

September 22, 2016

Ms. Kimberly Bose
Federal Energy Regulatory Commission
888 First St. N.E.
Washington, DC 20426

RE: Algonquin Gas Transmission, LLC, Docket No. CP14-96-000

Dear Secretary Bose,

As Spectra/Algonquin rushes to complete the AIM project, we are calling on FERC to halt construction immediately and conduct a full investigation into the failed attempt to pull the 42" diameter string of welded segments of the pipeline across the Hudson River using horizontal directional drilling (HDD). Spectra has filed a new schedule and plans to attempt another pullback of the pipe through the Hudson River on September 28-October 1, 2016.¹ The public and public officials rightfully lack confidence in Spectra/Algonquin's safety procedures after they willfully violated regulations and responded to FERC's questions with an excuse that they "misinterpreted communications."² The Hudson River crossing is in a highly sensitive region and there was no contingency plan filed with FERC if the HDD pullback did not succeed. Thus, the company's actions were motivated by expediency and not by public safety and environmental concerns. FERC must not allow construction to continue until all issues are fully and publicly investigated and public confidence is restored.

The Federal Energy Regulatory Commission's Office of Energy Projects issued a **Serious Violation** to Algonquin Gas Transmission, LLC for the Algonquin Incremental Market Project on September 9, 2016³ because the company excavated a wetland outside of the authorized construction space after the Compliance Monitor had left the site. FERC chose to allow Spectra/Algonquin to continue work on the project despite this serious violation that occurred when the pipe got stuck and a drill stem became disconnected.⁴ The events following the loss and attempted recovery of the drill stem and the removal of the stuck pipe and the ways in which the company responded have demonstrated that the company cannot be trusted to follow all environmental and safety procedures.

According to documents filed on the FERC docket, Spectra's contractors welded together a string of 155 sections and attempted to pull the pipeline through a bored hole under the Hudson River. 101 sections were in the bore hole with 54 remaining outside when the drill stem disconnected. The contractor believed the broken drill stem was somewhere between

¹<https://sape2016.files.wordpress.com/2016/06/spectra-notice-sept-16-2016.pdf>

²<https://sape2016.files.wordpress.com/2013/10/091616-spectra-response-to-ferc-re-hdd-mishap.pdf>

³<https://sape2016.files.wordpress.com/2013/10/090916-ferc-letter-to-algonquin-re-violation-hdd.pdf>

⁴<https://sape2016.files.wordpress.com/2016/06/20160906-400431664541-2.pdf>

Wetland A14-SPLR-W100 west of the Hudson and the drill rig west of the CSX railroad tracks.

Instead of waiting for the requisite approvals, the contractor excavated a large area and continued through the night. Reported initially by TRC, approximately 1400 square feet (later mysteriously revised downward to 381sf) of Wetland A14-SPLR-W100 were disturbed outside the limits of their approved workspace including the removal of five trees while looking for the broken drill stem.

Prior to the egregious wetland excavation, the release of polluting drilling fluid occurred during the final stages of drilling on the west side of the Hudson in a cave-in of the same beleaguered Wetland A14-SPLR-W100.⁵ This required spill containment of pumps, hay bales, silt fencing, and vacuum trucks, none of which ever fully remediate damage already done. Once a wetland is destroyed, mitigation measures to restore it rarely succeed. Why are such dangerous, high-risk operations allowed to be conducted over a weekend when oversight and agency personnel are not onsite or on duty?

For the past three years, members of the public and elected officials have raised serious concerns about the river crossing. The company repeatedly assured the public and elected officials in the region that the HDD would not fail and the process would be conducted in the most environmentally sound manner, yet when it did fail, the company violated FERC's Order and Compliance Officer's instructions and went ahead instead of obtaining the required permits and approvals to excavate outside the authorized construction zone. In the company's response to FERC on Sept. 16, there is finally an acknowledgment of the difficulty of pulling the pipe across the Hudson, "The Hudson River horizontal directional drill ("HDD") is a complicated drill due to its location and geology in the area."⁶

On September 27, 2014 SAPE (Stop the Algonquin Pipeline Expansion) commented to FERC on AIM's DEIS⁷ that Spectra/Algonquin's failure to develop a contingency plan that incorporates another location or another construction methodology for the HDD crossing of the Hudson River falls short of what is required under NEPA and deprived the public of a meaningful opportunity to comment on the Project.

Additionally, Susan Van Dolsen stated in a comment submitted on September 28, 2016:⁸

"The DEIS's discussion of the Hudson River crossing alternatives is incomplete, as stated in the DEIS Section 4.3.2.1. Therefore, it is impossible to evaluate the environmental impacts on the Hudson River without the critical missing information about contingency plans should the proposed Horizontal Directional Drilling (HDD) method fail. To date, Algonquin has not provided a contingency plan that incorporates another location or

⁵<https://sape2016.files.wordpress.com/2013/10/091616-spectra-response-to-ferc-re-hdd-mishap.pdf>

⁶<https://sape2016.files.wordpress.com/2013/10/091616-spectra-response-to-ferc-re-hdd-mishap.pdf>

⁷<https://sape2016.files.wordpress.com/2016/06/092714-sape-comments-on-deis.pdf>

⁸<https://sape2016.files.wordpress.com/2016/06/013114-sape-comments-submitted-by-svd.pdf>

another construction methodology for each of the HDD crossings. Therefore, if the HDD in its proposed location proves unsuccessful, Algonquin will be required to identify a new location for the crossing or a new methodology, and request approval for the new location or methodology with all applicable agencies.'

