



March 14, 2006

Senator Mark C. Montigny
94 Hawthorn St
New Bedford, MA 02740

Dear Senator Montigny:

I write to you on behalf of the members of the Massachusetts Affordable Reliable Electricity Alliance (Mass AREA), a group of more than 25 Massachusetts business groups, power suppliers, environmental, scientific and energy experts who have banded together to raise awareness of and promote solutions to Massachusetts' energy issues.

Massachusetts is at a critical juncture with respect to its energy infrastructure. Many well-respected organizations including the Federal Reserve Bank of Boston, ISO New England and the Federal Deposit Insurance Corporation all say that something must be done, and done soon to shore up our electric system.

An important component of solving the problem is bringing in new fuel supplies. Nora Brownell, Commissioner of the Federal Energy Regulatory Commission when speaking to our natural gas supply situation recently said, "New England is at the end of the pipe...All of the 10,000 megawatts of new generation is gas fired so we need to find more sources for gas for New England."

The facts are clear – New England has experienced a dramatic increase in demand for natural gas, rising 70 percent from 1993 to 2003. Not only is natural gas used to heat nearly 1.1 million residences in Massachusetts, but 43% of our electric generation is fired by natural gas. ISO New England has said it is likely that reliance on natural gas for electricity production in the Boston area will reach approximately 80% by 2010. Furthermore, natural gas reduces our need for other fossil fuels that increase greenhouse gas emissions.

Our increasing demand and our location at the end of the pipelines has cost us real dollars. The US Energy Information Administration said in 2003 New England consumers paid 30% more for natural gas than the rest of the nation. While prices have recently stabilized, they are double what they were just a few years ago and no one is predicting a return to low prices. Tragically, high energy costs hit low and fixed income residents the most as they need to spend more of their limited dollars on must-have heating and lighting.



Given this untenable situation, we at the Massachusetts Affordable Reliable Electricity Alliance (www.maarea.us) encourage you to act quickly to help increase the supply of natural gas in our area. The economic consequences of any delay in siting new facilities are real.

The New England Council reported in its May 2005 study on LNG that just a 2-year delay in natural gas system infrastructure construction planned for the region will cost New England customers approximately \$3 billion by 2010 in higher natural gas prices.

Many proposals for the siting of liquefied natural gas (LNG) facilities are before regulatory and legislative bodies. We urge you to actively support those proposals that represent the safest and most cost-effective way to increase natural gas supplies here in Massachusetts. From both economic and quality of life perspectives, we can no longer wait.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joyce A. McMahon'.

Joyce A. McMahon
Communications Director