

**A short history of the
Town of Groton
“Tennessee Gas Pipeline
Working Group
Committee”**

Pursuant to Section 3-2 of the Town of Groton Charter, a seven-member committee appointed by the Board of Selectmen was established to “understand the options” and “educate the public” regarding issues related to the potential installation of a high-pressure pipeline carrying natural gas through the Town of Groton. As the committee chairperson*, Mr. Kelly’s goal was to provide information to other committee members about the expected challenges to electricity production and costs in the winter months as various generating facilities supplying Groton are retired. The key point that GELD’s management has emphasized is that this region needs additional energy supplies. The facilities that are being closed are all being replaced with generation that utilizes natural gas and the natural gas transmission infrastructure is becoming more constrained during winter months.

**Mr. Kelly has since resigned his position as chair and member of this committee.*

Dear Customer/Owner:

Re: Natural Gas Pipeline Update

Since the proposed new natural gas pipeline has not been in the headlines lately, we thought an update on what is happening locally would be helpful ahead of the April 25 Spring Town meeting. As this newsletter is being written, it is anticipated that there will be a warrant article regarding the pipeline on the second night of Town Meeting. This newsletter is meant to provide information and context for your vote on the warrant article 24 “Non-Binding Resolution” which is included in this letter for your review.

Last fall, the Board of Selectmen unanimously accepted the recommendation of the Tennessee Gas Pipeline Working Group Committee to withdraw from active opposition to the pipeline. However, this winter the Board of Selectmen by a 4 to 1 vote reversed their position and chose to intervene in opposition to the pipeline running through southern New Hampshire.

The proposed pipeline and route is currently moving through the Federal Energy Regulatory Commission (FERC) approval process. Today, FERC is not considering a pipeline that will cross through Groton. However, Groton does remain an alternative to the southern New Hampshire route. The southern New Hampshire route is currently favored because a substantially greater percent of its path is running directly adjacent to other transmission easements than the Groton option.

Support for the southern New Hampshire route rather than opposing it will help ensure that the Groton path is not chosen as an alternative route. The shift to the New Hampshire route was the primary reason that the “Tennessee Gas Pipeline Working Group Committee” for the Town of Groton recommended to the Board of Selectmen to suspend activities and not intervene in the FERC process. The 2015 annual report from that committee is included at the end of this letter.

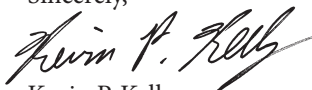
By intervening to oppose the pipeline path in southern New Hampshire, the Board of Selectmen of the Town of Groton may be contributing to future issues for the Town and the cost of natural gas and electric power. There are three possible outcomes for this course of action:

1. The southern New Hampshire route is withdrawn with an alternative route proposed.
New England will still need energy supplies, another route will likely be put forward and could result in a return to the Groton option for the pipeline.
2. The southern New Hampshire route is withdrawn with no alternative route.
The intervention succeeds and all pipeline options are withdrawn and nothing is built. New England natural gas and electricity prices move higher until there is an energy crisis in the region and policy makers become more aggressive in developing new sources of energy supplies.
3. Intervenors (including Groton) fail and the pipeline is built through New Hampshire. Energy costs in New England fall and are competitive with other regions of the United States. Power generation capacity can be built to replace the coal and nuclear plants that are being retired.

Groton Electric Light has taken the position that additional natural gas transmission infrastructure for New England is necessary. We find common ground with those who opposed the pipeline in Groton but support a different path for that pipeline.

As always, thank you for your support!

Sincerely,



Kevin P. Kelly
Manager

Warrant Article 24

Non-Binding Resolution

To see if the Town will vote to direct the Board of Selectmen to file as Interveners to oppose the Northeast Expansion of the Tennessee Gas Pipeline in Massachusetts, or to take any other action relative thereto.

Summary: On June 30, 2014 the Groton Special Town Meeting voted to adopt a non-binding resolution to oppose the Northeast Expansion of the Tennessee Gas Pipeline in Massachusetts. Since that time, the primary route of the Pipeline has been changed to a route in Southern New Hampshire. On January 11, 2016, the Board of Selectmen voted to direct the Town Manager to file as an intervener with this project on behalf of the Town of Groton. The purpose of this non-binding resolution is to either confirm this vote or provide the Board with new direction.

Tennessee Gas Pipeline Working Group Committee

2015 Annual Report

The Tennessee Gas Pipeline Working Group Committee was appointed as an advisory committee by the Board of Selectmen to gather and analyze information regarding Kinder-Morgan's Northeast Direct (NED) project and its implications for Groton. The Committee itself reflected a wide spectrum of community opinion on numerous aspects of the proposal ranging from the need for the pipeline to the ultimate use of the product it would transfer. Given this dynamic, the group attempted to limit its focus on NED's direct impact to Groton and advise the Selectmen on how best to have input on the regulatory and permitting process. To this end, the Committee organized its tasks along the following three focus areas: evaluate, mitigate and educate.

The announcement by Kinder Morgan that the preferred path of the pipeline has shifted and will now avoid Groton has affected the Committee's focus. While Groton is still listed as one of Kinder Morgan's alternative path options, the Committee is now focused on following the FERC regulatory process and alternative path community options while watching for signs that the new preferred path is not advancing.

In late September 2015, the Committee petitioned the Board of Selectmen to suspend regular meetings so long as the Kinder Morgan preferred path avoids the Town of Groton.

***It's important to note that although it was not stated in the annual report, the Board of Selectmen unanimously accepted the recommendation of the committee.*

See How Groton Electric Rates Compare!

The chart below shows Groton Electric's rate compared to the average and highest residential rate for Massachusetts investor-owned utilities as well as the lowest rate in Massachusetts. The highest rate in Massachusetts is Until (Townsend's supplier) and is currently 97% higher than Groton Electric.

