

Before FERC can approve a pipeline it must find that the pipeline is in the public interest.

It appears from speaking to FERC personnel at the meeting held by the pipeline company in Delaware County, that FERC has already decided this issue in favor of the pipeline company based upon the proposed pipeline being fully subscribed. To decide that the pipeline is "in the public interest" based upon this would be dead wrong and with all due respect, an abdication of FERC's responsibilities in this matter.

A fair and independent examination of the need for more natural gas in the Northeast, which finding FERC would need to make to approve this pipeline, would reveal that there is an overabundance of natural gas based upon the existing industry structure. Thus the only reason for this pipeline's existence is to aid directly and/or indirectly in the exportation of gas to foreign countries wherein the prices are much higher than in the USA. Prices in the USA keep going down because there is too much gas (even with a temporary cessation of the falling prices due to the need for air conditioning due to an abnormally hot summer which will end in another month and a half).

Thus the need for this pipeline is not in the public interest but rather in the pipeline company's interest, i.e. more profits for its shareholders. It is therefore imperative that FERC undertake an investigation of the need for more natural gas here in the Northeast because failing that need the pipeline is not in the public interest and FERC need go no further on this matter. Obviously FERC cannot just rely on what it is fed by the pipeline company but must look at the issue independently. The landowners affected by this proposed pipeline are almost unanimously against the pipeline and if the pipeline company says otherwise it is simply misrepresenting the facts. I submit that FERC has the obligation and duty to protect these landowners by making a proper investigation of this issue.

Also FERC should note that Williams has already told its own shareholders that it plans to export the gas to foreign countries as one of the benefits of the pipeline. Another comment from a Mr. Rosen set this forth in detail. He attached 2 slides from Williams' "Analyst Day" presentation to its stockholders on May 22, the day after they pre-filed with FERC.

I will not repeat his excellent submission except to emphasize that by telling its own stockholders that it would be exporting gas to foreign countries this constituted an admission as that term is used in the Federal Rules of Evidence (FRE) which would control any court proceedings. Pursuant to the FRE (and unlike some state courts rule of evidence) such an admission constitutes substantive evidence of the fact that it plans to sell to foreign countries. The effect, therefore, of such an admission is that standing alone and without more it is sufficient to prove the fact (in this case that Williams will be exporting gas from the pipeline) and would require Williams to come forth with evidence to rebut this its own admission.

As further proof that exporting the gas does not constitute something that is in the public interest FERC should be aware of a Bill, HR 3913 IH, pending in Congress right now that would do away with the right of eminent domain of any pipeline company that is using it to aid in the exportation of the gas-exactly what Williams is telling its shareholders it will do.

It would be a shame if FERC approves this pipeline and thus gives Williams the right of eminent domain when Congress has before it a Bill to prevent this very thing from occurring. I urge FERC to read the Findings portion of the bill set forth below: especially: "This government study strongly suggests that supplying natural gas to LNG export terminals by definition does not meet the 'public use' test". That is what our government is saying!

.Findings

The Congress finds the following:

(1) The Fifth Amendment to the Constitution of the United States states '. . . nor shall private property be taken for public use, without just compensation'. This is a fundamental right of our citizenry that should not be trampled upon. (2) Federal Courts have found the authority of the Federal Energy Regulatory Commission to grant a private company the right of eminent domain to construct pipelines constitutional because supplying energy to the Nation meets the 'public use' test, although property owners must be fairly compensated. (3) The Department of Energy currently has nine applications to export liquefied natural gas (LNG) either under review or already approved. However, a Department of Energy analysis shows that the exportation of LNG could raise the price of natural gas by almost 11 percent for households, leading to higher heating bills. The same analysis found a potential 27 percent increase in natural gas prices for industrial users, making energy intensive industries less competitive. The higher natural gas prices will also shift more electricity generation to coal burning power plants and potentially raise the price of electricity by up to 9 percent. This government study strongly suggests that supplying natural gas to LNG export terminals by definition does not meet the 'public use' test. (4) In 2010, the Journal of Legal Studies published the results of a hedonic regression model using 80,000 sales to estimate the fair market value (FMV) of condemned properties whose owners reached compensation settlements with the condemner, New York City, between 1990 and 2002. More than 50 percent of these condemnees were compensated with less than fair market value. The average difference between settlements and fair market value was 23 percent. This study suggests that current eminent domain compensation rules may not ensure 'just compensation'.

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