

**Comments from
EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England**

Corporate Profile

KeySpan Corporation is the fifth largest distributor of natural gas in the United States and the largest in the Northeast, operating regulated gas utilities in New York, Massachusetts, and New Hampshire that serve 2.6 million customers. KeySpan NH serves 80,000 customers in 29 cities and towns throughout the central and southern part of the state including the City of Berlin.

Major issues facing the State of New Hampshire:

1. High price of natural gas: Natural gas pricing continues to be extremely volatile. Over the last five years, the price of natural gas have more than doubled. There are a number of factors that have contributed to this phenomenon including but not limited to; supply/demand balance, global events and the resulting impact on access to resource availability and the role of infrastructure.
2. Access to natural gas resources: It is always important to have access to resources; however in an environment with a tight supply/demand balance it is even more critical. Furthermore, it is critical to have access to a diversified set of resources.

The State of New Hampshire (“NH) is impacted by both issues; the high price of natural gas and the access to natural gas resources. In order to ‘solve’ the dilemma presented by the high price of natural gas, NH needs to focus on several initiatives going forward, including; (1) Initiating and supporting efforts to provide more infrastructure to the New England region and (2) Continued focus on energy efficiency.

Simply put, more infrastructure provides access to resources which in turn, provides more competition and lower costs. In early 2000, when the Maritimes and Northeast Pipeline deliveries of Sable Island gas came on line, the market reacted. Prices in fact, did go down in the Northeast region; however this phenomenon did not last for long due to the disappointing drilling results from the Sable Island supply basin. But it did demonstrate the fact that infrastructure which provides access to more supply does make a difference.

Since it will take some time for the current market dynamics to change, it is imperative that NH continue to focus efforts on energy efficiency. Energy efficiency does have an impact.