

Group objects to co. owner's investment in pipeline

By RICHIE DAVIS | Daily Hampshire Gazette
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The lawyer for an environmental consortium is protesting the decision by the parent company of Berkshire Gas to invest in the project at the same time the natural gas company has imposed a moratorium on new customers until the project gets approved.

Northeast Energy Solutions, which represents Franklin Land Trust and a 130-member statewide land-trust alliance, called Monday on state Attorney General Maura Healey to examine a decision by UIL Holdings Corp. to invest in the proposed Tennessee Gas Pipeline project while also refusing to add new customers or expand their service. The pipeline

would cross eight Franklin County towns and would deliver up to 1.3 billion cubic feet a day of Pennsylvania shale gas to New England.

“The fact that Berkshire Gas has pledged only to lift the moratorium if the gas pipeline project is built without disclosing their financial interest in the pipeline is a breach of public trust,” said Vincent DeVito, the attorney for Northeast Energy Solutions.

UIL Holdings Corp. has announced that it has approved a 2.5 percent interest in Northeast Expansion LLC, the joint venture responsible for development, construction and ownership of the proposed pipeline. The investment is worth \$80 million.

DeVito said “the fact that Berkshire’s potential investment was not disclosed by either the company or Tennessee Gas until NEES questioned the moratorium speaks volumes to the ham-handed nature of their approach to rate payers, land owners, and municipal and state administrators.

Northeast Energy Solutions filed a brief with the Department of Public Utilities last month charging that Berkshire Gas had not “explained the impact of the moratorium on present and potential future demand or what impact, if any, lifting the moratorium would have on demand.”



He said, “Berkshire’s petition to the DPU should be rejected as defective and our elected officials should examine the business practices of and relationship between the developer and the investor.”

Northeast Energy Solutions was among organizations that had sought but been denied full intervenor status in the Berkshire Gas precedent-agreement case by the Department of Public Utilities. The consortium has questioned Berkshire's "abnormal move" to impose the moratorium without considering alternative solutions, said DeVito. Berkshire Gas did not respond to a request to comment for this article.

In another recent development, the New Haven-based UIL Holdings Corp. and Spanish company Iberdrola have restructured their merger proposal before the Connecticut Public Utilities Regulatory Authority after withdrawing an earlier proposal that was rejected. On Friday, the companies submitted a new 500-page proposal.

The original \$3 billion deal to have the Spanish energy giant take over the Berkshire Gas owner is still pending before the Massachusetts Department Public Utilities, which is also weighing Berkshire Gas' 20-year proposed contract for natural gas from the pipeline.



UIL President and Chief Executive Officer James P. Torgerson said in a written statement, "with this new application, we believe that we've effectively addressed all of the points of concern that were outlined in PURA's draft decision relating to the original application," and said "We are fully prepared to move forward in this process."

The commission had criticized the original application for "asking for the Authority's and Connecticut ratepayers' leap of faith into an unknown situation," and had expressed concern that Iberdrola's "record of mergers and divestitures in the region is mixed and does not offer a

consistent picture of sustained commitment to strong, resilient and dedicated local distribution of gas and electricity."

In Massachusetts, the original DPU proposal is pending as DPU Docket 15-26, which can be viewed at: www.bit.ly/1KcVhm3.

According to UIL spokesman Michael West, "There hasn't been any decision or action in Massachusetts yet, so there's no need to revise the process there."

But he refused to speculate on whether similar changes would be presented to the Department Public Utilities, depending on what occurs in evidentiary hearings in Boston.