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APPEARANCES AS NOTED:

**Reptg. North Haven
Infrastructure Partners III
(AIV-B), SCSp & BlackRock
Global Infrastructure Fund IV,
SCSp (the Buyers):**
Barry Needleman, Esq.
Thomas B. Getz, Esq.
Viggo C. Fish, Esq.
(McLane Middleton)

**Reptg. TC Pipelines, LP, &
Northern New England
Investment Company, Inc.
(the Sellers):**
David P. Littell, Esq.
Mark W. Dean, Esq.
(Bernstein Shur)

Reptg. Counsel for the Public:
Melissa E. Fales, Esq.
Assistant Attorney General
(N.H. Dept. of Justice)

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P R O C E E D I N G

CHAIRMAN SPEIDEL: All right. We're own the record. Good morning. My name is Alexander Speidel, and I serve as a Senior Advisor at the New Hampshire Public Utilities Commission.

I have been appointed the Chair and Presiding Officer of today's Subcommittee on SEC Docket Number 2024-01, Joint Petition to Change Ownership of the Portland Natural Gas Transmission System. I am together with my fellow Subcommittee members, Mr. Joseph Doiron, Designee of Commissioner Taylor Caswell, and Mr. James Jalbert, a public member, selected by random draw per RSA 162-H:4-b.

This proceeding is being held pursuant to an Order of Notice issued on April the 24th of 2024. This Order of Notice was published, and an affidavit regarding the publication as ordered was filed by the Petitioner on May the 24th of 2024. And we also take note of an outstanding Motion for Clarification filed by the Petitioner on May the 10th of 2024.

There's a few small housekeeping items

1 that we need to attend to today in this hearing.
2 But, at the present time, what we'd like to do is
3 we'd like to take appearances from the parties,
4 simple appearances. And, then, I will begin a
5 soliloquy regarding some procedural issues that
6 can be addressed.

7 So, therefore, we will begin with
8 appearances, starting with the Petitioner.

9 MR. NEEDLEMAN: Good morning, Mr.
10 Chair, Members of the Committee. Barry
11 Needleman, from McLane Middleton, representing
12 the Petitioner. And along with me is also Tom
13 Getz and Viggo Fish, from McLane Middleton. And,
14 then, Bill Yardley, one of the witnesses we filed
15 prefiled testimony with the Petition.

16 CHAIRMAN SPEIDEL: Thank you.

17 MR. LITTELL: Good morning. David
18 Littell and Mark Dean, from Bernstein Shur, for
19 the Sellers.

20 CHAIRMAN SPEIDEL: Thank you. Are
21 there any other parties here today?

22 MS. FALES: Good morning. Counsel for
23 the Public, Melissa Fales, with the New Hampshire
24 Department of Justice.

1 CHAIRMAN SPEIDEL: Thank you.

2 At the present time, I would like to
3 ask if there are any members of the public
4 wishing to speak before the Subcommittee today?

5 *[No indication given.]*

6 CHAIRMAN SPEIDEL: I also wish to ask
7 whether there are any members of the public
8 seeking late-filed intervention here today?

9 *[No indication given.]*

10 CHAIRMAN SPEIDEL: Hearing none. I
11 will proceed with taking up the issue of the
12 Motion for Confidential Treatment filed by the
13 Petitioner. And the date of that filing, I want
14 to double-check, was on March the 26th of 2024.

15 Could the Petitioner please summarize
16 its arguments in favor of the Motion for
17 Confidential Treatment?

18 MR. NEEDLEMAN: Mr. Chair, there are
19 three forms of documents that we are seeking
20 confidential treatment for. They're Exhibits 4,
21 5, and 7 that were attached to the Petition.

22 The first set are "Statements of Assets
23 and Liabilities", which contain confidential
24 financial information that has customarily been

1 protected in these types of proceedings from
2 disclosure under the State Right-to-Know Law.

3 We also ask for confidential treatment
4 of the Transition Service Agreement. Again, it's
5 a type of document that has typically been
6 protected due to the confidential contracting
7 information contained in there.

8 And, then, finally, we sought
9 confidential treatment for portions of prefiled
10 financial testimony from Mr. Sailors and Mr.
11 Saxe, to the extent that that testimony also
12 referenced financial information, like in the
13 Statements of Assets and Liabilities.

14 We believe that in all of these cases
15 there is a significant basis and significant
16 precedent for treating this type of information
17 confidentially, and would request that you do so.

