

**APPENDIX G**

**PUBLIC SERVICE COMMISSION OF THE STATE OF NEW YORK  
AND MILLENNIUM PIPELINE COMPANY, L.P. MEMORANDA**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE PUBLIC SERVICE  
COMMISSION OF THE STATE OF NEW YORK AND  
MILLENNIUM PIPELINE COMPANY, L.P.  
(MOU)**

MEMORANDUM OF UNDERSTANDING  
 BETWEEN  
 THE PUBLIC SERVICE COMMISSION  
 OF THE STATE OF NEW YORK  
 AND  
 MILLENNIUM PIPELINE COMPANY, L.P

PURPOSE

This Memorandum of Understanding ("MOU") is entered into by the Public Service Commission of the State of New York ("PSCNY") and Millennium Pipeline Company, L.P. ("Millennium") (the parties). The purpose of this MOU is to clarify certain requirements for construction and operation of the Millennium Pipeline in certain areas, as specified below, that are proximate to the Consolidated Edison Electric ("Con-Ed") right-of-way located in Westchester County, New York.

BACKGROUND

As a result of the Memorandum of Understanding entered into between the parties dated March 30, 2000, the parties have met to discuss potential alternative routing of the pipeline through Westchester County to re-route the pipeline off of the Con-Ed right-of-way. Millennium has proposed an alternate route to accomplish that goal. Nevertheless, portions of the Alternate Route involve construction of the pipeline near and across the Con-Ed right-of-way. This Memorandum of Understanding defines certain mitigation measures to construct, operate, and periodically verify the condition of the pipeline on the Alternate Route and in locations with conditions similar to the Alternate Route.

THE PARTIES AGREE THAT

a Applicability: The parties agree that, unless otherwise stated in this MOU, the additional requirements set forth in this MOU shall apply only to the following segments of the Alternate Route and the five perpendicular crossings more particularly described as follows:

1. Segment one begins at approximate Millennium mile post 403.8 and extends southward for a distance of 2.6 miles;

- 2 Segment two begins at approximate Millennium mile post 408.1 and extends southward a distance of 0.7 miles;
  - 3 Any other segment of the pipeline in Westchester County that involves conditions similar to segments (1) and (2) above regarding proximity to the Con-Ed right-of-way or any Con-Ed substation on or adjacent to the right-of-way. For the purpose of this subparagraph, any point where the pipeline is proposed to be located within 1,500 feet of the centerline of the Con-Ed right of-way will be presumed to include similar conditions unless Millennium can establish to the satisfaction of the NYSPSC, because of topography or other conditions, that the safety measures provided by this MOU are not necessary.
  4. The Alternate Route involves five crossings of the Con-Ed right-of-way. These crossings include a distance of 1,500 feet on either side from the centerline of the Con-Ed right-of-way. The five crossings are located at the following approximate Millennium mileposts: 403.8; 406.4; 409.1; 410.7; and 417.0.
- b. Periodic Pigging: In the first and third years following the in-service date of the Millennium Pipeline, Millennium shall conduct "smart" pig surveys of the pipeline segments identified in this MOU. At the end of this period, the parties shall agree to re-evaluate the pigging requirements based upon the application of good engineering judgment.
- c. Automatic/Remotely Controlled Valves: Millennium shall include automatic/remotely controlled valves capable of terminating gas flow to the segments of the pipeline subject to this MOU (valves to be located at approximate Millennium mile posts 403, 410 and 417) which will facilitate the prompt termination of gas delivery in the event of emergency conditions. Millennium also agrees to continuously monitor the pressure conditions along these segments.
- d. Close Interval Surveys: Following construction and every four (4) years thereafter, Millennium shall conduct a close interval survey (typical interval equal to approximately three feet) to document the pipe to soil potential.
- e. Waveform Monitoring or Equivalent: Millennium and the PSCNY will jointly evaluate the feasibility of installing waveform monitoring or an equivalent system to monitor adequate pipe to soil potentials on a real

time basis along with real time monitoring for third party construction activities. If the system is found to be practicable and economically reasonable in this application, it will be installed accordingly.

