

CHAIRMAN
Martin P. Honigberg

COMMISSIONERS
Robert R. Scott
Kathryn M. Bailey

EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-3878

Website:
www.puc.nh.gov

March 29, 2016

RFP #2016-003

**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
REQUEST FOR PROPOSALS
FOR CONSULTING SERVICES**

Prospective Bidders:

The New Hampshire Public Utilities Commission (Commission) is seeking proposals from qualified firms to assist the Commission Staff in its assessment of the filing made by Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) on February 18, 2016 for approval of a 20-year contract with Algonquin Gas Transmission Company (Algonquin) to secure firm natural gas transportation and LNG storage services on the proposed Access Northeast project. The Eversource filing has been docketed as DE 16-241.

Pertinent dates and information are as follows:

1. Proposals must be received by the Commission prior to 4:30 p.m. on April 29, 2016.
2. Proposals should be submitted to:

Eunice Landry, Business Administrator
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429
RFP@puc.nh.gov

3. Bidders may submit written inquiries about this Request for Proposals by email to RFP@puc.nh.gov by 4:30 p.m. on April 11, 2016. Inquiries and written responses will be posted on the Commission's website at: www.puc.nh.gov/home/requestforproposal.htm by 4:30 p.m. on April 18, 2016. The subject line of the email must state the following: RFP #2016-003, CONSULTING SERVICES.
4. A bidders' conference will be scheduled for April 22, 2016.
5. An evaluation team consisting of Staff from the Electric Division and other qualified personnel will be established to evaluate responses to this RFP.

I. BACKGROUND

On April 17, 2015, the Commission issued an order opening a non-adjudicative investigation into potential approaches involving New Hampshire's electric distribution companies (EDCs) to mitigate winter price spikes in New England electricity markets. The investigation was conducted by Commission Staff with instructions to file a report by September 15, 2015.

In June of 2015, Staff received twenty five submissions from interested stakeholders including two that involved the expansion of existing New England natural gas pipelines and another that proposed the construction of a new "greenfield" natural gas pipeline through Massachusetts and New Hampshire. All three pipeline-based solutions proposed to deliver to New England delivery points significant volumes of incremental natural gas supplies from the Marcellus Shale deposit in Pennsylvania. In addition, two stakeholders proposed solving the problem through the use of existing or new LNG storage facilities located within New England. Others proposed to address the problem through a combination of expanded energy efficiency programs, increased importation of Canadian hydroelectricity and increased development of renewable resources.

Staff filed its report on September 15, 2015.¹ In brief, the report presents Staff's findings regarding: (i) the pros and cons of solutions proposed by stakeholders to mitigate winter price spikes; and (ii) whether New Hampshire EDCs have the authority under existing New Hampshire law to enter into contractual arrangements to acquire pipeline and/or LNG related services to benefit their customers. On October 15, 2015, certain stakeholders filed comments with the Commission regarding Staff's report.

On January 19, 2016, the Commission issued an order accepting Staff's report and the corresponding stakeholder comments. While the order makes no judgment regarding the factual and policy issues raised, the Commission did state its intent to rule on the legal question within the context of a full adjudicative proceeding and in response to an actual petition. Such a proceeding would be opened if and when a New Hampshire EDC files a petition for a proposed capacity acquisition and related cost recovery. The Commission would consider the petition in separate phases. In the first phase, the Commission would review briefs submitted by the petitioner EDC, Staff, and other parties regarding whether such capacity procurement is allowed under New Hampshire law. If the Commission were to rule against the legality of such acquisition, the petition would be dismissed. If the Commission were to rule in the affirmative regarding the question of legality, it would then open a second phase of the proceeding to examine the appropriate economic, engineering, environmental, cost recovery, and other factors presented by the actual proposal. However, as regards this second phase, the Commission stated that the procurement of gas infrastructure by a New Hampshire EDC must be based on competitive evaluation and selection processes undertaken by entities unaffiliated with the project sponsors.

On February 18, 2016, Eversource petitioned the Commission for approval of a Precedent Agreement between Eversource and Algonquin relative to the proposed Access Northeast project, which is a 20-year firm gas transportation and LNG storage services contract for the ultimate use of electric generation facilities in the ISO-NE region. The Access Northeast project, which is jointly owned by Spectra, Eversource and National Grid, was selected as the sole winning bidder in the October 23,

¹ Staff's report is available at: http://www.puc.state.nh.us/Electric/Investigation_into_Potential_Approaches_to_Mitigate_Wholesale_Electricity_Prices.html

2015 RFP to supply Eversource's Massachusetts EDCs with gas capacity. The Access Northeast and Northeast Energy Direct projects were selected to supply gas capacity to the Massachusetts and Rhode Island EDCs of National Grid.² Despite its participation in the evaluation of the bids submitted in response to the October 23 RFP, Eversource filed for Commission approval of a contract modeled on the Precedent Agreement that Eversource's Massachusetts EDCs entered into with Algonquin for capacity on the Access Northeast project.

