

October 4, 2018

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4872 - 2018 Gas Cost Recovery Filing
Responses to Division Data Requests – Set 3**

Dear Ms. Massaro:

Enclosed please find 10 copies of National Grid's¹ responses to the Third Set of Data Requests issued by the Division of Public Utilities and Carriers (Division) in the above-referenced docket.

This filing also contains a Motion for Protective Treatment of Confidential Information in accordance with Rule 1.2(g) of the Public Utilities Commission's (PUC) Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(B). National Grid seeks protection from public disclosure of certain confidential gas-cost pricing information and information regarding responses to National Grid's requests for proposals for gas supply. This confidential information is contained in National Grid's responses to data requests Division 3-1, Division 3-2, and Division 3-6, and Attachments DIV 3-6-6 through 3-6-8. National Grid has provided the PUC with one complete unredacted copy of the confidential materials in a sealed envelope marked "**Contains Privileged and Confidential Materials – Do Not Release,**" and has included redacted copies of the materials for the public filing.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7415.

Very truly yours,



Robert J. Humm

Enclosures

cc: Docket 4872 Service List
Leo Wold, Esq.
Al Mancini, Division
John Bell, Division
Bruce Oliver, Division

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

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

October 4, 2018

Date

Docket No. 4872 – National Grid – 2018 Annual Gas Cost Recovery Filing (GCR) - Service List as of 9/11/18

Name/Address	E-mail	Phone
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	Celia.obrien@nationalgrid.com ;	
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File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Margaret Hogan, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
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Office of Energy Resources Christopher Kearns Nicholas Ucci	Christopher.Kearns@energy.ri.gov ;	
	Nicholas.ucci@energy.ri.gov ;	

)	
)	
Annual Gas Cost Recovery Filing)	Docket No. 4872
2018)	
)	
)	

National Grid¹ hereby requests that the Rhode Island Public Utilities Commission (PUC) grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by PUC Rule 1.2(g) and R.I. Gen. Laws § 38-2-2(4)(B). National Grid also hereby requests that, pending entry of that finding, the PUC preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2 (g)(2).

On August 31, 2018, National Grid submitted its 2018 Annual Gas Cost Recovery (GCR) filing in the above-captioned docket. Thereafter, on October 4, 2018, National Grid submitted responses to the Third Set of Data Requests from the Division of Public Utilities and Carriers in this docket (Division Set 3). Division Set 3 includes Data Requests Division 3-1 and Division 3-2, which seek the disclosure of certain gas pricing information, and Division 3-6, which seeks the disclosure of information regarding the Company's requests for proposals (RFPs) for gas supply. National Grid's responses to Division 3-1 and Division 3-2 includes the confidential information gas pricing sought; and National Grid's response to Division 3-6, including Attachments DIV 3-

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

6-6 through DIV 3-6-8, includes confidential information related to the organizations to which each RFP was distributed and the number of bids received in response to the RFPs.

In light of the confidential nature of the responses to Division 3-1, Division 3-2 and Division 3-6, and Attachments DIV 3-6-6 through DIV 3-6-8, the Company requests that, pursuant to Rule 1.2(g), the PUC afford confidential treatment to the gas cost pricing information and information regarding the responses to National Grid's RFPs for gas supply contained in those responses and attachments.

II. LEGAL STANDARD

Rule 1.2(g) of the PUC's Rules of Practice and Procedure provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I. Gen. Laws § 38-2-1, *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I. Gen. Laws § 38-2-2(4). To the extent that information provided to the PUC falls within one of the designated exceptions to the public records law, the PUC has the authority under the terms of APRA to deem such information as confidential and to protect that information from public disclosure.

In that regard, R.I. Gen. Laws § 38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where the disclosure of information would be likely either (1) to impair the government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive

position of the person from whom the information was obtained. *Providence Journal v. Convention Ctr. Auth.*, 774 A.2d 40, 47 (R.I. 2001).

The first prong of the test is satisfied when information is provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. *Providence Journal*, 774 A.2d at 47.

III. BASIS FOR CONFIDENTIALITY

The gas cost pricing information provided in response to Division 3-1 and Division 3-2, and information regarding responses to National Grid's RFPs provided in response to Division 3-6 and Attachments DIV 3-6-6 through DIV 3-6-8, is confidential and privileged information of the type that National Grid would not ordinarily make public. As such, the information should be protected from public disclosure. Public disclosure of such information could impair National Grid's ability to obtain advantageous pricing or other terms in the future or alter bidding behavior in response to future RFPs, thereby causing substantial competitive harm. Accordingly, National Grid is providing the information in its responses to Division 3-1, Division 3-2, and Division 3-6, and Attachments DIV 3-6-6 through DIV 3-6-8 on a voluntary basis to assist the PUC with its decision-making in this proceeding, but respectfully requests that the PUC provide confidential treatment to the information.

IV. CONCLUSION

For the foregoing reasons, National Grid respectfully requests that the PUC grant its Motion for Protective Treatment of Confidential Information.

Respectfully submitted,

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

By its attorney,

A handwritten signature in blue ink, appearing to be "RH", with a long horizontal flourish extending to the right.

Robert J. Humm, Esq. (#7920)

National Grid

280 Melrose Street

Providence, RI 02907

(401) 784-7415

Dated: October 4, 2018

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Division 3-1

Request:

Please provide the Company's best estimates, including supporting assumptions and workpapers, for costs National Grid has would have incurred for supply provided through the Cumberland LNG Tank, if that tank was not taken out of service, for:

- a. The Company's November 2016 - October 17 GCR Year
- b. The Company's November 2017 - October 18 GCR Year
- c. The Company's November 2018 - October 19 GCR Year

The response for each annual period should include, but need not be limited to, detailed specification of:

Fixed Costs (e.g., pipeline capacity charges, fixed delivery charges, and reservation charges for access to trucking resources and/or gas supplies); and

Variable Costs (e.g., costs for purchases of LNG; trucking costs; O&M costs for set-up, operation, and decommissioning of portable LNG units; and costs for alternative natural gas supplies).

Response:

- a. Below are the estimated fixed costs for the November 2016 through October 2017 Gas Cost Recovery (GCR) period for the Cumberland liquefied natural gas (LNG) tank had it been in service. These costs are based on the summer refill contracts the Company had in place with ENGIE Gas & LNG LLC (ENGIE) and Gaz Metro LNG, L.P. (Gaz Met). The Company also had a winter refill contract with ENGIE, but it is undetermined how much of this volume, if any, would have been allocated to refill the Cumberland LNG tank.

<u>Working Inventory</u>	<u>Average Demand Rate</u>	<u>Fixed Costs</u>
74,000 Dth	██████	██████

Below are the estimated variable costs for the November 2016 through October 2017 GCR period for the Cumberland LNG tank had it been in service. These costs are based on the Company's LNG weighted average cost of gas (WACOG) as of December 1, 2016.

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Division 3-1, page 2

<u>Working Inventory</u>	<u>LNG WACOG</u>	<u>Variable Costs</u>
74,000 Dth	██████████	██████████

- b. Below are the estimated fixed costs for the November 2017 through October 2018 GCR period for the Cumberland LNG tank had it been in service. These costs are based on the summer refill contracts the Company has in place with ENGIE and Gaz Met. The Company also had winter refill contracts with ENGIE, but it is undetermined how much of this volume, if any, would have been allocated to refill the Cumberland LNG tank.

<u>Working Inventory</u>	<u>Average Demand Rate</u>	<u>Fixed Costs</u>
74,000 Dth	██████████	██████████

Below are the estimated variable costs for the November 2017 through October 2018 GCR period for the Cumberland LNG tank had it been in service. These costs are based on the Company's LNG WACOG as of December 1, 2017.

<u>Working Inventory</u>	<u>LNG WACOG</u>	<u>Variable Costs</u>
74,000 Dth	██████████	██████████

- c. Below are the estimated fixed costs for the November 2018 through October 2019 GCR period for the Cumberland LNG tank if it were in service. These costs are based on the summer refill contract the Company has in place with ENGIE. The Company also has winter refill contract with ENGIE in place, but it is undetermined how much, if any, of this volume would be allocated to refill the Cumberland LNG tank.

<u>Working Inventory</u>	<u>Average Demand Rate</u>	<u>Fixed Costs</u>
74,000 Dth	██████████	██████████

Below are the estimated variable costs for the November 2018 through October 2019 GCR period for the Cumberland LNG tank if it were in service. These costs are based on the Company's projected LNG WACOG for December 1, 2018.

<u>Working Inventory</u>	<u>LNG WACOG</u>	<u>Variable Costs</u>
74,000 Dth	██████████	██████████

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Division 3-2

Request:

Please provide the Company's best estimates, including supporting assumptions and workpapers, for incremental costs National Grid has incurred to replace the gas supply and peaking capacity that the Company would have obtained from its Cumberland LNG Tank, if that tank was not taken out of service, for:

- a. The Company's November 2016 - October 17 GCR Year
- b. The Company's November 2017 - October 18 GCR Year
- c. The Company's November 2018 - October 19 GCR Year

The response for each annual period should include, but need not be limited to, detailed specification of:

Fixed Costs (e.g., pipeline capacity charges, fixed delivery charges, and reservation charges for access to trucking resources and/or gas supplies); and

Variable Costs (e.g., costs for purchases of LNG; trucking costs; O&M costs for set-up, operation, and decommissioning of portable LNG units; and costs for alternative natural gas supplies).

Response:

- a. Below are the estimated fixed costs for the November 2016 through October 2017 Gas Cost Recovery (GCR) period for incremental costs the Company has incurred to replace the gas supply and peaking capacity from the Cumberland liquefied natural gas (LNG) tank had it been in service. Included are the costs for liquid from ENGIE Gas & LNG LLC (ENGIE) for portable vapor operations at Cumberland and capacity on the Tennessee Gas Pipeline Company, LLC (Tennessee or TGP) pipeline.

	<u>Volume</u>	<u>Rate</u>	<u>Fixed Costs</u>
ENGIE Liquid (Dth)	22,000		
TGP Capacity (Dth)	24,000	\$4.7447	\$1,366,474

Below are the estimated variable costs for the November 2016 through October 2017 GCR period for incremental costs the Company has incurred to replace the gas supply and peaking capacity from the Cumberland LNG tank had it been in service. Included are the costs for liquid from ENGIE for portable vapor operations at

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Division 3-2, page 2

Cumberland and supply purchased using capacity on the Tennessee pipeline. The Tennessee supply was estimated using the working inventory volume from Cumberland of 74,000 dekatherms (Dth) and the average daily Tennessee Zone 6 delivered price from November 16, 2016 to March 15, 2017.

	<u>Volume</u>	<u>Avg Rate</u>	<u>Variable Costs</u>
ENGIE Liquid (Dth)	22,000	████████	████████
TGP Supply (Dth)	74,000	\$5.0467	\$373,453

The operation and maintenance (O&M) costs for the November 2016 through October 2017 GCR period for portable LNG at Cumberland were \$32,000.

- b. Below are the estimated fixed costs for the November 2017 through October 2018 GCR period for incremental costs the Company has incurred to replace the gas supply and peaking capacity from the Cumberland LNG tank had it been in service. Included are the costs for liquid from ENGIE for portable vapor operations at Cumberland and capacity on the Tennessee pipeline.