- f Increased Wall Thickness: All segments of the pipeline subject to this MOU shall be constructed with a wall thickness equal to or greater than 0.525 inches. Yield strength of the steel will be equal or greater to 70,000 psi. Following definition of the segments of the pipeline subject to this MOU in accordance with paragraph (a) (3) above, if two segments are less than 400 feet apart, the pipe between such segments shall be constructed to the thickness specified above. Within forty-eight (48) hours following execution of this MOU, Millennium shall inform the PSCNY of the pipe toughness criteria to be utilized in the segments of the pipeline subject to this MOU and thereafter shall incorporate the pipe toughness criteria into the construction drawings in accordance with paragraph (m) below.
  
- g Electrical Mitigation Design: Millennium shall design the pipeline system in the segments subject to this MOU to adequately mitigate induced voltages, induced currents and fault currents. Millennium shall review the design with the NYSPSC.
  
- h Counterpoise: Millennium shall repair and/or relocate any counterpoise lines associated with the Con-Ed right-of-way affected by construction or which adversely affect the pipeline. This requirement shall apply throughout Westchester County.
  
- i. Construction Staging: Except for areas where the Millennium Pipeline crosses the Con-Ed right-of-way, Millennium shall not engage in any construction activities or construction staging on the actively maintained portion of the Con-Ed right of-way, except as specifically authorized by Con-Ed in accordance with the procedures specified in paragraph (k) below.
  
- j Stop Work Authority: For segments of the pipeline subject to this MOU, Millennium shall propose as part of the conditions associated with a final certificate from the Federal Energy Regulatory Commission a procedure whereby inspectors representing the PSCNY may identify significant violations of the construction-related safety mitigation measures required by this MOU or other pipeline safety requirements specified in the FERC certificate for the Millennium Project (hereinafter the requirements subject to this paragraph shall be referred to as "Pipeline Safety Requirements") to a person or persons who will have authority to order

Millennium and/or its contractors, agents or representatives, to stop work until such time as the violations have been corrected. Such person or persons shall, upon receipt of a stop work request from inspectors representing the PSCNY (in certain instances with the advice of Con Ed) pertaining to Pipeline Safety Requirements, interrupt work until the violation has been corrected. Such procedures shall be subject to an after-the-fact dispute resolution mechanism to promptly resolve any disputes that may arise concerning whether the pipeline is being constructed in violation of Pipeline Safety Requirements and/or whether any asserted violation has been corrected. In the event that the PSCNY contests whether the asserted violation has been corrected, construction shall not continue for a period of twenty-four (24) hours following notification to the PSCNY of the determination by the inspector that the asserted violation has been corrected.

k Con-Ed Requirements: For all segments of the pipeline subject to this MOU, Millennium shall consult with Con-Ed regarding any requirements that are now in effect regarding construction activities on or near their electric right-of-way. Millennium shall comply with any such requirements. In addition, Millennium shall cooperate with Con-Ed regarding any electrical surveys that are required to verify the effectiveness of the counterpoise lines on the segments of the pipeline subject to this MOU or in any area where the counterpoise lines are affected, as provided in paragraph (h) above. In addition, Millennium shall consult with Con-Ed regarding appropriate special operating procedures during electrical storms. This consultation process shall require communication between Con-Ed and Millennium during storm events in order that Millennium may closely monitor its system operation during such storm events.

l Repair Procedures and Emergency Plan: For the segments of the pipeline subject to this MOU, Millennium shall prepare and comply with an adequate emergency response plan and leak repair procedures to respond to pipeline leaks. The PSCNY shall have the opportunity to review and comment upon the plan. The PSCNY and Millennium shall work diligently to agree on the plan.

m. Construction Specifications: The requirements set forth in this MOU shall be included in the construction drawings and specifications for the segments of the pipeline subject to this MOU. Such construction drawings shall include the pipe toughness criteria provided to the PSCNY in accordance with paragraph (f) above. The toughness criteria shall be incorporated by

reference into this MOU. A copy of such construction drawings and specifications shall be provided to the PSCNY for review and comment. The PSCNY and Millennium shall work diligently to agree on the consistency of the construction drawings and specifications with this MOU. The final construction drawings and specifications for the segments of the pipeline subject to the MOU shall incorporate any such changes.

