

Wholesale Investigation (IR 15-124) Initial Staff Questions for Portland Natural Gas Transmission System (PNGTS)

June 22, 2015

Instructions for responses: Please e-mail responses in PDF format to [alexander.speidel@puc.nh.gov](mailto:alexander.speidel@puc.nh.gov); responses will be promptly posted to the NHPUC website here:

[http://puc.nh.gov/Electric/Investigation\\_into\\_Potential\\_Approaches\\_to\\_Mitigate\\_Wholesale\\_Electricity\\_Prices.html](http://puc.nh.gov/Electric/Investigation_into_Potential_Approaches_to_Mitigate_Wholesale_Electricity_Prices.html)

1. The developers of the Access Northeast project propose to make available a total of 0.9 Bcf/day of incremental firm natural gas capacity to affiliated EDCs and LDCs of Eversource Energy and National Grid. Subject to the approval of state regulators, the EDCs will purchase under long-term contracts specific amounts of the available firm gas capacity and then offer that capacity to New England electric generators using competitive auctions that target gas-fired generators. The auction winners are expected to utilize the capacity to access low cost gas supplies particularly during the coldest winter months. Please state how much incremental firm pipeline capacity PNGTS could make available to New England EDCs and LDCs through its next expansion project and identify any EDCs or LDCs that PNGTS has had discussions with regarding the procurement of such capacity. Please also provide the status of those negotiations.
2. Please describe the route of PNGTS' next expansion project and specify any new facilities that would be needed to provide the incremental firm pipeline capacity. To the extent the route includes the purchase of firm transportation capacity on the Iroquois and TransCanada pipelines, please discuss the availability of incremental capacity on those lines. Also, if PNGTS has existing agreements with the Iroquois and TransCanada pipelines that provide for the expansion of their systems, please discuss.
3. Please identify the receipt point for PNGTS' next expansion project and explain how that receipt point enhances the project's value.
4. Please provide an estimate of the unit cost of firm transportation service on PNGTS' next expansion project together with the term of the long-term contract for pipeline capacity.
5. Eversource contends in its Initial Comments at page 14 that projects that comprise only pipeline capacity may not entirely satisfy the large hourly load swings associated with gas-fired generation. Will PNGTS' next expansion project offer specific enhanced transportation services to accommodate such load swings? If yes, please describe the services that PNGTS would offer and explain how the pricing for each would differ from the pricing for standard firm transportation service. If no, please elaborate.
6. How would a precedent agreement between PNGTS and an EDC for the purchase of firm transportation capacity provide for the delivery of gas to multiple gas-fired generators directly served by PNGTS' next expansion project?
7. Please describe the process PNGTS believes should be used to get EDC-purchased capacity into the hands of New England gas-fired generators. For example, would PNGTS support the use of an independent third-party capacity manager to release the capacity, first to gas-fired generators and, if necessary, to the secondary market?

8. Please identify each and every New England gas-fired generator directly served by PNGTS. Also, clarify whether the next PNGTS expansion project will directly serve all gas-fired generators that are currently directly served by the PNGTS system.
9. Will the next PNGTS expansion project be able to supply gas-fired generators that are currently directly served by other pipelines? If so, does PNGTS intend to offer gas supply services to such generators?
10. If the next PNGTS expansion project incurs costs to transport gas to gas-fired generators directly served by other regional pipelines, will those incremental costs be rolled-in with the costs of the expansion project and recovered from all expansion project shippers or will they be recovered only from gas-fired generators directly served by other regional pipelines? Will existing gas-fired generators currently served by other pipelines have primary firm rights to receive gas from PNGTS under the expansion project?
11. Please provide all milestones for the next PNGTS expansion project.
12. In comments submitted in the Mass DPU's investigation, PNGTS states that it could be capable of providing total delivery capacity of up to 600,000 Dth/day into Massachusetts and New England as early as 2018. Please clarify whether the 600,000 Dth/day represents pipeline capacity that is incremental to C2C capacity and, if so, provide a full description of the project including the need for incremental purchases on Iroquois and TransCanada pipelines. Please also provide an estimate of the associated unit cost of firm transportation for this project.
13. Lander for CLF testified in the Maine proceeding that the pipeline expansion projects AIM, Atlantic Bridge and TGP Connecticut will substantially decrease the basis differential in New England when they come online in the next two years. NEPGA and UES have made similar arguments in this investigation. What is PNGTS's opinion regarding these claims?
14. Provide copies of all discovery requests served on PNGTS in the Maine PUC proceeding 2014-00071. Also provide copies of PNGTS responses to such requests.