	<u>Volume</u>	<u>Rate</u>	<u>Fixed Costs</u>
ENGIE Liquid (Dth)	19,000	████████	████████
TGP Capacity (Dth)	24,000	\$4.7453	\$1,366,646

Below are the estimated variable costs for the November 2017 through October 2018 GCR period for incremental costs the Company has incurred to replace the gas supply and peaking capacity from the Cumberland LNG tank had it been in service. Included are the costs for liquid from ENGIE for portable vapor operations at Cumberland and supply purchased using capacity on the Tennessee pipeline. The Tennessee supply was estimated using the working inventory volume from Cumberland of 74,000 Dth and the average daily Tennessee Zone 6 delivered price from November 16, 2017 to March 15, 2018.

	<u>Volume</u>	<u>Avg Rate</u>	<u>Variable Costs</u>
ENGIE Liquid (Dth)	19,000	████████	████████
TGP Supply (Dth)	74,000	\$9.0821	\$672,077

The O&M costs for the November 2017 through October 2018 GCR period for portable LNG at Cumberland were \$259,536.

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Division 3-2, page 3

- c. Below are the estimated fixed costs for the November 2018 through October 2019 GCR period for incremental costs the Company has incurred to replace the gas supply and peaking capacity from the Cumberland LNG tank had it been in service. Included are the estimated costs for liquid from ENGIE for portable vapor operations at Cumberland and capacity on the Tennessee pipeline.

	<u>Volume</u>	<u>Rate</u>	<u>Fixed Costs</u>
ENGIE Liquid (Dth)	19,000		
TGP Capacity (Dth)	24,000	\$4.7405	\$1,365,264

Below are the estimated variable costs for the November 2018 through October 2019 GCR period for incremental costs the Company has incurred to replace the gas supply and peaking capacity from the Cumberland LNG tank had it been in service. Included are the estimated costs for liquid from ENGIE for portable vapor operations at Cumberland and supply purchased using capacity on the Tennessee pipeline. The Tennessee supply was estimated using the working inventory volume from Cumberland of 74,000 Dth and the average Tennessee Zone 6 delivered forward price estimate for November 2018 to March 2019.

	<u>Volume</u>	<u>Avg Rate</u>	<u>Variable Costs</u>
ENGIE Liquid (Dth)	19,000		
TGP Supply (Dth)	74,000	\$8.3320	\$616,568

The O&M costs for the November 2018 through October 2019 GCR period for portable LNG at Cumberland are estimated to be \$253,095.

Division 3-3

Request:

Please document the plans, if any, that the Company had for retirement of its Cumberland LNG Tank prior to the spring of 2016 as well all actions taken by the Company prior to the spring of 2016 to provide for replacement of Cumberland LNG Tank supplies and/or capacity when that tank was schedule to be taken out of service.

Response:

Prior to the spring of 2016, the Company had no plans to retire the Cumberland liquefied natural gas tank or take it out of service.

Division 3-4

Request:

Attachment NGC/EDA-1 lists under "Fixed Costs" four categories of costs. Those are: Pipeline Demand costs, Storage Facilities costs, Storage Delivery costs, and Supplier Demand costs. Please define each category and identify the types of costs included in each category.

Response:

Pipeline demand costs include fixed payments made to pipeline companies to reserve capacity for the Company to transport gas from production fields and liquid trading points to Company citygates. These costs also include any credits the Company may receive from asset management agreements with third parties.

Storage facilities costs include fixed payments made to pipeline companies to reserve capacity associated with the storage, injection, and withdrawal of gas for underground storage. These costs also include the fixed payment made to National Grid LNG, LLC to reserve capacity for the storage, injection, and withdrawal of liquefied natural gas (LNG) in Providence, Rhode Island.

Storage delivery costs include fixed payments made to pipeline companies to reserve capacity for the delivery of underground storage supplies from storage facilities to the Company's citygates.

Supplier demand costs include fixed payments made to suppliers for peaking supply during the winter heating season. These costs give the Company the right to call on an amount of supply during times of peak demand. Also included are payments made for LNG supply to refill the Company's LNG storage facilities during both the peak and off-peak season.

Division 3-5

Request:

With respect to the "Total Supplier Demand" costs listed under "Fixed Costs" in Attachment NGC/EDA-1, please provide the data, analyses, assumptions and rationale relied upon to justify and support the reasonableness of the increases in those costs that are found when the costs in Attachment NCG/EDA-1 in this proceeding are compared to similar entries by month and for the full GCR period in Attachment NGC-1 in the unredacted version of Company's filing September 29, 2017 Supplemental filing in Docket No. 4719.

Response:

As referenced in the Company's response to Data Request Division 2-11, following the winter of 2016-17, the Company more closely examined customer usage by type of end-user and concluded that its forecasting methodology was no longer yielding numbers that accurately tied into its actual Capacity-Exempt data from its Customer Choice system. The Company has now incorporated into its wholesale forecasting four additional regression equations to account for four end-uses of supply: FT-1 customers, Capacity-Exempt customers, Non-Firm customers, and Sales plus FT-2 customers. These four regression equations, based on actual daily metered volumes and daily weather, are used to more accurately allocate sendout among these four types of end-uses. This improved methodology is more thoroughly documented in the Company's 2018 Long-Range Resource and Requirements Plan for the Forecast Period 2017/18 to 2026/27 in Docket No. 4816.

To meet design day load requirements for November 2018 through October 2019, the Company has planned for and contracted for the forecasted volume of 390,227 dekatherms (Dth). Comparatively, in the Company's previous design day forecast for November 2017 through October 2018 filed in Docket No. 4719, the Company projected design day volume to be 358,008 Dth. Accordingly, the design day load requirements for 2018-19 have increased by 32,219 Dth, or 9 percent, from last year.

To meet design heating season load requirements for November 2018 through October 2019, the Company has planned for and contracted for the forecasted volume of 29,676,936 Dth. Comparatively, in the Company's previous design heating season forecast for November 2017 through October 2018 filed in Docket No. 4719, the Company projected design heating season volume to be 26,723,437 Dth. Accordingly, the design heating season load requirements for 2018-19 have increased by 2,953,499 Dth, or 11 percent, from last year.

Division 3-5, page 2

To meet design year load requirements for November 2018 through October 2019, the Company has planned for and contracted for the forecasted volume of 41,521,561 Dth. Comparatively, in the Company's previous design year forecast for November 2017 through October 2018 filed in Docket No. 4719, the Company projected design year volume to be 37,754,531 Dth. Accordingly, the design year load requirements for 2018-19 have increased by 3,767,030 Dth, or 10 percent, from last year.

The design day, design season, and design year load requirements referenced above for November 2018 through October 2019 are presented in the joint direct testimony of Nancy G. Culliford and Elizabeth D. Arangio at page 9, and are reproduced in the table below.

2017/18 and 2018/19 Design Forecast Comparison

	2017/18	2018/19		
<u>Design Day</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Delta</u>	<u>Delta %</u>
Total Design Day (Sales + Transportation)	358,008	390,227	32,219	9.0%
Design Day - Sales	295,421	336,289	40,868	13.8%
Design Day - Transportation	62,587	53,938	(8,649)	-13.8%
	2017/18	2018/19		
<u>Design Heating Season (November - March)</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Delta</u>	<u>Delta %</u>
Total Design Heating Season (Sales + Transportation)	26,723,437	29,676,936	2,953,499	11.1%
Design Heating Season - Sales	21,492,629	24,782,750	3,290,121	15.3%
Design Heating Season - Transportation	5,230,808	4,894,186	(336,622)	-6.4%
	2017/18	2018/19		
<u>Design Year</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Delta</u>	<u>Delta %</u>
Total Design Year (Sales + Transportation)	37,754,531	41,521,561	3,767,030	10.0%
Design Year - Sales	29,325,948	33,532,200	4,206,252	14.3%
Design Year - Transportation	8,428,583	7,989,361	(439,222)	-5.2%

The forecast filed in Docket No. 4719 against this year's forecast.
Volumes include only customers utilizing Company assets.
Volumes are in decatherm (Dth).

Prepared by or under the supervision of:
Nancy G. Culliford, Elizabeth D. Arangio, and Theodore E. Poe, Jr.


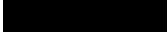
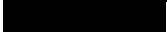
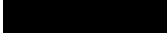
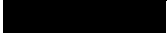
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Division 3-6

Request:

The discussion provided on pages 19-23 of the August 31, 2018 testimony of Witnesses Culliford and Arangio references several requests for proposal ("RFPs"). Please provide:

- a. A complete copy of each referenced RFP;
- b. The list of organization to which each RFP was distributed;
- c. The number of respondents who offered bids in response to each RFP;
- d. An update of the current status of negotiations with the bidder (or bidders) chose by National Grid after its review of bids for each RFP; and
- e. The final volumes and pricing to which National Grid has committed under each resulting contract (or confirmation).

Response:

- a. Please see Attachments DIV 3-6-1 through DIV 3-6-5, for copies of the referenced RFPs.
- b. Please see Attachments Division 3-6-6 through Division 3-6-8 for a listing of the organizations that the RFPs were issued to.
- c. Attachment DIV 3-6-1:  received.
Attachment DIV 3-6-2:  received.
Attachment DIV 3-6-3:  received.
Attachment DIV 3-6-4:  received.
Attachment DIV 3-6-5:  received.
- d. Negotiations are ongoing between National Grid and the awarded bidders. The Company will promptly supplement this response after the remaining transactions are completed.
- e. See the response to part (d) above. The Company will promptly supplement this response with final volumes and pricing for each of the contracts that National Grid has committed to when they are completed.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4872
2018 Annual Gas Cost Recovery Filing
Responses to Division's Third Set of Data Requests
Issued September 13, 2018

Attachment DIV 3-6-6 through DIV 3-6-8

REDACTED

Prepared by or under the supervision of:
Nancy G. Culliford, Elizabeth D. Arangio, and Samara Jaffe



Request for Proposals (“RFP”) for Asset Management Arrangement August 7, 2018

The Narragansett Electric Company d/b/a National Grid (“National Grid” or “Buyer”) is seeking proposals (“Proposals”) for an Asset Management Arrangement (“AMA”) as more fully set forth below. The successful bidder (“Seller” or “Asset Manager”) shall have the right to optimize the assigned assets (“Assets”) subject to satisfying Buyer’s Gas Supply Requirements set forth below.

I. Provisions:

Term: November 1, 2018 through October 31, 2019.

Delivery Period: November 1, 2018 through and including March 31, 2019.

Assignment of Assets: The Assets to be assigned are set forth below. The Assets shall be assigned by Buyer for the entire Term at no cost to Seller. Buyer shall remain responsible for payment of all demand charges related to the Assets (except any potential loss of discount related to activities of Seller). Notwithstanding the forgoing, Seller shall initially pay the demand charges and Buyer shall reimburse Seller for 100% of the demand charges related to the Assets; reimbursement for such charges shall be paid to Seller in U.S. dollars and based on Bank of Canada’s monthly average exchange rate for the month of business as published on the last business day of the month of production. Buyer and Seller each agree to take such actions and execute such documents as may be required to effectuate the assignment of the Assets from Buyer to Seller. All assignments shall be subject to recall in the event that the Seller fails to meet its gas supply obligation to Buyer.

Assigned Assets: During the Term, Buyer shall assign firm transportation capacity on the following pipelines:

Union Gas Limited (“Union Gas”)
TransCanada Pipelines Limited (“TransCanada”)

Please see table below for contract details.

Pipeline	Contract	Quantity Dt/day	Quantity Gj/day	Receipt Point	Delivery Point
Union	M12164	1,025	1,081	Dawn	Parkway
TransCanada	42386	1,012	1,068	Parkway	Waddington

Delivery Point:

The interconnection between the facilities of TransCanada and Iroquois Gas Transmission System at Waddington, N.Y.

