IR 15-124 Second Set of Staff Questions for Access Northeast
August 3, 2015
Instructions for responses: Please e-mail responses in PDF format **by August 13, 2015** to alexander.speidel@puc.nh.gov; responses will be promptly posted to the NHPUC website here: http://puc.nh.gov/Electric/Investigation_into_Potential_Approaches_to_Mitigate_Wholesale_Electricity_Prices.html

1. Questions 1 and 3 of Staff's Initial Questions to Access Northeast asked respectively how LNG commodity service would be priced and to describe the pricing method/approach. While Eversource responded that it planned on releasing the LNG commodity to generators using "market-based pricing", the details of the pricing method or approach were not disclosed. During the July 22 stakeholder meeting with Eversource, Staff was told that the price of LNG commodity will be set at the daily spot price of natural gas in New England. Please confirm that the price of LNG commodity will be set at the daily spot price of natural gas in New England.
2. Eversource have said that under the Access Northeast proposal gas generators will be able to nominate and take delivery of re-gasified LNG from local storage facilities on certain winter days at a price indexed to the price of natural gas in New England on the day of delivery. If the difference between the indexed price and the actual LNG commodity cost (which Staff assumes to be the sum of the price of gas at the receipt point, the variable cost of transportation to the LNG plant, the variable cost of liquefaction, the variable cost of storage and the variable cost of vaporization) is positive, Eversource has said that the margin will be credited back to EDC customers. If the margin is negative, perhaps due to the construction of a second pipeline, Staff assumes the margin will increase the overall cost to EDC customers. Please confirm this assumption and compare the risks of cost increases and decreases.
3. Please provide a breakdown of the cost of re-gasified LNG commodity inclusive of commodity cost, variable cost of liquefaction, variable storage cost, and variable cost of vaporization. Regarding the commodity component, please indicate whether gas is assumed to be procured in New England at spot market prices or outside of New England and transported to the region at an appropriate firm/interruptible rate.
4. Regarding Figure 39-Project reservation (FT) costs - in the London Economics June 20, 2015 report on ECRC cost/benefit analysis, please provide the unredacted "Mahwah Aggregation Area" reservation charge in Dth/day for the Access Northeast project. Please also provide the associated contract term.
5. Eversource in response to Initial Question 14 proposes that each participating New Hampshire EDC contract for its Load Ratio Share of electrical load in New Hampshire. Assuming New Hampshire's three regulated EDCs choose to participate in the procurements of pipeline capacity, please provide a calculation of each EDC's Load Ratio Share.
6. Spectra's response to Initial Question 5 states the receipt points currently contemplated for the Access northeast project are Mahwah, NJ, Ramapo, NY, Brookfield, CT and Wright, NY. Please provide an estimate of the average spot market price of natural gas ($/MMBtu) at each such receipt point (or the nearest representative liquid trading point if data for the receipt is not

available) for the period from April 1, 2014 through March 31, 2015. Please identify the data source and provide the daily data used to calculate the average.

7. Map 1 attached to Spectra's responses to Staff's Initial Questions includes a list of gas-fired generating facilities directly connected to the Algonquin system. The list includes Ocean State Power and Milford Power, which also appear on TGP's list of generators directly connected to its system. Please address this apparent discrepancy.
8. Regarding the list of gas generators directly connected to the Algonquin and M&N systems, is the generator National Grid –Potter Street the same as Potter 2 CC in the CELT Report? Also, are the generators Virginia Power and Casco Bay listed in the report under different names?
9. What was the average daily demand for gas in MMBtus on Algonquin's system during the 2014/15 winter?