

PUBLIC HEARING NOTICE

New Jersey Department of Environmental Protection Green Acres Program

Notice of Public Hearings on Proposed Conveyance (Lease) of State-owned Lands in High Point State Park (Montague Township, Sussex County), Long Pond Ironworks State Park (West Milford Township and Ringwood Borough, Passaic County) and Ringwood State Park (Ringwood Borough, Passaic County and Mahwah Township, Bergen County)

Take Notice that in accordance with N.J.S.A. 13:1D-51 through 58, the State of New Jersey, Department of Environmental Protection (“NJDEP” or “Department”), Green Acres Program, will hold three **public hearings** to seek comments on a proposed 25-year conveyance (lease) to Tennessee Gas Pipeline Company (“Tennessee”) of certain State-owned lands, described more specifically below, in High Point State Park (Montague Township, Sussex County), Long Pond Ironworks State Park (West Milford Township and Ringwood Borough, Passaic County), and Ringwood State Park (Ringwood Borough, Passaic County and Mahwah Township, Bergen County). The proposed conveyances are needed for purposes of constructing, installing and operating pipeline loops (parallel to Tennessee’s existing pipelines) that will provide approximately 636,000 dekatherms per day (Dth/day) of new incremental natural gas delivery capacity to serve Tennessee’s northeast market area. The project is known as the Northeast Upgrade Project (the “Project”).

Tennessee is seeking Federal Energy Regulatory Commission (FERC) approval and State permits and approvals from New Jersey (and Pennsylvania) to construct the Project from north central Pennsylvania to Mahwah, New Jersey to deliver additional supplies of natural gas to the Northeast and New England regions. This will complement expansion of the 300 Line in New Jersey of 16 miles in Sussex and Passaic Counties that was authorized by FERC in May 2010, approved and permitted by the Department in November 2010, and currently under construction. The proposed 323 and 325 loops are 10 mile and 7.6 mile loops, respectively, of 30-inch diameter pipeline on either end of the 300 Line. In addition, Tennessee is proposing to make modifications to Compressor Station 325 in the Township of Wantage, Sussex County and the Mahwah meter station in Bergen County, New Jersey.

In Highpoint State Park (Loop 323), the Project will affect seven (7) parcels of State-owned lands; in Long Pond Ironworks State Park (Loop 325), the Project will affect two (2) parcels of State-owned lands; and in Ringwood State Park (Loop 325), the Project will affect fifteen (15) parcels of State-owned lands. In total, the Project as submitted to FERC for a Certificate of Public Convenience and Necessity is estimated to impact 113.37 acres of public lands in New Jersey, which includes 30.20 acres of new permanent ROW and 83.17 acres of new temporary, or construction workspace. These figures also include an additional 10% added by the Department for any unforeseen construction contingencies. Further, the Project will impact land in the Borough of Ringwood acquired by the Passaic River Coalition with Green Acres nonprofit acquisition funds in which the Department holds a conservation easement interest as

well as privately held land in the Township of Wantage in which the Department holds a wetlands conservation easement interest.

Notwithstanding the above noted impacts, the Department has continued to direct Tennessee to submit a plan that significantly reduces the impacts to and use of State-owned lands in New Jersey and Tennessee is currently identifying opportunities to reduce both permanent and temporary impacts caused by the Project. As part of the reduction plan, Tennessee is proposing to relinquish up to 10 feet of its existing ROW associated with and on the non-construction side of the existing 300 Line.

If an acceptable alternative plan is submitted by Tennessee, the above scope of impacts to and use of State-owned lands will be reduced.

The specific blocks and lots of the State-owned lands to be crossed or affected by the Project are as follows:

High Point State Park (all located in Montague, Sussex County, NJ):

Block 19, Lot 25
Block 19.01, Lot 5
Block 19, Lot 30
Block 19, Lot 29
Block 19, Lot 28
Block 23, Lot 1
Block 24, Lot 2

Long Pond Iron Works State Park:

Block 4601, Lot 8 (West Milford, Passaic County, NJ)
Block 310, Lot 1 (Ringwood, Passaic County, NJ)

Ringwood State Park:

