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September 8, 2010

To: Members of the House Consumer Affairs Committee

From: Terrance Fitzpatrick, President & CEO

Re: House Bill 1817 – Mid-Atlantic Area Natural Gas Corridor Interstate Compact

These comments are submitted on behalf of the Natural Gas Distribution Companies (NGDCs) that are members of the Energy Association of Pennsylvania.¹

NGDCs rely upon the interstate pipeline system to transport natural gas to the “citygate,” where it enters the NGDCs’ distribution systems. Both the price and the reliability of the service NGDCs provide to customers depend upon the adequacy of this pipeline infrastructure. Accordingly, NGDCs and their customers have an interest in preserving public policies that encourage timely construction of new pipeline infrastructure to meet the growing demand for this clean-burning fuel.

In addition, the Marcellus Shale gas resources present huge economic development opportunities for the Commonwealth. The availability of this new resource should lead to lower and more stable prices, and more reliable supplies. However, in order to fully realize the environmental and economic benefits of this resource, new pipeline infrastructure must be built to move the gas to markets.

We are concerned that attempting to create an Interstate Compact to regionalize the process for siting interstate natural gas pipelines would ultimately slowdown and obstruct timely construction of necessary pipeline infrastructure projects. We believe that the general public interest supports retaining this jurisdiction in the Federal Energy Regulatory Commission.

Please feel free to contact me if you any questions concerning this letter. Thank you for considering our views.

¹ Columbia Gas of PA, Equitable Gas Company, National Fuel Gas Distribution Corp., PECO Energy Company, Peoples Natural Gas Company, Philadelphia Gas Works, Pike County Light & Power Co., UGI Central Penn Gas, Inc., UGI Gas Utilities, Inc., UGI Penn Natural Gas and Valley Energy, Inc.