



January 30, 2004

Ms. Susan Tierney
Chair, Massachusetts Ocean Management Task Force
Massachusetts Executive Office of Environmental Affairs
251 Causeway Street, Suite 800
Boston, MA 02114-2199

RE: Comments on Ocean Management Task Force Draft Principles and Preliminary Recommendations

Dear Ms. Tierney:

On behalf of National Grid USA, I appreciate this opportunity to comment on the draft principles and preliminary recommendations advanced by the Ocean Management Task Force. Its work is indeed significant as it attempts to define the appropriate use and management of ocean resources. The principles and recommendations set forth by the Task Force address many key issues that must be considered for the future development of Massachusetts. I would like to call attention to one additional issue that deserves serious consideration as the work of the Task Force proceeds: the use of ocean resources by regulated electric utilities.

Certain National Grid USA subsidiaries, namely Nantucket Electric Company, Massachusetts Electric Company and New England Power Company, are electric utilities as defined by Massachusetts law. These subsidiaries deliver electricity to over 1.2 million homes, businesses, government agencies and municipal light departments throughout the Commonwealth. Many of the communities we serve are located on water's edge. Accordingly, we have a keen interest in any new developments that may affect our subsidiaries' ability to provide essential electric delivery service to customers.

As electric utilities, our subsidiaries have a statutory mandate to serve all individuals and entities within our service territories. We take this obligation very seriously. The Massachusetts Department of Telecommunications & Energy and the Federal Energy Regulatory Commission monitor our performance very closely. Because of our mandate, we are fundamentally distinct from independent power producers, generation companies, pipelines and mining companies that may have an interest in using the ocean bed. Our subsidiaries successfully licensed the first cable from the mainland to Nantucket through numerous state and federal environmental agencies, installed it with minimal impact on ocean resources and continue to operate it under safe conditions for the benefit of island residents, businesses and government. In addition, we have installed electric distribution cables under other bodies of water, including Dorchester Bay (for the benefit of customers in Quincy) and the Annisquam River (to meet the needs of customers in Gloucester and Rockport). Each of these projects is critical to provide electricity to

customers and maintain public safety. We believe that our experience in siting, permitting and completing these projects may provide valuable insights to the Task Force.

For the reasons stated above, National Grid USA respectfully requests that the Task Force recognize the significant role that state regulated utility companies serve as you continue the further refinement of your principles and recommendations. We would also request an opportunity to participate in future Task Force deliberations to ensure its complete understanding of an electric utility's interface with ocean resources. I look forward to hearing more about this significant effort by the Commonwealth and to contributing to its success. I can be contacted at (508) 389-4290 or by email at joseph.kwasnik@us.ngrid.com.

Very truly yours,



Joseph M. Kwasnik
Vice President-Environment

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