

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 24-25-B

May 17, 2024

Petition of Boston Gas Company d/b/a National Grid for Approval of a Gas Supply Agreement with Constellation LNG, LLC, pursuant to G.L. c. 164, § 94A.

D.P.U. 24-26-B

Petition of Eversource Gas Company of Massachusetts d/b/a Eversource Energy for Approval of a Gas Supply Agreement with Constellation LNG, LLC, pursuant to G.L. c. 164, § 94A.

D.P.U. 24-27-B

Petition of NSTAR Gas Company d/b/a Eversource Energy for Approval of a Gas Supply Agreement with Constellation LNG, LLC, pursuant to G.L. c. 164, § 94A.

D.P.U. 24-28-B

Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for Approval of a Gas Supply Agreement with Constellation LNG, LLC, pursuant to G.L. c. 164, § 94A.

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I. INTRODUCTION AND PROCEDURAL HISTORY

Between February 9, 2024 and February 16, 2024, Boston Gas Company d/b/a National Grid (“National Grid”), Eversource Gas Company of Massachusetts d/b/a Eversource Energy (“EGMA”), NSTAR Gas Company d/b/a Eversource Energy (“NSTAR Gas”), and Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”) (individually “Company,” collectively, “Companies”) each filed a petition with the Department of Public Utilities (“Department”) for approval of an agreement with Constellation LNG, LLC (“Constellation”) for the sale and purchase of natural gas in either liquid or vapor form from Constellation’s Everett Marine Terminal (“EMT”) for the period June 1, 2024 through May 31, 2030 (collectively, “Agreements”). Additionally, in D.P.U. 24-28, Unitil filed for approval of a trucking contract with Transgas Inc. (“Transgas”) for the transportation of liquified natural gas (“LNG”) from Constellation’s EMT to Unitil’s LNG facility in Westminister, Massachusetts (“Transgas Agreement”). The Companies made the filings pursuant to G.L. c. 164, § 94A (“Section 94A”). The Department docketed these petitions as D.P.U. 24-25, D.P.U. 24-26, D.P.U. 24-27, and D.P.U. 24-28, respectively.¹

The Attorney General of the Commonwealth of Massachusetts (“Attorney General”) is a party to each docket pursuant to G.L. c. 12, § 11E(a).² Additionally, the Department granted full party intervenor status to the Massachusetts Department of Energy Resources (“DOER”) in each

¹ The Department managed these cases under parallel procedures, but these cases have not been consolidated and remain separate proceedings.

² The Attorney General filed a notice of intervention in D.P.U. 24-25 and D.P.U. 24-26 on February 12, 2024, in D.P.U. 24-27 on February 13, 2024, and in D.P.U. 24-28 on February 20, 2024.

docket. The Department also allowed the following entities to participate as limited participants: (1) the Conservation Law Foundation (“CLF”) in D.P.U. 24-25, D.P.U. 24-26, D.P.U. 24-27, and D.P.U. 24-28; and (2) the Northeast Energy Center LLC (“NEC”) in D.P.U. 24-25, D.P.U. 24-26, and D.P.U. 24-27.

Pursuant to notices duly issued on February 23, 2024, the Department conducted a joint public hearing in these proceedings on March 12, 2024 at Everett City Hall in Everett, Massachusetts and a virtual joint public hearing in these proceedings on March 15, 2024. The Department received written comments from: (1) Utility Workers Union of America Local Number 369 (“Utility Workers Union”); (2) the Tennessee Gas Pipeline, LLC (“TGP”); (3) JJ White, Inc. (“JJ White”); (4) Enbridge, Inc.; (5) BrandSafway Industries, LLC (“BrandSafway Industries”); (6) Constellation Energy Generation, LLC (“CEG”); (7) CLF and Acadia Center jointly; (8) the Pipe Line Awareness Network of the Northeast, Inc. (“PLAN”); and (9) Nathan Phillips. Many of the commenters urge the Department to approve the Agreements (Utility Workers Union Comments at 1; TGP Comments at 1-3; JJ White Comments at 1; Enbridge Comments at 1-2; BrandSafway Industries Comments at 1; CEG Comments at 1-3); several other commenters question the need for the Agreements (CLF and Acadia Center Joint Comments at 4-10; PLAN Comments at 1-2; Nathan Phillips Comments at 1-3).

On March 20, 2024, the Department issued a testimonial and information response subpoena to Constellation pursuant to G.L. c. 25, § 5A (“Subpoena”). D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27/D.P.U. 24-28, Testimonial and Information Response Subpoena (March 20, 2024). Constellation provided responses to the Subpoena on

March 29, 2024. D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27/D.P.U. 24-28, Constellation Responses to Subpoena (March 29, 2024).

In each proceeding, each Company sponsored witness testimony. In D.P.U. 24-25, National Grid sponsored the testimony of the following National Grid USA Service Company, Inc. employees: (1) Elizabeth Arangio, director, Gas Supply Planning; (2) Faye Brown, director, Gas Planning and Design Engineering; (3) Samara Jaffe, director, Gas Contracting, Compliance, and Hedging; (4) Michael Pini, manager, Regulatory and Pricing; (5) Deborah Whitney, lead analyst, New England Gas Supply Planning; (6) Shira Horowitz, director, Gas Load Forecasting and Analytics; and (7) Theodore Poe, manager, Gas Load Forecasting. In D.P.U. 24-26, EGMA sponsored the testimony of Eric Soderman, director, Gas Supply, Eversource Energy Service Company (“ESC”). In D.P.U. 24-27, NSTAR Gas sponsored the testimony of Eric Soderman, director, Gas Supply, ESC. In D.P.U. 24-28, Unitil sponsored the testimony of Francis Wells, manager, Energy Planning, Unitil Service Corporation.³

The Attorney General sponsored the testimony of the following witnesses in each proceeding: (1) Dean Murphy, principal, The Brattle Group; (2) Steven Levine, principal, The Brattle Group; (3) Anul Thapa, principal, The Brattle Group; and (4) Josh Figueroa, senior associate, The Brattle Group.

³ These service companies provide services that include administrative, technical, and professional within numerous functional groups such as: accounting, auditing, energy efficiency management, energy supply, engineering, environmental, facilities management, finance and business planning, human resources, information technology, insurance, legal, procurement, rates and regulation, and taxation. The service companies provide these services to the associated companies and affiliates within their respective holding company structures.

On April 16, 2024, initial briefs were filed in each docket by the Attorney General, DOER, and CLF.⁴ Also on April 16, 2024, NEC filed a letter in lieu of an initial brief. That same day, National Grid filed an initial brief in D.P.U. 24-25, EGMA filed an initial brief in D.P.U. 24-26, NSTAR Gas filed an initial brief in D.P.U. 24-27, and Unitil filed an initial brief in D.P.U. 24-28.

On April 23, 2024, the Attorney General filed a letter in lieu of a reply brief. Also on April 23, 2024, National Grid filed a reply brief in D.P.U. 24-25, EGMA filed a reply brief in D.P.U. 24-26, NSTAR Gas filed a reply brief in D.P.U. 24-27, and Unitil filed a reply brief in D.P.U. 24-28.

On April 24, 2024, Constellation filed a letter regarding an update to the pricing terms of the Agreements (“Constellation Letter”). The Companies each filed a response to the Constellation Letter on April 25, 2024 (“Companies’ Responses”). On May 2, 2024, the Department received written comments from CLF on the Constellation Letter and Companies’ Responses.

The documentary evidence in each docket includes each Company’s initial filing exhibits, the Attorney General’s sponsored testimony, responses to all information requests issued during these proceedings, Constellation’s responses to the Subpoena, the Constellation Letter, and the Companies’ Responses. The record in D.P.U. 24-25 includes responses to

⁴ Consistent with its status as a limited participant, CLF filed an amicus brief. D.P.U. 24-25-A/D.P.U. 24-26-A/D.P.U. 24-27-A/D.P.U. 24-28-A at 14 (April 1, 2024). The Attorney General and DOER each filed the same initial brief in each docket, and CLF filed the same amicus brief in each docket. To increase the readability of this Order, the Department will not recite each docket number in its citations to the Attorney General’s and DOER’s initial briefs and to CLF’s amicus brief.

110 information requests. The record in D.P.U. 24-26 includes responses to 97 information requests. The record in D.P.U. 24-27 includes responses to 95 information requests. The record in D.P.U. 24-28 includes responses to 92 information requests. Also, pursuant to 220 CMR 1.10(2), the Department has taken official notice in each docket of FERC⁵ Docket No. AD22-9-000, New England Winter Gas-Electric Forum “Comments of Constellation Energy Generation, LLC” (November 2, 2022). D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27/D.P.U. 24-28, Hearing Officer Memorandum (March 21, 2024).

The Department determined that it did not require an evidentiary hearing in these proceedings and no party requested an evidentiary hearing. The Department finds that the evidentiary record and briefs in these proceedings provide an adequate basis to address the Companies’ filings without the need for an evidentiary hearing.

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 Section 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). 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

⁵ Federal Energy Regulatory Commission.

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 ("F&SP")⁶ or in a recent review of supply contracts under Section 94A, or the company 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).

⁶ The Department reviews and approves F&SPs under G.L. c. 164, § 69I.

III. DESCRIPTION OF THE AGREEMENTS

1. Introduction

Each Company seeks approval of an agreement with Constellation for the sale and purchase of natural gas in either liquid or vapor form for the period June 1, 2024 through May 31, 2030 (D.P.U. 24-25, Exh. NG-Agreement-1, at 8-9; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 3-4; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 3-4; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 2-3). The Agreements will provide each Company with seasonal peaking natural gas supply through EMT (D.P.U. 24-25, Exh. NG-Agreement-1, at 9; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 3-4, 31; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 4; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 13).⁷ The Companies maintain that the Agreements: (1) are essential to reliably serve their customers over the next six years; (2) compare favorably to the range of alternatives reasonably available to the Companies; (3) are consistent with the portfolio objectives established in their most recent

⁷ CEG owns EMT and the adjacent 1,413-megawatt Mystic natural gas-fired power plant, the only source of gas for which is EMT, as the power plant is not connected to the interstate pipeline grid (D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 8; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 9; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 7). The Mystic power plant is scheduled to retire at the end of May 2024, and CEG has indicated that it requires long-term agreements to maintain the operations of EMT after the retirement of the Mystic power plant, which has supported the operations of EMT since the power plant came on line in 2003 (D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 8; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 9; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 7). The Agreements would support the continued operation of EMT for the next six years (D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 13; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 13; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 6).

F&SPs; and (4) are compliant with the Global Warming Solutions Act (“GWSA”)⁸ (D.P.U. 24-25, Exh. NG-Agreement-1, at 9, 39, 43-44; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 4, 9, 21-22, 31; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 5, 22-25, 34; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 23-25, 28).

Each Agreement contains two fixed charges, a non-commodity demand charge to recover EMT’s operation and maintenance costs and a commodity demand charge to recover EMT’s costs to reserve LNG supplies (D.P.U. 24-25, Exhs. NG-Agreement-1, at 23; NG-Agreement-2, at 4-5; D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 17; EGMA-EBS-2 (REDACTED) at 4-5; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 17; NSTAR-EBS-2 (REDACTED) at 4-5; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 16-17; Unitil-FXW-2 (REDACTED) at 4-5). The fixed costs for each Company are based on the maximum seasonal quantity (“MSQ”) of natural gas that each Company has the right to call upon each year under the Agreements (D.P.U. 24-25, Exh. NG-Agreement-1, at 23-24; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 17; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 17; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 15-17).