Gas Supply Requirements:

Firm base-load supplies - Each day during the period from December 1, 2018 through and including February 28, 2019, Seller shall deliver, at the Delivery Point, a firm base-load quantity up to 1,012 dt at the Delivery Point; at the beginning of the Month of the Term, such quantity may be adjusted based upon the deliverability of the Assets.

Daily Call – During the Months of November 2018 and March 2019, Buyer shall have the right to call on a quantity of Gas at the Delivery Point up to the MDQ delivered by the assets.

Nominations:

Buyer shall make all nominations for delivery of Gas hereunder prior to 10:00 AM prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested. Friday nomination shall be for Saturday through Monday (ratably). Holidays are as determined by ICE and shall be treated the same as weekends (*i.e.*, nominated ratably on Business Day prior to the Holiday).

Subject to satisfaction of the Gas Supply Requirements, Asset Manager shall have the right to optimize the assigned capacity for its own account. Seller shall communicate to Buyer any changes to firm base-load supplies no later than 1:00 PM prevailing East Standard Time on the Day prior to the Day of Gas flow. Acceptance of changes to firm base-load supplies communicated by Seller of Buyer after 1:00 PM prevailing East Standard Time on the Day prior to the Day of Gas flow shall be at Buyer's discretion.

Price:

Proposed pricing for the base-load quantities shall be based on Inside FERC's Gas Market Report first of month index for Dawn, Ontario. Proposed pricing for Daily Call quantities shall be based on the Gas Daily Midpoint Index for Dawn, Ontario.

Asset Management Fee:

Subject to satisfying the Gas Supply Requirements associated with the AMA, Seller shall have the right to utilize and optimize the Assets for its own account. In exchange for such right, Seller shall pay Buyer an Asset Management Fee. **As part of their Proposal, Bidders should specify the total proposed Asset Management Fee to be paid to Buyer for the Term.**

Form of Agreement:

Any transaction entered into as a result of this RFP shall be documented as a transaction under an active NAESB Contract or ISDA Gas Annex. Included with this RFP is the form of Transaction Confirmation that National Grid proposes for execution. **As part of their Proposal, Bidders must clearly identify any required Special Conditions or exceptions to the Transaction Confirmation.**

Import/Export Reporting:

Any import/export reporting requirements applicable to the quantities of natural gas delivered to Buyer hereunder, whether of the National Energy Board, the U.S. Department of Energy Office of Fossil Energy, the U.S. Customs Service or any other regulatory body having jurisdiction over the volumes, are the responsibility of Asset Manager.

Submission of Proposals:

Proposals must be submitted by the date specified in the Schedule below. Proposals must include: **(a) Seller's proposed Asset Management Payment or Price for the AMA Package, (b) any proposed exceptions to the Transaction Confirmation and (c) whether Seller shall require receipt of any additional internal approvals prior to accepting an award pursuant to this RFP.**

II. Instructions to Bidders:

Proposals must be submitted by the date specified in the Schedule below via email to the following email address:

GasRFP@nationalgrid.com.

Any questions in connection with this RFP should be sent via email to the email address provided above.

III. Schedule (all times are Eastern Standard Time):

August 14, 2018 Proposals must be received by National Grid by 5:00 PM.
All proposals shall expressly provide that they will remain binding and in effect, without modification, until 5:00 PM on August 17, 2018.

August 17, 2018 National Grid will endeavor to select a Proposal and parties will confirm deal in writing by 5:00 PM.

V. Form of Agreement:

National Grid will consider proposals only from bidders who have an executed NAESB Base Contract for Sale and Purchase of Natural Gas or an executed ISDA with a Gas Annex with Buyer. Any transaction entered into as a result of this RFP shall be documented as a transaction under an active NAESB Contract or ISDA Gas Annex. Please be advised that if the Winning Bidder utilizes an ISDA with a Gas Annex, this transaction will be specifically excluded from margining calculation under the CSA.

Bidders submitting bids in response to this RFP understand and agree that unless and until a definitive Transaction Confirmation has been executed and delivered by National Grid, no contract or agreement providing for a transaction between such parties shall be deemed to exist between the parties, and neither party will be under any legal obligation of any kind whatsoever with respect to such transaction by virtue of this or any other written or oral expression communication. National Grid reserves the right to withdraw or modify this RFP at any time and National Grid shall have the right, in its sole and absolute discretion, to reject any or all Proposals submitted in response to this RFP. Potential Sellers shall be subject to satisfactory credit review by National Grid.

VI. Compliance with National Grid's Supplier Code of Conduct:

At National Grid we are always seeking ways to meet the evolving needs and desires of our customers. We believe that a responsible approach to doing business is fundamental to what we do. In all of our activities we operate within Global Standards of Ethical Conduct. These standards include a commitment to the protection and enhancement of the environment, always seeking ways to minimize the environmental impact of our past, present and future activities and safeguarding our global environment for future generations. Our goal is to comply with regulations, reduce any impact that we may have and proactively seek out opportunities to improve the environment. In furtherance of this goal, National Grid has developed a "Supplier Code of Conduct" which describes our company's values and can be accessed at https://www.nationalgridus.com/media/procurement/supplier_code_of_conduct.pdf.

We value the business relationships we have with you and we believe that you are an important and central part of our success. This means that we expect you to carry out your business in line with these values. More specifically, we refer you to Section 3 - "Protecting the Environment". This section explains National Grid's expectations with respect to its suppliers. In connection with the purchase of natural gas, we will reject proposals from parties that fail to adhere to these requirements or who knowingly produce or purchase gas that was produced in violation of applicable laws and regulations.

National Grid has worked to establish the Natural Gas Supply Collaborative (NGSC). The NGSC is a voluntary collaborative of natural gas purchasers that are promoting safe and responsible practices for the development of natural gas supply. As a participant in the NGSC, National Grid is committed to encourage our natural gas suppliers and producers to support more robust voluntary reporting and increased transparency on 14 environmental and social performance indicators. The NGSC developed these indicators through a comprehensive stakeholder engagement undertaking including representation from both the environmental and natural gas production community.

As suppliers of natural gas to National Grid, it is our expectation that you will consider reporting on these 14 indicators. Over time, and in consultation with National Grid, we expect reporting on these 14 indicators will be fully embraced and easily identifiable on company web sites and may become a requirement for future business.

Supporting information on the NGSC can be found at the following Web site:
<http://www.mjbradley.com/NGSC>

John Allocca
Director of FERC Compliance and Contracting
Telephone: 516-545-3108

Liz Arangio
Director of Gas Supply Planning
Telephone: 781-907-1639

Nancy Culliford
Manager of Gas Supply Planning New England
Telephone: 781-907-1638

Samara Jaffe
Program Manager of FERC Compliance and Contracting
Telephone: 516-545-5408

Janet Prag
Senior Contract Specialist of FERC Compliance and Contracting
Telephone: 516-545-5463



Transaction Confirmation
The Narragansett Electric Company d/b/a National Grid

TRANSACTION CONFIRMATION

Date: _____

Transaction Confirmation #: _____

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer, dated _____. This Transaction Confirmation will not become binding until executed by both parties.

SELLER:

Attn:
Phone:
Fax:
Transporters:
Transporters Contract Number:
Trader:

BUYER:

The Narragansett Electric Company d/b/a National Grid
100 East Old County Road
Hicksville, New York 11801
Attn: Contract Administration
Phone: (516) 545-6068
Fax: (516) 545-5466
Transporters: Union Gas Limited ("Union"), TransCanada
Pipelines Limited ("TransCanada")
Transporters Contract Number:
Trader: John Allocca

Contract Price: See Special Conditions Section C below.

Term: Begin: November 1, 2018 **End:** October 31, 2019

Performance Obligation and Contract Quantity: See Special Conditions below.

Delivery Point(s): The Delivery Point shall be the interconnection between the facilities of TransCanada and Iroquois Gas Transmission System at Waddington, NY.

Special Conditions:

A. Definitions

"Assets" means the Agreements summarized as follows:

Pipeline & Contract	Quantity Dt/day	Quantity Gj/day	Receipt Point	Delivery Point
Union M12164	1,025	1,081	Dawn	Parkway
TransCanada 42386	1,012	1,068	Parkway	Waddington

"CFTC" shall mean the Commodities Futures Trading Commission.

"Credit Support Provider" means _____.

"Dekatherm" or "Dth" or "dt" means one (1) MMBtu.

"FERC" means the Federal Energy Regulatory Commission.

"Letter of Credit" means an irrevocable, non-transferable, standby letter of credit issued by a major U.S. commercial bank, a U.S. branch office of a foreign bank, or U.S. financial institution, in any case with a credit rating of at least "A" by S&P and "A2" by Moody's

in a form reasonable acceptable to the Buyer. All costs related to any Letter of Credit shall be for the account of the Seller.

"Moody's" means Moody's Investors Services, Inc., or its successor.

"S&P" means S&P Global Ratings, or its successor.

B. Gas Service and Capacity Assignment

1. **Assignment of Assets:** During the Term, Buyer will assign, on a pre-arranged, non-biddable basis, the Assets to Seller. Seller shall initially pay the demand charges to TransCanada and Union and Buyer shall reimburse Seller for such charges. Buyer shall reimburse Seller for demand charges in U.S. dollars using the Bank of Canada's monthly average exchange rate for the month of business as published on the last business day of the month of production.
2. **Gas Supply Requirements:**
 - i. **Firm Base-load Supplies:** Each Day during the period from December 1, 2018 through and including February 28, 2019, Seller shall deliver and sell, and Buyer shall receive and purchase Firm Base-load supplies of 1,012 dt/Day; such quantity may be modified during the Term to account for changes in fuel retention percentages related to the Assets.
 - ii. **Daily Call:** During the Months of November 2018 and March 2019, Buyer shall have the right to call on a quantity of Gas at the Delivery Point up to the MDQ delivered by the assets.
3. **Termination Right:** If at any time during the Term, Seller fails to deliver Gas required to be delivered hereunder, unless such failure is excused by the Buyer's non-performance or caused by Force Majeure, Buyer shall have the right to terminate this Transaction Confirmation and recall the Assets.

C. Nominations

Buyer shall make all nominations for all delivery of Gas hereunder prior to 10:00 a.m. prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested. Friday nomination shall be for Saturday through Monday (ratably). Holidays are as determined by ICE and shall be treated the same as weekends (i.e., nominated ratably on Business Day prior to the Holiday).

Subject to Gas Supply Requirements, Seller shall have the right to optimize the assigned capacity for its own account. Asset Manager shall communicate to Buyer any changes to supply contracts no later than 1:00pm prevailing Eastern Standard Time on the Day prior to the Day of Gas flow. Acceptance of changes to supply contracts communicated by Seller of Buyer after 1:00pm prevailing Eastern Time on the Day prior to the Day of Gas flow shall be at Buyer's discretion.

D. Price

- i. **Firm Base-load Supplies:** For gas purchased pursuant to 2(i), the price shall be equal to *Inside FERC's Price Index* for Dawn, Ontario plus fuel to transport such quantity from Dawn to the Delivery Point using the Assets.
- ii. **Daily Call:** For gas purchased pursuant to 2(ii), the price shall be equal to *Platts Gas Daily Price Survey* Dawn, Ontario Index plus fuel to transport such quantity from Dawn to the Delivery Point using the Assets.

