

**LACONIA CITY COUNCIL AGENDA
JANUARY 26, 2026**

**STAFF REPORT
AGENDA ITEM 21.B.
REQUEST SUPPORT FOR THE EXPANSION OF NATURAL GAS SUPPLY
IN THE CITY OF LACONIA AND GREATER LAKES REGION**

Discussion: Liberty Utilities has issued a moratorium on adding any new addresses for natural gas service in the City of Laconia and surrounding communities due to a lack of capacity. Currently, only portions of the greater Downtown and Lakeport areas are serviced by natural gas. However, even though a property may have a natural gas line, the property may not be permitted to connect to the line due to a lack of pressure and capacity.

Representatives from Liberty Utilities, Senator Tim Lang, and Executive Councilor Kenney met with the Tilton Selectboard at their December 4, 2025 meeting. During that meeting, Liberty Utilities mentioned the original pipeline built from Concord to Tilton was built in the 60s and did not anticipate the growth the Lakes Region experienced in the 70s and 80s. Rather than upgrade the line, Liberty constructed a plant in Tilton to supplement the line with truck deliveries of LNG to offset costs in the winter. However, the continued growth in the region has led to this supplemental plant to run continuously in the winter which it was not designed to do. Both the line and the supplemental plant are only capable of serving the current demand in the early 2000s. Liberty examined the possibility of increasing the original 6-inch line with a 12-inch line in the early 2000s. In 2016, Liberty added an additional 5½ miles of pipeline to Loudon which increased capacity slightly. However, this pipeline is not suitable to meet current and future demand needs for the area. Liberty claims at least another 10 miles of pipeline needs to be added or upgraded in order to meet current and future demand in the area. They have enough funding to begin preliminary engineering over a two-year period, but they anticipate another two to three years to construct the pipeline expansion. Liberty does not believe the current load justifies the cost of expanding the pipeline. Instead, Liberty has focused on replacing older pipes in Southern New Hampshire and Massachusetts.

The State's position on this issue is solely the responsibility of a private entity and not the State. However, the State tasked the Department of Energy with creating a 10-Year State Energy Strategy. The 2018, 2022, and 2025 Strategies acknowledge that Natural Gas is the most plentiful and cost-effective energy resource currently available and that the State has not developed adequate infrastructure to supply it. The State cannot on one hand assume the responsibility for strategically planning the development and expansion of natural gas infrastructure and then claim no responsibility for its implementation on the other. At the same time, the State has been promoting economic and housing development at record levels without any regard to the infrastructure currently available to support it. Laconia and the Lakes Region have seen record levels of growth in recent

years, making this a regional issue that can only be addressed by the affected municipalities working with the State and Liberty Utilities to address it.

Currently, the Planning Department has been in communication with their counterparts in Franklin, Tilton, Gilford, Belmont, and Meredith to discuss this issue. As the largest and fastest-growing municipality in the Lakes Region, it is imperative that Laconia supports the efforts to reduce heating costs and lay the groundwork for future economic development in the region. The Planning Department is now coming before the City Council to raise awareness of the lack of natural gas capacity and infrastructure to adequately support current and future demand and formally request the Council's support to work with the State, Liberty Utilities, and our neighboring communities to pursue meaningful solutions that support our economic growth and affordability needs.

Fiscal Impact: Natural gas is the cheapest heating fuel source. As of January 12, it is 33% cheaper than Electric Heat Pumps, 62% cheaper than Oil, and 156% cheaper than Propane.

Staff Recommendation: The Planning Department recommends the City Council support its endeavor to secure expanded infrastructure and natural gas for the City and the Lakes Region.

This Report Submitted By: Tyler Carmichael, Assistant Planner

Proposed Motion:

"I move to support the Planning Department to work with the State, Liberty Utilities, and neighboring communities to expand natural gas infrastructure and increase capacity to reduce heating costs for businesses and residents and support future economic development in the City and Lakes Region."