18 CHAIRMAN SPEIDEL: Thank you.

19 Would any other party wish to address
20 the Motion for Confidential Treatment by the
21 Petitioner today?

22 MR. LITTELL: Sellers support the
23 Motion. Obviously, we have a confidentiality
24 interest in some of those exhibits.

1 CHAIRMAN SPEIDEL: Thank you.

2 Are there any objections to the
3 Petitioner's Motion for Confidential Treatment
4 today?

5 *[No indication given.]*

6 CHAIRMAN SPEIDEL: Hearing none, I will
7 turn to my fellow Subcommittee members, and I
8 move to approve, on behalf of the delegated power
9 invested in us by the Full Committee, to approve
10 the Motion for Confidential Treatment by
11 Petitioner.

12 MR. JALBERT: Yes.

13 CHAIRMAN SPEIDEL: Do you second the
14 motion, sir?

15 MR. JALBERT: I do.

16 CHAIRMAN SPEIDEL: And do you support
17 the motion, sir?

18 MR. DOIRON: I do.

19 CHAIRMAN SPEIDEL: Therefore, the
20 Motion for Confidential Treatment is deemed
21 approved, and it will be memorialized in the
22 Subcommittee's decisional order following this
23 proceeding. Thank you.

24 At this time, in light of the

1 Subcommittee's approval of the Motion for
2 Confidential Treatment, I will ask Administrator
3 Biemer to distribute amongst counsel for the
4 Petitioners and the Counsel for the Public a
5 proposed exhibit list and nomenclature key for
6 today's proceeding.

7 There may be some confusion for the
8 Full Committee when it takes up this matter after
9 today's hearing, regarding the numbering and the
10 naming of some of these exhibits.

11 I understand that exhibits are
12 generally proposed by the petitioner, but this
13 was prepared in advance and in anticipation of
14 the Petitioner potentially seeking exhibit status
15 for some of these filings. So, I'll go through
16 them relatively quickly.

17 "Exhibit 1" would be the public
18 components of the Petition to Change Ownership,
19 filed on March the 26th of 2024, including
20 redacted, public versions of all the attachments
21 submitted by the Petitioner therein. So, there's
22 a number of attachments, and I won't go into the
23 specific numbering to avoid confusion, but
24 they're all there within the master public

1 version of the Petition.

2 Then, confidential "Exhibit 2", the
3 unredacted, confidential version of the Pre-Filed
4 Testimony of Mr. Daniel Sailors, filed on March
5 the 26th of 2024, and that has been labeled by
6 the Petitioner as "Attachment 2a".

7 Confidential "Exhibit 3" would be the
8 unredacted, confidential version of the Pre-Filed
9 Testimony of Mr. Mark Saxe, also filed on March
10 the 26th of 2024, labeled by the Petitioner as
11 "Attachment 3a".

12 Confidential "Exhibit 4", the NHIP
13 Statement of Assets and Liabilities, filed on
14 March the 26th of 2024, labeled by the Petitioner
15 as "Attachment 4".

16 Confidential "Exhibit 5" would be the
17 BGIF Statement of Assets and Liabilities, filed
18 on March the 26th of 2024, labeled by the
19 Petitioner as "Attachment 5".

20 "Exhibit 6" would be the Revised
21 Organizational Structure filed by the Petitioner,
22 filed on May the 16th of 2024. That's a little
23 bit out of sequence. But, in light of the next
24 exhibit's nomenclature filed by the Petitioner,

1 it probably avoids confusion.

2 Then, confidential "Exhibit 7" would
3 the Transition Services Agreement, also subject
4 to the approved Motion for Confidential
5 Treatment, filed on March the 26th of 2024,
6 labeled by the Petitioner as "Attachment 7".

7 And, finally, "Exhibit 8", in light of
8 the Petitioner tendering it for the
9 Subcommittee's consideration on May the 30th of
10 2024, would be the New Hampshire Department of
11 Energy Technical Statement prepared by Mr. Blair
12 and Dr. Arif on May the 3rd of 2024.

13 Does the Petitioner have any comments
14 or objections to these materials being labeled
15 and exhibited in the following order?

16 MR. NEEDLEMAN: No objection.

17 CHAIRMAN SPEIDEL: Does any other party
18 have objections to this nomenclature or exhibit
19 list?

20 *[Multiple parties indicating in the*
21 *negative.]*

22 CHAIRMAN SPEIDEL: Hearing none, we
23 will proceed with this nomenclature and Exhibit
24 List for this proceeding, and inform the Full

1 Committee thereof in the decisional order on this
2 docket. Thank you.

3 (The documents, as described above,
4 were herewith marked as **Exhibits 1**
5 **through 8** for identification.)

