



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 19-132

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Petition of Boston Gas Company d/b/a National Grid for approval of a fourteen-year firm transportation agreement with Algonquin Gas Transmission Company, LLC, pursuant to G.L. c. 164, § 94A.

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I. INTRODUCTION AND PROCEDURAL HISTORY

On October 25, 2019, Boston Gas Company d/b/a National Grid (“National Grid” or “Company”) filed a petition with the Department of Public Utilities (“Department”) pursuant to G.L. c. 164, § 94A (“Section 94A”) seeking approval of a 14-year firm transportation agreement (“Agreement”) with Algonquin Gas Transmission Company, LLC (“Algonquin”). The Agreement involves the transportation of 19,000 Dth/day of incremental capacity from either Mahwah or Ramapo, New Jersey, to the Company’s distribution system at East Braintree, Massachusetts, via Algonquin’s Atlantic Bridge Project. The Department docketed this matter as D.P.U. 19-132.

On November 13, 2019, the Attorney General of the Commonwealth of Massachusetts (“Attorney General”) filed a notice of intervention pursuant to G.L. c. 12, § 11E(a), and was recognized as a full party to this proceeding. Additionally, the Department granted intervenor status to the Town of Weymouth (“Weymouth”) and limited participant status to the Town of Braintree (“Braintree”), Town of Hingham (“Hingham”), and Fore River Residents Against the Compressor Station (“FRRACS”). On November 27, 2019, the Company revised its filing to incorporate additional documentation executed subsequent to the initial filing.¹

Pursuant to notice duly issued, the Department conducted a public hearing and procedural conference on December 19, 2019. The Department received several oral and

¹ Additionally, on January 2, 2020, the Company filed a corrected Exhibit NGRID-TEP-2.

written comments from members of the public who generally opposed the Agreement due to environmental concerns and based on a compressor station to be located in Weymouth associated with the Atlantic Bridge Project.

In support of its filing, the Company sponsored the testimony of the following witnesses, each employees of National Grid USA:² Elizabeth Arangio, director of gas supply planning; Deborah Whitney, lead analyst in the New England gas supply group; Samara Jaffe, lead program manager in the gas contracting and compliance group; and Theodore Poe, Jr., principal analyst for gas load forecasting and analysis. Weymouth sponsored the testimony of Elizabeth A. Stanton, Ph.D., director and senior economist, Applied Economics Clinic.

The parties did not request an evidentiary hearing and, based on its review of the record in this proceeding, the Department determined that no further evidentiary process was necessary. The evidentiary record consists of the Company's filing and responses to 129 information requests.³

² Boston Gas Company is an indirect, wholly-owned subsidiary of National Grid USA. See Boston Gas Company and Colonial Gas Company, D.P.U. 17-170, at 2 (2018).

³ On its own motion pursuant to 220 CMR 1.10(3), the Department moves into the evidentiary record of this proceeding the Company's filing, including revisions and corrections received, as well as the information request responses submitted by the parties (AG 1-1 through AG 1-16; AG 2-1 through AG 2-2; AG 3-1 through AG 3-20; AG 4-1 through AG 4-20; AG 5-1 through AG 5-14; AG-WEY 1-1 through AG-WEY 1-3; AG-WEY 2-1; WEY 1-1 through WEY 1-7; WEY 2-1 through WEY 2-7; WEY 3-1 through WEY 3-4; DPU 1-1 through DPU 1-9; DPU 2-1 through DPU 2-8; DPU 3-1 through DPU 3-4; DPU-WEY 1-1 through DPU-WEY 1-14).

On May 8, 2020, the Company, the Attorney General, and Weymouth submitted initial briefs. On May 22, 2020, the Company and FRRACS submitted reply briefs, and the Attorney General and Weymouth each filed a letter in lieu of a reply brief.

II. STANDARD OF REVIEW

In evaluating a gas utility's resource options for the acquisition of commodity resources as well as for the acquisition of capacity under G.L. c. 164, § 94A, the Department examines whether the acquisition of the resource is consistent with the public interest. Commonwealth Gas Company, D.P.U. 94-174-A at 27 (1996). In order to demonstrate that the proposed acquisition of a resource that provides commodity and/or incremental resources is consistent with the public interest, a local distribution company ("LDC") must show that the acquisition (1) is consistent with the company's portfolio objectives and (2) compares favorably to the range of alternative options reasonably available to the company at the time of the acquisition or contract renegotiation. D.P.U. 94-174-A at 27.

In establishing that a resource is consistent with the company's portfolio objectives, the company may refer to portfolio objectives established in a recently approved forecast and supply plan or in a recent review of supply contracts under G.L. c. 164, § 94A, or may describe its objectives in the filing accompanying the proposed resource. D.P.U. 94-174-A at 27-28. In comparing the proposed resource acquisition to current market offerings, the Department examines relevant price and non-price attributes of each contract to ensure a contribution to the strength of the overall supply portfolio. D.P.U. 94-174-A at 28. As part

of the review of relevant price and non-price attributes, the Department considers whether the pricing terms are competitive with those for the broad range of capacity, storage, and commodity options that were available to the LDC at the time of the acquisition, as well as with those opportunities that were available to other LDCs in the region. D.P.U. 94-174-A at 28. In addition, the Department determines whether the acquisition satisfies the LDC's non-price objectives including, but not limited to, flexibility of nominations and reliability and diversity of supplies. D.P.U. 94-174-A at 28-29. In making these determinations, the Department considers whether the LDC used a competitive solicitation process that was fair, open, and transparent. The Berkshire Gas Company, D.T.E. 02-56, at 10 (2002); Bay State Gas Company, D.T.E. 02-52, at 8 (2002); KeySpan Energy Delivery New England, D.T.E. 02-54, at 9 (2002); The Berkshire Gas Company, D.T.E. 02-19, at 11 (2002).

III. DESCRIPTION OF THE COMPANY'S PROPOSAL

National Grid requests approval of a 14-year firm transportation agreement with Algonquin pursuant to G.L. c. 164, § 94A (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 20 & n.7; Petition ¶ 3). On October 8, 2019, the Company entered into an assignment and assumption agreement with New England NG Supply Limited ("NENG"), J.D. Irving, Limited ("J.D. Irving"), Algonquin, and Maritimes & Northeast ("Maritimes"), through which NENG and J.D. Irving assigned their precedent agreement with Algonquin and Maritimes involving 16,768 Dth/day capacity on the Atlantic Bridge Project to the Company (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 16, 18-19; NGRID-EDA/SAJ-2 (Rev.) at 1). Next, on October 29, 2019, the Company entered into an assignment and assumption

agreement with Exelon Generation Company, LLC (“Exelon”), Algonquin, and Maritimes, through which Exelon assigned its precedent agreement with Algonquin and Maritimes involving 2,232 Dth/day capacity on the Atlantic Bridge Project to the Company (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 16, 18-19; NGRID-EDA/SAJ-2 (Rev.) at 76).

Immediately following the assignments to the Company, Algonquin and Maritimes entered an amended and restated precedent agreement with the Company setting forth each of the parties’ obligations and terminating all obligations between the Company and Maritimes (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 16-17, 19-20; NGRID-EDA/SAJ-2 (Rev.) at 9-36). Pursuant to the amended and restated precedent agreement, the Company entered into two firm transportation agreements with Algonquin: (1) a one-year agreement having a primary term beginning on or around November 1, 2019, and terminating on October 31, 2020, and (2) the 14-year Agreement subject to the Department’s approval (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 6, 20; NGRID-EDA/SAJ-2 (Rev.) at 37-66; Petition ¶ 3).⁴

If approved by the Department, the Agreement will go into service on or about November 1, 2020, and will provide up to 19,000 Dth/day of transportation service with primary receipt points at Mahwah or Ramapo, New Jersey, for primary delivery to the Company’s city-gate at East Braintree, Massachusetts (Exhs. NGRID-EDA/DMW/SAJ-1

⁴ Given the length of time and other requirements under G.L. c. 164, § 94A, the Company seeks approval of the 14-year Agreement and not the one-year agreement (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 20 & n.7).

(Rev.) at 16, 20-21; NGRID-EDA/SAJ-2 (Rev.) at 54; Petition ¶¶ 5, 12). Pursuant to the Agreement, the Company will purchase firm transportation and will pay a negotiated reservation rate and annual demand charges (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 26; NGRID-EDA/SAJ-2 (Rev.) at 54). After the primary 14-year term, the Company will have the one-time option to extend the primary term of the Agreement up to the full contract quantity at either an additional five- or ten-year term at a stated negotiated reservation rate (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 22, 26; NGRID-EDA/SAJ-2 (Rev.) at 54). Alternatively, the Company may elect to extend the term of the Agreement at the then-effective maximum recourse reservation rate under Algonquin's applicable Federal Energy Regulatory Commission ("FERC") tariff (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 22, 26; NGRID-EDA/SAJ-2 (Rev.) at 54; DPU 1-7).

