

PUBLIC STATEMENT HEARING

APPLICATION OF NEW YORK STATE ELECTRIC & GAS
CORPORATION FOR A CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AND PUBLIC NEED PURSUANT TO
ARTICLE VII SECTION 121-a OF THE PUBLIC
SERVICE LAW FOR APPROVAL TO CONSTRUCT 11-T-0654
NYSEG SENECA WEST (BIG FLATS TO HORSEHEADS)
NATURAL GAS PIPELINE

Held on: April 26, 2012 at 7:30 p.m.

Held at: Horseheads Central High School
Horseheads, New York 14845

Held before: HOWARD A. JACK
Administrative Law Judge
Office of Hearings and Alternative
Dispute Resolution, State of New
York, Public Service Commission
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

REPORTED BY: DELORES HAUBER
Shorthand Reporter
Notary Public

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ADMINISTRATIVE LAW JUDGE: Good evening, Ladies and Gentlemen. This is a hearing to receive public comments concerning a case currently before the New York State Public Service Commission for its consideration and action. I would like to begin by thanking the Horseheads Central School District for graciously allowing us to use these facilities for the hearing.

In very broad terms, the case concerns an application by New York State Electric & Gas Corporation for a certificate of environmental compatibility and public need, under Article VII of the Public Service Law, to build a 4.9-mile-long eight-inch diameter natural gas pipeline and associated aboveground facilities in the Towns of Big Flats and Horseheads here in Chemung County. The proposed pipeline would extend from Inergy's Seneca Lake Gas Storage Facility West Pipeline near the intersection of Yawger Road and Upton Road in the Town of Big Flats to connect with NYSEG's

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distribution system at Gardner Road just west of Westinghouse Road in the Village of Horseheads. Associated facilities would include proposed metering and pressure regulating stations near either end of the proposed pipeline.

The Public Service Commission is seeking public comment on the application and petition. This is the second of the two public statement hearings we are conducting in the case. The other was held this afternoon.

My name is Howard Jack and I'm the administrative law judge assigned to the case to conduct these public statement hearings. The final decision of the case will be up to the Public Service Commission itself. The Commission has a chairman and four commissioners appointed by the governor and confirmed by the New York State Senate. The Commission may grant the certificate as requested, grant it with modifications that the Commission might determine proper or deny it.

1 Notice of tonight's hearing was
2 issued on April 2nd, 2012. The Company was
3 required to have the notice published in
4 the Star-Gazette at least two weeks before
5 these hearings.

6 You can find copies of the
7 application in this case on the Department
8 of Public Service website at
9 www.dps.ny.gov. Click on "What's New" or
10 "What's Hot: Natural Gas", then click on
11 the link for case 11-T-0654 or on "NYSEG
12 Big Flats to Horseheads Gas Pipeline." You
13 can also click on "Search" and then find
14 the box labeled "Search For Case/Matter
15 Number," enter "11-T-0654" in the box and
16 click again. Hard copies of the
17 application are available at the
18 Commission's offices in Albany. In
19 addition, hard copies have been served on
20 the supervisors of the Towns of Big Flats
21 and Horseheads and either the mayor or the
22 manager of the Village of Horseheads. You
23 might be able to view the application at
24 their offices. I'm not sure of that.

1 Let me briefly describe the process
2 that we'll follow tonight. The purpose of
3 the hearing is to receive comments, as I
4 said, on the proposed pipeline for members
5 of the public. It is not intended as a
6 question and answer session. If you want
7 to comment orally at this session, you
8 should fill out a card if you have not
9 already done so. Mr. Wagner has cards like
10 this over there. At this point I have just
11 one card. And when your name is called,
12 please come up to the podium. There's a
13 microphone there. It would help the
14 reporter if you could get close to the
15 microphone as you speak.

16 And for the benefit of others who
17 want to follow what is said at the hearing,
18 I ask that you all please turn off all cell
19 phones and similar devices or put them in a
20 silent mode.

21 As I mentioned, we have a court
22 reporter here who will take down what you
23 say and prepare a word-for-word transcript
24 of the hearing. It's very important that

1 only one person speak at a time and each
2 speaker go slowly so everything can be
3 transcribed accurately. When you begin,
4 please state your name and also please
5 spell your name for the reporter after you
6 say it. In addition if you have written
7 out your comments, it would help the
8 reporter if you could either provide a copy
9 or give it, if you don't need the written
10 copy yourself at the end, you could give
11 that to the reporter.