In addition to these fixed costs, each Agreement contains a variable rate component (i.e., a commodity rate) to recover the cost of natural gas sold to each Company each time the Company exercises its right to purchase incremental natural gas supply under the Agreement (D.P.U. 24-25, Exh. NG-Agreement-1, at 24; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 23; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 25; D.P.U. 24-28,

⁸ St. 2008, c. 298.

Exh. Unitil-FXW-1 (REDACTED) at 17). The commodity rate changes daily and is based on a published index that estimates the cost for the delivery of natural gas on a given day (D.P.U. 24-25, Exh. NG-Agreement-1, at 24; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 23; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 25; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 17).

The Agreements for EGMA, NSTAR Gas, and Unitil also contain a firm transportation charge to recover EMT's costs to deliver natural gas to each Company at pre-determined or otherwise agreed to delivery points to the extent that EMT cannot recover these costs through other means (D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 17; EGMA-EBS-2 (REDACTED) at 6; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 17; NSTAR-EBS-2 (REDACTED) at 6; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 17; Unitil-FXW-2 (REDACTED) at 6).

Additionally, each Agreement allows Constellation to pass through to each Company certain compliance costs associated with changes to laws that occur during the six-year term of the Agreements, including changes to methane regulations ("Change-In-Law Provision") (D.P.U. 24-25, Exhs. NG-Agreement-1, at 24; NG-Agreement-2, at 12; D.P.U. 24-26, Exh. EGMA-EBS-2 (REDACTED) at 15-16; D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 15-16; D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 14-15). The Change-In-Law Provision contains a cap on the amount that Constellation can pass through to each Company (D.P.U. 24-25, Exhs. NG-Agreement-1, at 24; NG-Agreement-2, at 12; D.P.U. 24-26, Exh. EGMA-EBS-2 (REDACTED) at 15-16; D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 15-16; D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 14-15). If Constellation's

compliance costs exceed the cap, the Change-In-Law Provision permits each Company (i) to seek reimbursement from Constellation from forward sales customers; or (ii) to terminate the Agreement if Constellation fails to provide reimbursements (D.P.U. 24-25, Exhs. NG-Agreement-1, at 24; NG-Agreement-2, at 12-13; D.P.U. 24-26, Exh. EGMA-EBS-2 (REDACTED) at 15-16; D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 15-16; D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 14-15).

The Agreements also contain force majeure provisions to protect the Companies in the event that Constellation is unable to satisfy its delivery obligations during a force majeure event and for unexcused non-deliveries (D.P.U. 24-25, Exhs. NG-Agreement-1, at 24-25; NG-Agreement-2, at 7-9; D.P.U. 24-26, Exh. EGMA-EBS-2 (REDACTED) at 9-11; D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 9-11; D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 8-11). Specifically, if Constellation is unable to meet its obligations under the Agreement due to a force majeure event, Constellation must refund to the Company a pro rata portion of the demand charges through two credits: (1) a non-commodity demand charge credit after the first five days of any force majeure event during each winter delivery season;⁹ and (2) a commodity demand charge force majeure credit (D.P.U. 24-25, Exhs. NG-Agreement-1, at 25; NG-Agreement-2, at 6; D.P.U. 24-26, Exh. EGMA-EBS-2 (REDACTED) at 7; D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 6-7; D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 6-7). If Constellation is unable to meet its obligations under the Agreement for reasons other than a force majeure event, Constellation must refund to the Company a pro-rated portion of the

⁹ The terms “winter delivery season” and “winter season” are used interchangeably in each Company’s filing and in its Agreement.

demand charges for the undelivered volumes, plus cover damages associated with its replacement supply (D.P.U. 24-25, Exhs. NG-Agreement-1, at 25; NG-Agreement-2, at 6; D.P.U. 24-26, Exh. EGMA-EBS-2 (REDACTED) at 8; D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 7-8; D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 7-8).

In addition, each Agreement contains a most favored nations provision (D.P.U. 24-25, Exhs. NG-Agreement-1, at 25; NG-Agreement-2, at 4; D.P.U. 24-26, Exh. EGMA-EBS-2 (REDACTED) at 5; D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 4-5; D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 5). The Agreements also contain provisions with certain conditions precedent for both Constellation and each Company that must occur before each Agreement takes effect (D.P.U. 24-25, Exhs. NG-Agreement-1, at 25; NG-Agreement-2, at 9-12; D.P.U. 24-26, Exh. EGMA-EBS-2 (REDACTED) at 11-14; D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 11-14; D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 11-14).

2. National Grid

The Agreement between Constellation and National Grid (“National Grid Agreement”) will provide National Grid with up to 27,000 dekatherms (“Dth”) of natural gas per day in liquid or vapor form, with an MSQ of 500,000 Dth, in the first year of service during the winter season (i.e., December 1 through March 31) through Constellation’s EMT (D.P.U. 24-25, Exhs. NG-Agreement-1, at 9; NG-Agreement-2, at 3). National Grid will have the right to increase maximum daily and seasonal quantities of natural gas each year thereafter during the winter season, with a maximum daily quantity (“MDQ”) of 78,000 Dth and an MSQ of 2,100,000 Dth in the final year of service (D.P.U. 24-25, Exhs. NG-Agreement-1, at 9; NG-Agreement-2, at 3).

National Grid has the right, but not the obligation, to call on Constellation to deliver natural gas supply to the Company between December 1 and March 31 each year (D.P.U. 24-25, Exhs. NG-Agreement-1, at 22; NG-Agreement-2, at 3). National Grid may elect to take 100 percent of its natural gas entitlement as vapor supply injected directly into its distribution system or may elect to take a portion of its natural gas entitlement as LNG (D.P.U. 24-25, Exh. NG-Agreement-1, at 22; NG-Agreement-2, at 3). If National Grid elects to take a portion of its natural gas entitlement as LNG, National Grid is responsible to transport the LNG from EMT to the Company's facilities (D.P.U. 24-25, Exh. NG-Agreement-1, at 22; NG-Agreement-2, at 3). The National Grid Agreement can meet half of the Company's design day and design season natural gas needs as well as the small volume of LNG that the Company requires to backfill its LNG facilities during the winter season and to meet its portable LNG needs (D.P.U. 24-25, Exh. NG-Agreement-1, at 29).

National Grid states that the National Grid Agreement is needed to address the deficit in the Company's available peak day and peak season assets and to ensure safe and reliable service for its customers (D.P.U. 24-25, Exh. NG-Agreement-1, at 21, 26). National Grid also states that the National Grid Agreement is consistent with the portfolio objectives established in the F&SPs approved in Boston Gas Company, D.P.U. 20-132 (2021) and Boston Gas Company, D.P.U. 22-149 (2023) and is the only viable, cost-effective option to meet the Company's incremental natural gas supply needs (D.P.U. 24-25, Exh. NG-Agreement-1, at 9, 13, 17, 26, 30, 39, 42).

3. EGMA

The Agreement between Constellation and EGMA (“EGMA Agreement”) will provide EGMA with up to 19,600 Dth of natural gas per day in liquid or vapor form, with an MSQ of 882,000 Dth, during each winter season (i.e., November 1 through March 31) to the Company’s South Attleboro and Taunton citygates on Algonquin Gas Transmission LLC’s (“Algonquin”) G-System (D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 3, 16, 21-22, 25, 30; EGMA-EBS-2 (REDACTED) at 3). EGMA has the option to take up to 50 percent of its natural gas entitlement as LNG (D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 17; EGMA-EBS-2 (REDACTED) at 3). If EGMA elects to take a portion of its natural gas entitlement as LNG, EGMA is responsible to transport the LNG from EMT to the Company’s facilities (D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 17; EGMA-EBS-2 (REDACTED) at 3).

EMGA has the right, but not the obligation, to call on Constellation to deliver natural gas supply to the Company between November 1 and March 31 each year (D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 16; EGMA-EBS-2 (REDACTED) at 3). The EGMA Agreement can meet 58 percent of the Company’s G-lateral winter natural gas supply needs (D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 22).

EGMA states that the EGMA Agreement is necessary to address a reliability risk related to operational changes recently instituted by Algonquin and to ensure safe and reliable service for its customers on Algonquin’s G-System (D.P.U. 24-26, Petition at 2, ¶ 5, 6; Exh. EGMA-EBS-1 (REDACTED) at 4-5, 21, 22). Further, EGMA states that the Agreement is consistent with the portfolio objectives established in the F&SP approved in Eversource Gas

Company of Massachusetts, D.P.U. 21-118 (2022) and is the only viable, cost-effective option to meet the Company's incremental natural gas supply needs (D.P.U. 24-26, EGMA-EBS-1 (REDACTED) at 4, 9, 28).

4. NSTAR Gas

The Agreement between Constellation and NSTAR Gas ("NSTAR Gas Agreement") will provide NSTAR Gas with citygate peaking service of up to 5,000 Dth of natural gas per day in liquid or vapor form to the Company's New Bedford and Plymouth citygates on Algonquin's G-System and up to 10,000 Dth per day to either the Company's Mystic citygate on Algonquin's J-System (i.e., Cambridge) or into the TGP's receipt location at the EMT, for a total MDQ of 15,000 Dth and an MSQ of 450,000 Dth, during each winter season (i.e., November 1 through March 31) (D.P.U. 24-27, Petition at 2, ¶ 4; Exhs. NSTAR-EBS-1 (REDACTED) at 16, 17; NSTAR-EBS-2 (REDACTED) at 3). NSTAR Gas has the option to roll over unused volumes of natural gas from the previous winter into the summer for use during federally mandated pipeline maintenance on Algonquin's J-System (D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 17; NSTAR-EBS-2 (REDACTED) at 4).

NSTAR Gas has the right, but not the obligation, to call on Constellation to deliver natural gas supply to the Company between November 1 and March 31 each year (D.P.U. 24-27, Exh. NSTAR-EBS-2 (REDACTED) at 3). NSTAR Gas has the option to take up to 50 percent of its natural gas entitlement as LNG (D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 17; NSTAR-EBS-2 (REDACTED) at 3). If NSTAR Gas elects to take a portion of its natural gas entitlement as LNG, NSTAR Gas is responsible to transport the LNG from EMT to the Company's facilities (D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 17; NSTAR-EBS-2

(REDACTED) at 3). The NSTAR Gas Agreement can meet 100 percent of the Company's G-lateral winter natural gas supply needs and at least 20 percent of its other winter natural gas supply needs (D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 22-23).

NSTAR Gas states that the NSTAR Gas Agreement is critical to address a reliability risk related to operational changes recently instituted by Algonquin and to ensure safe and reliable service for its customers on Algonquin's G-System and J-System (D.P.U. 24-27, Petition at 3, ¶ 6; Exh. NSTAR-EBS-1 (REDACTED) at 4, 5, 23-24). Additionally, NSTAR Gas states that the Agreement is consistent with the portfolio objectives established in the F&SP approved in NSTAR Gas Company, D.P.U. 22-86 (2023) and is the only viable, cost-effective option to meet the Company's incremental natural gas supply needs (D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 4-5, 10, 31).

