

16-253-GA-BTX

11/01/16-DUKE ENERGY

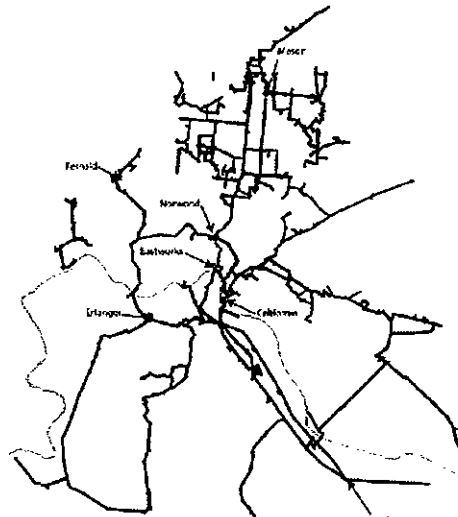
Members of the OPSB:

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We are writing again in regards to the proposed Duke Energy Central Corridor Pipeline and the modified pipeline route and size. Duke Energy has stated many times that they desire to work with the stakeholders in regards to this transmission pipeline. However, as shown by their request for a waiver from further informational sessions, Duke Energy's words and actions have not necessarily aligned. Duke has followed the letter of the law in publicizing the pipeline, but has not followed a spirit of cooperation with the communities affected. Duke Energy's proposal *has* significantly changed since the informational sessions held. Duke Energy states that this change was in response to customer and community feedback. The implication of this statement is that this change adequately addresses the concerns of the community and customers, which has been abundantly made clear to be untrue. Duke Energy points to the Duke Energy Website FAQs as proof they are providing information regarding the pipeline. Reading this webpage (<https://www.duke-energy.com/ohio/natural-gas/central-corridor.asp>), one can be assured that the information that Duke Energy is providing is of low quality and entirely lacking in specifics. The information that individual property owners, and the OPSB needs, is not provided in this internet forum, nor specifically addressed within the application or at prior informational sessions.

Based on available data, **we urge you to oppose the construction of this pipeline** through the central corridor of Cincinnati, a highly populated, residential area. We have reviewed both the application Duke Energy has submitted to the OPSB and information that is on the Duke Energy Central Corridor website. Based on information from both sources and significant consideration, we ask that the OPSB ***not approve*** the pipeline through the central corridor of Cincinnati. This is based on a number of points, which we have summarized below.

Need for the transmission pipeline: Duke Energy repeatedly points to a large scale study of energy usage in Southwest Ohio as proof that this pipeline is needed. Further, they state that the propane peaking facilities in Southwest Ohio are aging and insufficient. Each of these are stated as fact, without background data to support these conclusions. At a minimum, this data should be supplied to the public asked to bear the burden of this pipeline. Yet, even this data does not explain how Duke Energy can predict such a drastic increase in natural gas usage in the face of a stable to decreasing population in Hamilton County, the stated beneficiaries of this pipeline. One must question whether the ultimate goal is to transmit natural gas into states beyond Ohio. By proposing this as an intrastate pipeline only, Duke Energy may be attempting to skirt federal guidelines and oversight of pipeline for ***interstate*** natural gas transmission. In the case that this pipeline is built, assurances and oversight should be established that would preclude interstate commerce.



Future Load - Plants Retired and No System Improvements

- Less than 70 PSIG
- 70-80 PSIG
- 80-100 PSIG
- Greater than 100 PSIG

Highlighted - Critical Areas of Low Pressure

Figure 1. Pipeline pressures as projected by Duke Energy. Source: Duke Energy OPSB Application.

In the application to OPSM, Duke Energy discusses pressure within the pipeline. They built a model to simulate pipeline pressures in the event that the propane peaking facilities are removed (see figure 1). Areas in red in this figure are predicted to have low natural gas pressures. However, this is not accompanied by any trends in natural gas usage. Whether natural gas usage in Cincinnati has *actually* increased would be key to interpreting this data.

