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John B. Rhodes, Chair

**Contact:**

James Denn | James.Denn@dps.ny.gov | (518) 474-7080

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**PSC Approves Construction of NYSEG Gas Pilot Project  
— Tompkins County Pilot Project Strongly Backed by Local Environmental Community;  
First-of-its-Kind Effort for NYSEG Offsets Need for New Gas Pipeline —**

**ALBANY** — The New York State Public Service Commission (Commission) today approved construction of a \$4 million natural gas compressor pilot project and the issuance of a request for new proposals designed to offset the immediate need for a gas pipeline that had been initially proposed to be built in Tompkins County.

“Our decision today is based, in part, upon New York’s goals along with the significant public input we received from the local community keen to protect the environment and reduce the community’s greenhouse gas emissions,” **said Commission Chair John B. Rhodes**. “With the environment in mind, this pilot project is intended to boost the gas distribution system’s ability to maintain reliable supply without the need to build a new gas pipeline.”

In recent years, the local utility, New York State Electric and Gas Corporation (NYSEG), has experienced significant growth in natural gas usage in its Ithaca Division. While NYSEG has reinforced the system over the years, such work has reached its limitations and during peak day conditions, the north end of the distribution system serving the vicinity of Ithaca, primarily in the Town of Lansing, loses its ability to maintain minimum acceptable pressures.

Since mid-2013, NYSEG has planned the construction of a new \$18.6 million, 7.4-mile gas supply project known as the Lansing/Freeville reinforcement pipeline. The new pipeline was needed because the Lansing area was experiencing load growth and pressure drops below normal operating pressure and below the maximum system design criteria. Continued pressure drops can create safety and reliability issues, which may require curtailment of service to some natural gas customers.

However, after discussions with various stakeholders in the affected area and Commission staff, NYSEG proposed the compressor pilot project and request for proposals to address the safety and reliability issues associated with the low pressure on the system and the increase demand for natural gas in the Lansing area.

A number of Tompkins County representatives have expressed a strong desire to see “non-pipes” alternatives to the pipeline project to help meet Tompkins County’s greenhouse gas emission reduction goals. Supporters of the pilot project include the Sierra Club, the Alliance for Non-Pipe Alternatives, the Environmental Defense Fund, as well as more than 100 residents who filed comments.

With today's decision, NYSEG will install four electrically powered compressors placed strategically within its gas distribution system to boost system pressures in stages during peak demand times. This is a unique approach to the issue of gas distribution system pressure drops, one which has not previously been tested in New York State. The company intends to have the project up and running in time for most of the 2018/2019 winter heating season.

According to the company, the compressor project pilot alone would not eliminate the need for the company-imposed moratorium on new gas connections currently in place in certain areas of Tompkins County, as it is designed to only address the current low pressure issues on the system. To address the moratorium, NYSEG will begin exploring proposals to address not only the current pressure and reliability issues, but also to address the pending demands for the provision of gas service in the area, for both existing customers as well as for new customers.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.ny.gov](http://www.dps.ny.gov) and entering Case Number 17-G-0432 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.