5. Unitil

The Agreement between Constellation and Unitil ("Unitil Agreement") will provide Unitil with up to 3,000 Dth of natural gas per day in liquid form for the Company's LNG facility in Westminister, Massachusetts ("Westminister LNG Facility") and up to 400 Dth per day to the Company's Fitchburg citygate with TGP, for a total MDQ of 3,400 Dth and an MSQ of 83,000 Dth, during each winter season (i.e., November 1 through March 31) (D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 2, 10, 14-15; Unitil-FXW-2 (REDACTED) at 3). Unitil has the option to roll over unused volumes of natural gas from the previous winter to replace LNG boil off during the summer at the Westminister LNG Facility for the term of the Unitil Agreement (D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 15; Unitil-FXW-2 (REDACTED) at 4).

Unitil has the right, but not the obligation, to call on Constellation to deliver natural gas supply to the Company between November 1 and March 31 each year (D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 10; Unitil-FXW-2 (REDACTED) at 3). Unitil has the option to take up to 100 percent of its natural gas entitlement as LNG (D.P.U. 24-28, Exh. Unitil-FXW-2 (REDACTED) at 3-4). Unitil is responsible to transport the LNG from EMT to the Company's Westminster LNG Facility (D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 15; Unitil-FXW-2 (REDACTED) at 3-4).

Under the Transgas Agreement, Transgas will transport LNG from EMT to the Company's Westminster LNG Facility (D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 15; Unitil-FXW-3). Unitil states that Transgas has provided the Company with reliable and flexible LNG trucking service from EMT to the Company's Westminster LNG Facility for a long time and that the agreement with Transgas will support the Unitil Agreement by providing a critical link between EMT and the Company's Westminster LNG Facility, which provides the Company with peaking supply and distribution system pressure support (D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 8, 13, 32-33; DPU-UNITIL-1-4). In addition, Unitil states that the agreement with Transgas is necessary to ensure that LNG trucks, trailers, and operators will be available to the Company for the duration of the Unitil Agreement and to protect the Company against the potential risk of re-contracting for LNG trucking services during the term of the Unitil Agreement (D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 13-14).

The Unitil Agreement will replace the LNG contract between Constellation and Unitil that expires on May 31, 2024 for the delivery of 3,000 Dth of LNG per day and will replace a

small portion of the contract between Repsol Energy North America Corporation (“Repsol”) and Unitil that expired on March 31, 2024 for the delivery of 2,500 Dth of LNG per day (D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 10).

Unitil states that the Unitil and Transgas Agreements are essential to address the deficit in the Company’s available peak day assets and to ensure safe and reliable service for its customers (D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 1, 9, 13). In addition, Unitil states that the Unitil Agreement is consistent with the portfolio objectives established in the F&SP approved in Fitchburg Gas and Electric Light Company, D.P.U. 23-25 (2023) and is the only viable, cost-effective option to meet the Company’s incremental natural gas supply needs (D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 1, 2-3, 23, 25).

IV. POSITIONS OF THE PARTIES

A. Attorney General

The Attorney General recommends that the Department approve the National Grid Agreement despite the following concerns: (1) National Grid has no viable alternative because the Company failed to adequately prepare for EMT’s planned closure in June 2024 and, as a result, the Company’s customers will need to pay high prices under the National Grid Agreement; (2) it is unclear whether the terms would have been more favorable for the Company’s customers had National Grid initiated contract negotiations with Constellation on an earlier timeline; (3) the total cost is unknown because both the commodity demand charge and the commodity rate charge are calculated using variable index-based pricing formulas; (4) the pricing structure is less desirable than a pricing structure based on the weighted average cost of gas; (5) the Company’s customers must pay the costs even if National Grid does not require

incremental natural gas supplies from Constellation during the term of the National Grid Agreement; (6) National Grid determined that there are no viable alternatives even though it did not engage in a competitive solicitation process to address its incremental natural gas supply needs; (7) it is unclear whether the National Grid Agreement complies with the GWSA given the significant increase in MSQ of LNG over its term; and (8) National Grid has not explained how it will procure incremental natural gas supplies after the National Grid Agreement expires and has given no indication that it plans to procure incremental natural gas supplies from a source other than Constellation in the future (Attorney General Brief at 4, 6, 11-22).

If the Department approves the National Grid Agreement, the Attorney General urges the Department to direct National Grid to file an annual report with the Department that describes whether, and to what extent, the National Grid Agreement has facilitated the Company's strategy to meet GHG emission reduction goals in compliance with the GWSA and the Department's Orders in Role of Gas Distribution Companies as the Commonwealth Achieves Its Target 2050 Climate Goals, D.P.U. 20-80-B (2023) and D.P.U. 20-80-C (April 2, 2024), including:

(1) whether National Grid was able to eliminate the need to enter into any additional incremental purchases for imported LNG during the term of the National Grid Agreement; (2) whether the Company was able to eliminate or reduce any of its natural gas transportation contracts as a result of the National Grid Agreement; (3) the commodity amount provided under the National Grid Agreement that the Company purchased each year; (4) the commodity amount under the National Grid Agreement that the Company opted not to purchase each year; (5) any other impacts that the National Grid Agreement has had on the Company's supply portfolio; and (6) the Company's ability to reduce customer demand for natural gas during the term of the

National Grid Agreement (Attorney General Brief at 4, 21). The Attorney General also encourages the Department to direct National Grid to develop viable alternatives to sourcing incremental natural gas supplies from EMT between now and 2030 and to provide annual updates to the Department on its progress (Attorney General Brief at 4, 17, 22).

The Attorney General also recommends that the Department approve the EGMA, NSTAR Gas, and Unitil Agreements but argues that the Department should direct the Companies to: (1) file annual reports with the Department that describes each of their efforts to comply with the Commonwealth's GWSA goals; and (2) develop viable alternatives to sourcing incremental natural gas supplies from EMT between now and 2030 (Attorney General Brief at 24).

B. DOER

If the Department approves the Agreements, DOER contends that the Department must take steps to ensure that the Companies transition from their dependence on EMT to fulfill their incremental natural gas supply needs after the Agreements expire in 2030 (DOER Brief at 3, 8, 15-16, 17). To that end, DOER recommends that the Department direct the Companies to: (1) as part of their first climate compliance plans pursuant to the Department's directives in D.P.U. 20-80-B at 134, jointly file an EMT transition plan with the Department by April 1, 2025 that describes how the Companies will individually and collectively reduce their reliance on EMT to fulfill their incremental natural gas supply needs before the Agreements expire in 2030; (2) after the submission of the EMT transition plan with the Department by April 1, 2025, file quarterly progress reports with the Department; and (3) file uniform annual reports with the Department that include information on the total costs of the Agreements, the costs associated with each pricing component of the Agreements, the commodity amount provided under the

Agreements during the winter and summer seasons, any credits provided to the Companies under the Agreements, whether the Companies sold any portion of their natural gas supply allotment under the Agreements to third parties resulting in credits for the Companies' customers, any costs that Constellation passed through to the Companies under the Change-In-Law Provision, and whether the Companies disputed any costs that Constellation passed through to the Companies under the Change-In-Law Provision and the result of any such dispute (DOER Brief at 3-4, 8-9, 17-18). In the EMT transition plan, DOER recommends that the Department direct the Companies to: (1) identify all potential supply and demand-side alternatives to sourcing incremental natural gas supplies from EMT that may be available to the Companies by 2030, including the costs, feasibility, and timelines for each alternative identified, as well as a description of how each alternative identified would contribute to GHG emissions reductions; (2) identify and propose potential demonstration projects or pilot programs, including for strategic electrification, in each Company's service territory to reduce or eliminate the need for EMT; and (3) incorporate customer, stakeholder, and community input into the development of the EMT transition plan (DOER Brief at 14-15). As an interim step, DOER requests that the Department direct the Companies to file a report with the Department by October 2024 that describes their progress on developing the EMT transition plan (DOER Brief at 15).

C. CLF¹⁰

CLF urges the Department to deny the Agreements because: (1) the Companies did not file the Agreements with the Department for approval in a timely manner, which, in turn, limited

¹⁰ As stated above, CLF is a limited participant, not a party. This section summarizes the arguments in CLF's amicus brief.

the Department's ability to conduct robust outreach to the public and to interested stakeholders; (2) the Companies failed to demonstrate that they adequately considered alternatives to the Agreements, including strategic electrification; (3) the Companies have not identified plans, strategies, or alternatives to reduce or eliminate the need for EMT; (4) the benefits that would accrue to the Companies' customers under the Agreements are insufficient to justify the high costs of the Agreements; (5) the Companies' customers must pay the costs of the Agreements even if the Companies do not require incremental natural gas supplies from Constellation during the term of the Agreements; (6) the Companies' low-income customers will be disproportionately burdened by the costs of the Agreements because they will pay higher natural gas prices while wealthier customers transition from natural gas heating to electric heating; (7) the pricing structure of the Agreements does not allow for transparency into Constellation's upstream LNG supply costs; and (8) the Companies failed to demonstrate that the Agreements are consistent with the GWSA, the Commonwealth's policy goals, and the Department's Order in D.P.U. 20-80-B (CLF Amicus Brief at 6-16).

D. NEC¹¹

NEC takes no position on whether the Department should approve the Agreements (D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27, NEC Letter at 1).

E. National Grid

National Grid argues that the Department should approve the National Grid Agreement because: (1) EMT has significant send-out capability and is located at a strategic delivery site

¹¹ As stated above, NEC is a limited participant, not a party.

for the Company; (2) EMT serves as a critical backup source of LNG in the event of a force majeure event on one of the interstate pipelines serving Massachusetts; (3) the Company has limited options to address its deficit available peak day and peak season assets due to the suspension of the Northeast Energy Direct pipeline project and the transportation capacity limitations on TGP, Algonquin, and Maritimes and Northeast Pipeline; (4) the National Grid Agreement is needed to meet the Company's design season and design day requirements and to decrease its current peak hour deficits at certain take stations that feed the same system served by EMT; (5) the National Grid Agreement will deliver incremental natural gas supply into the Company's distribution system on a primary firm priority basis, with the flexibility to dispatch these natural gas supplies on a non-ratable basis across holidays and weekends; (6) the National Grid Agreement provides the Company with the option to take a portion of the total volume of natural gas each season in vapor form or LNG; (7) the National Grid Agreement provides diversity to the Company's overall portfolio by providing its customers with access to natural gas supplies directly from EMT; (8) the National Grid Agreement is needed to ensure safe and reliable service for the Company's customers; (9) the National Grid Agreement is consistent with the portfolio objectives established in the F&SP approved in D.P.U. 22-149; (10) the National Grid Agreement is the only viable, cost-effective option to meet the Company's incremental natural gas supply needs; and (11) the National Grid Agreement is consistent with the GWSA because the incremental natural gas supplies will be used either to replace volumes of natural gas that the Company would purchase from other sources or to serve new customers converting from oil heating to natural gas heating (D.P.U. 24-25, National Grid Brief at 2, 6-23).