The Company states that the Agreement will fill a portion of the Company's unserved need arising from the termination of the Northeast Energy Direct ("NED") Project (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 12-13). The Company analyzed its need for incremental resources using the same methodology established in its five-year forecast and supply plan ("F&SP") approved by the Department in Boston Gas Company and Colonial Gas Company, D.P.U. 16-181 (2017) (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 5, 7; NGRID-TEP-1, at 6).⁵ Relying on that methodology, each year the Company determines

⁵ The Department has since approved a more recent F&SP, Boston Gas Company and Colonial Gas Company, D.P.U. 18-148 (2019). At the time of contract negotiations, however, the Company relied on D.P.U. 16-181 (Exh. NGRID-TEP-1, at 6).

trends in customer requirements under normal and design weather conditions by conducting an annual updated forecast of customer requirements for long-range resource plans based on a ten-year planning horizon (Exh. NGRID-TEP-1, at 5-6).⁶ The Company used its planning process to develop both load requirements and resource requirements over a planning horizon from 2018/2019 through the 2027/2028 heating seasons (Exh. NGRID-TEP-1, at 9). The Company assumed that it would continue its present-day efforts at load reduction through its energy efficiency programs throughout the forecast period (Exh. NGRID-TEP-1, at 10). Thus, the Company reduced the annual load by approximately 1.5 percent each forecast year and used the resulting load requirement net of energy efficiency as an input to determine resource requirements (Exh. NGRID-TEP-1, at 10).

The Company also adjusted its forecast of supply requirements to address the anticipated migration of capacity-exempt customers to the Company's sales service, which reclassifies these customers as capacity-eligible and makes them part of the Company's planning load thereafter (Exh. NGRID-TEP-1, at 10-11).⁷ The Company states that since

⁶ A design condition signifies an extreme weather scenario. For example, a design day would be the coldest day for which an LDC would plan. Boston Gas Company, Colonial Gas Company, and Essex Gas Company, D.T.E. 05-68, at 5 n.4 (2006).

⁷ Capacity-exempt customers are either (1) new customers who have elected to purchase commodity from competitive suppliers or marketers, rather than default service from the LDC, while relying on the LDC for transportation of the commodity; or (2) customers who were receiving transportation-only service prior to the unbundling of gas services in 1998 and for whom the LDCs ordinarily have no obligation to procure pipeline capacity. Emergency Authorization for Gas Capacity Planning, D.P.U. 14-111, at 2 n.1 (2014). Default service means gas commodity service that an LDC provides to a customer who does not receive service from a third-party

winter 2013/2014, an increasing number of capacity-exempt customers have opted to migrate to capacity-eligible service, and the Company expects this trend to continue (Exh. NGRID-TEP-1, at 10).

Based on this analysis, the Company identified a need for design day capacity of 55,000 Dth/day in 2020/2021, growing to 560,000 Dth/day in 2027/2028, and a design year winter need of 1.1 million Dth in 2020/2021, growing to more than 8.2 million Dth in 2027/2028 (Exhs. NGRID-TEP-1, at 11-13; NGRID-DMW, at 1-2). The Company states that these long-term needs are consistent with the trend identified in the Company's prior Department-approved F&SPs, Boston Gas Company and Colonial Gas Company, D.P.U. 11-09 (2012), D.P.U. 13-01 (2014), and D.P.U. 16-181 (Exh. NGRID-TEP-1, at 12-13). The Company also states that incremental capacity resources are needed to ensure reliability and deliverability of natural gas to meet customer requirements and, according to the Company, the addition of the Agreement will help meet these needs and address the shortfall (Exh. NGRID-TEP-1, at 14). In addition, the Company states that its most recent forecast approved by the Department in D.P.U. 18-148 supports the continued need for the Agreement (Exhs. DPU 1-1; DPU 1-2).

The Company states that it considered potential alternatives to the Agreement to meet its existing need for incremental supplies delivered to the Company's city-gates but determined that those alternatives were not viable, desirable, or workable

supplier. It is the equivalent of basic service for electric distribution company customers.

(Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 22-25; NG-Rebuttal at 12-13). The Company explains that it meets its peak requirements through a combination of liquefied natural gas (“LNG”), underground storage, and city-gate delivered supplies, and these supplies provide National Grid with the ability to respond to fluctuations in weather, economics, and other factors driving the Company’s sendout requirements (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 9-10, 22). According to the Company, other incremental pipeline capacity projects are not viable alternatives to the Agreement due to uncertainty involving pipeline construction in New England, as evidenced in the termination of the NED Project, and this uncertainty supports procurement of the already-existing capacity under the Agreement (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 25, 30; NG-Rebuttal at 12). Moreover, the Company states that because there are very few counterparties that can actually or are willing to deliver gas to the Company’s distribution system and pipeline capacity is not otherwise immediately available, initial discussions indicate that the cost of interstate pipeline capacity will far exceed the cost of the capacity provided for under the Agreement (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 26, 30; NG-Rebuttal at 13). The Company states that it continues to explore least-cost solutions to meet the forecasted incremental needs of the distribution system (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 25-26). The Company also states that it would not be reasonable to wait for larger pipeline projects to be built due to its forecasted near-term design-day and design-season incremental need (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 25; NG-Rebuttal at 12).

When the Company forecasts that customer requirements will exceed the resources available in its portfolio during the peak season, the Company explains that it issues a request for proposals (“RFP”) for firm deliveries at various interconnects into the Company’s distribution system where load requirements exist (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 23). Typically, the solicitation will include call options to purchase bundled gas supplies delivered directly to the Company’s city-gates and avoid reservation charges associated with interstate pipeline capacity (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 23). However, according to the Company, reliance on these types of call options expose the Company to high city-gate pricing during peak days and the possibility that the Company will be unable to procure firm deliveries from third parties (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 23-24).

Further, the Company explains that it does not consider LNG storage or winter liquid supply contracts a workable alternative to the Agreement (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 22-23; NG-Rebuttal at 13). The Company identifies a peak season supply deficit beginning with the 2019/2020 peak season, notwithstanding existing off-peak LNG supply and liquefaction agreements, but states that its long-term strategy is to minimize the percent of peak-day supply coming from LNG (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 22-23). The Company explains that it plans to have its LNG storage facilities 100 percent full by December 1 of each heating season and replenishing LNG inventory of the tanks throughout the heating season would require an additional LNG supply agreement and reliance on transportation of trucked LNG from a third-party facility (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 10-11; NG-Rebuttal at 13). The Company maintains that increasing its current

storage and/or vaporization capabilities would require construction and/or permitting of new and modified LNG facilities (Exh. NG-Rebuttal at 13).

Additionally, the Company considered price and non-price factors associated with the Agreement (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 26-31). The Company estimates that the Agreement will save its customers millions in annual commodity savings per design year from November 1, 2020, through October 31, 2028, as a result of the incremental capacity at the city gate provided for by the Agreement (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 27). The Company states that, without the Agreement, the Company cannot be certain it will be able to access competitively priced gas supply necessary to meet its near-term and long-range forecast requirements in a least-cost, reliable manner (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 27).

With respect to non-price factors, the Company considered reliability, flexibility, and diversity (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 28). The Company states that the most significant benefit the Agreement will provide is reliability, given the annual growing need for incremental supplies and the capacity that already exists on the Atlantic Bridge Project to provide delivery on a primary firm basis to the Company's gate station in East Braintree (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 16, 30). Further, the Company states that the Agreement will increase the flexibility and diversity of the overall portfolio by providing the Company with (1) access to incremental and abundant supply on a primary firm priority from two receipt points, the Algonquin and Tennessee Gas Pipeline Company, LLC ("Tennessee") interconnect at Mahwah and the Algonquin and Millennium interconnect at Ramapo, which is

an option unique to the Atlantic Bridge Project; and (2) capacity held in the Company's own name, which reduces reliance on third-party deliveries into the distribution system (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 12, 30-31). Thus, the Company states that, considering both price and non-price factors, the Agreement is in the public interest, and is the most viable, cost-effective option to meet the Company's particular needs (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 7).

IV. POSITIONS OF THE PARTIES

A. Attorney General

The Attorney General argues that the Department should deny the Company's petition, because the Agreement is not in the public interest (Attorney General Brief at 2, 5-11). Specifically, the Attorney General questions whether the Agreement represents a least-cost, reliable option, asserting that (1) the Company did not demonstrate a need for the Agreement to reliably serve its customers, (2) it is unlikely that the benefits of the Agreement outweigh the costs, and (3) the Company did not adequately explore potential alternatives (Attorney General Brief at 2, 5-10). Moreover, the Attorney General contends that the Company failed to provide adequate evidence that the Agreement is consistent with the Global Warming Solutions Act, Chapter 298 of the Acts of 2008 ("GWSA") (Attorney General Brief at 2, 10-11).

