC ¶ 61,123 (1996); 80 FERC ¶ 61,134 (1997); 80 FERC ¶ 61,136 (1997); 80 FERC ¶ 61,346 (1997); 80 FERC ¶ 61,345 (1997).

In 1997, PNGTS and Maritimes jointly filed an application with the SEC to construct the facilities described above. With the information submitted by PNGTS and Maritimes, the SEC concluded, among other required findings, that the applicants had sufficient financial, technical, and managerial capability to assure construction and operation of the facility in compliance with the terms and conditions of the Certificate. *See* SEC Docket No. 96-01 and SEC Docket No. 96-03; *Order Granting Certificate of Site and Facility*, July 16, 1997 at 11, 32.

IV. Proposed Transfer of Partnership Interests

Sellers own all of the outstanding partnership interests in PNGTS (the "Purchased Interests"). NHIP III and BGIF IV each indirectly own a 50% interest in Beehive Loop JV LLC. Beehive Loop AcquisitionCo LLC, a wholly-owned subsidiary of Beehive Loop JV LLC, will, at the closing of the proposed transaction receive from Sellers 99.99% of the Purchased Interests and, because PNGTS is a general partnership and requires at least two partners, Beehive Loop StubCo LLC, also a wholly-owned subsidiary of Beehive Loop JV LLC, will receive 0.01% of the Purchased Interests. At the closing of the proposed transaction, each of NHIP III and BGIF IV will indirectly own a 50% interest in PNGTS. *See* Attachment 1 for an organizational chart showing the post-closing ownership structure of PNGTS.

V. Financial Capability of New Owner

Pursuant to RSA 162-H:16, IV(a), an applicant for a certificate of site and facility must demonstrate its financial capability to construct and operate the proposed facility in continuing compliance with the terms and conditions of the certificate. *See also* Site 301.13(a). As discussed above, prior SEC proceedings have established that a proposed transferee make a similar showing. In this case, as required by RSA 162-H:8, VI, the Buyers have more than that requisite financial capability.

As set forth more particularly in the Pre-Filed Testimony of Daniel Sailors (Attachments 2, 2a), on behalf of Morgan Stanley Infrastructure Inc., as advisor to the Morgan Stanley Infrastructure Partners investment platform and its current or future investment vehicles, including NHIP III (“MSIP”), and Mark Saxe (Attachments 3, 3a), on behalf of BlackRock Financial Management, Inc. (“BAM”), a wholly-owned subsidiary of BlackRock Inc. (“BlackRock”), the Buyers individually and collectively have broad experience and capabilities financing the acquisition, construction, and operation of diverse portfolios of energy facilities, both domestically and globally.

For its part, MSIP, through its four global flagship funds and co-investment vehicles, has procured substantial capital commitments and made investments across more than 35 portfolio companies as described in Mr. Sailors’ testimony, Attachments 2, 2a. The energy and power infrastructure sector is a key focus and since 2006, MSIP has invested equity capital in energy and power infrastructure. MSIP will indirectly acquire its portion of the partnership interests in PNGTS through NHIP III. North Haven Infrastructure Partners III SCSp and its related investment funds includes NHIP III (collectively, the “NHIP III Group”). Following the acquisition, the NHIP III Group is projected to have adequate committed, uncalled capital.

MSIP is a wholly-owned subsidiary of Morgan Stanley (NYSE: MS). Morgan Stanley has long-term credit ratings of A1 (Moody's) / A- (S&P) / A+ (Fitch). MSIP has extensive domestic and international experience in providing capital, carve-out style transactions and assembling teams with the skills required to develop, construct, maintain, and operate regulated energy facilities in the United States and worldwide, including extensive experience in domestic natural gas pipeline facilities. *See* Statement of Assets and Liabilities, Attachment 4.

BlackRock, similarly, has extensive experience acquiring and managing investments in energy infrastructure facilities, including natural gas pipeline assets and power generation. As of September 30, 2023, BlackRock and its subsidiaries held \$9.1 trillion in assets under management across equity, fixed income, multi-asset, cash, and alternative strategies (including infrastructure). BlackRock's infrastructure platform manages more than \$47 billion of capital across diversified equity and debt investment solutions. BlackRock is acquiring its ownership interest in PNGTS through BGIF IV—an infrastructure fund that invests in essential infrastructure assets in the environmental, low-carbon power, regulated utilities, transportation and logistics, and digital infrastructure sectors across the globe. BGIF IV is a targeted fund that has invested or is committed to invest (including this transaction) substantial funds as described in Mr. Saxe's testimony, Attachments 3, 3a. Like MSIP, BlackRock has significant financial resources, experience, and access to capital and a proven history of financing significant acquisitions of energy facilities. *See* Statement of Assets and Liabilities, Attachment 5.

For these reasons, and as set forth more particularly in the Testimony of Daniel Sailors and Mark Saxe, the Buyers possess the financial experience, resources, and knowledge necessary to ensure that the facilities are operated in compliance with the terms and conditions of the Certificate.

VI. Technical and Managerial Capability of New Owner

RSA 162-H:16, IV(a) requires an applicant to have “adequate . . . technical, and managerial capability to assure construction and operation of the facility in continuing compliance with the terms and conditions of the certificate.” *See also* Site 301.13(b) and (c). As discussed above, prior SEC proceedings have established that a proposed transferee must make a similar showing. In this case, as required by RSA 162-H:8, VI, the Buyers have more than that required technical and managerial capability.

As set forth more particularly in the Pre-Filed Testimony of William (“Bill”) Yardley (Attachment 6), BlackRock and MSIP, both individually and collectively, have extensive experience and expertise putting in place teams to manage the operations of their energy assets in general, and their natural gas pipeline assets in particular. At the closing of the Transaction, the Buyers will enter into the Transition Services Agreement (“TSA”) (*See* Attachment 7), governing the continued operation of the PNGTS facilities and transition of services to Buyers. Currently, PNGTS is operated by TC Service Provider. Pursuant to the TSA, for up to one year following closing of the proposed transaction, unless earlier terminated in accordance with the terms of the TSA, TC Service Provider will continue to operate PNGTS while BlackRock and MSIP assemble an experienced team to operate PNGTS going forward.

BlackRock and MSIP are also considering the use of firms such as Alvarez & Marsal, and Embark, which are both leading management consulting firms specializing in transitioning energy-related businesses to new ownership. Alvarez & Marsal’s consulting services have supported corporate transformations of greater than \$20 billion in enterprise value for 300 companies as well as mergers, acquisitions, and divestitures of greater than \$120 billion for 50 energy companies. Embark consulting has been engaged by more than 1,000 companies,

including 350+ energy clients, to provide a myriad of services, including M&A support on transactions in excess of \$10 billion in aggregate value.

For these reasons, and as discussed in more detail in the testimony of Bill Yardley, the Buyers possess the requisite technical and managerial resources and knowledge necessary to ensure that the facilities are operated in compliance with the terms and conditions of the Certificate.

VII. Conclusion

As required by RSA 162-H:8, VI, the Buyers have demonstrated “adequate financial, technical, and managerial capability to assure construction and operation of the facility in continuing compliance with the terms and conditions of the certificate.” Furthermore, PNGTS will remain the same interstate natural gas pipeline and will continue to provide safe, reasonable, and adequate service to its customers as demonstrated in a Petition to Transfer Partnership Interests filed concurrently with the New Hampshire Public Utilities Commission. Therefore, the Petitioners respectfully request the SEC approve the change in ownership.²

² As noted herein, FERC exercises comprehensive jurisdiction over PNGTS and its rates, terms and services pursuant to the Natural Gas Act. In this proceeding, the Petitioners, however, seek SEC approval under New Hampshire law, as applicable, for the express purpose of transferring the Sellers’ partnership interests in PNGTS to the Buyers. In the event the Committee takes any action in this proceeding that conflicts with FERC’s jurisdiction, the Petitioners reserve the right to contest such action.

To the best of my knowledge and belief the information contained in this Joint Petition relating to North Haven Infrastructure Partners III (AIV-B) SCSp is true and accurate.

North Haven Infrastructure Partners III (AIV-B) SCSp

By: Morgan Stanley Infrastructure III GP LP,
Its General Partner

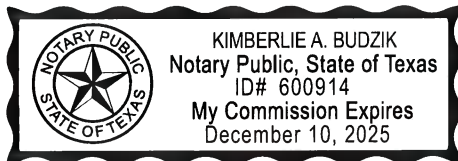
By: Morgan Stanley Infrastructure III Inc.,
Its General Partner

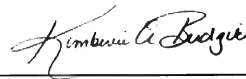
By: 
Name: Daniel Sailors
Title: Vice President

STATE OF TEXAS
COUNTY OF HARRIS

On March 26, 2024, personally appeared before me the above-named Daniel Sailors, and swore that the foregoing statements are true to the best of his knowledge and belief. This notarial act was an online notarization.

(Seal)





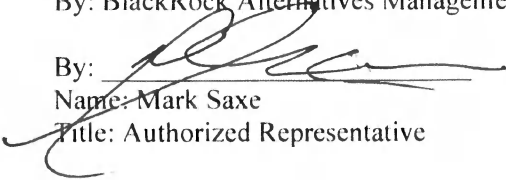
Notary Public/Justice of the Peace
My Commission Expires: December 10, 2025

To the best of my knowledge and belief the information contained in this Joint Petition relating to BlackRock Global Infrastructure Fund IV, SCSP is true and accurate.