National Grid urges the Department to reject CLF's recommendation to deny the National Grid Agreement because: (1) the Company evaluated several alternatives to the National Grid Agreement, including strategic electrification, and determined that there are no viable alternatives; (2) the impact from increased energy efficiency and strategic electrification efforts likely would be small compared to the scale of need that would be created if EMT were to cease operations; (3) the Company's forecast indicates that natural gas demand is expected to rise in the near future despite the Commonwealth's GHG emissions mandates; (4) National Grid can promote and incentivize electrification efforts but cannot compel its customers to electrify; (5) National Grid spent several years negotiating with Constellation to obtain the most favorable contract terms possible for the Company's customers and filed the National Grid Agreement with the Department three days after negotiations concluded; (6) Constellation would not agree to negotiate the condition precedent requiring the Department's approval of the National Grid Agreement by May 1, 2024 despite its efforts to get Constellation to agree to a later date; (7) even with the accelerated procedural schedule in this proceeding, there was sufficient time for the Department and interested parties to review the National Grid Agreement and for public participation in the process; (8) the demand charges in the National Grid Agreement are within the range of demand charges observed in other recent peaking contracts in prior winters and approval of the National Grid Agreement will only result in an average monthly bill increase of \$3.30 for a typical residential natural gas heating customer this upcoming winter; (9) the National Grid Agreement is a reasonably priced insurance policy to ensure that the Company can provide safe and reliable service to its customers during its six-year term; and (10) the National Grid Agreement is consistent with the GWSA because the incremental natural gas supplies will

be used either to replace volumes of natural gas that the Company would purchase from other sources or to serve new customers converting from oil heating to natural gas heating (D.P.U. 24-25, National Grid Reply Brief at 2-9).

National Grid does not oppose the reporting requirements recommended by the Attorney General but contends that the Attorney General's concerns about the National Grid Agreement are unfounded and that the Department should dismiss them because: (1) the Company and its predecessor have made efforts to reduce its reliance on EMT for incremental natural gas supplies over the past few years but have been unable to find a viable alternative to EMT for various reasons, including opposition to pipeline expansion in the Commonwealth; (2) Constellation was not willing to offer the Company firm pricing and commercial terms until the Company issued a request for proposals ("RFP") in 2021 and it took several years of negotiations before they could come to terms on the National Grid Agreement; (3) the costs of the National Grid Agreement are not excessive because (i) the demand charges are reasonable and within the range of demand charges observed in other recent peaking contracts in prior winters; and (ii) the non-commodity demand charges in the National Grid Agreement are of a similar magnitude to EMT's cost of service per recent public filings made by Constellation Mystic Power, LLC;¹² (4) EMT is not a price-regulated entity and the pricing in the National Grid Agreement should not be expected to be comparable to that offered in a price-regulated environment; (5) the Company could not have predicted the global events over the past few years that have adversely impacted the New England region's ability to procure LNG; (6) the National Grid Agreement is consistent with the

¹² Constellation Mystic Power, LLC is the owner and operator of the Mystic Generation Station located in proximity to EMT.

GWSA; and (7) the short term of the National Grid Agreement (i.e., six years) serves as a transition period for the Company to continue reliably meeting customer demand while also evaluating opportunities to reduce reliance on EMT and planning for an anticipated decrease in customer growth (D.P.U. 24-25, National Grid Reply Brief at 2, 9-18).

Although National Grid is amenable to certain reporting requirements related to the National Grid Agreement and the Company's evaluation of alternatives to EMT during the term of the National Grid Agreement, National Grid contends that some of the reporting requirements recommended by DOER are unnecessary and should be modified for several reasons (D.P.U. 24-25, National Grid Reply Brief at 2, 19). First, National Grid argues that a report due on October 2024 on the status of the Company's progress towards eliminating its reliance on EMT is unlikely to provide the Department and interested parties with meaningful information because not much is likely to change between the time the Department issues a final Order and October 2024 (D.P.U. 24-25, National Grid Reply Brief at 19). National Grid contends that a better solution would be for the Company to incorporate any EMT-related updates in its initial climate compliance plan, due to the Department by April 1, 2025, so that all of the Company's decarbonization efforts and related analyses would be provided in one place (D.P.U. 24-25, National Grid Reply Brief at 19). Next, National Grid argues that it may not be practical for the Companies to file a joint EMT transition plan because the needs of each Company differ and that their approaches to eliminating their reliance on EMT may differ (D.P.U. 24-25, National Grid Reply Brief at 19-20). National Grid also contends that it is unnecessary to undertake a separate EMT-related stakeholder process because the Company will be implementing a robust stakeholder process through the development and implementation of its climate compliance plan

(D.P.U. 24-25, National Grid Reply Brief at 20). Additionally, National Grid argues that the submission of quarterly progress reports after April 1, 2025 is unnecessary because there are unlikely to be significant and material developments related to EMT every three months and that an annual report would be sufficient to keep the Department and interested parties abreast of the Company's progress (D.P.U. 24-25, National Grid Reply Brief at 20).

Regarding DOER's recommendation for the Companies to file uniform annual reports on the costs, volumes called upon, credits, and any third-party sales associated with the Agreements, National Grid contends that it could provide that information in its annual cost of gas adjustment filings¹³ or as a compliance filing in this proceeding and that, to the extent feasible, these reporting requirements should be combined with the annual reporting requirements requested by the Attorney General (D.P.U. 24-25, National Grid Reply Brief at 21).

Finally, if the Department adopts the reporting requirements recommended by the Attorney General and DOER, National Grid recommends that the annual compliance reports associated with GHG emissions, GWSA, and its progress in reducing or eliminating its reliance on EMT should be due on April 1 of each year and that the annual compliance reports associated with the costs and operation of the National Grid Agreement should be due on October 1 of each year (D.P.U. 24-25, National Grid Reply Brief at 21).

F. EGMA

EGMA contends that the Department should approve the EGMA Agreement for the following reasons: (1) EMT has significant send-out capability and is uniquely positioned at the

¹³ 220 CMR 6.11.

end of the pipeline network in eastern Massachusetts; (2) EMT serves as a strategic natural gas reserve for the Company during force majeure events; (3) the Company has limited options to address the deficit in its available peak day and peak season assets due to transportation capacity limitations on TGP and Algonquin; (4) the Company does not have any G-Lateral incremental natural gas supplies under contract for this upcoming winter and beyond; (5) the EGMA Agreement is needed to meet the existing natural gas demands of the Company's customers; (6) the EGMA Agreement provides diversity to the Company's overall portfolio by providing it with access to natural gas supplies from a historically reliable resource; (7) the EGMA Agreement is needed to ensure safe and reliable service for the Company's customers on Algonquin's G-System; (8) the EGMA Agreement is consistent with the portfolio objectives established in the F&SP approved in D.P.U. 21-118; (9) the EGMA Agreement is the only viable, cost-effective option to meet the Company's incremental natural gas supply needs; and (10) the EGMA Agreement is consistent with the GWSA because the incremental natural gas supplies will be used to replace volumes of natural gas that the Company would purchase from other sources (D.P.U. 24-26, EGMA Brief at 1-2, 4-6, 8-16).

EGMA contends that the Department should reject CLF's recommendation to deny the EGMA Agreement because CLF's arguments are erroneous, flawed, and contrary to Department precedent (D.P.U. 24-26, EGMA Reply Brief at 2). Specifically, EGMA argues that CLF's arguments should be rejected because: (1) the Company considered various alternatives to the EGMA Agreement, including strategic electrification, and determined that there are no viable alternatives; (2) the Company filed the EGMA Agreement as expeditiously as possible; (3) the benefits of the EGMA Agreement are substantial and far outweigh the associated costs; and

(4) the EGMA Agreement is consistent with the GWSA (D.P.U. 24-26, EGMA Reply Brief at 2-8).

EGMA also argues that the Department should dismiss the Attorney General's concerns because: (1) the Company explored opportunities to reduce or eliminate its reliance on EMT but determined that no viable alternatives currently exist; (2) the costs associated with the EGMA Agreement are not excessive or unreasonable; (3) the EGMA Agreement is consistent with the GWSA; and (4) the Company will continue to explore opportunities to reduce or eliminate its dependence on EMT before the EGMA Agreement expires in 2030 (D.P.U. 24-26, EGMA Reply Brief at 2, 8-14). Nevertheless, the Company does not oppose the reporting requirements recommended by the Attorney General (D.P.U. 24-26, EGMA Reply Brief at 9).

EGMA contends that some of DOER's recommended reporting requirements are unnecessary and should be modified, including: (1) the requirement for the Company to file a status report on October 2024; (2) the requirement for the Companies to file a joint EMT transition plan; (3) the requirement for the Company to undertake a separate EMT-related stakeholder process; and (4) the requirement for the Company to submit quarterly progress reports after April 1, 2025 (D.P.U. 24-26, EGMA Reply Brief at 15-17). EGMA states that it could provide the information requested by DOER related to the costs, volumes called upon, credits, and any third-party sales associated with the EGMA Agreement in its annual cost of gas adjustment filing or as a compliance filing in this proceeding but argues that, to the extent feasible, these reporting requirements should be combined with the annual reporting requirements requested by the Attorney General (D.P.U. 24-26, EGMA Reply Brief at 17-18).

If the Department adopts the reporting requirements recommended by the Attorney General and DOER, EGMA recommends that the annual compliance reports associated with GHG emissions, GWSA, and its progress in reducing or eliminating its reliance on EMT should be due on April 1 of each year and that the annual compliance reports associated with the costs and operation of the EGMA Agreement should be due on October 1 of each year (D.P.U. 24-26, EGMA Reply Brief at 18).

G. NSTAR Gas

NSTAR Gas urges the Department to approve the NSTAR Gas Agreement because:

- (1) EMT has significant send-out capability and is uniquely positioned at the end of the pipeline network in eastern Massachusetts;
- (2) EMT serves as a strategic natural gas reserve for the Company during force majeure events;
- (3) the Company has limited options to address the deficit in its available peak day and peak season assets due to transportation capacity limitations on TGP and Algonquin;
- (4) EMT is the only source of natural gas for the Company's Cambridge distribution system during federally mandated pipeline maintenance on Algonquin's J-System;
- (5) the NSTAR Gas Agreement is needed to meet the existing natural gas demands of the Company's customers;
- (6) the NSTAR Gas Agreement provides diversity to the Company's overall portfolio by providing the Company with access to natural gas supplies from a historically reliable resource;
- (7) the NSTAR Gas Agreement is needed to ensure safe and reliable service for the Company's customers on Algonquin's G-System and J-System;
- (8) the NSTAR Gas Agreement is consistent with the portfolio objectives established in the F&SP approved in D.P.U. 22-86;
- (9) the NSTAR Gas Agreement is the only viable, cost-effective option to meet the Company's incremental natural gas supply needs; and
- (10) the NSTAR Gas

Agreement is consistent with the GWSA because the incremental natural gas supplies will be used to replace volumes of natural gas that the Company would purchase from other sources (D.P.U. 24-27, NSTAR Gas Brief at 1-2, 5-6, 9-17).

NSTAR Gas argues that the Department should reject CLF's recommendation to deny the NSTAR Gas Agreement because: (1) the Company evaluated alternatives to the NSTAR Gas Agreement, including strategic electrification, and determined that there are no viable alternatives; (2) the Company filed the NSTAR Gas Agreement in a timely manner; (3) the costs associated with the NSTAR Gas Agreement are reasonable and consistent with the costs in other recent peaking contracts in prior winters; and (4) the NSTAR Gas Agreement is consistent with the GWSA (D.P.U. 24-27, NSTAR Gas Reply Brief at 2-9).

NSTAR Gas does not oppose the reporting requirements recommended by the Attorney General but contends that the Department should dismiss the concerns raised by the Attorney General about the NSTAR Gas Agreement because: (1) the Company evaluated opportunities to reduce or eliminate its reliance on EMT but concluded that there are no viable alternatives; (2) the costs associated with the NSTAR Gas Agreement are reasonable; (3) the NSTAR Gas Agreement is consistent with the GWSA; and (4) the Company will pursue opportunities to reduce or eliminate its dependence on EMT before the NSTAR Gas Agreement expires in 2030 (D.P.U. 24-27, NSTAR Gas Reply Brief at 2, 9-15).

