



N.J. commission stalls approving 24-year lease agreement on gas pipeline project for \$45K

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Brian T. Murray/The Star-Ledger

HIGHLANDS — The State House Commission stalled action today on a controversial gas line proposed for construction through state-owned forests and parks in northern New Jersey, as questions rose about the \$45,000 Tennessee Gas Pipeline Co. will pay the state in a 24-year lease deal.

Calling it a rip-off, Assembly Majority Leader Joseph Cryan (D-Union), who sits on the commission, described the \$45,000 lease as a "gift" to Tennessee Gas as it tries to complete a \$2 billion pipeline that will extend 105 miles through Pennsylvania and 23 through New Jersey, crossing over several state-owned preserves and parks. His opposition prompted the commission, which must approve any lease arrangements on public lands, to postpone action for another 10 days.

The New Jersey Highlands Coalition, the state chapter of the Sierra Club and the Public Employees for Environmental Responsibility chided the deal at a Trenton meeting, contending the project will destroy sensitive and protected lands.

"The state is about to take a mere \$45,000 for a 24-year lease agreement...and no one seems to be able to explain, defend or expose the methodology that was used to come up with that number," said Bill Wolfe of PEER.

Robert Newberry of Tennessee Gas said the line will run next to an existing pipeline the company has operated through Sussex, Passaic and Bergen counties since 1955, before it became public land. He said the project will bring service to more New Jersey and New York customers.

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"We will mitigate the area back to as close as possible to its original condition," he explained of land and trees that will be disturbed.

Tennessee Gas contends up to \$2 million may be spent on the mitigation — a price noted by the state Department of Environmental Protection today when asked about the \$45,000 lease agreement.

"We think, in general, we've tried to come up with a good and fair deal that gives us financial compensation for land that will still remain in our hands," said DEP spokesman Lawrence Ragonese.

He said the gas company will finance rare species protection projects, re-plant four trees for every one tree destroyed and buy four acres of prime habitat for every one acre developed. Ragonese also said the \$45,000 lease price resulted from an independent appraisal that placed a low value on the land because most of it is in the Highlands preservation area, where development is restricted.

The state Highlands Commission, which oversees development there, exempted the gas line from those restrictions because it is a utility.

"The point being missed here is, whatever Tennessee Gas pays in mitigation costs, it should pay to compensate taxpayers for the damage they are going to do to our public lands. It should have nothing to do with the lease. The state is giving away the land for less than \$2,000 a year at the same time this state is talking about privatizing parks and maximizing our state assets," said Jeff Tittel of the New Jersey chapter of the Sierra Club.