BLACKROCK GLOBAL INFRASTRUCTURE FUND IV, SCSP

By: BGIF N (GenPar), S.a r.l., its general partner

By: BlackRock Alternatives Management, LLC, its Investment Manager

By: 

Name: Mark Saxe

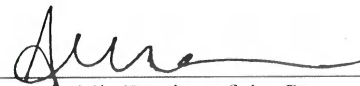
Title: Authorized Representative

STATE OF Connecticut
COUNTY OF Fairfield

On March 26, 2024, personally appeared before me the above-named Mark Saxe and swore that the foregoing statements are true to the best of his knowledge and belief.

ASHLEY CARR
NOTARY PUBLIC
My Commission Expires July 31, 2028

(Seal)



Notary Public/Justice of the Peace
My Commission Expires:

To the best of my knowledge and belief the information contained in this Joint Petition relating to TC Pipelines, LP is true and accurate.

By: _____

Name: Steve Fowler

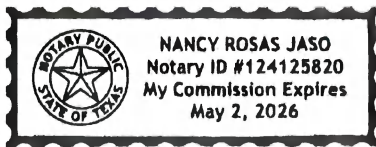
Title: Corporate Secretary

TC Pipelines GP LLC, (general partner of TC Pipelines, LP)

STATE OF TEXAS
COUNTY OF HARRIS

On March 25, _____, 2024, personally appeared before me the above-named, and swore that the foregoing statements are true to the best of knowledge and belief.

(Seal)



Nancy Rosas Jaso
Notary Public/Justice of the Peace
My Commission Expires: May 2, 2026

To the best of my knowledge and belief the information contained in this Joint Petition relating to Northern New England Investment Company, Inc. is true and accurate.

By: Neale Lunderville

Title: Director

Northern New England Investment Company, Inc.

STATE OF VERMONT
COUNTY OF CHITTENDEN

On March 22, 2024, personally appeared before me the above-named Mr. Neale Lunderville, and swore that the foregoing statements are true to the best of his knowledge and belief.

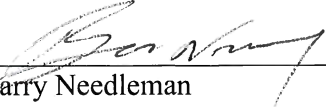
(Seal)



Mary G. Benford
Notary Public/Justice of the Peace
My Commission Expires: Jan 31, 2025

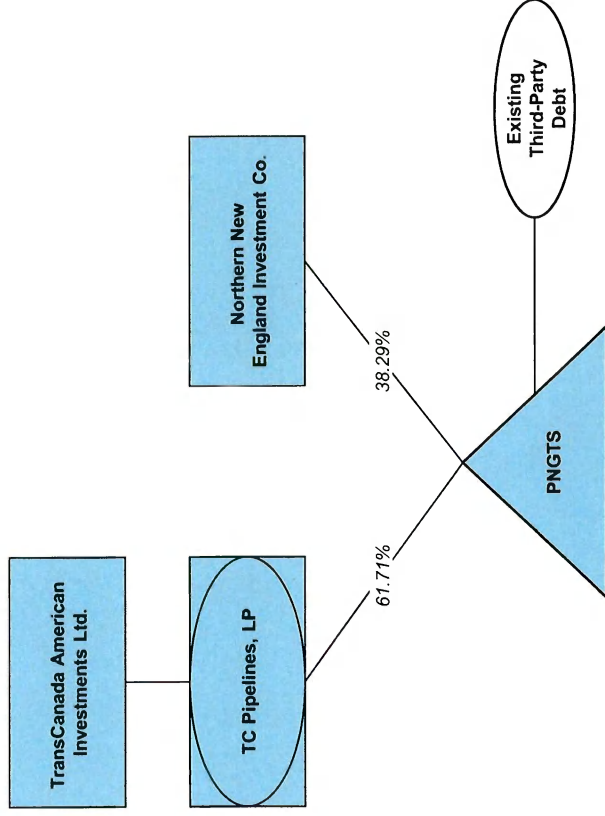
Certificate of Service

I certify that the foregoing Petition was electronically filed with the New Hampshire Site Evaluation Committee on March 26, 2024 and a hard copied will be hand-delivered to the Site Evaluation Committee.



Barry Needleman

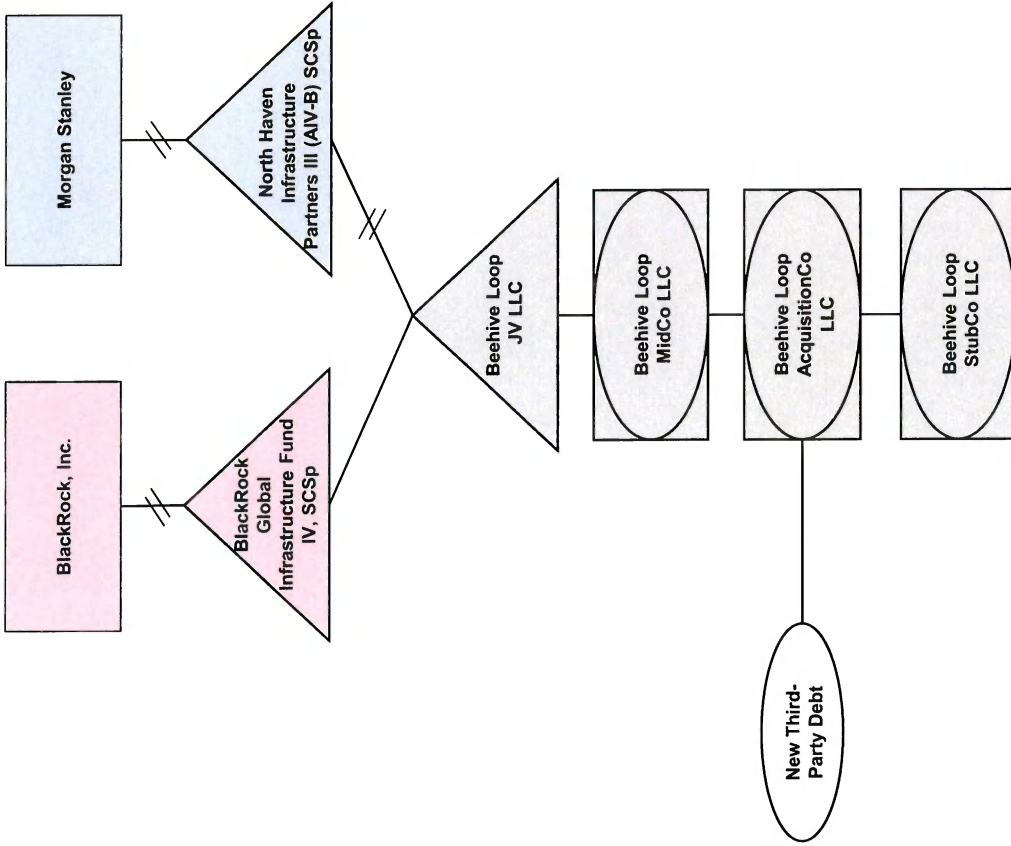
Pre-Closing Structure: Target



Classification for U.S. Tax Purposes	
△	partnership
□	corporation
▣	disregarded entity
○	unclassified
≡	indirect interest

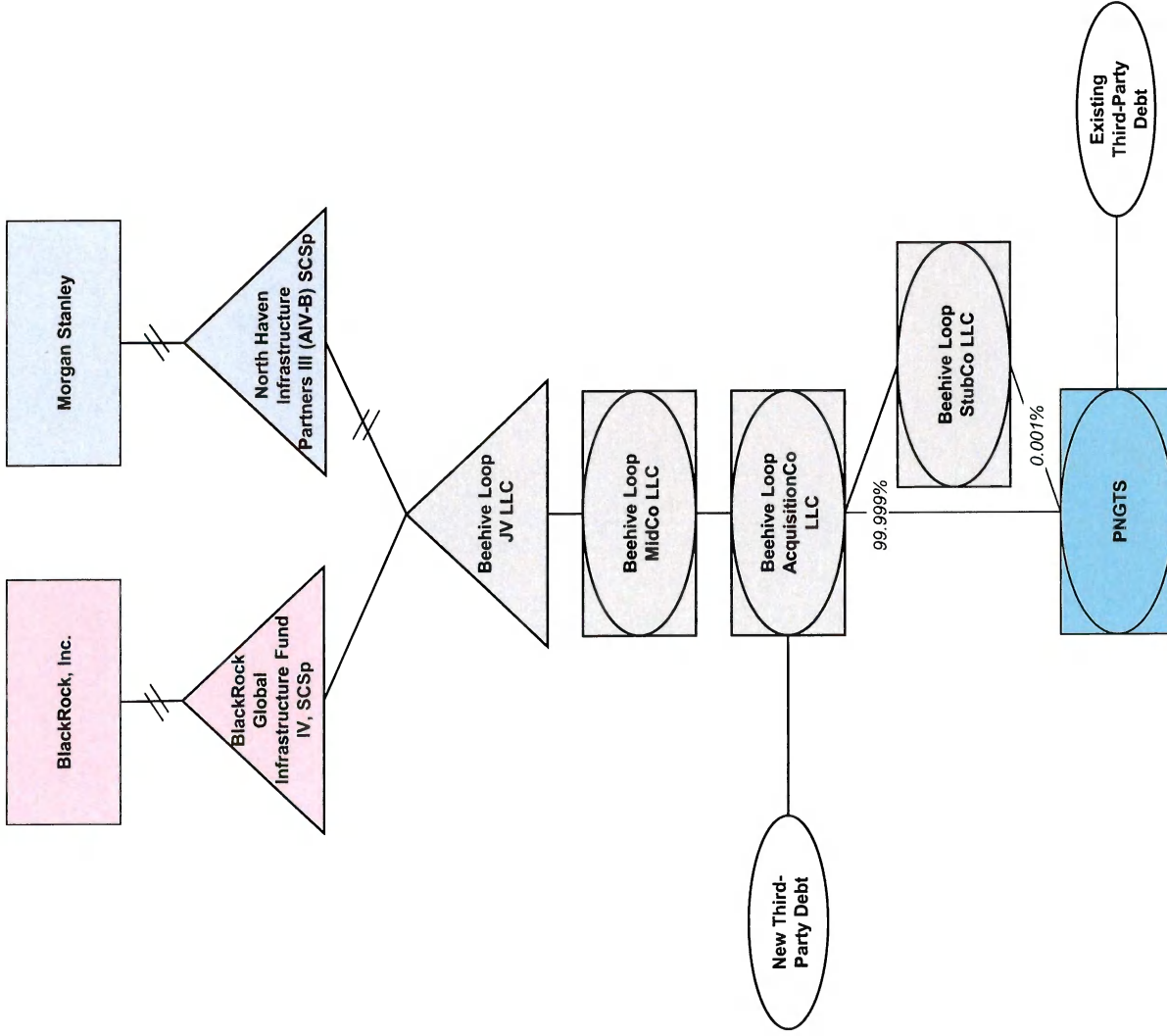
Notes: This organizational chart was prepared on information provided by the Company. We have not confirmed or verified the legal status of the entities shown.