According to the Attorney General, the Company's analysis to demonstrate the need for the Agreement is misleading and does not provide certain cost savings identified by the Company (Attorney General Brief at 6, 7 citing Exh. NGRID-EDA/DMW/SAJ-1 (Rev.)

at 27-28 (Tables 3 & 4)). In particular, the Attorney General contends that the Company's reliance on eight consecutive design years is based on an unrealistic assumption, since the Company's normal year forecast represents a typical meteorological year based on approximate 20-year averages for each month, and the design year has a probability of occurrence of one in 34.4 years (Attorney General Brief at 6-7, citing Exh. NG-Rebuttal at 9; D.P.U. 18-148, at 4-7). The Attorney General argues that comparing the costs of the Agreement to consecutive normal years provides a more realistic assessment because normal years are more likely to occur (Attorney General Brief at 7). The Attorney General asserts that such an analysis shows that the Agreement provides no benefits to customers until the 2024/2025 heating season, the first year the Company is projected to experience unserved demand in a normal year, and even then the benefit of incremental pipeline capacity would not offset the high annual cost of the Agreement (Attorney General Brief at 2, 5, 7, citing Exhs. AG 4-20, Att. at 1, 3; AG 5-11 (Confidential)). The Attorney General also asserts that other resources can be more closely tailored to match the Company's design-year demand needs, including city-gate deliveries or LNG contracts (Attorney General Brief at 2, 5).

Moreover, the Attorney General argues that the Agreement represents a costly supply option (Attorney General Brief at 6). The Attorney General contends that the costs associated with the Weymouth Compressor Station, which are included in the contract rates, diminish any potential cost and reliability benefits associated with the Agreement (Attorney General Brief at 5, citing Exh. AG 1-2). The Attorney General maintains that this

diminishment is exacerbated by the fact that the Weymouth Compressor Station is not necessary for the Agreement, and she asserts that National Grid's customers should not have to shoulder the cost for this compressor station, since it provides them no benefit (Attorney General Brief at 5-6, citing Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 16). Additionally, the Attorney General argues that the disparity between projected city-gate prices and the cost under the Agreement is too large to justify approval of the Company's proposal (Attorney General Brief at 8). The Attorney General also questions the accuracy of the Company's design-year cost comparisons in relation to future spot market pricing and the associated calculations (Attorney General Brief at 8 n.3, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) (Confidential) at 27-28 (Tables 3 & 4); WEY 2-5(e)).

Further, the Attorney General argues that the Company did not adequately explore potential alternatives to the Agreement (Attorney General Brief at 2, 8-10). In particular, according to the Attorney General, the Company provided no support for its assertion that very few counterparties can or are willing to deliver gas to the Company's distribution system and, thus, the Company has not met its burden to show that the Agreement compares favorably to the range of alternatives reasonably available at the time of acquisition or contract negotiation (Attorney General Brief at 8-9, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) (Confidential) at 30; NG-Rebuttal at 13; D.P.U. 94-174-A at 27 (emphasis omitted)). The Attorney General argues that the Company's reliance on responses to an outdated RFP does not represent a sufficient analysis of reasonable alternative resources that may be available (Attorney General Brief at 9).

Moreover, the Attorney General asserts that the Company's position that alternative resources do not provide adequate reliability is inconsistent with the Company's position that it will rely on alternatives, such as LNG and/or city-gate supplies, to otherwise meet unserved demand (Attorney General Brief at 9, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) (Confidential) at 13; AG 4-4; D.P.U. 18-148, at 27-28). The Attorney General also maintains that the Company's failure to explain why its contract with Constellation Energy for LNG could not be renewed is indicative of National Grid's lack of due diligence in considering reasonable alternatives (Attorney General Brief at 9, citing Exh. AG 5-6).

The Attorney General contends that the Company failed to provide adequate evidence that the Agreement is consistent with the GWSA (Attorney General Brief, at 6, 10-11). The Attorney General argues that, unlike in Boston Gas Company, D.P.U. 17-174 (2018), the Company did not model conversions of customers from oil heating to natural gas and, thus, it is not known whether the new load growth stems from oil to natural gas conversions, other non-gas to gas conversions, or new construction (Attorney General Brief at 11, citing Exh. AG 4-15). The Attorney General also argues that the Company is not replacing any already existing contracts but, rather, is entering into the Agreement in addition to its current portfolio. (Attorney General Brief at 11, citing Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) (Confidential) at 13). Further, according to the Attorney General, the Company's attempt to provide the amount of greenhouse gas emissions it expects to reduce as a result of the Agreement is flawed because it is not actually resulting from the Agreement (Attorney General Brief, citing Exh. AG 4-18). The Attorney General states that even if the

Company's assumptions and calculations are correct, this reduction would still occur if the load growth is served by reasonable alternatives to the Atlantic Bridge Project, such as LNG and/or city-gate supplies, and, as a result, any reduction cannot be credited to the Agreement (Attorney General Brief at 11).

Finally, the Attorney General states that, if the Commonwealth intends to meet its goals under the GWSA, then precedent agreements need to be scrutinized for their specific contributions to the reduction of greenhouse gas emissions (Attorney General Brief at 11).

B. Town of Weymouth

Weymouth asserts that the Department should reject the Agreement because National Grid has failed to meet its burden of proving that it is in the public interest (Weymouth Brief at 1). According to Weymouth, the Agreement is not based on (1) reasonable projections of future customer demand consistent with the requirements of the GWSA or (2) appropriate consideration of price and non-price factors due to flawed and unsupported data (Weymouth Brief at 1, 7-15).

In support of its claim that National Grid's proposal is not based on reasonable projections of future customer demand, Weymouth asserts that the forecast of customer demand based on the methodology approved in D.P.U. 16-181 is flawed and needs to be adjusted (Weymouth Brief at 9, 11). According to Weymouth, the Company's projected customer demand is too high in light of emission reductions that must occur to achieve GWSA targets, which Weymouth states are legally binding, and the Company does not discuss the impacts of the GWSA on National Grid's projected forecasts in any meaningful

way (Weymouth Brief at 7, 11). Weymouth relies on emission reduction projection targets identified in the Commonwealth's Clean Energy and Climate Change Plan for 2020 and the United States Energy Information Administration's ("EIA's") 2020 Annual Energy Outlook ("AEO") for the New England region in comparison to the Company's demand projections in support of its position (Weymouth Brief at 4-6, 9-12). Weymouth states that it does not dispute the Department's approvals in D.P.U. 16-181 and D.P.U. 18-148, nor that they are relevant to a Section 94A review; however, Weymouth asserts that those prior proceedings should not be deemed conclusive in consideration of evidence that an adjustment is necessary (Weymouth Brief at 12). As a result, according to Weymouth, the Section 94A public interest standard requires the Department to also consider the evidence provided by the town (Weymouth Brief at 12).

Weymouth further explains that National Grid has not met its burden to show that the proposed agreement is in the public interest because it is also not based on an appropriate consideration of price and non-price factors pursuant to Section 94A (Weymouth Brief at 13). According to Weymouth, the Company did not adequately evaluate supply-side or demand-side alternatives to the Agreement, including those associated with energy efficiency, demand response, and electrification (Exh. WEY-ES-1 (Rev.) at 9, 14-15, 22-28). Additionally, Weymouth takes issue with the Company's claim that the Agreement is necessary for design year planning purposes in order to avoid high city-gate pricing during peak days or to eliminate the possibility that National Grid may not be able to procure natural gas (Weymouth Brief at 13). Weymouth claims that because of the absence of historical data

or an economic analysis that defines the point where spot market pricing would become sufficient to justify the costs of the Agreement, combined with the lack of information quantifying the risks associated with unmet demand, the Company has not met the burden to establish that the proposed agreement meets the public interest standard (Weymouth Brief at 13). Weymouth argues that because the Company has provided no credible analysis showing that the Atlantic Bridge Project is a least-cost alternative by comparing the reliability risk to the cost of the proposed agreement, National Grid has not met the standard of review under section 94A (Weymouth Brief at 14-15).

C. FRRACS

FRRACS agrees with the Attorney General's position that the Agreement should be denied because the Agreement includes costs for natural gas infrastructure that is not necessary under the Agreement and for which ratepayers will not receive any benefit and, thus, is not consistent with the public interest pursuant to Section 94A (FRRACS Reply Brief at 1-2, citing Attorney General Brief at 5-6). FRRACS states that the Agreement imposes charges to ratepayers that include unnecessary costs associated with the Weymouth Compressor Station, totaling more than \$100 million (FRRACS Reply Brief at 3, citing Exh. AG 1-2; Attorney General Brief at 5). FRRACS contends that the Supreme Judicial Court has expressly held that contracts that seek recovery from ratepayers for infrastructure from which they do not benefit are contrary to the main objectives of Section 94A and "re-expose ratepayers to the types of financial risks from which the legislature sought to protect them from" (FRRACS Reply Brief at 2, citing Engie Gas & LNG LLC v.

