Gas Utility Expansion

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New England Natural Gas Distribution System

New England

Gas = 39% of home heating

Gas = 47% of power gen

2.7 million natural gas customers
Customer Growth Continues - up 13% from 2005 - 2015

340,000 new residential and commercial customers in the region over the last decade (2005-15)

Source: U.S. EIA
Price Still Matters: Gas vs. Oil

Crude Oil = $46/barrel
Natural Gas = $3.10/MMBtu

Source: MacroTrends, data though May 1, 2017. Oil is WTI; gas is Henry Hub spot price.
Rising Demand, but Challenges Too

• Infrastructure access
  ➢ Access to pipelines can be limited depending on location
  ➢ Supply constraints at points
• Gas utilities can and do enter transportation agreements for supply, but challenges remain on the power gen side
• Workforce requirements
• Siting and environmental issues
• Increasing role of “virtual pipelines” for strategic market reach, particularly for larger C&I customers – CNG and LNG option.
Utilities are Investing in the Region

Some interesting examples in northern New England – to be discussed by Unitil and Liberty.

Vermont Gas Addison Expansion Project just completed. 41 mile expansion south into Addison County.

Middlebury had been served for last few years by CNG delivered by truck via NG Advantage, with gas sourced at Vermont Gas. Now a pipeline is in place.
NARUC Task Force Looking at Gas Access

In April, NARUC set up a new Natural Gas Access and Expansion Task Force.

Charged with “developing best practices and recommendations regarding natural gas service for underserved and unserved areas of the country, including, but not limited to rural communities.”

Co-chair is Commissioner John F. Coleman Jr. of PA PUC. MA DPU Commissioner Robert Hayden is a member.