Pre-Closing Structure: Acquisition Structure



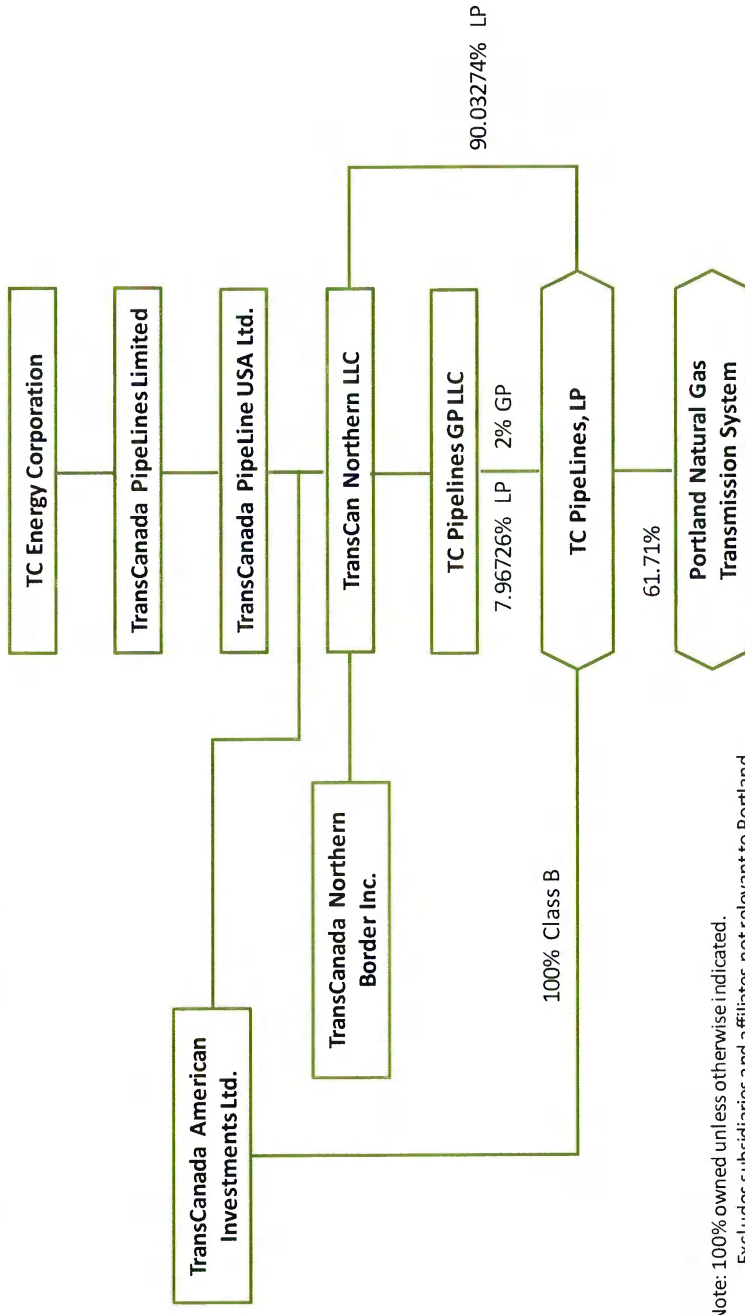
Classification for U.S. Tax Purposes	
△	partnership
□	corporation
▭	disregarded entity
○	unclassified
≡	indirect interest

Resulting Structure



Classification for U.S. Tax Purposes	
△	partnership
□	corporation
▭	disregarded entity
○	unclassified
≡	indirect interest

Organizational Chart of TC Energy Corporation and Portland Natural Gas Transmission System



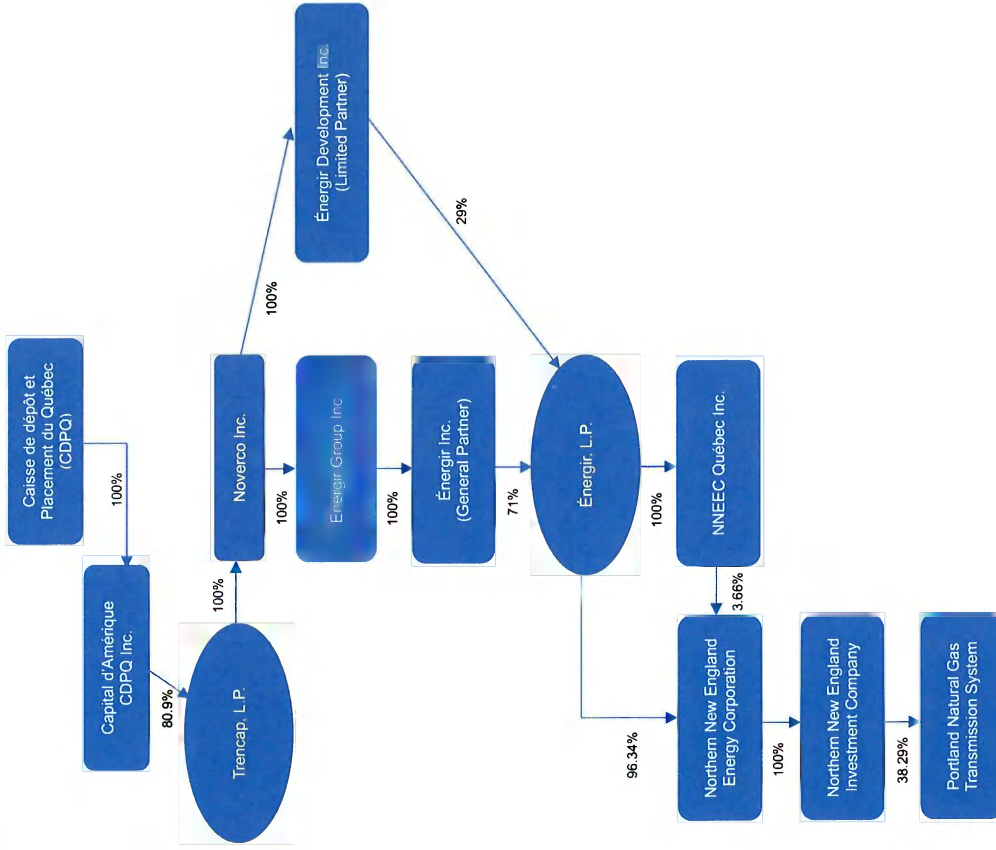
Note: 100% owned unless otherwise indicated.
Excludes subsidiaries and affiliates not relevant to Portland Natural Gas Transmission System.



**ÉNERGIR INC.
and
ÉNERGIR, L.P.**

OFFICER'S CERTIFICATE

I, the undersigned, Nathalie Blais, Assistant Corporate Secretary of Énergir Inc., acting in its capacity as General Partner of Énergir, L.P. hereby certify that the following diagram indicates the accurate shareholdings of the Corporation as of the date hereof:



DATED this 29th day of February 2024.

Nathalie Blais

NATHALIE BLAIS
Assistant Corporate Secretary

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE SITE EVALUATION COMMITTEE

DOCKET NO. SEC 2024-__
PORTLAND NATURAL GAS TRANSMISSION SYSTEM

PRE-FILED DIRECT TESTIMONY OF DANIEL SAILORS

In Support of Joint Petition to Change Ownership

1 **Qualifications and Purpose of Testimony**

2 **Q. Please state your name and business address.**

3 A. My name is Daniel Sailors and my business address is 1585 Broadway, 33rd Floor, New
4 York, NY 10036.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am a Managing Director of Morgan Stanley Infrastructure Partners (“MSIP”), an
7 infrastructure investment business within the Investment Management Division of Morgan
8 Stanley. I also serve as Vice President of Morgan Stanley Infrastructure Inc. (“MSI”), an advisor
9 to MSIP and its current or future investment vehicles, including NHIP III (as defined below).
10 MSI is a wholly-owned subsidiary of Morgan Stanley.