Department of Public Utilities, 475 Mass. 191, 192 (2016) (“Engie”)). According to FRRACS, the absence of an electric distribution company from this proceeding does not distinguish the holding of Engie because to shift the entire risk of the Weymouth Compressor Station investment to ratepayers without the corresponding benefit would be unreasonable and inconsistent with both the public interest under Section 94A and with Supreme Judicial Court precedent (FRRACS Reply Brief at 3-4, citing Engie, 475 Mass. at 209). Accordingly, FRRACS asserts that the Company’s petition for approval should be denied (FRRACS Reply Brief at 4).

D. Company

National Grid argues that the Agreement should be approved because it is consistent with the Company’s portfolio objectives, will contribute to the overall reliability, flexibility, and diversity of the Company’s resource portfolio, compares favorably to the reasonably available range of alternatives, and is consistent with the GWSA (Company Brief at 1-2, 8-17; Company Reply Brief at 5-13).

The Company asserts that the Agreement is necessary to serve existing customers and projected future demand on a least-cost, reliable basis (Company Brief at 8, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 14; NGRID-TEP-1, at 11-12; Company Reply Brief at 8-9). National Grid relied on the methodology approved in D.P.U. 16-181 to establish its forecast in the instant proceeding, using the SENDOUT model to compare the capacity requirements of its current portfolio with the requirements for the portfolio including the Agreement (Company Brief at 8, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 17;

NGRID-TEP-1, at 6, 9-13; Company Reply Brief at 2, citing Exh. NG-Rebuttal at 4-5). The Company asserts that its analysis shows that service from the Agreement is required to address the Company's need for long-term incremental supply and to address forecasted peak day and peak season deficiencies beginning in 2020/2021 and extending through the 2027/2028 heating season (Company Brief at 8-9, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 17-18; NGRID-TEP-1, at 14). The Company maintains that the Agreement remains necessary due to remaining unserved demand even with estimated energy efficiency reductions, which are incorporated in the Company's forecasts (Company Brief at 15-16, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 26; AG 1-10; Company Reply Brief at 8, citing Exh. AG 4-3).

National Grid disputes Weymouth's assertion that the Company's customer demand forecast is flawed and should be adjusted downward given the Commonwealth's GWSA targets (Company Reply Brief at 2, citing Weymouth Brief at 9-10). The Company argues that Weymouth's assertion is contrary to Department precedent and an attempt to relitigate an issue involving the Company's forecasting methodology that was already resolved in two prior F&SP proceedings (Company Reply Brief at 2, citing D.P.U. 18-148, at 21; D.P.U. 16-181, at 44). In particular, the Company maintains that the forecasting methodology relied upon in the instant proceeding was found to be appropriate and reliable by the Department, and met the requirements established under G.L. c. 164, § 69I for approving F&SPs (Company Reply Brief at 2-3, citing Exh. NG-Rebuttal at 4-5; D.P.U. 16-181, at 58). Further, the Company argues that the Department has historically

accepted updated forecast analyses for precedent agreements that rely on a company's most recent Department-approved F&SP (Company Reply Brief at 3, citing NSTAR Gas Company, D.P.U. 17-175, at 24 (2018); Boston Gas Company, D.P.U. 15-34, at 31-32 (2015); NSTAR Gas Company, D.P.U. 13-159, at 19-20 (2014); Bay State Gas Company, D.P.U. 13-158, at 19 (2014)).

National Grid also argues that Weymouth's position that the Company's rate of growth is unusually high is based on a flawed application of data and, therefore, must be rejected (Company Reply Brief at 4-5). The Company contends that Weymouth incorrectly relies on regional forecast data rather than data specific to the Company's service territory, which includes the Boston area, and, as a result, Weymouth inaccurately predicts lower growth rates (Company Reply Brief at 3, citing Exhs. WEY-ES-1, at 11; NG-Rebuttal at 5). The Company points to data demonstrating that the Boston area is expected to grow at an increased pace compared to the rest of New England, with Moody Analytics predicting Boston employment growth of 0.84 percent per year over the next ten years compared to a 0.05 percent per year increase over the same period predicted for New England by AEO (Company Reply Brief at 3-4, citing Exh. NG-Rebuttal at 5). Additionally, the Company maintains that when the Company's forecast is compared using the correct concepts and time periods, EIA's forecasted annual gas consumption growth rates are similar to the Company's for the same years and same concepts (Company Reply Brief at 4, citing Exh. NG-Rebuttal at 7-8). According to the Company, Weymouth concedes that National Grid raises "technical

points” with respect to Weymouth’s use of AEO data (Company Reply Brief at 4, citing Weymouth Brief at 7).

National Grid asserts that the Agreement compares favorably to available alternative resources based on price factors (Company Brief at 13). The Company states that the Agreement will reduce the Company’s reliance on call options to buy bundled gas supplies that not only exposes the Company to high city-gate pricing during peak days, but also to the possibility that the Company will be unable to procure firm deliveries from third parties (Company Brief at 12, 13 citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 24; DPU 2-1). The Company estimates that customers will save in commodity costs annually as a result of the incremental capacity provided to the city-gate by the Agreement (Company Brief at 13, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 27; AG 1-3). Further, the Company will not incur any additional costs to serve customers served by the gate station, since no modifications are needed to the East Braintree gate station or to the Company’s distribution system under the Agreement (Company Reply Brief at 7). Further, the Company states that the negotiated reservation rate in the Agreement has been reviewed by FERC and was found to be reasonable and consistent with FERC policy (Company Reply Brief at 12, citing Algonquin Gas Transmission, LLC Maritimes & Northeast Pipeline, LLC, 158 FERC ¶ 61061 (2017) (“Algonquin”) (subsequent history omitted)). The Company also states that record evidence demonstrates that the Agreement price is competitive (Company Reply Brief at 12, citing Exhs. NGRID-EDA/SAJ-2, at 54; NG-Rebuttal at 16; DPU 1-7).

In response to the Attorney General's assertion that the cost savings presented by the Company are misleading, the Company disputes the Attorney General's reliance on normal weather conditions for her position and points out that the Company's analysis depicts cost savings for any given design year during the life of the Agreement (Company Reply Brief at 10, 11 citing Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 28; Attorney General Brief at 7). The Company states that it has an obligation to provide safe and reliable service to meet current and projected future demand, and the Company contends that, in order to provide a guaranteed level of firm service, it must maintain a resource portfolio based on design standards every year in the event of design weather conditions (Company Reply Brief at 8, 10). The Company points to its cost-benefit analysis submitted in D.P.U. 16-181 to determine the effective degree day level to which it would plan for firm deliverability, observing that its analysis weighed the cost of holding capacity for when a design day would occur versus the benefit of not incurring damages associated with shutting off service to customer who would incur freeze-up damages and economic loss to businesses (Company Reply Brief at 10, citing D.P.U. 16-181, at 19; D.P.U. 16-181, Exh. NGRID-1, at 120-122). Further, the Company asserts that design years do not need to occur for eight consecutive years in order for customers to realize savings in a design year and that it typically presents cost savings for design years over the life of the contract (Company Reply Brief at 11, citing Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 28; D.P.U. 17-174, Exh. NGRID-EDA/DMW/SAJ-1, at 34-35).

Regarding the Attorney General's argument that any potential cost and reliability benefits to the incremental pipeline capacity are diminished by the costs of the Weymouth Compressor Station, the Company responds that the Attorney General's analysis inappropriately isolates the Weymouth Compressor Station from the larger Atlantic Bridge Project (Company Reply Brief at 9 n.2, citing Attorney General Brief at 5). The Company contends that the Weymouth Compressor Station is just one component of a larger project intended to add supply diversity and reliability in the Northeast markets, and the individual project components of the Atlantic Bridge Project are financially interdependent (Company Reply Brief at 9 n.2). According to the Company, just as National Grid customers will share in the costs of the Weymouth Compressor Station, customers of other LDCs will share in the costs of the Atlantic Bridge Project facilities serving National Grid customers (Company Reply Brief at 9 n.2). Thus, the Company contends that the Atlantic Bridge Project costs are equitably shared by all users of the project just as all users benefit from the project as a whole (Company Reply Brief at 9 n.2).

National Grid maintains that the Agreement also compares favorably to available alternative resources based on non-price factors, including reliability, flexibility, and diversity (Company Brief at 14-15). According to the Company, the most significant benefit that the Agreement will provide is reliability, since the Agreement will provide incremental deliveries to the Company's existing city-gate at East Braintree and fill a portion of the near-term need (Company Brief at 7, 14, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 20; NGRID-EDA/SAJ-2, at 51-65). The Company states that it does not want to forego this

opportunity because it is not aware of any other options that exist that can provide incremental service to the Company's existing city gates (Company Brief at 14, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 25; WEY 2-1; Company Reply Brief at 6, citing Exh. WEY 2-1).