12 Each speaker will be allowed a
13 reasonable time. What is reasonable will
14 turn in part on the number of people who
15 want to speak tonight. The record will
16 stay open for at least one hour and up to
17 9:30 p.m. if necessary to accommodate the
18 speakers. Although, it doesn't look like
19 we will need to stay that late. If we
20 cannot finish with all who want to speak by
21 the end of tonight's session, I will make
22 other arrangements to receive comments.

23 For those who want to comment, but
24 don't want or get the opportunity to speak

1 tonight, the public notice of these
2 hearings mentions alternatives ways to
3 submit comments, including US mail, e-mail
4 and telephone. Mr. Drexler went through
5 those earlier in the information session.
6 But if you need that information, please
7 come up and see me afterwards and I can get
8 that for you.

9 The important thing to remember, if
10 you decide to submit comments by one of the
11 alternative means that Mr. Drexler
12 mentioned are, first, that you should
13 mention the number and name of this case
14 and, secondly, your comments must be
15 received in Albany on or before Wednesday,
16 May the 2nd.

17 Does anyone have any questions about
18 the process before we get started? All
19 right. I hear none, so we'll call Lee
20 Giammichele.

21 MR. GIAMMICHELE: It's Lee, L-E-E,
22 Giammichele, G-I-A-M-M-I-C-H-E-L-E. I'm a
23 resident up on Upson Road who has not
24 signed a letter for the easement. One of

1 the main factor is safety. You guys are
2 going to put an eight-inch gas pipe next to
3 a huge Millennium pipeline carrying natural
4 gas down to the city. And NYSEG doesn't
5 have a strong record in safety here in
6 Chemung County in the last couple of years.
7 They can't even maintain electric on my
8 road, so my whole thing is if they can't
9 maintain electricity on our road and
10 explosions are going on around here in
11 Chemung County, how are they going to
12 maintain a new pipeline? I do got kids.
13 You know, they go out and play and they
14 sled on that pipeline every winter. They
15 go back out there. And so my thing is
16 safety about that.

17 And with NYSEG, putting the
18 application back in, all the deficiencies
19 found. Some of the deficiencies that were
20 found were due to safety. Not having I
21 think correct valves and things like that
22 in there. So if NYSEG can't even put an
23 application to New York State and have the
24 safety, safety mechanisms in place in

1 writing, how, I mean, that shows that they
2 didn't really plan it out too well. They
3 just are pushing this down everybody's
4 throats fast so they are hoping to get away
5 with it.

6 And they say this is great for the
7 community. This is great for our
8 customers. You know, it probably is great
9 for the customers if you get their natural
10 gas. Everyone up in Upson Road, we do not
11 get natural gas from them. I asked NYSEG
12 officials about putting a pipeline in, you
13 know, to feed us on Upson Road if that is
14 possible. It's just crack a farm tap.
15 Nothing major. And maybe a sniffing
16 (phonetic) station. I told them I would
17 give them a property for the sniffing
18 station if they are going to do that. So
19 they came out, they measured and they said
20 they were going to take it up the chain of
21 command. Well, it stopped at the local
22 level because they are the ones that deemed
23 it to be too costly which I think they said
24 was \$30,000. But that money would be

1 recouped after, I know a bunch of neighbors
2 up there that do want it. It would be
3 recouped after some time.

4 And so for NYSEG to say that this
5 whole thing is to help out the customers
6 and to branch out and get new customers.
7 Well, if you're going to branch out and get
8 new customers, Upson Road is right there.
9 The pipeline you guys are actually stealing
10 the land from us. That land you cannot
11 even use ever again. You can't drive over
12 it. I was going to plant Christmas trees
13 back there and even have part of the land
14 already cleared and then Millennium came
15 and took the property. And so for you guys
16 to come and steal the land and not even
17 give us a fair share of money. What
18 Millennium gave me, I can't say because
19 it's for confidentiality reason, but what
20 you guys offered is 12 times less than what
21 Millennium gave me and that is even low
22 balling that. I even gave that figure to
23 your NYSEG officials back at the Big Flats
24 meeting and I haven't heard one single

1 thing from NYSEG. You have my cell phone
2 number. You guys never called back. You
3 called my house and my wife tells you do
4 not call the house. You need to speak to
5 my husband. Not once has anyone from
6 NYSEG, including Paul, I don't think he's
7 here, and he's the one who keeps calling.
8 He never calls me. He leaves a message and
9 that's it. So for you guys' thing of
10 communication, I mean, that's just really
11 poor as well.

