



July 1, 2015

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20216

Re: Docket No. CP14-529, TGP Connecticut Expansion and
Docket No. PF14-22, TGP Northeast Energy Direct

Dear Secretary Bose:

We write to urge the Commission to consider collectively the capacity contracts that Tennessee Gas Pipeline Company, LLC (“TGP”) has arranged for several New England local gas distribution companies (“LDCs”) on its Northeast Energy Direct project (“NED”) and its Connecticut Expansion Project (the “CT Expansion”), and to consider them in the context of other proposed pipeline expansions and other energy solutions in the region.¹

The Southern Connecticut Gas Company (“SCG”), Connecticut Natural Gas Corporation (“CNG”), and The Berkshire Gas Company (“Berkshire”) are all subsidiaries of UIL Holdings Corporation (these three subsidiaries together, the “UIL Affiliates”). All three of these UIL Affiliates are among the seven anchor shippers announced for the TGP Northeast Energy Direct project (“NED”). SCG and CNG are also two of the three anchor shippers for the TGP Connecticut Expansion Project (the “CT Expansion”). We have already raised the issue of improper segmentation in a previous comment in Docket No. CP14-529, but we did not address the specific role of Berkshire Gas and other LDCs in TGP’s plans.

Berkshire has imposed a moratorium on any new or expanded gas service in its Eastern Division (which comprises eight municipalities in the Pioneer Valley, on both sides of the Connecticut River in Western Massachusetts). Berkshire has stated on its ratepayers’ bills that the moratorium will remain in place until the NED project “is permitted and built”. It is our understanding that Berkshire is one of four gas companies served via the TGP Northampton Lateral. Three of these companies (Berkshire, Columbia Gas of Massachusetts, and The City of Westfield Gas & Electric Light Department) are anchor shippers for NED, and both Berkshire and Columbia Gas have imposed moratoria in their service areas served off of the Northampton lateral.

In the Commission’s May 15, 2015 comments on TGP’s NED resource reports, the Commission instructs TGP as follows: “Identify any structural or engineering changes on the existing 200 Line [] that could accommodate all or a portion of the NED planned gas volumes. This may include, but should not be limited to: additional compression, pipeline uprates, replacements, looping or a combination of these.” The Commission also asked for “additional environmental, engineering, and economic analysis” of the 200 Line alternative.

¹ “In considering the impact of new construction projects on existing pipelines, the Commission’s goal is to appropriately consider the enhancement of competitive transportation alternatives, the possibility of overbuilding, the avoidance of unnecessary disruption of the environment, and the unneeded exercise of eminent domain.” *Certification of New Interstate Natural Gas Pipeline Facilities (Policy Statement)*, 88 FERC ¶ 61,227 (1999).

In a proceeding before the Massachusetts Department of Public Utilities, Berkshire is seeking approval of a capacity contract with TGP on the NED pipeline for 36,000 Dth/day. In that proceeding, the Massachusetts Attorney General's Office has questioned why Berkshire did not seek to participate in TGP's proposed project along the 200 Line (which has developed into the CT Expansion). Berkshire's response does not provide a satisfactory answer.

Berkshire states that the CT Expansion "was specifically developed at the request of CT Natural Gas, Southern CT Gas and Yankee Gas in the 2012 timeframe" and that "Berkshire did not participate in the Open Season at that time because it had already begun discussions regarding the Northeast Expansion Project (now known as the NED Project) which would provide substantially more benefits due to its route traversing both Berkshire service areas." However, given the situation Berkshire claims to be in with respect to capacity – so that it is now turning away potential new customers and not allowing current customers to expand their gas use – it is odd that Berkshire did not participate in the development of this project that includes looping on the 200 Line and *has a planned completion date a full two years sooner* than the NED project.

Had Berkshire chosen to participate in the development of the smaller project, it could presumably have negotiated with TGP for a loop on the 200 Line targeted to meet its needs, expansions along the existing TGP laterals that serve Berkshire's Eastern and Western Divisions, and/or additional compression. Berkshire negotiated as part of a group of LDCs (including but not limited to the other UIL Affiliates) for the NED precedent agreement terms. Berkshire (and Columbia Gas) could have negotiated with the other LDCs in the region to meet the immediate needs of the existing and potential customers in their respective service areas, rather than signing up for a pipeline that would cross hundreds of miles in areas that have no gas service (and no plans for gas service).

TGP appears to have carefully divvied up the UIL Affiliates' capacity contracts, as well as other capacity contracts, to enable its expansions in the Northeast to go forward in two segments, to the detriment of gas customers and potential gas customers in the Pioneer Valley. If the Commission does not agree that it has a legal *obligation* to require these projects to be viewed as a single proposed expansion, it is certainly within the Commission's power to do so. We urge the Commission to exercise that power.

As recently as December 2012, TGP was contemplating expansion along the 200 Line that would accommodate up to 1 Bcf/day (see slide 17 of the attached). The announced capacity of NED *combined* with the CT Expansion totals under .65 Bcf/day (and some of that is along the 300 Line). NED – originally called the "Bullet Line" (see slide 16 of the attached) was envisioned as a possible larger project, and simply does not make sense given the contracts that TGP has announced. The customers and capacity levels identified by TGP do not justify a 400-mile pipeline with nine new compressor stations, four of them many times larger than any ever built in the Northeastern United States, when alternatives with less environmental impact abound.

Respectfully submitted,



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