NSTAR Gas argues that the following reporting requirements recommended by DOER are unnecessary and should be modified: (1) the requirement for the Company to file a status report on October 2024; (2) the requirement for the Companies to file a joint EMT transition plan; (3) the requirement for the Company to undertake a separate EMT-related stakeholder

process; and (4) the requirement for the Company to submit quarterly progress reports after April 1, 2025 (D.P.U. 24-27, NSTAR Gas Reply Brief at 15-18). NSTAR Gas could provide the information requested by DOER related to the costs, volumes called upon, credits, and any third-party sales associated with the NSTAR Gas Agreement in its annual cost of gas adjustment filing or as a compliance filing in this proceeding but argues that, to the extent feasible, these reporting requirements should be combined with the annual reporting requirements requested by the Attorney General (D.P.U. 24-27, NSTAR Gas Reply Brief at 18).

NSTAR Gas recommends that, if the Department adopts the reporting requirements recommended by the Attorney General and DOER, the annual compliance reports associated with GHG emissions, GWSA, and its progress in reducing or eliminating its reliance on EMT should be due on April 1 of each year and that the annual compliance reports associated with the costs and operation of the NSTAR Gas Agreement should be due on October 1 of each year (D.P.U. 24-27, NSTAR Gas Reply Brief at 19).

H. Unitil

Unitil argues that the Department should approve the Unitil Agreement for the following reasons: (1) EMT has significant send-out capability; (2) EMT's close proximity to the Company's distribution system helps mitigate the risk of interruptions or delays in natural gas service to the Company's customers due to inclement weather; (3) the Westminster LNG Facility has limited storage capacity and requires a steady replenishment of natural gas, which EMT can provide within 48 hours upon request; (4) the Company has limited options to address the deficit in its available peak day and peak season assets due to transportation capacity limitations on the pipeline systems that deliver natural gas into New England; (5) EMT serves as an essential

backup source of LNG to the Company in the winter during disruptions on TGP; (6) the Unitil Agreement is needed to meet the existing natural gas demands of the Company's customers; (7) the Unitil Agreement provides diversity to the Company's overall portfolio by providing access to natural gas supplies from EMT; (8) the Unitil Agreement will provide the Company with a reliable source of incremental natural gas for the next six years; (9) the Unitil Agreement is needed to ensure safe and reliable service for the Company's customers; (10) the Unitil Agreement is consistent with the portfolio objectives established in the F&SP approved in D.P.U. 23-25; (11) the Unitil Agreement is the only viable, cost-effective option to meet the Company's incremental natural gas supply needs; and (12) the Unitil Agreement is consistent with the GWSA because the incremental natural gas supplies will be used to replace volumes of natural gas that the Company would purchase from other sources (D.P.U. 24-28, Unitil Brief at 1-2, 6-7, 8-22).

Unitil urges the Department to reject CLF's recommendation to deny the Unitil Agreement because: (1) the Company evaluated alternatives to the Unitil Agreement and determined that there are no viable alternatives; (2) Unitil did not consider targeted electrification as an alternative to the Unitil Agreement because targeted electrification could not be deployed in time to meet the demand of the Company's customers before this upcoming winter; (3) the scale and pace of the Company's electrification efforts will not be sufficient to obviate the need for the Unitil Agreement over the next six years; (4) the negotiations between the Company and Constellation were complex and the Company filed the Unitil Agreement with the Department as expeditiously as possible under the circumstances; (5) the Unitil Agreement is reasonably priced, consistent with the costs in other recent peaking contracts in prior winters, and

ensures that the Company can meet the existing demand of its customers; (6) the Unitil Agreement is a vital component of the company's long-range F&SP; and (7) the Unitil Agreement is consistent with the GWSA (D.P.U. 24-28, Unitil Reply Brief at 3-11).

Unitil does not oppose the Attorney General's recommended reporting requirements but contends that the Attorney General's concerns about the Unitil Agreement are unfounded and that the Department should dismiss them because: (1) the Company explored opportunities to reduce or eliminate its dependence on EMT but determined that there are no viable alternatives currently available; (2) the costs associated with the Unitil Agreement are reasonable and consistent with current market conditions; (3) the Unitil Agreement is consistent with the GWSA; and (4) the Company will pursue opportunities to reduce or eliminate its reliance on EMT before the Unitil Agreement expires in 2030 (D.P.U. 24-28, Unitil Reply Brief at 2, 11-18).

Unitil argues that some of DOER's recommended reporting requirements are unnecessary and should be modified, including: (1) the requirement for the Company to file a status report on October 2024; (2) the requirement for the Companies to file a joint EMT transition plan; (3) the requirement for the Company to undertake a separate EMT-related stakeholder process; and (4) the requirement for the Company to submit quarterly progress reports after April 1, 2025 (D.P.U. 24-28, Unitil Reply Brief at 19-21). Unitil can provide the information requested by DOER related to the costs, volumes called upon, credits, and any third-party sales associated with the Unitil Agreement in its annual cost of gas adjustment filing or as a compliance filing in this proceeding but contends that, to the extent feasible, these reporting requirements should be combined with the annual reporting requirements requested by the Attorney General (D.P.U. 24-28, Unitil Reply Brief at 21).

If the Department adopts the reporting requirements recommended by the Attorney General and DOER, Unitil recommends that the annual compliance reports associated with GHG emissions, GWSA, and its progress in reducing or eliminating its reliance on EMT should be due on April 1 of each year and that the annual compliance reports associated with the costs and operation of the Unitil Agreement should be due on October 1 of each year (D.P.U. 24-28, Unitil Reply Brief at 22).

V. ANALYSIS AND FINDINGS

A. Introduction

The Department must evaluate whether the proposed acquisition between each Company and Constellation is consistent with the public interest.¹⁴ 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. Additionally, the Department will consider the consistency of the proposed acquisition with the GWSA. D.P.U. 22-32-C at 36 (2023); see also, D.P.U. 20-80-B at 67-68; compare with, Bay State Gas Company, D.P.U. 17-172, at 55 (2018); Boston Gas Company, D.P.U. 15-34, at 41 (2015); Boston Gas Company and Colonial Gas Company, D.P.U. 13-157, at 24 (2014).¹⁵

¹⁴ The Department applies the same standard to our review of the Transgas Agreement.

¹⁵ D.P.U. 17-172, at 55, D.P.U. 15-34, at 41, and D.P.U. 13-157, at 24 each contain similar qualifying language: Regardless of whether Section 94A requires consideration of the GWSA, the Department considers as a factor in its public interest review in this case

Below, the Department first addresses whether the Agreements comply with the requirements established in D.P.U. 94-174-A. Next, the Department examines whether each Agreement is consistent with the GWSA. Then, the Department addresses the other relevant concerns raised by the intervenors and by CLF. Finally, the Department addresses the reporting requirements proposed by the Attorney General and DOER.

B. Consistency with the Public Interest

1. Consistency with Portfolio Objectives

In establishing that a resource is consistent with a company's portfolio objectives, a company may refer to the 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 acquisition. D.P.U. 94-174-A at 27-28.

Each Company contends that its Agreement is consistent with the portfolio objectives established in its most recently approved F&SP, wherein each company shows that there is a need for incremental natural gas supplies to meet the existing demand of their customers (D.P.U. 24-25, Exh. NG-Agreement-1, at 26-32; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 4, 21-23; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 4-5, 22-25; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 22-24).

Based on an analysis of their forecasted load requirements: (1) National Grid has identified a total design day and design season need for incremental natural gas in the winter of 2024/2025 of 41,000 Dth and 684,000 Dth, respectively, and a total design day and design

whether the company has provided adequate evidence of the agreement's consistency with the GWSA.

season need for incremental natural gas in the winter of 2029/2030 of 145,000 Dth and 3,869,000 Dth, respectively (D.P.U. 24-25, Exh. NG-Agreement-1, at 28); (2) EGMA has identified a total design day need for incremental natural gas at the Company's Taunton and Attleboro citygates in the winters of 2024/2025-2029/2030 of approximately 33,600 Dth (D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 22); (3) NSTAR Gas has identified a design day need for incremental natural gas in the winters of 2024/2025-2029/2030 of approximately 50,000 Dth (D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 23); and (4) Unitil has identified a design day need for incremental natural gas in the winters of 2024/2025-2029/2030 of approximately 24,000 Dth (D.P.U. 24-28, Exh. AG 1-11, Att.).

The Agreements will address a portion of each Company's identified incremental natural gas supply needs for the duration of the Agreements, will maintain the reliability of their respective natural gas distribution systems, and will preserve the diversity of their respective natural gas supply portfolios (D.P.U. 24-25, Exh. NG-Agreement-5, at 1, 26-32; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 21-23; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 22-25; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 22-24). No party briefed this issue of consistency with portfolio objectives.

Each Company applied the planning and resource acquisition process approved by the Department in its most recent F&SP to address the supply shortfall by acquiring the incremental gas supplies provided under its Agreement (D.P.U. 24-25, Exh. NG-Agreement-1, at 28-29; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 22-23; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 23-25; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 4-9). See D.P.U. 22-149, at 51 (appropriate criteria for screening and comparing resources);

D.P.U. 21-118, at 24 (adequacy of Company's planning process); D.P.U. 22-86, at 21-22 (adequacy of supply planning process); D.P.U. 23-25, at 28-29 (adequacy of resource planning process). We find that, without the Agreements, each Company will not have sufficient natural gas supplies to reliably serve its customers in design-winter scenarios during the term of the Agreements, which could jeopardize the health and safety of its customers during the cold winter months (D.P.U. 24-25, Exh. NG-Agreement-1, at 10-11, 20, 45; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 22-23; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 24-25; D.P.U. 24-28, Exh. Unitil-FXW-1, at 9, 12, 33). Accordingly, we find that the Agreements are consistent with the portfolio objectives established in each Company's most recently approved F&SP.

2. Comparison to Alternatives

a. Introduction

The Section 94A public interest standard requires a 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 evaluating whether the proposed acquisition compares favorably to the range of alternative options reasonably available to the company at the time of the acquisition, the Department considers whether the company used a competitive solicitation process that was fair, open, and transparent. 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.

National Grid, EGMA, and NSTAR Gas each issued an RFP in October 2021 to solicit proposals to address their peak season requirements (D.P.U. 24-25, Exhs. NG-Agreement-1, at 32; AG-1-13; D.P.U. 24-26, DPU-EGMA-1-3; DPU-EGMA-2-2; DPU-EGMA-2-3;

D.P.U. 24-27, Exhs. DPU-NSTAR-1-3; DPU-NSTAR-2-2; DPU-NSTAR-2-3). National Grid, EGMA, and NSTAR Gas also evaluated: (1) supply-side and on-system solutions, including incremental LNG vaporization and pipeline capacity projects; and (2) demand-side resources, including energy efficiency and strategic electrification options (D.P.U. 24-25, Exhs. NG-Agreement-1, at 34-36; AG 1-13; AG 2-8; DOER-2-5; D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 27-28, 30, 32; DPU-EGMA-1-3; DOER-1-2; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 30-32, 34; NSTAR-DPU-1-3; DOER-1-2). Unitil did not issue an RFP to solicit proposals to address its peak season requirements; however, it evaluated: (1) internal distribution system betterment options; (2) expanding the storage capacity of the Westminster LNG Facility; (3) the construction of a new compressed natural gas facility; and (4) alternative LNG sources in Pennsylvania and Quebec (D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 24-25; DPU-UNITIL-1-1; DPU-UNITIL-1-2; DPU-UNITIL-1-3; DPU-UNITIL-1-4; DPU-UNITIL-2-4; DPU-UNITIL-2-9; AG-UNITIL-2-10; AG-UNITIL-1-4; AG-UNITIL-1-5; DOER 2-8, Att. 1).

