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February 10, 2014

Heather Hunt, Executive Director
New England States Committee on Electricity
4 Bellows Road
Westborough, MA 01581

RE: Comments on increased pipeline capacity

Dear Ms. Hunt,

We are one of the four municipal companies that sell natural gas in Massachusetts. The efforts NESCOE has undertaken, along with the New England Governors, to increase natural gas pipeline capacity are very much appreciated. Our perspective from the front lines shows us we need even more capacity. We support efforts to provide an additional 2 billion cubic feet of natural gas per day. With that additional capacity we would be competitive commercially with the rest of the country and our residents would no longer have to pay a premium for their gas.

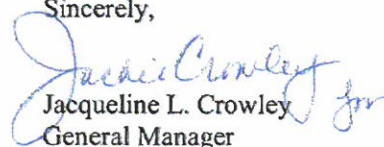
This first 1 billion cubic feet of additional natural gas capacity was based on assumptions that placed gas in the \$7 to \$9 dollar MMBtu range, with spikes in the \$13 range. Right now, we regularly see prices in the \$25-\$38 range and spikes in the \$60s and \$70s. New York and New Jersey have seen spikes over \$100.

This negatively impacts our community as well as other communities in the region. This is not sustainable. These costs have negative impacts on both residential and commercial customers alike and have far reaching effects on such items as job growth, economic stability and investments within the community. Customers are just starting to get bills that reflect the huge increases caused by the lack of pipeline capacity. This will be an increasingly vocal constituency and we would like to tell them that we truly are taking all the necessary steps to provide them with relief.

Natural gas fueled electric generation, as well, is becoming increasingly expensive because of a lack of pipeline capacity into the region. As a municipal electric plant this obviously has adverse effects as well. ISO-NE has a difficult job providing adequate resources every day. Knowing the efforts regulators throughout the Northeast have taken to protect the environment, it is clear that a longer term solution to bring affordable, abundant domestic supplies of natural gas into the region is fundamentally necessary.

Thank you for your efforts to date and I strongly urge you to take advantage of this opportunity to once and for all place New England on an even footing with rest of the country with adequate access to natural gas.

Sincerely,


Jacqueline L. Crowley
General Manager