

STATE OF NEW YORK

Public Service Commission

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PSC INVESTIGATES APPARENT CLEARING FOR GAS PIPELINE WITHOUT NECESSARY APPROVALS

—Bluestone & Landowners to Explain Their Actions on Broome County Pipe Project —

Albany, NY—5/18/11— The New York State Public Service Commission (Commission) today commenced an investigation into acts of significant tree clearing without necessary Commission approvals apparently in preparation for the construction of a major utility gas transmission facility to be built by pipeline company Bluestone Gas Corporation of New York, Inc., a subsidiary of DTE Energy.

“This investigation arises out of an incident where our field staff discovered that land was being cleared for a new major pipeline in apparent violation of the state’s pipeline siting law,” said Commission Chairman Garry Brown. “The siting law is designed to ensure a full and complete public review of a proposed pipeline, including its location, is finished before actual construction begins.”

Based upon a preliminary review, it appears that earlier this year clearing of woodlands and wetlands began in the Town of Sandford, Broome County, including areas near a protected stream. Approximately 9.5 acres have been cleared of trees apparently in preparation for a proposed gas pipeline without an Article VII Certificate having been first obtained; in fact, no application has even been made, although one is expected by Bluestone along the route that has been cleared.

The Commission is concerned about the clearing actions from three perspectives. First, the cleared area may not be the optimal route for the pipeline. Second, the right-of-way has been cleared to the full width of the easement, where in other Article VII cases more narrow rights-of-way have been authorized to minimize visual impacts at key points. Third, if these are actions to establish a route on the ground before the permitting process has even begun, allowing them to stand would threaten the integrity of future pipeline permitting activities.

The proceeding commenced today will investigate the circumstances that led to the tree clearing. The decision to move ahead with a proceeding was made quickly because a subsequent field visit revealed more extensive clearing than a first field visit, despite Bluestone's promise that no additional work would be done on the site.

The land parcel in question is located within the northern end of the proposed route for the pipeline, to the north and south of William Law Road. Pursuant to Article VII of the PSL, no person shall commence site preparation for the construction of a major utility transmission facility without having first obtained a certificate of environmental compatibility and public need from the Commission. While Bluestone has been responsive to requests for information, questions still remain as to its involvement, and the involvement of others, in the site clearing activities.

The Commission will therefore institute this proceeding to investigate all the facts and circumstances surrounding Bluestone's dealing with landowners, the negotiation of options and the staking and clearing of the contemplated right-of-way. An Administrative Law Judge will be designated to oversee the proceeding and to establish process and deadlines as appropriate.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 11-G-0221 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).