11 **Q. Please describe your background and work experience.**

12 A. I have 17 years of experience managing financial investments in energy infrastructure,
13 with a particular emphasis on natural gas infrastructure investments. In my role, I help lead our
14 investment efforts in several sectors, including natural gas pipelines, liquefied natural gas
15 (“LNG”), and natural gas utilities. Prior to joining MSIP, I served from 2018 to 2021 as
16 Managing Partner and Chief Financial Officer at Discovery Midstream, an energy infrastructure
17 company that owns natural gas pipeline infrastructure. From 2015 to 2018 I served as Vice
18 President at TPG Inc., an investment management firm, where I focused on the energy sector,
19 including the midstream natural gas sector. From 2008 to 2015, after my promotion from
20 Associate, I served as Vice President of Riverstone Holdings, where I focused on the energy
21 sector. From 2006 to 2008 I worked as an Analyst in the Global Energy Group at Credit Suisse. I
22 hold a B.S. from the University of Kansas in Finance and Business Administration. Please also

1 see my professional biography attached as Exhibit 1.

2 **Q. What is the purpose of your testimony?**

3 A. It is my understanding that Portland Natural Gas Transmission System (“PNGTS”) is
 4 seeking the approval of the New Hampshire Site Evaluation Committee (“SEC”) pursuant to
 5 RSA 162-H:8 for the transfer of upstream partnership interests, as contemplated by the Joint
 6 Petition to Change Ownership (“Petition”), and, as part of such approval request, a showing of
 7 adequate financial capability of the buyers must be made. My testimony will demonstrate that
 8 North Haven Infrastructure Partners III (AIV-B) SCSp (“NHIP III”) one of the two Buyers (as
 9 defined below) identified in the Petition, has the requisite financial capability to operate the
 10 PNGTS facilities (described below) in compliance with the terms and conditions of the
 11 Certificate of Site and Facility for the Joint Facilities issued by the SEC to PNGTS on July 16,
 12 1997 (the “Certificate”). This testimony supplements the Petition and the testimony of Mark
 13 Saxe, Managing Director at BlackRock Financial Management, Inc., a wholly owned subsidiary
 14 of BlackRock Inc. (“BlackRock”), concerning the financial capability of BlackRock Global
 15 Infrastructure Fund IV, SCSp, an affiliate of BlackRock (“BGIF IV”).

16 Attachment 1 to the Petition shows the direct and indirect ownership of MSIP, as required
 17 by Site 301.04(a)(2). MSIP is also providing a chart demonstrating its post-closing corporate
 18 structure as it relates to PNGTS. Attachment 4 to the Petition is a current Statement of Assets
 19 and Liabilities for MSIP, as required by Site 301.04(a)(5). As demonstrated by the Petition, the
 20 attachments, and this testimony, MSIP has more than sufficient financial capability to ensure the
 21 continued operation of the PNGTS facilities in compliance with the Certificate.

22

Description of Transaction

1

2 **Q. Please briefly describe the proposed transaction.**

3 A. The proposed Transaction (the “Transaction”) involves the transfer of 100% of the
4 partnership interests in PNGTS to an entity that is a subsidiary of BGIF IV and NHIP III
5 (together, the “Buyers”) from TC Pipelines, LP (“TCP”) and Northern New England Investment
6 Company (“NNEIC,” and together with TCP, the “Sellers”). Buyers and Sellers are collectively
7 referred to as the “Petitioners.” The PNGTS facilities include approximately 110 miles of natural
8 gas pipeline in New Hampshire along with appurtenant facilities. The northern component in
9 New Hampshire is approximately 79.1 miles long and extends from Pittsburg, New Hampshire
10 to Shelburne, New Hampshire, with a lateral extension of 0.7 miles to Groveton, New
11 Hampshire. The southern component in New Hampshire is approximately 31.3 miles long and
12 extends from Newington, New Hampshire to Plaistow, New Hampshire, with a 1.1-mile lateral
13 extension to Newington, New Hampshire, as well as a 0.6-mile extension to Haverhill,
14 Massachusetts.

15 On March 2, 2024, the Petitioners entered into a Purchase and Sale Agreement (“PSA”)
16 to facilitate the transfer of the partnership interests in PNGTS to BGIF IV and NHIP III. NHIP
17 III and BGIF IV each indirectly own a 50% interest in Beehive Loop JV LLC. Beehive Loop
18 AcquisitionCo LLC (“Beehive Loop AcquisitionCo”), a wholly-owned subsidiary of Beehive
19 Loop JV LLC, will, at the closing of the proposed Transaction receive from Sellers 99.99% of
20 Purchased Interests (as defined in the PSA) and Beehive Loop StubCo LLC, also a wholly-
21 owned subsidiary of Beehive Loop JV LLC, will receive 0.01% of the Purchased Interests. At
22 the closing of the Transaction, BGIF IV and NHIP III will each indirectly own a 50% interest in

1 PNGTS. Direct and Indirect Organizational Charts included with the Petition as Attachment 1
2 identify the respective Buyer subsidiaries involved in this Transaction.

3 **Q. How will Beehive Loop AcquisitionCo fund the acquisition of PNGTS?**

4 A. The proposed ownership of PNGTS by Beehive Loop AcquisitionCo will be funded by
5 both equity investments made by NHIP III and BGIF IV¹, as well as new debt raised from third
6 parties that will be entered into at the Beehive Loop AcquisitionCo entity level.² NHIP III and
7 BGIF IV have initially committed to fund up to [REDACTED] of equity to fund Beehive Loop
8 AcquisitionCo’s purchase of PNGTS for \$1.135 billion. The purchase price includes the
9 assumption of \$250 million in outstanding Senior Notes.

10 I understand that PNGTS is currently a party to the following financing arrangements:

- 11 • [REDACTED] Revolving Credit Agreement, dated April 5, 2018 (as amended by the First
12 Amendment to Revolving Credit Agreement dated January 31, 2023), by and among
13 PNGTS (as Borrower), Truist Bank (as Agent) and the Lenders party thereto (the
14 “Revolving Credit Agreement”). Note BlackRock and MSIP do not expect there to be
15 any balance outstanding under the Revolving Credit Agreement at closing of the
16 Transaction.

¹ Please also refer to the Pre-Filed Testimony of Mark Saxe concerning the financial capability of BlackRock to operate the facilities in compliance with the terms and conditions of the Certificate.

² In connection with closing of the Transaction, Beehive Loop AcquisitionCo plans to enter into a senior secured term loan facility or 4(a)2 private placement to fund the purchase of PNGTS. Beehive Loop AcquisitionCo has already received committed financing from two banks to fund a [REDACTED] senior term loan facility to fund the purchase of PNGTS.

- 1 • [REDACTED] of [REDACTED] Senior Notes (Series A) due October 8, 2030 (“Series A Notes”)
2 issued pursuant to a Note Purchase and Private Shelf Agreement, dated October 8, 2020
3 (“NPA”); and
4 • [REDACTED] of [REDACTED] Senior Notes (Series B) due October 29, 2031 (“Series B Notes”)
5 issued pursuant to the NPA.

6 Upon the closing of the Transaction, NHIP III and BGIF IV expect to terminate the Revolving
7 Credit Agreement if the consent that is required by the lenders thereto in connection with the
8 transaction is not obtained and the Series A and Series B Senior Notes are expected to remain
9 outstanding on PNGTS’s books.

10 **Financial Capability of MSIP**

11 **Q. Please describe MSIP’s experience in financing energy infrastructure assets.**

12 A. MSIP has extensive domestic and international experience in providing capital, carve-out
13 style transactions and assembling teams with the skills required to develop, construct, maintain,
14 and operate regulated energy facilities in the United States and worldwide, including extensive
15 experience in domestic natural gas pipeline facilities.

16 MSIP also has extensive domestic experience financing and managing its investments in
17 domestic natural gas pipelines and related infrastructure. In 2018, MSIP, through North Haven
18 Infrastructure Partners II (“NHIP II”), a predecessor fund to North Haven Infrastructure Partners
19 III SCSp and its related investment funds, including NHIP III (collectively, the “NHIP III
20 Group”), acquired a majority stake in Brazos Midstream,³ a natural gas gathering and processing
21 and crude oil gathering infrastructure provider in the Southern Delaware Basin. In 2014, NHIP

³ A current MSIP portfolio company.

1 II and co-investors acquired a majority stake in Eureka Midstream, a natural gas gathering
2 system in Ohio and West Virginia. The transaction involved carving out Eureka Midstream from
3 Eureka's parent and establishing new operational functions. During its ownership, MSIP
4 increased the number of pipeline miles from 121 to over 200, increased interconnects from 3 to
5 19, and more than doubled the number of connected customers. Throughput and total pipeline
6 capacity increased more than 6x, with throughput rising from 0.23 bcf/d to 1.5 bcf/d while
7 capacity increased from 0.42 bcf/d to 3.5 bcf/d. In 2010, North Haven Infrastructure Partners I, a
8 predecessor fund to NHIP II ("NHIP I") acquired Southern Star Central Gas Pipeline ("Southern
9 Star"), a Federal Energy Regulatory Commission ("FERC")-regulated interstate natural gas
10 pipeline and primary gas transmission and storage facility provider. Southern Star had facilities
11 and employees in eight states, with a system that served utility, municipal, commercial,
12 industrial, and power generation customers in the U.S. Midwest. Southern Star was also ranked
13 #2 out of 23 peers⁴ in a Mastio Customer Satisfaction Index,⁵ due to its leading service and
14 safety track record. At the time of sale in 2015, Southern Star had 5,800+ pipeline miles, 30+
15 pipeline connections, 360 bcf of annual throughput, and 47 bcf of storage working gas capacity.

