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Kinder Morgan pipeline project suspended



Climate action activists display a parachute and pipeline balloon during a rally at Pulaski Park in Manchester in October. (MARK HAYWARD/UNION LEADER FILE)

The Kinder Morgan natural gas pipeline project is dead — a victim of low energy prices and a lack of interest by natural gas shippers and buyers.

“As a result of inadequate capacity commitments from prospective customers, Kinder Morgan and its subsidiary, Tennessee Gas Pipeline Company, have suspended further work and expenditures on the Northeast Energy Direct (NED) project,” according to company spokesman Richard Wheatley.

The project, first proposed in July 2015, encountered stiff opposition in Massachusetts and New Hampshire where homeowners along the pipeline route mounted protests and refused to allow surveyors on their property.

Business interests in New Hampshire have been lobbying for new pipeline construction, largely through the statewide Business and Industry Association and its Energize New Hampshire campaign.

Wheatley said the Kinder Morgan board initially approved the pipeline based on the anticipation of sufficient shipping contracts to justify the project.

“Unfortunately, despite working for more than two years and expending substantial shareholder resources, we did not receive the additional commitments expected,” Wheatley said. “As a result, there are currently neither sufficient volumes, nor a reasonable expectation of securing them, to proceed with the project as it is currently configured.”

He said the lack of interest could be attributed to several factors, including what Wheatley called the

“low-price environment.”

“While good for consumers, it has made it difficult for producers to make new long-term commitments,” he said. “Given these market conditions, continuing to develop the project is not an acceptable use of shareholder funds.”

The 30-inch pipeline would have spanned 80 miles across southern New Hampshire, according to Kinder Morgan filings with the Federal Energy Regulation Commission. Of that route, 72.21 miles would run in existing Public Service of New Hampshire rights-of-way, following the path of power transmission lines.

The opposition in New Hampshire was led by the N.H. Pipeline Awareness Network (PLAN), which had argued all along that NED was not getting sufficient interest in the energy industry to justify construction.

“NHPLAN is encouraged to hear that even Kinder Morgan now recognizes this project for what we always knew it to be: a gross overbuild of gas infrastructure that put New England residents and private and public lands at risk,” said Maryann Harper of Rindge, a NHPLAN co-founder. “This project asked us to bear all of the burden while receiving little to no benefit.”

The NHPLAN group is an affiliate of PLAN for the Northeast, which has been fighting the NED project for more than two years.

“We’ve said all along that it didn’t make economic sense, in addition to sending us in the wrong direction as far as where our energy system needs to be heading,” said Kathryn R. Eiseman, president of PLAN for the Northeast. “Of course Kinder Morgan isn’t done yet, and they could still come back with a new project across our region.”

Republican Sen. Kelly Ayotte was also among the opponents of the project.

“I was the first statewide elected official to oppose the pipeline moving forward because of the many unanswered questions and concerns raised by New Hampshire residents who would have been affected by this project, so I am pleased by today’s announcement,” she said.

Gov. Maggie Hassan’s office issued the following statement: “Today’s announcement reinforces Governor Hassan’s belief that we must continue working together to build a stronger, more affordable energy future for our families and businesses by working to diversify our energy resources, strengthening our clean energy sector, and building on New Hampshire’s ranking as one of the top five states in the country for renewable energy.”

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