



The Energy Consortium, Inc.

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A non-profit Association of Industrial, Commercial, Institutional and Governmental Large Energy Users

May 9, 2014

Ms. Heather Hunt
Executive Director
New England States Committee on Electricity
655 Longmeadow Street
Longmeadow, MA 01106

Re: Gas Capacity Infrastructure Expansion in New England

Dear Heather:

In response to your letter of 4/30/14 to NEPOOL, TEC wishes to comment on the roll the gas distribution companies should take under the IGER proposal.

As you are aware, TEC is a non-profit association that represents large industrial, commercial and institutional electricity and gas end-users in Massachusetts. It has been concerned with Massachusetts's energy policy and regulatory matters for over 40 years. TEC advocates positions that promote fair cost-based energy and distribution rates, diversified supplies and reliable service for its member organizations, their employees and all Massachusetts ratepayers. TEC is a participant in retail and wholesale electric regulatory matters and its members will live with the outcome of the state energy policy.

Specific comment regarding the EDC proposal

TEC is OK with the overall concept of your letter with exception to the EDC proposal that includes electric distribution companies entering into long-term contracts with interstate pipeline companies as a means to provide creditworthy counterparties as a backstop to funding through the ISO-NE tariff.

As an alternative to the EDC proposal, TEC recommends that the gas companies (not the electric arm of the gas company if they have one) run the program in cooperation with the ISO tariff. The gas companies per the diagram will build, own and operate the expanded gas

pipelines. TEC suggests that the electric companies should collect the money only and not be involved with any financial reward or punishment and get no incentive for being a part of this action. The gas distribution companies should be the entities entering into long-term contracts with interstate pipeline companies and be responsible parties agreeing to financial conditions which may be imposed. Placing the obligations and contracts under the gas utilities allows for clearer separation of responsibilities between the electric and gas distribution companies.

Simply stated:

ISO –NE is responsible for regional electric reliability and electricity tariffs,

Electric distribution companies are responsible for local reliability and collection of tariffs,

Gas distribution companies are responsible for pipeline capacity, gas reliability, and administration (including gas supply to generators, release gas, etc).

Please feel free to contact me with comments and/or questions.

Sincerely,

A handwritten signature in blue ink that reads "Roger Borghesani". The signature is written in a cursive style with a large, stylized initial 'R'.

Roger Borghesani, Chairman
The Energy Consortium