

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
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July 2, 2014

SENT VIA ELECTRONIC FILING
Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
Room 1-A209
888 First Street, N.E.
Washington, D.C. 20426

Re: Docket No. CP14-497-000
Dominion Transmission, Inc.

Dear Ms. Bose:

Attached please find the Notice of Intervention and Comments of the New York Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 474-1585.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alan T. Michaels'.

Alan T. Michaels
Assistant Counsel

Attachment

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Dominion Transmission, Inc.) Docket No. CP14-497-000

**NOTICE OF INTERVENTION AND COMMENTS
OF THE NEW YORK PUBLIC SERVICE COMMISSION**

Pursuant to Rules 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (FERC or the Commission),¹ the New York Public Service Commission (NYPSC) hereby submits its notice of intervention and comments in the above-captioned proceeding.

I. INTRODUCTION

Dominion Transmission, Inc. (DTI or the Company) seeks a Certificate of Public Convenience and Necessity for a gas pipeline expansion project entitled the New Market Project (the Project). Specifically, the Company requests authority to construct, own, operate and maintain compression facilities located in Chemung, Herkimer, Madison, Montgomery, Schenectady, and Tompkins Counties, New York. According to the Company's application, if granted authorization to construct and operate the Project, it will open the named regions to additional gas transportation capability, and will provide an additional 112,000 dekatherms per day of firm transportation service.

¹ 18 C.F.R. §385.214 (2006).

II. BACKGROUND

On June 2, 2014, DTI filed an application under Section 7(c) of the Natural Gas Act (NGA)² and Part 157 of the Commission's Rules and Regulations³ requesting authorization to construct, own and operate its New Market Project. DTI describes the Project as the development of two new compressor stations (Horseheads Station and Sheds Station), improvements to two existing stations (Brookman Corners Station and Borger Station), and modifications to existing metering and regulating facilities in West Schenectady, New York. The Company states that the pipeline required to complete the Project is limited to 1,425 feet of 42-inch diameter suction and discharge pipelines at the new Horseheads Station. DTI further details in its Application that it has secured agreements with its customers for all of the capacity associated with the Project.

III. NOTICE OF INTERVENTION

The NYPSC is a regulatory body established under the laws of the State of New York with jurisdiction to regulate rates or charges for the sale of natural gas to consumers within the State. It is, therefore, a State Commission as defined in section 2(8) of the NGA.⁴ Accordingly, NYPSC hereby provides its notice of intervention pursuant to Rule 214(a)(2).⁵

Copies of all documents and correspondence in this proceeding should be sent to:

² 15 U.S.C. §717(f) (2000).

³ 18 C.F.R. §§157.5 *et seq.* (2014).

⁴ 15 U.S.C. §717a(8), and 18 C.F.R. §1.101(k).

⁵ 18 C.F.R. § 385.214(a)(2) (2006).

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IV. DISCUSSION

The Company illustrates some of the benefits that the Project will bring, if completed. Specifically, DTI details the increase in capacity of 112,000 dekatherms per day of firm transportation service. However, the Commission must conduct its review of the Project before simply accepting the additional capacity.

A. Standard of Review

As a prerequisite for realizing the Project's purported benefits, the NYPSC fully supports the Commission's process and review of public comments. The Commission must first determine if any adverse economic impacts on existing customers, competing pipelines, and landowners and the surrounding community are minimal.⁶ Then, FERC will provide a thorough review of the impact on human health and the environment.

B. Potential Adverse Economic and Environmental Impacts

NYPSC expects all impacts to be thoroughly examined through the FERC process. However, at this time the potential adverse economic impacts appear to be minimal. The Company used incremental pricing for the Project, so existing customers will not bear the burden of the Project's costs. In fact, as noted below, the Project will help industrial development in

⁶ See, Certification of New Interstate Natural Gas Pipeline Facilities, Statement of Policy, 88 FERC ¶ 61,227 (1999); Order Clarifying Statement of Policy, 90 FERC ¶ 61,128 (2000); Order Further Clarifying Statement of Policy, 92 FERC ¶ 61,094 (2000).

Upstate New York; without the Project, the New York Capital Region could face adverse economic impact by hindered economic recovery.