The Company explains that it meets its peak requirements through a combination of LNG, underground storage, and city-gate delivered supplies (Company Brief at 11). The Company asserts that it does not consider LNG storage contracts a readily available workable alternative to the Agreement because replenishing the LNG inventory throughout the heating season would require reliance on transportation of trucked LNG, and increasing the Company's current storage and/or vaporization capabilities would require construction and/or permitting of both new and modified LNG facilities (Company Brief at 11, citing Exh. AG 4-2). The Company insists that the existing need for incremental city-gate delivered supplies eliminates the option of waiting for larger pipeline construction projects that may or may not be completed, observing uncertainty around additional pipeline construction in the New England region as evidenced by the termination of the NED Project and, at the time of the Department's review in D.P.U. 17-174, the agreement between the Company and Tennessee providing the last capacity available the Company's city-gate without construction (Company Brief at 12, 14, citing Exhs. NGRID- EDA/DMW/SAJ-1 (Rev.) at 15, 25; DPU 2-1; Company Reply Brief at 5 n.1, citing D.P.U. 17-174, at 27). The Company also claims that there are very few parties that can actually or are willing to deliver gas to the Company's distribution system (Company Brief at 14, citing

Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 30; AG 5-2). Regarding the position of both the Attorney General and Weymouth that the Company can utilize the spot market in the event of a design year, the Company argues that the spot market is not an ideal alternative given capacity constraints on the Tennessee pipeline and Algonquin pipeline (Company Reply Brief at 11, citing Exh. NG-Rebuttal at 11; Attorney General Brief at 7-8; Weymouth Brief at 13-14).

In response to the Attorney General's argument that the Company relied on an outdated RFP that received limited bids, the Company states that the lack of a competitive solicitation process is not fatal to a company's petition when the Department is not persuaded that a competitive solicitation would have produced a viable, cost-effective alternative to the proposed contract (Company Reply Brief at 5, citing D.P.U. 17-175, at 27; NSTAR Gas Company, D.P.U. 15-83, at 32 (2015)). The Company argues that the Attorney General ignores the Company's expertise in the gas market and its knowledge of available resources to meet its needs, which the Department has previously found enables a company to identify an array of available options and then perform the necessary analyses that led to the rejection of these options (Company Reply Brief at 5, 6, citing Attorney General Brief at 8-9; D.P.U. 15-83, at 32). According to the Company, the resource in question here is an assignment of an existing gas capacity agreement, which is not typically offered in the market in response to an RFP (Company Reply Brief at 5). The Company maintains that its market expertise was enhanced by an RFP that was issued in the recent past prior to the Company's identification of the Algonquin resource (Company Reply Brief at 5). Additionally, the

Company asserts that it utilized its experience in the market and reviewed possible alternatives, including other incremental pipeline capacity projects, city-gate delivery, and LNG storage before it ultimately concluded that none of these resources were viable alternatives to the Agreement (Company Reply Brief at 6, citing Exhs. NGRID-EDA/DMW/SAJ-1, at 22-26; NG-Rebuttal at 12-13; WEY 2-1).

In response to Weymouth's claims that the Company must consider gas and non-gas alternatives including energy efficiency and demand response, the Company argues that the Department has found that additional energy efficiency measures are considered as part of a company's three-year energy efficiency planning and not on a piece-meal basis (Company Reply Brief at 7, citing Exh. WEY-ES-1 (Rev.) at 24; Weymouth Brief at 7; D.P.U. 17-174, at 28). The Company argues that the Department has also recognized that, although savings from gas energy efficiency programs are reliable and verifiable, unlike gas supply resources, gas energy efficiency and demand response resources are not dispatchable resources on which companies can rely to meet design day or design season customer demand (Company Reply Brief at 8, citing Boston Gas Company and Colonial Gas Company, D.P.U. 13-157, at 23 (2014)). The Company reiterates that it considered all available cost-effective energy efficiency measures and reduced the forecasted retail demand to account for energy efficiency savings, but that unserved demand remains (Company Reply Brief at 8, citing Exhs. NGRID-TEP-1, at 6-7, 9-10; AG 1-10; AG 1-15; AG 4-3). As a result, the Company contends Weymouth's claims that the Company has not properly considered non-gas alternatives must be dismissed (Company Reply Brief at 8).

Lastly, the Company maintains that the Agreement is consistent with the GWSA, because the gas supply provided under the Agreement will (1) reduce greenhouse gas emissions through projected service to new customers converting from oil heating to natural gas, and (2) replace supply for customers expected to migrate from competitive suppliers to the Company, resulting in no additional greenhouse gas emissions for those migrations (Company Brief at 16-17, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 31; DPU 2-7; AG 4-15; AG 4-17; Company Reply Brief at 12, citing Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 31; NG-Rebuttal at 16). The Company argues that this analysis in relation to the GWSA is consistent with Department precedent (Company Brief at 16, 17 citing Exh. DPU 2-7; D.P.U. 17-174, at 43). The Company estimates that through the conversion of 3,000 customers per year from oil heating to natural gas, it can realize annual carbon dioxide savings of between 57,291 and 73,350 tons per year by 2028 (Company Brief at 17, citing Exh. AG 4-18).

The Company rejects the Attorney General's contention that it has provided scant evidence that the Agreement is consistent with the GWSA (Company Reply Brief at 12, citing Attorney General Brief at 10-11). The Company argues that there is no need for elaborate quantification of greenhouse gas emissions in a proceeding involving the approval of a gas pipeline contract, since it is undeniable that converting customers from oil heat to gas will reduce greenhouse gas emissions (Company Reply Brief at 12-13). The Company also asserts that the Attorney General's argument is contrary to Department precedent because the Department already rejected arguments that claim it is insufficient or too

speculative to rely on the contracts at issue to further oil to gas conversions as proof that the contracts are consistent with the GWSA (Company Reply Brief at 13, citing D.P.U. 15-34, at 41; D.P.U. 13-157, at 24-25).

V. ANALYSIS AND FINDINGS

A. Introduction

The Department must evaluate whether the proposed acquisition is consistent with the public interest. Section 94A; D.P.U. 94-174-A at 27. To make this determination, the Department considers whether the acquisition is consistent with the Company's portfolio objectives and compares favorably to the range of alternative options reasonably available to the Company at the time of the acquisition or contract negotiations. D.P.U. 94-174-A at 27. Finally, the Department will consider the consistency of the proposed acquisition with the GWSA in response to arguments raised by the parties on brief.

B. Consistency with the Public Interest

1. Consistency with Portfolio Objectives

In establishing that the acquisition of a resource is consistent with a company's portfolio objectives, the company may refer to portfolio objectives established in a recently approved F&SP or in a recent review of supply contracts under Section 94A, or it may describe its objectives in the filing accompanying the proposed resource. D.P.U. 94-174-A at 27-28. In the instant proceeding, National Grid states that the Agreement is consistent with the portfolio objectives established in D.P.U. 16-181, the Company's most recently approved F&SP at the time of contract execution (Company Reply Brief at 2-4, 13).

Further, the Company represents a continued need for the Agreement based on the Department-approved forecast in D.P.U. 18-148 (Exhs. DPU 1-1; DPU 1-2).⁸ In contrast, Weymouth contends that the Company has not met its burden to show that the Agreement is in the public interest because the forecasts approved in D.P.U. 18-148 and D.P.U. 16-181 are too high and not based on reasonable projections of future customer demand (Weymouth Brief at 5-6, 9-12). We determine that Weymouth's analysis is flawed, and we conclude that Weymouth's position is contrary to Department precedent in reviewing proposed agreements under Section 94A and with the Department's findings in approving the Company's prior two F&SPs. We also find that Weymouth's position is a misplaced attempt to relitigate an issue resolved in the Company's prior two F&SP proceedings involving National Grid's forecasting methodology and inputs.

In both D.P.U. 18-148 and D.P.U. 16-181, the Department found National Grid's forecasting methodology to be appropriate and reliable, and found that its forecast met the Section 69I requirements. D.P.U. 18-148, at 20-21; D.P.U. 16-181, at 43-44. Further, the Department found that the Company had (1) formulated an appropriate process for identifying a comprehensive array of supply options, (2) developed appropriate criteria for screening and comparing supply resources, and (3) developed a mechanism to undertake the comparison of resources, including energy efficiency, on an equal basis. D.P.U. 18-148, at 25;

⁸ We note that the Company's filing was submitted only one day after the Department's approval in D.P.U. 18-148. Accordingly, during the course of discovery, the Company addressed the continued need for the Agreement using the forecasting methodology approved in that docket.

D.P.U. 16-181, at 51. The Department also recognized that, under certain planning scenarios such as design year conditions, National Grid's existing supply portfolio at the time of D.P.U. 18-148 was insufficient to meet the expected demand and that the Company would need to use other purchased resources to meet that demand. D.P.U. 18-148, at 27.⁹ The Agreement before us represents the Company's response to add to its existing supply portfolio so as to meet, in part, the forecasted demand.