E. Asset Management Fee

Subject to the delivery obligations set forth above, Seller shall have the right to optimize the assigned capacity for its own account. In exchange for such right, during the Term, Seller shall make a payment to Buyer of \$_____ per Month.

F. Credit Provisions

Independent Amount. In the event Seller (i) has a Credit Rating at or below BBB- from S&P and/or Baa3 from Moody's, or (ii) is unrated, Seller shall provide Buyer with an Independent Amount in the form of either (a) a guaranty from a Credit Support Provider rated at least BBB by S&P and/or Baa2 by Moody's, (b) cash, or (c) a Letter of Credit, in either case, in an amount equal to 10% of the potential mark to market exposure for the transactions hereunder calculated as a function of price volatilities as well as the notional volume; provided, however, that the potential mark to market exposure shall be zero (0) when Seller's price is set at the Gas Daily Index.

Collateral Requirement. The "Collateral Requirement" for Seller means the Exposure (as defined below), minus the sum of (i) the amount of cash previously transferred by Seller to Buyer, (ii) the amount of cash held by Buyer as posted collateral as the result of drawing under any Letter of Credit maintained by Seller for the benefit of Buyer, and (iii) the undrawn value of each such Letter of Credit; provided, however, that the Collateral Requirement for Seller will be deemed to be zero (0) if (i) Seller has a Credit Rating of at least BBB from S&P and/or Baa2 from Moody's, and (ii) no Event of Default with respect to Seller has occurred and is continuing. Seller may provide the Collateral Requirement in the form of either (a) a guaranty from a Credit Support Provider rated at least BBB by S&P and/or Baa2 by Moody's, (b) cash, or (c) a Letter of Credit. The "collateral Requirement" for Buyer means zero (0).

“Exposure” shall be calculated as the sum of:

- (i) all amounts that have been invoiced, but not yet paid for the transactions under this Transaction Confirmation; plus
- (ii) all amounts that have been accrued, but not yet invoiced for the transactions under this Transaction Confirmation; plus
- (iii) the mark to market amount for each Day remaining in the term for each transaction under this Transaction Confirmation; reduced by
- (iv) the Independent Amount, if any, previously provided by the Seller to the Buyer.

F. Import/Export Reporting

Any import/export reporting requirements applicable to the quantities of natural gas delivered to Buyer hereunder, whether of the National Energy Board, the U.S. Department of Energy Office of Fossil Energy, the U.S. Customs Service, or any other regulatory body having jurisdiction over the volumes, are the responsibility of Asset Manager.

G. Changes in Law

If the FERC, CFTC, or other applicable regulatory body shall implement any change in law, rule, regulation, tariff or practice that is binding on Seller or Buyer and materially and adversely affects such party's ability to perform its obligations hereunder, the parties shall negotiate in good faith an amendment to this Transaction Confirmation or take other appropriate action the effect of which is to restore each party, as closely as possible, to its same position as prior to such change. If, within sixty (60) days after the implementation of such change, the parties are unable to agree on such amendment or such other appropriate action, each party will continue to perform its obligations hereunder to the maximum extent possible under the applicable law, rule, regulation, tariff or practice, taking all reasonable steps to mitigate the effect of such change on each other.

Seller:

By: _____
Name:
Title:
Date:

Buyer: The Narragansett Electric Company d/b/a National Grid

By: _____
Name: John V. Vaughn
Title: Authorized Signatory
Date:



**Request for Proposals (“RFP”) for
Asset Management Arrangement
August 7, 2018**

The Narragansett Electric Company d/b/a National Grid (“National Grid” or “Buyer”) is seeking proposals (“Proposals”) for an Asset Management Arrangement (“AMA”) as more fully set forth below. The successful bidder (“Seller”) shall have the right to optimize the assigned assets (“Assets”) subject to satisfying Buyer’s Gas Supply Requirements.

Provisions

Term: November 1, 2018 through October 31, 2019

Assets: National Grid is currently party to a precedent agreement with Portland Natural Gas Transmission System (“PNGTS”) for the transportation of Gas from Dawn, Ontario to Dracut, MA via the following systems: Union Gas Limited (“Union”); TransCanada Gas Pipelines Limited (“TransCanada”) and PNGTS. On April 20, 2018, PNGTS filed an application with the Federal Energy Regulatory Commission (“FERC”) to satisfy the requirements of Phase I of the Portland Xpress Project and requested approval by September 30, 2018 to achieve an in-service date of November 1, 2018 [CP18-251]; authorization by the FERC is necessary for the agreement between National Grid and PNGTS to become effective.

Once the agreement is effective, PNGTS will assign the corresponding upstream TransCanada capacity to National Grid and, at that time, National Grid shall also have the right to take assignment of the corresponding volume of upstream Union capacity to feed TransCanada. Following such assignments, National Grid will have transportation service agreements: with Union from Dawn to Parkway; with TransCanada

from Parkway to East Hereford; and with PNGTS from East Hereford to Dracut.

Beginning November 1, 2018, National Grid is seeking an AMA using the following Assets:

Pipeline	Rate Schedule	Volume (dth)	Volume (Gj)	Receipt Point	Delivery Point
Union	M12	11,037	11,644	Dawn	Parkway
TransCanada	FT	10,910	11,510	Parkway	East Hereford

Assignment of the Assets:

The Assets shall be assigned by Buyer for the entire Term at no cost to Seller. Buyer shall remain responsible for payment of all demand charges related to the Assets (except any potential loss of discount related to activities of Seller). Notwithstanding the forgoing, Seller shall initially pay the demand charges and Buyer shall reimburse Seller for 100% of the demand charges related to the Assets; reimbursement for such charges shall be paid to Seller in U.S. dollars and based on Bank of Canada’s monthly average exchange rate for the month of business as published on the last business day of the month of production. Buyer and Seller each agree to take such actions and execute such documents as may be required to effectuate the assignment of the Assets from Buyer to Seller. All assignments shall be subject to recall in the event that the Seller fails to meet its gas supply obligation to Buyer.

Delivery Point:

The Delivery Point shall be the point of interconnection between TransCanada and PNGTS as East Hereford, Quebec/Pittsburg, New Hampshire on the U.S. side.

Gas Supply Requirements:

On any day during the period of **November 1, 2018 through April 30, 2019** of the Term, Buyer shall have the right, but not the obligation, to call on Seller to deliver up to the MDQ at the Delivery Point. Subject to satisfaction of these Gas Supply

Requirements, Asset Manager shall have the right to optimize the assigned capacity for its own account. Subject to the following:

- (a) At least five business days prior to the 1st day of the following month of delivery, Buyer shall have the right, but not the obligation, to request Base-Load delivery of such Gas Supply at the Delivery Point up to the MDQ during this delivery period.
- (b) Further, subject to Buyer having exercised its Base-Load rights, Buyer shall have a right to call on a quantity up to the remaining MDQ.

Price:

The commodity price for Gas called on through the exercise of a daily call shall be equal to Platts Gas Daily – Daily Price Survey (\$MMBtu) Midpoint for Dawn, Ontario, plus the imputed variables to deliver the Gas Supply to the Delivery Point.

The commodity price for Gas called on through the Base-Load option shall be equal to Platts Inside FERC for Dawn, Ontario, plus the imputed variables to deliver the Gas Supply to the Delivery Point.

Daily Call Nominations:

For Daily Calls at the Delivery Point(s), Buyer shall make all nominations for delivery of Daily Call purchases prior to 10:00 AM, prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested. Friday nominations shall be for Saturday through Monday (ratably). Holidays are as determined by ICE and shall be treated the same as weekends (*i.e.*, nominated ratably on the Business Day prior to the Holiday).

Subject to satisfaction of the Gas Supply Requirements, Asset Manager shall have the right to optimize the assigned capacity for its own account. Seller shall communicate to Buyer any

changes to firm base-load supplies no later than 1:00 PM prevailing East Standard Time on the Day prior to the Day of Gas flow. Acceptance of changes to firm base-load supplies communicated by Seller of Buyer after 1:00 PM prevailing East Standard Time on the Day prior to the Day of Gas flow shall be at Buyer's discretion.

Asset Management Fee:

Subject to satisfying the Gas Supply Requirements associated with the AMA, Seller shall have the right to utilize and optimize the Assets for its own account. In exchange for such right, Seller shall pay Buyer an Asset Management Fee. **As part of their Proposal(s), Bidders should specify the total proposed Asset Management Fee to be paid to Buyer for the AMA.**

Form of Agreement:

National Grid will consider Proposals only from Bidders who have an executed NAESB Base Contract for Sale and Purchase of Natural Gas or an executed ISDA with a Gas Annex with Buyer. Any transaction entered into as a result of this RFP shall be documented as a transaction under an active NAESB Agreement or ISDA Gas Annex. Included in this RFP is the form of Transaction Confirmation that National Grid proposes for execution. As part of their Proposal(s), Bidders *must* clearly identify any required Special Conditions or exceptions to the Transaction Confirmation including, but not limited to, language related to FERC, the CFTC and any other applicable regulatory body.

Import/Export Reporting:

Any import/export reporting requirements applicable to the quantities of natural gas delivered to Buyer hereunder, whether of the National Energy Board, the U.S. Department of Energy Office of Fossil Energy, the U.S. Customs Service or any other regulatory body having jurisdiction over the volumes, are the responsibility of Asset Manager.

II. Instructions to Bidders

Any questions in connection with this RFP should be sent via email to the following email address:

GasRFP@nationalgrid.com

All proposals in connection with this RFP should also be sent via email to the email address listed above. Proposals must be submitted by the date specified in the Schedule below. Proposals must include: (a) **Seller's proposed Reservation Charge for the Package**, (b) **any specialized language Seller requires in the Transaction Confirmation**, and (c) **whether Seller shall require receipt of any additional internal approvals prior to accepting an award pursuant to this RFP**.

III. Schedule (all times are Eastern Standard Time)

August 14, 2018 Proposals must be received by National Grid by 5:00 PM. **All proposals shall expressly provide that they will remain binding and in effect, without modification, until 5:00 PM on August 17, 2018.**

August 17, 2018 National Grid will endeavor to select a Proposal and parties will confirm deal in writing by 5:00 PM.

IV. Miscellaneous

National Grid will consider proposals only from bidders who have an executed NAESB Base Contract for Sale and Purchase of Natural Gas or an executed ISDA with a Gas Annex with Buyer. Any transaction entered into as a result of this RFP shall be documented as a transaction under an active NAESB Agreement or ISDA Gas Annex. Please be advised that if the winning Bidder utilizes an ISDA with a Gas Annex, this transaction will be specifically excluded from margining calculation under the Credit Support Annex.

Bidders submitting bids in response to this RFP understand and agree that unless and until a definitive Transaction Confirmation has been executed and delivered, no contract or agreement providing for a transaction between such parties shall be

deemed to exist between the parties, and neither party will be under any legal obligation of any kind whatsoever with respect to such transaction by virtue of this or any other written or oral expression of communication. National Grid reserves the right to withdraw or modify this RFP at any time and National Grid shall have the right, in its sole and absolute discretion, to reject any or all Proposals submitted in response to this RFP. The winning bid(s), if any, will be selected based on the proposal(s) that yield(s) the least cost, consistent with concerns for reliability of service and other business factors applied by National Grid in its sole discretion. Potential Sellers shall be subject to satisfactory credit review by National Grid.