6 CHAIRMAN SPEIDEL: We will now proceed
7 taking up the question of the Motion for
8 Clarification filed by the Petitioner on May the
9 10th of 2024. I note that there are no
10 intervenors in today's proceeding, none were
11 timely filed pursuant to the terms of the Order
12 of Notice published by the Petitioner -- Joint
13 Petitioners, excuse me. And, furthermore, we see
14 no members of the public here today.

15 The Presiding Officer would propose
16 that we proceed with this hearing, with the
17 understanding that we do not have to directly
18 address the issue of the nature of this hearing,
19 on the basis that it was rendered moot by the
20 lack of participation by members of the public or
21 filing of interventions, given the arguments
22 presented by the Petitioners.

23 We essentially would decline, as a
24 Subcommittee, to render a legal opinion about

1 that issue to the Full Committee, but just
2 essentially provide a recommendation regarding
3 the underlying criteria for approval or
4 disapproval of this Petition.

5 Are there any objections to that
6 approach, starting with the Petitioner?

7 MR. NEEDLEMAN: No objection.

8 CHAIRMAN SPEIDEL: Any other objections
9 or comments?

10 *[Multiple parties indicating in the*
11 *negative.]*

12 CHAIRMAN SPEIDEL: Hearing none, the
13 Subcommittee will proceed on that basis here
14 today.

15 We will now invite the Petitioners to
16 make an offer of a witness and/or presentation of
17 their case to the Subcommittee. Do you intend to
18 present a witness here today, Attorney Needleman?

19 MR. NEEDLEMAN: Not formally, Mr.
20 Chair. We have Mr. Yardley available, if there
21 are any questions from the Committee.

22 But we don't have an intent to swear
23 him in and subject him to cross-examination, if
24 that's acceptable?

1 CHAIRMAN SPEIDEL: Does the Counsel of
2 the Public have any comments about that approach?

3 MS. FALES: I don't. I don't. I had a
4 chance to meet with the Petitioners ahead of this
5 hearing, and all of my questions have been
6 answered. And I'll make a little bit more
7 fulsome statement when it is my turn. But I
8 don't have any objection to proceeding in that
9 manner.

10 CHAIRMAN SPEIDEL: One moment please.

11 *[Chairman Speidel, Mr. Doiron, and*
12 *Mr. Jalbert conferring.]*

13 CHAIRMAN SPEIDEL: The Subcommittee
14 will proceed with Mr. Yardley answering questions
15 on an unsworn basis from the Bench and from other
16 interested parties, such as they are today.

17 Will there be an opening statement
18 provided by the Petitioners regarding today's
19 Petition?

20 MR. NEEDLEMAN: I do have one, when
21 you're ready to hear it, Mr. Chair.

22 CHAIRMAN SPEIDEL: That would be fine,
23 Attorney Needleman. You may begin your opening
24 statement.

1 MR. NEEDLEMAN: Thank you. Thank you,
2 members of the Committee.

3 So, Portland Natural Gas Transmission
4 System is a Maine general partnership. It owns
5 and operates a 295-mile FERC-regulated interstate
6 gas pipeline. The pipeline enters the United
7 States in Pittsburg, New Hampshire. It traverses
8 New Hampshire, over to Maine, and then comes back
9 into New Hampshire in Newington, and terminates
10 in Dracut, Massachusetts.

11 There are currently two partners in the
12 PNGTS system: TC Pipelines, LP, and Northern New
13 England Investment Company. Together I'll refer
14 to them as the "Sellers" here.

15 On March 2nd, 2024, the Sellers entered
16 into a Purchase & Sale Agreement to sell their
17 ownership interest in PNGTS for \$1.135 billion to
18 the Buyers. The Buyers here are North Haven
19 Infrastructure Partners, North Haven is an
20 affiliate of Morgan Stanley; and BlackRock Global
21 Infrastructure Fund, and that Fund is an
22 affiliate of BlackRock Financial Management.

