

September 11, 2014

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

Dear Ms. Hunt:

I am writing on behalf of America's Natural Gas Alliance (ANGA) and its member companies to express our support for your continued efforts to ensure reliability and reduce energy costs in the New England region through the expansion of natural gas infrastructure to serve the electricity market. ANGA recognizes the significant progress that your organization has achieved toward realization of the New England Governors' initiative to increase the reliability of gas supply to power generation in New England. We commend the conceptual framework that NESCOE has devised and the efforts that you have taken to solicit the best ideas from regional stakeholders regarding the implementation of that framework (now dubbed the Incremental Gas for Electric Reliability, or IGER, approach).

ANGA members are very concerned that the recent decision by the state of Massachusetts to study a low demand scenario pipeline capacity will result in the loss of the substantial momentum that you have developed toward completion of the IGER process. As we noted in our prior submission, despite claims to the contrary, New England is not overly reliant on natural gas-fired generation. It is overly reliant on *inadequately piped* natural gas-fired generation. The pipeline expansions sought are designed to remedy these infrastructure constraints to make the existing fleet more reliable and less economically volatile, enabling the region to take advantage of the abundant, economically stable natural gas supplies only a few hundred miles away.

We urge that NESCOE continue to make progress toward the goal set by the New England states, through NESCOE, that at least 1 Bcf of incremental capacity be brought on-line by the 2017-2018 winter season.

There are numerous factors that should be given considerable weight in the decision to proceed. These factors include:

- the substantial interest in your proposal exhibited by the stakeholders in New England;
- the possibility that the congestion-induced price run-ups experienced last winter due to pipeline constraints in the region could reoccur;
- the announced decommissioning of several large non-gas fired generating plants in the region; and

- forecasts that supplies in the Northeast will outpace demand by a significant amount over the foreseeable future, likely to result in a persistent basis differentials between New England and upstream regions on pipelines serving the area.

Clearly, it is in the best interests of all New Englanders to proceed with the IGER process. Therefore, ANGA supports the idea expressed in the August 15 letter from the Electric Distribution Companies (EDCs), that NESCOE, without delay, solicit actual infrastructure proposals. As the EDCs state in their letter, NESCOE could release a solicitation without stipulating the exact model for pipeline ownership and operation, for marketing the incremental capacity and for allocating incremental costs. Respondents could supply their own ideas for those aspects of the program.

Moving forward with a solicitation at this time has many advantages. First, obtaining real proposals will help Massachusetts and the other states compare the real costs and benefits associated with obtaining additional pipeline capacity whether it be from expanding existing pipelines or building new greenfield lines or employing other resource procurement strategies. Second, the New England states will collectively be able to select proposals based on a number of criteria, including economic and environmental considerations, rather than having to consider projects individually on an ad hoc basis as proposals emerge. Finally, the immediate issuance of an RFP for real project proposals could enable NESCOE to meet the Winter 2017-2018 goal established by the New England states through your organization earlier this year.

Natural gas is the lifeblood of the New England economy. As discussed in the attached letter to the New England Governors, it provides thousands of jobs in the energy sector alone and offers significant environmental advantages to other fossil fuels. New England is not over-reliant on natural gas. It is, however, in desperate need of increased infrastructure to gain access to the relatively inexpensive natural gas supplies at its doorstep in the Northeast. The abundance of gas in the Northeast shale plays has exceeded all prognostications. In fact, in a recent study conducted for ANGA, Bentek Energy projects that by 2023, Northeast production will exceed Northeast average daily demand for natural gas by 5.4 bcf per day. Clearly, New England needs to find a way for the construction of new infrastructure to reach these supplies.

In closing, ANGA urges NESCOE to build on its impressive progress to date by immediately soliciting proposals for incremental pipeline capacity projects. We stand ready to support the process in any way we can. Please let us know if you need more information about natural gas production in the region or about any other aspect of our business.