V. Compliance with National Grid's Supplier Code of Conduct

At National Grid we are always seeking ways to meet the evolving needs and desires of our customers. We believe that a responsible approach to doing business is fundamental to what we do. In all of our activities we operate within Global Standards of Ethical Conduct. These standards include a commitment to the protection and enhancement of the environment, always seeking ways to minimize the environmental impact of our past, present and future activities and safeguarding our global environment for future generations. Our goal is to comply with regulations, reduce any impact that we may have and proactively seek out opportunities to improve the environment. In furtherance of this goal, National Grid has developed a "Supplier Code of Conduct" which describes our company's values and can be accessed at https://www.nationalgridus.com/media/procurement/supplier_code_of_conduct.pdf.

We value the business relationships we have with you and we believe that you are an important and central part of our success. This means that we expect you to carry out your business in line with these values. More specifically, we refer you to Section 3 - "Protecting the Environment". This section explains National Grid's expectations with respect to its suppliers. In connection with the purchase of natural gas, we will reject proposals from parties that fail to adhere to these requirements or who knowingly produce or purchase gas that was produced in violation of applicable laws and regulations.

National Grid has worked to establish the Natural Gas Supply Collaborative (NGSC). The NGSC is a voluntary collaborative of natural gas purchasers that are promoting safe and responsible practices for the development of natural gas supply. As a participant in the NGSC, National Grid is committed to encourage our natural gas suppliers and producers to support more robust voluntary reporting and increased transparency on 14 environmental and social performance indicators. The NGSC developed these indicators through a comprehensive stakeholder engagement undertaking including representation from both the environmental and natural gas production community.

As suppliers of natural gas to National Grid, it is our expectation that you will consider reporting on these 14 indicators. Over time, and in consultation with National Grid, we expect reporting on these 14 indicators will be fully embraced and easily identifiable on company web sites and may become a requirement for future business.

Supporting information on the NGSC can be found at the following Web site:
<http://www.mjbradley.com/NGSC>

John Allocca
Director of FERC Compliance & Contracting
Telephone: 516-545-3108

Liz Arangio
Director of Gas Supply Planning
Telephone: 781-907-1639

Nancy Culliford
Manager of Gas Supply Planning, New England
Telephone: 781-907-1638

Samara Jaffe
Program Manager of FERC Compliance & Contracting
Telephone: 516-545-5408

Janet Prag
Senior Contract Specialist of FERC Compliance & Contracting
Telephone: 516-545-5463

Form of Transaction Confirmation

The Narragansett Electric Company d/b/a National Grid

TRANSACTION CONFIRMATION

Date: _____
Transaction Confirmation #: _____

This Transaction Confirmation was awarded pursuant to National Grid's Request for Proposal for Asset Management Arrangement dated August 7, 2018, which is incorporated into and made a part hereof. This Transaction Confirmation is subject to the Base Contract for Sale and Purchase of Natural Gas between Seller _____ ("Seller" or "Asset Manager") and The Narragansett Electric Company d/b/a National Grid ("Buyer" or "National Grid") dated _____. ***The terms of this Transaction Confirmation are binding upon execution hereof by both parties.***

Seller:

Attn: _____
Phone: _____
Fax: _____

Buyer:

The Narragansett Electric Company d/b/a National Grid
100 East Old Country Road
Hicksville, New York 11801
Attn: Contract Administration
Phone: (516) 545-6068
Base Contract No. _____
Transporter: Union Gas Limited ("Union"); TransCanada Gas
Pipelines Limited ("TransCanada")
Trader: Samara Jaffe

Contract Price: See Special Conditions below.

Term: Begin: November 1, 2018 End: October 31, 2019

Performance Obligation and Contract Quantity: See Special Conditions Below.

Delivery Point(s): The Delivery Point shall be the point of interconnection between TransCanada and Portland Natural Gas Transmission System ("PNGTS") as East Hereford, Quebec/Pittsburg, New Hampshire on the U.S. side.

Special Conditions:

A. Definitions

"Assets" means the assigned portion of Buyer's Union and TransCanada contracts, summarized as follows:

Pipeline	Rate Schedule	Volume (dth)	Volume (Gj)	Receipt Point	Delivery Point
Union	M12	11,037	11,644	Dawn	Parkway
TransCanada	FT	10,910	11,510	Parkway	East Hereford

"CFTC" shall mean the U.S. Commodity Futures Trading Commission.

"Credit Support Provider" shall mean _____.

"Dekatherm" or "Dth" or "dt" means one (1) MMBtu.

"FERC" means the Federal Energy Regulatory Commission.

"Letter of Credit" means an irrevocable, non-transferable, standby letter of credit issued by a major U.S. commercial bank, a U.S. branch office of a foreign bank, or U.S. financial institution, in any case with a credit rating of at least "A" by S&P and "A2" by Moody's, in a form reasonably acceptable to the Buyer. All costs related to any Letter of Credit shall be for the account of the Seller.

"Moody's" means Moody's Investors Services, Inc. or its successor.

"S&P" means S&P Global Ratings, or its successor.

B. Gas Service and Release of Assets

1. **Assignment of Assets:** The Assets shall be assigned by Buyer for the entire Term at no cost to Seller. Buyer shall remain responsible for payment of all demand charges related to the Assets (except any potential loss of discount related to activities of Seller). Notwithstanding the foregoing, Seller shall initially pay the demand charges and Buyer shall reimburse Seller for 100% of the demand charges related to the Assets; reimbursement for such charges shall be paid to Seller in U.S. dollars and based on Bank of Canada's monthly average exchange rate for the month of business as published on the last business day of the month of production. Buyer and Seller each agree to take such actions and execute such documents as may be required to effectuate the assignment of the Assets from Buyer to Seller. All assignments shall be subject to recall in the event that the Seller fails to meet its gas supply obligation to Buyer.
2. **Gas Supply Requirements:** On any day during the period of November 1, 2018 through April 30, 2019 of the Term, Buyer shall have the right, but not the obligation, to call on Seller to deliver up to the MDQ at the Delivery Points. Subject to satisfaction of these Gas Supply Requirements, Asset Manager shall have the right to optimize the assigned capacity for its own account. Subject to the following:
 - (a) At least five business days prior to the 1st day of the following month of delivery, Buyer shall have the right, but not the obligation, to request Base-Load delivery of such Gas Supply at the Delivery Point up to the MDQ during this delivery period.
 - (b) Further, subject to Buyer having exercised its Base-Load rights, Buyer shall have a right to call on a quantity up to the remaining MDQ.
3. **Termination Option:** If at any time during the Term, Seller fails to deliver Gas required to be delivered hereunder, unless such failure is excused by the Buyer's non-performance or caused by Force Majeure, Buyer shall have the right to terminate this Transaction Confirmation and recall the Assets.

C. **Price:** The commodity price for Gas purchased pursuant to Special Condition 2 shall be as follows:

- (a) The commodity price for Gas called on through the exercise of a daily call pursuant to Special Condition B(2)(b) shall be equal to Platts Gas Daily – Daily Price Survey (\$MMBtu) Midpoint for Dawn, Ontario, plus the imputed variables to deliver the Gas Supply to the Delivery Point.
- (b) The commodity price for Gas called on through the Base-Load option pursuant to Special Condition B(2)(a) shall be equal to Platts Inside FERC for Dawn, Ontario, plus the imputed variables to deliver the Gas Supply to the Delivery Point.

B. Nominations

For Daily Calls at the Delivery Point(s) purchase pursuant to Special Condition 2, Buyer shall make all nominations for delivery of Daily Call purchases prior to 10:00 AM, prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested. Friday nominations shall be for Saturday through Monday (ratably). Holidays are as determined by ICE and shall be treated the same as weekends (i.e., nominated ratably on the Business Day prior to the Holiday).

Subject to satisfaction of the Gas Supply Requirements, Asset Manager shall have the right to optimize the assigned capacity for its own account. Seller shall communicate to Buyer any changes to firm base-load supplies no later than 1:00 PM prevailing East Standard Time on the Day prior to the Day of Gas flow. Acceptance of changes to firm base-load supplies communicated by Seller of Buyer after 1:00 PM prevailing East Standard Time on the Day prior to the Day of Gas flow shall be at Buyer's discretion.

C. Asset Management Fee

Subject to the delivery obligations set forth above, Seller shall have the right to optimize the Assets for its own account. In exchange for such right, during the Term, Seller shall make a payment to Buyer of \$_____ per month. This payment shall be reflected as a credit to Buyer in Seller's invoice for the applicable Month.

D. Credit Provisions

Independent Amount. In the event Seller (i) has a Credit Rating at or below BBB- from S&P and/or Baa3 from Moody's, or (ii) is unrated, Seller shall provide Buyer with an Independent Amount in the form of either (a) a guaranty from a Credit Support Provider rated at least BBB by S&P and/or Baa2 by Moody's, (b) cash, or (c) a Letter of Credit, in either case, in an amount equal to 10% of the potential mark to market exposure for the transactions hereunder calculated as a function of price volatilities as well as the notional volume; provided, however, that the potential mark to market exposure shall be zero (0) when Seller's price is set at the Gas Daily Index.

Collateral Requirement. The "Collateral Requirement" for Seller means the Exposure (as defined below), minus the sum of (i) the amount of Cash previously transferred by Seller to National Grid, (ii) the amount of Cash held by National Grid as posted collateral as the result of drawing under any Letter of Credit maintained by Seller for the benefit of National Grid ("Letter of Credit"), and (iii) the undrawn value of each Letter of Credit; provided, however, that the Collateral Requirement of Seller will be deemed to be zero (0) if on the relevant Valuation Date, (i) no Event of Default with respect to Seller or its Credit Support Provider has occurred and is continuing, and (ii) the guaranty provided by Seller is in full force and effect. The "Collateral Requirement" for

National Grid means zero (0).

Exposure. shall be calculated as the sum of:

- (i) all amounts that have been invoiced, but not yet paid for the transactions under this Transaction Confirmation; plus
- (ii) all amounts that have been accrued, but not yet invoiced for the transactions under this Transaction Confirmation; plus
- (iii) the mark to market amount for each Day remaining in the term for each transaction under this Transaction Confirmation; reduced by
- (iv) the Independent Amount, if any, previously provided by the Seller to the Buyer.

E. Changes in Law

If the FERC, Northeast Energy Board, Ontario Energy Board, the CFTC, or other applicable regulatory body shall implement any change in law, rule, regulation, tariff or practice that is binding on Seller or Buyer and materially and adversely affects such party's ability to perform its obligations hereunder, the parties shall negotiate in good faith an amendment to this Transaction Confirmation or take other appropriate action the effect of which is to restore each party, as closely as possible, to its same position as prior to such change. If the parties are unable to agree on such amendment or such other appropriate action, each party will continue to perform its obligations hereunder to the maximum extent possible under the applicable law, rule, regulation, tariff or practice, taking all reasonable steps to mitigate the effect of such change on each other or either party may terminate this Transaction Confirmation upon Notice to the other party.

G. Condition Precedent

Buyer is currently party to a precedent agreement with PNGTS for the transportation of Gas from Dawn, Ontario to Dracut, MA via Union; TransCanada and PNGTS. On April 20, 2018, PNGTS filed an application with the FERC to satisfy the requirements of Phase I of the Portland Xpress Project and requested approval by September 30, 2018 to achieve an in-service date of November 1, 2018 [CP18-251]; authorization by the FERC is necessary for the agreement between National Grid and PNGTS to become effective.