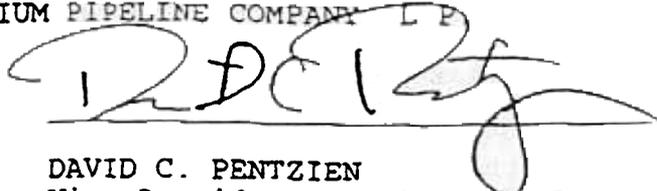
- n Additional Requirements: Nothing in this MOU shall prohibit the PSCNY from proposing to Millennium additional pipeline safety mitigation measures in the event that conditions are discovered after the Alternate Route is proposed in detail that were not foreseeable as of the time of execution of this MOU. In addition, for a period of thirty (30) days following execution of this MOU, the PSCNY shall have the opportunity to consult with Con-Ed, without disclosing the specifics of the terms of this MOU, to allow Con-Ed to make suggestions for additional pipeline safety mitigation measures. Thereafter, the PSCNY shall provide a copy of any Con Ed written comments to Millennium and a copy of this MOU to Con-Ed. The PSCNY shall review any such recommendations from Con-Ed and propose to Millennium any such pipeline safety mitigation measures recommended by Con-Ed which the PSCNY finds to be reasonably necessary to protect the Con-Ed Electric Transmission Facilities and the substation(s) referenced in paragraph (a) (3) above, above and beyond the level of protection afforded by this MOU. The parties acknowledge that the routing of the pipeline near the Con Ed Eastview substation could potentially cause safety concerns which may not be adequately addressed in this MOU. Therefore, the PSCNY and Millennium will work diligently to find additional mitigation measures regarding that substation. In order to facilitate the process contemplated by this paragraph, the parties shall continue to collaborate and shall, to the extent arranged by the PSCNY, collaborate with Con Ed regarding the issues to be addressed under this paragraph.
  
- o Binding Dispute Resolution: Millennium and the PSCNY agree that any dispute involving implementation of this MOU shall be subject to Binding Dispute Resolution. Millennium and the PSCNY shall, within thirty (30) days of the date of this MOU, each propose a person experienced in pipeline safety issues (with knowledge of the role that the Con-Ed right-of-way serves regarding electric transmission to New York City, the FERC certification process, and the requirements of this MOU) to serve as a decision-maker regarding all disputes that may arise under the terms of this MOU. In the event that the parties cannot agree to a

decision-maker, the decision-makers proposed by each party shall meet and designate a decision-maker. Millennium shall pay all costs associated with the decision-maker. The decision-maker shall have the authority to establish procedures to resolve disputes and shall be required to issue binding decisions. Any disputes relating to stop work orders shall be resolved expeditiously, within twenty-four (24) hours after the decision-maker is contacted relative to the dispute.

p FERC Requirements: Millennium shall file a copy of this MOU with the FERC within thirty (30) days following execution. However, in the event that the FERC requests a copy of this MOU prior to that time, Millennium shall file a copy with the FERC accordingly. In either event, Millennium shall request that the FERC incorporate the requirements of this MOU into the final certificate for the project. The pipeline safety mitigation measures required by this MOU shall be in addition to any requirements imposed by law or in the FERC certificate issued relative to this project.

MILLENNIUM PIPELINE COMPANY L P

By:

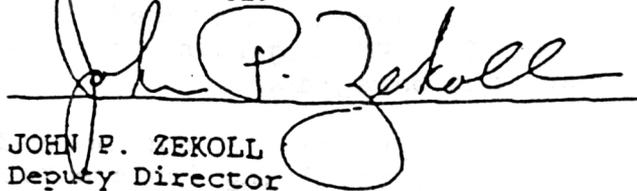


Name: DAVID C. PENTZIEN  
Title: Vice President, Market Development  
Columbia Gas Transmission

Date: April 18, 2000

PUBLIC SERVICE COMMISSION  
OF THE STATE OF NEW YORK

By:



Name: JOHN P. ZEKOLL  
Title: Deputy Director  
Office of Gas and Water

Date: April 18, 2000

**SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING BETWEEN THE  
PUBLIC SERVICE COMMISSION OF THE STATE OF NEW YORK AND  
MILLENNIUM PIPELINE COMPANY, L.P.  
(SMOU)**

SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING BETWEEN  
THE PUBLIC SERVICE COMMISSION OF THE STATE OF NEW YORK  
AND MILLENNIUM PIPELINE COMPANY, L.P.