Sincerely,



Amy Farrell
Vice President, Market Development



September 11, 2014

Hon. Daniel P Malloy
Governor of Connecticut
Office of the Governor
State Capitol
210 Capitol Avenue
Hartford, CT 06106

Hon. Margaret Wood Hassan
Governor of New Hampshire
Office of the Governor
State House
107 North Main Street
Concord, NH 03301

Hon. Paul R. LePage
Governor of Maine
Office of the Governor
#1 State House Station
Augusta, ME 04333-0001

Hon. Lincoln D. Chafee
Governor of Rhode Island
Office of the Governor
82 Smith Street
Providence, RI 02903

Hon. Peter Shumlin
Governor of Vermont
Executive Office of the Governor
109 State Street, Pavilion
Montpelier, VT 05609

Dear Governors:

I am writing on behalf of America's Natural Gas Alliance and its member companies to express our support for your continued efforts to reduce energy costs in your respective states through the expansion of natural gas infrastructure in New England.

Representing North America's leading independent natural gas exploration and production companies, ANGA works with industry, government and customer stakeholders to promote increased demand for and availability of our nation's abundant natural gas resources for a cleaner and more secure energy future. The collective natural gas production of the ANGA member companies is approximately eight trillion cubic feet per year, which represents one third of the total annual U.S. natural gas supply.

Your respective administrations' recent efforts to keep a regional approach on track, even as Massachusetts has expressed reservations, is essential to ensuring that all residents in the region, can get access to domestically produced natural gas.

Natural gas plays an integral role in revitalizing our nation's economy by providing affordable and stable energy to industrial and residential consumers alike. Increased utilization of this clean, abundant and domestic energy resource in power generation and transportation will dramatically accelerate U.S. efforts to reduce air pollution.

Natural gas provides thousands of jobs to New Englanders engaged in energy production, transmission, transportation, and other sectors. It also offers significant environmental benefits

over coal, emitting far less carbon dioxide when used for power generation. Without the region's gas plants, many of which have converted from or replaced coal, New England's environment would not be as clean as it is today.

ANGA was encouraged by the announcement last December of your commitment to a plan that would secure an additional supply of natural gas to serve existing generation in New England. Representing producers of domestic natural gas, ANGA strongly supports initiatives that will enable infrastructure investment to allow the region to fully realize the advantages of natural gas for power generation. ANGA strongly supports the multi-state approach to this regional challenge.

To this end, ANGA submitted comments to New England States Committee on Energy (NESCOE) earlier this summer promoting the procurement and construction of new pipeline capacity in New England. We would like to reiterate that despite claims to the contrary, New England is not overly reliant on natural gas-fired generation. It is overly reliant on inadequately piped natural gas-fired generation. Pipeline expansion would remedy these infrastructure constraints to make the existing fleet more reliable and less economically volatile, enabling the region to take advantage of abundant, economically stable natural gas supplies only a few hundred miles away.


We submit that the current mismatch of pipeline capacity with the energy needs of the generation fleet is an impediment to New England's ability to capitalize on two major assets: a large gas-fired generation fleet already in service; and an enormous and growing natural gas supply for that fleet in unprecedented proximity to the region. Our members are committed to the safe and continued responsible development of America's natural gas resource. We believe that time is of the essence, and that, as evidenced by last winter's congestion-induced price run-ups, further studies to establish the need for action are unnecessary. ANGA has therefore filed additional comments (attached) with NESCOE, urging the immediate release of a solicitation for real infrastructure proposals, so that the process can meet the goal you established earlier this year of an additional 1 Bcf/day of pipeline capacity to be in place by the winter of 2017-2018.

ANGA would like to encourage you and your partners in NESCOE to remain steadfast in identifying opportunities to reduce constraints and to not lose sight of the overall objective when issues of local concern arise regarding one specific project or another. The FERC review process will afford every project the opportunity to go through a thorough public vetting process.

We as an industry always welcome the opportunity to discuss public policy initiatives, including regulation of our activities. The natural gas community is committed to being good stewards of the air, land and water in communities in which we operate and to ensuring that the benefits we provide do not come as a tradeoff for the health of the environment. We support all reasonable initiatives that aim to serve the same purpose.

ANGA stands ready to support you and your administration as you seek to find ways to achieve the goals outlined by NESCOE earlier this year.

