

March 9, 2016

**NEW HAMPSHIRE OFFICE OF THE CONSUMER ADVOCATE'S  
REQUEST FOR PROPOSALS FOR EXPERT SERVICES RELATED TO  
NATURAL GAS CAPACITY ACQUISITION BY ELECTRIC UTILITY**

Dear Prospective Bidder:

The New Hampshire Office of the Consumer Advocate (OCA) requests proposals from qualified firms or individuals to provide expert services to the OCA related to its representation of residential consumers of an electric distribution company (EDC), Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource), in connection with a proposal by Eversource to acquire natural gas capacity. Specifically, the OCA seeks through this Request for Proposals (RFP) to retain one or more economic experts in the evaluation of Eversource's proposed contract in light of the regional and national markets for natural gas and electricity as they are likely to evolve over the 20-year duration of the proposed Eversource agreement, which involves the acquisition of firm gas transportation and storage services from Algonquin Gas Transmission, LLC.

The following dates and information apply to this RFP:

1. Completed proposals must be received via email by the OCA by 4:30 p.m. on Monday, April 4, 2015. Please submit proposals to:

Donald M. Kreis  
Consumer Advocate  
New Hampshire Office of the Consumer Advocate  
21 South Fruit Street, Suite 18  
Concord, NH 03301  
[ocalitigation@oca.nh.gov](mailto:ocalitigation@oca.nh.gov)

2. Bidders may submit written inquiries about this Request for Proposals by e-mail to [ocalitigation@oca.nh.gov](mailto:ocalitigation@oca.nh.gov) by 4:30 p.m. on Monday, March 21, 2016. Inquiries and written responses will be posted on the OCA's website at: [www.oca.nh.gov](http://www.oca.nh.gov). The subject line of the e-mail must state the following: RFP IN RE GAS CAPACITY ACQUISITION.
3. Follow-up conferences/interviews will be scheduled as needed.
4. The OCA will evaluate the proposals as described herein.

**I. BACKGROUND**

On February 18, 2016, Eversource filed a petition with the New Hampshire Public Utilities Commission (PUC) in Docket No. DE 16-241 seeking approval of a Precedent Agreement for firm gas transportation and storage services from Algonquin covering a 20-year period expected to commence on November 1, 2018. Eversource, EDCs in Massachusetts and Connecticut affiliated with Eversource, and an unaffiliated electric utility with customers in Massachusetts, National Grid, jointly issued a request for proposals in October 2015 to six interstate pipeline companies serving New England and two providers of liquefied natural gas (LNG). The result of that procurement process is Algonquin's proposed Access Northeast (ANE) project, which would involve the EDCs purchasing natural gas capacity for resale to generation facilities throughout the region.

The Eversource petition in Docket DE 16-241 follows a previously concluded investigative proceeding by the PUC in Docket IR 15-124 concerning natural gas supply constraints in New England and their effect on wholesale electricity prices in light of the region's increasing reliance on natural gas for the generation of electricity. On January 19, 2016, the PUC issued Order No. 25,860 in Docket IR-15-124, accepting (but not ruling on the merits of) a report from the agency's Staff concluding that "there exists a path under New Hampshire law for the approval of acquisitions of natural gas capacity resources by New Hampshire EDCs for the economic benefit of their customers and the customers of other regional EDCs." Order No. 25,860 at 2-3. Beyond directing EDCs to engage in an open and competitive procurement process should they decide to move forward, the Commission explicitly reserved judgment on all legal, policy and factual issues pending the receipt of an actual proposed agreement from one or more EDCs. Although the petition in Docket DE 16-241 marks the PUC's first opportunity to rule on such a proposal, two parallel proceedings are pending in Massachusetts, having been filed in December 2015 and January 2016 by affiliates of Eversource and National Grid, respectively.

According to the petition in Docket DE 16-241, the ANE project is designed overall to provide (1) 500,000 MMBtu per day of indirect access to gas supplies in the Marcellus Shale region of Pennsylvania, and (2) 400,000 MMBtu per day of access to a proposed market-area domestic LNG storage facility. Eversource asserts that its proposal will provide net benefits for its retail customers at a reasonable cost and compares favorably to the range of alternative options reasonably available to Eversource as ascertained via the competitive solicitation it conducted. According to Eversource, energy cost savings are projected to exceed the contract costs by a 3:1 ratio, excluding any consideration of capacity release revenues that would be credited to Eversource customers.