For the instant filing, the Company updated its forecasting methodology approved in D.P.U. 16-181 to cover a planning period from 2018/2019 through 2027/2028, rather than the usual five-year planning horizon (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 7; NGRID-TEP-1, at 6, 9). Based on this analysis, the Company projects a need for incremental resources to meet customer demands for natural gas beginning in 2020/2021 through the 2027/2028 heating season (Exhs. NGRID-TEP-1, at 11; DPU 1-1; AG 1-7, Att. (h) at 1). Specifically, the Company identifies a need for design day capacity of 55,000 Dth/day in 2020/2021, growing to 560,000 Dth/day in 2027/2028, and a design year winter need of 1.1 million Dth in 2020/2021, growing to more than 8.2 million Dth in 2027/2028 (Exhs. NGRID-TEP-1, at 11-13; NGRID-DMW at 1-2; AG 1-7, Att. (h) at 1-2). Utilizing the forecast approved in D.P.U. 18-148, the Company identifies a continued need

⁹ National Grid presented its plan to acquire the necessary resources to meet its shortfall through either firm city-gate purchases, incremental long-term capacity contracts, or other long-term arrangements and, thus, the Department found that National Grid had demonstrated that it had adequate supplies and facilities and an action plan to meet sendout requirements throughout the forecast period. D.P.U. 18-148, at 27-28.

for design day capacity of 24,000 Dth/day in 2020/2021, growing to 492,000 Dth/day in 2027/2028, and a design year winter need of 222,000 Dth in 2020/2021, growing to more than 5.3 million Dth in 2027/2028 (Exh. DPU 1-1, Att. at 1-2). The Company's forecasted need includes adjustments for anticipated energy efficiency reductions (Exhs. NGRID-TEP-1, at 6-7, 9-10; NG-Rebuttal at 13; AG 1-10; AG 1-15; AG 4-3).

Based on our review of the record and past precedent, we are not persuaded by Weymouth's argument that the Company's forecast requires an adjustment. First, it is flawed to assert that the Company's growth rate for customer demand is improperly high, in part, due to Weymouth's reliance on growth rate assumptions for the New England region rather than for the Company's service territory (i.e., the greater Boston metropolitan area), as well as utilization of comparisons between different time periods and concepts that are incongruous with the Company's forecasts (Exhs. NG-Rebuttal at 5-7; WEY-ES-1, at 11; DPU-WEY 1-2).¹⁰ Second, and more importantly, the purpose of our review in this proceeding is not to relitigate the Company's forecasting methodology and inputs; those issues were decided and approved in both D.P.U. 18-148 and D.P.U. 16-181. Our findings

¹⁰ First, Weymouth's comparison of the Company's gas load forecast to the U.S. Energy Information Administration's 2020 AEO for the New England region is inaccurate because it compares incongruous time periods. The Company's planning year retail forecast is for 2018/2019 through 2022/2023, whereas the EIA's compound annual growth rates for New England gas usage is for 2020 through 2028. Second, the comparison neglects the difference between the Company's evaluation of heating season load growth and the EIA's forecast of annual gas consumption growth. The Company points out that its heating season forecast grows at a faster rate than its annual gas consumption forecast (Exh. NG-Rebuttal at 6-7).

in those proceedings were based on the quality of data used in estimating the econometric models, the detailed testing of each model for accuracy, and the Company's compliance with the Department's directives and, thus, need not be revisited here (Exh. NG-Rebuttal at 4). D.P.U. 18-148, at 21; D.P.U. 16-181, at 44.

Accordingly, we find that the Company's updated forecasts are appropriate in this proceeding. Specifically, the Company's forecasts are consistent with the forecast methodologies used in the Company's two most recent F&SPs, which, as we stated above, the Department found to be reviewable, appropriate, and reliable. Further, the Company's use of an updated forecast relying on a methodology approved by the Department in a recent F&SP proceeding is consistent with longstanding past practice and Department precedent in its review of contracts under Section 94A. D.P.U. 17-175, at 24; D.P.U. 15-34, at 31-32; D.P.U. 13-157, at 21; D.P.U. 94-174-A at 27-28. As such, we are satisfied that the Agreement will address a shortfall and a critical reliability concern identified by the Company and will provide incremental, primary firm resources to an existing city gate where deliveries are needed (Exhs. NGRID-EDA/DMW/SAJ 1 (Rev.) at 20, 25, 27; NGRID-EDA/SAJ-2 (Rev.) at 51-65; DPU 2-1; DPU 2-5).

Based upon the foregoing, we find that the Company properly used the methodology approved in D.P.U. 16-181 to determine its planning load for the period from 2020/2021 through 2027/2028, and we find that the proposed contract is consistent overall with the Company's portfolio objectives established in both D.P.U. 16-181 and D.P.U. 18-148.

2. Comparison to Alternatives

The Section 94A public interest standard also requires the Company to demonstrate that the proposed acquisition compares favorably to the range of alternative options reasonably available to the Company at the time of the acquisition. D.P.U. 94-174-A at 27. In comparing the proposed resource acquisition to current market offerings, the Department examines relevant price and non-price attributes of each contract to ensure a contribution to the strength of the overall supply portfolio. D.P.U. 94-174-A at 28. In evaluating this aspect of the proposed acquisition, the Department considers whether a company has used a competitive solicitation process that was fair, open, and transparent;¹¹ or, when there is no solicitation process, whether that absence necessarily requires rejection of a company's petition. D.P.U. 17-175, at 27; D.P.U. 17-174, at 27; Bay State Gas Company, D.P.U. 17-172, at 37 (2018); D.P.U. 15-83, at 32; The Berkshire Gas Company, D.P.U. 15-48, at 46 (2015).

As a preliminary matter, we address whether National Grid's failure to conduct a competitive solicitation process is fatal to the petition. We determine that it is not. The Company did not rely on a competitive solicitation process for the Agreement because the Agreement derives from an assignment of existing precedent agreements and corresponding capacity on the Atlantic Bridge Project proffered by Algonquin (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 15-17; NGRID-EDA/SAJ-2 (Rev.); WEY 1-7).

¹¹ See D.T.E. 02-56, at 10; D.T.E. 02-52, at 8-9; D.T.E. 02-54, at 9-10; D.T.E. 02-19, at 6, 11.

Indeed, the last pipeline capacity available to the Company's city gate without construction was approved by the Department in D.P.U. 17-174, at 27. As we discuss below, it would make no sense for the Company to issue an RFP for pipeline capacity that simply does not exist. However, the Company relied on a recent RFP for another project to enhance its analysis of the Agreement (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 23, 30; WEY 2-1). In response to that RFP, the Company received no bids having primary point capacity at any of the Company's city gates (Exh. WEY 2-1).

The record clearly demonstrates that there are a limited number of counterparties either able or willing to deliver natural gas to National Grid's city-gates given certain supply and demand constraints and uncertainties in New England, as evidenced by the recent cancellation of the NED Project (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 22-25, 30; NG-Rebuttal at 13; DPU 2-1; AG 5-2). The Department is not aware of any current or proposed infrastructure projects that would change the availability of interstate pipeline or other capacity that delivers natural gas into the Commonwealth or the New England region, in general. Further, we note that no party disputes the Company's assertion that the termination of the NED Project is indicative of the current uncertainty regarding future pipeline projects in the region (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 25). In addition, the Attorney General has not provided any evidence of changes in the market that would warrant the issuance of a new RFP. We note that, while the Company could not negotiate more favorable contract provisions than what Algonquin previously offered Atlantic Bridge anchor shippers, the Company was able to negotiate certain favorable terms, including a

condition precedent that the Department approve the Company's execution of the Agreement, termination of any liability with respect to the Maritimes' commitment of the assigning shippers, more favorable credit provisions, and an amendment to an existing primary delivery point at the Company's city gate in East Braintree (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 16, 21; WEY 1-7). Further, the terms of the Agreement are substantially similar to the Company's precedent agreement with Algonquin approved by the Department in D.P.U. 13-157 (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 21). As a result, we are not persuaded that a competitive solicitation would have produced a viable, cost-effective alternative to the services provided by the Agreement, which is currently the only alternative capable of delivering commodity to the Company's existing city-gate stations (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 25).

Additionally, we determine that there are shortcomings to the Attorney General's proposal that the Company to continue to rely on city-gate deliveries and LNG as alternatives to the Agreement in order to meet its design day and design season requirements. Record evidence indicates that the spot market is not a viable alternative to the Agreement (Exhs. NG-Rebuttal at 11; DPU 2-1). Reliance on city-gate deliveries to meet unserved demand exposes National Grid and its customers to price uncertainty and risk that such deliveries may not become available on an actual design day (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 23; NG-Rebuttal at 11; DPU 2-1). We agree with National Grid that if the Company cannot obtain capacity on those cold days where capacity is scarce, the price for the commodity is irrelevant.

