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SEP Comments
NYSERDA
17 Columbia Circle
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Re: Draft New York State Energy Plan

Millennium Pipeline Company, LLC (Millennium) is pleased to provide comments on the draft New York State Energy Plan. Millennium is a 182 mile underground, natural gas pipeline traversing the Southern Tier and lower Hudson Valley of New York serving utilities along its route as well as New York City utilities through interconnecting pipelines. As the latest major addition to the State's natural gas infrastructure, we recognize the importance of the Energy Plan's five policy objectives and the positive impact on the State's citizens by careful energy planning.

New Yorkers Serving New York

The Plan's five policy objectives are:

- Assure that New York has reliable energy and transportation systems;
- Support energy and transportation systems that enable the State to significantly reduce Greenhouse gas (GHG) emissions, both to do the State's part in responding to the dangers posed by climate change and to position the State to compete in a national and global carbon constrained economy;
- Address affordability concerns of residents and businesses caused by rising energy bills, and improve the state's economic competitiveness;
- Reduce health and environmental risks associated with the production and use of energy across all sectors; and
- Improve the State's energy independence and fuel diversity by developing in-state energy supply resources.

(SEP Executive Summary page xi)



Millennium commends the State for recognizing the importance of developing in-state energy supply resources including a reliable energy transportation system. The benefits of this strategy in the natural gas arena include, but are not limited to: 1) enhanced reliability of gas service to NY consumers by accessing western New York gas storage and Marcellus shale gas production thereby reducing the incidence of well freeze offs or supply interruptions due to hurricanes in the Gulf of Mexico; 2) increased NY pipeline infrastructure capacity to serve the State's consumers with access to diverse supplies from local production sources thereby reducing price volatility; 3) stimulate development of gathering and aggregation systems in western NY drilling regions; 4) opportunity to provide gas service along the pipeline route to New Yorkers with limited or no gas service today; and 5) increased tax revenues from new capital investment.

In addition during the construction period, New Yorkers benefit from local job creation at union wages, local vendors providing materials supplies, and support services to sustain construction, increased occupancy of hotels, apartments and campgrounds by workers, and workers spending wages earned in retail stores and restaurants. Construction workers add to the vitality of the local economy not only by spending money but also getting involved in community projects and events. New Yorkers serving and supporting NY infrastructure development is an important ingredient and should be considered a cornerstone perspective of the Energy Plan, that is not attainable when energy projects are built outside our great state.

Incremental Infrastructure Additions Makes Energy More Affordable

Affordability of clean burning fuels like natural gas to consumers is addressed by adding facilities as they are needed rather than pre-building, capital intensive projects causing cost increases before they are required. For example, Millennium can meet the increasing demand in staged developments as markets grow rather than overbuilding infrastructure which is not needed. Based on demand for services, only those facilities required to meet the need will be added such that cost increases occur as demand increases to cover the costs. Thus, consumers ultimately will pay for facilities required to meet market demand. The Energy Plan should encourage and streamline approval processes for incremental gas facilities additions as a way to improve the affordability of clean burning natural gas to consumers.

Respectfully submitted,

MILLENNIUM PIPELINE COMPANY, L.L.C.

By _____
Richard H. Leehr
President

