

- Even in the coldest weather, natural gas power plants are getting the gas they need to run. We've seen some bitterly cold weather in January, and there has still been enough gas to heat our buildings and serve power plants. And we don't have any more pipeline capacity than we did last winter. In general, it appears that ISO-NE, power plants, and pipeline companies have learned lessons from last winter about timely communication, coordination, and fuel supply, something federal energy regulators are pushing as well.

- ISO-NE has implemented a number of meaningful pricing reforms in the wholesale electric market. These changes seem to have helped contribute to more accurate, moderate wholesale prices.

- Liquefied natural gas is helping. Making greater use of our existing LNG infrastructure to help supplement natural gas deliveries through pipelines can be a smarter, lower-cost option than building new pipeline capacity and is much cleaner than relying solely on oil-fired power plants.

- Unlike last winter, ISO-NE opened its "winter reliability program" to LNG this year. The price of LNG is tied to global oil prices, which have fallen dramatically, making LNG deliveries an even more cost-effective way to meet high winter gas demand.

- Why are many customers paying so much for power this winter? The answer: profoundly terrible timing and insufficiently flexible buying practices on the part of utilities. The utilities charging the highest rates this winter locked in power buys last fall, at astronomical rates that doubled the previous supply rates in customer bills. Some retail customers are paying more for each and every kilowatt-hour of energy they use through the spring than the wholesale market prices on even this winter's coldest days.



This pipeline is being proposed at a time when we need to be focusing our efforts and investments on "kind-er" and cleaner energy.

Find out more about pipelines and our other energy options at:

- nofrackedgasinmass.org
- nhpipelineawareness.org
- MassPLAN.org
- StopNED.org

Why the Pipeline is not needed.

OVERSIZED SOLUTION TO THE PIPELINE "PROBLEM" IS LIKELY TO LEAD TO EXPORT

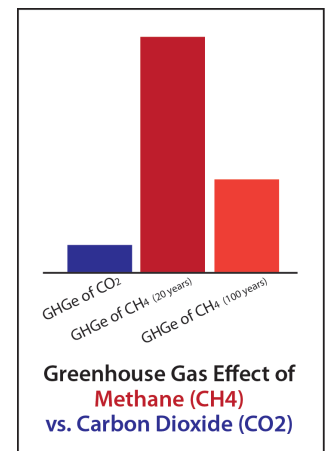
The amount of additional pipeline capacity requested last year by NESCOE was 0.6 Billion cubic feet a day (Bcf/d), but the Northeast Energy Direct pipeline project proposed by KM/TGP is being planned for 2.2 Bcf/d.

With nearly four times the capacity called for, where is the other three quarters destined? The terminal hub in Dracut is also the connection point to the Martimes & Northeast (M&NE) pipeline, which has applied to switch direction, to bring gas through Maine to the Maritimes of Canada, where ports have applied to switch from import to export. There is also new potential for export from facilities in Maine and Everett, MA.

In selectboard meetings across the region, KM representatives have repeatedly said that they have no control over who their customers are, so exports are on the table. Their own open season bidding memo called for LNG developers and customers in the Maritimes as well as local distribution and electric utilities.

LEAKED METHANE IS A CLIMATE HAZARD

Natural gas is primarily methane, a greenhouse gas over 86 times more powerful than CO₂ in the first 20 years that it hits the atmosphere, 34 times more over a 100 year period. When a full accounting of methane's impact is taken into account from drill site to burner tip, studies show that it has no benefit over coal or oil in reducing greenhouse gas effects.



BUILDING MORE FOSSIL FUEL INFRASTRUCTURE IS A DISINCENTIVE FOR EXPANDING RENEWABLES

Investing billions into fossil fuel infrastructure commits our region to their increased and continuing use for decades. More natural gas infrastructure is a step backwards. It's time to step forward into the clean energy economy we've been building.

PROJECT JOBS: FEW & TEMPORARY

While the Northeast Energy Direct might create 2,000 - 3,000 jobs (over all 5 states), those are only during peak construction - a period of 12-18 months. Many of those jobs will also be for highly specialized teams, known to come from other regions. So far, surveyor teams have come from Louisiana and welding teams are slated to come from Oklahoma. Local union workers who might work for the pipeline are also trained to work in clean energy and energy efficiency - a job market that produces approximately 4 to 8 times more jobs per dollar spent than pipeline construction.



INDUSTRY CONDITIONS MAY NOT LAST

With shale gas wells lasting far shorter than expected and increased concern that the gas market bubble may be about to burst, is this where we want to invest billions of dollars while sacrificing some of the most valued lands in our region?