PURPOSE

supplemental Memorandum of Understanding ("Supplemental MOU") is entered into by the Public Service Commission of the State of New York "PSCNY" and Millennium Pipeline Company, L.P. ("Millennium") (the "Parties" The purposes of this Supplemental MOU are to: (a) identify additional design features in fulfillment of the procedures contemplated by Paragraph "n" of an earlier Memorandum of Understanding between the Parties, dated April 18, 2000 the "MOU"); (b) to designate a decision-maker to resolve disputes pursuant to Paragraph "o" of the MOU; and (c) to clarify the procedures for binding dispute resolution required pursuant to Paragraph "o" of the MOU

THE PARTIES AGREE THAT:

1. A. 9/9A Proposal.

The Alternate Route, as that term is used in the MOU, is identified as the "9/9A Proposal" and is described in Section 2.1 of the Supplemental Draft Environmental Impact Statement ("SDEIS") issued relative to the Millennium Project, dated March 2001 (hereinafter the Alternate Route and the 9/9A Proposal shall be collectively referred to as the "9/9A Proposal"). Pursuant to Paragraph "a" of the MOU, the requirements of the MOU and the additional requirements set forth in this Supplemental MOU shall apply only to the following segments of the ~~9/9A Proposal~~ and the six power line crossings more particularly described as follows:

- a. Millennium Mile Post 391.4 to 392.1 -- Buchanan;

- b Millennium Mile Post 402.3 to 407.3 -- Elmsford North;
- c. Millennium Mile Post 407.5 to 409.9 -- Elmsford;
- d. Millennium Mile Post 414.6 to 418.0 -- Sprain Ridge; and
- e. Crossings at Mile Posts 402.7, 405.4, 406.8, 409.6, 416.5 & 417.6.

A map showing these locations is attached as Attachment "A"

#### B. Con-Ed/Taconic Variation

In addition, the requirements of the MOU and the additional requirements of this Supplemental MOU shall apply to the Con-Ed Offset/State Route 100 Alternative, as that alternative is described in section 6.1.1 of SDEIS (hereinafter the "Con-Ed Offset Alternative") if that alternative is modified to include the variation described below (this alternative, with the variation described below, is referred to as the "Con-Ed/Taconic Variation"). The Con-Ed/Offset Alternative starts at Millennium milepost 391.2 and extends 12.3 miles to the point where it interconnects with the 9/9A Proposal at milepost 401.3. The Con-Ed/Taconic Variation starts at Con-Ed Offset Alternative milepost 8.3, proceeds along western side of the Taconic Parkway 5.2 miles and rejoins the 9/9A Proposal at milepost 404.1. Both the Con-Ed Offset Alternative and the Con-Ed/Taconic Variation are depicted on the map attached as Attachment "A." The Con-Ed/Taconic Variation involves locating the pipeline on the western side of the southbound lane of the Taconic Parkway instead of locating the pipeline adjacent to Route 100.

- 2. Pursuant to Paragraph "f" of the MOU, the temperature at which the pipe toughness criteria will be utilized in the segments of the pipeline subject to the MOU and this Supplemental MOU shall be set at 25 degrees Fahrenheit. The revised pipe toughness criteria to be utilized in the segments of the pipeline subject to the MOU and this Supplemental MOU are attached as Attachment "B." The Charpy Energy Values referred to as Alt No. 2 on page 2 of Attachment B are applicable to the pipeline in all of Westchester.
- 3. Pursuant to Paragraph "n" of the MOU, the segments of the pipeline subject to the MOU and this Supplemental MOU shall be tested at a minimum of 1.5 times its Maximum Allowable Operating Pressure ("MAOP") for a period of not less than 24 hours.
- 4 Pursuant to Paragraph "b" of the MOU, Millennium shall conduct

"smart" pig surveys of the pipeline segments of the pipeline subject to the MOU and this Supplemental MOU prior to in-service, 1 year after in-service, 3 years after in-service, 6 years after in-service, and 9 years after in-service, for the purpose of detecting pipe wall loss and any other degradation of the pipeline segments. At the end of this period, the Parties shall agree to re-evaluate the pigging requirements based upon the application of good engineering judgment.