23 On March 26th, 2024, the Buyers and
24 Sellers jointly filed the Petition with the Site

1 Evaluation Committee asking for approval of this
2 upstream change in ownership.

3 For SEC purposes, the governing
4 provision here is RSA 162-H:8, which deals with
5 "Disclosure of Ownership". And in pertinent
6 part, that provision states that "The committee
7 shall administratively approve changes of
8 ownership and transfers of certificates within
9 90 days of a petition if it determines the new
10 certificate holder has adequate financial,
11 technical, and managerial capability to assure
12 construction and operation of the facility in
13 continuing compliance with the terms of the
14 certificate."

15 So, that's the statutory standard, and
16 the one that we had in mind when we put together
17 and filed the Petition seeking this change in
18 ownership.

19 With the Petition, the Buyers included
20 sworn testimony of Daniel Sailors, from Morgan
21 Stanley, and Mark Saxe, from BlackRock. They
22 describe the financial capability of the Buyers,
23 who will each own a 50 percent interest at the
24 close of the transaction.

1 The Petition also includes the sworn
2 testimony of Bill Yardley. He described the
3 technical and managerial capability of the
4 Buyers, and also described the Transition
5 Services Agreement, which is a document that
6 helps to accommodate a smooth change in
7 ownership.

8 With respect to Mr. Sailors' testimony
9 specifically, he described Morgan Stanley's
10 extensive experience funding transactions and
11 assembling teams with the skills required to
12 develop, construct, operate, and maintain natural
13 gas pipeline facilities. He also pointed out
14 that the Morgan Stanley entity here is a
15 \$5.5 billion fund that has substantial,
16 committed, uncalled capital, which is available
17 for this transaction.

18 Mr. Saxe's testimony describes
19 BlackRock's experience owning, managing, and
20 investing in energy and utility infrastructure,
21 including natural gas pipelines. Mr. Saxe also
22 pointed out, among other things, that BlackRock
23 has approximately \$10 trillion in assets under
24 management, including \$47 billion of

1 infrastructure assets.

2 And, finally, with respect to
3 Mr. Yardley's testimony, he provided his
4 background, indicating that he is a highly
5 experienced executive in the natural gas
6 industry. And he describes the technical and
7 managerial capability of the Buyers, and how this
8 transition will occur. He explains how PNGTS
9 will be operated going forward, including how it
10 will be staffed, and how experienced consultants
11 will be used in that process.

12 We also note for you that there is a
13 companion proceeding, which is pending before the
14 New Hampshire Public Utilities Commission. In
15 that case, the relevant inquiry is under RSA
16 369:8, which concerns a change in ownership. And
17 the standard there is whether the change will
18 have a "adverse effect on rates, terms, service,
19 or operation".

20 The New Hampshire Department of Energy
21 conducted discovery and issued a technical
22 statement, which you now have a copy of that's
23 been marked as "Exhibit 8" in this proceeding.
24 And, in that statement, the Department of Energy

1 concluded that the change in ownership "will not
2 result in an adverse impact and is consistent
3 with the public good".

4 In sum, the Buyers are highly
5 experienced, well-financed entities, who we
6 believe unquestionably meet the statutory
7 standards in RSA 162-H:8, VI, as evidenced by all
8 the information submitted in this docket.
9 Consequently, we respectfully request that this
10 Subcommittee recommend to the Full Site
11 Evaluation Committee the transfer of the
12 Certificate, consistent with the request in the
13 Petition.

14 We appreciate your time. And we're
15 happy to answer any questions that you might
16 have.

17 CHAIRMAN SPEIDEL: Thank you, Attorney
18 Needleman.

19 Are there any other parties that wish
20 to offer opening statements here today?

21 *[Multiple parties indicating in the*
22 *negative.]*

23 CHAIRMAN SPEIDEL: Hearing none, I will
24 now proceed with Bench questioning of the

1 Petitioners' representative, Mr. Yardley, on an
2 unsworn basis.

3 But we thank Mr. Yardley for taking the
4 time to come to us, to New Hampshire, we really
5 appreciate it. We're a small state, but we're
6 one of fifty. So, we were glad that you were
7 able to take the time to show up.

8 And the thing that we'd like to ask is,
9 could you just state your name and your position
10 at your employed company, and a little bit about
11 our involvement in this transaction?

12 MR. YARDLEY: Sure. So, my name is
13 Bill Yardley. I am employed as a consultant to
14 both Morgan Stanley and BlackRock, specifically
15 to evaluate the transaction, and to help
16 facilitate the change in management, and the
17 transition from TC Energy and their operations,
18 to a new operating entity. Would you like my
19 experience, or is that good enough?