In addition, there are reliability, security, and other operational concerns associated with LNG. The Company already plans to have its LNG storage 100 percent full by December 1 of each heating season (Exh. NG-Rebuttal at 13). In order to replenish LNG inventory of existing tanks throughout the heating season through additional LNG supply agreements, the Company would need to rely on third-party truck deliveries during the winter months and to potentially increase its current storage and/or vaporization capabilities, subjecting it to construction and/or permitting of new and modified LNG facilities (Exhs. NG-Rebuttal at 13; AG 4-2; AG 5-6). See D.P.U. 15-34, at 36 (finding at the time that the Company appropriately concluded that incremental LNG was not a reasonable alternative to meet the Company's peak-day needs due to several factors). As a result, we are satisfied that the Company utilized its experience in the market and reviewed possible alternatives to the Agreement, including other incremental pipeline capacity projects, city-gate delivery, and LNG storage, and ultimately concluded that none of these resources were viable alternatives to the Agreement (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 22-26; NG-Rebuttal at 12-13; WEY 2-1).

Further, we disagree with Weymouth's contention that National Grid has not considered other potential gas and non-gas alternatives to the Agreement. We addressed the consideration of gas alternatives above. In regards to the non-gas alternatives raised by Weymouth, namely, energy efficiency and demand response, we note that Weymouth's arguments here are similar to past arguments made and rejected in our review of agreements.

See D.P.U. 17-175, at 25 & n.10 (citations omitted); D.P.U. 17-174, at 25 & n.12 (citations omitted); D.P.U. 17-172, at 35 & n.12 (citations omitted).

As noted in Section V.B.1., above, the Company's forecasted need already fully incorporates the effects of energy efficiency (Exhs. NGRID-TEP-1, at 6-7, 9-10; NG-Rebuttal at 13; AG 1-10; AG 1-15; AG 4-3). To incorporate these effects, the Company subtracts the projected energy efficiency savings approved by the Department in the Company's most recent three-year energy efficiency plan from the Company's load forecast, effectively reducing the load requirements for planning purposes (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 26; NGRID-TEP-1, at 9-10; AG 1-10; AG 1-15; AG 4-3). Once energy efficiency savings are netted out from the demand side, there is no requirement that the Company model energy efficiency as a supply resource because there are no Department-approved energy efficiency or demand reduction measures that the Company can call upon to specifically meet its design day or design season requirements. D.P.U. 17-174, at 26; D.P.U. 13-159, at 21; D.P.U. 13-157, at 23. Although savings from gas energy efficiency programs are reliable and verifiable, gas energy efficiency and demand response resources are not dispatchable resources on which LDCs can rely to meet design day or design season customer demand. D.P.U. 17-174, at 26; D.P.U. 13-157, at 23.

Further, energy efficiency is considered as part of a company's three-year energy efficiency planning process pursuant to the Green Communities Act and not on a piece-meal basis. D.P.U. 17-174, at 28, citing G.L. c. 25, § 21(b)(1). The Department approved the

Company's most recent three-year plan in 2019-2021 Three-Year Energy Efficiency Plans Order, D.P.U. 18-110 through D.P.U. 18-119 (2019) ("2019-2021 Three-Year Plans Order"). In order for utilities to receive approval of their plans, they must demonstrate that their plans provide for the acquisition of all available energy efficiency and demand reduction resources that are cost effective and less expensive than supply. G.L. c. 25, § 21(b)(1). In the 2019-2021 Three-Year Plans Order at 43, 179, the Department found that the amount of the therm savings from the Company's energy efficiency programs is consistent with the achievement of all available cost-effective energy efficiency and demand reduction resources.

The Department has previously recognized that the pursuit of all available cost-effective energy efficiency savings is not a static process but is continually evolving. D.P.U. 17-174, at 29; The Berkshire Gas Company, D.P.U. 16-103, at 23 (2017). The energy efficiency programs approved by the Department are the result of collaborative process among many participants at the Energy Efficiency Advisory Council ("EEAC"), including the LDCs, the Attorney General, and the Department of Energy Resources. G.L. c. 25, § 22; D.P.U. 17-174, at 29; D.P.U. 16-103, at 23-24. The Department, therefore, again finds that this discussion is more appropriately placed before us not in the gas resource planning for one LDC, but in the context of the development of a three-year energy efficiency planning cycle. D.P.U. 17-175, at 29; D.P.U. 17-174, at 29; D.P.U. 17-172, at 40. Therefore, the Department encourages Weymouth to provide its recommendations to the EEAC for future consideration. In consideration of the foregoing,

the Department finds that National Grid has properly considered non-gas alternatives in evaluating the need for the Agreement.

We now consider the price and non-price factors associated with the Agreement and address the arguments regarding costs and savings raised by the Attorney General, Weymouth, and FRRACS, and we are satisfied that the Company considered both price and non-price factors. With respect to price factors, the Company is subject to a negotiated reservation rate under the Agreement that is approved by FERC and is competitive as compared to alternatives available in the market (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 26; NGRID-EDA/SAJ-2 (Rev.) (Redacted) at 53-56; NG-Rebuttal at 15-16). The record demonstrates that this rate, which may be adjusted based on final capital costs, includes not only the costs associated with the Weymouth Compressor Station, but, generally, the capital costs attributable to all of the Atlantic Bridge Project's facilities (Exhs. NGRID-EDA/SAJ-2 (Rev.) (Redacted) at 55; AG 1-2; AG 2-1; AG 4-12).

Pipeline projects comprise a number of infrastructure elements for which costs are incorporated and included in the rates reviewed and approved or amended by FERC. The FERC review process investigates whether the costs reflected in the approved rates reflect the infrastructure deemed necessary for the interstate pipelines to deliver natural gas (see Exh. NGRID-EDA/SAJ-2, at 55). 15 U.S.C. 717c; 18 C.F.R. § 157.20; Cost of Service Rate Filings, FERC, <https://www.ferc.gov/industries-data/natural-gas/overview/general-information/cost-service-rate-filings> (last visited June 24, 2020). The negotiated reservation rate pursuant to the Agreement is consistent with FERC rate design policy and has been

reviewed and approved by FERC (Exhs. NGRID-EDA/SAJ-2 (Rev.) (Redacted) at 55; AG 1-2; AG 2-1). See Algonquin, 158 FERC ¶ 61061, at 5-7, 9. Importantly, this rate is competitive as compared to alternatives available in the market (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 26; NGRID-EDA/SAJ-2 (Rev.) (Redacted) at 53-56; NG-Rebuttal at 15-16).

The Weymouth Compressor Station is just one component of the larger Atlantic Bridge Project (Exh. NGRID-EDA/SAJ-2 (Rev.) at 14). The individual project components of the Atlantic Bridge Project are financially interdependent, with costs and benefits shared equitably by all users of the project. It is therefore reasonable, as FERC has found, that the rate should be designed to recover all costs. Algonquin, 158 FERC ¶ 61061, at 5-7. This is because just as National Grid customers will share in the costs of the Weymouth Compressor Station, so too will other customers share in the costs of Atlantic Bridge facilities that are serving National Grid customers. That is, the costs of the Atlantic Bridge project are shared by all the users of that project because all users benefit from the project as a whole (Exh. AG 1-2).¹² As a result, we are not persuaded by the Attorney General's and FRRACS' arguments that inclusion of the compressor station costs is contrary to the public interest.

¹² We note that FERC's policy in designing the rate under the Agreement is similar to the Department's cost allocation/rate design policy. For example, when a gas distribution company incurs costs for a project in a city/town, such costs are allocated and recovered from all of the company's distribution customers and not just customers of that city/town. This is because the project is part of the entire distribution system which is used to serve all of the customers.

Furthermore, we determine that FRRACS' reliance on Engie as support for denial of the Agreement due to the inclusion of the Weymouth Compressor Station costs is misplaced and not persuasive (FRRACS Reply Brief at 2-4). First, the question under review in that case involved the Department's authority under Section 94A, as amended by the Electric Restructuring Act of 1997 ("Restructuring Act"), St. 1997, c. 164, to review whether Section 94A allowed electric distribution companies to enter into ratepayer-backed, long-term contracts for additional pipeline capacity to provide gas to natural gas-fired electric generators. Engie, 475 Mass. at 192. That question is not relevant here. Second, the Supreme Judicial Court's rationale for its findings relates to the Legislative intent behind the Restructuring Act and its implications for Section 94A,¹³ and, contrary to FRRACS' assertions, not in relation to whether ratepayers benefited from particular infrastructure investments. We decline to expand our interpretation of Engie. To do so would be nonsensical and further erode LDCs' already limited ability to enter into new agreements for pipeline capacity.