5. Pursuant to Paragraph "n" of the MOU, radiographs of each weld within the segments of the pipeline subject to the MOU and this Supplemental MOU shall be reviewed by a Level III Certified Radiograph Inspector. Furthermore, the procedures utilized by the aforementioned radiograph inspector shall be reviewed by a licensed professional engineer and certified accordingly.
6. Pursuant to Paragraph "c" of the MOU, Millennium shall adopt a design basis in Westchester County which, in the event of a catastrophic failure, would allow the pipeline to detect the failure, isolate the failed section, and passively evacuate the isolated section in no more than 3 minutes. To effectuate this standard, all main line valves in Westchester County shall be fitted with actuators that shall accomplish a 3 minute passive evacuation standard and shall be installed at spacing not greater than 5 miles between each valve throughout Westchester County.
7. Pursuant to Paragraph "n" of the MOU, gas odorization in Westchester County shall conform to 49 CFR Part 192.625, and gas will be odorized to the concentration presently required for distribution mains in 16 NYCRR Section 255.625.
8. Pursuant to Paragraph "k" of the MOU, Millennium shall reimburse Con Edison for the reasonable cost of necessary electric safety inspectors during construction inside Con Edison's power line right-of-way.
9. This Supplemental MOU sets forth the final agreement of the Parties regarding the design features to be incorporated into the Millennium Project for the segments of the pipeline subject to the MOU and this Supplemental MOU. Millennium shall file this Supplemental MOU with the FERC. Following certification of a final route through Westchester County, this Supplemental MOU shall be revised to correct the milepost designations contained in this Supplemental MOU to reflect the same locations (if relevant) for the route that is selected in the final certificate for the Millennium Project and to designate the specific location of each valve required

pursuant to Paragraph 6 above

- 10 Pursuant to Paragraph "m" of the MOU, between mileposts 0.5 and 7.8 of the Con-Ed Offset Alternative, Millennium shall install the pipeline at a distance no less than 100' measured horizontally from the nearest conductor of the Southwestern most transmission line.
- 11 If the Wave Form Monitoring or Equivalent systems described in Paragraph "e" of the MOU is found not to be practicable for application, Millennium and the PSCNY will work diligently to identify other mechanical methodologies to provide added protection to the pipeline in critical areas.
12. Pursuant to Paragraph "o" of the MOU, Millennium and PSCNY hereby designate Charles A. Zielinski to serve as the decision-maker identified in Paragraph "o" of the MOU and to exercise the powers and authority set forth therein and under this Supplemental MOU. In the event that Mr. Zielinski is not able to serve as the decision-maker for any reason or the Parties decide that an additional decision-maker is necessary to accommodate anticipated construction activities, the Parties shall follow the procedures set forth in Paragraph "o" of the MOU to designate an alternate or additional decision-maker. If the Parties are unable to agree to an alternate or additional decision-maker, Mr. Zielinski shall assist with the selection process.
13. In the event a dispute arises between Millennium and the PSCNY involving implementation of the MOU or the Supplemental MOU (other than a dispute involving a Stop Work Order), the following procedures shall apply:
  - a Each Party shall submit to the decision-maker a Position Statement setting forth its contentions with respect to the dispute. Each Party's Position Statement shall be accompanied by any and all evidence or other publicly available materials the Party deems relevant and necessary for resolution of the dispute. The Position Statements shall be submitted in accordance with a schedule agreed upon by the Parties, or if the Parties cannot agree, in accordance with a schedule established by the decision-maker.
  - b. There shall be no discovery and no further submissions by the Parties unless requested by the decision-maker in his sole discretion.

Unless both Parties consent to a hearing, or unless the decision-maker calls for a hearing, the decision-maker

shall decide the dispute solely upon the pleadings and evidence contained in, or submitted with, the Position Statements.

