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February 18, 2016

Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

PUC FEB18'16 PM 3:37

**CONFIDENTIAL
MATERIAL
IN COMM FILE**

RE: Docket No. DE 16-XXX
Public Service Company of New Hampshire d/b/a Eversource Energy

Petition for Approval of Gas Infrastructure Contract Between Public Service Company of
New Hampshire d/b/a Eversource Energy and Algonquin Gas Transmission, LLC

Dear Director Howland:

Approximately one year ago, on its own initiative and in line with similar efforts throughout the region, the Commission opened its investigation in Docket No. IR 15-124 because it had noticed that constraints on the natural gas supply upon which the majority of electric generation in New England relies were leading to high and volatile wholesale and retail electric prices for New Hampshire customers. The Commission sought information on potential solutions to this natural gas supply concern. Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource") participated intensely in the Commission's process to help identify solutions to this energy supply constraint. By submission of this petition and supporting testimony, Eversource proposes a gas infrastructure contract that, if approved, will address the concerns of the Commission and others in the region by helping to ensure a reliable supply of low-cost natural gas for New England's electrical generators for years.

The enclosed filing supports a proposed 20-year contract between Eversource and Algonquin Gas Transmission, LLC ("Algonquin") for natural gas capacity on the Access Northeast project. The Access Northeast project is not a new pipeline, rather it involves a series of investments to increase gas storage and throughput on the existing Algonquin system during peak demand days. Once constructed, the project will provide significant additional stable natural gas to approximately 70 percent of New England's natural gas-fired generators connected to a pipeline. Eversource estimates that New Hampshire customers would benefit from the Access Northeast project through electric cost savings of between \$140 and \$270 million annually. Additionally, the increased supply of natural gas will help ensure that there will be reliable electrical generation throughout the region as older coal, oil, and nuclear generating units retire.

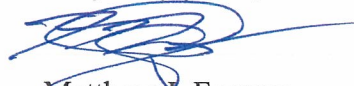
In its order in Docket No. IR 15-124, the Commission made clear that it anticipated any proposed solution would be based upon a competitive process because such a process would provide "powerful benefits for ensuring prudence in utility expenditure and, by extension, cost savings for utility customers, through the introduction of cost discipline, open participation by

competitors, and choices in product acquisition.” Order No. 25,860 (January 19, 2016) at 5. Through an open and competitive RFP process, Eversource, in conjunction with an independent third-party, sought, evaluated, and selected from, approximately 20 competitively-bid proposals from natural gas pipeline companies and LNG suppliers for addressing the natural gas supply issue that has been prevalent in New England. In the end, the Access Northeast project was determined to be the one that would provide the greatest benefits to electric customers in New England and New Hampshire through lowered energy costs and increased electric reliability. Given the inclusion of certain information about the proposals in this filing, Eversource has also included an appropriate motion for confidential treatment with this submission.

There is near-universal opinion throughout the region that the high and volatile electric prices in New England are driven by the constrained supply of natural gas. Through this submission, Eversource looks to provide a clear solution to the constraint issue that will provide substantial benefits to the region, and to New Hampshire’s electric customers. Eversource asks that the Commission review and approve the proposed contract to help advance this important initiative.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Matthew J. Fossum", with a stylized flourish extending to the right.

Matthew J. Fossum
Senior Counsel

Enclosures
CC: Office of Consumer Advocate

PUBLIC SERVICE OF NEW HAMPSHIRE
D/B/A EVERSOURCE ENERGY

PETITION FOR APPROVAL OF GAS INFRASTRUCTURE CONTRACT BETWEEN
EVERSOURCE ENERGY AND ALGONQUIN GAS TRANSMISSION LLC

DOCKET NO. 16-XXX

February 18, 2016

Filing Letter

Petition and Motion for Confidential Treatment Section 1

Direct Testimony of James G. Daly Section 2

Direct Testimony of James M. Stephens Section 3

Direct Testimony of Kevin R. Petak Section 4

Direct Testimony of Tilak Subrahmanian Section 5

Joint Direct Testimony of Christopher G. Goulding & Lois B. Jones Section 6