Pursuant to NH RSA 363:28, the OCA represents the interests of residential customers of New Hampshire utilities. In that capacity, it is the duty of OCA to evaluate the Eversource petition in rigorous fashion to test both the legality of the proposal and the extent to which the proposed arrangement is in the best interests of Eversource's residential customers. However, the OCA's professional staff lacks critical expertise in issues related to wholesale markets for natural gas. Accordingly, to discharge OCA's responsibilities in Docket DE 16-241 in a diligent fashion, the office requires the assistance of one or more consultants who possess such expertise.

Through this RFP, the OCA seeks assistance for a period of time beginning upon approval by the Governor and Executive Council and ending with the PUC's anticipated final decision in October 2016.

## **II. SCOPE OF SERVICES**

The contractor(s) shall deliver services at the direction of and in a manner prescribed by the OCA. Deliverables include but are not limited to the following:

- An independent analysis of both the short-term and long-term costs impacts of the proposal on Eversource customers in New Hampshire (including residential customers). The analysis must include comprehensive consideration of expected and potential trends in fuel prices and electricity costs, market responses expected with respect to electric supply over time and existing resources, future regional market trends, existing market realities, etc.
- An independent critique of the report entitled "Access Northeast Project – Reliability Benefits and Energy Cost Savings to New England Consumers," prepared for Eversource and its affiliates by the consulting firm ICF International and appended to the Eversource petition beginning at page 396 of the filing.
- An independent analysis of the retail bill impacts in New Hampshire of Eversource's proposed Long-Term Gas Transportation and Storage Contracts (LGTSC) Tariff (pages 461-468 of the Eversource filing), with recommended changes as appropriate).
- Review and analysis of Eversources's responses to discovery requests;
- Preparation of pre-filed written testimony on behalf of the OCA;
- Response to discovery requests on testimony;
- Review and analysis of testimony filed by other parties as well as Eversources's rebuttal testimony, if any;
- Review and analysis of data responses on other parties' testimony or Eversources's rebuttal, if any;
- Assistance with settlement discussions;
- Assistance with hearing preparation including drafting questions for cross examination;
- Attendance at technical sessions, settlement conferences and/or hearings;
- Assistance with the preparation of pleadings, including motions to compel responses to discovery requests and post-hearing briefs; and
- Other assistance as needed.

## **III. CONFIDENTIALITY**

The OCA is a state agency subject to RSA 91-A, New Hampshire's Right to Know law. Consequently, the OCA is required to protect from disclosure confidential information that it receives. The contractor selected as a result of this RFP is likewise required to agree to protect from disclosure all confidential information to which it has access during the course of its work for the OCA. The contractor shall execute a nondisclosure agreement if required.

RSA 91-A, New Hampshire's Right-to-Know law, requires the disclosure of any proposal received by the OCA in response to this RFP. Therefore, if there is any confidential information in your proposal, it must be clearly identified and it must meet the requirements of RSA 91-A for non-disclosure.

#### **IV. WORK PAPERS**

The contractor selected as a result of this RFP is required to make available to the OCA all work papers and source documents as requested.

#### **V. COMPONENTS OF THE PROPOSAL**

The following is a list of the information that must be provided in a proposal. Bidders should respond to all areas listed below, in the order listed.

1. *Corporate/Company Information.* Contractor must provide the OCA with information concerning its corporate/company history; *i.e.*, how many years in business, corporate officers or company principals, location of main and any branch offices, professional and business association memberships, etc.
2. *Personnel Assigned.* Contractor must provide the OCA with a list of all personnel who may be assigned to this project, including the project manager (if applicable), and the contractor shall provide detailed resumes and summaries of each individual reflecting their relevant experience and the nature of their specific responsibilities. During the course of the contract, the OCA must approve in writing any substitutions or changes in personnel assigned to perform the work.
3. *Detailed Budget Proposal.* Contractor must provide the OCA with a detailed budget proposal, as an attachment to the proposal, which identifies the hourly rate for personnel and the rates for any associated expenses, an estimate of the time allocated for each task related to the project(s), any travel expenses, and a not-to-exceed budget amount.
4. *References.* Contractor must provide the OCA with a list of three references for work performed which is similar in scope or content to the services sought through this RFP, preferably work performed within the last 5 years.
5. *Relevant Writing Samples.* Contractor must provide writing samples. Electronic links to documents are preferred over hard copies.
6. *Statement of Disclosure.* Contractor must identify any existing or potential conflicts of interest including those that arise as a result of relationships or affiliations with utility companies under the jurisdiction of the PUC or their affiliates.
7. *Schedule Conflicts.* Contractor must identify any pre-existing professional and personal obligations during the second half of 2015, as well as 2016 and the first half of 2017, which may interfere with meeting the obligations in the contract.