16 MSIP's domestic experience also includes natural gas power generation, further
17 demonstrating the depth of MSIP's knowledge, experience, and financial capabilities in natural
18 gas infrastructure. In 2018, NHIP II acquired a majority stake in Bayonne Energy Center,⁶ a 644
19 MW modern, fast-response natural gas power generating facility in Bayonne, New Jersey. In

⁴ Peer group consists of pipelines with at least 3,500 miles of transportation pipe serving as least 3 states.

⁵ Mastio 15th Edition Natural Gas Transportation Customer Value Study – 2014.

⁶ A current MSIP portfolio company.

1 2017, NHIP II acquired a majority stake in Red Oak Power,⁷ an 805 MW baseload, efficient gas-
2 fired power plant located in Sayreville, New Jersey.

3 MSIP's natural gas infrastructure experience extends beyond American shores as well. In
4 2015, NHIP II acquired a majority stake in Ital Gas Storage, which holds a 40-year concession to
5 construct and to operate what is now the largest independently regulated gas storage facility in
6 Northern Italy. In 2021, the NHIP III Group acquired a significant stake in Höegh LNG,⁸ one of
7 the largest owner-operators of floating natural gas storage and regasification units, a critical
8 element of the liquified natural gas value chain. In 2010, NHIP I formed Madrileña Red Gas
9 ("MRG") through a complex carve out of certain gas distribution operations of Gas Natural. At
10 the time, MRG operated a 5,500 km network of medium-and low-pressure pipelines serving
11 approximately 59 municipalities of Spain's capital, Madrid, on the basis of perpetual licenses.
12 During MSIP's ownership, additional assets from Gas Natural were carved-out, increasing
13 MRG's connection points from 500,000 to 842,600. MRG further demonstrates MSIP's expertise
14 and ability to successfully operate carved-out assets.

15 **Q. Please address MSIP's financial capability to operate the facilities in compliance**
16 **with the terms and conditions of the Certificate.**

17 A. MSIP is managed by Morgan Stanley Infrastructure Inc., a wholly owned subsidiary of
18 Morgan Stanley (NYSE: MS). Morgan Stanley has long-term credit ratings of A1/A-/A+
19 (Moody's/S&P/Fitch). MSIP is a global leader in private infrastructure equity financing which
20 targets assets that provide essential public goods and services. MSIP has a diverse team across 7

⁷ A current MSIP portfolio company.

⁸ A current MSIP portfolio company.

1 offices in North America, Europe, and Asia-Pacific, with its headquarters located in New York,
2 New York. Since its inception in 2006, MSIP's four global flagship funds and co-investment
3 vehicles have raised approximately [REDACTED] of capital commitments and have invested [REDACTED]
4 [REDACTED] across more than 35 portfolio companies. Energy and power infrastructure sector is a key
5 focus and since 2006, MSIP has invested approximately [REDACTED] of equity capital in energy
6 and power infrastructure. MSIP will indirectly acquire its portion of the partnership interests in
7 PNGTS through NHIP III. The NHIP III Group is a \$5.5 billion fund. Following the acquisition,
8 the NHIP III Group is projected to have over [REDACTED] of committed, uncalled capital. Based
9 on MSIP's available capital, and its expected revenues from operating the PNGTS assets, MSIP
10 has more than sufficient financial resources to operate the PNGTS facilities in compliance with
11 the terms and conditions of the Certificate.

12 **Conclusion**

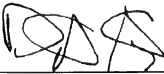
13 **Q. In your opinion, does MSIP have the requisite financial capability to assure the**
14 **operation of the PNGTS facilities in continuing compliance with the terms and conditions**
15 **of the Certificate?**

16 A. Yes. In my opinion, based on the testimony provided above and based on the information
17 provided in the Petition, MSIP satisfies the criteria set forth in Site 301.13(a) and the
18 requirements of RSA 162-H:16, IV(a), and therefore has the requisite financial capability to
19 assure operation of the PNGTS facilities in continuing compliance with the terms and conditions
20 of the Certificate.

21 **Q. Does this conclude your testimony?**


22 A. Yes.

I affirm that the information contained in this testimony is true and accurate.

By: 
Name: Daniel Sailors
Title: Vice President

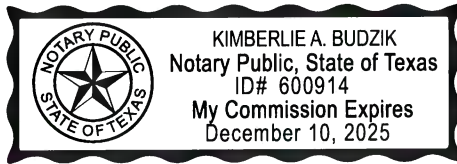
STATE OF TEXAS
COUNTY OF HARRIS

On March 26, 2024, personally appeared before me the above-named Daniel Sailors, and swore that this testimony is true and accurate to the best of his knowledge and belief. This notarial act was an online notarization.



Notary Public/Justice of the Peace
My Commission Expires: December 10, 2025

(Seal)





Daniel Sailors

Americas Investing, Infrastructure Partners
17 years industry experience

Biography

Daniel Sailors is a Managing Director focused on Americas investing. Daniel's most recent investment and operating experience prior to MSIP was Managing Partner and CFO at Discovery Midstream ("Discovery"). Prior to Discovery, Daniel spent a decade at private equity firms TPG Capital and Riverstone Holdings, after starting his career in the investment banking division of Credit Suisse. Daniel holds bachelor's degrees in Finance and Business Administration from the University of Kansas, where he graduated from the Honors Program.

ATTACHMENT 2a

Pre-Filed Testimony of Daniel Sailors

CONFIDENTIAL

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE ORDER AND CONFIDENTIAL
TREATMENT

**THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE SITE EVALUATION COMMITTEE**

**DOCKET NO. SEC 2024-__
PORTLAND NATURAL GAS TRANSMISSION SYSTEM**

PRE-FILED DIRECT TESTIMONY OF MARK SAXE

In Support of Joint Petition to Change Ownership

1 **Qualifications and Purpose of Testimony**

2 **Q. Please state your name and business address.**

3 A. My name is Mark Saxe and my business address is One Lafayette Place, Greenwich, CT
4 06830.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am a Managing Director at BlackRock Inc. (“BlackRock”), a leading publicly traded
7 investment management firm, where I am part of the BlackRock Diversified Infrastructure
8 Group (“BGIF Group”), which is BlackRock’s flagship diversified infrastructure business
9 managed by BlackRock Financial Management, Inc. (“BAM”), a wholly-owned subsidiary of
10 BlackRock.

11 **Q. Please describe your background and work experience.**

12 A. I have served as a Managing Director at BlackRock since 2017. In my role as Managing
13 Director, I am responsible for leading investments in the midstream, regulated utilities, and
14 digital infrastructure sectors, and in my capacity as a member to the Investment Committee of
15 the diversified infrastructure funds, I oversee investments in the environmental, low-carbon
16 power, regulated utilities, transportation and logistics, and digital infrastructure sectors. From
17 2011 to 2017, I worked for First Reserve Energy Funds, a private equity firm investing
18 exclusively in the energy sector since 1983, that was acquired by BlackRock in 2017. Prior to
19 joining First Reserve Energy Funds, from 2004-2011 I was the Director of the Corporate
20 Development Department at Loews Corporation and, while employed by Loews Corporation, I
21 served as a board observer for Boardwalk Pipelines which encompassed approximately 13,000
22 miles of FERC-regulated natural gas pipelines. From 2001-2004, I worked in the Investment

Portland Natural Gas
Transmission System

Pre-Filed Direct Testimony of Mark Saxe
Joint Petition to Change Ownership

Page 2 of 9

1 Banking Division of Lehman Brothers. I hold a Bachelor of Commerce degree from McGill
2 University with concentrations in Finance and Information Technology. Please also see my
3 professional biography attached as Exhibit 1.

4 **Q. What is the purpose of your testimony?**

5 A. It is my understanding that Portland Natural Gas Transmission System (“PNGTS”) is
6 seeking the approval of the New Hampshire Site Evaluation Committee (“SEC”) pursuant to
7 RSA 162-H:8 for the transfer of upstream partnership interests contemplated by the Joint Petition
8 to Change Ownership (“Petition”), and, as part of such approval request, a showing of adequate
9 financial capability of the buyers must be made. My testimony will demonstrate that BlackRock
10 Global Infrastructure Fund IV, SCSp, an affiliate of BlackRock (“BGIF IV”), one of the two
11 Buyers identified in the Petition, has the requisite financial capability to operate the PNGTS
12 facilities in compliance with the Certificate of Site and Facility issued by the SEC to PNGTS on
13 July 16, 1997 (the “Certificate”). This testimony supplements the Petition and the testimony of
14 Daniel Sailors, Vice President at Morgan Stanley Infrastructure Inc., as advisor to the Morgan
15 Stanley Infrastructure Partners investment platform and its current or future investment vehicles
16 (“MSIP”), concerning the financial capability of North Haven Infrastructure Partners III (AIV-B)
17 SCSp, an affiliate of Morgan Stanley Infrastructure Inc (“NHIP III”).