After assessing these alternatives, each Company determined that there are no viable alternatives currently available in the marketplace that offer the services that EMT can provide over the six-year term of the Agreements (D.P.U. 24-25, Exh. NG-Agreement-1, at 39; D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 27-32; DPU-EGMA-1-3; DOER-1-1; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 30-34; DPU-NSTAR-1-3; DOER-1-1; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 24-28; DPU-UNITIL-1-1; DPU-UNITIL-1-3; DPU-UNITIL-2-2; AG-UNITIL-2-7; AG-UNITIL-4-3; CLF-UNITIL-1-1).

b. Competitive Solicitation Process

The Attorney General raised a concern that the Agreements are not the direct result of a competitive solicitation process (Attorney General Brief at 16-17). As stated above, National Grid, EGMA, and NSTAR Gas each issued an RFP in October 2021 to identify solutions to meet each Company's respective forecasted supply deficit while Unitil did not issue an RFP (D.P.U. 24-25, Exhs. NG-Agreement-1, at 32; AG-1-13; D.P.U. 24-26, DPU-EGMA-1-3; DPU-EGMA-2-2; DPU-EGMA-2-3; D.P.U. 24-27, Exhs. DPU-NSTAR-1-3; DPU-NSTAR-2-2; DPU-NSTAR-2-3; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 24).

The Department generally expects acquisition agreements to be the product of a recent competitive solicitation process. D.P.U. 94-174-A at 28 n.9, 30. A competitive solicitation process offers a measure of transparency in the procurement process with the objective of securing the least-cost resources. We do not, however, consider the lack of a competitive solicitation process necessarily to be a deficiency in a company's procurement. NSTAR Gas Company, D.P.U. 17-175, at 27 (2018); Boston Gas Company, D.P.U. 17-174, at 27 (2018); Bay State Gas Company, D.P.U. 17-172, at 37 (2018); NSTAR Gas Company, D.P.U. 15-83, at 32 (2015); The Berkshire Gas Company, D.P.U. 15-48, at 46 (2015).

The Companies concede that the Agreements are not the direct product of a competitive solicitation process (D.P.U. 24-25, Exh. NG-Agreement-1, at 33; D.P.U. 24-26, Exh. DPU-EGMA-2-2; D.P.U. 24-27, Exh. DPU-NSTAR-2-2; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 24). Nevertheless, the record demonstrates that each Company considered a broad range of alternatives and that none of the alternatives available to each Company was viable due to price and non-price factors, including costs, permitting limitations, or timing

constraints on deployment (D.P.U. 24-25, Exhs. NG-Agreement-1, at 34-36; AG 1-13; AG 2-8; DOER-2-5; D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 27-28, 30, 32; DPU-EGMA-1-3; DOER-1-2; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 30-32, 34; NSTAR-DPU-1-3; DOER-1-2; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 24-25; DPU-UNITIL-1-1; DPU-UNITIL-1-2; DPU-UNITIL-1-3; DPU-UNITIL-1-4; DPU-UNITIL-2-4; DPU-UNITIL-2-9; AG-UNITIL-2-10; AG-UNITIL-1-4; AG-UNITIL-1-5; DOER 2-8, Att. 1).

Further, the record demonstrates that the alternatives currently available are insufficient to fully replace supplies from EMT or could provide the reliability benefits that EMT offers (D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27/D.P.U. 24-28, Exh. AG-MLTF-1, at 52; D.P.U. 24-25, Exhs. NG-Agreement-1, at 30; AG-2-10; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 9; AG-2-3; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 9; AG-2-2; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 8; AG-UNITIL-2-10). EMT's location at the end of the interstate pipelines in eastern Massachusetts and its significant send-out capacity cannot be duplicated by the alternatives available to the Companies (D.P.U. 24-25, Exhs. NG-Agreement-1, at 30; AG-2-10; D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 9; AG-2-3; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 9-10; AG-2-2; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDECATED) at 8; AG-UNITIL-2-10). Based on the record evidence cited above, the Department finds that each Company has adequately demonstrated that it considered the alternatives currently available and that its Agreement is the only viable option to meet its forecasted supply deficit.

c. Electrification

Next, we address CLF's argument that the Companies failed to adequately demonstrate that they considered electrification as an alternative to the Agreements (CLF Amicus Brief at 8-9). National Grid, EGMA, and NSTAR Gas each considered electrification as an alternative but determined that electrification efforts would likely result in smaller demand reductions compared to the scale of need that would be created if EMT were to cease operations (D.P.U. 24-25, Exh. NG-Agreement-1, at 36; DOER-1-6; D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 30, 32; DOER-1-2; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 34; DOER-1-2).

Additionally, while Unutil did not specifically consider targeted electrification as an alternative to the Unutil Agreement, Unutil contends that targeted electrification could not be deployed in time to meet its near-term forecasted load (D.P.U. 24-28, Exh. DOER-1-5). The Companies assert that no party to these proceedings has presented evidence that shows that increased electrification would result in sufficient load reduction in the near-term to obviate the need for the Agreements (D.P.U. 24-25, National Grid Reply Brief at 3; D.P.U. 24-26, EGMA Reply Brief at 4; D.P.U. 24-27, NSTAR Gas Reply Brief at 4; D.P.U. 24-28, Unutil Reply Brief at 5).

The record shows that the alternatives to the Agreements currently available to each Company, including electrification, are insufficient to fully replace supplies from EMT or provide the reliability benefits that EMT offers (D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27/D.P.U. 24-28, Exh. AG-MLTF-1, at 52; D.P.U. 24-25, Exhs. NG-Agreement-1, at 30; AG-2-10; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 9;

AG-2-3; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 9; AG-2-2; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 8; AG-UNITIL-2-10). Further, while each Company promotes and incentivizes electrification initiatives in its three-year energy efficiency plan, the Companies cannot compel their customers to electrify. See D.P.U. 20-80-B at 35-36 (customers must be willing to make investments in support of such environmental goals). The Department, however, has directed each LDC to work with the relevant electric distribution company in its service territory to study the feasibility of piloting a targeted electrification project.

D.P.U. 20-80-B at 87. Further, each LDC is required to file its project proposal for targeted electrification by March 1, 2026, for inclusion in its 2030 Climate Compliance Plan.

D.P.U. 20-80-B at 88. However, given the uncertainty regarding the degree to which increased electrification would result in sufficient reductions in demand over the next six years and the Companies' obligation to provide safe and reliable service to their customers during that period, we find that each Company's determination that electrification is not a viable alternative to its Agreement is supported by the record in these proceedings.

d. Contract Terms

We next address the concern raised by the Attorney General and CLF that approval of the Agreements will result in high costs for each Company's customers (Attorney General Brief at 11-14; CLF Amicus Brief at 10-12). The Department must balance the costs associated with the Agreements and their impact on customers with the critical need for each Company to have adequate resources to safely and reliably serve its customers.

The record shows that: (1) the demand charges in the Agreements are within the range of the demand charges in other recent peaking contracts covering prior winters; (2) the

non-commodity demand charges in the Agreements are of a similar magnitude to EMT's cost of service per recent public filings made by Constellation Mystic Power; and (3) the price charged under the Agreements is a market-based rate for the services and supply provided under the Agreements (D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27/D.P.U. 24-28, Exh. AG-MLTF-1, at 38, 41-42; D.P.U. 24-28, Exh. AG-2-7). As the Department has determined above, there are no viable alternatives currently available to each Company to fully replace supplies from EMT or provide the reliability benefits that EMT offers (D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27/D.P.U. 24-28, Exh. AG-MLTF-1, at 52; D.P.U. 24-25, Exhs. NG-Agreement-1, at 30; AG-2-10; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 9; AG-2-3; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 9; AG-2-2; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 8; AG-UNITIL-2-10). Therefore, due to the price and non-price factors of each Agreement, we find that each Agreement is necessary to ensure safe and reliable service at least cost for each Company's customers during the six-year term of the Agreements. We acknowledge CLF's concern that low-income customers may experience a relatively higher financial burden with the costs associated with the Agreements; however, as we have stated, the standard of review for gas supply/resource acquisitions does not include an examination of the potential costs of the agreements on low-income customers.

D.P.U. 24-25-A/D.P.U. 24-26-A/D.P.U. 24-27-A/D.P.U. 24-28-A at 9. Therefore, we find that this issue is outside the scope of these proceedings and do not address it in this Order.¹⁶

¹⁶ We note that the Department is separately considering energy burden issues in Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers, D.P.U. 24-15.

C. Consistency with the GWSA

The Department must consider whether the proposed acquisition is consistent with the GWSA and any applicable emissions limit or sublimit set by the Secretary of Energy and Environmental Affairs. G.L. c. 25, § 1A; D.P.U. 22-32-C at 36; D.P.U. 17-172, at 55; D.P.U. 15-34, at 41; D.P.U. 13-157, at 24.

EGMA, NSTAR Gas, and Unitil each propose to use its incremental natural gas supply allotment under the Agreements to serve existing customer load and to replace existing natural gas supply contracts that each Company has entered into with third-party marketers in recent years (D.P.U. 24-26, Exhs. DPU-EGMA-1-4; AG-3-3 & Att.; DOER-1-6; D.P.U. 24-27, Exhs. DPU-NSTAR-1-4; AG-3-3 & Att.; DOER-1-6; D.P.U. 24-28, Exhs. DPU-Unitil-1-3; DPU-Unitil-1-13; DPU-Unitil-2-1; AG-2-5; DOER-1-5; DOER-1-6). National Grid, on the other hand, proposes to use the National Grid Agreement to fulfill the forecasted deficit in its peak day and peak season requirements that can only be filled by imported LNG and to serve new customers converting from oil heating to natural gas heating (D.P.U. 24-25, Exhs. NG-Agreement-1, at 13, 39; AG-1-7; AG-3-5).

CLF argues that the Department should deny the Agreements because Massachusetts law and policy requires a transition away from fossil fuel resources (CLF Amicus Brief at 13-15). Additionally, the Attorney General contends that: (1) National Grid has not provided evidence to support its claim that the National Grid Agreement likely will be used to serve new customers converting from oil heating to natural gas heating, thereby reducing GHG emissions and contributing to GWSA goals; (2) National Grid has not addressed the possibility that oil customers will convert from oil heating to electric heating; (3) the conversion of customers from

oil heating to natural gas heating is insufficient to meet the Commonwealth's climate goals; and (4) National Grid has failed to show that the eight-percent demand growth projected between the winters of 2023/2024-2028/2029 is driven solely by oil to natural gas heat conversions (Attorney General Brief at 19-20).

The Department has previously found that the acquisition of incremental natural gas supply to replace existing gas supply contracts does not result in an increase in GHG emissions. D.P.U. 17-174, at 42-43; D.P.U. 15-34, at 42; Bay State Gas Company, D.P.U. 13-158, at 22 (2014). The record demonstrates that the EGMA, NSTAR Gas, and Unitil Agreements will replace incremental natural gas supply contracts that each Company already procures to meet existing customer demand (D.P.U. 24-26, Exhs. DPU-EGMA-1-4; AG-3-3 & Att.; DOER-1-6; D.P.U. 24-27, Exhs. DPU-NSTAR-1-4; AG-3-3 & Att.; DOER-1-6; D.P.U. 24-28, Exhs. DPU-Unitil-1-3; DPU-Unitil-1-13; DPU-Unitil-2-1; AG-2-5; DOER-1-5; DOER-1-6). Therefore, consistent with our precedent, we find that the EGMA, NSTAR Gas, and Unitil Agreements are consistent with the GWSA.

