

JAMES P. McGOVERN
2ND DISTRICT, MASSACHUSETTS

COMMITTEE ON RULES

COMMITTEE ON AGRICULTURE

SENIOR DEMOCRATIC WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-2102

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April 29, 2015

Norman C. Bay, Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Tennessee Gas Pipeline Company, L.L.C., Docket No. PF14-22-000
Northeast Energy Direct Project ("NED Project")

Dear Chairman Bay:

I am writing regarding a procedural flaw in the Tennessee Gas Pipeline (Tennessee) Northeast Energy Direct (Project). It has come to my attention that Tennessee has not officially notified all affected landowners in the Town of Northfield, Massachusetts, where an 80,000 HP compressor station is proposed to be located. Additionally, I am writing to convey concerns that I have received from the Town of Northfield and to request that you amend the approved public outreach plan to require company-sponsored meetings in each of the Massachusetts towns where compressor stations are proposed to be located.

On October 2, 2014, FERC accepted Tennessee's request to utilize pre-filing procedures for its Northeast Energy Direct Project. Since Tennessee has engaged in the pre-filing process, it is required under 18 CFR § 157.6(d)(2)(iii) to notify "affected landowners" including those whose property is located "within one-half mile of proposed compressors or their enclosures." The regulations governing the pre-filing process state that, "Upon the Director's issuance of a notice commencing a prospective applicant's pre-filing process, the prospective applicant must:

...(3) Within 14 days, contact all stakeholders not already informed about the project, including all affected landowners as defined in paragraph § 157.6(d)(2) of this section."

I have been informed by constituents that Tennessee has not complied with this requirement. It is my understanding that Tennessee's plans show a four-mile swath where it intends to locate a compressor station, but it has not provided notice of the pre-filing or of the open houses to any of the landowners within half a mile of the swath (except when co-located within the 400-foot-wide pipeline survey corridor).

The Northfield Pipeline Awareness group recently wrote to your office regarding the lack of detailed, accurate information that has been provided to Northfield landowners who will be directly impacted by the Project. According to the group, Tennessee states that 31 landowners in the Town of Northfield will be affected by its Project. The group contests this assertion arguing that, "33 different landowners own parcels that are crossed by the proposed route or are within 200 feet of it." I am

writing to respectfully request that FERC examine the discrepancy between the number of landowners impacted.

On January 26, 2015, my office contacted FERC to inquire about the notification process and which homeowners were required to be publicly notified when a compressor station location had not yet been identified. FERC responded that "Tennessee's open house meeting notification included all affected landowners, including those who are directly affected by the planned pipeline right-of-way and those landowners who are within one-half mile of planned compressor station sites" and that "At this stage of the pre-filing process, Tennessee has not determined the exact location of several aboveground facility sites... So, yes, it is possible that Tennessee's current landowner list for the company-sponsored open house meetings does not include all landowners for the undetermined compressor station sites."

While the exact location of the compressor station in Northfield has yet to be determined, Tennessee has identified a swath of land where they intend to locate such a facility. Landowners should be included in this process until they are excluded by a specific site selection, not the other way around. The Northfield Pipeline Awareness Group indicates that "58 residences within a half mile of the section of the route designated as a potential site for a compressor station" have not been officially notified of the Project. If this information is correct, I request that the landowners listed in the enclosed Northfield Pipeline Awareness Group letter be considered affected landowners as defined by FERC and that they, along with any other omitted landowners, immediately be added to the notification list.

FERC staff further informed my office that once "Tennessee determines the location of the Market Path Mid Station #3, it is required to supplement the stakeholder/landowner list... and notify the affected landowners within one-half mile of the planned compressor station sites about the project." FERC staff notes that "In addition, these landowners will be included on the Commission's mailing list for the public scoping notice that will be issued following Tennessee's open house meetings."

I understand that open houses are sponsored by the applicant and that scoping meetings are sponsored by FERC. To say that these affected landowners will be notified of the scoping meeting is simply not enough. The stated goal of open houses is to "share information about [the Company's] project with the public." To exclude affected landowners from the very beginning of this pre-filing process because Tennessee has not yet identified a specific site for a compressor station is not acceptable, nor does it ensure an open and transparent process.

18 C.F.R. § 157.21(d)(4) requires a "detailed description of the project, including location maps and plot plans to scale showing all major plant components, that will serve as the initial discussion point for stakeholder review." I respectfully request an explanation as to why the location of an 80,000 HP compressor station, which I understand will be one of the largest in the Northeast, was not included as a "major plant component" in Tennessee's pre-filing?