12 Safety is absolutely the biggest
13 thing. You guys can't even put an
14 application together the correct way and
15 now you guys want to just put a pipeline
16 next to an existing pipeline that would
17 totally level my house and level my
18 neighbor's house if that thing goes off or
19 definitely knock it off its foundation.
20 But I know you guys at NYSEG really don't
21 care because you guys are in it for the
22 money.

23 And then you guys also said it's
24 going to, all this natural gas you guys are

1 going to receive, you guys are going to
2 discount it for the customers. So if it is
3 going to be a discount for the customers,
4 then that should be done in writing and
5 this is what you guys are going to be
6 charged for all the customers. That way
7 you guys aren't gaining money off this
8 process which you guys are definitely going
9 to be gaining money off this process. That
10 goes that.

11 Also, one of the representatives from
12 NYSEG told me at the Big Flats meeting it
13 was a five-inch pipe, now it's up to eight
14 inches. So I don't, I don't know how
15 things got screwed up there.

16 Also, up on top of Upson Road at the
17 Big Flats meeting one of the
18 representatives also said, I don't think
19 they were supposed to say this, but they
20 also said eventually you guys are going to
21 tap into the existing gas wells and bring
22 in the gas from the gas wells into that
23 pipeline. So if that's true, then that
24 definitely does not work with what you

1 guys' business plan is as far as cheaper
2 gas and expanding out. Now you guys are
3 actually trying to get gas from other gas
4 wells.

5 And I'm not quite sure what is going
6 on on Upson Road right now, if it's part of
7 you guys' project, but they are building a
8 huge, huge service connect up on top of
9 Upson Road right now. And so if that has
10 something to do with you guys, I think
11 that's really shady to go ahead and start
12 that before this project was even done.

13 And, I mean, I just think this whole
14 process is all about NYSEG's greed. I
15 mean, just to boost your cooperate thing.
16 You guys don't care about the people you're
17 going to take the property from.

18 I know ten years go, I'll speak on
19 behalf of some of my neighbors who asked me
20 to speak. Ten years or so my neighbors
21 were approached by you guys and they signed
22 easement agreements with you guys ten years
23 ago and not one single thing was done in
24 those ten years or however long it has

1 been. So is it fair for those guys to
2 still be stuck in that contract and not be,
3 you know, if you guys do have that, they
4 should be paid fair market value of today,
5 not what ten years ago it was. But I'm
6 sure, you know, that wouldn't happen
7 either.

8 Also, to get back on the thing since
9 NYSEG doesn't want to give any of us on
10 Upton Road natural gas, which I talked to
11 NYSEG employees and they said it's not that
12 difficult. They were up on my property. I
13 walked right with them. They could run it
14 right down, I have an electric easement
15 right between my neighbor's house and mine
16 where they can run it with no problem.
17 There's no clearing of trees. Nothing.
18 Just overgrown brush and everything that's
19 there because they don't take care of the
20 easement there. And they can put a sniffer
21 station right there.

22 So since we don't get the natural gas
23 up there, if you go to the main
24 transmission pipeline about a half mile

1 down the road, every person along that
2 pipeline that goes through Park Terrace,
3 Delivery Way, all have natural gas. So if
4 you want to help out your customers and
5 it's going to benefit your customers, you
6 take it down to their backyards where they
7 receive natural gas. Not up through ours
8 where we get nothing from you guys.
9 Absolutely nothing. We don't even get good
10 electric service, let alone anything else.

11 So the main pipeline, it's a straight
12 shot to where you need to go, you know, for
13 the most part. And what I was told at the
14 Big Flats Town meeting when I brought that
15 up, they told me that they did not need to
16 look at that because their plan was coming
17 through our backyards and so, you know,
18 that's the plan that they have and that's
19 the plan they are going to stick with.

20 So I hope when the Commission does
21 take a look at, you know, this plan, they
22 will take into effect not everyone is going
23 to benefit at all like NYSEG says it is,
24 you know. And if they are going to pass

1 in Horseheads. It's G-R-E-L-L-A.