II. SCOPE OF SERVICES

Given that the economic, environmental and cost recovery issues raised by Eversource in its filing will be addressed by the Commission only if it rules in the affirmative on the question of legal authority, bidders should be aware that the recovery of costs related to the services requested below is expressly conditioned on such affirmative ruling. In the event the Commission rules in the affirmative, the consultant chosen will be expected to assist Staff in its assessment of the Eversource petition by:

- (i) conducting an independent quantitative assessment of the potential impacts that the highest ranked resource options³ for the Algonquin and Tennessee pipelines may have on regional gas and electricity prices, and the associated net wholesale electricity cost savings. Such comparative assessment will include sensitivity analyses that consider the impact on electricity clearing prices of: (i) normal and design weather conditions; (ii) a representative range of fuel price projections for oil-fired and LNG-fired electric generators; and (iii) different levels of hydroelectric imports from Canadian provinces into New England. In addition, the consultant will assess qualitatively (and if possible quantitatively) the potential impacts that the above mentioned highest ranked resource options may have on power system reliability. In order to perform these assessments the consultant will be given access to the bids submitted by the sponsors of such resource options in response to the Eversource October 23, 2015 RFP;
- (ii) conducting an independent qualitative assessment of the non-price characteristics of the highest ranked resource options for the Algonquin and Tennessee pipelines;
- (iii) providing advice on whether: (a) Eversource should contract with multiple resource options that together provide firm transportation services to electric generators directly served by both the Algonquin and Tennessee pipelines in order to reduce the cost risk to New England electric consumers; and (b) the proposed Electric Reliability Service Program for the Access Northeast project, which employs a capacity manager to administer the release of EDC purchased gas capacity to electric generators, is sufficiently developed to allow the Commission to make a reasoned determination of the program's ability to serve the public interest.

The consulting firm chosen to conduct this work must have experience in providing consulting services in some or all of the following areas:

- Evaluation of competing pipeline and LNG storage infrastructure projects to economically

² National Grid entered into Precedent Agreements with both Algonquin and Tennessee Gas Pipeline (Tennessee) for services related to the Access Northeast and Northeast Energy Direct projects respectively.

³ As determined by Eversource in its filing.

- and reliably supply the gas requirements of LDCs, electric generators and other end-users.
- Economic analysis of the impact of pipeline infrastructure projects on gas and electricity prices, the effect of weather on gas and electricity prices, and the effect of increased hydroelectric imports on electricity prices.

In addition to providing analysis and recommendations on the issues covered by the above described scope of services, the consultant may also be asked to provide the following services:

- Analytical support in technical sessions and settlement discussions;
- Assistance to Staff in the preparation, review, and analysis of discovery requests and responses;
- Preparation of reports and written testimony;
- Participation in Commission hearings and presentation of oral testimony.

The consultant selected shall conduct a project scoping meeting with the Staff, to be scheduled following the prehearing conference. The purpose of the meeting is to review and refine the scope of services; to the extent possible given the uncertainty over the time needed to resolve the threshold legal question, establish a project plan with key deliverables and milestones; and establish project management and communication protocols to ensure the information needs of both Staff and the consultant are satisfied. In the process of preparing each deliverable, the consultant will work closely with Staff in order to facilitate effective knowledge transfer of each issue.

III. CONFIDENTIALITY

The consultant agrees to maintain confidential all commercially sensitive information to which it has access until such time as it is instructed otherwise by the Commission.

IV. WORKPAPERS

At the conclusion of the work, the consultant will make available to the Commission copies of work papers and source documents as requested.

V. COMPONENTS OF THE PROPOSAL

The following is a list of the information to be provided in the proposal. Bidders should respond to all areas listed below, in the order listed, and conclude with a separate section on cost.

1. Corporate/Company Information. Information concerning its corporate/company history; i.e., how many years in business, corporate officers or company principals, location of branch offices, professional and business association memberships, etc.
2. Proposed Work Plan. Describe how the consulting firm plans to complete the tasks set forth in the scope of services within the time provisionally agreed with Staff and in compliance with the proposed budget.