- d. If a hearing is held in accordance with the consent of the Parties or at the request of the decision-maker, such hearing shall be held as soon as possible at a location, date and time agreed to by the Parties, or if the Parties cannot so agree, at a location, date and time designated by the decision-maker.
  - e. All disputes submitted to the decision-maker for resolution shall be resolved by the decision-maker expeditiously.
14. In the event a dispute arises between Millennium and the PSCNY involving a Stop Work Order, the following procedures shall apply:
- a. Prior to commencing construction on any segment of the pipeline subject to the MOU and this Supplemental MOU, Millennium shall designate an Inspector or Inspectors (the "Inspector") who shall have the authority to stop work in accordance with the provisions of this Paragraph.
  - b. The PSCNY may, for any segment of the pipeline subject to the MOU and this Supplemental MOU, issue a Stop Work Order to the Inspector and Millennium verbally or in writing regarding violations of the construction-related safety mitigation measures required by the MOU or this Supplemental MOU, or other pipeline safety requirements specified in the FERC certificate for the Millennium Project (hereinafter the requirements subject to this Paragraph shall be referred to as "Pipeline Safety Requirements"). Any such Stop Work Order shall specify the work or activities that are subject to the Stop Work Order. Millennium shall immediately abate all work and activities subject to a Stop Work Order. If the Stop Work Order is verbal, then the PSCNY shall promptly issue a written Stop Work Order. The written Stop Work Order shall be served upon the Inspector, Millennium and the decision-maker via facsimile, e-mail, or overnight mail at the addresses designated by the Inspector, Millennium and the decision-maker. If Millennium corrects the alleged violation that is the subject of a Stop Work Order, the Inspector shall notify the PSCNY and have the authority to authorize work to resume after the alleged violation has been corrected, unless the PSCNY objects. Such authorization may be verbal or in writing. If the authorization to commence work is verbal, the Inspector

shall promptly issue written authorization for Millennium to resume work. The written authorization to resume work shall promptly be served upon Millennium, the PSCNY and the decision-maker in the manner authorized by this Paragraph.

If the PSCNY contests that the alleged violation has not been corrected, the PSCNY shall, after notifying the Inspector verbally, put in writing that the PSCNY contests the decision to authorize work to resume (hereinafter any such verbal or written notice shall be referred to as a "Notice of Contest"). Millennium shall not resume work if the Notice of Contest is issued prior to the resumption of work or activities subject to a Stop Work Order. The written Notice of Contest shall be served upon the Inspector, Millennium and the decision-maker in the manner authorized by this Paragraph. Upon receipt of a Notice of Contest, Millennium may either make further corrections or request a decision from the decision-maker. If further corrections are made, the Inspector shall notify the PSCNY and have the authority to authorize work to resume after the alleged violation has been corrected unless the PSCNY continues to object. The PSCNY shall have the right to issue a further Notice of Contest, all of which shall be in accordance with the procedures specified in this Paragraph, including the requirement that Millennium stop work subject to a further Notice of Contest. Notwithstanding the effort of Millennium to make further corrections, the PSCNY may request a decision from the decision-maker at any time.

- c. Upon referral of a dispute to the decision-maker, a conference among the Inspector, Millennium, the PSCNY, and the decision-maker shall be held immediately. The conference may be held in person or telephonically. At the conference, Millennium shall present its position in opposition to the Stop Work Order and/or its position concerning how the alleged violation has been corrected, which position may be presented orally. The PSC may then present its position.
- d. The decision-maker shall render a decision on the propriety of the Stop Work Order and/or whether the alleged violation has been corrected as soon as possible after the end of the conference, but in any event within twenty-four hours after the initial Stop Work Order by the PSCNY, or twenty-four hours after authorization has been granted to resume work, whichever is applicable. The determination of the decision-maker may be made orally,

within the prescribed time period, and confirmed in writing thereafter.

Except as specifically stated in this Supplemental MOU and the MOUs dated March 29, 2000 and April 18, 2000, all construction plans, procedures and requirements to be developed by Millennium pursuant to the aforementioned MOUs shall be in place prior to the commencement of any construction of the pipeline in Westchester County.

16. The Parties agree that the terms and conditions in the previously agreed to MOUs dated March 29, 2000 and April 18, 2000 are hereby incorporated into this Supplemental MOU.

