

Public Service Company of New
Hampshire
Docket No. DE 09-180

Data Request TRANSCANADA-02

Dated: 11/30/2009
Q-TC-003
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ORIGINAL	
N.H.P.U.C. Case No.	DE 09-180
Exhibit No.	#15
Witness	Baumann Epichetti
DO NOT REMOVE FROM FILE	

Witness: Robert A. Baumann
Request from: TransCanada

Question:

With reference to Mr. Baumann's prefiled supplemental testimony dated November 23, 2009 in this docket, lines 4-6 on page 4 of 10, and more specifically his testimony that "unprecedented low natural gas prices ... may very well be shortlived." Please explain in detail the basis for his opinion that low natural gas prices may be "short-lived" ..

Response:

This statement is based on a review of historic natural gas prices. See the attached chart that presents historical natural gas prices over the past 12.5 years. The issue of gas price changes is also discussed in media reports, such as:

Time Magazine, <http://www.time.com/time/business/article/0,8599,1918674,00.html>

"As Oil Explodes, Why Natural Gas Prices Stay Low," August 27, 2009:

"The low prices now represent the abundance of unusable and potentially un-storable gas, a situation that will not last. " and

"With production decreasing because of low price incentives and a great deal of gas likely being lost from capping wells and flaring gas, the oversupply will not last, and the price will be pushed higher by supply and demand fundamentals. The natural gas futures traded on the New York Mercantile Exchange (NYMEX) imply that natural gas prices will more than double in the next year."

Dollars per Thousand Cubic Feet

