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NEES Calls for State, Federal Investigation into Berkshire Gas Company's Investment in Proposed Tennessee Gas Pipeline Project

BOSTON – Northeast Energy Solutions (NEES) today called on Federal and State officials to launch an inquiry into Berkshire Gas Company's decision to invest in the proposed Tennessee Gas Pipeline project while at the same time enforcing a moratorium on new natural gas customers in its eastern region, including Hampshire and Franklin Counties.

"The fact that Berkshire Gas has pledged only to lift the moratorium if the gas pipeline project is built without disclosing their financial interest in the pipeline is a breach of public trust," said Vincent DeVito, legal counsel to NEES, a nonprofit organization established to provide economic and environmental analysis of proposed energy transport projects in the Northeast.

UIL Holdings Corp., the owner of Berkshire Gas Co., announced last week that it has invested approximately \$80 million for a 2.5 percent interest in the proposed pipeline project.

DeVito said "the fact that that Berkshire's potential investment was not disclosed by either the company or Tennessee Gas until NEES questioned the moratorium speaks volumes to the ham-handed nature of their approach to rate payers, land owners, and municipal and state administrators."

NEES filed a brief with the Massachusetts Department of Public Utilities (DPU) last month charging that Berkshire Gas had not "explained the impact of the moratorium on present and potential future demand or what impact, if any, lifting the moratorium would have on demand."

DeVito said "Berkshire's petition to the DPU should be rejected as defective and our elected officials should examine the business practices of and relationship between the developer and the investor."

He noted that NEES has been questioning Berkshire's "abnormal move" to impose the moratorium without considering alternative solutions. The DPU ruled against NEES' petition for intervener status at a hearing examining Berkshire's supply agreement with Tennessee Gas.

"Had NEES been a full part to the case, it could have gotten to the bottom of Berkshire's strategy, interest and, ultimately, to the truth behind the moratorium," DeVito said.

He pointed out in one NEES brief to the DPU it noted that Berkshire neither identified how much incremental capacity would be required to lift the current moratorium on new customers, nor its impact on expected future demand.