MILLENNIUM PIPELINE COMPANY, L.P.

PUBLIC SERVICE COMMISSION  
OF THE STATE OF NEW YORK

By:



Name:

DAVID C. PENTECOST

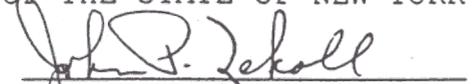
Title:

Chairman

Date:

4/9/01

By:



Name:

JOHN P. ESKOLL

Title:

Dep. Dir. OFF. OF GAS & WATER

Date:

4/9/01



## **Attachment B**

### **Fracture Toughness of API Line Pipe**

A.1 Charpy v-notch impact testing shall be conducted in accordance with API 5L SR5 a and b.

A.2 Sample Frequency

Samples shall be removed from one joint of pipe from each 100 pipes per heat.

A.3 Sample Location

Samples shall be located 90 degrees from the weld seam.

A.4 Specimen Preparation

Three Charpy V-notch specimens shall be machined from each sample and impact tested in accordance with ASTM A370 and the following.

A.4.2 The notch location of the Charpy specimens shall be centered in the wall thickness

A.4.3 The specimens shall be oriented transverse to the pipe axis.

Flattening of pipe samples from which the specimens are obtained is not permitted

The Charpy energy values listed in Table A.1 are required for full size 10mm X 10mm specimens. If the diameter and wall thickness does not permit the use of full size specimens, 10mm X 7.5mm, 10mm X 6.7mm, or 10mm X 5mm subsize specimens may be used. The specimen size shall be the largest obtainable from the size pipe being tested. The minimum energy values for subsize specimens shall be 75%, 67%, or 50% of those listed in Table A.1 for specimen sizes 10mm X 7.5mm, 10mm X 6.7mm, or 10mm X 5mm respectively.

A.4.6 The thickest possible Charpy V-notch specimen shall be used for testing in accordance with API 5L.

A.5 Test Temperature

The specimens shall be tested at 25 degrees F unless otherwise specified in the purchase order.

A.6 Test Requirements

The Charpy v-notch test results shall meet the energy values listed in Table A.1, Alternate No. 2. The shear area of the specimens shall be recorded and reported.

A.7 Retests

If any sample fails to pass the test, that length of pipe shall be rejected and the same number of samples shall be taken from each of two other pipes in the same lot and tested. If both additional test pipes pass then all pipe except the rejected pipe from the lot will be accepted. If one or both of the additional test pipes fail, then the lot shall be rejected except that the remaining pipes in the lot, at the manufacturer's option, may each individually be tested.

A.8 Drop Weight Tear Tests (DWTT)

Drop weight tear tests shall be conducted in accordance with API 5L SR6. The test temperature shall be 25°F unless otherwise specified in the purchase order. The minimum acceptable average percent shear for each heat shall be 85%.

**A.9 Transition Temperature Curves**

Full transition temperature curves showing Charpy energy (CVN) values (including the upper shelf energy) and Drop Weight Tear Test shear area fracture appearance shall be developed and provided for pipe representing 10% of the heats of steel supplied on this order. The CVN curves should cover a temperature range that produces energies from the upper shelf value at 100% shear to an energy of 50% of upper shelf value. The DWTT shear area values should cover a range of temperatures that produce shear areas from 50 to 100%.

**TABLE A.1  
CHARPY ENERGY VALUES**

<i>Pipe Grade</i>	<i>Diameter (in.)</i>	<i>W.T. (in.)</i>	<i>Design Factor</i>	<i>Energy Values (ft-lbs)</i>	
				<i>Average of 3 Specimens/Minimum 1 Specimen</i>	
				<i>ALT No. 1</i>	<i>ALT No. 2</i>
X70	24	0.343	0.50	26/20	35/26
X70	24	0.429	0.40	26/20	35/26
X70	24	0.525	0.33	26/20	35/26

**End of Specification**

**JUNE 19, 2001 LETTER**

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE  
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: <http://www.dps.state.ny.us>

