June 16, 2017

Mr. Eric T. Schneiderman
Attorney General
Office of the Attorney General
The Capitol
Albany, NY 12224

RE: Unauthorized "Virtual Pipeline" of Trucks Carrying Explosive Compressed Natural Gas on New York Roads

Dear Mr. Schneiderman,

We are writing to request your immediate attention to a new and serious safety issue that has developed in Otsego County and neighboring Herkimer County. You have also received a correspondence regarding this subject from New York State Senator Tony Avella.

A company known as Express Natural Gas ("XNG") is currently transporting large quantities of highly combustible, compressed natural gas by trailer truck over rural New York State roads. These trucks are a new design, capable of carrying up to 12 tons of compressed methane, at very high pressure (3,600 psi.) The gas is gathered from fracking sites in northern Pennsylvania where it is compressed, driven 130 miles through New York, and then transferred into the Iroquois Pipeline in Manheim, New York.

As many as 200 such trucks per day are barreling through our communities, day and night, on roads used by residents, school buses, and agricultural vehicles. Trucks have been clocked at speeds in excess of 75 miles an hour, far over the legal speed limit, operating recklessly, and driving dangerously on shoulders. The explosive potential of these vehicles is staggering. A catastrophe could occur at any time.

Significantly, the facility at Manheim was permitted as a compressed natural gas distribution station for the purpose of drawing gas from the Iroquois pipeline and delivery by truck to individual purchasers. At no time in the permitting process did the applicant disclose that the Manheim station would be used to inject large volumes of gas into the Iroquois Pipeline. This undisclosed activity has not been reviewed under NEPA, SEQRA or local law. In fact, XNG boasts that it has created an "unregulated, virtual pipeline." It is incomprehensible that these operations are occurring illegally, completely outside of federal or state review.
I attach to this letter a copy of a presentation titled "Iroquois Pathway Ahead," which was given by Iroquois Gas Transmission at a May 4, 2017 meeting of the Northeast Gas Association (also here: [http://www.northeastgas.org/pdf/r_perless_2017.pdf](http://www.northeastgas.org/pdf/r_perless_2017.pdf)).

Information on page 6 of the presentation confirms that XNG has developed a capacity to deliver 50,000 Dekatherms per day (50 MDT/d) of fracked gas to the Manheim facility in trucks that carry 350 Dekatherms of gas each. This is an average of 143 trucks per day entering the facility, with the same number going out empty. The information presented also reveals that this activity is part of a larger plan for gas development, including future expansion of the Dominion Pipeline, eventual construction of the Constitution Pipeline, and flow reversal of the Iroquois pipeline to facilitate the export of gas to Canada.

I am also attaching here information relating to a request by XNG for a waiver of jurisdiction from the New York State Public Service Commission (PSC) on the grounds that trucks using the facility will only deliver gas to end-use customers. At no point in any of the proceedings associated with its request did XNG disclose its intent to receive gas transported by truck at the Manheim facility and insert that gas into a main transmission pipeline. In addition to this, you will find attached the XNG application for a project permit submitted to the Town of Manheim which claims that "approximately eight (8) to forty-five (45) trucks would be filled per day depending on seasonal demand." (emphasis added) At no place in its application to the town or to the PSC did XNG disclose that its actual plans were to have an average of 143 tractor trailers per day transport gas to the facility and transfer that gas into the Iroquois Pipeline. Nor did XNG discuss any of the environmental and safety risks associated with this undisclosed purpose. These documents show that the Town and the PSC were grossly misled.

We strongly urge you to investigate this matter and require that XNG immediately cease all operations involving the transfer of gas from trucks into the Iroquois Pipeline. Proper permits do not exist for these activities and essential safety and environment review by federal, state, and local authorities has not been conducted. This matter is urgent.

Sincerely,

Nicole A. Dillingham
President, Board of Directors

Attachments:
- XNG Petition for Declaratory Ruling regarding Jurisdiction, 2/4/14
- Public Service Commission Declaratory Ruling regarding Jurisdiction, 6/30/14
- XNG Permit Application submitted to Town of Manheim, excerpt, 6/23/14

Cc: State Senator Tony Avella