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June 11, 2018

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 February 18, 2016, Eversource filed a petition (the “Petition”) and supporting testimony seeking approval of a proposed 20-year gas capacity contract between it and Algonquin Gas Transmission, LLC (“Algonquin”) for capacity on the Algonquin pipeline through the proposed Access Northeast pipeline upgrade project (the “ANE Project”). Pursuant to the process set out in Order No. 25,860 (January 19, 2016) in Docket No. IR 15-127, review of the Petition was to be undertaken in a two-phase process. In the first phase, the Commission would accept briefs on whether the proposed contract was permitted under New Hampshire law. If the Commission ruled that the ANE Contract was permitted under New Hampshire law, the Commission would proceed to the second phase of the proceeding and review the merits of the proposed contract.

On October 6, 2016 the Commission issued Order No. 25,950 dismissing Eversource’s Petition based upon the Commission’s conclusion that:

We acknowledge that the increased dependence on natural gas-fueled generation plants within the region and the constraints on gas capacity during peak periods of demand have resulted in electric price volatility. Eversource’s proposal is an interesting one, with the potential to reduce that volatility; but it is an approach that, in practice, would violate New Hampshire law following the restructuring of the electric industry.

Order No. 25,950 at 15.

Following motions for rehearing from Eversource and Algonquin challenging the Commission’s conclusion, the Commission reaffirmed its decision in Order No. 25,970 (December 7, 2016) and Eversource and Algonquin both appealed to the New Hampshire Supreme Court.

On May 22, 2018, the New Hampshire Supreme Court released its opinion in this matter. In brief, the Court's opinion concluded that:

Pursuant to its plain language, and reading the statute as a whole, we discern that the primary intent of the legislature in enacting RSA chapter 374- F was to reduce electricity costs to consumers. See RSA 374-F:1, I. We disagree with the PUC's ruling that the legislature's "overriding purpose" was "to introduce competition to the generation of electricity." Rather, as the statute provides, the legislature intended to "harness[] the power of competitive markets," RSA 374-F:1, I, as a means to reduce costs to consumers, not as an end in itself.

Appeal of Algonquin Gas Transmission, LLC (May 22, 2018), slip op. at 12. Thus, the Court held "that the PUC erred in dismissing Eversource's petition as a matter of law." *Id.* Further, the Court "reverse[d] the PUC's dismissal of the petition and remand[ed] to the agency for further proceedings consistent with this opinion." *Id.* Consistent with the Court's decision, this matter has been returned to the Commission for further proceedings.

As noted above, the initial Petition in this matter was filed over two years ago. Circumstances underlying the modeling, assumptions, cost estimates, and other conditions relating to the Petition have changed in that time. While the contracting parties remain committed to a regional solution to New England's fuel security challenges and the underlying proposal, with the passage of time there is a need for updates and modifications to that proposal – modifications which as a practical matter had to wait until after the Supreme Court had rendered its decision.

Accordingly, in light of the Court's determination, the contracting parties will now be reviewing current relevant information to update the proposal as necessary. Such work will take time and resources. Hence, Eversource provides this notification that it is hereby withdrawing from consideration the ANE Contract submitted in February 2016, as part of its Petition, without prejudice, and will submit an updated proposal to replace it once available. Eversource suggests that the current docket remain open pending the filing of such an updated proposal.

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

Very truly yours,



Matthew J. Fossum
Senior Counsel

CC: Service List