

Tennessee Gas Pipeline Co. responds to FERC questions

By TOM RELIHAN | Recorder Staff | Tuesday, December 29, 2015



A promised response to questions from the Federal Energy Regulatory Commission filed by Tennessee Gas Pipeline Co. Tuesday answered hundreds of comments from interested parties about some specifics of the proposed Northeast Energy Direct project, but fell short of addressing most of the more highly anticipated questions.

In particular, the 503-page document lacked an evaluation of each of the alternatives for the pipeline's final route and the compressor stations to be sited along the way. TGP said it expects to release that information on Thursday.

Many opponents of the project are still not satisfied, characterizing the initial application and Tuesday's responses as "half-baked" or "evasive" and criticizing the company for expecting stakeholders to wait for more answers as the project progresses.

The response follows FERC's determination earlier this month that parts of the 21,000-page application for a certificate of public convenience and necessity that TGP filed Nov. 20 were incomplete. The agency, which is responsible for approving and regulating interstate natural gas pipelines, gave the company 20 days to address the concerns. If approved, the controversial \$5 billion project would cross eight Franklin County towns as it carries up to 1.3 billion cubic feet of gas per day from Wright, N.Y., to Dracut.

First up was the Massachusetts Attorney General's Office, thus far a vocal opponent of the project.

The filing lambasts Attorney General Maura Healey's recently released study on whether a new pipeline is needed, saying it ignores a variety of important statistics and fails to paint a complete picture of the energy situation facing the Northeast by accounting for the retirement of other base-

load electricity sources. The document said TGP plans to file a more detailed response to the study at a future date.

In response to the AG's concerns about the project's crossing of land protected under Article 97 of the state Constitution, TGP said it would comply with the state Energy and Environmental Affairs office's requirement that land taken must be mitigated by protecting replacement real estate "of equal or greater fair market value or value in use of proposed use, whichever is greater, and significantly greater resource value."

"Tennessee has, to the maximum extent practicable and feasible, routed the Project to avoid Article 97 lands. In areas where Tennessee is unable to avoid crossing Article 97 lands, Tennessee has sought to co-locate the Project's pipeline with existing utility corridors that cross those lands in order to minimize impacts to Article 97 lands," the document read.

The filing also said TGP will comply with all national and state regulations governing greenhouse gas emissions and global warming, including the National Ambient Air Quality Standards, and noted that increased use of natural gas would offset dirtier fuel sources like oil and coal. It said the project would be closely monitored for leaks and other problems throughout the year.

"Tennessee closely monitors pipeline operations, including line pressure and surveillance of the pipeline to detect leaks and protect against third-party damage. Tennessee also uses state-of-the-art, in-line inspection tools, known as smart pigs, to periodically internally inspect the pipeline in accordance with USDOT regulations, 49 CFR Part 192," it read.

Regarding air quality and public health, TGP said the gas in the pipeline is considered "pipeline quality," with impurities removed prior to transport, but does not address the AG's request that all of the chemicals present in the gas be documented and made public before a certificate is issued by FERC.

Responding to concerns about the safety of the project, TGP said it plans to work closely with first responders and emergency agencies along the route to carry out drills and ensure proper response to emergencies.

"In some cases, the proposed pipeline route passes not only within residential areas, but within 50 feet of homes. Several communities have expressed concern about local emergency response capacity to take on the additional burden of responding to pipeline-based emergencies," the AG wrote.

TGP noted, however, that it will not reimburse emergency responders for any overtime worked.

It also downplayed concerns about detrimental effects to the value of homes along the route or on homeowner's insurance, citing many of the same studies used in previous Environmental Impact Statements issued by FERC, which the AG said the agency has acknowledged as old, outdated, or commissioned by pipeline interests or representatives of the natural gas industry.

"Tennessee is not aware of any instances of a decrease to property value or the inability of a homeowner to obtain a mortgage for a property in the vicinity of a compressor station. There are dozens of existing compressor stations along Tennessee's existing system in the northeast U.S. and

many individuals have bought, sold, and built homes immediately in the vicinity of compressor stations,” the filing read.