When asked about this at public presentations, Spectra/Algonquin representatives stated that they were confident that the HDD would succeed because the technique was employed by Spectra in the Hudson River Crossing for the New Jersey-New York expansion project. Is there a geological or scientific basis for this confident response? If the company would have to reapply to the agencies upon failure of the HDD, would there be a full Environmental Impact Statement of all alternatives, including the opportunity for public comment? Because this is not explained in the DEIS, it is possible that the project could move forward to accommodate the company's timetable and the need to expedite construction. This does not serve the public interest and violates the spirit of the NEPA process."

On Monday, September 19, 2016 Spectra/Algonquin responses to five questions posed by FERC in the letter of September 9, 2016 were wholly inadequate and unacceptable. The excuse given was that "Algonquin personnel had misinterpreted communications with the onsite FERC Compliance Monitor...Algonquin personnel made the incorrect assumption that work could be initiated prior to obtaining written authorization."⁹ The personnel on-site showed a total disregard of regulations and exhibited an unprofessional attitude by taking matters into their own hands without permission.

In addition to all of the above, the public is concerned about the integrity of the pipeline itself after the failure of the HDD. The string of welded segments that was stuck was extracted using pneumatic hammers and eventually it was pulled out of the bore hole. Spectra themselves stated to FERC that 'repairs' were being made to the pipe. The pipe is being repaired and re-welded, but what inspections have occurred? Why is damaged pipe being used in this high consequence area, adjacent to Indian Point Nuclear Power Plant? Where is the accounting of which sections have been damaged, what types of damage, what repairs conducted, and what testing done to ensure the integrity of the sections and repairs? FERC should insist that Spectra resubmit a plan to pull the pipe through the bore hole that proves to the public in detail that all safety assessments were completed and verified by Pipeline Hazardous Material Safety Administration and New York State Public Service Commission which are delegated authority to oversee pipeline safety in New York State. This information should be made public and verified by an independent pipeline safety expert.

A letter to Paul Blanch from the Department of Transportation Pipeline Hazardous Material Safety Administration on June 20, 2016 stated,

⁹<https://sape2016.files.wordpress.com/2013/10/091616-spectra-response-to-ferc-re-hdd-mishap.pdf>

“For this project, PHMSA works with the New York State Department of Public Service (NY DPS) to regulate interstate natural gas pipelines in New York. The NY DPS performs inspections on interstate natural gas pipelines in New York for PHMSA, including the Spectra Energy Algonquin pipeline facilities. If and when any violations of federal regulations are identified, PHMSA will take enforcement actions. Construction activities for the AIM project are underway and both PHMSA and NY DPS personnel, along with other state pipeline safety personnel, are engaged in the AIM Project. NY DPS maintains regular oversight over new pipeline construction activities in New York and has already conducted several inspections related to the AIM Project.”¹⁰

Our concerns are magnified due to a report, by Comptroller Thomas DiNapoli prepared for the Division of State Government Accountability in March 2016 entitled “Pipeline Safety Oversight, Public Service Commission.” These are the key findings from the report that highlight the need for FERC to halt construction until a comprehensive, independent review by pipeline experts is undertaken¹¹:

- DPS staff do not verify the accuracy of the information on employee/contractor qualifications maintained by individual Operators which DPS staff rely on during field audits.
- DPS has not set up a process to identify instances where Operators failed to notify them as required. We determined that Operators did not notify DPS of six gas-related incidents in 2015 that should otherwise have been reported. These incidents involved evacuations, road closures, a business closure, and other situations that left businesses and residents without gas.
- DPS does not perform analyses of all available data to better identify potential high-risk areas

Comments submitted to FERC about the Spectra AIM pipeline have included calls for a halt in construction by Senator Charles Schumer, Senator Kirsten Gillibrand, Governor Andrew Cuomo and many other elected officials. The consequences of a pipeline rupture in this most sensitive location adjacent to the Indian Point nuclear power plant would be catastrophic. There are national security issues involved, as well. Repairs to a segment of the old pipeline running on Indian Point property have had sections of security perimeter fence removed for over one month, with no guard to ensure security of the nuclear facility while the work is done. The pipeline operator and the contractors have committed what you call a “Serious Violation.” Spectra is currently under investigation regarding a pipeline rupture in Salem, PA in May 2016.

We urge FERC to halt construction immediately and prove to the public and elected officials that independent, comprehensive inspections have taken place with detailed

¹⁰<https://sape2016.files.wordpress.com/2016/06/20160620-phmsa-response-to-pmb.pdf>

¹¹<http://osc.state.ny.us/audits/allaudits/093016/15s31.pdf>

reports and photos of damage, repair and replacement sections. There can be no room for catastrophic error given the size, high-pressure and location of this incident.

Sincerely,

Dragonfly Climate Collective, Dan Fischer
Food & Water Watch, Karina Wilkinson
Reynolds Hills, Inc., Nancy Vann
Safe Energy Rights Group, Courtney Williams
Stop the Algonquin Pipeline Expansion, Susan Van Dolsen
West Roxbury Saves Energy, West Roxbury, MA, Rickie Harvey
Audrey Brait, Resident of West Roxbury, MA (intervenor and pipeline abutter)
Mary Ellen McMahon, Resident of West Roxbury, MA (intervenor and pipeline abutter)
Linder Sweeney, Resident of West Roxbury, MA (intervenor and pipeline abutter)
Virginia Hickey Ferentinos, Resident of Dedham, MA (intervenor and pipeline abutter)
Jessica Porter, Resident of Dedham, MA (intervenor and pipeline abutter)
Alexandra Shumway, Resident of Dedham, MA (intervenor and pipeline abutter)

cc: Senator Kirsten Gillibrand
Senator Edward Markey
Senator Charles Schumer
Senator Elizabeth Warren
Congressman Eliot Engel
Congresswoman Nita Lowey
Congressman Sean Patrick Maloney
Governor Andrew M. Cuomo