2 We're here tonight to address our
3 serious concerns that we have about the
4 proposed pipeline by NYSEG. We have been
5 extremely disappointed in the way NYSEG has
6 conducted this proposal, along with the
7 fact that New York State allows companies
8 like this to declare eminent domain on
9 hardworking taxpayers like ourselves.

10 Safety is first and foremost our
11 concern with this project. As a family of
12 six with four young children and pets, we
13 are terrified about another pipeline to be
14 placed adjacent to and under a preexisting
15 old pipeline on our property. We moved
16 into our home here in Horseheads less than
17 two years ago. It is a beautiful location
18 and we have spent tens of thousands of
19 dollars cleaning up and removing brush and
20 dead trees so that our children and dog can
21 have plenty of room to run and play and
22 enjoy the fresh air and a safe environment.
23 We have always had our concerns about the
24 preexisting Millennium pipeline and have

1 not been happy about it being there, but we
2 had no choice in the matter. We were at
3 least happy it was almost at the border of
4 our property.

5 Our nerves were rattled a little over
6 a year ago when we heard of the NYSEG gas
7 explosion that occurred in Horseheads
8 resulting in the death of a child. And we
9 have attempted to protect ourselves by
10 having a gas monitor placed in our home in
11 addition to CO monitors and fire alarms.
12 Then at that time you heard of other
13 reports of prior gas explosions here in
14 Horseheads at that time, at the time of the
15 horrendous incident.

16 So you can only imagine the fear that
17 came over us when we received a letter from
18 NYSEG stating they were in the process of a
19 new project that was going to run a second
20 pipeline parallel to the existing one right
21 in our backyard where we just cleared for
22 our family enjoyment. It has been made
23 clear to us by representatives of NYSEG
24 that they are going to make this happen and

1 unfortunately New York State allows them to
2 take this control by eminent domain.

3 As we mentioned safety is our prime
4 concern and the response from NYSEG is that
5 safety is not a concern. Really? How are
6 they so sure this project is safe. Where
7 is the documentation and the studies to
8 show us that digging around, over, under,
9 etcetera an old pipeline will be safe and
10 not destructive causing a leak, explosion,
11 etcetera. It hasn't been made clear to us
12 exactly how old the existing pipeline is.
13 Surely that pipeline was made with inferior
14 materials than what we would have today.
15 With what certainty can they say that
16 manipulating around this old pipeline would
17 not cause any short-term or long-term
18 issues.

19 What seems to make matters worse to
20 us is NYSEG is not willing to work with us
21 and move the pipeline several feet away
22 from our home, moving it to the other side
23 of the existing pipeline which would still
24 be on our property, but essentially on the

1 border and farther away from our home
2 ensuring our safety and allowing our
3 children their play area. But instead they
4 plan to cross the pipeline under the
5 existing one and come closer to our home
6 for totally unjustified reasons. They are
7 going to save themselves money and
8 jeopardize our safety and devalue our
9 property by moving closer to our home.
10 Why? Because the area where they want to
11 place the pipeline has already been cleared
12 and paid for by us. If they ensured our
13 safety and moved away from the home, they
14 would have to clear some brush from the
15 area and prepare the site, but instead they
16 want to use what we already did. In
17 addition, they don't want to have the
18 additional work of asking the bordering
19 neighbor for an easement that would be
20 required of them. So instead they are not
21 only going to place an unwanted pipeline
22 closer to our home, but now cross the two
23 pipelines directly in our backyard to make
24 it easier on them. The pipeline then would

1 need to be crossed back again at the other
2 end of the property. So in other words
3 they are intentionally crossing these
4 pipelines twice in a relatively short
5 distance to avoid cleaning an area of brush
6 and because they don't want to get an
7 easement from a bordering neighbor. This
8 doesn't make any sense to us at all.

9 The fact that they are approaching
10 this situation like this brings up many red
11 flags for us. Are they going to be cutting
12 corners to save themselves a few dollars
13 and extra work when they are placing the
14 pipeline? Are you going to respect our
15 property and our neighbor's property when
16 they are here disrupting our lives and
17 homes? And are they going to restore the
18 areas back to normal or are they going to
19 try and save a few more bucks or time? Why
20 would you cross a pipeline if you don't
21 need to and incur this type of hazard?
22 Because you don't want to remove brush and
23 get approval of an assessment?