Once the agreement is effective, PNGTS will assign the corresponding upstream TransCanada capacity to National Grid and, at that time, National Grid shall also have the right to take assignment of the corresponding volume of upstream Union capacity to feed TransCanada. Following such assignments, National Grid will have transportation service agreements: with Union from Dawn to Parkway; with TransCanada from Parkway to East Hereford; and with PNGTS from East Hereford to Dracut. In the event PNGTS does not receive the necessary authorizations from the FERC and is unable to satisfy its obligations to National Grid under Phase I of the Portland Xpress Project, National Grid may terminate this Transaction Confirmation without liability.

H. Import/Export Reporting

Any import/export reporting requirements applicable to the quantities of natural gas delivered to Buyer hereunder, whether of the National Energy Board, the U.S. Department of Energy Office of Fossil Energy, the U.S. Customs Service, or any other regulatory body having jurisdiction over the volumes, are the responsibility of Asset Manager.

Seller:

By: _____
 Name:
 Title:
 Date:

Buyer: The Narragansett Electric Company d/b/a National Grid

By: _____
 Name: John V. Vaughn
 Title: Authorized Signatory
 Date:



**Request for Proposals (“RFP”) for
Firm Gas Supply
July 26, 2018**

Boston Gas Company d/b/a National Grid and The Narragansett Electric Company d/b/a National Grid (“National Grid” or “Buyer”) are seeking proposals (“Proposals”) for Firm Gas Supply as more fully set forth below. The winning bidder(s) (“Seller(s)”) shall deliver the required gas supply to the Delivery Point described below.

Package 1

- Buyer:** Boston Gas Company d/b/a National Grid.
- Term:** December 1, 2018 through March 31, 2019.
- Delivery Point:** The Delivery Point shall be the interconnection between TGP and Maritimes & Northeast Pipeline, LLC, DART Meter No. 412538, located in Dracut, Massachusetts.
- Bidders wishing to deliver to alternative delivery points must indicate so with their offer; an awarded bidder will not be allowed to deliver to alternative delivery points without prior permission from National Grid.*
- Gas Supply Requirements:** On any day during the Term, Buyer shall have the right, but not the obligation, to call on Seller to deliver up to 29,000 dth/day (“MDQ”) at the Delivery Point. Such right shall be limited to a maximum seasonal quantity of 1,363,000 dth during the Term.
- Price:** The commodity price for Gas called on any day will be equal to Platts Gas Daily – Daily Price Survey (\$MMBtu) Midpoint for the Delivery Point (*i.e.*, Tennessee Zone 6 – CDP 267).
- Reservation Charge:** To be proposed by Bidder.

Daily Call Nominations:

For Daily Calls at the Delivery Point, Buyer shall make all nominations for delivery of Daily Call purchases prior to 10:00 AM, prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested.

Package 2

Buyer:

The Narragansett Electric Company d/b/a National Grid.

Term:

December 1, 2018 through March 31, 2019.

Delivery Point:

The Delivery Point shall be the interconnection between TGP and Maritimes & Northeast Pipeline, LLC, DART Meter No. 412538, located in Dracut, Massachusetts.

Bidders wishing to deliver to alternative delivery points must indicate so with their offer; an awarded bidder will not be allowed to deliver to alternative delivery points without prior permission from National Grid.

Gas Supply Requirements:

On any day during the Term, Buyer shall have the right, but not the obligation, to call on Seller to deliver up to 17,700 dth/day (“MDQ”) at the Delivery Point. Such right shall be limited to a maximum seasonal quantity of 477,900 dth during the Term.

Price:

The commodity price for Gas called on any day will be equal to Platts Gas Daily – Daily Price Survey (\$MMBtu) Midpoint for the Delivery Point (i.e., Tennessee Zone 6 – CDP 267).

Reservation Charge:

To be proposed by Bidder.

Daily Call Nominations:

For Daily Calls at the Delivery Point, Buyer shall make all nominations for delivery of Daily Call purchases prior to 10:00 AM, prevailing Eastern

II. Instructions to Bidders

Any questions in connection with this RFP should be sent via email to the following email address:

GasRFP@nationalgrid.com

All proposals in connection with this RFP should also be sent via email to the email address listed above. Proposals must be submitted by the date specified in the Schedule below. Proposals must include: **(a) Seller's proposed Reservation Charge for the Package, (b) any specialized language Seller requires in the Transaction Confirmation, and (c) whether Seller shall require receipt of any additional internal approvals prior to accepting an award pursuant to this RFP.**

III. Schedule (all times are Eastern Standard Time)

August 3, 2018 Proposals must be received by National Grid by 5:00 PM. **All proposals shall expressly provide that they will remain binding and in effect, without modification, until 5:00 PM on August 8, 2018.**

August 8, 2018 National Grid will endeavor to select a Proposal and parties will confirm deal in writing by 5:00 PM.

IV. Miscellaneous

National Grid will consider proposals only from bidders who have an executed NAESB Base Contract for Sale and Purchase of Natural Gas or an executed ISDA with a Gas Annex with Buyer. Any transaction entered into as a result of this RFP shall be documented as a transaction under an active NAESB Agreement or ISDA Gas Annex. Please be advised that if the winning Bidder utilizes an ISDA with a Gas Annex, this transaction will be specifically excluded from margining calculation under the Credit Support Annex.

Bidders submitting bids in response to this RFP understand and agree that unless and until a definitive Transaction Confirmation has been executed and delivered,

no contract or agreement providing for a transaction between such parties shall be deemed to exist between the parties, and neither party will be under any legal obligation of any kind whatsoever with respect to such transaction by virtue of this or any other written or oral expression of communication. National Grid reserves the right to withdraw or modify this RFP at any time and National Grid shall have the right, in its sole and absolute discretion, to reject any or all Proposals submitted in response to this RFP. The winning bid(s), if any, will be selected based on the proposal(s) that yield(s) the least cost, consistent with concerns for reliability of service and other business factors applied by National Grid in its sole discretion. Potential Sellers shall be subject to satisfactory credit review by National Grid.

V. Compliance with National Grid's Supplier Code of Conduct

At National Grid we are always seeking ways to meet the evolving needs and desires of our customers. We believe that a responsible approach to doing business is fundamental to what we do. In all of our activities we operate within Global Standards of Ethical Conduct. These standards include a commitment to the protection and enhancement of the environment, always seeking ways to minimize the environmental impact of our past, present and future activities and safeguarding our global environment for future generations. Our goal is to comply with regulations, reduce any impact that we may have and proactively seek out opportunities to improve the environment. In furtherance of this goal, National Grid has developed a "Supplier Code of Conduct" which describes our company's values and can be accessed at https://www.nationalgridus.com/media/procurement/supplier_code_of_conduct.pdf.

We value the business relationships we have with you and we believe that you are an important and central part of our success. This means that we expect you to carry out your business in line with these values. More specifically, we refer you to Section 3 - "Protecting the Environment". This section explains National Grid's expectations with respect to its suppliers. In connection with the purchase of natural gas, we will reject proposals from parties that fail to adhere to these requirements or who knowingly produce or purchase gas that was produced in violation of applicable laws and regulations.

National Grid has worked to establish the Natural Gas Supply Collaborative (NGSC). The NGSC is a voluntary collaborative of natural gas purchasers that are promoting safe and responsible practices for the development of natural gas supply. As a participant in the NGSC, National Grid is committed to encourage our natural gas suppliers and producers to support more robust voluntary reporting and increased transparency on 14 environmental and social performance indicators. The NGSC developed these indicators through a comprehensive stakeholder

engagement undertaking including representation from both the environmental and natural gas production community.

As suppliers of natural gas to National Grid, it is our expectation that you will consider reporting on these 14 indicators. Over time, and in consultation with National Grid, we expect reporting on these 14 indicators will be fully embraced and easily identifiable on company web sites and may become a requirement for future business.

Supporting information on the NGSC can be found at the following Web site:
<http://www.mjbradley.com/NGSC>

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Nancy Culliford
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Janet Prag
Senior Contract Specialist of FERC Compliance & Contracting
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**Request for Proposals (“RFP”) for
Firm Long-Term Gas Supply
April 3, 2018**

Boston Gas Company d/b/a National Grid and The Narragansett Electric Company d/b/a National Grid (“National Grid” or “Buyer”) are seeking proposals (“Proposals”) for Long-Term Firm Gas Supply as more fully set forth below. The winning bidder(s) (“Seller(s)”) shall deliver the required gas supply to the Delivery Point(s) described below.

National Grid’s award of the gas supply services under this RFP and execution of any resulting Transaction Confirmations are contingent upon receipt by National Grid of (1) an indication of support from the Rhode Island Public Utilities Commission (“PUC”) and/or (2) receipt by Buyer of regulatory approval by the Commonwealth of Massachusetts Department of Public Utilities (“DPU”) (the “Approvals”). National Grid shall use due diligence to obtain such Approvals by May 31, 2019. In the event that National Grid does not obtain such Approvals by May 31, 2019, National Grid reserves the right to rescind any award hereunder. Successful Bidders agree to take all reasonable steps, at National Grid’s request, to support National Grid in obtaining the Approvals.

Package 1

Buyer:

Boston Gas Company d/b/a National Grid.

Term:

December 1, 2018 through March 31, 2028*.

* Buyer may extend the Term for up to 100% of the MDQ and MSQ at the final Delivery Period of the Term described in the Gas Supply Requirements section of this RFP for a period of up to three (3) years, provided that Buyer notifies Seller of such election in writing no less than twenty-four (24) months prior to the expiration of the initial Term.

Delivery Point (s):

The Delivery Point(s) shall be a point of interconnection between Buyer’s Massachusetts facilities which may include the following delivery points on Tennessee Gas Pipeline LLC

(“Tennessee”) or Algonquin Gas Transmission Pipeline (“Algonquin”)¹:

Tennessee: Acton (CDP 267); Lunenburg (CDP 267); Burlington (CDP 268) & Revere (CDP 268).

Algonquin: Everett; Braintree; Waltham-Polaroid; Bourne & Sandwich.

In addition to such points of interconnection with Tennessee and Algonquin, Buyer may consider deliveries through the point of interconnection between Buyer’s facilities and Engie Gas & LNG LLC at Everett, MA.

As part of their bid, Bidders must demonstrate they have primary firm capacity to each of Buyer’s Delivery Point(s) for which they are submitting an offer using Exhibit A included hereto and an explanation of the priority of service to be used in meeting Buyer’s Gas Supply Requirements if selected.

Gas Supply Requirements: For each Delivery Period covered by December through March of the applicable year of the Term, Buyer shall have the right, but not the obligation, to call on a maximum daily quantity (“MDQ”) and a maximum seasonal quantity (“MSQ”) as described below. All volumes are stated in Dth.

Delivery Period	MDQ	MSQ
December 1, 2018-March 31, 2019	17,000	221,000
December 1, 2019-March 31, 2020	17,000	980,000
December 1, 2020-March 31, 2021	27,000	1,580,000
December 1, 2021-March 31, 2022	37,000	1,971,000
December 1, 2022-March 31, 2023	73,000	3,080,000
December 1, 2023-March 31, 2024	104,000	4,318,000
December 1, 2024-March 31, 2025	145,000	5,385,000
December 1, 2025-March 31, 2026	166,000	6,121,000
December 1, 2026-March 31, 2027	166,000	6,121,000
December 1, 2027-March 31, 2028	166,000	6,121,000

¹ Buyer’s ability to accept offers and nominations up to the full MDQ at specific Delivery Points on both Tennessee and Algonquin may be limited by operationally available capacity.

Price: The commodity price for Gas called on any day will be equal to Platts Gas Daily – Daily Price Survey (\$MMBtu) Midpoint for the Delivery Point (*i.e.*, Tennessee Zone 6 or Algonquin Citygates).

