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January 13, 2017

VIA COURIER & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 4627 – The Narragansett Electric Company d/b/a National Grid
Review of Precedent Agreement with Algonquin Gas Transmission LLC for
Capacity on the Access Northeast Project Pursuant to R.I.G.L. § 39-31 et seq.
National Grid’s Status Report and Notice to Withdraw Filing**

Dear Ms. Massaro:

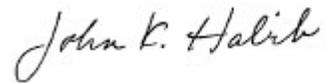
On behalf of National Grid¹, I enclose the original and three (3) copies of the Company’s Notice to Withdraw its filing in the above-referenced docket (Notice). As detailed in the enclosed Notice, the Company has determined that although the Access Northeast Project (ANE Project) remains a viable regional solution for New England, the contracting efforts associated with the ANE Project remain ongoing and the specific terms and timing of an updated agreement remain under review. As a result, the Company’s request for approval from the Public Utilities Commission (PUC) will also require revisions at a future date to reflect these developments, and allow ANE to solidify the commercial foundation for the ANE Project.

At the September 16, 2016 oral arguments regarding the Conservation Law Foundation’s Motion to Dismiss and Close the Docket, the PUC directed the Company to provide a status report regarding the ANE Project on January 13, 2017. In compliance with this directive, the Company has included, as part of its Notice, a status update for each of the New England states seeking to participate in the ANE Project.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

Thank you for your attention to this transmittal. If you have any questions concerning this filing, please contact me at (617) 951-1400.

Very truly yours,

A handwritten signature in cursive script that reads "John K. Habib".

John K. Habib (RI Bar #7431)

Enclosures

cc: Docket 4627 Service List

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND PUBLIC UTILITIES COMMISSION**

In Re: Review of The Narragansett Electric Company)	
d/b/a National Grid's Request for Approval of a Gas)	
Capacity Contract and Cost Recovery Pursuant to)	Docket No. 4627
R.I. Gen. Laws § 39-31-1 to 9)	
)	

**THE NARRAGANSETT ELECTRIC COMPANY D/B/A NATIONAL GRID
NOTICE TO WITHDRAW FILING**

Pursuant to Rule 1.15 of the Rhode Island Public Utilities Commission's (PUC) Rules of Practice and Procedure (PUC Rules), National Grid¹ hereby submits its Notice to Withdraw the Company's filing in this docket without prejudice. In support of this notice, the Company states:

1. In this docket, on June 30, 2016, the Company filed with the PUC a request for approval of a precedent agreement with Algonquin Gas Transmission LLC (ANE Agreement) that would allow National Grid to purchase gas capacity on the Access Northeast Project as part of a regional energy solution pursuant to R.I. Gen. Laws §39-31. In its filing, the Company asserted that the proposed precedent agreement would provide substantial benefits to Rhode Island ratepayers.

2. In addition to the Rhode Island Division of Public Utilities and Carriers (the Division), the following parties have been granted intervenor status in this proceeding: Rhode Island Office of Energy Resources (OER), Conservation Law Foundation (CLF), Rhode Island Lt. Gov. McKee (McKee), Algonquin Gas Transmission, LLC, NextEra Energy Resources, LLC (NEER), National Grid

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

- Algonquin LLC, Rhode Island Department of Environmental Management, Rhode Island Commerce Corporation, Exelon Generation Co., LLC, Repsol Energy North American Corp., and the Energy Council of Rhode Island (the Intervening Parties).
3. On August 22, 2016, CLF filed a Motion to Dismiss and Close the Docket (Motion to Dismiss). National Grid and Algonquin Gas Transmission, LLC each filed opposition to CLF's Motion to Dismiss and Close the Docket on September 6, 2016.²
 4. Oral arguments on CLF's Motion to Dismiss and Close the Docket were held on September 16, 2016. On September 29, 2016, the PUC denied the Motion to Dismiss finding there were facts in dispute material to the decision precluding the PUC from granting CLF's Motion (September 29, 2016 Open Meeting Minutes). However, the PUC also noted that recent developments in other New England States (namely, Massachusetts) necessitated changes to the Company's filing (*id.*). In order to allow the Company time to evaluate the project in light of these developments, the PUC determined that a stay of the proceeding was warranted (*id.*). The PUC determined that the appropriate next step was for the Company to file a status report regarding the ANE Project; this status report is due on January 13, 2017 (*id.*).³
 5. As of this writing, the Company is actively engaged in coordination with other New England electric and gas distribution companies, including those operating in Massachusetts, regarding the next steps for the contracting effort with the ANE

² The following parties to this proceeding also filed responses to the CLF Motion to Dismiss and Close the Docket: Rhode Island Office of Energy Resources, Rhode Island Division of Public Utilities, Lt. Governor McKee, and NextEra Energy Resources, LLC.