DEMAND IS NOT WHAT IT SEEMS

- The need for more pipeline capacity has been cited as peak demand during cold weather when gas for heating and gas for gas powered electric generation compete for existing pipeline capacity. These conditions only happen for a few hours a day, about 10 to 30 days a year.
- ISO New England often calls for power plants to CUT BACK on generating electricity, with so-called "Minimum Generation Emergency Warnings" or "Minimum Generation Warning". These are times when consumers were using so little electricity that the grid operator had to ask power plants to NOT generate electricity. A quick look at the ISO-NE calendar shows that these events happen several times a MONTH – far more often than the supposed "capacity constraint" that led to ISO-NE and NESCOE's request for more pipelines.

- Investments in energy efficiency are working. New England winter demand for electricity, even at its highest level last year, was still lower than the record high set 10 years ago. Many cost-effective solutions remain unimplemented, such as time-varying rates and other measures to encourage consumers to shift energy use away from peak demand times.

- There is extensive room for improvement in our energy efficiency performance, not the least of which is urging our utilities to fix leaks in existing systems, and to help their customers increase efficiency in their homes and businesses. Maximizing these programs, many of which are already in place can free up capacity on existing systems and reduce demand.

As Cold Sets In, the New England Winter Energy "Crisis" Fizzles

Excerpts of article by Christophe Courchesne of Conservation Law Foundation

Despite months of talk about energy shortages and ever-higher prices, wholesale prices for electricity and natural gas are running well below last year, and power plants are getting the fuel they need to run, even in very cold weather. After big power plant retirements, the system is working well, and the forward prices that will set future retail electric rates are also down. Unfortunately, many customers' bills remain extremely high thanks to poorly timed energy buys by electric utilities, but rates are already falling. The new, calmer reality we are seeing this winter should force rational policymakers to dial back the energy crisis hysteria.



There wasn't actually a power shortage or emergency due to natural gas constraints. As CLF has pointed out, the real issue last winter was a failure to deal adequately with the increased use of natural gas for power generation, not a major deficit in pipeline capacity.

So far, what happened last winter isn't happening this winter:

- In December, New England wholesale power prices and natural gas prices were down 55% and 64% from last year, respectively.

ECONOMIC IMPACTS

It has been proposed that a new charge on electric bills throughout New England be imposed to cover part of the cost of building new gas pipelines. This “tariff” plan was stalled last summer, but the New England governors and ISO New England are starting to talk about it again.

Aside from this, the affects of property devaluation on local tax bases needs to be considered, as will damage to local roads from construction vehicles and increased chance of impacts to health, environment.

ENVIRONMENTAL IMPACTS

This proposed path would run through some of the central New England's most sensitive eco-systems including conservation lands, wildlife reserves, state parks as well as farmland, towns and even crossing over or under the major rivers like the Hudson, Connecticut and Souhegan, or via disruptive wet-trench methods for most other waterways. Proposed to be buried 3 feet underground, installing this pipeline will require extensive deforestation and soil disruption as well as blasting ledge and granite.

A hundred-foot-wide construction easement would need to be cleared, and only allowed to grow back to a fifty-foot-wide deforested path maintained with mowing or herbicides. Although the current plan is described as a “utility co-location” path, a close investigation of the proposed path shows that most of the route will be located alongside, but outside of currently cleared utility corridors.



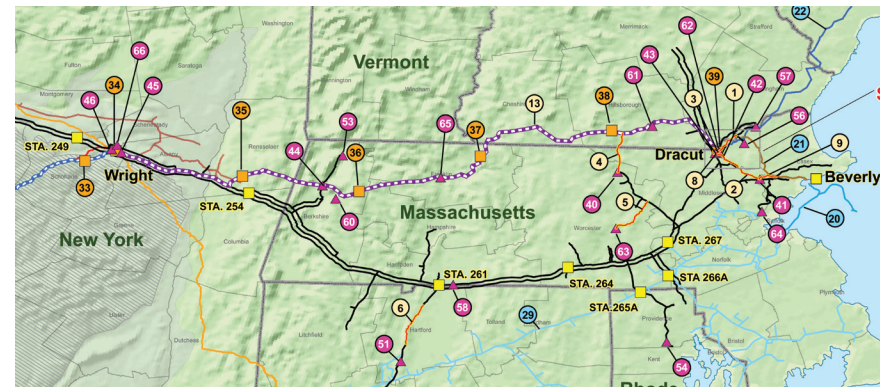
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What makes up a pipeline?