With respect to the National Grid Agreement, the Department has historically found that the acquisition of incremental natural gas supply to serve new customers that convert from oil heating to natural gas heating is consistent with the GWSA. D.P.U. 17-175, at 44; D.P.U. 17-174, at 42; D.P.U. 15-34, at 41; D.P.U. 13-158, at 22. The record indicates that the National Grid Agreement will be used to fulfill the forecasted deficit in the Company's peak day and peak season requirements that can be filled only by imported LNG and to serve new customers converting from oil heating to natural gas heating (D.P.U. 24-25, Exhs. NG-Agreement-1, at 13, 39; AG-1-7; AG-3-5). While National Grid did not provide

sufficient evidence that its eight-percent demand growth projected between the winters of 2023/2024-2028/2029 is driven solely by oil to natural gas heat conversions, no party submitted evidence that the National Grid Agreement will result in increased customer demand for natural gas. Therefore, based on our review of the record and consistent with our prior Orders, we find that the National Grid Agreement is consistent with the GWSA.

We find it unnecessary to address CLF's argument that the Department should deny the Agreements because Massachusetts law and policy requires a transition away from fossil fuel resources, including LNG, for several reasons (CLF Amicus Brief at 13-15). First, as we stated in D.P.U. 24-25-A/D.P.U. 24-26-A/D.P.U. 24-27-A/D.P.U. 24-28-A at 9, the standard of review for gas supply/resource acquisition agreements is limited to an evaluation of whether the proposed acquisition is consistent with the GWSA. CLF attempts to expand the standard of review of these proceedings by raising broader policy concerns about natural gas usage in the Commonwealth. The Department previously cautioned CLF in these proceedings that, to the extent CLF's interest is to further broader public policy interests, the Department finds that those issues are beyond the scope of these proceedings.

D.P.U. 24-25/D.P.U. 24-26/D.P.U. 24-27/D.P.U. 24-28, Interlocutory Order at 8

(March 15, 2024). Consistent with our findings in the Interlocutory Order, we find that CLF's arguments are outside the scope of these proceedings. Additionally, the Department has rejected similar arguments raised by CLF in other Department proceedings involving gas supply agreements under Section 94A. D.P.U. 17-175, at 38-42; D.P.U. 17-174, at 37-41; D.P.U. 15-34, at 40-44; D.P.U. 13-158, at 21-22. For these reasons, we decline to address CLF's argument that the Department should deny the Agreements because Massachusetts law and policy requires a

transition away from fossil fuel resources. Given the expedited schedule demanded under the circumstances of these proceedings (as discussed in the next section), the Department has carefully conformed with prior precedent regarding its standard of review for gas supply/resource acquisitions.

At the same time, the Department, in December 2023, announced its intention to create a new regulatory framework to facilitate the Commonwealth's transition to cleaner energy sources. D.P.U. 20-80-B at 1-5, 13-18, 133-135; D.P.U. 20-80-C at 2-3. Consistent with this new regulatory framework, it may be appropriate to revisit the analysis that the Department has traditionally applied under Section 94A. For example, in evaluating consistency with the GWSA, we have traditionally accepted a company's representation that a resource acquisition agreement is consistent with the GWSA on the basis that it serves new customers converting from oil heating to natural gas heating. D.P.U. 17-175, at 44; D.P.U. 17-174, at 42; D.P.U. 15-34, at 41; D.P.U. 13-158, at 22. Given the direction articulated in D.P.U. 20-80-B, the Department may examine more closely whether providing natural gas heating for these customers is consistent with the GWSA based on the other heating options reasonably available to the customers.

Similarly, we acknowledged in D.P.U. 20-80-B that "the transition of the natural gas industry in Massachusetts is an exceedingly complex undertaking [...] that involves [among other matters] recognizing the potential for the disproportionate distribution of the negative impacts associated with building, operating, and maintaining natural gas infrastructure."

D.P.U. 20-80-B at 17. As noted above, EMT is located in Everett, Massachusetts, a community that is designated by the Office of Energy and Environmental Affairs ("EOEEA") as an

environmental justice population.¹⁷ The residents of Everett speak a variety of languages, and a significant percentage of the population in Everett lacks English language proficiency.¹⁸ In our Interlocutory Order, D.P.U. 24-25-A/D.P.U. 24-26-A/D.P.U. 24-27-A/D.P.U. 24-28-A at 10-11, the Department acknowledged the environmental justice and equity considerations raised by the continued operation of EMT. We clarified that

the standard of review for this particular type of proceeding—a review of gas/supply resource acquisitions—does not include an examination of the potential cost impacts of the agreements on low-income customers and environmental justice populations or the potential environmental and equity impacts associated with keeping the EMT operational over the six-year terms of the agreements.

¹⁷ In Massachusetts, an environmental justice population is a neighborhood where one or more of the following criteria apply: “(1) the annual median household income is not more than 65 percent of the statewide annual median household income; (2) minorities comprise 40 percent or more of the population; (3) 25 percent or more of households lack English language proficiency; or (4) minorities comprise 25 percent or more of the population and the annual median household income of the municipality in which the neighborhood is located does not exceed 150 percent of the statewide annual median household income; or (B) a geographic portion of a neighborhood designated by the Secretary as an environmental justice population in accordance with law.” EOEEA Environmental Justice Policy at 4 (2021); EOEEA Environmental Justice Strategy at 26 (February 15, 2024). <https://mass-eoeea.maps.arcgis.com/apps/webappviewer/index.html?id=1d6f63e7762a48e5930de84ed4849212> (last visited April 29, 2024).

¹⁸ EOEEA Languages Spoken in Massachusetts map, <https://mass-eoeea.maps.arcgis.com/apps/webappviewer/index.html?id=dffdbf9c109647fc9601f7524c1fd9f4> (last visited April 29, 2024).

D.P.U. 24-25-A/D.P.U. 24-26-A/D.P.U. 24-27-A/D.P.U. 24-28-A at 9. As we stated in that Interlocutory Order, it would be “legally improper for the Department to modify the standard of review for G.L. c. 164, § 94A proceedings . . . without providing the Companies with sufficient and reasonable notice in advance of such a change.”

D.P.U. 24-25-A/D.P.U. 24-26-A/D.P.U. 24-27-A/D.P.U. 24-28-A at 8-9.

In An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy, St. 2021, c. 8 (“2021 Climate Act”), the Legislature directed the Department to prioritize affordability and equity alongside the more traditional considerations of safety, security, and reliability of service. G.L. c. 25, § 1A. We find it appropriate to examine more closely whether the analysis that the Department applies in evaluating Section 94A contracts needs to be revised to properly consider environmental justice and equity impacts associated with proposed gas supply/resource acquisitions. As noted above, the exigencies of the matter at issue here preclude such an examination in these dockets and, rather than articulating any changes in this Order to our standard of review or analytical approach that would be applied prospectively, the Department finds it appropriate to engage in a more thoughtful, comprehensive process involving the participation of all interested stakeholders rather than just the parties to these proceedings. The additional proceedings necessary to implement the various directives enunciated in D.P.U. 20-80-B should provide an opportunity for that more thorough examination of the applicable standard of review for Section 94A contracts.

D. Other Issues

1. Timing of the Filings

The Department adjudicated these coordinated proceedings on an expedited basis. The Department established an expedited procedural schedule based on dates in the Agreements that were represented as essential to the availability of the underlying, needed natural gas resource and essential to the continued commercial operation of EMT to produce the gas supply. As part of the schedule, the Department conducted an in-person public hearing to receive public comment in Everett. This public hearing was conducted in accordance with a notice issued by the Department in four languages.¹⁹ This process is not extraordinary—indeed, the Department is committed to providing appropriate access to proceedings in multiple languages, Enhancing Public Awareness of and Participation in Department Proceedings, D.P.U. 21-50-A (February 23, 2024)—but arranging for the notices and hearing on an expedited basis required special attention at several levels of the Department.

In conducting the review necessary for the Department to make the required findings and subsidiary findings to issue its decision, the Department extends appreciation to the diligence of the intervenors and CLF in conducting discovery, filing briefs, and framing issues in support of the requisite evidentiary record. There is no doubt that these entities shifted caseloads and modified work requirements to operate within the timelines and ground rules established by the

¹⁹ English, Haitian Creole, Portuguese, and Spanish.

Department.²⁰ By this Order, and with these contributions, the Department approves the Agreements based on a complete and accurate record and consistent with the established standard of review.

Despite these commendable efforts and the appropriate result that serves the public interest, the Department is required to comment on the observable delay in identifying the immediate issues that the Agreements are intended to address as well as the filing of the Agreements. In particular, in a proceeding before the Federal Energy Regulatory Commission, New England Gas-Electric Winter Forum, Docket No. AD22-9-00, ISO New England Inc.²¹ (“ISO-NE”)²² submitted a statement on September 2, 2022 (“ISO-NE Statement”):²³

- Identifying the immediate need for the region to ensure the continued operation of EMT to maintain reliable electric and gas service for New England Consumers (ISO-NE Statement at 1);

²⁰ Also, the Department acknowledges the attention to timeliness of the Companies in responding to discovery requests and of Constellation in responding to the Department’s Subpoena.

²¹ ISO-NE is a not-for-profit, private corporation that serves as the regional transmission organization for New England. ISO-NE operates the New England bulk power system and administers New England’s wholesale electricity market. Investigation Into The Need For Additional Capacity In NEMA/Boston, D.P.U. 12-77, at 1 n.1 (2013).

²² ISO-NE submitted the statement on behalf of itself, AVANGRID, Eversource Energy, Liberty Utilities, National Grid, Rhode Island Energy, and the Vermont Electric Power Company.

²³ ISO-NE provided a broader context for its Statement that the continued operation of EMT is an immediate, short-term need for the region as plans are implemented for the transition to a clean energy future where renewable resources will provide electricity to meet energy demand related to home heating and transportation (ISO-NE Statement at 1).

- Maintaining that, for the clean energy transition to be successful, the region must continue to have reliable supplies of gas for home heating and electricity (ISO-NE Statement at 1);
- Explaining that LNG is needed to meet home heating needs and, more fundamentally, to maintain pressure on the natural gas pipeline system (ISO-NE Statement at 1); and
- Explaining the strategic importance of EMT for this region (ISO-NE Statement at 1-2).

In the same proceeding, CEG²⁴ submitted comments on November 7, 2022 (“CEG Comments”) stating:

- That EMT can serve as a reasonable and reliable bridge to the region’s cleaner future (CEG Comments at 3);
- EMT can meet as much as 35 percent of the natural gas demand in the region on winter peak days (CEG Comments at 9);
- Closure of EMT would significantly reduce critical peak day pipeline pressure and vapor supply as well as increase the risk that LDCs will be unable to resupply their own LNG inventories during a prolonged cold period (CEG Comments at 9);
- LNG supply and transportation arrangements of any meaningful magnitude need to be negotiated and locked-in well in advance of the closure of the Mystic Generating Station (CEG Comments at 26); and
- The regulatory approval process in Massachusetts for any contract with an LDC covering a period longer than a year takes no less than five months and typically requires nine months (CEG Comments at 28).