³ CLF filed a Motion to Reopen the Docket and Reconsider its Motion to Dismiss on November 28, 2016 (Motion to Reopen). The Company opposed CLF's Motion to Reopen; the PUC has not ruled on the Motion to Reopen.

Project, and the potential for the ANE Project to serve as a regional solution to ongoing capacity constraints. The coordination is productive and is continuing to progress to a workable solution that could be presented to the PUC for approval consistent with Rhode Island law. However, at this time, the Company has concluded that, should the contracting effort move forward, key aspects of the arrangement might well be different from that currently proposed to the PUC. Although these changes are largely to the advantage of the Company's proposal, the changes will require a material level of updating to the current filing.

6. Although ongoing coordination on the contracting effort is productive and final contracts remain a viable option for each of the five New England states considering participation, the specific terms and timing of the contracting process, and the associated ANE Project, remain under review. Specifically, in its progress report submitted to the Federal Energy Regulatory Commission (FERC) on December 16, 2016, Algonquin indicated that it will delay filing its FERC application for the ANE Project until late 2017 to allow Algonquin to solidify the commercial foundation for the ANE Project.
7. As previously detailed in the Company's December 8, 2016 memorandum in support of its Opposition to CLF's Motion to Reopen, the status of the ANE Project in other New England states is as follows:
 - a. Maine: On September 14, 2016, the Maine Public Utilities Commission (ME PUC) issued an order concluding that the ANE Project, with participation by other New England states, would provide ratepayer benefits in Maine. The

ME PUC issued an Order on November 21, 2016 with the following limited clarifications of its September 14, 2016 order: (1) further activities in the proceeding are postponed until further notice; (2) Algonquin Gas Transmission is directed to file periodic status reports at six month intervals beginning on June 1, 2017; and (3) other parties to the proceeding may file regional market status reports or other comments every six months beginning on June 1, 2017. Maine Public Utilities Commission, Docket No. 2014-00071, Order at 6 (November 21, 2016).

- b. Connecticut: On June 2, 2016, the Connecticut Department of Energy and Environmental Protection (CT DEEP) issued its request for proposals (RFP) for natural gas capacity, liquefied natural gas, and natural gas storage. On October 25, 2016, DEEP issued its Notice of Cancellation postponing the RFP review process without prejudice. See CLF Motion to Reopen, Exhibit B. In issuing this notice, CT DEEP noted that it remains committed to using its authority to secure more reliable and affordable electric service for the benefit of Connecticut's ratepayers and for purposes of meeting energy and environmental goals and policies. Id. at 2. To that end, CT DEEP will continue to monitor conditions of the ISO-NE market and relevant proceedings in other New England states to determine whether the RFP should be reissued. Id. CT DEEP further noted that "[t]he process of reissuance of an RFP under Section 1(d) is straightforward, and could be initiated at any time." Id.
- c. New Hampshire: On October 6, 2016 the New Hampshire PUC dismissed

Eversource Energy's ANE Project petition, based on a conclusion that the petition was not supported under New Hampshire law. Algonquin has appealed the New Hampshire PUC's decision to the New Hampshire Supreme Court.

8. In short, participation by each New England state (including Massachusetts) continues to be viable despite assertions to the contrary during this proceeding.
9. Based on all of the foregoing considerations, the Company has concluded that this Commission's review process would be better served by the withdrawal of the existing filing, and resubmission of an updated filing to support the modified proposal at a later date.
10. The Company desires to withdraw its filing without prejudice. The RIPUC has clear legislative authority under the Rhode Island Affordable Clean Energy Security (ACES) Act, codified at Chapter 39-31 of the Rhode Island General Laws, for the RIPUC to review and approve contracts for incremental gas capacity by electric distribution companies. Accordingly, the Company requests that any written order issued by the PUC and/or any rulings on this notice in Open Meeting approving the Company's withdrawal state explicitly that approval of the Company's Notice will not prejudice the Company regarding any future contracts for incremental gas capacity under Chapter 39-31. In addition, the PUC should recognize the importance of continuing to monitor developments in other New England jurisdictions and remain ready to participate as soon as regional coordination is possible.

For these reasons, National Grid respectfully provides notice to the PUC and all parties in this proceeding that it is withdrawing its filing in this docket without prejudice.

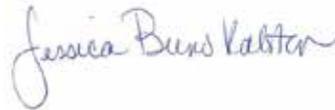
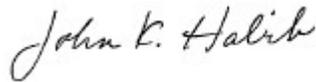
Respectfully submitted,

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID**

By its attorneys,



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Dated: January 13, 2017

CERTIFICATE OF SERVICE

I certify that the original and four (4) photocopies of this Notice were filed by mail with the Clerk of the Rhode Island Public Utilities Commission, 99 Jefferson Boulevard, Warwick, Rhode Island 02888. In addition, electronic copies of this Notice were served via email on the service list for this Docket. I certify that all of the foregoing was done on January 13, 2017.

John K. Habib

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