



July 2, 2014

Ms. Heather Hunt, Executive Director
NESCOE
655 Longmeadow St.
Longmeadow, MA 01106

Dear Ms. Hunt:

This submittal is in response to the June 11th NESCOE "SUMMARY OF STAKEHOLDER INPUT AND REQUEST FOR FURTHER INFORMATION ON CAPACITY MANAGEMENT, OTHER CONCEPTS AND EXPRESSIONS OF INTEREST IN ACTING AS A COUNTERPARTY".

At this time, Direct Energy Business Marketing is not interested in acting as a Contract Entity as we feel that it is in the best interest of the ratepayers of New England to select the lowest cost option for financing the gas infrastructure project, if it is indeed decided to move forward with it. With that being said, Direct Energy Business Marketing (DEBM) feels that given the ability for municipal entities to obtain lower cost financing than private or public companies, a municipal entity would be the best choice to act as the Contract Entity. If for any reason a municipal entity is not available, then DEBM recommends that Gas LDC's would be preferable followed by the Electric Distribution Companies.

Direct Energy Business Marketing (DEBM) has a willingness to serve as "Capacity Manager." However, as NESCOE hasn't determined any of the operational parameters or market rules surrounding the project, it is difficult for DEBM to offer much in the way of details without further guidance. Without the market rules being developed, it is not possible to address NESCOE's questions regarding how potential conflicts of interest and self-dealing will be addressed. That said, DEBM has worked with many different stakeholders, including some competitors, and has the highest integrity. DEBM would find a way to ensure no conflict of interest or self-dealing under the rules to be developed. DEBM is willing to work with NESCOE and the other stakeholders to develop the market rules detailing how these issues should be handled once the final project specifics have been worked out.

With that being said, DEBM is well positioned to fulfill the requirements of most typical Asset Manager roles. DEBM has been supplying New England LDC's, Power Generators and other consumers of natural gas for 20+ years. The DEBM staff includes experienced professionals that understand the intricacies of managing natural gas assets in today's volatile New England market. We are currently doing business with almost every major LDC in the Northeast.



Page 2
Ms. Hunt

During 2013 we provided asset management services to over 40 major LDC's, power generators, producers, Industrials and municipals. Our physical volumes sold were 7.5 BCF/day in the first quarter of 2014. DEBM is the sole fuel supplier for numerous independent power producers with plants located in ISO-NE, NY-ISO, PJM and SERC. We are responsible for providing firm gas service on a base load, spot and intraday basis. These are highly flexible supply arrangements designed to meet the strict demands of power generation sector. Our supply portfolio utilizes production, released transportation capacity, long term firm transportation capacity, storage assets and third party purchases to meet our firm commitments. Our Operations Group is responsible for wellhead to burner-tip management of our obligations. They provide procurement, nomination, confirmation, and balancing services to all of our customers and are the backbone of our business.

DEBM has excellent relationships with the interstate pipelines that are a key link between production basins and the market areas where our customers operate. DEBM currently holds over 2.5 BCF/day of firm pipeline transportation capacity. Over 600,000dth/day serves New England City Gates directly (AGT, TGP, IRQ). This capacity position is strengthened by over 40 BCF of storage flexibility.

DEB is one of the largest suppliers of electricity in the ISO-NE, NY-ISO, and PJM region with a 2013 non-coincident peak electric load of approximately 18,000 MW. In addition DEB manages the purchasing, scheduling, nominating, and balancing of natural gas for over 6,100 MW of 3rd party merchant generation in the ISO-NE, NY-ISO, PJM and SERC regions.

DEBM is also backed by a regulatory and operations staff that is experienced with Asset Management Arrangements and the applicable regulations. Our customer satisfaction rating is among the best in the business and our brand is well respected in the industry.

Direct Energy Business Marketing LLC, is a subsidiary of Direct Energy Business, LLC, a North American subsidiary of Centrica plc. Centrica plc's Annual Report for the fiscal year ended December 31, 2012 may be accessed via this link:

<http://www.centrica.com/index.asp?pageid=447>

The following link will take you to a Centrica, PLC website that shows the various Centrica and Direct Energy affiliates as well as a description of them:

<http://www.centrica.com/index.asp?pageid=788>. This should provide you with the affiliate information that you requested.



Page 3
Ms. Hunt

If you have any questions as a result of this submittal, please feel free to contact Ron Carrier, our Director of Government and Regulatory affairs. He can be reached via email at ron.carrier@directenergy.com, or by phone at 517-694-0722.

Sincerely,

A handwritten signature in black ink that reads "John Schultz". The signature is fluid and cursive, with the first name "John" and last name "Schultz" clearly distinguishable.

John Schultz
President
Direct Energy Business Marketing, LLC