Reservation Charge: To be proposed by Bidder.

Daily Call Nominations: For Daily Calls at the Delivery Point, Buyer shall make all nominations for delivery of Daily Call purchases prior to 10:00 AM, prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested.

As part of their offer, Bidders **must** indicate whether nominations must be ratable through weekends and holidays; during the bid evaluation period, National Grid reserves the right to give preference to nominations that need not be ratable.

Damages: On any day Buyer nominates gas pursuant to an agreement resulting from this RFP and Seller fails to deliver the nominated quantity, Seller shall reimburse Buyer for each undelivered dth an amount equal to 150% of the greater of Gas Daily Midpoint for Algonquin Citygates or Tennessee Zone 6 per dth for the applicable day.

Affidavit of Primary Firm Delivery:

Bidder must demonstrate that it has primary firm capacity to each Delivery Point(s) at which they are offering firm service and must provide an affidavit in the form included hereto as Exhibit A.

In the event the current primary term of Bidder's capacity expires prior to the end of the Term of a transaction resulting from this RFP, Bidder must demonstrate their renewal rights on the associated capacity and/or how they would continue to serve primary firm deliveries to National Grid if awarded this RFP.

Buyer's Conditions
Precedent:

If Buyer is unable to obtain necessary approvals from its executive management and/or board of directors for the execution of a Transaction Confirmation resulting from this RFP by **July 1, 2018**, then Buyer shall have the right, to be exercised by written notice no later than **July 15, 2018**, to terminate the resulting Transaction Confirmation for all Delivery Periods without liability.

If after Buyer has obtained necessary approvals from its executive management and/or board of directors for the execution of a Transaction Confirmation resulting from this RFP, Buyer is unable to obtain any input, guidance and/or informal or formal approvals and orders or other authorizations or consents as determined to be acceptable by Buyer in its commercially reasonable discretion from the Massachusetts Department of Public Utilities by **May 31, 2019**, then Buyer shall have the right, to be exercised by written notice no later than **June 15, 2019**, to terminate a Transaction Confirmation resulting from this RFP, without liability for the Delivery Period commencing on December 1, 2019 through the end of the Term. For avoidance of doubt, if Buyer has received the necessary approvals from its executive management and/or board of directors but is unable to obtain approval of the Massachusetts Department of Public Utilities by **May 31, 2019**, Buyer's right to terminate a Transaction Confirmation resulting from this RFP without liability shall not apply to the Delivery Period December 1, 2018-March 31, 2019.

Package 2

Buyer:

The Narragansett Electric Company d/b/a National Grid.

Term:

December 1, 2018 through March 31, 2028*.

* Buyer may extend the Term for up to 100% of the MDQ and MSQ at the final Delivery Period of the Term described in the Gas Supply

Requirements section of this RFP for a period of up to three (3) years, provided that Buyer notifies Seller of such election in writing no less than twenty-four (24) months prior to the expiration of the initial Term.

Delivery Point:

The Delivery Point shall be the Everett, MA, receipt meter on the Tennessee system.

Gas Supply Requirements:

For each Delivery Period covered by December through March of the applicable year of the Term, Buyer shall have the right, but not the obligation, to call on a maximum daily quantity (“MDQ”) and a maximum seasonal quantity (“MSQ”) as described below. All volumes are stated in Dth.

Delivery Period	MDQ	MSQ
December 1, 2018-March 31, 2019	15,000	321,000
December 1, 2019-March 31, 2020	20,000	632,000
December 1, 2020-March 31, 2021	20,000	651,000
December 1, 2021-March 31, 2022	20,000	651,000
December 1, 2022-March 31, 2023	20,000	668,000
December 1, 2023-March 31, 2024	30,000	1,282,000
December 1, 2024-March 31, 2025	30,000	1,294,000
December 1, 2025-March 31, 2026	30,000	1,317,000
December 1, 2026-March 31, 2027	30,000	1,317,000
December 1, 2027-March 31, 2028	30,000	1,317,000

Price:

The commodity price for Gas called on any day will be equal to Platts Gas Daily – Daily Price Survey (\$MMBtu) Midpoint Tennessee Zone 6.

Reservation Charge:

To be proposed by Bidder.

Daily Call Nominations:

For Daily Calls at the Delivery Point, Buyer shall make all nominations for delivery of Daily Call purchases prior to 10:00 AM, prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested.

As part of their offer, Bidders **must** indicate whether nominations must be ratable through weekends and holidays; during the bid evaluation period, National Grid reserves the right to give preference to nominations that need not be ratable.

Damages:

On any day Buyer nominates gas pursuant to an agreement resulting from this RFP and Seller fails to deliver the nominated quantity, Seller shall reimburse Buyer for each undelivered dth an amount equal to 150% of the greater of Gas Daily Midpoint for Algonquin Citygates or Tennessee Zone 6 per dth for the applicable day.

**Affidavit of Primary Firm
Delivery:**

N/A.

**Buyer's Conditions
Precedent:**

If Buyer is unable to obtain necessary approvals from its executive management and/or board of directors for the execution of a Transaction Confirmation resulting from this RFP by **July 1, 2018**, then Buyer shall have the right, to be exercised by written notice no later than **July 15, 2018**, to terminate the resulting Transaction Confirmation for **all** Delivery Periods without liability.

If after Buyer has obtained necessary approvals from its executive management and/or board of directors for the execution of a Transaction Confirmation resulting from this RFP, Buyer is unable to obtain any input, guidance and/or informal or formal approvals and orders or other authorizations or consents as determined to be acceptable by Buyer in its commercially reasonable discretion from the Rhode Island Division of Public Utilities and Carriers by **May 31, 2019**, then Buyer shall have the right, to be exercised by written notice no later than **June 15, 2019**, to terminate a Transaction Confirmation resulting from this RFP, **without liability** for the Delivery Period commencing on December 1, 2019 through the end of the Term. For avoidance of doubt, if Buyer has received the necessary approvals from its executive management

and/or board of directors but is unable to obtain approval of the Rhode Island Division of Public Utilities and Carriers by **May 31, 2019**, Buyer's right to terminate a Transaction Confirmation resulting from this RFP without liability shall ***not*** apply to the Delivery Period December 1, 2018-March 31, 2019.

II. Instructions to Bidders

Any questions in connection with this RFP should be sent via email to the following email address:

GasRFP@nationalgrid.com

All proposals in connection with this RFP should also be sent via email to the email address listed above. Proposals must be submitted by the date specified in the Schedule below. Proposals must include: (a) **Seller's proposed Reservation Charge for the Package**, (b) **any specialized language Seller requires in the Transaction Confirmation**, (c) **whether Seller shall require receipt of any additional internal approvals prior to accepting an award pursuant to this RFP** and (d) **whether Seller requires nominations across holidays and weekends be ratable**.

III. Schedule (all times are Eastern Standard Time)

April 18, 2018 Proposals must be received by National Grid by 5:00 PM. **All proposals shall expressly provide that they will remain binding and in effect, without modification, until 5:00 PM on April 25, 2018.**

April 25, 2018 National Grid will endeavor to select a Proposal and parties will confirm deal in writing by 5:00 PM.

IV. Miscellaneous

National Grid will consider proposals only from bidders who have an executed NAESB Base Contract for Sale and Purchase of Natural Gas or an executed ISDA with a Gas Annex with Buyer. Any transaction entered into as a result of this RFP shall be documented as a transaction under an active NAESB Agreement or ISDA

Gas Annex. Please be advised that if the winning Bidder utilizes an ISDA with a Gas Annex, this transaction will be specifically excluded from margining calculation under the Credit Support Annex.

Bidders submitting bids in response to this RFP understand and agree that unless and until a definitive Transaction Confirmation has been executed and delivered, no contract or agreement providing for a transaction between such parties shall be deemed to exist between the parties, and neither party will be under any legal obligation of any kind whatsoever with respect to such transaction by virtue of this or any other written or oral expression of communication. National Grid reserves the right to withdraw or modify this RFP at any time and National Grid shall have the right, in its sole and absolute discretion, to reject any or all Proposals submitted in response to this RFP. The winning bid(s), if any, will be selected based on the proposal(s) that yield(s) the least cost, consistent with concerns for reliability of service and other business factors applied by National Grid in its sole discretion. Potential Sellers shall be subject to satisfactory credit review by National Grid.

V. Compliance with National Grid's Supplier Code of Conduct

At National Grid we are always seeking ways to meet the evolving needs and desires of our customers. We believe that a responsible approach to doing business is fundamental to what we do. In all of our activities we operate within Global Standards of Ethical Conduct. These standards include a commitment to the protection and enhancement of the environment, always seeking ways to minimize the environmental impact of our past, present and future activities and safeguarding our global environment for future generations. Our goal is to comply with regulations, reduce any impact that we may have and proactively seek out opportunities to improve the environment. In furtherance of this goal, National Grid has developed a "Supplier Code of Conduct" which describes our company's values and can be accessed at https://www.nationalgridus.com/media/procurement/supplier_code_of_conduct.pdf.

We value the business relationships we have with you and we believe that you are an important and central part of our success. This means that we expect you to carry out your business in line with these values. More specifically, we refer you to Section 3 - "Protecting the Environment". This section explains National Grid's expectations with respect to its suppliers. In connection with the purchase of natural gas, we will reject proposals from parties that fail to adhere to these requirements or who knowingly produce or purchase gas that was produced in violation of applicable laws and regulations.

National Grid has worked to establish the Natural Gas Supply Collaborative (NGSC). The NGSC is a voluntary collaborative of natural gas purchasers that are

promoting safe and responsible practices for the development of natural gas supply. As a participant in the NGSC, National Grid is committed to encourage our natural gas suppliers and producers to support more robust voluntary reporting and increased transparency on 14 environmental and social performance indicators. The NGSC developed these indicators through a comprehensive stakeholder engagement undertaking including representation from both the environmental and natural gas production community.

As suppliers of natural gas to National Grid, it is our expectation that you will consider reporting on these 14 indicators. Over time, and in consultation with National Grid, we expect reporting on these 14 indicators will be fully embraced and easily identifiable on company web sites and may become a requirement for future business.

Supporting information on the NGSC can be found at the following Web site:
<http://www.mjbradley.com/NGSC>

John Allocca
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Liz Arangio
Director of Gas Supply Planning
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Nancy Culliford
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Janet Prag
Senior Contract Specialist of FERC Compliance & Contracting
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**AFFIDAVIT OF FIRM DELIVERY
2018-2028 GAS SUPPLY**

An officer of Seller providing delivered supplies to the Boston Gas Company d/b/a National Grid, as it pertains to the RFP issued April 3, 2018, must complete the following Affidavit in order to submit a qualifying bid.

AFFIDAVIT OF FIRM TRANSPORTATION AND/OR DELIVERY CAPACITY

STATE OF _____

CITY OF _____

NAME _____,

Being duly sworn, says:

I am _____ (specify Title of Officer)

of _____ (specify Name of Supplier)

And, I attest that:

As Seller of natural gas to National Grid for up to _____ dekatherms per day of Firm gas supplies during the period **December 1, 2018 through March 31, 2031**, Seller has in place one or more executed contract(s) with

_____ Pipeline,

providing non-recallable firm transportation with primary delivery point capacity of _____ Dt/Day, (specify volume)

to _____ (specify delivery point location).

The Pipeline contract number(s) related to this capacity are _____ and have a primary term end date of _____ [if the primary end date expires before the end date of the term of your offer, please explain ROFR, extension rights, etc. of the associated capacity].