The Town of Northfield has written to FERC expressing environmental, health and safety concerns with the Project and has requested a full environmental review. Enclosed please find the Town's February 3, 2015, letter. The Town has also expressed to me their interest in meeting with Tennessee officials to discuss the proposed compressor station following its Annual Town Election on Tuesday, May 5, 2015. I am writing to request that FERC provide the Town's requests with every full and fair consideration and that you amend the approved public outreach plan to require company-sponsored meetings in each of the Massachusetts towns where Tennessee is proposing to locate compressor stations.

Finally, I would like to take the opportunity to point out that the Town of Northfield has two questions on its Annual Town Meeting warrant related to the Project and a possible referendum item to be voted on during Town Election. One warrant would appropriate funds to provide "technical, legal, and consulting services to advise and assist the Town with environment, health, permitting, design, planning and/or construction issues as my result from the so called, 'Northeast Energy Direct Project.'" The other would allow for a non-binding referendum question to be considered at Town Election on the following day. The question to be voted on reads as follows: "Are you in favor of the 'Northeast Energy Direct Project' as proposed by Kinder Morgan, Inc. wherein approximately 8.5 miles of a natural gas pipeline and an 80,000 h.p. compressor station may be located within the Town of Northfield?"

It is my sincere hope that local decisions such as these will weigh heavily in FERC's decision to grant or deny Tennessee a certificate of public convenience and necessity.

Thank you in advance for your attention to these matters. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "James P. McGovern". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

James P. McGovern
Member of Congress



BOARD OF SELECTMEN
TOWN OF NORTHFIELD

www.northfield.ma.us
69 MAIN STREET
NORTHFIELD, MASSACHUSETTS 01360-1017

(V) 413.498.2901
(F) 413.498.5103

February 3, 2015

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 1st St NE
Washington, DC 20426-0001

Re: Tennessee Gas Pipeline Company, L.L.C., Docket No. PF14-22-000
Proposed Northeast Energy Direct Project

Dear Ms. Bose:

The Board of Selectmen wish to express concern regarding Kinder-Morgan's proposed natural gas transmission line construction. Northfield is designated as a site for an 80,000 hp compressor station and 8.5 miles of the pipeline that will traverse the length of our community impacting neighborhoods, conservation lands, state managed natural resources, recreational trails and protected forest habitat.

Our primary concern is the appropriate level of scrutiny that will be applied to the environmental, health, and safety precautions to be adopted by this project. We oppose the Massachusetts Environmental Notification Form process and request a full and formal environmental review and consideration of environmental permitting requirements. We feel that the associated risks warrant and merit such an examination of the impacts associated with a project of this magnitude.

Further the Board harbors concerns as to the corporate record of Kinder-Morgan which involves activities including violations of the Hazardous Materials Safety regulations, violations of the Clean Air Act, permit miss-representations, and a safety record that does not inspire confidence.

We wish to point to the National Transportation Safety Board's (NTSB) recently released study entitled, "Integrity Management of Gas Transmission Pipelines in High Consequence Areas." A document that further supports our concerns. The NTSB conducted this study because in the last five years they have investigated three major gas transmission pipeline accidents that were caused by the operator's deficiencies or inadequate construction quality control.

We need additional information and discovery about project impacts including but not limited to:

- how long the construction will take within the Town
- noise and light levels during construction and after in operation
- gas releases
- condensate liquids/PCB's
- water body crossings and wetland construction mitigation
- water runoff, impacts to ground water flow and quality
- spill prevention and control
- construction staging areas
- hazardous materials and the community right to know
- odor
- first responder training and responsibility
- road crossings
- soil compaction and displacement
- cultural resource discovery
- necessary construction monitoring and inspection
- impact to access roads
- protection against terrorist threats
- mitigation to protect against pipeline corrosion due to induced electromagnetic fields from adjacent power lines
- provisions for pipeline decommissioning if needed

We have enclosed copies of the following:

- a comment by the Town of Northfield Open Space Committee
- a comment letter on behalf of the North Quabbin Pipeline Action group
- a resolution of opposition by the Board of Selectmen

We further urge FERC to establish a clear and reasonable schedule to allow for public and affected property owners to review, discuss and fully comprehend the project's environmental scope and impact.

We hope that you will look favorably upon our requests.

