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THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350
Internet Address: <http://www.dps.state.ny.us>

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December 14, 2011

Ms. Yvette LaBombard
Rochester Gas & Electric
89 East Avenue
Rochester, NY 14649-0001

RE: Case 11-T-0654- 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 a 4.9 Mile Natural Gas Transmission Pipeline and Associated Facilities in the Towns of Big Flats and Horseheads and the Village of Horseheads, Chemung County.

Dear Ms. LaBombard:

This letter is to inform you that, based upon a preliminary review of the Application referenced above, which was submitted by New York State Electric & Gas Corporation (NYSEG) on November 30, 2011, the Application, as submitted, is not in compliance with Section 122 of the Public Service Law (PSL) and will not be considered filed at this time. Accordingly, until the Application is deemed to comply with PSL §122, a date for the commencement of a public hearing cannot be established pursuant to PSL §123(1).

While review of NYSEG's Application is on-going, the following deficiencies have been identified thus far, including:

16 NYCRR §85-1.2(a)(2)(i) - This section requires the applicant to indicate the "length (and the nominal diameter of

[the transmission line] segments)" Upon review, the application appears to contain inconsistent lengths for the proposed 8-inch gas pipeline. For instance, the "Route Description" on pages 7 through 15 indicates a length of 26,531 feet. On the bottom of page 5, there a pipeline length of 25,455 feet, and on the bottom of page 6, there is a pipeline length of 25,390 feet. Also, Table 1-2 on page 20 indicates a total linear footage of 25,455 feet. The applicant should clarify these footages, as appropriate, to make sure that the footages described are the same.

16 NYCRR §255.195(a) - This section indicates that "[e]xcept as provided in section 255.197 ... each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure, must have pressure relieving or pressure limiting devices that meet the requirements of sections 255.199 and 255.201." Upon review, it appears that no relief device is included for the section of main between the outlet of the 8" ball valve at the connection to Inergy to NYSEGs regulators at the Yawger Road station (sheet 11 of 14).

16 NYCRR §255.625(a) - This section provides that "[a]ll gas transported in transmission lines, and distribution mains operating at 125 psig or more, except gas in route to storage fields, is to be adequately odorized in compliance with subdivision [255.625(c)] so as to render it readily detectable by the public and employees of the operator at all gas concentrations of one fifth of the lower explosive limit and above." Upon review, it appears that there is no odorization included for the section of main between the outlet of the 8" ball valve at the connection to Inergy to the outlet of NYSEG station where an odor injection point is indicated at the Yawger Road station (sheet 11 of 14).

In addition to the regulatory deficiencies identified above, the following information should also be provided:

- 1) In Figure 3, the applicant should provide the approximate location of the proposed pipeline and label it accordingly on this figure.
- 2) The applicant should provide a list of the roads that are being crossed by the project, as well as an indication of the road designation (i.e., town, county, and/or state) and the crossing method that will be used for each road crossing.

- 3) The applicant should explain how locating a 1,100 psig line just over 100 feet from the lot of houses shown on sheet 9 of 14 will not pose an undue hazard to persons or property. In addition, the applicant should explain whether it considered any alternatives to locating the line in such proximity to the houses.
- 4) The applicant should indicate whether it will install gas sampling equipment to monitor the gas quality coming into their system at all times to ensure that they do not transport gas with H2S directly into their distribution system.

Please note that NYSEG is required to serve a copy of the information it files as a supplement to its Application, in order to remedy the deficiencies identified herein, with all parties entitled to receive a copy of the Application pursuant to the PSL, as well as any additional parties on the Active Parties List in this proceeding. Further, NYSEG should provide notice of the Application to all affected landowners and lienholders of record, along with an explanation that NYSEG intends to acquire their property by condemnation if necessary. NYSEG is also required to file a copy of the supplement with the Commission, together with proof of service on the parties receiving service of the supplement.

If you have any questions concerning the matters discussed in this letter, please contact John Strub, Office of Energy Efficiency and the Environment - Renewable Energy & Environment Compliance, at (518) 473-2937.

Very truly yours,

JACLYN A. BRILLING
Secretary

cc: Active Parties List
Statutory Parties List