20 CHAIRMAN SPEIDEL: A brief summary
21 would be welcome.

22 MR. YARDLEY: Yes. Sure. So, I
23 actually entered the energy industry in 1991 with
24 Boston Gas Company. So, I was there for about

1 ten years, mostly in gas supply, and some in
2 marketing.

3 And, from there, I went to Duke Energy
4 Gas Transmission. And they were the owner and
5 operator of pipelines, such as Maritimes &
6 Northeast, and Algonquin, which is also a New
7 England pipeline. Oh, as well as about a dozen
8 other pipelines throughout the U.S., and,
9 ultimately, Canada.

10 Those assets changed hands from Duke
11 Energy, we bought out and made a -- became our
12 own company, called "Spectra Energy", and then we
13 were bought in 2017 by Enbridge.

14 And, so, I basically stayed with those
15 pipeline assets the entire time, from Duke to
16 Spectra to Enbridge. And, then, I retired in May
17 of 2022. The roles that I had most relevant
18 would be the last five or six years I was
19 President and EVP of Gas Transmission and
20 Midstream, overseeing all of the natural gas
21 operations for Enbridge in the U.S. and Canada.

22 CHAIRMAN SPEIDEL: Thank you, Mr.
23 Yardley, for that overview.

24 I don't want to venture into sensitive

1 financial or proprietary information of your
2 clients. But it may help the Subcommittee and
3 the Full Committee to understand as to how Morgan
4 and BlackRock came to be interested in the
5 pipeline business in Northern New England.

6 Can you share any insight as to their
7 strategic interest or whether they see a good
8 business opportunity in some form or fashion?

9 Again, I don't want to put you on the
10 spot, but I'm just kind of trying to get a sense
11 of why they're joining us as neighbors here in
12 Northern New England and New Hampshire?

13 MR. YARDLEY: I understand. I think,
14 they -- number one, they do operate and invest in
15 a number of different energy infrastructure
16 entities, either partly or wholly.

17 I think the attraction, number one, I
18 think there's a great belief in the product. I
19 think there's a great belief that natural gas has
20 a fairly long runway in our energy story, whether
21 it's as it exists today, but more likely as a
22 transition over several decades.

23 In particular, here in New England, I
24 think their interest was, you know, in general,

1 most of us would, that have been in the industry,
2 would say that the gas transmission grid is
3 somewhat constrained, I think even the ISO-New
4 England would say that the gas system is somewhat
5 constrained. And with that, we have a, you know,
6 a fully contracted for pipeline for a number of
7 years, if not decades, that we consider to be a
8 vital part of New England's energy
9 infrastructure.

10 And, so, I think their interest was
11 just that. It's not -- it's nothing more than a
12 very well-maintained, relatively new pipeline,
13 which is so critical to the energy infrastructure
14 in New England.

15 CHAIRMAN SPEIDEL: So, I know that you
16 mentioned that your clients, Morgan and
17 BlackRock, both have presence in the pipeline
18 business elsewhere. I do know, and you correct
19 me if I'm wrong, I know that the Champlain Energy
20 Link electric transmission line had a BlackRock
21 investment component in it over in Vermont. I
22 don't know of any other pipelines where they're
23 involved in New England. Or can you -- are they
24 involved elsewhere east of the Mississippi or

1 anywhere around here?

2 MR. YARDLEY: I think -- well, this is
3 a better question for Morgan Stanley and
4 BlackRock.

5 CHAIRMAN SPEIDEL: Okay.

6 MR. YARDLEY: I'm vaguely familiar with
7 some of their assets. I think a number of them
8 would be, let's say, in the Southwest, so in
9 Texas, Louisiana, up through Colorado.

10 But I do believe they have interest in
11 a wind facility in New England, and some of the
12 new offshore wind that is proposed for the New
13 England coastline. I believe they have a staging
14 facility for that.

15 So, I do think there's a fair amount of
16 familiarity with the Northeast Region.

17 CHAIRMAN SPEIDEL: So, in terms of
18 their gas experience, they do have operations
19 elsewhere in the United States, probably the
20 Southwest.

21 I'm looking at the Site Evaluation
22 Committee 301.04 criteria. And, so, what I was
23 keying off of, personally, was subpart (b),
24 "technical information shall include a

1 description of the applicant's qualification and
2 experience in constructing and operating energy
3 facilities, including projects similar to the
4 proposed facility." So, I think we have some
5 background there.

