

NJNG's pipeline project will affect open space, farmers

By Micah Rasmussen | Posted: Wednesday, March 16, 2016 11:00 am

Later this week, New Jersey Board of Public Utilities commissioners will vote on New Jersey Natural Gas' proposed Southern Reliability Link pipeline. The project cuts through the Pinelands and communities in Burlington County that are not served by and have never authorized the utility to install infrastructure. NJNG's customers deserve to know several key, verifiable facts about the project, because at the end of the day, they are the ones who will pay for it:

1. Not once in its 60-year history has NJNG suffered the kind of outage that the \$178 million project would mitigate. NJNG could not find a single example to offer its testimony, only a couple of non-disruptions. In fact, customers have already paid NJNG billions to build and maintain a resilient and redundant system that has managed thus far to avoid the problem that this project is purported to address.

So what will this massive amount of redundant, new capacity be used for when it isn't necessary for resiliency? NJNG's routine practice is to sell its excess capacity to its affiliated sister company, which then resells it. Customers make nothing on the secondary resale, which generates as much corporate profit as the market will bear.

2. NJNG customers will pay an estimated 7 percent more in their bills every month to build the project, according to an analysis by industry expert Skipping Stone. You are expected to ignore the fact that you've already paid to build an already resilient and redundant system — with multiple lines that run into the area the project purports to serve.

3. The project just happens to accommodate the identical volume of gas that NJNG has contracted to purchase from the PennEast pipeline, in which its parent corporation is a partner. Mind you, there is no other way to bring this massive contracted volume of gas from PennEast's Mercer County terminus into NJNG's territory. So NJNG's ratepayers will foot the entire \$178 million bill for this project — plus an additional \$120 million for the Transco interstate connections that will feed it — in order to build a conduit to PennEast that both creates the demand for and justifies that project. This project is directly needed for a non-utility project that will benefit shareholders, not the ratepayers who will pay to create both the need and justification for PennEast.

4. NJNG's chief executive repeatedly and expressly told Wall Street that the Southern Reliability Link is designed to serve its future growth prospects — the opposite of what the company has told regulators.

5. NJNG and South Jersey Gas have applied a sustained and unusual degree of pressure in order to squeeze and contort their pipeline projects through the Pinelands Commission process. Opposing commissioners have been replaced, and the entire commission has been sidelined. Nearly 50 years of protections have been dismantled at their behest. It is an incredibly sad legacy of both companies, and of the executives who worked to accomplish it.

6. The project won't even serve two-thirds of Joint Base McGuire-Dix-Lakehurst, which tells you a lot about the honesty of NJNG's repeated statements to the public and regulators. The fact that regulators have not challenged direct evidence of NJNG's deception does nothing to change the rightful questions it raises about NJNG as a responsible corporate and environmental citizen.

7. Contrary to the company's claims, the project does impact preserved open space — both directly (Monmouth County park lands at the corner of Province Line Road and Route 537) and as the result of the Transco interstate infrastructure that the project necessitates. It matters not at all that these are public lands that you and I already paid to permanently preserve.

8. Contrary to the company's claims, several farmers have testified that the project will adversely impact their farms, including the operators of the state's oldest organic farm, who say the construction and runoff will impact both their operation and shareowners. NJNG has not challenged this testimony. In fact, it has offered no evidence to the contrary to the agency charged with making the determination of the project's agricultural impacts.

9. Construction also threatens one of the state's most endangered historic districts, which has historically significant homes and fragile foundations that run within mere feet of the pipeline's path and its construction vibrations. The sum total of NJNG's solution to that? Put up a construction fence.

10. NJNG is now suing its third New Jersey community in as many years, seeking to invalidate their statutory public safety responsibilities in order to ram through this project. Three communities of New Jersey citizens have been forced to spend tax dollars to defend themselves against NJNG's SLAPP suits.

Still sound like a good deal? As a former employee, I'm appalled.

The unfortunate moral of the story is that a utility's customers can never assume their interests are aligned with a utility's. Nor should they assume that BPU commissioners have either the will or ability to protect customers from complex corporate profiteering with your ratepayer dollars. Caveat emptor.