

Berkshire Gas: No room for service expansion

By RICHIE DAVIS | Recorder Staff | Wednesday, August 31, 2016



Deerfield Selectman Trevor McDaniel delivers a statement at the Department of Public Utilities hearing on the Berkshire Gas Co.'s long-range supply plans at the Greenfield Middle School on Tuesday, Aug. 30. *Recorder Staff/Matt Burkhardt*

The state Department of Public Utilities returned to Greenfield Middle School auditorium Tuesday night, this time for a hearing on Berkshire Gas Co.'s four-year forecast and resource plan.

Unlike a packed June 2015 hearing in the same overheated location, this session drew about 60 people to discuss the plan filed with the DPU in July after cancellation of Tennessee Gas Co.'s Northeast Energy Direct pipeline through the region. Details of the plan, for the years 2016-2017 through 2020-2021, haven't been filed yet, however, leaving some of those who testified to rail against building additional infrastructure for fossil fuels and instead call for better conservation and leak-detection.

Most of the dozen or so people who testified on its proposed analysis of supply alternatives to increase capacity in its system called on the company to lift a 2014-imposed moratorium imposed in its eastern service area. That area includes Greenfield, Montague, Deerfield, Sunderland and Whately in Franklin County, and Amherst, Hadley and Hatfield in Hampshire County.

Berkshire Gas President Karen Zink began the session with a statement explaining, “Simply put, this is why reliability is the cornerstone of our business and has always been so extremely important to Berkshire Gas- and is the primary reason Berkshire declared the moratorium. While we recognize customers are disappointed that new natural gas is unavailable, it pales in comparison to how customers of the company would feel if natural gas service was lost on the system.”

But, she added, “There is congestion on the main line and, quite simply, there is no more space in the lateral pipe” that feeds northward from the main line and was expanded in 2012. “We cannot deliver any more natural gas to our service area based upon the existing system.”

Among the eight alternatives being considered in a forthcoming analysis is expansion of the company’s Whately LNG facility, built in 1999 with two 70,000-gallon tanks to be used for winter peak demand, or expansion of pipeline delivery capability to the Franklin-Hampshire region, installation of a new, larger LNG storage and vaporization facility “in the northern portion” of that region, displacing service from another Tennessee Gas Co. lateral line.

“Continuing the moratorium is unacceptable,” said Senate President Stanley Rosenberg, D-Amherst, attending with Reps. Stephen Kulik, D-Worthington and John Scibek, D-South Hadley.

Together, they presented testimony from the region’s legislative delegation — including Reps. Peter V. Kocot, Paul W. Mark and Ellen Story — about the negative effects on communities impacted by the moratorium, as well as why the DPU should grant them full intervenor status in the case.

“We join with our residents, businesses and local officials in being extremely concerned about the ongoing moratorium and its impact on the ability of our communities to have a reliable and cost-effective gas supply to meet demand,” Rosenberg said. “This moratorium,

which is unprecedented in its scope and duration, is having, and will continue to have, a negative impact on the economy in our area both now and into the future.”

Pointing to the delegation’s ongoing conversations with Berkshire Gas officials, the legislators noted, “We have also expressed our disappointment that Berkshire Gas relied almost exclusively on NED to meet future gas supply needs, and did not aggressively explore alternatives such as increased energy efficiency and conservation initiatives as an alternative to simply relying on additional gas supply through the proposed NED project. We view this proceeding before the DPU as a golden opportunity to correct that oversight, and to help the company and our communities reach sensible and cost-effective solutions to meeting the natural gas needs of the future and to utilize that supply opportunities in the most efficient manner possible.”

Based on a Berkshire Gas study last year looking at alternative supply sources if the NED project was curtailed, they pointed to “the potential for several shorter-term solutions,” including enhanced efficiency and conservation, more aggressive leak detection, and additional LNG storage capacity.

“These and other options are now being examined in greater depth by the company, and we believe they hold promise for ending the moratorium sooner, even as additional longer-term options are explored,” Rosenberg said. “Since the withdrawal of the NED Pipeline proposal, it has been abundantly clear that the company must make different choices, and we have been working with them to understand their process and listen to their options.”

Peter Vickery of Amherst, chairman of the Amherst Area Chamber of Commerce’s Government Affairs Committee, told DPU Chairwoman Angela O’Connor and other members of the panel that if the department approves Berkshire’s plan, it should do so on the condition that the moratorium be ended within six months.

Kathryn Eiseman, director of Pipeline Awareness Network for the Northeast, whose intervention application has been recommended against by the company, told the DPU hearing, “The suddenness with which the company imposed its moratorium ... caught businesses and municipalities by surprise. Yet modest infrastructure modifications could have been implemented by Berkshire Gas years ago to prevent the moratorium, had the company not built its business plans around a proposed interstate pipeline project. We urge the company and all parties involved to develop a resource plan that will resolve the moratorium while minimizing the build-out of infrastructure, evaluating previously

identified modest system changes as well as improved demand management and energy-efficiency measures.”

She rejected Zink’s description of Berkshire Gas’ commitment to energy efficiency, claiming that those programs have not been emphasized by the company.

Amherst Economic Development Director Geoff Kravitz testified, “The moratorium coincides with a particularly critical time in Amherst’s history when we are seeing a renewed interest in private development. ... (It) has hampered Amherst’s revitalization efforts by forcing developers and business owners to turn to alternative fuel sources, which are less convenient, cause development delays, increasing the financial cost of construction, and, discourages business opportunities and development projects.”

In addition to citing the difficulty for prospective town businesses — particularly restaurants — in turning to propane as an alternative fuel or being limited to existing gas hookups under an “untenable” moratorium, Kravitz pointed to problems with the forecast and use study before the DPU, saying, “We need a ‘permanent solution’ now.”

Representatives of the towns of Deerfield, Hadley and Montague also emphasized the impact the moratorium has had on their economies.

Ariel Elan, reading testimony submitted by the Montague Board of Selectmen, said, “Montague maintains that Berkshire’s moratorium was never necessary, because Berkshire always had options to modify its local infrastructure to solve its peak-demand problems — both for existing customers and projected new business.

“We anticipate that Montague and other intervenor towns ... will examine critically Berkshire’s evidence of need for more supply, and will call for the most modest and incremental changes to Berkshire’s infrastructure that can be implemented to meet those needs.”

In her testimony, Rosemary Wessel, founder of the group No Fracked Gas in Mass, urged the company to repair its distribution system leaks, better help its customers weatherize and insulate, make off-peak use more attractive through discounts and other approaches to shift demand.

“By being required to adopt these measures first, Berkshire Gas should not only free up enough of their currently subscribed capacity to lift the moratorium, but should be able to satisfy stockholders by maximizing delivery of product while avoiding costs of purchasing more capacity or building out new infrastructure such as LNG storage,” said the Cummington resident, adding that addressing peak demand by using the approved Whately LNG storage facility “should only be considered as a last resort. Berkshire Gas should not be granted any additional pipeline capacity or system expansion until these conservation methods are fully addressed.”

Vincent DeVito, an attorney representing Northeast Energy Solutions, a research organization representing a coalition of environmental organizations and land trusts, said “Berkshire has yet to fully identify how much incremental capacity would be required to lift the current moratorium on new customers,” and noted that the company’s estimates of increased demand do not take into account the decreasing population of Berkshire County.