



Northern Pass Transmission LLC
P.O. Box 330
780 North Commercial Street
Manchester, NH 03105-0330

March 28, 2017

Peter C.L. Roth
Senior Assistant Attorney General
Counsel for the Public
Department of Justice
33 Capitol Street
Concord, New Hampshire 03301-6397

Re: Inquiry

Dear Peter:

In answer to your inquiry dated March 20, 2017, the Transmission Service Agreement (“TSA”)¹ that is included with Northern Pass Transmission LLC’s (“NPT”) application before the Site Evaluation Committee (“SEC”) remains in full force and effect. In fact the fundamental financial structure of the Northern Pass Transmission Project (“Project”) has not changed since NPT filed its SEC application.²

The TSA has not changed substantively since it was approved by FERC in 2010. As is often the case with a contractual arrangement, the passage of time and evolution of circumstance sometimes call for a minor adjustment to one or more of its terms. That was the case recently as February 14, 2017, the TSA’s “Approval Deadline”, drew near, and, as specifically permitted by the terms of the TSA, the parties agreed to extend the Approval Deadline until December 31, 2020.³ A copy of the written agreement extending the date was provided to you by email on March 22, 2017, and is included as an exhibit to Michael Auseré’s Supplemental Testimony (filed March 24, 2017). The agreement to extend the Approval Deadline also confirms Hydro-Québec’s continued commitment to the Project.

As further noted in William Quinlan’s Supplemental Testimony (filed on March 24, 2017), NPT and Hydro-Québec have indicated an intent to participate in the upcoming Massachusetts clean energy solicitation. As was contemplated for last year’s Tri State Clean Energy RFP, the parties will amend or augment the TSA, as appropriate, based on the outcome of the Massachusetts solicitation.

¹ Included as Appendix 16 to the application for a Certificate of Site and Facility filed with the Site Evaluation Committee by Northern Pass Transmission LLC (“NPT”) and Public Service Company of New Hampshire d/b/a Eversource Energy, is the Transmission Service Agreement by and between NPT and Hydro Renewable Energy dated October 4, 2010, as amended and as accepted by the Federal Energy Regulatory Commission on January 13, 2014.

² See attached letter to Senator Jeanne Shaheen, dated March 17, 2017, from Leon J. Olivier, President of Northern Pass Transmission LLC, confirming the status of the TSA.

³ Until the parties agreed to extend the date, Section 1.1 of the TSA provided that the “Approval Deadline means February 14, 2017, or such other date to which the Parties shall mutually agree in writing.”

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The additional questions you raise have been addressed in the Supplemental Testimony submitted by NPT on March 24, 2017. To the extent you have further questions about these issues, you will be free to inquire about them during cross examination when the hearings commence in April.

However, as noted above, the fundamental financial structure of the Project has not changed, and you, as Counsel for the Public, are in no different a position today vis-à-vis the TSA than you were at the time the application was filed. No doubt you will find all of the relevant information needed to address any concerns you may have in the testimony and other evidence filed with the SEC during this final phase of the siting process.

Sincerely,



Marvin P. Bellis
Senior Counsel

Enclosure: Letter to the Honorable Jeanne Shaheen



56 Prospect Street
Hartford, CT 06103

Leon J. Olivier
Executive Vice President
Enterprise Energy Strategy &
Business Development

March 17, 2017

The Honorable Jeanne Shaheen
United States Senate
506 Hart Senate Office Building
Washington, DC 20510

Dear Senator Shaheen:

It has come to my attention that you are in receipt of a letter dated March 14, 2017 from Mr. Will Abbott of the Society for Protection of New Hampshire's Forests ("SPNHF") falsely alleging that the Transmission Services Agreement ("TSA") between Northern Pass Transmission, LLC ("NPT") and H.Q. Hydro Renewable Energy, Inc. ("HQ") has expired. In his letter, Mr. Abbot asks that you coordinate "an inquiry by the New Hampshire Congressional delegation to the Federal Energy Regulatory Commission (FERC) asking FERC to explain the status of the TSA between HQ and NPT." As described below, such an inquiry is completely unnecessary, as the FERC approved TSA remains in full force and effect.

The term of the TSA, which specifies the respective rights and obligations of the parties, including terms for recovery of costs, began on the original execution date of October 4, 2010 and continues 40 years from the time the Northern Pass transmission line begins commercial operation, unless it is earlier terminated. SPNHF wrongly claims that the TSA expired on February 14, 2017 ("Approval Deadline"). However, as expressly provided in the TSA, that date could be extended by mutual agreement of the parties. The Approval Deadline was, in fact, extended earlier this year by written agreement between NPT and HQ. Accordingly, the extension of the Approval Deadline was fully consistent with the terms and conditions of the already approved TSA.

NPT's ability to finance, construct and operate the proposed Northern Pass project is currently under review by the New Hampshire Site Evaluation Committee. The TSA was part of the Application submitted in October of 2015 and the testimony of NPT officers has not only addressed the TSA's cost recovery provisions but has unequivocally stated that New Hampshire customers will not bear any costs associated with construction of the Northern Pass transmission line. The evidence to be presented during the final adjudicative hearings, set to begin in early April, will bear this out.

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The Honorable Jeanne Shaheen

March 17, 2017

As you are aware, recognizing the large and growing demand for clean energy in the region, several New England states have recently been seeking long-term contracts for clean energy resources. The next significant opportunity will occur this spring when Massachusetts will seek proposals for large quantities of clean energy that can be delivered to customers in the Commonwealth. Through this solicitation process, successful projects will receive contracts with Massachusetts utilities. If the Northern Pass project is selected in the MA RFP, the TSA will be modified and/or complemented by one or more other agreements at that time. In any event, under no circumstances would any such agreements impose cost obligations on New Hampshire customers.

I hope that this explanation fully addresses any questions that you may have concerning SPNHF's erroneous claims. If you wish to discuss this matter further, please feel free to contact me or Bill Quinlan at any time.

Sincerely,

A handwritten signature in blue ink that reads "Leon J. Olivier". The signature is fluid and cursive, with a large initial "L" and "O".

Leon J. Olivier

President - Northern Pass Transmission, LLC

cc. Mr. William J. Quinlan
Ms. Donna Gamache
Mr. Todd Lavin