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September 8, 2016

NHPUC BSEP'16PM3:46

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

RE: Docket No. DE 16-241
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:

On September 1, 2016 in the above-captioned proceeding, the Office of Consumer Advocate ("OCA") submitted a document for the intended purpose of "alerting" the Commission to an August 31, 2016 decision of the Federal Energy Regulatory Commission ("FERC") relating to a "priority release" proposal by Algonquin Gas Transmission, LLC ("Algonquin"), the contract counterparty to Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource") in this proceeding. According to the OCA's submission, the FERC decision is relevant to the matters pending before the Commission in this docket because it demonstrates that FERC is "no longer 'open' to the preferential release" proposal from Algonquin and, therefore, the support for the contract in this docket relating to the Access Northeast pipeline has "eroded." The OCA, however, overstates the impact of the FERC decision.

Initially, Eversource points out that the OCA's submission fails to recognize that the FERC left open the possibility that Algonquin could seek or use other means to release the capacity in a beneficial manner beyond the priority release proposal it offered. Furthermore, regardless of whether Algonquin seeks or uses such means, the FERC decision does not alter the underlying proposal in New Hampshire. As described on Bates page 85 of Eversource's initial filing in the testimony of James M. Daly:

Although the EDCs prefer that electric generators access the pipeline and storage assets prior to competing in the open market, substantial benefits will be realized from the Access Northeast project even if "priority" releases are not allowed by the respective state commissions or FERC. In the absence of approval to accomplish priority releases, Access Northeast project capacity can and would be released consistent with FERC's existing rules for non-discriminatory capacity release.

February 8, 2016 Testimony of James M. Daly at Bates page 85, lines 3-8.

Thus, the possibility of a FERC decision such as that issued on August 31, 2016 was understood and accounted for previously, and the decision does not “erode” the support for the contract. Eversource did not condition approval in New Hampshire on FERC’s approval of the priority release proposal and can still achieve the intended goals of the Access Northeast project – maximizing capacity release revenues while ensuring that there is adequate natural gas capacity in the region for power generation – by allowing generators to bid on the capacity release on the same terms as others.

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

Very truly yours,



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CC: Service List