Regarding the Attorney General's argument with respect to the cost savings associated with the Agreement, we find that National Grid has shown that the incremental city-gate capacity provided by the Agreement will provide customers millions of dollars of savings

¹³ For instance, the Supreme Judicial Court found that the Department's interpretation of Section 94A relative to electric distribution companies "not only would permit electric distribution companies to purchase resources related to the supply of electric generation (in this case, natural gas capacity), but also would . . . shift the associated costs to ratepayers[.]" thus undermining the main objective of the Restructuring Act. Engie, 475 Mass. at 208, citing G.L. c. 164, § 1(f).

each year in commodity costs per design year from November 1, 2020, through October 31, 2028 (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 27; AG 1-9; WEY 2-4, Att.). We disagree with the Attorney General's assertion that the Company's analysis is misleading and should be based on a comparison to consecutive normal years. First, National Grid's presentation of cost savings is consistent with the Company's analysis presented to the Department for the agreements approved in D.P.U. 17-174. D.P.U. 17-174, at 29-30.

Second, the Attorney General mischaracterizes the purpose of the Company's design day and design year planning analysis, which is to prepare the Company for the potential of design year conditions every season rather than for one single season every 34.4 years as the Attorney General suggests. The Company has an obligation to provide safe and reliable service at the lowest cost to its existing customers. See D.P.U. 17-174, at 40-41; D.P.U. 16-103, at 59; Boston Gas Company, D.P.U. 88-67, at 282 (1988); Gas Transportation, D.P.U. 85-178, at 8 (1987). As discussed above in Section V.B.1, the Company has appropriately determined that there is a need for the Agreement based on design-year projections, and this Agreement will help to serve customers in the event of design weather conditions. To the extent the Company cannot procure resources sufficient to meet customer requirements and the Company experiences a design day or design winter, the Company would not be able to serve the load and, thus, incur damages associated with curtailment of service to customers (Exh. DPU 2-5). D.P.U. 16-181, at 18-19 & n.9, citing Exh. NGRID-1, at 122. To provide the guaranteed level of firm service, the Company must maintain its design-standards-based resource portfolio every year in the event of design

weather conditions. It would therefore be inappropriate, as the Attorney General suggests, to base an analysis of savings associated with the Agreement on normal weather conditions.

Further, the Attorney General's focus solely on price factors neglects the importance of nonprice factors in evaluating the benefits of the Agreement. Based on the evidence presented, we find that the Agreement to be the Company's most economic option to secure long-term firm capacity to the Company's existing city gate (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 17, 20; WEY 2-1).

Regarding non-price factors – in particular, reliability – the Company demonstrated a continually growing need for incremental capacity (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 30; NGRID-TEP-1, at 11-14). The Agreement will help the Company meet this need by providing a portion of the need identified and access to a reliable supply (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 30). The Agreement will provide guaranteed firm pipeline capacity directly to an existing city gate in the Company's service territory; no corresponding guarantee exists from potential alternative resources that may be utilized by the Company to meet unserved demand during peak season, which, based on the Company's direct experience, entail high city gate pricing and certain liquidity and reliability concerns during peak days (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 23-25; NG-Rebuttal at 11; DPU 2-1; AG 5-2). National Grid has further demonstrated that the Agreement will allow the Company the necessary flexibility as it pursues additional solutions for the remaining need (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 30). Moreover, the Agreement provides flexibility through redundant receipt point capability in Mahwah and Ramapo, New Jersey,

while maintaining a primary firm priority, which is unique to the Atlantic Bridge Project and not currently available on a permanent basis on other Algonquin rate schedules (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 16, 21; DPU 1-4). Finally, the Agreement will provide diversity to the Company's overall portfolio (Exh. NGRID-EDA/DMW/SAJ-1 (Rev.) at 30).

Accordingly, we find that the Company has established that, based on both price and non-price factors, the Agreement represents the most viable, reasonably available alternative for the Company to meet its current and forecasted customer requirements in a least-cost reliable manner. Based on the foregoing, we find that the Company has shown that the Agreement compares favorably to the range of reasonably available alternative options.

C. GWSA Considerations

Finally, we address GWSA considerations raised by the parties on brief. The Attorney General contends that if the Commonwealth intends to meet its goals under the GWSA, then precedent agreements need to be scrutinized for their specific contributions to the reduction of greenhouse gas emissions, which, according to the Attorney General, the Company has failed to demonstrate (Attorney General Brief at 10-11). Weymouth urges the Department to reject forecasts that show the Commonwealth failing to implement its own GWSA targets, contending that National Grid's forecasts are too high and inconsistent with the reductions that must occur under the GWSA (Weymouth Brief at 1, 5, 7). The Company argues that there is no need for elaborate quantification of greenhouse gas emissions in a proceeding involving the approval of a gas pipeline contract, since it is undeniable that

converting customers from oil heat to gas will reduce greenhouse gas emissions (Company Reply at 12-13).

Consistent with our prior determinations on the matter, the Department again declines to exceed its statutory authority and elevate GWSA considerations to a primary factor in its analysis under Section 94A. See D.P.U. 17-175, at 38-39; D.P.U. 17-174, at 37-38; D.P.U. 17-145, at 35-36. Additionally, while Weymouth may dispute the Company's projections for customer demand, the methodologies the Company relied upon were previously approved by the Department in D.P.U. 18-148 and D.P.U. 16-181 and, thus, the Company has met the necessary burden established by the Department as discussed in further detail above. Moreover, both the Attorney General and Weymouth ignore that National Grid has an obligation to serve existing customers, and we have determined the Agreement is necessary to meet projected customer demand. While the Company can incorporate energy efficiency and related trends in planning and considering demand at the lowest cost, it still must fulfill its public service obligation to provide safe, reliable, and least-cost service using the resources available at the time of acquisition. D.P.U. 17-174, at 40-41; D.P.U. 94-174-A at 27. Neither the Attorney General nor Weymouth offer evidence that other resources can meet the Company's projected demand in a reliable and least-cost manner.

Further, the Commonwealth's current energy policies do not seek to eliminate or reduce natural gas usage in the Commonwealth, which appears to be Weymouth's view. In fact, in 2014, the legislature directed the Department, starting January 1, 2015, to "authorize

gas companies ... to design and offer programs to customers which increase the availability, affordability and feasibility of natural gas service for new customers.” An Act Relative to Natural Gas Leaks, Chapter 149, Section 3, of the Acts of 2014.

Regardless of whether the GWSA requires the review or outcome championed by the Attorney General and Weymouth, as we have done in past Section 94A cases, the Department will consider as a factor in its public interest review whether National Grid has provided adequate evidence of the Agreement’s consistency with the GWSA. See, e.g., D.P.U. 17-174, at 42; D.P.U. 15-34, at 41; D.P.U. 13-157, at 24. Contrary to the Attorney General’s assertions, we are satisfied that the record evidence indicates that the additional capacity will be used, in part, to serve new customers converting from oil heating to natural gas and, therefore, the Department expects that the acquisition of the proposed capacity will further reduce greenhouse gas emissions and contribute towards GWSA goals (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 31; NG-Rebuttal at 16; DPU 2-7; AG 4-15; AG 4-18). In addition, National Grid is acquiring capacity through the Agreement as partial replacement capacity for customers migrating from competitive suppliers and thus resulting in no additional greenhouse gas emissions, as well as to meet a portion of the need arising from the termination of the NED Project and the underlying agreement previously approved by the Department in D.P.U. 15-34 involving the Company’s capacity on the NED Project (Exhs. NGRID-EDA/DMW/SAJ-1 (Rev.) at 31; AG 4-17). Based on the foregoing, the Department finds that the Company has provided adequate evidence regarding the Agreement’s consistency with the GWSA.

VI. CONCLUSION

The Department has reviewed the Company's petition and the evidence presented to determine whether the Company's acquisition of capacity through the Agreement is (1) consistent with the Company's portfolio objectives and (2) compares favorably to the range of available alternative options. The Department finds that the Company has identified a need for incremental capacity to ensure reliability and deliverability of natural gas to meet customer requirements. We also find that the Company has established that the proposed acquisition of capacity through the Agreement will enable the Company to meet its short- and long-term requirements. We further find that the proposed acquisition will enhance the reliability, flexibility, and diversity of the Company's supply portfolio.

Accordingly, based on our review, the Department finds that the Company's proposed acquisition of capacity is consistent with the public interest, as it is consistent with the Company's portfolio objectives and compares favorably to the range of reasonable alternatives. The Department further finds that the proposed acquisition is consistent with the GWSA. For all of the foregoing reasons, the Department approves the Agreement.

VII. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the fourteen-year firm transportation agreement between Boston Gas Company, d/b/a National Grid, and Algonquin Gas Transmission Company, LLC is APPROVED; and it is

FURTHER ORDERED: That Boston Gas Company, d/b/a National Grid, shall
comply with all directives contained in this Order.

By Order of the Department,

/s/
Matthew H. Nelson, Chair

/s/
Robert E. Hayden, Commissioner

/s/
Cecile M. Fraser, Commissioner

An appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part. Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of the twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. G.L. c. 25, § 5.