Sincerely,


Paul Hartman
Regional Director, State Affairs

September 11, 2014

Hon. Deval Patrick
Governor of Massachusetts
Massachusetts State House
Office of the Governor
Room 105
Boston, MA 02133

Dear Governor Patrick:

I am writing on behalf of America's Natural Gas Alliance and its member companies to express our concerns regarding your recent decision to pull Massachusetts back from regional efforts to reduce energy costs in Massachusetts and neighboring states through the expansion of natural gas infrastructure in New England.

Representing North America's leading independent natural gas exploration and production companies, ANGA works with industry, government and customer stakeholders to promote increased demand for and availability of our nation's abundant natural gas resources for a cleaner and more secure energy future. The collective natural gas production of the ANGA member companies is approximately eight trillion cubic feet per year, which represents one third of the total annual U.S. natural gas supply.

We strongly believe that it is vital to keep a regional approach to expanding pipeline infrastructure on track. Even as the Commonwealth continues to debate and consider a broader energy package, a continued commitment to energy infrastructure is essential to ensuring that all residents in the region, and your state in particular can get access to domestically-produced and affordable natural gas. The recent decision by the State Legislature to discontinue consideration of your broader energy bill, which would have allowed utilities in this state to enter into long-term contracts for Canadian hydropower, should in no way endanger this regional approach. The two goals are not mutually exclusive and a set-back in one arena should not imperil the other.

Natural gas plays an integral role in revitalizing our nation's economy, providing affordable and stable energy to industrial and residential consumers alike. Increased utilization of this cleaner, abundant and domestic energy resource in power generation and transportation will dramatically accelerate U.S. efforts to reduce air pollution.

Natural gas provides thousands of jobs to New Englanders engaged in energy production, transmission, transportation, and other sectors. It also offers significant environmental benefits over coal, emitting far less carbon dioxide when used for power generation. Without the region's gas plants, many of which have converted from or replaced coal, New England's environment would not be as clean as is it today.

ANGA was encouraged by the announcement last December of your commitment to a plan that would secure an additional supply of natural gas to serve existing generation in New England, so you can imagine that our members are similarly discouraged by the recent developments. Representing producers of domestic natural gas, ANGA strongly supports initiatives that will enable infrastructure investment to allow the region to fully realize the advantages of natural gas for power generation. We strongly support the multi-state approach to this regional challenge.

To this end, ANGA submitted comments to New England States Committee on Energy (NESCOE) earlier this summer promoting the procurement and construction of new pipeline capacity in New England. We would like to reiterate that despite claims to the contrary, New England is not overly reliant on natural gas-fired generation. It is overly reliant on *inadequately piped* natural gas-fired generation. Pipeline expansion would remedy these infrastructure constraints to make the existing fleet more reliable and less economically volatile, enabling the region to take advantage of abundant, economically stable natural gas supplies only a few hundred miles away.

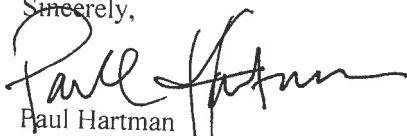
We submit that the current mismatch of pipeline capacity with the energy needs of the generation fleet is an impediment to New England's ability to capitalize on two major assets: a large gas-fired generation fleet already in service; and an enormous and growing natural gas supply for that fleet in unprecedented proximity to the region. Our members are committed to the safe and continued responsible development of America's natural gas resource. We believe that time is of the essence, and that, as evidenced by last winter's congestion-induced price run-ups, further studies to establish the need for action are unnecessary. ANGA has therefore filed additional comments (attached) with NESCOE, urging for the immediate release of a solicitation for real infrastructure proposals, so that the process can meet the goal you established earlier this year of an additional 1 Bcf/day of pipeline capacity to be in place by the winter of 2017-2018.

We as an industry always welcome the opportunity to discuss public policy initiatives, including regulation of our activities. The natural gas community is committed to being good stewards of the air, land and water in communities in which we operate and to ensuring that the benefits we provide do not come as a tradeoff for the health of the environment. We support all reasonable initiatives that aim to serve the same purpose.

ANGA strongly urges you to reconsider Massachusetts pull back from this regional approach and re-engage in the process to bring abundant natural gas resources into New England for a clean and more secure energy future for the entire region.

ANGA stands ready to support you and your administration as you seek to find ways to achieve the goals outlined by NESCOE earlier this year.

Sincerely,


Paul Hartman
Regional Director, State Affairs