December 29, 2016

Mr. Robert deV. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Via Agency Website

Re: Docket No. R-1547; RIN 7100 AE-58, Risk-based Capital and Other Regulatory Requirements for Activities of Financial Holding Companies Related to Physical Commodities and Risk-based Capital Requirements for Merchant Banking Investments, Notice of Proposed Rulemaking

This letter concerns the Federal Reserve's Notice of Proposed Rulemaking (NOPR) which, as did the Advanced Notice of Propose Rulemaking (ANPR), presents an existential threat to the natural gas consumers in our communities. We are relieved that the provisions of the ANPR were not passed, and we do not find the provisions of the NOPR to be a suitable alternative. The NOPR imposes capital requirement restrictions that will discourage Financial Holding Companies (FHCs) from participating in long-term municipal gas supply deals. These deals have provided our residential, retail and industrial consumers with discounted gas that will be flowing for decades to come. It is probable that FHCs, handicapped by these regulations, will be driven out of the market. The consequence will be a decrease in gas supply and an increase in gas prices. Our small-town, rural communities have come to depend upon the discounted gas provided by these transactions. Working people, for whom every cent counts, will be the ones who pay the price for these regulations.

Anthony Cannon
General Manager/CEO
Greenville Utilities Commission