#### **VI. CRITERIA FOR SELECTION**

Cost is a primary consideration, as the OCA has a very limited annual budget for expert assistance, but cost may not be the determining factor in the selection of a winning proposal. In assessing the proposals received and selecting a consultant, the OCA will consider the following criteria and assign the corresponding weights to them:

- a. Knowledge and practical skills and experience that the individual or organization possesses, including that of the staff and any subcontractors assigned to the project. **25 percent.**
- b. Experience and qualifications in providing similar services in New Hampshire as well as other states and to other state utility consumer advocates or regulatory agencies. **10 percent.**
- c. Availability and accessibility of staff assigned to project, including physical proximity to New Hampshire and travel costs. **10 percent.**
- d. Ability to perform and complete the work requested. **25 percent.**
- e. Cost of consulting services and expenses, including the competitiveness of the proposed hourly rates and any proposed discounts or other cost-effective benefits. The OCA reserves the right to negotiate lower fees or a different fee structure than proposed with any selected firm(s). **15 percent.**
- f. Overall responsiveness to the requirements of the RFP, including completeness, clarity and quality of the proposal. **10 percent.**
- g. Interviews, if performed. **5 percent.**

## **VII. GENERAL BID CONDITIONS**

Bids must be typed. One original hard copy and one electronic copy in PDF format must be received. Bids that are incomplete or unsigned will not be considered. The deadline for submitting bids electronically is 4:30 p.m. on Monday, April 4, 2016 (a hard copy must be postmarked by that date). Bids should be addressed to Donald M. Kreis, Consumer Advocate, Office of Consumer Advocate, 21 South Fruit Street, Suite 18, Concord, NH 03301 and sent via email to [ocalitigation@oca.nh.gov](mailto:ocalitigation@oca.nh.gov).

The OCA reserves the right to reject or accept any or all bids, to reject or accept all or any part of any bid, to determine what constitutes a conforming bid, to waive irregularities that it considers not material to the bid, to award the contract solely as it deems to be in the best interest of the State, to contract for any portion of the bids submitted, and to contract with more than one bidder if necessary.

All information relating to this bid (including but not limited to fees, contracts, agreements and prices) are subject to the laws of the State of New Hampshire regarding public information.

Any contract awarded from this RFP must be approved by the Governor and Executive Council. The approved contract will expire on March 31, 2017. For each project assignment, the Consultant may be required to conduct a project scoping meeting with the OCA. The purpose of the meeting is to review and refine the scope, task and project approach requirements,

establish a project plan, with key deliverables and milestone dates, and to establish project management and communication protocols to ensure that the information needs of both the OCA and the Consultant are satisfied.

The OCA at any time, in its sole discretion, may terminate the contract, or postpone or delay all or any part of the contract, upon written notice.

**VIII. CERTIFICATES**

The chosen contractor will be required to provide the following certificates prior to entering into a contract (these materials are not required in responses to the RFP):

New Hampshire Secretary of State’s Office Certificate of Good Standing (“CGS”)	Individuals contracting in their own name do not need a CGS. Business organizations and trade names need a CGS, except for nonresident nonprofit corporations.
Certificate of Vote Authority (“CVA”)	Individuals contracting in their own name do not need a CVA. Business entities and trade names need a CVA.
Certificate of Insurance	Certificate of Insurance form attached with insurance coverage required under the contract. Modifications of insurance coverage required under the contract will be specified in Exhibit C.
Workers’ Compensation	Contractor must demonstrate compliance with or exception from RSA 281-A (and if applicable, RSA 228:4-b and RSA 21-I:80, and any other applicable laws or rules).

**IX. FORM OF CONTRACT**

The terms and conditions set forth in Attachment 1 [Form P-37 \(v. 1/09\)](#) General Provisions Agreement will apply to any contract awarded (but does not need to be completed as part of a proposal). Any contract resulting from this bid proposal shall not be deemed effective until it is signed by the Consumer Advocate and approved by the Governor and Executive Council.

Modifications to Form P-37: Proposals may substitute professional liability, errors and omissions, or similar insurance for some or all of the comprehensive general liability insurance identified in Paragraph 14.1.1 of the Form P-37. Any request to modify standard terms in the P-37 must be identified in the bid response.