6 So, moving along, one thing I wanted to
7 ask was, they're new to New England in the gas
8 space, we can leave it at that. Through the
9 Transition Services Agreement, which again has
10 confidential treatment as ordered by the
11 Subcommittee. We don't want to get into anything
12 that's proprietary.

13 But, in general terms, can you describe
14 how the personnel, including the operations
15 personnel of PNGTS, will remain in place?

16 And I did see a certified gas operator
17 needs to be on deck for the PNGTS sub, they need
18 to hire somebody for that role in the near
19 future. So, that caught my eye.

20 Can you describe how they intend to
21 staff and operate, in general terms, the
22 nuts-and-bolts of the pipeline, meaning certified
23 operators, engineers, and other operations and
24 security personnel?

1 MR. YARDLEY: Sure. So, you know,
2 starting with the employees that you mentioned,
3 so there are currently two employees that TC
4 employs that are located one in New Hampshire and
5 one in Maine. So, we will operate the portion of
6 the line that goes from the New
7 Hampshire/Canadian border, down through to
8 Westbrook, Maine. Enbridge actually maintains
9 what's called the "joint facilities", which is
10 the Westbrook and south, all the way to
11 Massachusetts. So, we're primarily concerned
12 with that. That's basically 180 or 90 (190)
13 miles of pipe in New Hampshire and Maine, on the
14 north --

15 *[Court reporter interruption.]*

16 MR. YARDLEY: I'm sorry, on the
17 northern end of the pipeline.

18 CHAIRMAN SPEIDEL: So, for New
19 Hampshire purposes, this is essentially Pittsburg
20 through Shelburne?

21 MR. YARDLEY: Correct.

22 CHAIRMAN SPEIDEL: The Coos County
23 component only?

24 MR. YARDLEY: That's correct.

1 CHAIRMAN SPEIDEL: And Enbridge handles
2 the Rockingham County/southeastern New Hampshire
3 component?

4 MR. YARDLEY: That is correct.

5 CHAIRMAN SPEIDEL: Okay. You may
6 continue.

7 MR. YARDLEY: So, there are two
8 transferring employees. One is located in New
9 Hampshire, in Lancaster, and another is in Maine.
10 They have operated, "they" being TC, has operated
11 with between two and three. So, there's
12 currently a vacancy. And I believe that vacancy
13 is for an operator in Maine as well. So, they're
14 looking to fill that vacancy now, before,
15 frankly, before we transition. So, those are the
16 boots-on-the-ground employees.

17 And, then, with the proposal, the way
18 that we look to staff this is through some
19 internal operating personnel at the top of house,
20 let's say, a chief operating officer, and then an
21 engineering -- a person who would be skilled in
22 engineering, and then fill in with outside
23 consultants.

24 We have been very busy trying to

1 evaluate three different firms that can provide
2 the services that we need, in between the
3 frontline personnel and the chief operating
4 officer, actually actively recruiting the chief
5 operating officer as well. We've been very
6 pleased so far with the response of the outside
7 services. We feel very confident that we can
8 replicate what TC does today to provide service
9 to the Portland Natural Gas Transmission System,
10 North Division.

11 CHAIRMAN SPEIDEL: So that means to say
12 that TC, out in Calgary, does front office or
13 back office, depending on how you look at it,
14 work for the PNGTS sub in the United States. And
15 those two to three line employees for the
16 northern component, they're kind of the
17 self-managing bubble, just so to speak, but they
18 would require kind of an up-staff, under the
19 Morgan and BlackRock structure, for the -- sort
20 of the financial management and the ongoing
21 oversight of the Pipeline, is that fair to say?

22 MR. YARDLEY: That's fair to say. You
23 know, I think the biggest thing to keep in mind
24 is that this is a heavily regulated pipe. So,

1 one of the services that we require is "are we in
2 compliance with PHMSA?" The "Pipeline and
3 Hazardous Materials Safety Administration", which
4 is a division of the DOT. And that's the primary
5 operations regulator, if you will.

6 And, so, in addition to the executive
7 staff, that outside firm is going to, basically,
8 help us make sure that all of those employees
9 remain trained properly, have the right standard
10 operating procedures fit for this pipeline, and
11 many other things.

12 So, those are the -- those are sort of
13 the activities that we look to fill in, above
14 those two operating personnel on the ground.

15 CHAIRMAN SPEIDEL: All right. So, I
16 don't want you, not only for confidentiality
17 reasons, but also for security reasons, to go
18 into detail here, but can you confirm that the
19 security and safety arrangements of the PNGTS
20 pipeline segment, in the northern segment that
21 we're talking about, will remain the same after
22 the acquisition is consummated?