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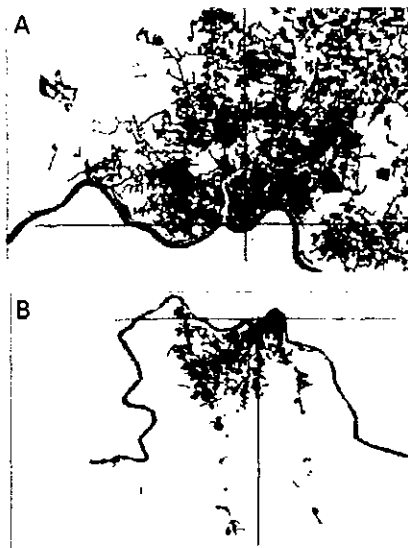


Figure 2. Area served by propane peaking facilities. A. Area served in Ohio. B. Area served in Northern Kentucky. Source: Duke Energy OPSB application

Further, nothing beyond the statement that “The propane-air peaking plants in Kentucky and Cincinnati are, as discussed throughout this Application, approaching the end of their useful lives” is included in the application. There is no data supplied to support this statement nor data documenting the cost of updating the current facilities vs. building the proposed new pipeline. This is further information that is required to make a decision on the proposed pipeline that has not been provided.

Duke Energy has stated that the proposed pipeline is solely for the residents of Hamilton County; however, Duke has also noted in the application that propane peaking facilities in Northern Kentucky fulfill the same roles as the facilities in Ohio. Figure 2 shows areas of Northern Kentucky that receive support from the propane peaking facilities, yet no mention is made of these facilities in the application. Will these areas beyond Ohio be served by the new pipeline? Duke Energy has stated it was unfair to ask residents of another county to be burdened by this pipeline, as it is reportedly to serve only Hamilton County. However, this argument becomes less persuasive if it is meant to serve Northern Kentucky as well. Further, if the pipeline is really

also meant to serve Northern Kentucky, then it becomes interstate commerce, subject to federal oversight. This also diminishes the rationale for building through the central, highly populated corridor of Cincinnati.

**Safety:** Many questions on the FAQ section of the Duke Energy website were regarding a “blast zone” or damage radius in case of catastrophic rupture, such as in the San Bruno or Pennsylvania incidents. In almost every instance, instead of answering this question, Duke Energy replied, “The pipeline will be constructed and operated following industry best management practices and in full compliance with modern engineering safety and regulatory controls.” However, in one instance they did admit to having calculated a “Potential Impact Radius”; however, this radius was not disclosed. Reasonably, this potential impact radius should both be disclosed to the public and any landowner within this region should be notified of the proposed pipeline, even if an easement is not required from that landowner. Given the explosions in San Bruno, CA and Pennsylvania, all owners without this impact radius should be notified. The explosion in San Bruno killed eight people, left a crater 72 x 26 feet wide and 6 feet deep, and destroyed 37 houses. (Source: San Francisco Chronicle [<http://www.sfgate.com/bayarea/article/San-Bruno-fills-crater-erases-a-bit-of-the-pain-2309408.php>]) Notably, it took over 60 minutes to turn off the gas flow in this pipeline. (Source: The Mercury News [<http://www.mercurynews.com/2010/09/10/search-for-bodies-in-deadly-san-bruno-pge-gas-line-explosion-ends-2/>]) In Pennsylvania, the explosion resulted in a crater 12 feet deep and 1500 square feet in size. One man was critically injured with severe burns. 40 acres of land was burned. (Source: NPR [<https://stateimpact.npr.org/pennsylvania/2016/05/04/pa-pipeline-explosion-evidence-of-corrosion-found/>]) The Duke Energy application states, “The Preferred Route centerline is located within 1,000 feet of 3,749 residences and within 100 feet of 157 residences”. The issue of the Potential Impact Radius is even more critical when considering that the proposed pipeline route(s) are in close proximity to schools, churches, Jewish Hospital, and Kenwood Towne Center Mall. Therefore, determining and publically releasing this Potential Impact Radius is essential to making an informed decision on this pipeline.