TGP again asserted that the NED would not be supported by ratepayer tariffs in the filing — a concern raised in comments to the state Energy Facilities Siting Board.

“The proposed project is not relying on subsidies to be built,” the document reads. “The project is a stand-alone project that will be owned by two joint ventures and constructed and operated by Tennessee under its exclusive possession and control, as discussed in the certificate application. The project is supported by the Project Shippers who have entered into precedent agreements with Tennessee.”

It does note that certain electric distribution customers in the area may be willing to contract for more gas if they are able to pass on and recover the cost from their ratepayers.

TGP does not address calls in the EFSB comments for a holistic review of all the proposed pipeline projects in the region as one to determine which, if any, would be the best option. Instead, it defends the need for more “significant firm natural gas infrastructure” in the region as a whole.

“A substantial amount of the intended pipeline capacity remains unsubscribed. Some commenters expressed concerns that the capacity might ultimately be used for export to Atlantic Canada, or for liquefaction and trans-shipment to global LNG markets, where prices may be at a premium,” the board wrote.

TGP referred the concern to a list of customers, including many local distribution companies, like Berkshire Gas, a holding company, an industrial end-user, power generators and a municipal light plant.

The document also addresses concerns about the effects the pipeline could have on local working farms. TGP said it has been working with landowners to identify crops grown on particular lands and any special considerations that need to be taken into account during construction, as well as modifying the route in various spots to avoid farms.

The board also asked TGP to expand the application to include alternatives for each planned compressor station to be located in Windsor, Northfield, and Dracut. Northfield’s station is expected to be one of the largest in the country. TGP said alternatives have been considered and were included in another part of the application, and will be further considered in the company’s supplemental application to be filed Thursday.

Northeast Energy Solutions (NEES), a coalition of land trusts and other environmental groups fighting the project, grilled technical aspects of the resource reports in TGP’s application, pointing out areas where outdated or insufficient data was provided, including affected vernal pools, rare and endangered species, stream crossings, coldwater fisheries and groundwater resources. The group called for the use of finer-detail sources of information, while TGP said that the data and entries would be updated as additional information becomes available.

NEES also pointed out inconsistencies in the filing’s resource reports covering topics such as the location of main line valves and places where water bodies could be redirected, and vagaries

surrounding activities like the sourcing disposal of water used for hydrostatic tests and how other environmental impacts would be prevented or mitigated, which TGP attempted to answer or clarify.

Vincent DeVito, a Boston lawyer representing NEES, said: “TGP’s response is a continuation of its tactic of asking FERC and its stakeholders to wait until they gather more information. It is clear their filing was premature and that it remains grossly inadequate. Traditionally, filings are more fully baked before being presented to FERC. Filings buttressed mostly by forward looking statements may placate corporate shareholders but do not meet the requirements of FERC.”

The Millers River Watershed Council was assured only that TGP would follow “best-management practices” when operating near two sludge and waste dumps on the banks of the Millers River in Erving, which the council said could be compromised by blasting during construction.

“Tennessee and its contractors will adhere to practices related to groundwater and surface water protection, including specifications for trench breakers and dewatering, as well as restrictions on refueling and storage of hazardous substances,” the filing read. “Tennessee will evaluate and treat any unanticipated hazardous materials uncovered during construction in accordance with applicable federal and state requirements.”

Conway’s Agricultural Commission, which raised concerns about water, soil, and air quality, climate change and the impact on working farms in town, received boilerplate responses provided earlier in the report to the AG’s office on those topics.

Kathryn Eiseman, president of the Pipeline Awareness Network of the Northeast, said she wasn’t optimistic that the responses would adequately address many of the concerns that have been raised.

“I didn’t expect anything substantive from their responses — evasive non-answers seems to be their specialty,” Eiseman said. “I am interested in seeing how they explain away all possible alternatives this time around, though.”