18 Attachment 1 to the Petition shows the direct and indirect ownership of BlackRock, as
19 required by Site 301.04(a)(2). BlackRock is also providing a chart demonstrating its post-
20 closing corporate structure as it relates to PNGTS. Attachment 5 to the Petition is a current
21 statement of assets and liabilities for BGIF IV, as required by Site 301.04(a)(5). As
22 demonstrated by the Petition, the attachments, and this testimony, BlackRock has more than

1 sufficient financial capability to ensure the continued operation of the PNGTS facilities in
2 compliance with the Certificate.

3 **Description of Transaction**

4 **Q. Please briefly describe the proposed transaction.**

5 A. This transaction (the “Transaction”) involves the transfer of 100% of the upstream
6 partnership interests in PNGTS to an entity that is a subsidiary of BGIF IV and a subsidiary of
7 NHIP III (together, the “Buyers”) from TC Pipelines, LP (“TCP”) and Northern New England
8 Investment Company (“NNEIC,” and together with TCP, the “Sellers”). Buyers and Sellers are
9 collectively referred to as the “Petitioners.” The PNGTS facilities include approximately 110
10 miles of natural gas pipeline in New Hampshire, along with appurtenant facilities. The northern
11 component in New Hampshire is approximately 79.1 miles long and extends from Pittsburg,
12 New Hampshire to Shelburne, New Hampshire, with a lateral extension of 0.7 miles to Groveton,
13 New Hampshire. The southern component in New Hampshire is approximately 31.3 miles long
14 and extends from Newington, New Hampshire to Plaistow, New Hampshire, with a 1.1-mile
15 lateral extension to Newington, New Hampshire, as well as a 0.6-mile extension to Haverhill,
16 Massachusetts.

17 On March 2, 2024, the Petitioners entered into a Purchase and Sale Agreement (“PSA”)
18 to facilitate the transfer of the partnership interests in PNGTS to BGIF IV and NHIP III. NHIP
19 III and BGIF IV each indirectly own a 50% interest in Beehive Loop JV LLC. Beehive Loop
20 AcquisitionCo LLC (“Beehive Loop AcquisitionCo”), a wholly-owned subsidiary of Beehive
21 Loop JV LLC, will, at the closing of the Transaction receive from Sellers 99.99% of Purchased
22 Interests (as defined in the PSA) and Beehive Loop StubCo LLC, also a wholly-owned

1 subsidiary of Beehive Loop JV LLC, will receive 0.01% of the Purchased Interests. At the
2 closing of the Transaction, BGIF IV and NHIP III will each indirectly own a 50% interest in
3 PNGTS. Pre- and post-closing Organizational Charts appended to the Petition, at Attachment 1,
4 identify the respective Buyer subsidiaries involved in this Transaction.

5 **Q. How will Beehive Loop AcquisitionCo fund the acquisition of PNGTS?**

6 A. The proposed ownership of PNGTS by Beehive Loop AcquisitionCo will be funded by
7 both equity investments made by NHIP III and BGIF IV and its affiliates as well as new debt
8 raised from third parties that will be entered into at the Beehive Loop AcquisitionCo entity
9 level.¹ MSIP and BGIF IV have initially committed to fund up to [REDACTED] of equity to fund
10 Beehive Loop AcquisitionCo's purchase of PNGTS for \$1.135 billion. BlackRock's financing
11 will be completed via BlackRock's Global Infrastructure Fund IV and other funds under the
12 management of BlackRock Alternatives Management, LLC. The purchase price includes the
13 assumption of \$250 million in outstanding Senior Notes.

14 I understand that PNGTS is currently a party to the following financing arrangements:

- 15 • [REDACTED] Revolving Credit Agreement, dated April 5, 2018 (as amended by the First
16 Amendment to Revolving Credit Agreement dated January 31, 2023), by and among
17 PNGTS (as Borrower), Truist Bank (as Agent) and the Lenders party thereto (the
18 "Revolving Credit Agreement"). Note BlackRock and MSIP do not expect there to be
19 any balance outstanding under the Revolving Credit Agreement at closing of the
20 Transaction.

¹ In connection with closing of the Transaction, Beehive Loop AcquisitionCo plans to enter into a senior secured term loan facility or 4(a)2 private placement to fund the purchase of PNGTS. Beehive Loop AcquisitionCo has already received committed financing from two banks to fund a \$464,006,261 senior term loan facility to fund the purchase of PNGTS.

- 1 • [REDACTED] of [REDACTED] Senior Notes (Series A) due October 8, 2030 (“Series A Notes”)
- 2 issued pursuant to a Note Purchase and Private Shelf Agreement, dated October 8, 2020
- 3 (“NPA”); and
- 4 • [REDACTED] of [REDACTED] Senior Notes (Series B) due October 29, 2031 (“Series B Notes”)
- 5 issued pursuant to the NPA.

6 Upon the closing of the Transaction, NHIP III and BGIF IV expect to terminate the Revolving
7 Credit Agreement if the consent that is required by the lenders thereto in connection with the
8 transaction is not obtained and the Series A and Series B Senior Notes are expected to remain
9 outstanding on PNGTS’s books.

10 **Financial Capability of BlackRock**

11 **Q. Please describe BlackRock’s experience in financing energy infrastructure assets.**

12 A. BlackRock has extensive experience owning and managing its investments in energy and
13 utility infrastructure assets, including natural gas pipeline assets.

14 Several of BlackRock’s pipeline assets transmit domestic natural gas across hundreds of
15 miles under the regulatory oversight of the Federal Energy Regulatory Commission (“FERC”).²
16 For instance, in 2019, the BGIF Group acquired a substantial stake in Meade Pipeline Company,³
17 a 185-mile natural gas pipeline system in the Marcellus and mid-Atlantic regions. In the same
18 year, the BGIF Group also acquired a preferred interest in Equitrans Midstream, a US-based
19 contracted natural gas midstream company operating storage and transmission systems which
20 include approximately 940 miles of FERC-regulated, interstate pipelines. In 2016, the BGIF

² As described in the Joint Petition, PNGTS is also subject to FERC’s regulatory oversight.

³ A current BGIF Group portfolio company.

1 Group acquired a substantial stake in Arrowhead Gulf Coast Holdings LLC, which operates
2 about 400 miles of pipelines carrying crude oil in southern Louisiana.

3 The BGIF Group has also managed financial investments in smaller-scale pipelines as
4 well. In 2021, the BGIF Group acquired a majority stake in Centric Infrastructure Group,⁴ a
5 Texas-based utility that owns and operates a local natural gas distribution network and high-
6 speed internet fiber optic cable. In 2017, the BGIF Group acquired a majority stake in
7 Hearthstone Utilities (now named Hope Utilities, formerly Gas Natural, Inc.), a natural gas
8 holding company serving approximately 82,000 people and businesses in Maine, Montana, North
9 Carolina, Ohio, and Indiana.

10 The BGIF Group also has extensive non-domestic experience. In 2020, the BGIF Group
11 acquired a substantial stake in Kellas Midstream,⁵ a critical natural gas pipeline system located in
12 the North Sea and serving the United Kingdom. In 2020, the BGIF Group partnered with
13 Naturgy to acquire a majority stake in Medgaz, S.A.,⁶ a natural gas pipeline serving Spain. In
14 2022, the BGIF Group acquired a minority stake in Aramco Gas Pipelines,⁷ a natural gas
15 pipeline located in Saudi Arabia.

16 BlackRock also manages financial investments in projects involving generation, storage,
17 and refining assets both domestically and internationally. In 2014, the BGIF Group acquired a
18 majority stake in Navigator Energy Services, a midstream company which operates about 650
19 miles of pipeline, which constructs crude oil gathering, transportation, and storage assets in West

⁴ A current BGIF Group portfolio company.

⁵ A current BGIF Group portfolio company.

⁶ A current BGIF Group portfolio company.

⁷ A current BGIF Group portfolio company.

1 Texas. In 2017, the BGIF Group acquired a majority stake in Glass Mountain Pipeline,⁸ a 280-
2 mile crude oil gathering and storage system traversing Oklahoma and Texas. In 2012, the BGIF
3 Group acquired a majority stake in First Caribbean Power and Midstream, a power and
4 midstream joint venture with Beowulf Energy consisting of a 225 MW power generation facility
5 and related pipeline infrastructure. In 2016, the BGIF Group acquired a majority stake in
6 Mexico Clean Fuels Infrastructure, an ultra-low sulfur gasoline processing plant in Mexico. In
7 the same year, the BGIF Group acquired a substantial stake in PetroFirst Infrastructure, which
8 operates offshore floating production and storage infrastructure across Southeast Asia. In 2022,
9 the BGIF Group acquired a minority stake in ADNOC Oil Pipeline, a crude oil gathering system
10 in the United Arab Emirates.

11 **Q. Please address BlackRock's financial capability to operate the facilities in**
12 **compliance with the terms and conditions of the Certificate.**

13 A. BlackRock, together with its subsidiaries (which includes BAM), is a leading publicly
14 traded investment management firm. As of December 2023, BlackRock has \$10 trillion of assets
15 under management and approximately 19,500 employees in more than 30 countries. BlackRock
16 provides a broad range of investment and technology services to institutional and retail clients
17 worldwide. As of September 30, 2023, BlackRock and its subsidiaries had \$9.1 trillion of assets
18 under management across equity, fixed income, multi-asset, cash, and alternative strategies
19 (including infrastructure).

20 BlackRock's infrastructure platform manages more than \$47 billion of capital across
21 diversified equity and debt investment solutions. BlackRock's infrastructure platform has over

⁸ A current BGIF Group portfolio company.