A question was asked on the FAQ page, "**Would you feel comfortable with this pipeline 20 feet from your children's bedroom?**" which was answered by an unidentified person with an unequivocal "Yes". This is an entirely relevant question because the pipeline runs this narrow distance or less from many residences on both the preferred and alternate routes. We believe this is something that Duke Energy executives should *sincerely* ask themselves. Further, we hope that each member of the siting board will ask themselves this question prior to voting to approve the proposed pipeline. Many homes will be within this distance from the pipeline, and each will be at risk because of the proximity to the proposed pipeline. We know of no one who would unequivocally feel comfortable with this close proximity of a natural gas pipeline to their own bedrooms, much less the living space of their children. However, this precise risk is what Duke Energy is asking each person who lives along the route to assume, *without any direct benefit*. Even if the homeowner denies the easement, Duke Energy has already stated on their website that they will pursue eminent domain. As selling a home with an easement or threat of an easement is likely to be problematic, there literally would not be an escape option for the families who have valid safety concerns about a natural gas pipeline in close proximity to their homes. Unlike in other situations in which a person may elect to buy a home with a known risk, individuals along the proposed routes will essentially have a safety risk thrust upon them, through no fault of their own.

The issue of safety also extends to ensuring adequate first responder resources for the communities who may be impacted by this pipeline. At each informational session that we have attended, elected officials of the impacted communities have voiced deep concerns about how first responders in the community will be trained to address the unique challenges associated with responding to a pipeline failure, as well as concerns about how such training will be paid for as these communities do not have surplus funds to spend. The responses provided by Duke at these forums were insufficient to address the concerns of the officials (hence their repeatedly asking the same questions at each forum), and this issue of funding and obtaining relevant training for first responders needs to be addressed.

Site selection: Duke Energy has stated that the proposed routes were selected from *thousands* of routes considered. Duke Energy should be able to point to alternate routes (including showing these routes on maps) and explain why these were deemed less suitable. Duke should also be able to show why rural, less densely populated areas are unsuitable for this pipeline. Duke Energy also has not stated what role the cost of easements in each potential route played into the site selection.

In the application, Duke Energy stated they did not want to run the pipeline outside of the I-275 circle, as this would burden counties not served by the pipeline: *"In addition, an eastern route alternative for this Project would directly benefit Central Hamilton County customers while placing the majority of the routing, easement, and construction impact burden on customers beyond the I-275 loop who would derive less direct benefit from the Project."* Indeed, they tacitly admit that the pipeline *is a significant imposition*, in regards to safety, economic impact, and loss of use of the land impacted by the easement. Moreover, it is not clear that this statement regarding this pipeline exclusively serving Hamilton County is even factually true. Duke Energy's own website notes a larger area of southwest Ohio that is within their service area (<https://www.duke-energy.com/rates/DE-service-territory.asp>).

Duke also apparently did not consider any routes to the east of I-71, yet still within the I-275 loop. One has to assume this is related to the relative price of property in Blue Ash, Deer Park, Sycamore Township, and Silverton as compared to Indian Hill. However, the lack of consideration of this area does appear to attempt to place the burden of this pipeline on households with lower income and less alternatives to resisting easements and eminent domain.

**Impact on real estate values:** Duke Energy cites two industry-sponsored studies that natural gas pipelines do not decrease real estate values. Indeed, one of the two studies cited was prior to the incident in San Bruno, California, and the second before the incident in Pennsylvania. It is either entirely naïve, or dishonest, not to consider that these two catastrophes would alter the conclusions of the study. At the minimum, a study since that time should be considered prior to approval of the proposed pipeline. The average percentage of a family's wealth represented by their primary residence is 60% (Source: Bloomberg Financial Magazine [<http://www.bloomberg.com/news/articles/2013-02-14/u-dot-s-dot-homeowners-are-repeating-their-mistakes>]) . For Duke Energy to not even consider the economic impact of the proposed pipeline on residents is shocking.

