



October 23, 2015

To Providers of Gas Infrastructure in New England

On October 2, 2015, The Massachusetts Department of Public Utilities (“MDPU” or the “Department”) issued a policy decision in D.P.U. 15-37, authorizing Massachusetts Electric Distribution Companies to propose innovative mechanisms to secure new natural gas capacity for the region to benefit electric customers (the “Order”). The Department determined in the decision that it has the legal authority under G.L. c. 164, § 94A (“Section 94A”) to review and approve contracts filed by Electric Distribution Companies for pipeline capacity.

Consistent with the policy statement, Eversource and National Grid are issuing this Request for Proposals to solicit proposals for interstate capacity/gas supplies to further the goals of reduction of the cost of electricity and increasing the reliability of the New England electric system to benefit electric distribution customers. Eversource and National Grid may be referred to herein as “EDCs”.

The Department stated in the Order that the Electric Distribution Companies must demonstrate that they have conducted a fair and reasonable procurement to identify potential alternatives (Order at 45). The Department also stated in its Order that the Electric Distribution Company must demonstrate that a proposed agreement results in net benefits for the Mass EDCs’ customers and compares favorably to the range of alternative options reasonably available to it at the time of acquisition of the resource or contract negotiation (id).

In keeping with these statements, the Electric Distribution Companies must demonstrate that their proposed contracts and strategies for reducing the costs of electricity for their electric customers is the most appropriate alternative of the range of alternatives that may be leveraged to achieve reduced electricity costs while ensuring reliability for customers. Therefore, this RFP requests proposals

for pipeline expansion projects, LNG supply alternatives, and regional storage projects for that purpose.

If the EDCs determine that proposals submitted in response to this RFP provide the necessary benefits to its retail electricity customers at a reasonable cost, they intend to negotiate with the selected Bidder(s) and to finalize a contract that will be filed with the MDPU for approval. Any such determination would be made individually by EDCs on behalf of their respective Electric Distribution Companies.

Multiple states within New England are considering the procurement of natural gas resources to improve electric supply reliability and to meet other goals. Although this RFP is issued on behalf of EDCs' electric customers, EDCs are committed to working to further the collective interests of the New England States to procure natural gas capacity resources on behalf of customers in the region. To the extent that other States or utilities pursue their own solicitation processes for natural gas resources, and if the goals of such States and utilities are aligned with the goals set forth in this RFP, EDCs may use proposals from this RFP as necessary to coordinate the procurement of natural gas resources to maximize customer benefits. EDCs also generally reserve the right to modify, withdraw and reissue this RFP at any time.

Proposals must be submitted by November 13th, 2015 at 12:00 P.M – EST in accordance with the terms of this RFP.

Sincerely,

James Daly
Vice President Energy Supply
Eversource Energy

John Vaughn
Vice President Energy Procurement
National Grid