3. Personnel Assigned. A list of all personnel who might be assigned to this project, including the project manager (if applicable) and detailed resumes and summaries of each individual reflecting their relevant experience and the nature of their specific responsibilities. During the course of the work, the Commission must approve in writing any substitutions or changes in personnel assigned to perform the agreed work.
4. References. A list of up to three references for work performed which is similar in scope or content to the one being proposed, preferably within the past 5 years.
5. Statement of Disclosure. Identification and description of any past, existing or potential future conflicts of interest, including those that arise as a result of relationships or affiliations with utility companies under the jurisdiction of the Commission, other industry participants, trade associations, or advocacy organizations or groups that may be expected to participate in Docket DE 16-241.
6. Detailed Budget Proposal. A detailed cost proposal that identifies the hourly rates for personnel and any associated expenses.

VI. SELECTION CRITERIA

Cost is a consideration but may not be the determining factor in the Commission's decision. The Commission will consider the following criteria and assign the corresponding weights when evaluating bids:

1. Qualifications, technical expertise, knowledge, and practical experience that the organization possesses, including that of its staff and any subcontractors assigned to the project, that are directly relevant to the above described scope of services. **45%**.
2. Cost of consulting services and expenses, including the competitiveness of the proposed hourly rates and any proposed discounts or other cost-effective benefits. (The Commission reserves the right to negotiate lower fees or a different fee structure than proposed, with any selected firm.) **30%**
3. General experience and qualifications in providing similar services in New Hampshire as well as other states and to other utility commissions or regulatory agencies. **10%**
4. Overall responsiveness to the requirements of the RFP, including completeness, clarity and quality of the proposal. **15%**

VII. GENERAL BID CONDITIONS

1. Bids must be typed and double-sided. An original and three (3) copies of the bid must be submitted, along with an electronic copy in Portable Document Format (PDF). Bids that are incomplete or unsigned will not be considered. The deadline for submitting bids is 4:30p.m.

on April 29, 2016. Bids must be addressed to Eunice Landry, Business Administrator, New Hampshire Public Utilities Commission, 21 S. Fruit Street, Suite 10 Concord, NH 03301-2429 and via email at RFP@puc.nh.gov.

2. Bidders may submit written inquiries about this RFP by e-mail to RFP@puc.nh.gov no later than 4:30 p.m. on April 11, 2016. Inquiries and the associated responses will be posted on the Commission's website when complete but no later than 4:30 p.m. on April 18.
3. The Commission reserves the right to reject or accept any or all bids, to reject or accept all or any part of any bid, to determine what constitutes a conforming bid, to waive irregularities that it considers not material to the bid, to award the bid solely as it deems to be in the best interest of the State, to contract for any portion of the bids submitted and to contract with more than one bidder if necessary.
4. Bids and all information relating to them (including, but not limited to, fees, contracts, agreements and prices), are subject to the laws of the State of New Hampshire regarding public information and regarding state procurement of goods and services.

VIII. CERTIFICATES

Bidders will be required to provide the following certificates prior to entering into a contract:

Secretary of State's Office Certificate of Good Standing ("CGS")	Individuals contracting in their own name do not need a CGS. Business organizations and trade names need a CGS, except for nonresident nonprofit corporations.
Certificate of Vote /Authority ("CVA")	Individuals contracting in their own name do not need a CVA. Business entities and trade names need a CVA.
Certificate of Insurance	Certificate of Insurance form attached with insurance coverage required under the contract. Modifications of insurance coverage required will be specified in the contract.
Workers' Compensation	Contractor must demonstrate compliance with or exception from RSA 281-A (and if applicable, RSA 228:4-b and RSA 21-I:80, and any other applicable laws or rules).

IX. FORM OF CONTRACT

1. The terms and conditions set forth in Form P-37 (v. 1/09) General Provisions Agreement (available at: <http://www.puc.nh.gov/Home/requestforproposal.htm>) are part of the proposal and will apply to any contract awarded the bidder.

2. Any contract resulting from this bid proposal shall not be deemed effective until it is signed by the Commission.
3. Any contract awarded from this Request for Proposals will expire on May 31, 2017. The Commission at any time, in its sole discretion, may terminate the contract, or postpone or delay all or any part of the contract, upon written notice.
4. When responding to this Request for Proposals, please include your ability to comply with Paragraph 14, Insurance, of the General Provisions Agreement. Please note that the Commission will allow substitution of professional liability insurance for part or all of the per occurrence comprehensive general liability insurance coverage. In addition, excess liability insurance in an equal amount may be substituted for up to \$1,000,000 of the per occurrence comprehensive general liability or professional liability insurance coverage. The State reserves the right to further waive or modify the insurance requirement in Paragraph 14 based on bids presented.