1 200 people based in over 18 offices globally. The BGIF Group is a dedicated 50-person
 2 investment team based across Greenwich (Connecticut), London, Singapore, and Mexico City
 3 and brings to bear significant expertise in owning and managing infrastructure investments. The
 4 BGIF Group has a global footprint with a focus on investing across energy and environmental
 5 assets, low-carbon power, regulated utilities, transportation and logistics, and digital
 6 infrastructure sectors and industries.

7 BGIF IV, is the BlackRock-affiliated investment fund that is the 50% investor with NHIP
 8 III holding the other 50% in Beehive Loop JV LLC, the upstream owner of the entity that is
 9 ultimately purchasing PNGTS. BGIF IV is an infrastructure fund that invests in essential
 10 infrastructure assets in the environmental, low-carbon power, regulated utilities, transportation
 11 and logistics, and digital infrastructure sectors across the globe. BGIF IV is a targeted [REDACTED]
 12 fund that has commitments to date over [REDACTED] that, as of the date hereof has invested or is
 13 committed to invest [REDACTED] (including this Transaction). The BGIF Group manages [REDACTED]
 14 [REDACTED] in capital commitments across four funds, with a substantial amount of those invested in,
 15 or committed to be invested in, energy infrastructure assets.

16 Based on BlackRock’s significant financial resources, and its expected revenue from
 17 operating PNGTS assets, BlackRock has more than sufficient financial resources to operate the
 18 PNGTS facilities in compliance with the terms and conditions of the Certificate.

19 **Conclusion**

20 **Q. In your opinion, does BlackRock have the requisite financial capability to assure the**
 21 **operation of the PNGTS facilities in continuing compliance with the terms and conditions**
 22 **of the Certificate?**

1 A. Yes. In my opinion, based on my testimony and the information provided in the Petition,
2 BlackRock satisfies the criteria set forth in Site 301.13(a) and the requirements of RSA 162-
3 H:16, IV(a), and therefore has the requisite financial capability to assure operation of the PNGTS
4 facilities in continuing compliance with the terms and conditions of the Certificate.

5 **Q. Does this conclude your testimony?**

6 A. Yes.

I affirm that the information contained in this testimony is true and accurate.

By: 

Name: Mark Saxe

Title:

STATE OF Connecticut
COUNTY OF Fairfield

On March 26, 2024, personally appeared before me the above-named Mark Saxe, and swore that this testimony is true and accurate to the best of his knowledge and belief.

ASHLEY CARR
NOTARY PUBLIC
My Commission Expires July 31, 2028

(Seal)



Notary Public/Justice of the Peace
My Commission Expires:

BlackRock Global Infrastructure Funds

Selected Biographies



Mark Saxe
Managing Director

Mark Saxe, Managing Director, joined the BlackRock Global Infrastructure Funds team ("BGIF") in 2011. The BGIF team manages approximately \$14 billion in capital commitments across four vintages. BGIF invests globally in essential contracted infrastructure assets and businesses by capitalizing on the long-term trends of decarbonization, decentralization and digitalization. The BGIF team has created over 40 portfolio companies across the globe for the Funds and includes over 60 investment professionals who are located in Greenwich (Connecticut), London, Singapore, Houston and Mexico City. The BGIF team joined BlackRock in 2017 from First Reserve, a private equity firm that was founded in 1983 and created the BGIF infrastructure platform in 2008. The BGIF team raised the first two vintages while at First Reserve.

Mark's responsibilities include deal origination, structuring, execution, monitoring, and exit strategy. At BGIF, Mr. Saxe leads, or has led, investments in midstream, energy services, digital & technology, and renewables projects. He is a member of the Investment Committee.

Prior to joining BGIF, Mr. Saxe was a Director in the Corporate Development Department of Loews Corporation. Prior to Loews Corporation, he was in the Investment Banking Division at Lehman Brothers. Mr. Saxe holds a Bachelor of Commerce from McGill University.

ATTACHMENT 3a

Pre-Filed Testimony of Mark Saxe

CONFIDENTIAL

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE ORDER AND CONFIDENTIAL
TREATMENT

ATTACHMENT 4

NHIP Statement of Assets and Liabilities

CONFIDENTIAL

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE ORDER AND CONFIDENTIAL
TREATMENT

ATTACHMENT 5

BGIF Statement of Assets and Liabilities

CONFIDENTIAL

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE ORDER AND CONFIDENTIAL
TREATMENT

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE SITE EVALUATION COMMITTEE

DOCKET NO. SEC 2024-__

PORTLAND NATURAL GAS TRANSMISSION SYSTEM

PRE-FILED DIRECT TESTIMONY OF WILLIAM YARDLEY

In Support of Joint Petition to Change Ownership

1 **Qualifications and Purpose of Testimony**

2 **Q. Please state your name, title, and business address.**

3 A. My name is William “Bill” Yardley and I am the former President of Gas Transmission
4 and Midstream and Executive Vice President of Enbridge, Inc. (“Enbridge”).

5 **Q. Please describe your background and experience.**

6 A. Enbridge moves 20% of all natural gas in the United States. As President of Gas
7 Transmission and Midstream at Enbridge, I was responsible for the financial, operational, and
8 regulatory performance of Enbridge’s \$3 billion earnings before interest, taxes, depreciation, and
9 amortization (“EBITDA”) business unit in the U.S. and Canada, operating 20,000 miles of
10 pipeline and 200 billion cubic feet of storage across 32 U.S. States. I maintained reliable service
11 to major gas and electric utility customers while overseeing the deployment of \$4 billion into a
12 substantial pipeline integrity and modernization program and growing the business at a 5–7%
13 year-over-year rate. I oversaw 10 rate proceedings in 4 years, and lead Enbridge to record-low
14 employee and contractor injury rates. Prior to Enbridge, I served from 2017 to 2022 as Chairman
15 and President of Spectra Energy Partners (NYSE: SEP), where I oversaw the buy-in of Spectra
16 Energy Partners into Enbridge. From 2007 to 2017, I worked for Spectra Energy (NYSE: SE),
17 where I served as the Group Vice President of Northeast Transmission and then President of U.S.
18 Transmission and Storage. Prior to Spectra Energy, I worked at Duke Energy, where I led the
19 integration of Westcoast’s Union Gas utility into Duke Energy. From 1997-2000, I served as the
20 Vice President of Marketing for Boston Gas Company, where I directed the sales and marketing
21 team to convert homeowners’ energy supply from fuel oil to natural gas, and helped lead the

1 company through three utility acquisitions and one merger. For further details on my
2 qualifications, please refer to my curriculum vitae attached as Exhibit 1.

3 **Q. What is the purpose of your testimony?**

4 A. It is my understanding that Portland Natural Gas Transmission System (“PNGTS”) is
5 seeking the approval of the New Hampshire Site Evaluation Committee (“SEC”) pursuant to
6 RSA 162-H:8 for the transfer of partnership interests contemplated by the Joint Petition to
7 Change Ownership (“Petition”), and, as part of such approval request, a showing of adequate
8 technical and managerial capability of the buyers must be made. My testimony will demonstrate
9 that BlackRock Global Infrastructure Fund IV, SCSp (“BGIF IV”), an affiliate of BlackRock
10 Financial Management, Inc., a wholly owned subsidiary of BlackRock Inc. (“BlackRock”), and
11 North Haven Infrastructure Partners III (AIV-B) SCSp (“NHIP III”), an affiliate of Morgan
12 Stanley Infrastructure Inc., advisor to the Morgan Stanley Infrastructure Partners investment
13 platform and its current or future investment vehicles (“MSIP”) (NHIP III together with BGIF
14 IV, “Buyers”), have the requisite technical and managerial capability to operate the PNGTS
15 facilities. The corporate structure of the companies is described in the testimony of Mark Saxe,
16 BlackRock’s financial witness, and Daniel Sailors, MSIP’s financial witness, as well as in the
17 organizational charts presented in Attachment 1 to the Petition, which depict the pre-closing and
18 post-closing structure of PNGTS and the associated BlackRock and MSIP entities. I will also
19 explain the role of the Transition Services Agreement (“TSA”) with respect to the ongoing
20 operation of the PNGTS facilities.

21

1 **Technical and Managerial Capability to Operate PNGTS Facilities**

2 **Q. Please describe the TSA and explain how it will work.**

3 A. For up to one year following closing of the proposed transaction, TransCanada Northern
4 Border Inc. (“TC Service Provider”), an affiliate of TC Energy Corporation and the current
5 operator of PNGTS, has agreed to provide certain services to Buyers that will allow Buyers to
6 continue to operate PNGTS in substantially the same manner as it is currently being operated.
7 Such services to be provided include environmental monitoring and reporting, daily operations
8 of the pipeline facilities and general corporate services and accounting. The scope of services to
9 be provided by TC Service Provider is the result of an intensive due diligence process
10 undertaken by Alvarez & Marsal, a market leading management consultant for transactions of
11 this nature, designed to ensure that Buyers will be able to operate PNGTS in substantially the
12 same manner as TC Service Provider currently operates PNGTS.

13 **Q. Please describe BlackRock’s and MSIP’s experience operating facilities similar to**
14 **the PNGTS facilities.**

15 A. BlackRock and MSIP, both individually and together, have extensive experience and
16 expertise putting in place management and operations teams to oversee daily operations of their
17 energy assets in general, and their natural gas pipeline assets in particular. For further details on
18 past project operational successes under MSIP’s leadership, please refer to the testimony of
19 Daniel Sailors. For further details on BlackRock’s successes, please refer to the testimony of
20 Mark Saxe.