Sincerely,

John G. Spanbauer
Chairman

cc: with enclosures
U.S. Congressman James McGovern
Massachusetts State Senator Stanley Rosenberg
Massachusetts State Representative Paul Mark

BSN:mt
enclosures

April 20, 2015

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

RE: Tennessee Gas Pipeline Company, L.L.C., Docket No. PF14-22, Northeast Energy Direct Project

Dear Secretary Bose:

As others have written, Tennessee Gas and their parent company Kinder Morgan have been less than genuine with information supplied to towns and residents along the route of their proposed Northeast Energy Direct project. Additionally, they have not been forthcoming with answers to requests for additional information. In particular, Tennessee Gas presented the town of Northfield with a document listing mileage of pipe through the town, number of affected landowners, estimated annual tax income to the town, and a map of the route in December 2014 (Appendix A). Almost everything about this document is misleading if not outright fictitious.

The map fails to indicate where the proposed compressor station would be located; not even the 4-mile section that had been indicated in resource reports is noted. Seen without context of the Resource Reports, viewers would not be able to tell that there is a compressor station proposed to be sited in the town at all.

This document states that 31 landowners would be affected. In fact, 33 different landowners own parcels that are crossed by proposed route or are within 200 feet of it. Further, there are 58 residences within a half mile of the section of the route designated as a potential site for a compressor station. To say that these people are not "affected landowners" is disingenuous. Without exception, all landowners with whom I have spoken that are within a half mile of the proposed compressor station area, but whose land is not crossed by the pipeline route, were not contacted by TGP. Please see Appendix B for an incomplete list of homeowners within one half mile of the part of the route designated for a compressor station who have never been notified of the project and were not invited to Open Houses by Tennessee Gas. FERC guidelines include in their definition of "affected landowners" those whose property "is within one-half mile of proposed compressors or their enclosures..." [18 CFR § 157.6(d)(2)(iii)] and instructs that "Upon the Director's issuance of a notice commencing a prospective applicant's pre-filing process, the prospective applicant must: ... Within 14 days, contact all stakeholders not already informed about the project, **including all affected landowners as defined in paragraph § 157.6(d)(2) of this section**" [18 CFR § 157.21 (f)].

The document given to the town presents "Estimated annual property tax payments to town: \$3,385,855." Many people in this town and other towns given similar documents have taken this to be some kind of golden promise. When we looked into this by asking Massachusetts towns that already have TGP compressor stations what their tax revenue was, the numbers were approximately 1/10 the amount suggested by Kinder Morgan/ TGP in the attached document. Northfield's town administrator has tried multiple times, and through different avenues, to contact Kinder Morgan/ Tennessee Gas to ask them how they arrived at this estimate, but he has not yet been granted the courtesy of a reply.

The Massachusetts Department of Revenue provides an excel file in which one can view assessed property value of pipelines and related infrastructure in each town in the Commonwealth. It can be found on this page: www.mass.gov/dor/local-officials/assessor-info/centrally-valued-utilities/fy2015-pipeline.html. In

Massachusetts, the towns of Mendon, Hopkinton, Agawam, and Charlton host TGP compressor stations. We were able to double check the property *value* tax owed to the towns calculated from the Mass DOR website’s assessed values spreadsheet against the tax *income* that those towns’ assessors’ offices shared with our town administrator (this ranged from about \$121,718 to \$291,273; see below). Towns also tax real estate value, which includes the parcels on which compressor stations are sited, pipeline easements owned by Tennessee Gas within the town, and any buildings owned by the company. The facilities in these towns are older, but many have been updated and upgraded multiple times. The real estate tax income reported by assessors’ offices of these towns ranges from about \$7,000 to just over \$107,000.

This table was populated using the information gleaned as described above. Italics represent amounts figured using the towns’ tax rates, which change year to year.

| Town | HP | tax year | town tax rate per 1000 | Real estate value | Real Estate Tax | personal property value | personal property tax | total value | Total tax income to town | at Northfield's tax rate (15.49) |
|-----------|--------|----------|------------------------|-------------------|-----------------|-------------------------|-----------------------|-------------|--------------------------|----------------------------------|
| Hopkinton | 5,400 | 2014 | 17.96 | 2,203,118 | 39,568 | 8,890,600 | 141,353 | 11,093,718 | 180,921 | 171,842 |
| Mendon | 9,603 | 2014 | 16.02 | 1,515,730 | 24,282 | 7,602,600 | 121,718 | 9,118,330 | 146,000 | 141,243 |
| Agawam | 22,000 | 2015 | 28.29 | 3,798,300 | 107,727 | 10,269,900 | 291,273 | 14,068,200 | 399,000 | 217,916 |
| Charlton, | 12,400 | 2015 | 13.42 | 567,500 | 7,615 | 12,702,100 | 170,463 | 13,269,600 | 178,078 | 205,546 |

