

Liquefied Natural Gas Update

Five years ago Washington Gas Company (WGC) sent shock waves throughout the Hyattsville, MD area when it announced plans to build a Liquefied Natural Gas (LNG) processing and storage plant at its property on Chillum Road. The site is about one mile from the D.C. border, and less than five miles from the United States Capitol.

WGC's announcement followed several years of complaints from neighbors regarding frequent gas leaks from the 70 year old underground system of transmission and distribution pipelines. Shortly after this announcement, a gas explosion at a home in District Heights further highlighted a troubling pattern of poor system maintenance throughout the County by the utility company.

A campaign was quickly launched to get a handle on two critical issues: to prevent the construction of a highly dangerous LNG plant in a densely populated area, and to cause improvements in the condition and maintenance of an aging underground gas delivery system. A loosely associated group of local towns, labor unions and advocacy groups (*including the Sierra Club*) has attempted to maintain a focus on both concerns.

The status of both main issues complex and difficult to describe briefly, due to the long list of agencies, court and other entities involved. Since the beginning of the initial zoning proposal Washington Gas launched its effort to create confusion by questioning the jurisdictional control (County, State or Federal) over both above ground and below ground matters. Local advocates have been engaged in numerous hearings, lawsuits and State legislative efforts along the way attempting to answer the many questions involved. The list of unresolved queries is long. Following are just a few.

1) Does Washington Gas operate an "interstate" or "intrastate" system? 2) Does the State's Public Service Commission (PSC) have an adequate set of standards or staffing level to fulfill its role as an oversight "agent" of the U. S. Department of Transportation (DOT) regarding pipeline matters? 3) Does County zoning control LNG siting decisions ? 4) Should a company with a poor maintenance record be allowed to undertake an even more risky LNG project? Why are safety and siting standards related to hazardous materials inconsistent, even between various federal agencies?

All parties have been waiting for more than six months for a U.S. District Court judge to finally submit a ruling to answer some of these questions. There are additional open cases at the Federal Energy Regulatory Commission (FERC) regarding WGC's past pipeline maintenance practices. In the

meantime, the utility has taken some steps to replace at least some of its failing parts within Prince George's County segment, and recently entered into a settlement with the District of Columbia to replace questionable couplings over the next five years.

As for the plan to construct an LNG processing and storage plant at the inappropriate Chillum Road site, it is obvious that a full approval and significant start to the construction of the plant has not yet begun due to opposition. WGS had hoped to have the plant operational in 2009. Nevertheless, the company has been quietly making small physical upgrades on this property designed to eventually facilitate the proposed operation there. WGS has also continued its quest to gain full approval at the State's PSC by pushing to have this facility be officially adopted as a critical element in its latest proposed five year gas supply plan.

What is the general status of issues as of the end of 2009? Last year was spent largely trying to address WGC's latest effort to gain approval of its proposed five year gas supply plan by the PSC. This so-called "planning" process, which is reviewed by a Hearing Examiner (HE), is unlike most other planning processes in this society. Our efforts before Dennis Sober, the assigned Hearing Examiner, have not been going particularly well.

He has ruled that various important topics will **not** be allowed as part of the review. These prohibited topics include: safety & security against deliberate destruction; proximity to the Metro line and above ground West Hyattsville station, a river tributary, a nursing home and thousands residents; local economic impacts; validity of the cost projections; and consideration of other siting options. Background reports and materials have been placed off-limits by WGC (with the blessing of the HE) without a signed "confidentiality agreement". Such documents preclude the reader from discussing any contents or troubling information with constituents or colleagues. There will also be no public hearing. The entire process is as transparent as thick "mud".

It also became apparent that further efforts to pass state legislation aimed at modernizing LNG siting standards will be fruitless. Three years of efforts by local State legislators were unsuccessful because of certain powerful politicians, such as Thomas Middleton (Charles County). He chairs the Senate Finance Committee. He and others within the large corporate community have been driven by the false claims of WGS that better siting standards will lead to huge gas rate increases for businesses.

WGS, however, has also publicly admitted that pursuing other pipeline options would potentially cost each residence approximately \$20.00 per year.

It has also become clear that the Public Service Commission's staff is not capable of monitoring the maintenance practices of WGC, nor are they willing to share their findings. PSC's Engineering Division is admittedly understaffed. A great deal of work will be necessary to fully determine the physical condition of the aging underground infrastructure at Chillum Road and other sites around the County. Efforts to involve federal authorities with a local infrastructure assessment will need to be expanded.

So, what can be done to get a handle on this continuing battle? Citizens can try to convince the Public Service Commission Board that it needs to update its standards voluntarily. Citizens can attempt to identify and influence all of the other various agencies (beyond the PSC), which will have the ability to provide, modify or withhold a license or permit the Gas Company to proceed with the LNG project. With the help of interested citizens, County, State, and federal governments may be able to identify a more suitable location for WGS to consider for the LNG plant.

Citizens might also try to get the U.S. Department of Transportation to directly investigate the real condition of the underground pipes and equipment in the Chillum area. Advocates can continue to educate the general public that the public currently has very little input into critical decisions about major and life-threatening systems like natural gas pipelines, in general, and a growing number of LNG plants which will be proposed and built well into the future across this Country.

There is quite a bit of work to be done. Clearly more citizens must get involved with utility matters which may lead ultimately to explosions with injuries and deaths, thanks to the ill-considered, ill-reviewed, and inadequate oversight of utilities such as Washington Gas Company.

[Submitted by Imani Kazana, (*President, Avonridge Community Development Corp. & Founding Member, Washington Gas Watch Alliance*), **and** Albert VanThournout, (*Recording Secretary, Avondale/North Woodridge Citizens' Association*)]

