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Via Electronic Filing and U.S. Mail

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September 7, 2016

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

Re: **DE 16-241: Eversource Energy - Petition for Approval of Gas Infrastructure Contract with Algonquin Gas Transmission, LLC**

Dear Ms. Howland:

On September 1, the Office of Consumer Advocate (“OCA”) forwarded to the Commission a copy of the decision issued by the Federal Energy Regulatory Commission (“FERC”) the previous day in Docket No. RP16-618 (the “FERC Decision”). While OCA noted that the FERC Decision “speaks for itself” OCA’s cover letter included mischaracterizations of the FERC Decision that Algonquin wishes to correct through this letter.

The FERC Decision provides the foundation to support state-regulated electric reliability programs that will address the critical need for natural gas infrastructure in New England; thereby ensuring electric reliability and reducing price volatility.¹ In a ruling that is critical to the Access Northeast Project, the FERC Decision grants a new exemption for releases by EDCs to asset managers.² Specifically, the FERC Decision held that “[p]roviding a waiver to enable EDCs to release their capacity to an asset manager pursuant to an asset management agreement is therefore consistent with the goals of Order No. 712,” which include significant benefits to a variety of participants in the natural gas and electric marketplaces and lower gas supply costs. The FERC Decision also indicates that the EDCs can accomplish their goals through prearranged releases and that the EDCs and their asset managers can release to generators on a priority basis utilizing existing exemptions.³

¹ FERC Decision, 156 FERC ¶ 61,151.

² *Id.* at P 38.

³ *Id.* at P 28.

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The FERC Decision made several other pronouncements of importance to the Access Northeast Project and development of state programs. Although FERC denied the blanket exemption from capacity bidding requirements, FERC (i) expressly acknowledged the need for gas in the New England region, (ii) reiterated its statement from Order No. 809 that “the Commission is open to considering requests for waiver of its capacity release regulations,” and (iii) most significantly, remains open to “Algonquin developing other more targeted, justified proposals for consideration by the Commission.”⁴

The FERC Decision thus advances the development of the Access Northeast Project and provides a threshold determination regarding the EDCs’ release of capacity as well as guidance to various state commissions as requested by Algonquin and the EDC shippers at the FERC Technical Conference. This approval and guidance should facilitate the Commission’s review and determination of the specific requirements of a state-regulated electric reliability program in New Hampshire that presumably will reflect the bidding exemption for the EDCs to release capacity to an asset manager and may provide for the EDCs and their asset managers to release to generators on a priority basis utilizing existing exemptions as noted. Following the determination of the Commission regarding New Hampshire’s state-regulated electric reliability program, however, Algonquin can seek targeted, justified waivers of the FERC’s capacity release regulations, if necessary, to address additional requirements of the electric reliability program.

Please feel free to contact me if you have any questions or require additional information. Thank you.

Sincerely,



Kenneth C. Baldwin

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⁴ *Id.* at P 24.