Assessors’ offices reported that Tennessee asked for abatements soon after completing their projects. When the Agawam Board of Assessors contested an abatement requested in 1992, they were taken to court and lost. One of Tennessee’s witnesses, an expert in utility valuation and appraisals, argued that the “property’s highest and best use was as a utility”¹—a statement that we find utterly appalling. Maybe the land in Agawam had been destroyed by decades of industrial use when that statement was made, but be assured that the highest and best use of Northfield’s land, which does not currently have a compressor station sited on it, is NOT to have a compressor station built on it!

We understand that infrastructure proposed along the NED pipeline would be new, and that the 80,000 HP compressor stations proposed are larger than anything Kinder Morgan currently owns. Perhaps these factors lead to a tax income for the town that is larger than what other towns “hosting” Tennessee Gas compressor stations are currently receiving. However, we do not believe that the town of Northfield will receive property tax income of over \$3 million *every year, for as long as the compressor is operating*, or even anything close to that. As we understand it, the state, rather than Kinder Morgan, assesses the property value and assigns percentages of that value to towns along the route. That means that this highly specific estimate that Kinder Morgan has released to our town (\$3,385,855), is a wild guess on the part of the company—and it is one that is attractive to towns with tight budgets—a smart PR move. Even if the state valued Northfield’s section of pipe and compressor at precisely \$218,583,279, we doubt that Kinder Morgan would let that number rest for many years before requesting abatement. How long would it be until Northfield, like Mendon, Hopkinton, Agawam, and Charlton receives just \$200,000-\$400,000 in exchange for being forced to “host” a large industrial facility that definitely doesn’t fit into the atmosphere or the plans of the town?

Would the tax income be enough for the town to fix roads damaged by construction vehicles? Could the town afford the fire safety equipment it would take to make townspeople feel somewhat protected? Would the money be enough to perform mitigation on streams and wetlands clogged with erosion sedimentation

¹ Tennessee Gas Pipeline Company vs Board of Assessors of Agawam, 428 Mass. 261, Sept 3, 1998- Oct 19, 1998: <http://masscases.com/cases/sjc/428/428mass261.html>

caused during construction, and the seasonal damage to watersheds downstream of a 10-20 acre clearing where there had been forest? Would this money somehow keep toxins emitted by one Titan 130 and two Titan 250 turbines out of the air? Could the money restore peace of mind to mothers living within an incineration zone? Could money bring back the quiet that so many people moved to this particular town to live in?

The answer is no. Belief that more than 3 million dollars from Kinder Morgan is coming every year, and would be good for the town, is akin to accepting a bribe. It is blood money. We call on you, the Federal Energy Regulatory Commission, to hold Kinder Morgan and Tennessee Gas accountable to giving truthful and complete information to *all* stakeholders.

Thank you for the opportunity to comment on this proposal,
Julia Blyth, Virginia Hastings, Howard Hastings, Susan Secco, Andrew Vernon, Charles Eiseman, Laura Kaye, Bob Pasteris, Serena Vassar, Ivan Vassar, Amanda Lewis, Cheryl George, Martha Rullman

Northfield Pipeline Awareness
NorthfieldPipeline.org

Cc:

Governor Charlie Baker
Matthew Beaton, Secretary of Energy and Environmental Affairs
Senator Stanley Rosenberg
Representative Paul Mark
Representative James McGovern
Senator Elizabeth Warren
Senator Ed Markey
Northfield Board of Selectmen
Windsor Board of Selectmen
Dracut Board of Selectmen
The Recorder (Greenfield)
The Montague Reporter
Daily Hampshire Gazette
Berkshire Eagle

APPENDIX A: Document given to the Northfield Selectboard, posted on the town website (www.northfield.ma.us)