PUBLIC SERVICE COMMISSION

MAUREEN O. HELMER  
*Chairman*  
THOMAS J. DUNLEAVY  
JAMES D. BENNETT  
LEONARD A. WEISS  
NEAL N. GALVIN



LAWRENCE G. MALONE  
*General Counsel*  
JANET HAND DEIXLER  
*Secretary*

June 19, 2001

Hon. David P. Boergers  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: Millennium Pipeline Company, L.P.; Docket Nos. CP98-150-000 and CP98-151-000**

Dear Secretary Boergers:

The purpose of this letter is to clarify the New York State Public Service Commission's ("NYPSC") view with respect to specific areas located within the Con Ed Offset/Taconic Alternative ("Taconic Variation").<sup>1</sup> These locations are as follows; milepost 0.47-1.16 in the Westminster/Watch Hill area, milepost 2.40-3.21 in the Jane E. Lytle Arboretum/Hessian Hills area, and a strip of land along milepost 7.04-7.20.

On June 5-7, 2001, the FERC organized a site inspection of the Taconic Variation. At that time, the NYPSC staff observed that the above-referenced tracts of land may require modifications from those contained in the April 9, 2001 Supplemental Memorandum of Understanding ("SMOU") agreed to between Millennium and the PSCNY. In those specific locations, it may not be practicable to strictly adhere to the SMOU.

If FERC determines that routing changes are necessary, the PSCNY would not oppose moving the offset to 100' from the center of the towers (rather than from the nearest conductor as agreed to in the SMOU) at milepost 0.47-1.16 in the Westminster/Watch Hill area, milepost

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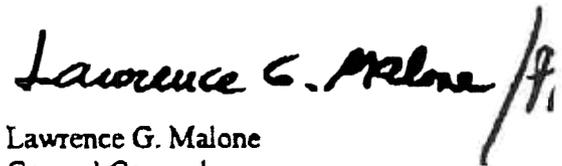
<sup>1</sup> FERC rules permit the filing of a response that clarifies the arguments and enhances the FERC's understanding of the facts and issues raised in the record. 18 C.F.R. §385.213 (2000); Transcontinental Gas Pipeline Corp., 68 FERC ¶ 61,338 (1994); Old Dominion Electric Cooperative v. PJM Interconnection, L.L.C., et al., 92 FERC ¶ 61,278 (2000); Egan Hub Partners L.P., 73 FERC ¶ 61,334 at 61,929 (1995); El Paso Electric Co., et al., 72 FERC ¶ 61,292 at 62,256 (1995); Transwestern Pipeline Co., 50 FERC ¶ 61,362 at 62,090 (1990).

Millennium Pipeline Company, L.P. Docket Nos. CP98-150-000 and CP98-151-000  
June 18, 2001

2.40-5.21 in the Jane E. Lytle Arboretum/Hessian Hills area<sup>2</sup>, and a strip of land along milepost 7.04-7.20.<sup>3</sup> Placing the pipeline 100' from the center of the towers would be preferable to adding additional crossovers, which would seriously undermine the safety and reliability of the Con Ed electric corridor.<sup>4</sup>

The PSCNY will continue to work with Millennium to address any necessary changes to the SMOU in these affected areas.

Sincerely,



Lawrence G. Malone  
General Counsel  
Public Service Commission  
Of The State Of New York  
Three Empire State Plaza  
Albany, New York 12223-1352

cc: Jennifer Kerrigan, Team Leader  
All Parties on the Service List

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<sup>2</sup> The PSCNY acknowledges that additional measures may have to be taken with regard to the Jane E Lytle Arboretum.

<sup>3</sup> In the PSCNY's comments on the FERC's Supplemental Draft Environmental Impact Statement, the PSCNY acknowledged that in most instances the Con Ed ROW can accommodate the offset agreed to in the SMOU. However, the PSCNY recognized that there are isolated instances where this cannot be done without jeopardizing existing structures. NYPSC Comments dated April 30, 2001 at fn 5.

<sup>4</sup> As indicated in our initial comments on the Supplemental Draft Environmental Impact Statement ("SDEIS"), the safety measures adopted in the SMOU and prior MOUs by Millennium and the PSCNY are absolutely critical to the protection of the Con Ed ROW. This ROW carries about 40% of New York City's peak electric demand.