Because the potential for environmental impacts and engineering suitability of the proposed major additions of compression facilities are not fully evaluated in the environmental reports provided, further evaluation may lead to identification of alternate sites to reduce potential impacts on active agricultural land uses on prime farmland, reduce potential increases in operational noise at nearby receptors in quiet rural settings, and to avoid potentially significant site limitations such as karst geologic features at the proposed site in Madison County. NYPSC encourages full evaluation of these potential impacts related to the proposed expansion.

C. Project Benefits to New York State

The Project would benefit the Capital District of New York State, as well as areas to the north and west. As demonstrated by the fact that the firm capacity from this Project is fully subscribed, there is a need for the additional transportation service that the Project provides to Upstate New York. The Project will not only expand natural gas service to new customers, but it will also provide the opportunity for customers with interruptible service to convert to firm. Lastly, the Project is needed to provide the natural gas required for economic growth and industrial development in the Capital Region.

First, as previously noted, the new firm transportation capacity is fully subscribed before the Project is built. This is a clear indication that there is a need in the market for additional gas capacity. The additional gas entering the market should create competition, and thus has potential to reduce rates. Additionally, the Project will provide fuel diversity by carrying gas from short haul and long haul sources. The Project will receive gas from DTI, and also carry gas initiating from Texas Eastern Transmission LP and Transcontinental Gas Pipe Line Company LLC through DTI's existing Leidy interconnection. The Project will deliver the gas to Iroquois

Gas Transmission. Thus, the Project will bring needed capacity, and by carrying long and short haul gas from and to multiple interconnections, the Project will provide additional fuel diversity to markets in the northeast.

Second, New York Department of Public Service Staff (NYDPS Staff) is aware of owners of industrial facilities who are interested in converting their interruptible service agreements to firm capacity. With this Project, the capacity will be available for these industrial customers to purchase firm service. The additional capacity offered by the Project will therefore enhance the access of industrial facilities in Upstate New York to the gas service that will enable them to continue and expand their operations.

Third, the Project is significant for economic development in the New York Capital Region. Specifically, in 2012, GlobalFoundries Inc. built and continues to operate a computer chip factory in Malta, New York. The chip manufacturer now plans to develop and operate a research facility, and an additional fabrication facility, mammoth in size, on the same site. These industrial expansions have the potential to create thousands of jobs and would be a major economic boost to the Upstate Region.⁷ However, the new facilities will require significant amounts of natural gas. Without additional capacity, gas reliability will be constrained. Therefore, the Project would be highly beneficial to the New York Capital Region to support a growing industry and bolster reliability.

Based upon the Company's application, and the foregoing information regarding the potential positive economic impacts on Upstate New York, the beneficial economic effects appear to outweigh any potential negative impact. Moreover, existing customers will not bear the burden of the Project's costs, for the Project is incrementally priced. Additionally, the

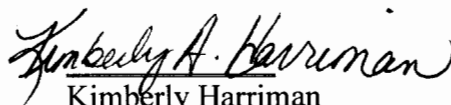
⁷ Confessore, New Factory Seen as Boon for Upstate, New York Times, July 25, 2009.

Company demonstrates an existing need in the market for the Project, having secured long-term contracts for firm transportation.

V. CONCLUSION

Based on the foregoing, NYPSC provides its notice of intervention in this proceeding, and supports the Project. The New Market Project is expected to expand natural gas service, provide additional capacity which will assist the development and operations of industry in Upstate New York, resulting in a positive economic impact on the Capital Region. NYPSC anticipates a robust review of the filing and materials submitted, and consideration given to public comments and the environmental review. A thorough review by the Commission should ultimately find that the benefits of enhanced reliability, fuel diversity, expansion of gas service, and a positive economic impact on Upstate New York, outweigh any burdens created by this Project.

Respectfully submitted,



Kimberly Harriman
General Counsel
Public Service Commission
of the State of New York

By: Alan T. Michaels
Assistant Counsel
3 Empire State Plaza, 17th Floor
Albany, NY 12223
518-474-1585 (phone)

July 2, 2014
Albany, New York

CERTIFICATE OF SERVICE

I, Alan T. Michaels, do hereby certify that I will serve on July 2, 2014, the foregoing Notice of Intervention and Comments of the New York Public Service Commission upon each of the parties of record indicated on the official service list compiled by the Secretary in this proceeding.

Dated: July 2, 2014
Albany, New York


Alan T. Michaels