

# Orr&Reno

Douglas L. Patch  
dpatch@orr-reno.com  
Direct Dial 603.223.9161  
Direct Fax 603.223.9061  
Admitted in NH and MA

September 10, 2015

**Via Hand Delivery and Electronic Mail**

Alexander F. Speidel, Esq.  
Staff Attorney/Hearings Examiner  
New Hampshire Public Utilities Commission  
21 South Fruit Street  
Concord, NH 03301

***Re: IR 15-124 – Electric Distribution Utilities Investigation into Potential Approaches to Ameliorate Adverse Wholesale Electricity Market Conditions in New Hampshire – Tennessee Gas Pipeline Company, L.L.C., Supplemental Responses to Staff Questions***

Dear Attorney Speidel:

On behalf of Tennessee Gas Pipeline Company, L.L.C. (“Tennessee”), in accordance with the protocol for submission of documents in the above-captioned docket enumerated in your June 16, 2015 letter to the Executive Director, enclosed please find one hard copy of a supplement to Tennessee’s Responses to Staff Questions. An electronic copy is also being sent to your email address.

On June 2, 2015 Tennessee filed its responses to the first set of questions from Staff in this docket. Question 8 asked that Tennessee: “Provide all studies that support the claimed: (i) benefit-cost ratio(s); (ii) reduction in wholesale and/or retail electricity prices and (iii) reliability enhancement.” As a supplemental response to this question, Tennessee is enclosing a copy of the study by ICF International entitled “Northeast Energy Direct – Benefits to New England Energy Markets.” (“ICF NED Study”)

This ICF NED Study, which was released on September 9, 2015, outlines the need for additional natural gas capacity in New England and concludes that the additional capacity that the Northeast Energy Direct project (“NED”) would provide could generate \$2.1 billion to \$2.8 billion in annual savings going forward for New England electric consumers. ICF concludes that even with increasing reliance on renewables and energy efficiency gains, New England’s demand for natural gas for power generation will continue to grow as coal and oil plants are retired, and Canadian gas imports decline. ICF’s analysis also indicates that as New England peak-day gas demand requirements grow, the region’s gas supply deficit will increase if additional gas capacity is not available. The study further concludes that additional natural gas capacity is favorable to New England’s renewable and energy efficiency efforts. While New England states have adopted aggressive renewable energy

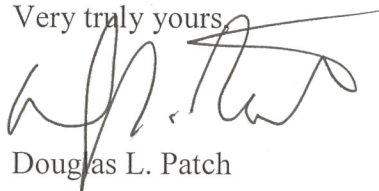
programs, these resources are intermittent and their power generation can fluctuate dramatically, putting strain on the regional electric grid. Gas-fired generation is a highly complementary resource to buffer the intermittent production of renewable energy. NED will help lower the region's carbon emissions. Over the past ten years, New England's power sector has dramatically reduced NOx, SO2, and CO2 emissions by shifting from oil- and coal-fired generation to natural gas. Introducing new natural gas capacity would further reduce the region's reliance on oil- and coal-fired generation and provide additional incremental reductions in emissions.

On August 14, 2015 Tennessee filed its responses to the second set of questions from Staff in this docket. In the response to Question 6 Tennessee said that it "expects to start an open season for transportation service to EDCs in the next few weeks and is in the process of finalizing the details of the enhanced firm transportation service that will be offered to EDCs." As a supplemental response to this question, Tennessee is enclosing a copy of the PowerServe™ Open Season documents issued September 9, 2015. Tennessee's proposed PowerServe™ Firm Service is designed to provide clean, domestically produced and critically needed natural gas supply service to a key energy market sector in the region: electric distribution companies, natural-gas fueled power generators, and the customers they serve. Taking advantage of the unmatched scale of Tennessee's ongoing NED pipeline expansion project, PowerServe Firm Service builds on the approximately 560,000 Dth/d of anchoring contractual commitments made to date primarily by New England's local gas companies on behalf of their current and prospective gas customers. TGP's PowerServe Firm Service is specifically designed to provide the types of service features typically requested by generators in the Northeast competitive wholesale electricity markets, including quick-start capability without confirmation of upstream supply, specific hour-by-hour gas flow rights, convenient flexible storage benefits, and most importantly, safe and reliable service. These features are the foundation of PowerServe Firm Service, which will help meet three important goals: 1) alleviating the exceptionally high electricity costs paid by New Englanders and New Yorkers, 2) enhancing the reliability of the region's electric generation providers, and 3) obtaining the financial credit support needed to proceed with additional capital expenditures to provide critically needed pipeline infrastructure.

The Commission's IR 15-124 website includes a link dated August 28, 2015 to a copy of a report prepared by SkippingStone for the Conservation Law Foundation entitled "Solving New England's Gas Deliverability Problem Using LNG Storage and Market Incentives." A Hearing Officer in the Massachusetts Department of Public Utilities docket D.P.U. 15-237 recently ruled that the Department would not consider this report because it was submitted several weeks after the comment period closed. Tennessee wants to be clear that it disagrees with the conclusions in that report. Based on an initial review of that report, Tennessee submits that there are a number of issues associated with the assumptions relied upon in that report that significantly call into question the conclusions set forth therein.

Please contact me if there are any questions about this filing. Thank you for your assistance.

Very truly yours,



Douglas L. Patch

Enclosure  
DLP/eac  
1367068\_1