23 MR. YARDLEY: Yes.

24 CHAIRMAN SPEIDEL: So, there's been a

1 pretty good track record of safety and security
2 on the pipeline?

3 MR. YARDLEY: Very good. Yes.

4 CHAIRMAN SPEIDEL: In light of this, I
5 noticed, having perused, which makes perfect
6 sense, given that this original Certificate was
7 issued in 1997, I believe, the nomenclature used
8 for the inspectional authority in the original
9 Certificate refers to the "New Hampshire Public
10 Utilities Commission". As of 2021, the
11 enforcement and inspection authority for
12 pipelines in New Hampshire has been translated
13 over to the New Hampshire Department of Energy.

14 And I think Attorney Needleman may be
15 better to answer this, but I'll offer this to
16 you. Would it make sense for the Subcommittee to
17 recommend to the Full Committee that this
18 Certificate be administratively amended to
19 reflect that the name of the inspectional
20 authority should be the "New Hampshire Department
21 of Energy", and not the "New Hampshire Public
22 Utilities Commission"?

23 MR. NEEDLEMAN: We would have no
24 objection to that, Mr. Chair.

1 CHAIRMAN SPEIDEL: Okay. I think that
2 would be a good piece of housekeeping for us to
3 do, just to make sure it's freshened up for the
4 next, well, just about 30 years. It's been quite
5 a long time.

6 I remember when they built the southern
7 segment through my hometown, like it was
8 yesterday, I was a teenager. I'm having a little
9 bit of a digression, I think I'm allowed one. I
10 recall the sandhogs and all the pipeline guys
11 coming down from Louisiana and Oklahoma. They
12 were a rough bunch. And, so, they -- I was once
13 with my family at a Chinese restaurant, and they
14 came in, and they made quite an impression.

15 But, all that aside, let me see. Let's
16 see here.

17 MR. NEEDLEMAN: Mr. Chair, could I note
18 one other thing?

19 CHAIRMAN SPEIDEL: Yes.

20 MR. NEEDLEMAN: You had earlier asked a
21 couple of questions of Mr. Yardley about the
22 experience that BlackRock and Morgan Stanley had
23 operating similar types of assets. And I just
24 wanted to refer you to Pages 5 through 7 of Mr.

1 Sailors' testimony, where he provides
2 descriptions to answer that inquiry. And, then,
3 also to Pages 5 through 7 of Mr. Saxes'
4 testimony, where you can also find information
5 there about BlackRock's experience.

6 CHAIRMAN SPEIDEL: Thank you very much,
7 Attorney Needleman. That's good to have that on
8 the oral record here today.

9 I think that's it for me for now. What
10 I'll do is I'll turn the floor to my fellow
11 Subcommittee members for their questions. And,
12 if I have any follow-up, I can take another bite
13 at the apple, if it's all right with you,
14 gentlemen?

15 MR. JALBERT: I have nothing.

16 MR. DOIRON: Just for the record, I
17 have no questions, Mr. Chairman.

18 MR. JALBERT: No questions, Mr.
19 Chairman.

20 CHAIRMAN SPEIDEL: No questions. Well,
21 I think that's it for me as well.

22 What this may do is, if there's no
23 objections, I'd like to launch Bench
24 deliberations on this question regarding the

1 Petition before us. Therefore, -- yes?

2 MS. FALES: Mr. Chair?

3 CHAIRMAN SPEIDEL: Yes.

4 MS. FALES: I did just want to make a
5 statement on the record on behalf of the -- for
6 the Counsel for the Public.

7 CHAIRMAN SPEIDEL: Excellent, by all
8 means. Thank you for letting us know, since no
9 opening statement, but we'll call it a
10 "pre-deliberation statement". Please go ahead.

11 MS. FALES: Yes. Thank you very
12 much.

13 So, I was able to review all the
14 materials that are before the
15 Subcommission *[sic]*. I met with the Petitioners,
16 and they provided unredacted copies of materials
17 to me as Counsel for the Public. So, I was able
18 to review those materials in an unredacted form.

19 The materials that I was able to review
20 prior to today were the Joint Petition to Change
21 Ownership, along with the affidavits that were
22 submitted as attachments; the New Hampshire
23 Department of Energy Petition to Transfer
24 Partnership Interests Data Requests, Set 1 and

1 Set 2; Transition Services Agreement; the USNG
2 Emergency Response Plan; both the Northern
3 Utilities and Liberty Utilities gas
4 transportation contract; the New Hampshire PUC
5 Technical Statement, that is now at Exhibit 8; as
6 well as a side letter regarding a growth project
7 from the Petitioners.