With these realizations in September and November 2022, the Department expected that Massachusetts LDCs that identified LNG resource needs from EMT would make necessary

²⁴ CEG is an affiliate of Constellation and is the owner and operator of the Mystic Generating Station located in proximity to EMT.

filings with the Department much earlier than February 2024. As the Companies know, and Constellation should know, the Agreements are not just commercial transactions but are arrangements subject to a public interest standard.²⁵ While the Department itself is not immune from delay, we expected that more attention would have been taken to the timing of imminent events (i.e., closure of the Mystic Generating Station and the potential closure of EMT) and the need for process in the regulatory review. Stating the obvious, a more timely filing of the Agreements would have removed the term “expedited” from this proceeding and would have avoided extra work by the Department, the intervenors, and CLF.

Even with this critical commentary, the Department cannot find that the Companies deliberately made untimely filings with the Department in an attempt to circumvent the regulatory review process, as argued by CLF (CLF Amicus Brief at 7). Although we have identified what we consider to be an unnecessary delay in filing the Agreements, we find no evidence of a carefully considered, preconceived design or willful purpose by the Companies, or by Constellation, to bypass or circumvent the Department’s regulatory review process under Section 94A. Accordingly, the Department does not make such a finding as CLF attributed to the Companies. With our concern and CLF’s perception, the Department takes note of a

²⁵ Zachs v. Department of Public Utilities, 404 Mass. 217, 223-224; Lowell Gas Light Company v. Department of Public Utilities, 319 Mass. 46, 52 (1946) (the function of the Department is the protection of the public interest and not the promotion of private interests).

cautionary message for all: “Defer no time, delays have dangerous ends.”²⁶ Cited In Ernst v. City of Chicago, 2012 WL 27594 (N.D. Ill. Jan. 5, 2012).²⁷

2. Planning Deficiencies

Next, we address the concern raised by the Attorney General, DOER, and CLF that the Companies failed to adequately prepare for EMT’s planned closure in June 2024 (Attorney General Brief at 2-3, 16-17, 23; DOER Brief at 13; CLF Amicus Brief at 7). The Companies maintain that they have undertaken concerted efforts to reduce their reliance on EMT over the past few years; however, due to capacity limitations on the interstate pipelines that deliver natural gas into New England and the lack of new pipeline expansion projects into the Commonwealth, the Companies argue that their options are limited (D.P.U. 24-25, Exh. NG-Agreement-1, at 12, 27; D.P.U. 24-26, Exh. EGMA-EBS-1 (REDACTED) at 6; D.P.U. 24-27, Exh. NSTAR-EBS-1 (REDACTED) at 6; D.P.U. 24-28, Exh. Unitil-FXW-1 (REDACTED) at 11). After Constellation indicated in August 2020 that EMT may cease operations on May 31, 2024, National Grid, EGMA, and NSTAR Gas each issued an RFP in October 2021 to identify alternatives to EMT (D.P.U. 24-25, Exhs. NG-Agreement-1, at 32; AG-1-13; D.P.U. 24-26, DPU-EGMA-1-3; DPU-EGMA-2-2; DPU-EGMA-2-3; D.P.U. 24-27, Exhs. DPU-NSTAR-1-3; DPU-NSTAR-2-2; DPU-NSTAR-2-3). Unitil did not issue an RFP to identify alternatives to EMT but did evaluate various alternatives (D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 24-25; DPU-UNITIL-1-1; DPU-UNITIL-1-2;

²⁶ Shakespeare, Henry VI, Part 1, Act 3, Scene 2.

²⁷ Not reported in F.Supp.2d (2012).

DPU-UNITIL-1-3; DPU-UNITIL-1-4; DPU-UNITIL-2-4; DPU-UNITIL-2-9; AG-UNITIL-2-10; AG-UNITIL-1-4; AG-UNITIL-1-5; DOER 2-8, Att. 1). After reviewing their options, each of the Companies determined that there were no viable alternatives and initiated contract negotiations with EMT on the Agreements (D.P.U. 24-25, Exhs. NG-Agreement-1, at 34, 39; DPU-NG-4-2; AG-1-13; D.P.U. 24-26, Exhs. EGMA-EBS-1 (REDACTED) at 27-32; DPU-EGMA-2-2; D.P.U. 24-27, Exhs. NSTAR-EBS-1 (REDACTED) at 30-34; DPU-NSTAR-2-2; D.P.U. 24-28, Exhs. Unitil-FXW-1 (REDACTED) at 24-28; DPU-UNITIL-1-1; DPU- UNITIL-1-3; DPU-UNITIL-2-2; AG-UNITIL-2-7; AG-1-13; AG-UNITIL-4-3; CLF-UNITIL-1-1).

Based on the record, we find that the Companies made reasonable efforts to prepare for EMT's planned closure in May 2024. Notwithstanding this finding, we agree with the Attorney General, DOER, and CLF that the Companies must make significant strides to reduce or eliminate their reliance on EMT in the near-term.

As stated above, the Department has announced its intention to establish a new regulatory framework to facilitate the Commonwealth's transition away from natural gas to cleaner energy sources. D.P.U. 20-80-B at 1-5, 13-18, 133-135; D.P.U. 20-80-C at 2-3. As such, we expect the Companies to fully investigate all possible alternatives to EMT over the six-year term of the Agreements, including energy efficiency, strategic electrification, and networked geothermal projects, and, to the extent feasible, to coordinate their planning efforts. The Department will closely scrutinize the Companies' efforts to identify viable alternatives to EMT in any similar resource acquisition agreement between the Companies and Constellation in the future.

E. Reporting Requirements

The Attorney General, DOER, and CLF raise similar concerns about the Companies' failure to provide a plan or strategies to reduce or eliminate their dependence on EMT before the Agreements expire in 2030 (Attorney General Brief at 22-23; DOER Brief at 13; CLF Amicus Brief at 8). The Attorney General and DOER recommend that the Department direct the Companies to file: (1) annual reports with cost and other relevant information associated with the Agreements; and (2) annual reports on their progress in developing alternatives to sourcing incremental natural gas supplies from EMT between now and 2030 (Attorney General Brief at 4, 17, 21-22, 24; DOER Brief at 3-4, 8-9, 14-16, 17-18). The Companies do not oppose the reporting requirements recommended by the Attorney General but request certain modifications to the reporting requirements recommended by DOER (D.P.U. 24-25, National Grid Reply Brief at 18-21; D.P.U. 24-26, EGMA Reply Brief at 14, 16-18; D.P.U. 24-27, NSTAR Gas Reply Brief at 15-18; D.P.U. 24-28, Unitil Reply Brief at 18-21).

The Department recognizes that coordinated and comprehensive planning among the Companies is needed to facilitate the transition away from natural gas to cleaner energy sources. D.P.U. 20-80-B at 131. With respect to EMT, as we stated in Section V.D.2, above, we expect the Companies to fully investigate all possible alternatives to EMT over the six-year term of the Agreements. We agree with the Attorney General and DOER that open and transparent insight into the Companies' efforts to reduce or eliminate their reliance on EMT is critical to ensuring that the Commonwealth remains on a path to achieve its decarbonization goals, and we appreciate the Companies' willingness to facilitate this process through new reporting

requirements associated with the costs and operation of their Agreements and their progress in identifying viable alternatives to EMT.

In D.P.U. 20-80-B at 134, the Department directed the Companies to file individual climate compliance plans every five years, with the first such plan being due on or before April 1, 2025. The Department finds it appropriate for the Companies to include in their inaugural climate compliance plans the following information: (1) whether, and to what extent, the Agreements have facilitated the Companies' plans to meet GHG emission reduction goals in compliance with the GWSA; (2) a description of the Companies' efforts to reduce customer demand for natural gas; and (3) a description of the Companies' efforts to reduce or eliminate their reliance on EMT, including, but not limited to (i) the costs, feasibility, and timelines for each alternative identified; and (ii) a description of how each alternative identified would contribute to GHG emissions reductions. The Companies shall report this information annually to the Department on April 1st of each year through 2030.

The Department also directs the Companies to report the following information in the reconciliation portion of their annual peak and off-peak cost of gas adjustment factor filings²⁸ 45 days before the effective date: (1) the total annual costs of the Agreements; (2) the annual costs associated with each pricing component of the Agreements; (3) the commodity amount provided under the Agreements; (4) any credits provided to the Companies under the Agreements; (5) whether the Companies made any transactions to generate margins for

²⁸ The cost of gas adjustment factor is the rate charged (per therm) by natural gas companies to recover the cost to buy and transport gas supply to Massachusetts. 220 CMR 6.01.

customers, returning the margins to customers pursuant to Investigation into Margin Sharing, D.P.U. 10-62-A (2013); (6) any costs that Constellation returned to the Companies under the Change-In-Law Provision; and (7) whether the Companies disputed any costs that Constellation passed through to the Companies under the Change-In-Law Provision and the result of any such dispute.

The Department finds the reporting requirements above to be sufficient to provide the Department and interested stakeholders with open and transparent insight into the Companies' efforts to reduce or eliminate their reliance on EMT. Accordingly, the Department declines to implement DOER's recommendation to direct the Companies to: (1) file a report by October 2024 on the status of their EMT transition plans; (2) file a joint EMT transition plan; (3) incorporate customer, stakeholder, and community input into the development of an EMT-specific transition plan; and (4) submit quarterly progress reports after April 1, 2025. The Department finds these recommendations to be unnecessary, duplicative, or superfluous to the other reporting requirements described above.

F. Conclusion

Based on all of the above considerations, we find that the Companies have identified a need for the Agreements to ensure reliability and deliverability of natural gas to meet customer requirements. We further find that the Agreements are consistent with the public interest. Specifically, we find that the Agreements are consistent with the Companies' portfolio objectives and compare favorably to the range of alternatives reasonably available to the Companies. We also find that the Agreements are consistent with the GWSA. Therefore, the Department approves the Agreements.

VI. ORDER

Accordingly, after due notice, opportunity for hearing, and due consideration, it is hereby

ORDERED: That the agreement between Boston Gas Company and Constellation LNG, LLC is APPROVED; and it is

FURTHER ORDERED: That the agreement between Eversource Gas Company of Massachusetts and Constellation LNG, LLC is APPROVED; and it is

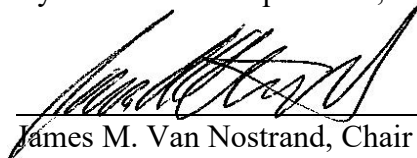
FURTHER ORDERED: That the agreement between NSTAR Gas Company and Constellation LNG, LLC is APPROVED; and it is

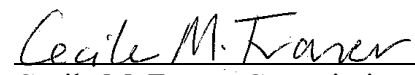
FURTHER ORDERED: That the agreement between Fitchburg Gas and Electric Light Company and Constellation LNG, LLC is APPROVED; and it is

FURTHER ORDERED: That the agreement between Fitchburg Gas and Electric Light Company and Transgas, Inc. is APPROVED; and it is

FURTHER ORDERED: That Boston Gas Company, Eversource Gas Company of Massachusetts, NSTAR Gas Company, and Fitchburg Gas and Electric Light Company shall comply with all directives contained in this Order.

By Order of the Department,


James M. Van Nostrand, Chair


Cecile M. Fraser, Commissioner


Staci Rubin, 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.