1 **Q. Please describe the experience and expertise of any contractors or consultants**
2 **expected to be engaged to provide technical or managerial support in operating the PNGTS**
3 **facilities.**

4 A. Under the terms of the TSA between TC Service Provider and PNGTS, for up to a year
5 following closing of the proposed transaction, unless earlier terminated in accordance with the
6 terms of the TSA, the TC Service Provider will continue to operate the PNGTS system while
7 BlackRock and MSIP assemble an experienced team to operate PNGTS going forward. The TSA
8 is included with the Petition as Attachment 7. Following the expiration or termination of the
9 TSA, BlackRock and MSIP have committed to making employment offers to certain “Available
10 Employees”, who are employees and technicians of an affiliate of the TC Service Provider who
11 currently operate the pipeline. The TSA will ensure that PNGTS’s operations and service to
12 PNGTS’s customers (the majority of whom are located outside of New Hampshire and none of
13 whom are direct retail customers) will remain at the same level of quality that existed prior to
14 closing the transaction during this transition period while MSIP and BlackRock put their
15 permanent management and operations teams in place.

16 The transaction will not have any impact on PNGTS’s two existing New England
17 regional offices, one of which is located in and will continue to be located in Lancaster, New
18 Hampshire. BlackRock and MSIP are in the process of engaging me to serve in a senior
19 leadership role at PNGTS upon the closing of the transaction. BlackRock and MSIP are also
20 considering the use of management consultant firms such as Alvarez & Marsal, and Embark,
21 which are both leading management consulting firms specializing in transitioning energy-related
22 businesses to new ownership. Alvarez & Marsal’s consulting services have supported corporate

1 transformations of greater than \$20 billion in enterprise value for 300 companies as well as
2 mergers, acquisitions, and divestitures of greater than \$120 billion for 50 energy companies.
3 Embark consulting has been engaged by more than 1,000 companies, including 350+ energy
4 clients, to provide a myriad of services, including M&A support on transactions in excess of \$10
5 billion in aggregate value.

6 The close of this transaction will benefit PNGTS and its customers by providing access to
7 BlackRock's and MSIP's significant financial resources that may be used for future capital
8 expansion as desired by its customers—natural gas local distribution companies, industrial
9 customers, and gas marketing customers with delivery points in Massachusetts, New Hampshire,
10 Rhode Island, and Maine—and as approved by the applicable regulatory agencies.

11 BlackRock and MSIP have already agreed to use commercially reasonable efforts to coordinate
12 with TransCanada PipeLines Limited to evaluate the possibility of extending service to East
13 Hereford, Canada. BlackRock and MSIP, as the new upstream owners of PNGTS, intend for
14 their affiliate or affiliates to continue to employ local employees and maintain local offices for
15 PNGTS, as well as continue to support New Hampshire's industrial businesses and natural gas
16 local distribution companies through PNGTS's day-to-day operations.

17 *Conclusion*

18 **Q. Do BlackRock and MSIP have the technical and managerial capability to assure**
19 **that PNGTS is operated in continuing compliance with the terms and conditions of its**
20 **Certificate?**

21

1 A. Yes. In my opinion, based on my testimony and the information provided in the Petition,
2 BlackRock and MSIP satisfy the criteria set forth in Site 301.13(b) and (c) and the requirements
3 of RSA 162-H:16, IV (a), and therefore have the requisite technical and managerial capability to
4 assure operation of the PNGTS facilities in continuing compliance with the terms and conditions
5 of the Certificate of Site and Facility issued by the SEC to PNGTS on July 16, 1997.

6 **Q. Does this conclude your testimony?**

7 A. Yes.

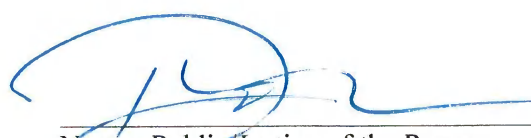
I affirm that the information contained in this testimony is true and accurate.

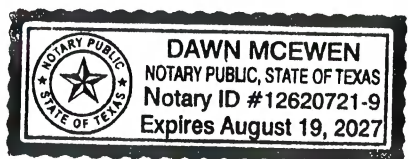
By: 
Name: William Yardley

STATE OF Texas
COUNTY OF Harris

On March 25, 2024, personally appeared before me the above-named William Yardley, and swore that this testimony is true and accurate to the best of his knowledge and belief.

(Seal)


Notary Public/Justice of the Peace
My Commission Expires:



William T. Yardley
2306 Kingston Street
Houston, TX 77019
billyyard@yahoo.com
(617) 571-2705

Experienced energy executive that has led organizations through significant changes including market upheavals, mergers, spin-offs, divestitures, regulatory and operational challenges. Established strategies specific to all stakeholder groups and geared the organization accordingly to focus on each. A proven leader, relationship builder and advocate for the evolution of traditional energy organizations through investments in new energies.

**Executive Vice President and President, Gas Transmission and Midstream
Enbridge, Inc.**

Enbridge, Inc. (NYSE: ENB) is a leading energy infrastructure company with 12,000 employees and a market capitalization of \$80 billion, moving 30% of North American crude oil and 20% of the natural gas in the United States. It also operates North America's third largest utility and has a growing renewable energy portfolio in North America and Europe.

As President of Gas Transmission and Midstream, was responsible for financial, operational and regulatory performance of the \$3 billion EBITDA business unit in the U.S. and Canada. The business operated in 32 states and 5 Canadian provinces, with 20,000 miles of pipeline, 200 billion cubic feet of storage, and five million horsepower at 126 compressor stations. Maintained reliable service to major gas and electric utility customers, overseeing a substantial pipeline integrity and modernization program while growing the business unit at 5-7% per year and improving employee and contractor safety annually.

Highlights:

- Deployed \$10 billion in capital, growing annual EBITDA of the business unit, directing traditional growth, exports to Mexico and to liquefied natural gas export facilities.
- Created and funded a Market Innovations group to pivot the business unit and align with the energy transition in the U.S. and Canada.
- Led transformational pipeline integrity program, investing over \$4 billion in pipeline investigations, horsepower modernization and reliability improvements, resulting in a four-fold improvement in risk-of-failure.
- Led regulatory strategy, overseeing 10 rate proceedings in 4 years, settling on appropriate returns on capital deployed. Routinely briefed federal and state government officials on natural gas activities.
- Focused on personal safety practices, leading the organization to record-low employee and contractor incident rates.
- Led through significant mergers and divestitures. With a team of 2,000 employees, improved diversity and Houston office culture, as well as engagement.
- Liaison to White House task force on cyber security, receiving annual classified briefings and worked with the company's information technology team and peer companies to address and minimize risks.
- A member of the Executive Leadership team, key advisor to the CEO, and critical to the successful integration of Spectra Energy into Enbridge beginning in 2017.
- President and Chairman of Spectra Energy Partners (NYSE: SEP), managing the independent board and representing the entity to the investor community, ultimately overseeing the buy in of the entity into Enbridge, Inc.

Group Vice President and President U.S. Transmission (2012-2017)
Group Vice President – Northeast Transmission (2008-2012)
Spectra Energy

Spectra Energy (NYSE: SE) was a Fortune 500 company and one of North America's premier natural gas pipeline and midstream companies. It merged with Enbridge in 2017.

Highlights:

- As president of the U.S. Transmission business, achieved significant growth rates by deploying over \$7 billion in major pipeline projects, directing each from origination through permitting and construction.
- Oversaw the re-engineering of the natural gas system to accommodate shale gas, and the reversal of systems to serve the growing liquefied natural gas export industry on the U.S. Gulf Coast.
- Represented Spectra Energy Partners in the investor community.
- Board member, Spectra Energy Partners, 2016-17.

Group Vice President, Gas Transmission (2006-2007)
Vice President Marketing & Business Development (2001-2006)
Duke Energy (NYSE: DUK)

Highlights:

- Aligned customer growth and retention strategies, improving customer service.
- In conjunction with Duke Energy's acquisition of Westcoast Energy, led the integration of Westcoast's Union Gas utility into Duke Energy.
- Received Duke Energy's Pinnacle Award for excellence on the mid-Atlantic growth project.

Vice President Marketing (1997 – 2000)
Boston Gas Company

Highlights:

- Directed sales and marketing team to convert homeowners to gas from fuel oil.
- Managed \$10 million annual budget.
- Integrated 3 utilities into Boston Gas through acquisition.
- Led Marketing and Gas Supply integration teams upon merger with KeySpan.

Board Experience:

- Spectra Energy Partners 2012-2022, President and Chairman of the Board 2017 - 2022
- DCP Midstream LLP 2017-2022
- Interstate Gas Pipelines of America Assoc, 2017-2022, Chairman 2017-2018
- United Way of Greater Houston 2016 – present
- Greater Houston Partnership 2019-2021
- Northeast Gas Association 2012- 2021
- Westcoast Energy Inc. 2017-2022

Education:

- Bachelor of Arts in Economics, Colby College, Waterville, Maine (1986)
- Master's in Business Administration, Northeastern University, Boston, MA (1991)
- Advanced Management Program, Harvard University, Cambridge, MA (2012)

ATTACHMENT 7

Transition Services Agreement

CONFIDENTIAL

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE ORDER AND CONFIDENTIAL
TREATMENT