8 I also was able to meet with
9 representatives for both the Buyers and the
10 Sellers. They were able to answer my questions
11 and discuss the transaction, and satisfactorily
12 answered all of my questions as it related to
13 their financial, technical, and managerial
14 capability of their clients in this transition.

15 And, after review of those materials
16 and my meeting with the Petitioners, I found no
17 reason to object to a change in ownership on
18 behalf of the public.

19 CHAIRMAN SPEIDEL: Thank you very much,
20 Counsel, for that statement.

21 Are there any other pre-deliberation
22 statements that anyone would like to tender for
23 our consideration?

24 *[No verbal response.]*

[Deliberations]

1 CHAIRMAN SPEIDEL: Hearing none, I
2 would like to open Bench deliberations on this
3 matter.

D E L I B E R A T I O N S

4 CHAIRMAN SPEIDEL: Having reviewed all
5 of criteria under the statute and the relevant
6 Site Evaluation Committee rules referenced in our
7 Order of Notice, and having seen that we have had
8 Exhibits 1 through 8 submitted by the Petitioners
9 in relation to these, and having heard Mr.
10 Yardley's statements on the record today, and the
11 position of the Counsel for the Public and also
12 the Sellers, I would move to have this Petition
13 approved, in the sense of the Subcommittee would
14 tender a recommendation for approval to the Full
15 Committee for their consideration. So, I would
16 support approval as a recommendation to the Full
17 Committee in our order. And I'll explain why.

18 The purchasers, the joint venture
19 structure as presented in Hearing Exhibit 6, by
20 BlackRock and Morgan Stanley, it's going to be
21 well-funded, it's supported by a major investment
22 bank, and one of the largest investment vehicles
23 in the world. They have managerial experience
24

[Deliberations]

1 elsewhere in the United States with regulated
2 pipeline operations. They have some experience
3 in New England with energy investments at a large
4 scale. There is no concern of lack of financial
5 capability for either purchaser. They intend to
6 have a managerial development plan for back
7 office operations and frontline safety and
8 security operations for this pipeline.

9 The southern component is managed by
10 their joint venture partner, Enbridge. The
11 northern component will be well-managed by the
12 purchasers.

13 Furthermore, I think that, going
14 forward, we will have ongoing inspection
15 capability by the federal authorities, and also,
16 as to be updated in the Certificate by the Full
17 Committee, by the New Hampshire Department of
18 Energy Enforcement Division and pipeline safety
19 personnel.

20 So, I personally would move to have
21 that recommendation tendered to the Full
22 Committee. And I have no concerns at this time.

23 MR. JALBERT: I would second that
24 motion.

[Deliberations]

1 You know, I think we've heard the
2 public, and they have no objection to it. And I
3 think, if you look at the technical report from
4 DOE, it seems to fall in line with that. And,
5 so, I would support that motion.

6 MR. DOIRON: I would also, Mr.
7 Chairman.

8 CHAIRMAN SPEIDEL: Thank you. So, if
9 we could take a show-of-hands vote regarding
10 tendering a recommendation for approval in our
11 forthcoming decisional order, which this
12 Presiding Officer intends to have approved by the
13 fellow Subcommittee members and published by the
14 end of next week. I would appreciate that.

15 I hereby vote for approval of the
16 recommendation discussed.

17 *(Unanimous show-of-hands vote by the*
18 *Subcommittee members.)*

19 CHAIRMAN SPEIDEL: And the vote is
20 unanimous.

21 Are there any further comments or
22 questions from any of the participants or parties
23 here today?

24 *[No verbal response.]*

1 CHAIRMAN SPEIDEL: Hearing none, this
2 hearing is adjourned. Thank you.

3 ***(Whereupon the public hearing was***
4 ***adjourned at 10:41 a.m.)***

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C E R T I F I C A T E

I, **Steven. E. Patnaude**, a Licensed Shorthand Court Reporter, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes of these proceedings taken at the place and on the date hereinbefore set forth, to the best of my skill and ability under the conditions present at the time.

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action; and further, that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in this action.

/s/ Steven E. Patnaude (06-05-2024)

Steven E. Patnaude, LCR
Licensed Court Reporter
N.H. LCR No. 52
(RSA 310-A:173)