November 4, 2014

Mr. Farhad Aminpour  
Director, Energy Markets Division  
Massachusetts Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, MA 02114  

Re: DOER's Low-Demand Gas Study

Dear Mr. Aminpour:

The Northeast Gas Association (NGA) appreciates the opportunity to provide comments on the modeling design developed by Synapse Economics, Inc. for the Massachusetts Department of Energy Resource's (DOER's) low demand analysis.

The feasibility analysis as presented by Synapse in its presentation on October 30 and its summary paper is extensive. It presents a suite of energy supply and demand resource opportunities to be assessed as Synapse seeks to identify the Commonwealth’s energy needs over the coming fifteen years and its possible options, measured against price and environmental impacts.

**Modeling Gas Demand:**
Natural gas is currently the leading fuel for both home heating and power generation in the Commonwealth, and its potential for further growth is considerable. As NGA noted in its letter of October 20, we hope that the DOER analysis will reflect the natural gas demand that the Commonwealth’s natural gas utilities (LDCs) are currently experiencing, especially in light of the high demand recorded last winter. Furthermore, customer growth on the LDC systems is anticipated to grow strongly, in response to the positive price situation of natural gas compared to other home heating fuels and to the Commonwealth’s support for further natural gas expansion, as witnessed by H. 4164.

On page 4 of its feasibility analysis paper, Synapse notes that the “LDCs’ five-year design day forecast will be applied to the January of the split year and remain unadjusted from their most recent filing as provided to DOER.” The 2013-14 winter as noted above saw very high demand on all the utility systems. It is our understanding that the three largest gas utilities in the Commonwealth – Columbia Gas of MA, National Grid and NSTAR/NU – have already submitted updated demand forecasts to DOER reflecting this recent historical experience. These three companies collectively serve about 90% of the Commonwealth’s utility customer base. The Commonwealth’s LDCs are also planning to provide for a portion of “capacity exempt” customers starting this winter, under the guidance of the Department of Public Utilities. Thus, we urge DOER and Synapse to adjust the LDCs’ demand forecast in line with actual available data and market conditions that are both timely and realistic.
We concur with the comments of James Daly of NU in his letter of November 3 regarding contingency analysis, and that Synapse should study LDC demand using the standards for “design season” and “design peak” as utilized by utilities in Massachusetts, “rather than attempt to determine some other untested standard.”

Thank you for the consideration of our comments.

Sincerely,

Stephen Leahy
Vice President, Policy