



# International Brotherhood Electrical Workers

## Local #1837 Utility / Broadcasting

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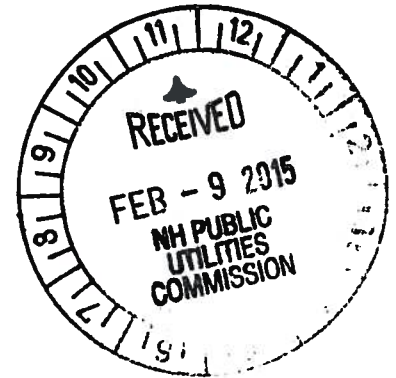
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February 6, 2015

Martin Honigberg, Chairman  
NH Site Evaluation Committee  
NH Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301

Re: SEA-3, Inc. ("SEA-3")  
Request for Exemption  
NHSEC No. 2015-01



Dear Chairman Honigberg:

We are writing to let the Site Evaluation Committee know that the International Brotherhood of Electrical Workers (IBEW) Local Union #1837 strongly supports SEA-3's Request for Exemption. SEA-3's proposed improvements are needed as soon as possible to meet their customers' demand for propane in a timely and economical manner. As the collective bargaining representatives of most of the dedicated employees at SEA-3, we urge you to approve the Company's request.

For the past 40 years, SEA-3 has safely stored large quantities of propane here in New Hampshire, which has insured a dependable supply of propane throughout the winter and helped keep prices stable. However, due to changes that have taken place in world energy markets over the last several years, SEA-3's critical role in our state energy market is now in jeopardy unless it is allowed to increase its rail capacity. Our members (the workers at SEA-3) are committed to helping their company serve the people of New Hampshire.

In the last several years, the source of our propane has changed from international to domestic sources as international prices have gone up and domestic prices have come down. Unfortunately, the only way to access domestic propane from sources in the Mid-Atlantic and Midwest states is by tractor trailer or railroad (federal law prohibits the existing propane tanker fleet from being used to transport domestic propane from one U. S. port to another).

The problem we face in New England is that our existing propane distribution network is directed at the receipt of propane from international markets by ocean going vessels. New England has only two large scale refrigerated storage tank facilities, both of which are currently outfitted to receive propane from ocean going vessels. One is located in Providence, Rhode Island, and the



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other is SEA-3's Newington terminal. However, SEA-3 is the only large scale refrigerated propane storage tank facility in New England with existing rail access.

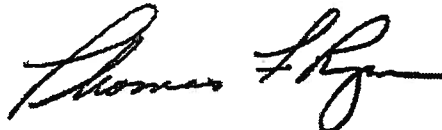
As the only large scale propane storage facility in New England with rail access, the role of SEA-3's facility has become even more critical to our propane market. With a storage capacity of 560,000 barrels, SEA-3 has the capacity to store large quantities of propane during periods of low demand and then release the product into the market when demand is high, typically the winter heating season. For the past 40 years, this reserve capacity has helped insure a dependable supply of propane throughout the winter and has worked to keep prices stable.

Unfortunately, due to market changes and SEA-3's current undersized rail capacity, it has been unable to build and maintain a critical winter stockpile. Without a propane stockpile to draw from during the critical winter heating months, New Hampshire distributors have been forced to compete for product during periods of peak demand, leading to decreased supplies and increased price volatility.

By granting SEA-3's request for an exemption from the full certification process, you will allow SEA-3 to proceed without delay to complete the much needed and necessary improvements so that New Hampshire and its neighboring states will once again have a dependable and affordable supply of propane.

On behalf of IBEW Local Union #1837 and our 1,600 members in New Hampshire and Maine (including the dedicated professionals at SEA-3), we respectfully urge you to support SEA-3's request for exemption.

Very truly yours,



Thomas F. Ryan  
Assistant Business Manager  
IBEW Local Union #1837

CC: Paul N. Bogan