Block 601, Lot 8 (Ringwood, Passaic County, NJ)
Block 902, Lot 2 (Ringwood, Passaic County, NJ)
Block 902, Lot 3 (Ringwood, Passaic County, NJ)
Block 1000, Lot 1 (Ringwood, Passaic County, NJ)
Block 1000, Lot 2 (Ringwood, Passaic County, NJ)
Block 1100, Lot 3 (Ringwood, Passaic County, NJ)
Block 1101, Lot 5 (Ringwood, Passaic County, NJ)
Block 1101, Lot 3 (Ringwood, Passaic County, NJ)
Block 1, Lot 2 (Mahwah, Bergen County, NJ)
Block 1, Lot 1 (Mahwah, Bergen County, NJ)
Block 1, Lot 67 (Mahwah, Bergen County, NJ)
Block 1, Lot 68 (Mahwah, Bergen County, NJ)
Block 1, Lot 69 (Mahwah, Bergen County, NJ)
Block 1, Lot 56 (Mahwah, Bergen County, NJ)

The specific blocks and lots of the lands in which NJDEP holds a conservation easement (privately owned) to be crossed or affected by the Project are as follows:

Block 311, Lots 1.01 and 1.03 (Ringwood, Passaic County, NJ) (Passaic River Coalition)
Block 152, Lot 9 (Wantage, Sussex County, NJ) (privately owned).

The Department is requiring compensation for the conveyance of the above-described State lands as follows:

- 1) For the lease and occupancy of up to 30.21 acres of State-owned land for a term of 25 years and the lease and temporary occupancy of an additional up to 83.17 acres of State-owned land for 2 years during construction, monetary payment to the State shall be at a rate of \$0.15 per square foot per year, escalated by 2.5% for each year after the first year of the lease for a total rent of approximately \$7.84 million over the 25-year term of the lease based on the current level of impacts as submitted to FERC. As the total acres impacted are anticipated to be reduced per the Department requested modifications of the original FERC submittal, the final lease amount will likely change but will still be determined using the square foot rate described above.
- 2) For the permanent ecological and environmental impacts to the approximately 30.21 acres of State owned lands, additional compensation shall be in the form of replacement land provided to the State at a ratio of 4:1.
- 3) In addition, Tennessee will be required to comply with New Jersey rules requiring avoidance, minimization, and mitigation for any impacts to sensitive environmental areas, features, or threatened or endangered animals or rare plants. Additionally, Tennessee will be required to compensate for the value of any timber resources impacted as well as comply with provisions of the No Net Loss Reforestation Act.

To be clear and avoid any doubt, the compensation to the Department above is independent of any other compensation required pursuant to law or regulation by any other federal, local or regional authority such as the Highlands Commission.

State House Commission approval is required for this proposal. If approved, the Department will enter into a 25-year lease with Tennessee in early 2012 so that construction on the Project may commence in 2012 in order to meet an anticipated in-service date of November 2013.

The **first public hearings** on the proposed conveyance will be held on:

Wednesday, August 17, 2011 at 7:00 PM at the Montague Municipal Building, 277 Clove Road, Montague, New Jersey 07827

Thursday, August 18, 2011 at 7:00 PM at the Ringwood Municipal Building, 60 Margaret King Avenue, Ringwood, New Jersey 07456

The hearing record for the first public hearings will close on September 1, 2011. Interested persons may obtain information about these hearings and/or the Project from Kevin E. Koslosky in the Green Acres Program at the address below and may submit written comments to Mr. Koslosky until the close of business on September 1, 2011.

The **second public hearing** on the proposed conveyance will be held on:

Wednesday, September 7, 2011 at 4:00 PM at the Department of Environmental Protection, 401 (or 501) East State Street, Trenton, New Jersey 08625

The hearing record for the second public hearing will close on September 21, 2011. Interested persons may obtain information about the hearing and/or the Project from Kevin E. Koslosky in the Green Acres Program at the address below and may submit written comments to Mr. Koslosky until the close of business on September 21, 2011.

Persons wishing to make oral presentations at any of the public hearings are asked to bring a written copy of their comments to the hearing for use by the Department. For further information on the proposed Project or the above public hearings, please contact:

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Information on the Project (Docket No. CP11-161-000) is also available at www.ferc.gov.

DATE:

6/23/2011



Bob Martin, Commissioner
Department of Environmental Protection