The TGP Northeast Energy Direct (NED) pipeline is proposed to be a 36-inch high-pressure natural gas transmission line. High pressure transmission lines are the super-highways of gas transportation, bringing product from gathering lines near drilling sites to smaller laterals and distribution pipelines at the other end. With it's PA to NY leg (called the “Supply Path”) and NY to MA leg (called the “Market Path”), NED would be bringing gas from the fracking fields of PA through to the eastern hub in Dracut MA, with a direct connection to the Maritimes & Northeast pipeline in ME.



This project consists of many classes of components covering 5 states:

— Pipes

- 36" main transmission line, running at 1,460 psi
(30" along “Supply Path” in PA & NY)
- Laterals, ranging from 12-30" and 800 - 1460 psi

— Compressor Stations

Compressor stations for the “Market Path” (Wright NY to Dracut MA) section of NED range from 20,000 - 90,000 horsepower per facility. (This is at least 10 times the horsepower of KM's existing compressor station in Southwick, MA.) KM prefers 50-75 acres for each one. Compressor

stations run on raw natural gas from the pipeline and release chemical-laden methane when changing pressure as part of regular operations. They tend to run 24/7 and federal noise levels allow them to run at 55 decibels at a distance of 300 ft. from the facility. Many people near existing compressor stations for other pipelines register noise levels MUCH higher. They also have high lighting at night, obscuring night sky views in the area.

— Meter & Valve Stations

22 Meter Stations on the entire project, shut-off valves every 10 miles or less. These facilities also “blow down” gas to release pressure. These automated valves shut down if a drop in pressure is detected along the main line, if facilities are functioning correctly. There have been cases where they have frozen open in cold weather conditions.

— Pigging Facilities

These facilities (usually located at compressor station complexes), are areas of pipe that allow workers to insert or remove maintenance equipment from the pipeline. The compartments for loading and unloading “blow down” gas to release pressure for these operations.

SAFETY IMPACTS

This project, aside from causing environmental disruption during the construction phase, would pose many hazards if there are leaks, ruptures or explosions - all scenarios that happen frequently on similar high-pressure pipelines throughout the country. According to the federal Pipeline & Hazardous Materials Safety Administration (PHMSA), there has been an average of more than one “significant incident” a week along high pressure gas transmission lines nationwide since 2000.

Blast radius

The potential impact zone from an explosion varies with the diameter of a pipeline and its operating pressure. According to the Pipeline Safety Trust, a 36-inch pipeline operating at 1460 psi has a potential blast radius, or “hazardous area radius,” of approximately 900-1,000 feet on each side of the pipeline.

Pipeline ruptures and leaks

How long fires from pipeline ruptures or explosions burn depends on three factors: the diameter of the pipe, the pressure at which it operates and how far apart the shut-off valves are.

Generally, smaller pipes like those on lateral lines running as side branches to the main transmission line run at a lower pressure. The proposed diameter and pressure of the Northeast Energy Direct pipes nearest you can be found in the Resource Report 1, filed by Kinder Morgan with FERC. Pressure in densely populated areas is generally lower than in rural “low consequence” areas, also known as “sacrifice zones”. These zones also have different requirements for the gauge of metal used – the thinnest being in the most rural “Class 1” zones.

How far apart the regulator or shut-down valves are depends on the density of population surrounding the pipeline. This can range from 2-1/2 miles apart in densely populated areas to 10 miles apart in rural areas. The further apart these valves are, the longer the burn in the case of explosions.

Pipelines placed near electrical power lines experience accelerated corrosion because of the electromagnetic charge. For this reason, pipelines generally must be placed alongside the powerline corridor, instead of within existing cleared corridors, requiring new easements, clearing and blasting.

Emergency Response

First response to emergency depressurization of the pipeline due to leak, rupture or explosion is automated or remote control shut-down of valves and/or compressor stations. These facilities are unmanned, so first response staff will be local emergency management.

Emergency response training usually consists of the following steps:

- Contact the pipeline company
- Evacuate as necessary
- Stay upwind
- Do not attempt to put out fire or operate valves
- Attempt medical assistance if it is safe to do so
- Establish command center for when pipeline company team arrives

“Blow Down”

As part of regular system operations, compressor stations, metering stations, shut-down valves and “pigging” stations all vent natural gas directly into the air as a means of reducing pressure (a process referred to as “blow down”). This not only allows methane to escape into the atmosphere, but also the chemicals left over from the drilling process. These carcinogens and other toxins have been found in air sample tests near compressors and other “blow-down” facilities.