24 They are impinging on our property

1 for their own personal gain and betterment.
2 Horseheads will not benefit from this. The
3 letter they sent us states, and I quote,
4 the pipeline would increase the reliability
5 of natural gas supplied to the Elmira area,
6 end quote. They talk about providing
7 competitive prices. My bill continues to
8 rise monthly. This pipeline will clearly
9 reduce the value of all of our homes that
10 we all worked so hard for and have spent
11 endless hours of taking care of along with
12 paying some of the highest taxes around.
13 We would be more willing to work with this
14 situation if they were willing to work with
15 us. After all, they will leave when they
16 are done and it will still be on our
17 property. Some of our neighbors have
18 similar concerns and issues and have felt
19 that NYSEG is not working with them and
20 they are going to use the power that New
21 York State allows and declare eminent
22 domain.

23 You have the power and authority to
24 ensure us that our situation and our

1 neighbor's situation will be addressed and
2 handled correctly and those pipelines will
3 not be placed. Forget about crossing them
4 unnecessarily to ensure our safety and
5 value of our homes, and I'm speaking to the
6 Honorable Jaclyn Brilling in this, that I
7 want her to please assure us and the
8 committee that you make sure that safety,
9 not just of the homeowners, but of the
10 workers will be guaranteed. Life is short.
11 We hear and witness in our jobs every day
12 about the senseless injuries and deaths
13 that occur. Make it your priority to make
14 sure NYSEG has done all their homework and
15 not to be the only ones to benefit from
16 their proposed project. Guarantee us that
17 you will obligate them to work with all
18 homeowners to their satisfaction and that
19 they must be responsible and held
20 accountable for the safety of all involved
21 along with restoring our properties back to
22 their original beauty after they destroy
23 them with the placement of the pipeline now
24 and in the future in the event this

1 proposal is approved. Please also evaluate
2 and assure us that you will obligate them
3 to pay us an appropriate value of the land
4 they are seizing from us. Our property
5 that will house this pipeline will no
6 longer be usable to us due to all their
7 restrictions and easements that they will
8 impose on us. If this is going to be
9 forced on us against our will and better
10 judgement, shouldn't we be reimbursed for
11 the loss of such valuable land? After all,
12 New York State is going to still make us
13 pay high taxes on what would be deemed
14 permanently unusable land that we own.

15 I thank you for the opportunity to
16 express our concerns and issues about this
17 pipeline. And that we trust that your
18 staff will be diligent in your review of
19 this application and that you will take
20 into account all of the comments that you
21 will receive before you approve this
22 project. And it is our wish that you do
23 not approve this project. Thank you.

24 ADMINISTRATIVE LAW JUDGE: Thank you,

1 Miss Grella. Are there any other people
2 who would like to speak tonight?

3 MR. GIAMMICHELE: Could I just add
4 something?

5 ADMINISTRATIVE LAW JUDGE: Yes, you
6 may. This is Mr. Giammichele.

7 MR. GIAMMICHELE: When it comes to
8 the payment, why is it they are paying per
9 linear foot when they are taking square
10 footage? So shouldn't they be paying us by
11 square foot versus linear foot? That's the
12 questions I have for the committee. I'm
13 not quite sure if there's a state law or
14 whatnot that deems it, but it should be by
15 square foot because all that land is now
16 dead to us. So it shouldn't be by linear
17 foot. It should be by square footage.
18 Thanks.

19 ADMINISTRATIVE LAW JUDGE: Thank you.
20 Is there anyone else who would like to
21 speak? At this point then, hearing no one
22 else, we've committed to keep the record
23 open until a minimum of 8:30. And so we
24 will go off the record right now and wait

1 to see if other people come. Thank you
2 very much for those who have come and
3 spoken. We really appreciate getting your
4 comments. And if you want to leave now,
5 you're certainly free to do so. You don't
6 need to stick around while we wait.

7 (RECESS TAKEN.)

8 ADMINISTRATIVE LAW JUDGE: Back on
9 the record. It is now 8:30 and we have
10 held this public statement hearing open for
11 the minimum of one hour that we committed
12 to. There appear to be no additional
13 speakers who have arrived and so I will now
14 adjourn this public statement hearing.
15 Thank you all for coming.

16
17 C E R T I F I C A T I O N

18 I hereby certify that the proceedings and
19 evidence are contained fully and accurately in the
20 notes taken by me on the above cause and that this
21 is a correct transcript of the same to the best of
22 my ability.

23 _____
24 DELORES HAUBER