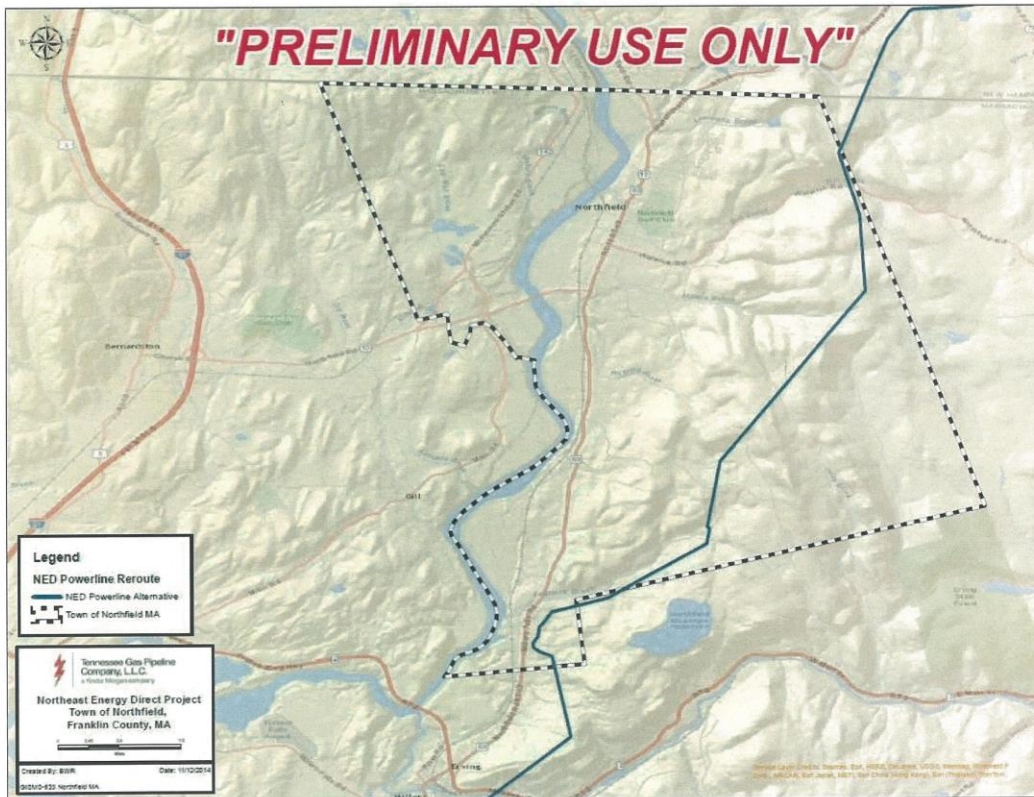


Tennessee Gas Pipeline Company, L.L.C.
a Kinder Morgan company

Northeast Energy Direct Project Overview: Northfield, MA

Proposed NED New Hampshire Powerline Alternative Route in Northfield:

- **Proposed mileage:** 8.55 miles (approximate)
- **Impacted landowners:** 31
- **Estimated annual property tax payments to town:** \$3,385,855



APPENDIX B:

Landowners not contacted by Tennessee Gas about Open Houses who own land within ½ mile of the four-mile section of proposed easement indicated as a potential compressor station site in Tennessee Gas' Resource Report 1.

| Distance from potential site | Name | Address |
|------------------------------|---------------------------------|---|
| .24 miles | Julia Blyth | 276 Old Wendell Rd., Northfield, MA 01360 |
| .24 miles | Lisa McLoughlin & Warren Ondras | 364 Four Mile Brook Rd., Northfield, MA 01360 |
| .13 miles | Michael Barry | 468 South Mountain Rd., Northfield, MA 01360 |
| .37 miles | Robert English | 367 Four Mile Brook Rd., Northfield, MA 01360 |
| .42 miles | Walter Jaworski | 87 Old Wendell Rd., Northfield, MA 01360 |
| .21 miles | Jennifer Comiskey | 451 Old Wendell Rd., Northfield, MA 01360 |
| .31 miles | Robert Schnoor | 507 Four Mile Brook Rd., Northfield, MA 01360 |
| .28 miles | Cheryl and Craig George | 450 Old Wendell Rd., Northfield, MA 01360 |
| .45 miles | Magda Ponce-Castro | 261 Old Wendell Rd., Northfield, MA 01360 |
| .19 miles | Deborah Tericano | 426 Old Wendell Rd., Northfield, MA 01360 |
| .07 miles | James Van Natta | 403 South Mountain Rd., Northfield, MA 01360 |
| .70 miles | Lisa Wheeler | 609 Gulf Rd., Northfield., MA 01360 |
| .28 miles | Richard Odman | 437 Old Wendell Rd., Northfield, MA 01360 |