16-0253-GA-BTX

Hi, I am writing to oppose Duke Energy's plan to run a 30" natural gas pipeline through residential parts of Cincinnati.

I understand that natural gas pipelines need to exist in a modern society where people heat their homes and their hot water and perhaps also their food with natural gas. However, a 30" pipeline through a residential area is problematic for several reasons.

I live on Bluewing Terrace in Blue Ash. The pipeline was originally charted to go in behind the homes that are across the street from me, although my understanding is that Duke has now re-routed the pipeline to avoid my neighborhood. I remain concerned for the following reasons:

1) Safety
First and foremost is the safety concern. No pipeline can ever be 100% safe, especially after years of wear & tear and minor little earthquakes that happen all the time (even if they are imperceptible to us above the surface) have shifted the pipeline and the earth and subjected it to various uneven pressures.

It is my understanding that explosions from these pipelines do occasionally happen and they can be quite destructive - destroying anything within a couple hundred yards.

Why not run the pipeline through farmland where loss of life and property resulting from an explosion would be minimal? A densely populated area like an urban or suburban neighborhood seems like an extremely poor choice.

2) Environmental Impact
I am not familiar with the currently proposed route, but the original route was going to involve cutting down thousands (maybe hundreds of thousands?) of large established trees. In addition to being far more beautiful than the apartment buildings/businesses/streets they are screening off, trees hold soil in place, helping to prevent erosion, they provide habitat for birds and other animals, they filter noise pollution, and they safely sequester and store carbon for centuries. We've been taught since childhood that the world needs more trees, not fewer, and nothing could be more true. Efforts to conserve as many trees as possible should be made rather than running the pipeline through a narrow stretch of green space consisting almost entirely of trees.

3) Property Value
This may be the biggest motivation for people's involvement and it is reasonable for people to be concerned. Their home is the single most valuable asset for the vast majority of homeowners in the world, and Cincinnati is no exception. And most homeowners are significantly leveraged, meaning that their investment is limited to the value of the home above the fixed amount that they owe.

It's a similar story for landlords and small business owners, to a lesser extent since their real estate portfolio is likely a little more diversified.

The plain truth is that a pipeline is bad for property values, for many reasons including ones that I mentioned above.

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Even a 5% drop in property value is devastating to families. Consider a family in a $300,000 house with a $240,000 (80% loan-to-value) mortgage balance. Their asset is basically the value of their home minus transaction costs and their mortgage balance. If we assume that transaction costs are 7% of the home value, the family's asset is currently 300000 * (1 - 0.07) - 240000 = $39,000

What would happen to their asset if their home value decreased 5%? Their asset is now worth 300000 * (1 - 0.05) * (1 - 0.07) - 240000 = $25,050

The home declined in value by 5% but the homeowner's asset declined in value by 36%. If the house represents 90% of the homeowner's total assets, then a 5% decline in home value wipes out a little over 32% of his net worth... his life's savings.

If the mortgage balance was 90% of the value of the home (sadly common) then the asset would decrease from $9,000 to NEGATIVE $4,950. Some people are even more leveraged than that! It is no overstatement to say that small decreases in property values caused the 2008 recession so they are not to be overlooked.

This causes significant economic destruction and instability

Homeowners and other property owners deserve to be compensated for the loss in value caused by this pipeline. And not just the ones whose property contains or is adjacent to the pipeline, but anyone whose property value decreases as a result of it.

Sent from my iPhone