[Misc. if applicable] _____

_____.

The above-mentioned capacity shall be dedicated specifically to supporting the sale to National Grid as it pertains to the RFP issued April 3, 2018.

By: _____

Title: _____

Dated: _____



**Request for Proposals (“RFP”) for
Firm Gas Supply
July 26, 2018**

Boston Gas Company d/b/a National Grid and The Narragansett Electric Company d/b/a National Grid (“National Grid” or “Buyer”) are seeking proposals (“Proposals”) for Firm Gas Supply as more fully set forth below. The winning bidder(s) (“Seller(s)”) shall deliver the required gas supply to the Delivery Point(s) described below.

Package 1

Buyer: Boston Gas Company d/b/a National Grid.

Term: December 1, 2018 through March 31, 2019.

Delivery Point (s): The Delivery Point(s) shall be a point of interconnection between Buyer’s Massachusetts facilities which may include the following delivery points on Tennessee Gas Pipeline LLC (“Tennessee”) or Algonquin Gas Transmission Pipeline (“Algonquin”)¹:

Tennessee: Meters within Tennessee’s CDP 267 and CDP 268.

Algonquin: Everett; Braintree; Waltham-Polaroid; Bourne, Ponkapoag & Sandwich.

In addition to such points of interconnection with Tennessee and Algonquin, Buyer may consider deliveries through the point of interconnection between Buyer’s facilities and Engie Gas & LNG LLC at Everett, MA.

¹ Buyer’s ability to accept offers and nominations up to the full MDQ at specific Delivery Points on both Tennessee and Algonquin may be limited by operationally available capacity.

As part of their bid, Bidders must demonstrate they have primary firm capacity to each of Buyer's Delivery Point(s) for which they are submitting an offer using Exhibit A included hereto and/or an explanation of the priority of service to be used in meeting Buyer's Gas Supply Requirements if selected.

Gas Supply Requirements:

On any day during the Term, Buyer shall have the right, but not the obligation, to call on Seller to deliver up to 30,000 dth/day ("MDQ") at the Delivery Point(s). Such right shall be limited to a maximum seasonal quantity of 600,000 dth during the Term.

Price:

The commodity price for Gas called on any day will be equal to Platts Gas Daily – Daily Price Survey (\$MMBtu) Midpoint for the Delivery Point (*i.e.*, Tennessee Zone 6 or Algonquin City-Gates).

Reservation Charge:

To be proposed by Bidder.

Daily Call Nominations:

For Daily Calls at the Delivery Point, Buyer shall make all nominations for delivery of Daily Call purchases prior to 10:00 AM, prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested.

As part of their offer, Bidders **must** indicate whether nominations must be ratable through weekends and holidays; during the bid evaluation period, National Grid reserves the right to give preference to nominations that need not be ratable.

Damages:

On any day Buyer nominates gas pursuant to an agreement resulting from this RFP and Seller fails to deliver the nominated quantity, Seller shall reimburse Buyer for each undelivered dth an amount equal to the greater of Buyer's Cover costs or 150% of the greater of Gas Daily Midpoint for Algonquin City-Gates or Tennessee Zone 6 per dth for the applicable day.

**Affidavit of Primary Firm
Delivery:**

Bidder must demonstrate that it has primary firm capacity to each Delivery Point(s) at which they are offering firm service and must provide an affidavit in the form included hereto as Exhibit A and/or a written explanation of the priority of service it will utilize to serve a Buyer's rights under a Transaction Confirmation resulting from this RFP.

Package 2

Buyer:

The Narragansett Electric Company d/b/a National Grid.

Term:

December 1, 2018 through March 31, 2019.

Delivery Point(s):

The Delivery Point(s) shall be a point of interconnection between Buyer's Rhode Island facilities and either Tennessee or Algonquin.

As part of their bid, Bidders must demonstrate they have primary firm capacity to each of Buyer's Delivery Point(s) for which they are submitting an offer using Exhibit A included hereto and/or an explanation of the priority of service to be used in meeting Buyer's Gas Supply Requirements if selected.

Gas Supply Requirements:

On any day during the Term, Buyer shall have the right, but not the obligation, to call on Seller to deliver up to 33,000 dth/day ("MDQ") at the Delivery Point. Such right shall be limited to a maximum seasonal quantity of 1,188,000 dth during the Term.

Price:

The commodity price for Gas called on any day will be equal to Platts Gas Daily – Daily Price Survey (\$MMBtu) Midpoint Tennessee Zone 6.

Reservation Charge:

To be proposed by Bidder.

Daily Call Nominations:

For Daily Calls at the Delivery Point, Buyer shall make all nominations for delivery of Daily Call purchases prior to 10:00 AM, prevailing Eastern Standard Time on the Business Day prior to the Gas Day on which delivery of Gas is requested.

As part of their offer, Bidders **must** indicate whether nominations must be ratable through weekends and holidays; during the bid evaluation period, National Grid reserves the right to give preference to nominations that need not be ratable.

Damages:

On any day Buyer nominates gas pursuant to an agreement resulting from this RFP and Seller fails to deliver the nominated quantity, Seller shall reimburse Buyer for each undelivered dth an amount equal to the greater of Buyer's Cover costs or 150% of the greater of Gas Daily Midpoint for Algonquin City-Gates or Tennessee Zone 6 per dth for the applicable day.

**Affidavit of Primary Firm
Delivery:**

Bidder must demonstrate that it has primary firm capacity to each Delivery Point(s) at which they are offering firm service and must provide an affidavit in the form included hereto as Exhibit A and/or a written explanation of the priority of service it will utilize to serve a Buyer's rights under a Transaction Confirmation resulting from this RFP.

II. Instructions to Bidders

Any questions in connection with this RFP should be sent via email to the following email address:

GasRFP@nationalgrid.com

All proposals in connection with this RFP should also be sent via email to the email address listed above. Proposals must be submitted by the date specified in the Schedule below. Proposals must include: **(a) Seller's proposed Reservation Charge for the Package, (b) any specialized language Seller requires in the Transaction Confirmation, and (c) whether Seller shall require receipt of any additional internal approvals prior to accepting an award pursuant to this RFP.**

III. Schedule (all times are Eastern Standard Time)

August 3, 2018 Proposals must be received by National Grid by 5:00 PM.
All proposals shall expressly provide that they will remain binding and in effect, without modification, until 5:00 PM on August 8, 2018.

August 8, 2018 National Grid will endeavor to select a Proposal and parties will confirm deal in writing by 5:00 PM.

IV. Miscellaneous

National Grid will consider proposals only from bidders who have an executed NAESB Base Contract for Sale and Purchase of Natural Gas or an executed ISDA with a Gas Annex with Buyer. Any transaction entered into as a result of this RFP shall be documented as a transaction under an active NAESB Agreement or ISDA Gas Annex. Please be advised that if the winning Bidder utilizes an ISDA with a Gas Annex, this transaction will be specifically excluded from margining calculation under the Credit Support Annex.

Bidders submitting bids in response to this RFP understand and agree that unless and until a definitive Transaction Confirmation has been executed and delivered, no contract or agreement providing for a transaction between such parties shall be deemed to exist between the parties, and neither party will be under any legal obligation of any kind whatsoever with respect to such transaction by virtue of this or any other written or oral expression of communication. National Grid reserves the right to withdraw or modify this RFP at any time and National Grid shall have the right, in its sole and absolute discretion, to reject any or all Proposals submitted in response to this RFP. The winning bid(s), if any, will be selected based on the proposal(s) that yield(s) the least cost, consistent with concerns for reliability of service and other business factors applied by National Grid in its sole discretion. Potential Sellers shall be subject to satisfactory credit review by National Grid.

V. Compliance with National Grid's Supplier Code of Conduct

At National Grid we are always seeking ways to meet the evolving needs and desires of our customers. We believe that a responsible approach to doing business is fundamental to what we do. In all of our activities we operate within Global Standards of Ethical Conduct. These standards include a commitment to the protection and enhancement of the environment, always seeking ways to minimize the environmental impact of our past, present and future activities and safeguarding our global environment for future generations. Our goal is to comply with regulations, reduce any impact that we may have and proactively seek out opportunities to improve the environment. In furtherance of this goal, National Grid has developed a "Supplier Code of Conduct" which describes our company's values and can be accessed at https://www.nationalgridus.com/media/procurement/supplier_code_of_conduct.pdf.

We value the business relationships we have with you and we believe that you are an important and central part of our success. This means that we expect you to carry out your business in line with these values. More specifically, we refer you to Section 3 - "Protecting the Environment". This section explains National Grid's expectations with respect to its suppliers. In connection with the purchase of natural gas, we will reject proposals from parties that fail to adhere to these requirements or who knowingly produce or purchase gas that was produced in violation of applicable laws and regulations.

National Grid has worked to establish the Natural Gas Supply Collaborative (NGSC). The NGSC is a voluntary collaborative of natural gas purchasers that are promoting safe and responsible practices for the development of natural gas supply. As a participant in the NGSC, National Grid is committed to encourage our natural gas suppliers and producers to support more robust voluntary reporting and increased transparency on 14 environmental and social performance indicators. The NGSC developed these indicators through a comprehensive stakeholder engagement undertaking including representation from both the environmental and natural gas production community.

As suppliers of natural gas to National Grid, it is our expectation that you will consider reporting on these 14 indicators. Over time, and in consultation with National Grid, we expect reporting on these 14 indicators will be fully embraced and easily identifiable on company web sites and may become a requirement for future business.

Supporting information on the NGSC can be found at the following Web site: <http://www.mjbradley.com/NGSC>

John Allocca
Director of FERC Compliance & Contracting
Telephone: 516-545-3108

Liz Arangio
Director of Gas Supply Planning
Telephone: 781-907-1639

Nancy Culliford
Manager of Gas Supply Planning, New England
Telephone: 781-907-1638

Samara Jaffe
Program Manager of FERC Compliance & Contracting
Telephone: 516-545-5408

Janet Prag
Senior Contract Specialist of FERC Compliance & Contracting
Telephone: 516-545-5463

**AFFIDAVIT OF FIRM DELIVERY
2018-2019 GAS SUPPLY**

An officer of Seller providing delivered supplies to the Boston Gas Company d/b/a National Grid or The Narragansett Electric Company d/b/a National Grid, as it pertains to the RFP issued July 26, 2018, must complete the following Affidavit in order to submit a qualifying bid.

AFFIDAVIT OF FIRM TRANSPORTATION AND/OR DELIVERY CAPACITY

STATE OF _____

CITY OF _____

NAME _____,

Being duly sworn, says:

I am _____ (specify Title of Officer)

of _____ (specify Name of Supplier)

And, I attest that:

As Seller of natural gas to National Grid for up to _____ dekatherms per day of Firm gas supplies during the period **December 1, 2018 through March 31, 2019**, Seller has in place one or more executed contract(s) with

_____ Pipeline,

providing non-recallable firm transportation with primary delivery point capacity of _____ Dt/Day, (specify volume)

to _____ (specify delivery point location).

The Pipeline contract number(s) related to this capacity are _____ and have a primary term end date of _____ [if the primary end date expires before the end date of the term of your offer, please explain ROFR, extension rights, etc. of the associated capacity].

*[Misc. if**applicable]* _____

The above-mentioned capacity shall be dedicated specifically to supporting the sale to National Grid as it pertains to the RFP issued July 26, 2018.

By: _____

Title: _____

Dated: _____