TO: Gas and Electric Commissioners
FROM: Jackie Crowley, General Manager
DATE: February 12, 2019
RE: New Natural Gas Service Notice

Algonquin Gas Transmission’s G-Lateral feeds Middleborough Gas & Electric Department (MGED), Southeast Massachusetts including Cape Cod, and part of Rhode Island, and the pipeline has been at capacity for some time. Moratoriums on new natural gas connections have been in place since 2014 in some part of Massachusetts, including the outer Cape. MGED’s system load has grown over the past several years, with no corresponding increases in natural gas supply since the Algonquin Incremental Market Project (AIM) came in service in 2016, and the other distribution systems served by Algonquin’s G-Lateral have seen similar demand increases. MGED is currently evaluating options to bring additional sources of natural gas supply to our service territory but, due to significant opposition to adding new capacity to the region and State, the time frame for securing additional capacity is uncertain, and MGED is committed to supplying the current level of firm customer demand. MGED will review requests for new service as soon as the capacity issue is adequately addressed.

Due to the lack of new natural gas capacity in the region, MGED will not be able to meet requests for new natural gas service as of February 2019. Customers can make improvements to their existing natural gas service (i.e. replace a gas furnace, gas stove, or gas hot water heater), so long as the load profile for their home or business does not increase and the service was actively consuming gas in January 2019.

MGED’s only source of pipeline vapor is from interconnects with Algonquin, an Enbridge company; and from three interconnects with neighboring local distribution company, Columbia Gas of Massachusetts (CMA). The natural gas received at the interconnects with CMA is delivered via a transportation service sourced at CMA’s interconnection with Algonquin, upstream of MGED, also located on the constrained Algonquin G-lateral. All pipeline natural gas supply used to meet MGED customer requirements is sourced either from Algonquin or from liquified natural gas (LNG) stored in a tank at MGED’s Gas Division, and vaporized for delivery into MGED’s distribution system. The LNG is trucked from Constellation’s terminal in Everett MA to MGED’s 30,000 gallon tank by Transgas, and MGED typically uses eight or fewer trucked deliveries each year. MGED does not have liquefaction capability and can not simultaneously vaporize LNG and replenish the tank with trucked liquid, so use and fill must be carefully timed. At peak LNG utilization, MGED would empty the tank in two days.