Duke has stated on their website that if unable to come to terms with an individual on an easement, Duke would pursue eminent domain to obtain the needed easement. How many people will buy a home with a known or expected easement, particularly for a large natural gas pipeline? Thus, if the proposed pipeline is approved, homeowners along the route are forced to absorb a financial penalty imposed by Duke because selling a home along the pipeline after approval is likely to be incredibly difficult.

Duke Energy should outline their plans to reimburse owners who have property that will be directly impacted by the proposed pipeline. This has been intentionally vague in all of Duke's communications. However, there is no intention - and indeed there is likely no way - to reimburse individuals who will not have the pipeline directly on their property yet also are expected to suffer negative economic impact due to decrease in real estate prices because of the proximity to the proposed pipeline. This loss of property value may not be apparent for years after the pipeline is built.

**Impact on homeowner's/fire insurance:** This was asked twice on the FAQ website, and both times Duke Energy refused to comment. Was this due to a lack of due diligence on the part of Duke Energy, or because it casts the pipeline in an unflattering light? In either case, it is inexcusable.

**Loss of Land Use:** Duke Energy does not plan to purchase land for the pipeline; it plans to utilize easements on private property. Indeed, Duke notes that this strategy is preferable because no one else can use the land for another purpose - even the owner of the property. However, Duke Energy has not indicated what land use will be permitted on the land encumbered by an easement. They have further noted that markers will be placed above the pipeline, but have not provided examples of what these markers will look like.

Land affected by the easement will be clear cut, along with an additional zone that Duke Energy states is required for construction. Duke Energy has stated they will return the land to the state it was in prior to construction. As someone who has previously had work on our property by Duke Energy, we can testify that their idea of returning the land to pre-construction status was to sprinkle some grass seed and hay on the ground and then leave (Figure 3, see attached photo of a Duke Energy post-construction site in my neighborhood in Blue Ash). Indeed, this is likely what Duke Energy plans, as this is the statement from their application to the OPSB, "Once construction is complete, the trench will be backfilled and seeded, or recovered with concrete/asphalt." A real commitment must be obtained that the disturbed land will be returned to the actual pre-construction status. This will be difficult, if not impossible, as mature trees will be cut from the area and will likely not

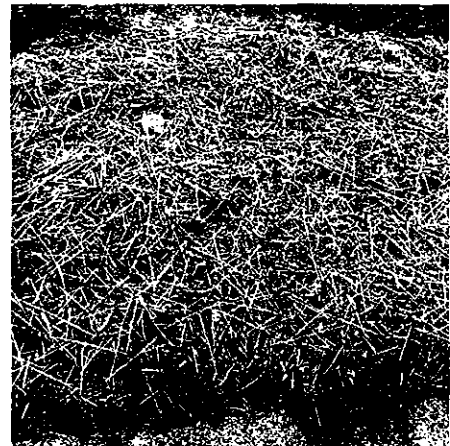


Figure 3. Lawn "re-seeding" following Duke Energy construction work. This is clearly not the pre-construction state of the lawn. This construction took place in Blue Ash, October, 2016.

be allowed to grow within the easement. Many people may have chosen their property based on the presence of mature trees on the property. Therefore, clearly, the property in question and the local environment cannot be restored to pre-construction status.

In conclusion, we urge you to **deny** approval of this pipeline through the central corridor of Cincinnati. The safety and financial risks that Duke Energy is asking the residents of these communities to bear should not be underestimated nor dismissed. Duke Energy is asking the residents affected to bear this risk without any direct benefit. Natural gas pipeline explosions in Pennsylvania and San Bruno, CA indicate that these pipelines ***do present a safety risk***. Duke Energy may pay a fee for the easements; however, Duke Energy will not compensate all who are within the "potential impact radius" of the pipeline. Further, without detailed study, they cannot say what the economic impact is on homes within close proximity to the pipeline. For all these reasons, please **deny** approval of this pipeline.

Sincerely,

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Blue Ash, OH